As filed with the Securities and Exchange Commission on November 7, 2016

File No.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934

AquaBounty Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**04-3156167**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2 Mill and Main Place, Suite 395 Maynard, Massachusetts	**01754**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (978) 648-6000

Copies of correspondence to:

David A. Frank	**Bradley C. Brasser**
Chief Financial Officer	**Michael P. Earley**
AquaBounty Technologies, Inc.	**Jones Day**
2 Mill and Main Place, Suite 395	**77 W. Wacker Dr.**
Maynard, Massachusetts 01754	**Chicago, Illinois 60601**
Telephone: (978) 648-6000	**Telephone: (312) 782-3939**

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered	**Name of each exchange on which each class is to be registered**
Common Stock, par value $0.001 per share	**The NASDAQ Stock Market LLC**

Securities to be registered pursuant to Section 12(g) of the Act:

None
(Title of class)

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	☐

The Company qualifies as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, or the Securities Act.

AQUABOUNTY TECHNOLOGIES, INC.
INFORMATION REQUIRED AND INCORPORATED BY REFERENCE IN FORM 10
CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

Certain information required to be included herein is incorporated by reference to specifically identified portions of the information statement filed herewith as Exhibit 99.1.

Item 1. Business.

The information required by this item is contained under the sections of the information statement entitled “Summary,” “Risk Factors,” “Information on AquaBounty,” “Certain Relationships and Related Transactions, and Director Independence,” “Relationship with Intrexon Following the Distribution,” and “Where You Can Find More Information.”

Item 1A. Risk Factors.

The information required by this item is contained under the section of the information statement entitled “Risk Factors.”

Item 2. Financial Information

The information required by this item is contained under the sections of the information statement entitled “Capitalization,” “Selected Financial Data,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation.”

Item 3. Properties.

The information required by this item is contained under the section of the information statement entitled “Information on AquaBounty — Properties.”

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The information required by this item is contained under the section of the information statement entitled “Security Ownership of Certain Beneficial Owners and Management.”

Item 5. Directors and Executive Officers.

The information required by this item is contained under the sections of the information statement entitled “Management,” “Certain Relationships and Related Transactions, and Director Independence,” and “Corporate Governance.”

Item 6. Executive Compensation.

The information required by this item is contained under the section of the information statement entitled “Executive Compensation.”

Item 7. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is contained under the sections of the information statement entitled “Management,” “Certain Relationships and Related Transactions, and Director Independence,” and “Corporate Governance.”

Item 8. Legal Proceedings.

The information required by this item is contained under the section of the information statement entitled “Information on AquaBounty—Legal Proceedings.”

Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.

The information required by this item is contained under the sections of the information statement entitled "Risk Factors," "The Distribution," "Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters," "Description of Capital Stock," and "Security Ownership of Certain Beneficial Owners and Management."

Item 10. Recent Sales of Unregistered Securities.

The information required by this item is contained under the sections of the information statement entitled "The Distribution," and "Recent Sales of Unregistered Securities."

Item 11. Description of Registrant's Securities to be Registered.

The information required by this item is contained under the sections of the information statement entitled "Risk Factors," "The Distribution," and "Description of Capital Stock."

Item 12. Indemnification of Directors and Officers.

The information required by this item is contained under the section of the information statement entitled "Limitation of Liability and Indemnification of Directors and Officers."

Item 13. Financial Statements and Supplementary Data.

The information required by this item is contained under the section of the information statement entitled "Index to Financial Statements" (and the financial statements referenced therein).

Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 15. Financial Statements and Exhibits.

(a) Financial Statements

The information required by this item is contained under the section of the information statement entitled "Index to Financial Statements" (and the financial statements referenced therein).

(b) Exhibits

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
3.1	Third Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc.
3.2	Amended and Restated Bylaws of AquaBounty Technologies, Inc.
4.1	Specimen Certificate of Common Stock
10.1	Stock Purchase Agreement, by and between AquaBounty Technologies, Inc. and Intrexon Corporation, dated November 7, 2016
10.2	AquaBounty Technologies, Inc. 2006 Equity Incentive Plan
10.3	Amendment No. 1 to AquaBounty Technologies, Inc. 2006 Equity Incentive Plan
10.4	Form of Stock Option Agreement pursuant to AquaBounty Technologies, Inc. 2006 Equity Incentive Plan
10.5	Form of Restricted Stock Agreement pursuant to AquaBounty Technologies, Inc. 2006 Equity Incentive Plan
10.6	AquaBounty Technologies, Inc. 2016 Equity Incentive Plan
10.7	Relationship Agreement, by and between AquaBounty Technologies, Inc. and Intrexon Corporation, dated December 5, 2012
10.8	Exclusive Channel Collaboration Agreement, by and between AquaBounty Technologies, Inc. and Intrexon Corporation, dated February 14, 2013
10.9	Subscription Agreement, by and between AquaBounty Technologies, Inc. and the investors listed therein, dated February 14, 2013
10.10	Subscription Agreement, by and between AquaBounty Technologies, Inc. and Intrexon Corporation, dated March 5, 2014
10.11	Subscription Agreement, by and between AquaBounty Technologies, Inc. and Intrexon Corporation, dated June 24, 2015
10.12	Promissory Note Purchase Agreement, by and between AquaBounty Technologies, Inc. and Intrexon Corporation, dated February 22, 2016
10.13	Lease and Management Agreement, by and between AquaBounty Panama, S. de R.L. and Luis Lamastus, dated October 1, 2013
10.14	Agreement, by and among Atlantic Canada Opportunities Agency and AQUA Bounty Canada Inc. and AquaBounty Technologies Inc., dated December 16, 2009
10.15	Employment Agreement, by and between Ronald Stotish and AquaBounty Technologies, Inc., dated April 1, 2006
10.16	Employment Agreement, by and between David Frank and AquaBounty Technologies, Inc., dated October 1, 2007
10.17	Employment Agreement, by and between Alejandro Rojas and AquaBounty Technologies, Inc., dated December 30, 2013
10.18	Collaborative Research Agreement, by and between AQUA Bounty Canada Inc. and Tethys Aquaculture Canada, Inc., dated March 22, 2012.
10.19	Intellectual Property License and Full and Final Release among Genesis Group, Inc., HSC Research and Development Partnership and AquaBounty Technologies, Inc., dated February 28, 2014

Exhibit Number	Exhibit Description
10.20	Amended and Restated Lease Agreement, by and between AquaBounty Panama, S. de R.L. and Ligia Gabriela Surgeon de Lamastus, dated May 1, 2016
21.1	List of Subsidiaries of AquaBounty Technologies, Inc.
99.1	Preliminary Information Statement

SIGNATURES

Pursuant to the requirements Section 12 of the Securities Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 7, 2016

AQUABOUNTY TECHNOLOGIES, INC.
(Registrant)

By: /s/ Ronald L. Stotish
(Signature)
Name: Ronald L. Stotish
Title: Chief Executive Officer and President

EXHIBIT INDEX

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Exhibit 3.1

THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AQUABOUNTY TECHNOLOGIES, INC.
(ORIGINALLY INCORPORATED AS A/F PROTEIN, INC.)

AQUABOUNTY TECHNOLOGIES, INC., a corporation organized and existing under the laws of the state of Delaware (the "Corporation") hereby certifies that:

1. The name of the Corporation is AquaBounty Technologies, Inc.

2. The date of filing of the Corporation's original Certificate of Incorporation was December 17, 1991 and was amended and restated on March 17, 2006 (as amended and restated, the "Original Certificate").

3. The Third Amended and Restated Certificate of Incorporation, which restates, integrates and further amends the Original Certificate as provided in Exhibit A hereto, has been duly adopted in accordance with the provisions of Section 242 and Section 245 of the General Corporation Law of the State of Delaware (the "DGCL") by the Board of Directors of the Corporation.

4. Pursuant to Section 245 of the DGCL, approval of the stockholders of the Corporation has been obtained.

5. The Third Amended and Restated Certificate of Incorporation so adopted reads in full as set forth in Exhibit A attached hereto and is hereby incorporated by reference.

IN WITNESS WHEREOF, the undersigned have signed this certificate this 8th day of May, 2015, and hereby affirm and acknowledge under penalty of perjury that the filing of this Third Amended and Restated Certificate of Incorporation is the act and deed of AquaBounty Technologies, Inc.

Effective as of May 8, 2015**.**

AQUABOUNTY TECHNOLOGIES, INC.:

/s/ David A. Frank
Name: David A. Frank
Title: Chief Financial Officer

ATTEST:

/s/ Maria Chan
Name: Maria Chan
Title: Controller

EXHIBIT A

THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AQUABOUNTY TECHNOLOGIES, INC.
(ORIGINALLY INCORPORATED AS A/F PROTEIN, INC.)

1. The name of this corporation is AquaBounty Technologies, Inc. (the "Corporation").

2. The address, including street, number, city and county of the registered officer of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 in the county of New Castle; and the name of the registered agent of the Corporation in the State of Delaware at such address is Corporation Service Company.

3. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware or any applicable successor act thereto, as the same may be amended from time to time (the "DGCL").

4. (a) The Corporation is authorized to issue two (2) classes of stock to be designated Common Stock and Preferred Stock. The Corporation is authorized to issue Two Hundred Million (200,000,000) shares of Common Stock, with a par value of One Tenth of One Cent ($0.001) per share, and Forty Million (40,000,000) shares of Preferred Stock, with a par value of One Cent ($0.01) per share.

(b) The Preferred Stock may be issued in any number of series, as determined by the Corporation's board of directors (the "Board of Directors"). The Board of Directors is hereby authorized to issue the shares of Preferred Stock in such series and to fix from time to time before issuance the number of shares to be included in any such series and the designation, relative powers, preferences, and rights and qualifications, limitations, or restrictions of all shares of such series. The authority of the Board of Directors with respect to each such series will include, without limiting the generality of the foregoing, the determination of any or all of the following:

(i) the number of shares of any series and the designation to distinguish the shares of such series from the shares of all other series;

(ii) the voting powers, if any, and whether such voting powers are full or limited in such series;

(iii) the redemption provisions, if any, applicable to such series, including the redemption price or prices to be paid;

(iv) whether dividends, if any, will be cumulative or noncumulative, the dividend rate of such series, and the dates and preferences of dividends on such series;

(v) the rights of such series upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Corporation;

(vi) the provisions, if any, pursuant to which the shares of such series are convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock, or any other security, of the Corporation or any other corporation or other entity, and the price or prices or the rates of exchange applicable thereto;

(vii) the right, if any, to subscribe for or to purchase any securities of the Corporation or any other corporation or other entity;

(viii) the provisions, if any, of a sinking fund applicable to such series; and

(ix) any other relative, participating, optional, or other special powers, preferences, rights, qualifications, limitations, or restrictions thereof;

all as may be determined from time to time by the Board of Directors and stated in the resolution or resolutions providing for the issuance of such Preferred Stock.

(c) Subject to the rights of the holders of any series of Preferred Stock, the number of authorized shares of any of the Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL, and no vote of the holders of any of the Common Stock or Preferred Stock voting separately as a class shall be required therefor.

5. For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

(a) (i) The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. Subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors which shall constitute the whole Board of Directors shall be fixed by the Board of Directors in accordance with the bylaws of the Corporation (the "Bylaws").

(ii) Subject to the rights of holders of any series of Preferred Stock, holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. The term of each director shall be one year and shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, disqualification, resignation or removal.

(iii) Subject to the rights of the holders of any series of Preferred Stock, the Board of Directors or any individual director may be removed from office at any time (i) with cause by the affirmative vote of the holders of at least a majority of the voting power of the then outstanding voting stock of the Corporation entitled to vote thereon (the "Voting Stock") or (ii) without cause by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the then outstanding shares of Voting Stock.

(iv) Subject to the rights of holders of any series of Preferred Stock, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, disability, resignation, disqualification, removal, or other cause will be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director. No decrease in the number of directors constituting the Board of Directors will shorten the term of an incumbent director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall hold office for the remaining term of his or her predecessor.

(b) (i) Notwithstanding any other provision of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any series of Preferred Stock required by law, by this Certificate of Incorporation or by the certificate of designation of a series of Preferred Stock, the Bylaws may also be amended, altered or repealed and new Bylaws may be adopted by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) in voting power of the stock of the Corporation entitled to vote thereon. In furtherance and not in limitation of the powers conferred upon it by law, the Board of Directors is expressly authorized and empowered to adopt, amend and repeal the Bylaws by the affirmative vote of a majority of the total number of directors present at a regular or special meeting of the Board of Directors at which there is a quorum or by written consent.

(ii) The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

(iii) Subject to the terms of any series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders called in accordance with the Bylaws and no action may be taken by the stockholders by written consent in lieu of a meeting.

(iv) Special meetings of the stockholders of the Corporation (i) may be called by the Chairman of the Board of Directors or the Corporation's Chief Executive Officer, and (ii) shall be called by the Corporation's Chief Executive Officer or Secretary at the request in writing of a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such written request is made by the Board of Directors), and may not be called by another other person or persons. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

(v) Advance notice of stockholder nominations for the election of directors and of other business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

6. (a) To the fullest extent permitted by the DGCL or any other laws presently or hereinafter in effect, directors of the Corporation shall have no personal liability to the Corporation or its stockholders for monetary damages for or with respect to any acts or omissions in the performance of such person's duties as a director of the Corporation, except to the extent now or hereafter required by law; provided, however, that nothing contained in this Section 6(a) shall eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to the provisions of Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. No repeal or modification of this Section 6(a) shall apply to or have any adverse effect on any right or protection of, or any limitation of the liability of, a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification. If the Delaware DGCL is amended after approval by the stockholders of this Section 6(a) to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

(b) The Corporation may indemnify, and advance expenses to, to the fullest extent permitted by law, any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that the person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(c) No amendment to or repeal of the provisions of this Section 6 shall apply to or have any effect on the liability or alleged liability of any person for or with respect to any acts or omissions of such person occurring prior to such amendment.

7. (a) The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in subsection (b) of this Section 7, and all rights conferred upon the stockholders herein are granted subject to this reservation.

(b) Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of a majority of the voting power of the stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to alter, amend or repeal any provision of this

Certificate of Incorporation, or to adopt any new provision of this Certificate of Incorporation. Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to alter, amend or repeal Section 5(a), Section 5(b)(i), Section 5(b)(iii), Section 6(a), Section 6(b), Section 8 and this sentence of this Certificate of Incorporation (other than any amendment of such Sections and this sentence in connection with a restatement of the Certificate of Incorporation), or in each case, the definition of any capitalized terms used therein or any successor provision (including, without limitation, any such article or section as renumbered as a result of any amendment, alteration, change, repeal or adoption of any other provision of this Certificate of Incorporation).

8. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (3) any action asserting a claim arising pursuant to any provision of the DGCL, or (4) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 8.

9. The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "Excluded Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any stockholder of the Corporation or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "Covered Persons"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

10. The Corporation shall not be subject to the provisions of Section 203 of the DGCL (Business Combination with Interested Stockholders). This Article shall be amended only by the affirmative vote of a majority of the Corporation's stockholders entitled to vote on such matter.

Exhibit 3.2

AQUABOUNTY TECHNOLOGIES INC.

AMENDED AND RESTATED BYLAWS

As Adopted and in
Effect as of May 18, 2012

/s/ David A. Frank
David A. Frank
Corporate Secretary

TABLE OF CONTENTS

STOCKHOLDERS' MEETINGS

1. Time and Place of Meetings. All meetings of the stockholders for the election of Directors or for any other purpose will be held at such time and place, within or without the State of Delaware, as may be designated by the Board of Directors (the "Board") of Aquabounty Technologies Inc. (the "Company") or, in the absence of a designation by the Board, the Chairman of the Board (the "Chairman"), the Chief Executive Officer, or the Secretary, and stated in the notice of meeting. Notwithstanding the foregoing, the Board may, in its sole discretion, determine that meetings of the stockholders shall not be held at any place, but may instead be held by means of remote communications, subject to the guidelines and procedures as the Board may adopt from time to time. The Board may postpone and reschedule any previously scheduled annual or special meeting of the stockholders.

2. Annual Meeting. An annual meeting of the stockholders will be held at such date and time as may be designated from time to time by the Board, at which meeting the stockholders will elect by a plurality vote the Directors to succeed those whose terms expire at such meeting and will transact such other business as may properly be brought before the meeting in accordance with Bylaw 8.

3. Special Meetings. Special meetings of the stockholders of the Company (i) may be called by the Chairman of the Board of Directors or the Chief Executive Officer, and (ii) shall be called by the Chief Executive Officer or Secretary at the request in writing of a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such written request is made by the Board of Directors) or the holders of not less than a majority of the outstanding common stock of the Company (the "Common Stock").

4. Notice of Meetings. Written notice of every meeting of the stockholders, stating the place, if any, date, and time thereof, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, will be given not less than 10 nor more than 60 calendar days before the date of the meeting to each stockholder of record entitled to vote at such meeting, except as otherwise provided herein or by law. Written notice of every meeting of stockholders shall be given by personal delivery or by mail or by electronic communication to the extent permitted by the Delaware General Corporation Law. If mailed, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Company. If electronically transmitted, such notice shall be deemed given when directed to an electronic mail address at which the stockholder has consented to receive notice. Confirmation of receipt will not be required. When a meeting is adjourned to another place, date, or time, written notice need not be given of the adjourned meeting if the place, if any, date, and time thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than 30 calendar days, or if after the adjournment a new record date is fixed for the adjourned meeting, written notice of the place, if

any, date, and time thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting must be given in conformity herewith. At any adjourned meeting, any business may be transacted which properly could have been transacted at the original meeting.

5. Inspectors. The Board shall appoint one or more inspectors of election to act as judges of the voting, to determine those entitled to vote at any meeting of the stockholders and to make a written report thereof, or any adjournment thereof, in advance of such meeting subject to, and in accordance with, Delaware General Corporation Law. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer of the meeting may appoint one or more substitute inspectors. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability.

6. Quorum. Except as otherwise provided by law or by the Company's Certificate of Incorporation, as it may be amended from time to time or supplemented by any Certificate of Designation setting forth the rights of any series of Preferred Stock that the Company may file from time to time (as so amended and supplemented, the "Certificate of Incorporation"), the holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, will constitute a quorum at all meetings of the stockholders for the transaction of business thereat. If, however, such quorum is not present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, will have the power to adjourn the meeting from time to time, as provided in these Bylaws and the Delaware General Corporation Law, until a quorum is present or represented. When a quorum is once present it is not broken by the subsequent withdrawal of any stockholder.

7. List of Stockholders. It shall be the duty of the Secretary or other officer who has charge of the stock ledger to prepare and make, at least 10 days before the meeting of the stockholders, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in such stockholder's name. Such list shall be produced and kept available at the times and places required by Delaware General Corporation Law.

8. Voting; Proxies. (a) Except as otherwise provided by law or the Certificate of Incorporation, each stockholder will be entitled at every meeting of the stockholders to one vote for each share of the Common Stock standing in the name of such stockholder on the books of the Company on the record date for the meeting and such votes may be cast either in person or by proxy but no such proxy shall be voted upon after three years from its date, unless such proxy provides for a longer period. Every proxy must be in a form permitted by the Delaware General Corporation Law. Without affecting any vote previously taken, a stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person, by revoking the proxy by giving notice to the Secretary of the Company, or by a later appointment of a proxy. The vote upon any question brought before a meeting of the stockholders may be by voice vote, unless otherwise required by the Delaware General Corporation Law, the Certificate of

Incorporation or these Bylaws or unless the Chairman or the holders of a majority of the outstanding shares of all classes of stock entitled to vote thereon present in person or by proxy at such meeting otherwise determine. Every vote taken by written ballot will be counted by the inspectors of election. When a quorum is present at any meeting, the affirmative vote of the holders of a majority of the stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter and which has actually been voted will be the act of the stockholders, except in the election of Directors or as otherwise provided in these Bylaws, the Certificate of Incorporation, or by law.

(b) If any stockholder of the Company who is not a U.S. person (as defined under Regulation S of the Securities Act of 1933 (the "Securities Act")) or any other person appearing to have an interest, economic or otherwise, in shares held by such stockholder, has been duly served with a written notice from the Company demanding information concerning the beneficial ownership and voting rights and powers of shares of the Company held by such stockholder and is in default for a period of fourteen (14) days from the date of service of such notice in supplying to the Company the information thereby required or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material respect, then (unless the Board of Directors otherwise determines) in respect of shares of capital stock held by such stockholder (the "Default Shares"), the stockholder shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred, with certain exceptions, be entitled to attend or vote either personally or by proxy at a stockholders' meeting of the Company or to exercise any other rights conferred by share ownership in relation to stockholders' meetings. Where the Default Shares represent 1 per cent. or more of the issued and outstanding shares of a particular class of capital stock, the Board of Directors may in their absolute discretion by notice to such stockholder direct (i) that any dividend or other money which would otherwise be available be payable in respect of the Default Shares shall be retained by the Company; and/or (ii) no transfer of any of the shares held by such stockholder shall be registered unless the transfer is approved by the Board of Directors in its sole discretion.

9. Order of Business. (a) The Chairman, or such other officer of the Company designated by the Board, will call meetings of the stockholders to order and will act as presiding officer thereof. Unless otherwise determined by the Board prior to the meeting, the presiding officer of the meeting of the stockholders will also determine the order of business and have the authority in his or her sole discretion to regulate the conduct of any such meeting, including without limitation by imposing restrictions on the persons (other than stockholders of the Company or their duly appointed proxies) that may attend any such stockholders' meeting, by ascertaining whether any stockholder or his proxy may be excluded from any meeting of the stockholders based upon any determination by the presiding officer, in his sole discretion, that any such person has unduly disrupted or is likely to disrupt the proceedings thereat, and by determining the circumstances in which any person may make a statement or ask questions at any meeting of the stockholders.

(b) At an annual meeting of the stockholders, only such business will be conducted or considered as is properly brought before the annual meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of the annual meeting (or any supplement thereto) given by or at the direction of the Board in accordance with Bylaw 4, (ii)

otherwise properly brought before the meeting by the presiding officer or by or at the direction of the Board, or (iii) otherwise properly requested to be brought before the annual meeting by a stockholder of the Company in accordance with Bylaw 9(c).

(c) For business to be properly requested by a stockholder to be brought before an annual meeting, (i) the stockholder must be a stockholder of the Company of record at the time of the giving of the notice for such annual meeting provided for in these Bylaws, (ii) the stockholder must be entitled to vote at such meeting, and (iii) the stockholder must have given timely notice thereof in writing to the Secretary. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Company not less than 45 calendar days prior to the first anniversary of the date on which the Company first mailed its proxy materials for the preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is advanced more than 30 calendar days prior to or delayed by more than 30 calendar days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the 90th calendar day prior to such annual meeting or the 20th calendar day following the day on which public disclosure of the date of such meeting is first made. In no event shall the public disclosure of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. With respect to the annual meeting of stockholders of the Company to be held in the year 2006, to be timely, a stockholder's notice must be so received not later than the close of business on the later of (A) the 90th calendar day prior to such annual meeting and (B) the 20th day following the calendar day on which public disclosure of the date of such annual meeting was first made, whichever first occurs. A stockholder's notice to the Secretary must set forth as to each matter the stockholder proposes to bring before the annual meeting (A) a description in reasonable detail of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (B) the name and address, as they appear on the Company's books, of the stockholder proposing such business and the beneficial owner, if any, on whose behalf the proposal is made, (C) the class or series and number of shares of the Common Stock of the Company that are owned beneficially and of record by the stockholder proposing such business and by the beneficial owner, if any, on whose behalf the proposal is made, and (D) a description of all arrangements or understandings among such stockholder, the beneficial owner on whose behalf the notice is given and any other person or persons (including their names) in connection with the proposal of such business of such stockholder and any material interest of such stockholder in such business, and (E) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the annual meeting. Notwithstanding the foregoing provisions of this Bylaw 9(c), if the Company then has any class of equity securities registered under the Securities Exchange Act of 1934 (the "Exchange Act") a stockholder must also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw 9(c). For purposes of these Bylaws, at any time that the Company has a class of equity securities registered under the Exchange Act, it shall be referred to as a "U.S. Reporting Company." Nothing in this Bylaw 9(c) will be deemed to affect any rights of stockholders to request inclusion of proposals in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act, if the Company is then a U.S. Reporting Company. For purposes of this Bylaw 9(c) and Bylaw 14, "public disclosure" means disclosure in a press release reported by the

Dow Jones News Service, Associated Press, Reuters, Bloomberg or comparable national news service or in a document filed by the Company with the Alternative Investment Market ("AIM") (if the Company's shares are listed on AIM at such time) or the Securities and Exchange Commission pursuant to the Exchange Act (if the Company is then a U.S. Reporting Company) or furnished to stockholders.

(d) At a special meeting of stockholders, only such business may be conducted or considered as is properly brought before the meeting. To be properly brought before a special meeting, business must be (i) specified in the notice of the meeting (or any supplement thereto) given in accordance with Bylaws 3 and 4 or (ii) otherwise properly brought before the meeting by the presiding officer or by or at the direction of the Board.

(e) The determination of whether any business sought to be brought before any annual or special meeting of the stockholders is properly brought before such meeting in accordance with this Bylaw 9 will be made by the presiding officer of such meeting. If the presiding officer determines that any business is not properly brought before such meeting, he or she will so declare to the meeting and any such business will not be conducted or considered.

DIRECTORS

10. Function. The business and affairs of the Company will be managed by or under the direction of its Board which may exercise all such powers of the Company and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

11. Number. The authorized number of Directors shall be 7 or such other number as shall from time to time be fixed by the Board.

12. Vacancies and Newly Created Directorships. Newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board resulting from death, resignation, disqualification, removal, or other cause will be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board, or by a sole remaining Director. No decrease in the number of Directors constituting the Board will shorten the term of an incumbent Director.

13. Removal. Any Director may be removed from office by the stockholders only in the manner provided in the Certificate of Incorporation.

14. Nominations of Directors; Election. (a) Only persons who are nominated in accordance with this Bylaw 14 will be eligible for election at a meeting of stockholders as Directors of the Company.

(b) Nominations of persons for election as Directors of the Company may be made only at an annual meeting of stockholders (i) by or at the direction of the Board or a committee thereof or (ii) by any stockholder that is a stockholder of record at the time of giving of notice provided for in this Bylaw 14, who is entitled to vote for at such meeting, and who complies with the procedures set forth in this Bylaw 14. All nominations by stockholders must be made pursuant to timely notice in proper written form to the Secretary.

(c) To be timely, a stockholder's notice with respect to nominations of persons for election as Directors of the Company must be delivered to or mailed and received at the principal executive offices of the Company not less than 45 calendar days prior to the first anniversary of the date on which the Company first mailed its proxy materials for the preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is advanced more than 30 calendar days prior to or delayed by more than 30 calendar days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the 90th calendar day prior to such annual meeting or the 20th calendar day following the day on which public disclosure of the date of such meeting is first made. In no event shall the public disclosure of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. With respect to the annual meeting of stockholders of the Company to be held in the year 2006, to be timely, a stockholder's notice must be so received not later than the close of business on the later of (i) the 90th calendar day prior to such annual meeting and (ii) the 20th day following the calendar day on which public disclosure of the date of such annual meeting was first made, whichever first occurs. To be in proper written form, such stockholder's notice must set forth or include (i) the name and address, as they appear on the Company's books, of the stockholder giving the notice and of the beneficial owner, if any, on whose behalf the nomination is made; (ii) a representation that the stockholder giving the notice is a holder of record of Common Stock of the Company entitled to vote at such annual meeting; (iii) the class and number of shares of the Common Stock of the Company owned beneficially and of record by the stockholder giving the notice and by the beneficial owner, if any, on whose behalf the nomination is made; (iv) a description of all arrangements or understandings between or among any of (A) the stockholder giving the notice, (B) the beneficial owner on whose behalf the notice is given, (C) each nominee, and (D) any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder giving the notice; (v) the name, age, business address, residence address and occupation of the nominee proposed by the stockholder; (vi) such other information regarding each nominee proposed by the stockholder giving the notice as would be required to be included in a proxy statement filed pursuant to the proxy rules of AIM (or if the Company is then a U.S. Reporting Company, the proxy rules of the Securities and Exchange Commission) had the nominee been nominated, or intended to be nominated, by the Board; (vii) the signed consent of each nominee to serve as a Director of the Company if so elected; and (viii) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice. At the request of the Board, any person nominated by the Board for election as a Director must furnish to the Secretary that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. The presiding officer of any annual meeting will, if the facts warrant, determine that a nomination was not made in accordance with the procedures prescribed by this Bylaw 14, and if he or she should so determine, he or she will so declare to the meeting and the defective nomination will be disregarded. Notwithstanding the foregoing provisions of this Bylaw 14, a stockholder must also comply with all applicable requirements of AIM and, if the Company is then a U.S. Reporting Company, all applicable requirements of the Exchange Act with respect to the matters set forth in this Bylaw 14. Nothing in the foregoing

provision shall obligate the Company or the Board to include in any proxy statement or other stockholder communication distributed on behalf of the Company or the Board information with respect to any nominee for Directors submitted by a stockholder. For purposes of this Bylaw 14(c), "public disclosure" shall have the meaning set forth in Bylaw 9(c).

15. Resignation. Any Director may resign at any time by giving notice in writing or by electronic submission of his or her resignation to the Chairman or the Secretary. Unless otherwise stated in such notice of resignation, the acceptance thereof shall not be necessary to make it effective; and such resignation shall take effect at the time specified therein or, in the absence of such specification, it shall take effect upon the receipt thereof.

16. Regular Meetings. Regular meetings of the Board may be held immediately after the annual meeting of the stockholders and at such other time and place either within or without the State of Delaware as may from time to time be determined by the Board. Notice of regular meetings of the Board need not be given.

17. Special Meetings. Special meetings of the Board may be called by the Chairman, by the Chief Executive Officer or by the Board and notice will be deemed given to each Director by whom such notice is not waived, if it is given 24 hours before the start of the meeting (i) in person, (ii) by facsimile telecommunication, when directed to a number at which the Director has consented to receive notice, (iii) by electronic mail, when directed to an electronic mail address at which the Director has consented to receive notice or (iv) by other similar medium of communication, or if it is given 72 hours before the start of the meeting by mail, when deposited in the United States mail, postage prepaid, and when directed to an address to which the Director has consented to receive notice. Special meetings of the Board may be held at such time and place either within or without the State of Delaware as is determined by the Board or specified in the notice of any such meeting.

18. Quorum. At all meetings of the Board, the lowest whole number of directors as shall from time to time constitute not less than a majority of the authorized number of directors in accordance with Bylaw 11 will constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum will be the act of the Board. If a quorum is not present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time to another place, time, or date, without notice other than announcement at the meeting, until a quorum is present.

19. Participation in Meetings by Remote Communications. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or any such committee, as the case may be, by means of telephone conference or other means by which all persons participating in the meeting can hear each other, and such participation in a meeting will constitute presence in person at the meeting.

20. Committees. (a) The Board may designate an executive committee (the "Executive Committee") of not less than two members of the Board, one of whom will be the Chairman. The Executive Committee will have and may exercise the powers of the Board, except the power to amend these Bylaws or the Certificate of Incorporation, fill any vacancy on

the Executive Committee, adopt an agreement of merger or consolidation, authorize the issuance of stock, declare a dividend, or recommend to the stockholders the sale, lease, or exchange of all or substantially all of the Company's property and assets, a dissolution of the Company, or a revocation of a dissolution, and except as otherwise provided by law.

(b) The Board, by resolution passed by the Board, may designate one or more additional committees. Each such committee will consist of one or more Directors and each to have such lawfully delegable powers and duties as the Board may confer; provided, however, that no committee shall exercise any power or duty expressly required by the Delaware General Corporation Law, as it may be amended from time to time, to be acted upon by the Board.

(c) The members of each committee of the Board will serve in such capacity at the pleasure of the Board or as may be specified in any resolution from time to time adopted by the Board. The Board may designate one or more Directors as alternate members of any such committee, who may replace any absent or disqualified member at any meeting of such committee. In lieu of such designation by the Board, in the absence or disqualification of any member of a committee of the Board, the members thereof present at any such meeting of such committee and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

(d) Except as otherwise provided in these Bylaws or by law, any committee of the Board, to the extent provided in Bylaw 20(a) or, if applicable, in the resolution of the Board, will have and may exercise all the powers and authority of the Board in the direction of the management of the business and affairs of the Company. Any such committee designated by the Board will have such name as may be determined from time to time by resolution adopted by the Board. Unless otherwise prescribed by the Board, a majority of the members of any committee of the Board will constitute a quorum for the transaction of business, and the act of a majority of the members present at a meeting at which there is a quorum will be the act of such committee. Each committee of the Board may prescribe its own rules for calling and holding meetings and its method of procedure, subject to any rules prescribed by the Board. Each committee of the Board shall keep written minutes of its proceedings and shall report on such proceedings to the Board.

21. Compensation. The Board may establish the compensation for, and reimbursement of the expenses of, Directors for membership on the Board and on committees of the Board, attendance at meetings of the Board or committees of the Board, and for other services by Directors to the Company or any of its majority-owned subsidiaries. No such payment shall preclude any director from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for service as committee members.

22. Rules. The Board may adopt rules and regulations for the conduct of meetings and the oversight of the management of the affairs of the Company.

23. Action without Meeting. Any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all of the members of the Board or of any such committee consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filled with the minutes or proceedings of the Board or of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

NOTICES

24. Generally. Except as otherwise provided by law, these Bylaws, or the Certificate of Incorporation, whenever by law or under the provisions of the Certificate of Incorporation or these Bylaws notice is required to be given to any Director or stockholder, it will not be construed to require personal notice, but such notice may be given in writing, by mail or courier service, addressed to such Director or stockholder, at the address of such Director or stockholder as it appears on the records of the Company, with postage thereon prepaid, and such notice will be deemed to be given at the time when the same is deposited in the United States mail. Notice to Directors may also be given by telephone, telegram, facsimile, electronic transmission or similar medium of communication or as otherwise may be permitted by these Bylaws.

25. Waivers. Whenever any notice is required to be given by law or under the provisions of the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice or such person's duly authorized attorney, or a waiver by electronic transmission by the person whether before or after the time of the event for which notice is to be given, will be deemed equivalent to such notice. Attendance of a person at a meeting will constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

OFFICERS

26. Generally. The officers of the Company will be elected by the Board and will consist of a Chairman, a Chief Executive Officer, a Secretary, and a Treasurer. The Board may also choose any or all of the following: one or more Vice Chairmen, one or more Assistants to the Chairman, one or more Vice Presidents (who may be given particular designations with respect to authority, function, or seniority), one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers as the Board may from time to time determine. Notwithstanding the foregoing, by specific action the Board may authorize the Chairman or Chief Executive Officer to appoint any person to any office other than Chairman, Chief Executive Officer, Secretary, or Treasurer. Any number of offices may be held by the same person. Any of the offices may be left vacant from time to time as the Board may determine. In the case of the absence or disability of any officer of the Company or for any other reason deemed sufficient by the Board, the Board may delegate the absent or disabled officer's powers or duties to any other officer or to any Director.

27. Compensation. The compensation of all officers and agents of the Company who are also Directors of the Company will be fixed by the Board or by a committee of the Board. The Board may fix, or delegate the power to fix, the compensation of other officers and agents of the Company to an officer of the Company.

28. Succession. The officers of the Company will hold office until their successors are elected and qualified or until their earlier resignation, retirement, removal or death. Any officer may be removed at any time by the Board. Any vacancy occurring in any office of the Company may be filled by the Board or by the Chairman as provided in Bylaw 26.

29. Voting Securities Owned by the Company. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Company may be executed in the name of and on behalf of the Company by the Chief Executive Officer or any Vice President or any other officer authorized to do so by the Board and any such officer may, in the name of and on behalf of the Company, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Company may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Company might have exercised and possessed if present. The Board may, by resolution, from time to time confer like powers upon any other person or persons.

30. Authority and Duties. Each of the officers of the Company will have such authority and will perform such duties as are customarily incident to their respective offices or as may be specified from time to time by the Board.

STOCK

31. Certificates. The shares of stock of the Company shall be represented by a certificate or shall be uncertificated. Certificates representing shares of stock of the Company will be in such form as is determined by the Board, subject to applicable legal requirements. Each such certificate will be numbered and its issuance recorded in the books of the Company, and such certificate will exhibit the holder's name and the number of shares and will be signed by, or in the name of, the Company by the Chairman or the Chief Executive Officer and the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, and will also be signed by, or bear the facsimile signature of, a duly authorized officer or agent of any properly designated transfer agent of the Company. Any or all of the signatures and the seal of the Company, if any, upon such certificates may be facsimiles, engraved, or printed. Such certificates may be issued and delivered notwithstanding that the person whose facsimile signature appears thereon may have ceased to be such officer at the time the certificates are issued and delivered.

32. Classes of Stock. The designations, powers, preferences, and relative participating, optional, or other special rights of the various classes of stock or series thereof, and the qualifications, limitations, or restrictions thereof, will be set forth in full or summarized on the face or back of the certificates which the Company issues to represent its stock or, in lieu thereof, such certificates will set forth the office of the Company from which the holders of certificates may obtain a copy of such information at no charge.

33. Lost, Stolen, or Destroyed Certificates. The Secretary may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact, satisfactory to the Secretary, by the person claiming the certificate of stock to be lost, stolen, or destroyed. As a condition precedent to the issuance of a new certificate or certificates, the Secretary may require the owners of such lost, stolen, or destroyed certificate or certificates to give the Company a bond in such sum and with such surety or sureties as the Secretary may direct as indemnity against any claims that may be made against the Company with respect to the certificate alleged to have been lost, stolen, or destroyed or the issuance of the new certificate.

34. Transfer. (a) Stock of the Company shall be transferable in the manner prescribed by applicable law and in these Bylaws. Transfers of stock shall be made on the books of the Company only by the person named in the certificate or by such person's attorney lawfully constituted in writing and upon the surrender of the certificate therefor, properly endorsed for transfer and payment of all necessary transfer taxes; provided, however, that such surrender and endorsement or payment of taxes shall not be required in any case in which the officers of the Company shall determine to waive such requirement. Every certificate exchanged, returned or surrendered to the Company shall be marked "Cancelled," with the date of cancellation, by the Secretary or Assistant Secretary of the Company or the transfer agent thereof. No transfer of stock shall be valid as against the Company for any purpose until it shall have been entered in the stock records of the Company by an entry showing from and to whom transferred.

(b) The Company will not register any subsequent transfer of Common Stock which is issued or sold pursuant to Regulation S under the Securities Act unless such subsequent transfer is made in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to an available exemption from registration under the Securities Act.

35. Setting of Record Date. The Board of Directors shall have the power to fix in advance a date not exceeding sixty (60) days and not less than ten (10) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or (in the event the Certificate of Incorporation is amended to permit action to be taken by stockholders by consent) the final date for obtaining the consent of stockholders for any purpose, as a record date for the determination of the stockholders entitled to notice of and to vote at such meeting, entitled to receive payment of such dividend or to such allotment of rights or to exercise the right in respect of such change, conversion or exchange of capital stock, or to give such consent, and in such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of and to vote at such meeting or to receive payment of such dividend or to receive such allotment of rights or to exercise such rights or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Company after such record date fixed as aforesaid.

36. Transfer Agents. The Company may from time to time maintain one or more transfer offices or agencies at such place or places as may be determined from time to time by the Board.

37. Anti-greenmail. (a) Any direct purchase or other acquisition by the Company of any Voting Stock from any Significant Stockholder who has beneficially owned such Common Stock for less than two years prior to the date of such purchase or other acquisition shall, except as otherwise expressly provided in these Bylaws, require the affirmative vote of the holders of at least a majority of the total number of the then outstanding shares of Common Stock. In calculating such total number of outstanding shares, all Common Stock beneficially owned by such Significant Stockholder shall be excluded. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or any agreement with any securities exchange or automated quotation system on which the Company's Voting Stock is listed or traded or otherwise. No such affirmative vote shall be required with respect to any purchase or other acquisition of Common Stock made as part of a tender or exchange offer by the Company to purchase Common Stock on the same terms from all holders of the same class of Voting Stock and in compliance with the applicable requirements of AIM (if the Voting Stock is listed on AIM at such time), the London Stock Exchange (if the Common Stock is listed on the London Stock Exchange at such time) or the Exchange Act (if the Company is then a U.S. Reporting Company).

(b) For the purpose of this Bylaw 37, "Significant Stockholder" means any person (other than the corporation or any corporation of which a majority of any class of Common Stock is owned, directly or indirectly, by the Company or any other person who at the date of adoption of these Bylaws was the beneficial owner, directly or indirectly, of 5 per cent. or more of the voting power of the Common Stock outstanding on such date) or who or which is the beneficial owner, directly or indirectly, of 5 per cent. or more of the voting power of the outstanding Common Stock.

(c) As used in this Bylaw 37, a "beneficial owner" shall mean any person who, directly or indirectly with or through any other person, by means of any contract, arrangement, understanding, relationship or otherwise has or shares: (i) voting power as to the Common Stock, which includes the power to vote, or to direct the voting of, the Common Stock or (ii) investment power which includes the power to dispose, or to direct the disposition of, Common Stock.

DIVIDENDS

38. Dividends. Subject to the provisions of Delaware General Corporation Law and the Certificate of Incorporation, the Board may declare and pay dividends on the capital stock of the Company. Before payment of any dividend, there may be set aside out of any funds of the Company available for dividends such sum or sums as the Board from time to time, in its absolute discretion, may determine for any proper purpose, and the Board may modify or abolish such reserve.

39. Indemnification. (a) The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a director or officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust or other enterprise (and the Company, in the discretion of the Board of Directors, may so indemnify a person by reason of the fact that he is or was an employee or agent of the Company or is or was serving at the request of the Company in any other capacity for or on behalf of the Company or was serving at the request of the Company as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust or other enterprise (and the Company, in the discretion of the Board of Directors, may so indemnify a person by reason of the fact that he is or was an employee or agent of the Company or is or was serving at the request of the Company in any other capacity for or on behalf of the Company or was serving at the request of the Company as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise) against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a present or former director, officer, employee, agent or representative of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under Sections 1 and 2 of this article (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee, agent or representative is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 and 2 of this article. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by the Board of Directors by a majority vote of the directors who were not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of the Board of Directors designated by a majority vote of such directors, even though less than a quorum or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

(e) Expenses (including attorneys' fees) incurred in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided in Section 4 of this article upon receipt of an undertaking by or on behalf of the director, officer, employee, agent or representative to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Company under this article. Such expenses (including attorneys' fees) incurred by any present or former director, officer, employee, agent or representative may be paid upon such terms and conditions, if any, as the Company deems appropriate.

(f) The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, (i) arising under the Employee Retirement Income Security Act of 1974 or regulations promulgated thereunder, or under any other law or regulation of the United States or any agency or instrumentality thereof or law or regulation of any state or political subdivision or any agency or instrumentality of either, or under the common law of any of the foregoing, against expenses (including attorneys' fees), judgments, fines, penalties, taxes and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding by reason of the fact that he is or was a fiduciary, disqualified person or party in interest with respect to an employee benefit plan covering employees of the Company or of a subsidiary corporation, or is or was serving in any other capacity with respect to such plan, or has or had any obligations or duties with respect to such plan by reason of such laws or regulations, provided that such person was or is a director or officer of the Company (and the Company, in the discretion of the Board of Directors, may so indemnify a person by reason of the fact that he is or was an employee or agent of the Company), or (ii) in connection with any matter arising under federal, state or local revenue or taxation laws or regulations, against expenses (including attorneys' fees), judgments, fines, penalties, taxes, amounts paid in settlement and amounts paid as penalties or fines necessary to contest the imposition of such penalties or fines, actually and reasonably incurred by him in connection with such action, suit or proceeding by reason of the fact that he is or was a director or officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust or other enterprise and had responsibility for or participated in activities relating to compliance with such revenue or taxation laws and regulations (and the Company, in the discretion of the Board of Directors, may so indemnify a person by reason of

the fact that he is or was an employee or agent of the Company or is or was serving at the request of the Company in any other capacity for or on behalf of the Company or was serving at the request of the Company as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise and had responsibility for or participated in activities relating to compliance with such revenue or taxation laws and regulations); provided, however, that such person did not act dishonestly or in willful or reckless violation of the provisions of the law or regulation under which such suit or proceeding arises. Unless the Board of Directors determines that under the circumstances then existing, it is probable that such director, officer, employee, agent or representative will not be entitled to be indemnified by the Company under this section, expenses incurred in defending such suit or proceeding, including the amount of any penalties or fines necessary to be paid to contest the imposition of such penalties or fines, shall be paid by the Company in advance of the final disposition of such suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee, agent or representative to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company under this section.

(g) The indemnification and advancement of fees provided by this article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of fees may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, agent or representative and shall inure to the benefit of the heirs, executors and administrators of such a person.

(h) The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, agent or representative of the Company, or is or was serving at the request of the Company as a director, officer, employee, agent or representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not he would be entitled to indemnity against such liability under the provisions of this article.

GENERAL

40. Fiscal Year. The fiscal year of the Company will end on December 31st of each year or such other date as may be fixed from time to time by the Board.

41. Seal. The Board may adopt a corporate seal and use the same by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

42. Location and Reliance Upon Books, Reports, and Records. The books and records of the Company may be kept at such place or places as the Board or the respective officers in charge thereof may from time to time determine. The record books containing the names and addresses of all stockholders, the number and class of shares of stock held by each and the dates when they respectively became the owners of record thereof shall be kept by the Secretary as prescribed in the Bylaws or by such officer or agent as shall be designated by the

Board. Each Director, each member of a committee designated by the Board, and each officer of the Company will, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports, or statements presented to the Company by any of the Company's officers or employees, or committees of the Board, or by any other person or entity as to matters the Director, committee member, or officer believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

43. Time Periods. In applying any provision of these Bylaws that requires that an act be performed or not be performed a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days will be used unless otherwise specified, the day of the doing of the act will be excluded, and the day of the event will be included.

44. Amendments. Except as otherwise provided by law or by the Certificate of Incorporation or these Bylaws, these Bylaws or any of them may be amended in any respect or repealed at any time, either (i) at any meeting of stockholders, provided that any amendment or supplement proposed to be acted upon at any such meeting has been described or referred to in the notice of such meeting, or (ii) at any meeting of the Board, provided that no amendment adopted by the Board may vary or conflict with any amendment adopted by the stockholders in accordance with the Certificate of Incorporation and these Bylaws. Notwithstanding the foregoing and anything contained in these Bylaws to the contrary, the Bylaws may not be amended or repealed by the stockholders, and no provision inconsistent therewith may be adopted by the stockholders, without the affirmative vote of the holders of a majority of the Common Stock, voting together as a single class.

45. Certain Defined Terms. Terms used herein with initial capital letters that are not otherwise defined are used herein as defined in the Certificate of Incorporation.

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

COMMON SHARES

PAR VALUE $0.001

COMMON SHARES

THIS CERTIFICATE IS TRANSFERABLE IN CANTON, MA, JERSEY CITY, NJ AND COLLEGE STATION, TX

Certificate Number

ZQ00000000

Shares

AQUABOUNTY TECHNOLOGIES, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE & MR. SAMPLE & MRS. SAMPLE

CUSIP XXXXXX XX X

SEE REVERSE FOR CERTAIN DEFINITIONS

is the owner of

ZERO HUNDRED THOUSAND ZERO HUNDRED AND ZERO

FULLY-PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF

AquaBounty Technologies, Inc. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Articles of Incorporation, as amended, and the By-Laws, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

DATED DD-MMM-YYYY

FACSIMILE SIGNATURE TO COME

President

FACSIMILE SIGNATURE TO COME

Secretary

AQUABOUNTY TECHNOLOGIES, INC. SEAL Incorporated December 17, 1991 Delaware

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

By _____
AUTHORIZED SIGNATURE

SECURITY INSTRUCTIONS ON REVERSE

1234567

AquaBounty Technologies, Inc.

PO BOX 43004, Providence, RI 02940-3004

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP	XXXXXX XX X
Holder ID	XXXXXXXXXX
Insurance Value	1,000,000.00
Number of Shares	123456
DTC	12345678 12345678901234

Certificate Numbers	Num/No.	Denom.	Total
1234567890123456789	1	1	1
1234567890123456789	2	2	2
1234567890123456789	3	3	3
1234567890123456789	4	4	4
1234567890123456789	5	5	5
1234567890123456789	6	6	6
Total Transaction			7

AQUABOUNTY TECHNOLOGIES, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE ARTICLES OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT	- ..... (Cust) Custodian ..... (Minor) under Uniform Gifts to Minors Act ..... (State)
TEN ENT	- as tenants by the entireties		
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT	- ..... (Cust) Custodian (until age .....) ..... (Minor) under Uniform Transfers to Minors Act ..... (State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____

_____

_____ Shares

of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within-named Company with full power of substitution in the premises.

Dated: _____ 20 _____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that we report the cost basis of certain shares acquired after January 1, 2011. If your shares were covered by the legislation and you have sold or transferred the shares and requested a specific cost basis calculation method, we have processed as requested. If you did not specify a cost basis calculation method, we have defaulted to the first in, first out (FIFO) method. Please visit our website or consult your tax adviser if you need additional information about cost basis.

If you do not keep in contact with us or do not have any activity in your account for the time periods specified by state law, your property could become subject to state unclaimed property laws and transferred to the appropriate state.

1534207

Exhibit 10.1

EXECUTION VERSION

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (including all exhibits hereto, this "Agreement") is made as of November 7, 2016 (the "Effective Date"), between AquaBounty Technologies, Inc., a Delaware corporation ("AquaBounty"), and Intrexon Corporation, a Virginia corporation ("Intrexon").

WHEREAS, Intrexon currently owns 99,114,668 shares of Common Stock of AquaBounty;

WHEREAS, pursuant to a Promissory Note Purchase Agreement, dated as of February 16, 2016, between AquaBounty and Intrexon, AquaBounty issued to Intrexon convertible promissory notes in an aggregate principal amount of $10,000,000 (the "Notes"); and

WHEREAS, AquaBounty desires to sell and issue to Intrexon, and Intrexon desires to purchase from AquaBounty, additional Common Stock at the price and upon the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and conditions set forth herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions.

In addition to the terms defined elsewhere herein, when used herein, the following terms shall have the meanings indicated hereunder:

"Affiliate" means, with respect to any Person, any other Person who controls, is controlled by, or is under common control with such Person.

"AIM Market" means AIM, a market operated by the London Stock Exchange.

"AIM Rules" means the AIM Rules for Companies published by the London Stock Exchange.

"Board" means the Board of Directors of AquaBounty.

"Business Day" means any day other than a Saturday, Sunday, or other day on which commercial banks in the State of Delaware are authorized or required by law or executive order to close.

"Closing Conditions" means the respective obligations of Intrexon and AquaBounty as set forth in Articles V and VI.

"Common Stock" means the shares of common stock, par value $0.001 per share, of AquaBounty.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust, or other instrument to which such Person is a party or by which it or any of its property is bound.

"Copyright" means copyright, which includes all rights in computer software and in databases and all rights or forms of protection which have equivalent or similar effect to the foregoing and which subsist anywhere in the world.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder.

"FCA" means the Financial Conduct Authority.

"FSMA" means the Financial Services and Markets Act 2000, as amended.

"GAAP" means U.S. generally accepted accounting principles as in effect from time to time.

"Governmental Authority" means the AIM Market; any federal, state, or local governmental or quasi-governmental instrumentality, agency, board, commission, or department; or any regulatory agency, bureau, commission, or authority.

"Group" means AquaBounty and its subsidiaries, and references to "Group Company" and "member of the Group" shall be construed accordingly.

"Information Statement" means the Information Statement of Intrexon relating to the proposed distribution by Intrexon of a portion of the shares of Common Stock of AquaBounty (other than the Shares) held by Intrexon, which is to be prepared in accordance with the requirements of the Exchange Act and included as an exhibit to the Form 10 (as defined in Section 5.7(a)).

"Intellectual Property Rights" means patents, inventions, Know-How, trade secrets and other confidential information, registered designs, Copyright, database rights, design rights, rights affording equivalent protection to copyright, database rights and design rights, topography rights, trademarks, service marks, business names, trade names, domain names, registration of an application to register any of the aforesaid items, rights to sue for passing-off and rights in the nature of any of the aforesaid items in any country.

"Know-How" means inventions, discoveries, improvement, processes, formulae, techniques, specifications, technical information, methods, tests, reports, component lists, manuals, instructions, drawings and information relating to customers and suppliers (whether written, unwritten or in any other form and whether confidential or not).

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, encumbrance, lien (statutory or other) or preference, priority, right, or other security interest or preferential arrangement of any kind or nature whatsoever (excluding preferred stock and equity-related preferences), including, without limitation, those created by, arising under, or evidencing substantially the same economic effect as any of the foregoing.

"Material Adverse Effect" means, subject to any applicable cure or grace periods, a material adverse effect upon (a) the financial condition, operations, business, or properties of AquaBounty; (b) the ability of AquaBounty to perform its material obligations under this Agreement; or (c) the legality, validity, or enforceability of any of this Agreement.

"NASDAQ" means the Nasdaq Stock Market.

"Order" means any judgment, injunction, writ, award, decree, or order of any nature.

"Person" means any individual, group of individuals, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, Governmental Authority, or other entity of any kind and shall include any successor (by merger or otherwise) of such entity.

"Prospectus Rules" means the Prospectus Rules made by the Financial Services Authority under Part VI of the FSMA.

"Publicly Announced" means (i) information that has been disclosed by or on behalf of AquaBounty via an announcement on a Regulatory Information Service provided by the London Stock Exchange, within the six-month period immediately preceding the date of this Agreement, or (ii) information that has been disclosed in the Information Statement draft last circulated by AquaBounty to Intrexon prior to the Effective Date.

"Requirement of Law" means, as to any Person, any law, statute, treaty, rule, regulation, or determination of an arbitrator or a court or other Governmental Authority that is applicable to or binding upon such Person or any of its property, or to which such Person or any of its property is subject, or that pertains to the transactions contemplated or referred to herein.

"SEC" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act and Exchange Act.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder.

"Securities Filings" means the filing of any filing required by the SEC under the Securities Act, Exchange Act, any filing required pursuant to the rules of the AIM Market, or any filing with the Delaware Corporations Commission under the Delaware General Corporation Law by AquaBounty, in each case in respect of its issuance of the Shares.

"Shareholder Approval" means the approval by AquaBounty shareholders of any reverse split of the Common Stock that (i) is required to qualify the Common Stock for listing on NASDAQ or (ii) is necessary to have sufficient authorized, unissued shares of Common Stock for the issuance and sale by AquaBounty of the Shares.

"Specified Officers" mean Ronald L. Stotish, David A. Frank, Christopher H. Martin and Alejandro Rojas.

"Warranties" means the warranties and representations set out in Articles III and IV of this Agreement.

Section 1.2 Accounting Terms; Financial Statements.

All accounting terms used herein not expressly defined in this Agreement shall have the respective meanings given to them in accordance with GAAP applied on a consistent basis.

ARTICLE II
PURCHASE AND SALE OF THE SHARES

Section 2.1 Purchase and Sale of the Shares.

(a) Subject to the terms and conditions of this Agreement, and on reliance upon the representations, warranties and covenants contained herein, AquaBounty hereby agrees to sell to Intrexon, and Intrexon hereby agrees to purchase from AquaBounty, 72,632,190 shares of Common Stock (the "Shares"), for the purchase price of $0.3442 per share (subject to appropriate adjustment to the number of shares and purchase price per share in the event of any stock dividend, stock split, combination or other similar recapitalization after the Effective Date affecting such shares), for an aggregate purchase price of $24,999,999.80.

Section 2.2 Closing.

(a) The closing of the sale and purchase of the Shares ("Closing") shall take place remotely via the exchange of documents and signatures on the date on which the Closing Conditions are satisfied or such other date as may be mutually agreed upon by AquaBounty and Intrexon ("Closing Date").

(b) At Closing, AquaBounty shall deliver to Intrexon either (i) a stock certificate representing the Shares being purchased or (ii) confirmation from AquaBounty's transfer agent that such Shares have been issued to, and registered in book form in the name of, Intrexon against payment of the purchase price therefor by wire transfer into a bank account of AquaBounty designated in advance by AquaBounty and such payment shall constitute full and proper discharge by Intrexon of its obligations under this Section 2.2.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF AQUABOUNTY

AquaBounty represents and warrants to Intrexon that the statements contained in this Article III are true, complete, and correct as of the Effective Date. For purposes of the representations and warranties set forth in this Article III, AquaBounty will be deemed to have "knowledge" of, or be "aware" of, a particular fact or other matter if any Specified Officer of AquaBounty is actually aware of such fact or other matter.

Section 3.1 Organization and Standing.

AquaBounty is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted. AquaBounty is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

Section 3.2 Authorization; Enforceability.

(a) AquaBounty has all requisite corporate power and authority to execute and deliver, and, subject to receipt of the Shareholder Approval if applicable, to perform its obligations under this Agreement.

(b) AquaBounty and its officers, directors and shareholders have taken all corporate action necessary for the authorization, execution and delivery of this Agreement and, subject to receipt of the Shareholder Approval if applicable, for the performance of this Agreement and the issuance and sale by AquaBounty of the Shares hereunder.

(c) This Agreement, when executed and delivered by AquaBounty and each other party thereto, shall constitute a valid and legally binding obligation of AquaBounty, enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally or by equitable principles; (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; and (iii) to the extent that the enforceability of the indemnification provisions may be limited by applicable laws (such limitations in the foregoing clauses (i), (ii) and (iii), collectively, the "Equitable Exceptions").

Section 3.3 Capitalization.

(a) As of the date of this Agreement, the authorized capital of AquaBounty consists of 200,000,000 shares of Common Stock, 157,527,974 shares of which are issued and outstanding, and 40,000,000 shares of preferred stock, par value $0.01 per share, 0 shares of which are issued and outstanding.

(b) The Shares, subject to receipt of the Shareholder Approval if applicable, (i) will be duly authorized, (ii) when issued and sold to Intrexon will be validly issued, (iii) after receipt of all consideration due therefore, will be fully paid and nonassessable with no personal liability attaching to the ownership thereof and (iv) will be free and clear of any and all liens, charges, restrictions, claims and encumbrances, except as set forth in this Agreement.

(c) Except for the Notes, as Publicly Announced, or as disclosed in writing to Intrexon prior to the execution of this Agreement, there are no options, warrants or other convertible securities or agreements or arrangements in force which call for the issue to any Person, or accord to any Person the right to call for the issue of any shares in the capital of the Group or any other securities of any member of the Group.

(d) To AquaBounty's knowledge, there are no outstanding agreements affecting or relating to the voting, issuance, purchase, redemption, repurchase or transfer of AquaBounty's Common Stock or any other securities of AquaBounty, except for the Notes or as contemplated hereunder. AquaBounty has reserved 36,699,681 shares of Common Stock for issuance to Intrexon upon conversion of the Notes. AquaBounty has reserved 19,067,000 shares of Common Stock for issuance to officers, directors, employees and consultants of AquaBounty pursuant to the AquaBounty 2006 Equity Incentive Plan and the AquaBounty 2016 Equity Incentive Plan, in each case, duly adopted by the Board and approved by the AquaBounty stockholders (the "Stock Plans"). Of such shares of Common Stock, 5,567,000 shares of Common Stock are subject to outstanding option awards granted under the Stock Plans, and 13,500,000 shares of Common Stock remain available for future awards to individuals qualified to receive awards pursuant to the Stock Plans. AquaBounty has furnished to Intrexon substantially complete and accurate copies of the Stock Plans and forms of agreements currently used thereunder.

Section 3.4 Compliance with Law and Instruments.

(a) To AquaBounty's knowledge, the execution and delivery and, subject to receipt of the Shareholder Approval if applicable, the performance of and compliance with this Agreement and the issuance and sale of the Shares will not, with or without the passage of time or giving of notice, violate (i) any applicable statute, rule, regulation, order, or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties; (ii) any term of AquaBounty's organizational documents; (iii) any provision of any mortgage, indenture, contract, agreement, instrument, or contract to which it is party or by which it is bound; or (iv) any Order by which it is bound.

(b) Assuming the accuracy of the representations of Intrexon set forth in Article IV, and following receipt of the Shareholder Approval, the execution of this Agreement by AquaBounty and the issuance of the Shares will comply in all respects with the FSMA, the rules and regulations of the FCA and the London Stock Exchange, the Prospectus Rules, the AIM Rules, the General Corporation Law of the State of Delaware, the United States federal securities laws, and all applicable state and federal laws and regulations of the United States (collectively, the "US

Laws"), and all other relevant laws and regulations of the United Kingdom and elsewhere and will comply with and will not infringe or exceed any limits, powers or restrictions or the terms of any agreement, obligation or commitment to which AquaBounty or any Group Company is a party or by which AquaBounty or any Group Company is bound.

(c) Each Group Company and its officers, agents and employees (past and present) in the course of their respective duties have complied in all material respects with all applicable US Laws and laws and regulations of the United Kingdom, the European Community and any other jurisdiction in which the business of such Group Company is carried on.

Section 3.5 Licenses and Consents.

(a) Except as Publicly Announced, the Group has all material licenses, consents, approvals, permissions, permits, certificates, qualifications, registrations and other authorizations (public and private) necessary for the proper and efficient operation of its current businesses in the places and in the manner in which the business is now carried on.

(b) No consent, approval, order, or authorization of, or registration, qualification, designation, declaration, or filing with, any federal, state, or local Governmental Authority or any other Person is required in connection with the consummation of the transactions contemplated by this Agreement, except for compliance with notice filings and other requirements under the Securities Act and the Exchange Act and other federal and applicable state securities laws.

Section 3.6 Litigation.

Except as Publicly Announced, no member of the Group is engaged in any material legal or arbitration proceedings or is the subject of any disciplinary proceedings or inquiries by any Governmental Authorities which individually or collectively has had during the 12 months preceding the date of this Agreement or would reasonably be expected to have, a Material Adverse Effect and, to the knowledge of AquaBounty, no such legal or arbitration proceeding is threatened or pending nor, to the knowledge of AquaBounty, is there any circumstance of which AquaBounty is aware which would reasonably be expected to give rise to any such legal or arbitration proceedings being threatened or commenced.

Section 3.7 Intellectual Property.

AquaBounty owns or possesses sufficient legal rights to all Intellectual Property Rights necessary for its business as now conducted, without, to the knowledge of AquaBounty, any infringement of the rights of others. AquaBounty does not have any knowledge of any allegations that AquaBounty is presently violating any of the Intellectual Property Rights of any other Person.

Section 3.8 Liabilities.

Except as Publicly Announced or the Notes, AquaBounty has no outstanding borrowings of any nature or amount (including, without limitation, any overdraft facilities; loans; invoice discounting factoring or other financial facilities).

Section 3.9 Assets.

All the material assets necessary for the operation of the business of the Group, as currently carried on, are legally and beneficially owned, leased or licensed by AquaBounty or the applicable member of the Group.

Section 3.10 Changes.

Except as Publicly Announced, since June 30, 2016:

(a) the business of the Group has been carried on in the ordinary and usual course;

(b) there has been no significant adverse change in the financial or trading position of the Group taken as a whole;

(c) no member of the Group has acquired or disposed of or agreed to acquire or dispose of any of its assets or businesses other than in the ordinary course of business;

(d) no member of the Group has paid or made any payment or transfer to stockholders of any dividend, bonus, loan or distribution; and

(e) there have been no changes resulting in a Material Adverse Effect.

Section 3.11 Offering Exemption.

Based in part on the representations of Intrexon set forth in Article IV, the offer, sale, and issuance of the Shares in conformity with the terms and conditions set forth in this Agreement are exempt from the registration requirements of the Securities Act and are exempt from the qualification or registration requirements of applicable state securities laws (subject to filings pursuant to applicable state securities laws that have been made or will be made in a timely manner). Neither AquaBounty nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the Shares to any Person or Persons so as to bring the sale of such Shares by AquaBounty within the registration provisions of the Securities Act or any state securities laws.

Section 3.12 Disclosure.

The information supplied or to be supplied by or on behalf of AquaBounty specifically for inclusion or incorporation by reference in (i) the Form 10 or the Information Statement does not, at the time the Form 10 is filed with the SEC, at any time it is amended or supplemented,

and at the time it becomes effective under the Exchange Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and (ii) the Information Statement will not, at the date it (and any amendment or supplement thereto) is first mailed to the stockholders of Intrexon and on the Distribution Date (as such term will be fined therein), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, except that no representation or warranty is made by AquaBounty with respect to statements made therein based on information supplied by or on behalf of Intrexon. The Form 10, including the Information Statement, will, with respect to information regarding AquaBounty, comply as to form in all material respects with the requirements of the Exchange Act, and will not contain material misstatements or omissions, provided, however, that no representation or warranty is being made with respect to material misstatements or omissions based on information supplied by or on behalf of Intrexon specifically for inclusion in the Form 10 or Information Statement.

Section 3.13 Brokers and Finders.

AquaBounty has not agreed to incur, nor will it incur, directly or indirectly, any liability for brokerage or finders' fees, agents' commissions, or other similar charges in connection with this Agreement or any of the transactions contemplated hereby.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF INTREXON

As a material inducement to AquaBounty to enter into and perform its obligations under this Agreement, Intrexon represents and warrants to AquaBounty that the statements contained in this Article IV are true, complete, and correct as of the Effective Date.

Section 4.1 Authorization; Enforceability.

Intrexon has all requisite power and authority to execute, deliver, and perform this Agreement. Intrexon and, as applicable, its directors, officers, members, partners, and shareholders have taken all action necessary for the authorization, execution, delivery, and performance of all obligations of Intrexon under this Agreement. This Agreement constitutes the valid and legally binding obligation of Intrexon, enforceable in accordance with its terms, except as limited by the Equitable Exceptions.

Section 4.2 Investor Representations.

(a) Intrexon is acquiring the Shares for Intrexon's own account for investment purposes only and not with a view to or for the sale in connection with any distribution of all or any part of such Shares.

(b) Intrexon is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated pursuant to the Securities Act.

(c) Intrexon understands that the Shares are "restricted securities" under the federal securities laws inasmuch as they are being acquired from AquaBounty in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold only pursuant to a registration statement under the Securities Act or pursuant to an exemption therefrom.

(d) Intrexon acknowledges and agrees that it can bear the economic risk of its investment in the Shares and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Shares.

(e) Intrexon was not contacted by AquaBounty or its representatives for the purpose of investing in any securities of AquaBounty offered hereby through any advertisement, article, notice, or any other communication published in any newspaper, magazine, or similar media or broadcast over television or radio, or any seminar or meeting whose attendees were invited by any general advertising. The Shares purchased under this Agreement were not offered or sold to Intrexon by any form of general solicitation or general advertising.

(f) Intrexon has not agreed to incur, nor will it incur, directly or indirectly, any liability for brokerage or finders' fees, agents' commissions, or other similar charges in connection with this Agreement or any of the transactions contemplated hereby.

Section 4.3 Disclosure.

The information supplied or to be supplied by or on behalf of Intrexon specifically for inclusion or incorporation by reference in (i) the Form 10 or the Information Statement does not, at the time the Form 10 is filed with the SEC, at any time it is amended or supplemented and at the time it becomes effective under the Exchange Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, and (ii) the Information Statement will not, at the date it (and any amendment or supplement thereto) is first mailed to the stockholders of Intrexon at the time of the Distribution Date (as such term will be defined therein) contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, except that no representation or warranty is made by Intrexon with respect to statements made therein based on information supplied by or on behalf of AquaBounty. The Information Statement will, with respect to information regarding Intrexon, comply as to form in all material respects with the requirements of the Exchange Act.

Section 4.4 Legends.

Intrexon acknowledges and agrees that the instrument evidencing the Shares may bear customary restrictive legends.

ARTICLE V
CONDITIONS TO THE OBLIGATION OF INTREXON TO CLOSE

The obligation of Intrexon to purchase the Shares at the Closing shall be subject to the satisfaction as determined by, or waiver by, Intrexon of the following conditions on or before the Closing Date.

Section 5.1 Representations and Warranties.

The representations and warranties of AquaBounty contained in Article III shall be true and correct in all material respects as of the Closing Date (except with respect to such representations and warranties that address matters only as of a particular date, which shall be true and correct as of such particular date).

Section 5.2 Compliance with this Agreement.

AquaBounty shall have performed and complied in all material respects with all of its agreements and conditions set forth herein that are required to be performed or complied with by AquaBounty on or before the Closing Date.

Section 5.3 Opinion of AquaBounty Counsel.

Intrexon shall have received from Jones Day, counsel to AquaBounty an opinion, dated as of the Closing Date, in form customary for a private placement of an issuer's equity securities, consistent with Jones Day opinion practice and reasonably acceptable to Intrexon.

Section 5.4 Secretary's Certificate.

The Secretary of AquaBounty shall have signed and delivered to Intrexon on behalf of AquaBounty a certificate, in form and substance satisfactory to Intrexon and dated as of the Closing Date, certifying (a) that the Board resolutions attached thereto approving this Agreement and the transactions contemplated hereby are all true, complete, and correct and remain unamended and in full force and effect and (b) as to the incumbency and specimen signature of each officer of AquaBounty executing this Agreement or other document delivered in connection with Closing on behalf of AquaBounty.

Section 5.5 Compliance Certificate

The President of the Company shall deliver to Intrexon at Closing a certificate certifying that the conditions specified in this Section 5 have been fulfilled.

Section 5.6 Consents and Approvals.

(a) Except for the Securities Filings, all consents, exemptions, authorizations, and other actions by, or notices to, or filings with, any Governmental Authority or any other Person required in respect of any Requirement of Law and with respect to each Contractual Obligation of AquaBounty that is necessary in connection with the execution, delivery, or performance by, or enforcement against, AquaBounty of this Agreement shall have been obtained and be in full force and effect, and Intrexon shall have been furnished with appropriate evidence thereof.

(b) The admission of the Shares to trading on the AIM Market shall have become effective in accordance with the latest edition of the AIM Rules. AquaBounty shall provide such evidence as Intrexon may reasonably request as to the satisfaction of this condition.

Section 5.7 Registration and Listing.

(a) AquaBounty shall have filed with the SEC a Form 10 for the registration of the Common Stock pursuant to Section 12(b) of the Exchange Act (the "Form 10"), which shall include the Information Statement in form and substance approved by Intrexon, and such registration statement shall have become effective in accordance with the Exchange Act.

(b) AquaBounty shall have received notice that the Common Stock has been approved for listing on NASDAQ. AquaBounty shall provide such evidence as Intrexon may reasonably request as to the satisfaction of this condition.

Section 5.8 No Material Judgment or Order.

There shall be no Order of a court of competent jurisdiction, Lien under any Contractual Obligation, ruling or communication of any Governmental Authority, or condition imposed under any Requirement of Law that, in the reasonable judgment of Intrexon, would prohibit the purchase of the Shares, the distribution contemplated by the Information Statement or subject Intrexon to any penalty or other onerous condition under or pursuant to any Requirement of Law if the Shares were to be purchased hereunder.

Section 5.9 No Material Adverse Effect.

No Material Adverse Effect shall have occurred and Intrexon shall not have concluded that the distribution contemplated by the Information Statement would be materially adverse to Intrexon or its shareholders.

Section 5.10 No Litigation.

No action, suit, proceeding, claim, or dispute shall have been brought or otherwise arisen against AquaBounty (whether at law, in equity, in arbitration, or before any Governmental Authority) that would, if adversely determined, have a Material Adverse Effect.

Section 5.11 Exclusive Channel Collaboration

The Exclusive Channel Collaboration Agreement, dated as of February 14, 2013, between Intrexon and AquaBounty (the "ECC") shall be in full force and effect and AquaBounty shall not be in material breach of the ECC.

ARTICLE VI
CONDITIONS TO THE OBLIGATIONS OF AQUABOUNTY TO CLOSE

The obligations of AquaBounty to issue and sell the Shares to Intrexon at the Closing, shall be subject to the satisfaction, as determined by, or written waiver by, AquaBounty of the following conditions on or before Closing.

Section 6.1 Representations and Warranties.

The representations and warranties of Intrexon contained in Article IV shall be true and correct in all material respects as of the Closing Date (except with respect to such representations and warranties that address matters only as of a particular date, which are true and correct as of such particular date), and AquaBounty shall have received a certificate signed on behalf of Intrexon by the Chief Legal Officer of Intrexon to such effect.

Section 6.2 Compliance with this Agreement.

Intrexon shall have performed and complied in all material respects with all of the agreements and conditions set forth herein that are required to be performed or complied with by Intrexon on or before the Closing Date.

Section 6.3 No Material Judgment or Order.

At Closing, there shall be no Order of a court of competent jurisdiction, Lien under any Contractual Obligation, ruling of any Governmental Authority, or condition imposed under any Requirement of Law that, in the reasonable judgment of AquaBounty, would prohibit the sale of the Shares or subject AquaBounty to any material penalty or other onerous condition under or pursuant to any Requirement of Law if the Shares were to be purchased hereunder.

Section 6.4 Registration and Shareholder Approval.

(a) The Form 10 shall have become effective in accordance with the Exchange Act.

(b) AquaBounty shall have received the Shareholder Approval.

ARTICLE VII
TERMINATION

Section 7.1 Failure of Closing Conditions.

If the Closing Conditions have not been satisfied in full on or before March 31, 2017 (the "End Date"), this Agreement (other than this Section 7.1, Article III (AquaBounty Warranties), and Article IX (Miscellaneous)) shall have no further effect and, in such event, no party to this Agreement shall have any claim against the other party to this Agreement for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to any accrued rights or obligations of any party under this Agreement.

Section 7.2 Mutual Agreement

This Agreement may be terminated at any time upon mutual agreement of Intrexon and AquaBounty, or by either party if the Closing has not occurred by the End Date.

Section 7.3 Termination for Cause

(a) Intrexon shall be entitled to terminate this Agreement by giving notice to AquaBounty at any time prior to Closing, if at any time prior to the Closing Date:

(i) it comes to the knowledge of Intrexon (whether by way of receipt of a notification or otherwise) that any of the AquaBounty Warranties was materially untrue, inaccurate or misleading when made and/or that any of the AquaBounty Warranties have ceased to be materially true or accurate or have become materially misleading by reference to the facts and circumstances then subsisting, provided, that for purposes of this Section 7.3, any materiality qualifier in a Warranty shall be read without such qualifier;

(ii) AquaBounty shall fail, in a material way, to comply with any of its obligations under this Agreement; or

(iii) Intrexon shall reasonably determine that a closing condition set forth in Article V is incapable of being satisfied.

(b) AquaBounty shall be entitled to terminate this Agreement by giving notice to Intrexon at any time prior to Closing, if at any time prior to the Closing Date:

(i) it comes to the knowledge of AquaBounty (whether by way of receipt of a notification or otherwise) that any of the Intrexon Warranties was materially untrue, inaccurate or misleading when made and/or that any of the Intrexon Warranties has ceased to be materially true or accurate or has become materially misleading, provided that for purposes of this Section 7.3, any materiality qualifier in a Warranty shall be read without such qualifier; or

(ii) AquaBounty shall reasonably determine that a closing condition set forth in Article VI is incapable of being satisfied.

ARTICLE VIII
COVENANTS

Section 8.1 Noncontravention.

From the Effective Date until the Closing (or the earlier termination of this Agreement), AquaBounty shall take no action that is inconsistent with the provisions of this Agreement or the consummation of the purchase of Shares as contemplated by this Agreement.

Section 8.2 Changes in Capitalization.

From the Effective Date until the Closing (or the earlier termination of this Agreement), without the prior written consent of Intrexon, except as referenced in Section 3.3 and except with respect to any reverse split of the Common Stock required to qualify the Common Stock for listing on NASDAQ or necessary to have sufficient authorized, unissued shares of Common Stock for the issuance and sale by AquaBounty of the Shares, AquaBounty shall not (i) issue any shares of its capital stock or any options, warrants or other rights to subscribe for or purchase any shares of its capital stock or any securities convertible into or exchangeable for shares of its capital stock; (ii) declare, set aside or pay any dividend or distribution with respect to shares of its capital stock; (iii) directly or indirectly redeem, purchase or otherwise acquire any shares of its capital stock; or (iv) effect a split, reclassification or other change in or of the shares of its capital stock.

Section 8.3 Shareholder Approval.

(a) From the Effective Date until the Closing (or the earlier termination of this Agreement), AquaBounty shall use commercially reasonable efforts to obtain the Shareholder Approval.

(b) From the Effective Date until the Closing (or the earlier termination of this Agreement), Intrexon shall vote or cause to be voted all shares of Common Stock it owns, beneficially or of record, in favor of any reverse split of the Common Stock in a ratio of either 1:10, 1:20, 1:30, 1:40, or 1:50, or any other ratio reasonably acceptable to Intrexon, that (i) is required to qualify the Common Stock for listing on NASDAQ or (ii) necessary to have sufficient authorized, unissued shares of Common Stock for the issuance and sale by AquaBounty of the Shares.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Survival of Representations and Warranties.

All of the representations and warranties made herein shall survive the execution and delivery of this Agreement until the third anniversary of the Effective Date, unless otherwise terminated in accordance with Article VII.

Section 9.2 Notices.

All notices, demands, and other communications required or permitted hereunder shall be in writing and shall be given by registered or certified first-class mail (return receipt requested), facsimile, electronic mail, courier service, or personal delivery to the address or number for the intended recipient set forth below or such other address or number as may be provided by written notice from the intended recipient from time to time.

(a) if to AquaBounty:

AquaBounty Technologies, Inc.
Two Clock Tower Place, Suite 395
Maynard, MA 01754
Attention: David Frank
Facsimile: 978-897-3217
E-mail: dfrank@aquabounty.com

with a copy (which shall not constitute notice) to:

Jones Day
77 W. Wacker Dr.
Chicago, IL 60601
Attention: Brad Brasser
Telephone: 312-269-4252
Facsimile: 312-782-8585
Email: bcbrasser@jonesday.com

(b) if to Intrexon:

Intrexon Corporation
1750 Kraft Drive, Suite 1400
Blacksburg, VA 24060
Attention: Rick L. Sterling, Chief Financial Officer
Facsimile: 540-961-0925
E-mail: rsterling@intrexon.com

with a copy (which shall not constitute notice) to:

Intrexon Corporation
20358 Seneca Meadows Parkway
Germantown, MD 20876
Attention: Legal Department
Facsimile: 301-556-9901
E-mail: dlehr@intrexon.com

All such communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five Business Days after being deposited in the mail, postage prepaid, if mailed; and upon receipt, if sent via facsimile or electronic mail.

Section 9.3 Successors and Assigns; Third-Party Beneficiaries.

This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto. Subject to applicable securities laws and the terms of this Agreement, Intrexon may, with the prior written consent of AquaBounty (not to be unreasonably withheld, delayed or conditioned), assign any of its rights under this Agreement to any of its Affiliates. AquaBounty may not assign any of its rights under this Agreement without the prior written consent of Intrexon. No Person other than the parties hereto and their successors are intended to be beneficiaries of the provisions of this Agreement.

Section 9.4 Amendment and Waiver.

(a) No failure or delay on the part of AquaBounty or Intrexon in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to AquaBounty or Intrexon at law, in equity, or otherwise.

(b) Any amendment, supplement, modification, or waiver of or to any provision of this Agreement must be in a written agreement signed by both parties hereto. Any such waiver shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on either party in any case shall entitle such party to any other further notice or demand in similar or other circumstances.

Section 9.5 Counterparts; Facsimile or Electronic Transmission.

This Agreement may be executed in any number of counterparts, each being deemed to be an original and all of which taken together being deemed to constitute a single agreement. Such counterparts may be delivered by facsimile or as a .pdf file by electronic mail.

Section 9.6 Headings.

The headings in this Agreement are for convenience only and shall not limit or otherwise affect the meaning hereof.

Section 9.7 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

Section 9.8 Severability.

If any provision of this Agreement, or the application thereof in any circumstance, is held invalid, illegal, or unenforceable in any respect for any reason, the validity, legality, and enforceability of such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provision held invalid, illegal, or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

Section 9.9 Rules of Construction.

Unless the context otherwise requires, references to articles, sections, or subsections refer to articles, sections, or subsections of this Agreement.

Section 9.10 Entire Agreement.

This Agreement is intended by the parties hereto as a complete and final expression of their agreement in respect of the subject matter of this Agreement and supersedes all prior agreements and understandings between the parties with respect to such subject matter. There are no restrictions, promises, representations, warranties, or undertakings other than those set forth or referred to in this Agreement.

Section 9.11 Fees.

Each party hereto shall be responsible for all costs, fees, and expenses it incurs (including, without limitation, those of counsel) in connection with the transactions contemplated hereby, including, without limitation, any amendment or modification of this Agreement.

Section 9.12 Further Assurances.

Each of the parties shall execute such documents and perform such further acts (including, without limitation, obtaining any consents, exemptions, authorizations, or other actions of, or giving any notices to, or making any filings with, any Governmental Authority or any other Person) as may be reasonably required to carry out or to perform the provisions of this Agreement.

Section 9.13 Waiver of Jury Trial and Setoff; Consent to Jurisdiction; Etc.

(a) In any litigation with respect to, in connection with, or arising out of this Agreement or any instrument or document delivered pursuant to this Agreement, or the validity, protection, interpretation, collection, or enforcement hereof or thereof, or any other claim or dispute howsoever arising, between AquaBounty and Intrexon, the parties hereby waive, to the fullest extent they may legally do so, (i) the right to interpose any setoff, recoupment, counterclaim, or cross-claim in connection with any such litigation, irrespective of the nature of such setoff, recoupment, counterclaim, or cross-claim, unless such setoff, recoupment, counterclaim, or cross-claim could not, by reason of any applicable federal or state procedural laws, be interposed, pleaded, or alleged in any other action and (ii) TRIAL BY JURY IN CONNECTION WITH ANY SUCH LITIGATION. AQUABOUNTY AGREES THAT THIS SECTION 9.13(A) IS A SPECIFIC AND MATERIAL ASPECT OF THIS AGREEMENT AND ACKNOWLEDGES THAT INTREXON WOULD NOT EXTEND ANY CREDIT TO AQUABOUNTY IF THIS SECTION 9.13(A) WERE NOT PART OF THIS AGREEMENT.

(b) The parties hereby irrevocably consent to the exclusive jurisdiction of the courts located within the State of Delaware in connection with any action or proceeding arising out of or relating to this Agreement or any document or instrument delivered in connection with the transactions contemplated hereby. In such litigation, each of the parties waives, to the fullest extent it may effectively do so, any personal service of any summons, complaint, or other process and agrees that the service thereof may be made by certified or registered mail directed to its address set forth in this Agreement. Each of the parties hereby waives, to the fullest extent it may effectively do so, the defenses of *forum non conveniens* and improper venue.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers hereunto duly authorized on the date first set forth above.

AQUABOUNTY TECHNOLOGIES, INC.

By: /s/ David A. Frank
Name: David A. Frank
Title: Chief Financial Officer

INTREXON CORPORATION

By: /s/ Donald P. Lehr
Name: Donald P. Lehr
Title: Chief Legal Officer

Exhibit 10.2

AQUA BOUNTY TECHNOLOGIES INC.

2006 EQUITY INCENTIVE PLAN

Approved by the Company on 20th February 2006

INDEX

AQUA BOUNTY TECHNOLOGIES INC.

2006 EQUITY INCENTIVE PLAN

1. Purpose

The purpose of the Aqua Bounty Technologies Inc. 2006 Equity Incentive Plan (the "**Plan**") is to attract and retain directors, officers, consultants and other employees for Aqua Bounty Technologies Inc. (the "**Company**") and its subsidiaries (together the "**Group**") and to provide such persons with incentives and rewards for superior performance.

2. Administration

2.1 The Plan will be administered by a duly authorised committee of the board of directors of the Company (the "**Board**").

2.2 The Board will have authority to construe and interpret the Plan and any benefits granted under the Plan, to establish and amend rules for the administration of the Plan, to change the terms and conditions of options and other benefits at or after grant, and to make all other determinations which it deems necessary or advisable for the administration of the Plan.

2.3 In considering the making of awards under this Plan:

(a) the Board will have regard to the provisions of the code of dealing adopted by the Company relating to dealings in securities by directors and other relevant employees and, at any time while Shares of the Company are traded on AiM (being the market of that name operated by the London Stock Exchange), to the provisions of AiM Rule 21 (as amended or replaced from time to time) and, at any time, to any other applicable legislation or regulations of similar effect or purpose to AiM Rule 21; and

(b) awards over Shares of the Company or by reference to the value of such Shares may only be authorised by the Board during a period of 42 days following (i) the date of admission of the Shares of the Company to trading on AiM ("**Admission**"), (ii) the date of announcement of the annual or interim results of the Company or (iii) the date on which listing particulars or a prospectus or document containing equivalent information in relation to Shares of the Company is published, provided that grants outside these periods may be authorised by the Board in circumstances which, in its discretion and acting in good faith, it considers sufficiently exceptional to justify the grant of awards at that time.

3. Participants

3.1 Participants in the Plan may be directors, officers, consultants or other employees of the Company or any one or more of its subsidiaries selected by the Board considering all factors that it deems relevant in such selection and in determining the type and amount of their respective benefits.

3.2 Designation of a participant in any year shall not require the Board to designate that person to receive a benefit in any other year or to receive the same type or amount of benefit as granted to that participant in any other year or as granted to any other participant in any year.

4. Shares available under the Plan

4.1 The maximum aggregate number of ordinary Shares of [●] cents each ("**Shares**") which may be issued and/or transferred pursuant to awards made under the Plan, when aggregated with the number of Shares issued or remaining issuable or transferred or remaining transferable in respect of awards made under the Plan and any other employee stock incentive programme, may not exceed ten per cent. of the number of Shares then in issue. (When calculating this limit, regard will be had only to Shares issued or remaining issuable and treasury shares transferred or remaining transferable by the Company and by reference to awards made under the Plan and any other employee stock incentive programme after the date of Admission.)

4.2 The fair market value per Share at any time for the purposes of this Plan will be determined in such manner as the Board considers equitable, or as required by law or regulation.

4.3 The Company will, with respect to all Shares issued pursuant to an award under the Plan, apply for the same listings as are applicable to Shares already in issue.

5. Types of benefits

5.1 Benefits under the Plan shall consist of share options, share appreciation rights, restricted shares, deferred shares and other share, share based or cash awards, all as described below. Such benefits will not be pensionable.

5.2 Each right granted under the Plan will be evidenced by means of an agreement, certificate or other form of written record approved by the Board setting out the terms and conditions of the award and may be in an electronic medium or limited to a notation in the books and records of the Company.

5.3 Each award will be personal to the participant and will not be capable of being assigned, transferred, mortgaged, charged or otherwise disposed of or encumbered (whether in whole or in part). If the participant does or suffers any act or thing whereby he or she would or might be deprived of the legal or beneficial ownership of an award, the award will be forfeited immediately.

6. Share Options

6.1 Share options ("**Share Options**") consist of a right to purchase Shares which may be granted to participants at any time as determined by the Board, subject to the provisions of this Plan.

6.2 The Board will determine the terms of any Share Option including, but without limitation, (a) the number of Shares subject to each Share Option, (b) the option price per Share (which may not be less than the fair market value per Share on the date of grant), (c) the terms and conditions upon which the Share Option may be exercised and its expiry date (being no later than the tenth anniversary of its grant), and (d) the terms for payment of the option price upon exercise, including by way of cash payment or such other methods of payment as the Board, in its discretion, deems appropriate.

7. Incentive Stock Options

7.1 Notwithstanding the other provisions of this Plan to the contrary, to the extent that Share Options are granted to U.S. persons, which options are intended to qualify as "**Incentive Stock Options**" under Section 422 of the U.S. Internal Revenue Code, the following provisions will apply:

(a) the maximum aggregate number of Shares for which Incentive Stock Options may be issued shall be [●] Shares, subject to section 4.1 of this Plan and to adjustment as provided in section 14 of this Plan provided that any such adjustment will be made only if and to the extent that such adjustment would not cause any option intended to qualify as an Incentive Stock Option to fail so to qualify;

(b) the persons eligible to receive Incentive Stock Options (potential "**Optionees**") shall be U.S. persons who are determined to be key employees of the Group who meet the definition of "**employees**" under Section 3401(c) of the Code;

(c) the price payable on exercise of an Incentive Stock Option (the "**Option Price**") shall be not less than the fair market value of the underlying Shares on the date that the Incentive Stock Option is granted.

7.2 The Incentive Stock Option shall not be exercisable after the expiration of ten years from the date of grant. Such Incentive Stock Option shall be granted within ten years from the date this Plan is adopted or the date this Plan is approved by shareholders, whichever is earlier.

7.3 The Incentive Stock Option shall not be transferable other than by will or the laws of descent and distribution and is exercisable during the Optionee's lifetime only by him.

7.4 If the Optionee owns stock possessing more than ten per cent. of the combined voting power of all classes of stock of the Company, such Optionee may only be granted an Incentive Stock Option if the Option price is at least 110 per cent. of the fair market value of a Share on and the Option is not exercisable after the expiration of five years from the date that the Option is granted.

7.5 To the extent that the aggregate fair market value of Shares with respect to which Incentive Stock Options are exercisable for the first time by any individual during any calendar year (under the Plan and any other employee incentive stock programme of the Group) exceeds US$100,000, such options shall be treated as Share Options which are not Incentive Stock Options.

8. Share appreciation rights

8.1 Share appreciation rights ("**SARs**") consist of a right to receive from the Company an amount determined by the Board being no greater than the difference between the fair market value per Share on the date of grant of the SAR and on the date of exercise. SARs may be granted to participants at any time as determined by the Board, subject to the terms of this Plan, in tandem with Share Options or on a free-standing basis.

8.2 The Board will determine the terms of any SAR including, but without limitation, (a) the number of Shares subject to each SAR, (b) the amount payable on exercise of a SAR (being not less than the option price per Share if granted in tandem with a Share Option and not less than the fair market value per Share on the date of grant if granted on a free-standing basis), (c) the terms and conditions upon which the SAR may be exercised and its expiry date (being no later than the tenth anniversary of its grant), and (d) the terms for payment by the Company on exercise of the SAR, whether in cash or Shares or any combination thereof as determined by the Board at the time of grant.

9. Restricted Shares and Deferred Shares

9.1 Restricted Shares ("**Restricted Shares**") consist of Shares which may be granted or sold to participants subject to such terms and conditions (including the risk of forfeiture and prohibition on transfer) as determined by the Board, subject to the provisions of this Plan.

9.2 Deferred shares ("**Deferred Shares**") consist of a right which may be granted or sold to participants to receive Shares or cash at the end of a specified period after vesting in accordance with the terms and conditions of such grant as determined by the Board subject to the provisions of this Plan.

9.3 The Board will determine the terms of any award of Restricted Shares or Deferred Shares including, but without limitation, restrictions and conditions such as (a) a prohibition against sale, assignment, transfer, mortgage, charge or other disposal or encumbrance for a specified period and (b) a requirement that the participant forfeits (or, in the case of shares or rights sold to the participant, resells to the Company) such shares or rights in the event of termination of employment during the period of restriction.

9.4 The grant or sale of Restricted Shares or Deferred Shares may be made without additional consideration or in consideration of a payment by a participant that is less than the market value per Share at the date of award of such Shares.

10. Other awards

10.1 The Board may, subject to limitations under applicable law, grant to any participants such other award that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares or factors that may influence the value of such Shares including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares,

purchase rights for Shares, awards with the value in payment contingent upon performance of the Company or specified companies in the Group, affiliates or other business units thereof or any other factors designated by the Board, and awards valued by reference to the book value of Shares or the value of securities of, or the performance of specified companies in the Group or affiliates or other business units of the Company or companies in the Group.

10.2 The Board will determine the terms and conditions of such awards.

10.3 Shares delivered pursuant to an award in the nature of a purchase right granted under this section 10 will be purchased for such consideration, paid for at such time, by such methods and in such forms (including, without limitation, cash, Shares, other awards, notes or other property) as the Board will determine.

10.4 Cash awards, as the only element of or part of or supplemental to any other award granted under this Plan, may also be granted pursuant to this section 10.

10.5 The Board may grant Shares as a bonus, or may grant other awards in lieu of obligations of the Company or any company in the Group to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, subject to such terms as will be determined by the Board.

11. Performance targets

11.1 Awards under this Plan may be made subject to the attainment of performance targets in such objective manner as the Board considers appropriate. Performance targets may be set by reference to the performance of any one or more of the Company and other companies in the Group or to the performance of the participant or of the subsidiary, division, department, regional function within the Company or a Group company in which the participant is employed or engaged. Performance targets may also be made relative to the performance of other companies.

11.2 The Board may, in circumstances it considers in good faith to be appropriate, subsequently amend any target or condition imposed in accordance with this section 11 should an event or events have occurred that cause the Board reasonably to consider that the amended target or condition would be a fairer measure of the performance of the participant and that the amended condition would be no more difficult to satisfy than it would have been without such amendment.

12. Change in Control

12.1 All awards under this Plan shall prescribe the extent to which, subject to any reasonable Board discretion, upon a Change in Control (as defined below) of the Company, outstanding Share Options and SARs will become vested and exercisable, restrictions on Restricted Shares and Deferred Shares will lapse and performance targets will be deemed achieved and all other terms and conditions met, and all other awards will be delivered or paid.

12.2 For the purposes of this Plan, a "**Change in Control**" shall mean such event or events as are prescribed at the time of the grant of an award under this Plan relating to changes in ownership of the Shares or in the voting control of the Company and any reconstruction or winding up of the Company.

13. Termination of employment/service

13.1 Awards under this Plan may prescribe the extent to which, subject to any reasonable Board discretion, in the case of termination of employment or service by reason of death, disability, redundancy or normal or early retirement, or in the case of hardship or other special circumstances, Share Options and SARs will become vested and exercisable, restrictions on Restricted Shares and Deferred Shares will lapse and performance targets will be deemed achieved and all other terms and conditions met, and all other awards will be delivered or paid.

13.2 In all other circumstances, awards under the Plan will lapse on termination of employment or service.

14. Adjustments

14.1 The Board may make or provide for such adjustments in the number and kind of Shares and/or the option price or other price of Shares subject to outstanding awards granted under this Plan as it may, in its discretion and in good faith, determine as equitably required to prevent dilution or enlargement of the rights of participants that would otherwise result from any change in the capital structure of the Company including, but without limitation, from (a) any stock dividend, stock split, combination of Shares, recapitalisation or other change in the capital structure of the Company, or (b) any merger, consolidation, spin off, reorganisation, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing (other than a Change in Control).

14.2 In the event of any transaction or event described in section 14.1 above, the Board, in its discretion, may provide in substitution for any or all outstanding awards under this Plan such alternative consideration as it, in good faith, may determine to be equitable in the circumstances, and the Board may require in connection therewith the surrender of all awards so replaced.

15. Sub Plans

15.1 In order to facilitate the making of any grant or combination of grants under this Plan, the Board may provide such special terms for awards to participants as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom.

15.2 The Board may approve such supplements to or amendments, restatements or alternative versions of this Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this Plan as in effect for any other purpose provided that the provisions in this Plan in relation to:

(a) the definition and scope of participants under this Plan (see section 3.1 above);

(b) the limitations on the amount of Shares subject to the Plan (see section 4.1 and section 7.1(a) above); and

(c) the adjustment provisions in section 14 above,

cannot be altered to the advantage of participants without the prior approval of shareholders of the Company in general meeting (except for minor amendments to benefit the administration of the Plan, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Plan or for the Company or any companies in the Group).

16. Taxes

16.1 To the extent that the Company or any other company in the Group is required to withhold any taxes in any jurisdiction (including, without limitation, social security or equivalent contributions) in connection with any payment made or benefit realised by a participant or other person under this Plan, and the amounts available to the Company or relevant Group company for such withholding are insufficient, it will be a condition of receipt of such payment or the realisation of such benefit that the participant or such other person makes arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of the Board) may include relinquishment of a portion of such benefit.

17. Amendments

17.1 The Board may at any time amend the Plan in whole or in part provided that any amendment which may require approval by the shareholders of the Company in order to comply with applicable law and the rules of AiM and/or any other relevant investment exchange will not be effective until such approval has been obtained.

17.2 The Board may amend the terms of any award granted under this Plan provided that no amendment to the material advantage of participants may be made without the prior approval of the shareholders of the Company (other than a change to the performance targets in accordance with section 11 of this Plan) and no such amendment may impair the rights of any participant without his or her consent.

18. Termination

18.1 No grant will be made under this Plan more than ten years after the date on which it is first approved by shareholders of the Company but all grants made on or prior to such date will continue in effect thereafter subject to the terms of such grant and of this Plan.

Exhibit 10.3

Aqua Bounty Technologies Inc.

Amendment No. 1 to the
Aqua Bounty Technologies Inc.
2006 Equity Incentive Plan

Aqua Bounty Technologies Inc., a Delaware corporation (the "Company"), by action of its Board of Directors taken in accordance with the authority granted to it by Section 17.1 of the Aqua Bounty Technologies Inc. 2006 Equity Incentive Plan (the "Plan"), hereby amends the Plan in the following respect effective June 26, 2007:

1. By deleting Section 13.1 of the Plan and inserting in lieu thereof the following:

"13.1 Awards under this Plan may prescribe the extent to which, subject to any reasonable Board discretion, in the case of termination of employment or service by reason of death, disability, redundancy, normal or early retirement or any other reason, or in the case of hardship or other special circumstances, Share Options and SARs will become vested and exercisable, restrictions on Restricted Shares and Deferred Shares will lapse and performance targets will be deemed achieved and all other terms and conditions met, and all other awards will be delivered or paid."

AquaBounty Technologies Inc.

FORM OF STOCK OPTION AGREEMENT

This Stock Option Agreement (this "Agreement") is made and entered into as of by and between AquaBounty Technologies Inc., a Delaware corporation (the "Company"), and , an individual ("Optionee"), with respect to options to purchase shares of the Company's Common Stock pursuant to the AquaBounty Technologies Inc. 2006 Equity Incentive Plan (the "Plan"). All capitalized terms used herein and not defined shall have the meaning set forth in the Company's 2006 Equity Incentive Plan.

1. Grant of Option. Pursuant to resolutions of the Company's Board of Directors (the "Board"), the Company hereby grants to Optionee an option (the "Option") to purchase shares of the Company's Common Stock upon the terms and conditions hereinafter set forth and as set forth in the Plan. The number of shares to be purchased upon exercise of the Option, subject to adjustment as provided herein (the "Shares"), are set forth on Exhibit A hereto. The Option is intended to be: (Check One)

☐ - a nonstatutory option and not an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

☐ - an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

2. Exercise Price. The exercise price of the Option (the "Exercise Price") is as set forth on Exhibit A hereto (being not less than the fair market value of a share of Common Stock on the date the Option is granted), subject to adjustment as provided herein.

3. Exercise Period. The Option granted hereby shall be exercisable for a period or periods of time, commencing on the exercise date or dates (each, an "Exercise Date") as set forth on Exhibit A hereto and continuing until such date or dates as set forth on Exhibit A (each, an "Expiration Date"), unless it sooner terminates or expires as provided in Section 7 hereof.

4. Manner of Exercise. The Option granted hereby to the extent exercisable may be exercised in lots of 100 Shares or multiples thereof during the applicable Exercise Period (as defined below), by written notice delivered to the Chief Financial Officer of the Company. Such notice shall state the number of Shares with respect to which the Option is being exercised and shall be accompanied by payment of the purchase price in full in cash. As soon as practicable after any such exercise of the Option, the Company shall issue and register in the name of and deliver to Optionee a certificate or certificates for the Shares issuable upon such exercise; provided that, if any law or regulation requires the Company to delay, or to take any action with respect to such Shares before, the issuance thereof, then the date of delivery of such Shares shall be extended for the period necessary until such requirement is met; and provided further that the Company shall have no obligation to deliver any such certificate unless and until appropriate provision has been made for any withholding taxes in respect of such exercise. If permitted by and subject to applicable law, the payment of the purchase price may also be made on a cashless exercise basis by delivery to the Chief Financial Officer of the Company of a properly executed

notice, directing the Company to withhold from the number of Shares to be issued upon exercise a sufficient number of Shares to satisfy the purchase price (based upon the fair market value of a share of Common Stock on the Exercise Date). A cashless exercise may also be effected using broker-assistance by delivering a properly executed notice to the Chief Financial Officer of the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of the proceeds of the sale of the Shares issued pursuant to the exercise of the Option or loan proceeds from the brokerage firm to pay the purchase price, and, if requested by the Company, the amount of any required federal, state, local or foreign withholding taxes. The term "Exercise Period" with respect to the Option or any applicable portion thereof shall mean such period of time from the Exercise Date on which the Option or the applicable portion becomes exercisable as provided in Section 3 hereof through the Expiration Date, unless the Option sooner terminates or expires as provided in Section 7 hereof.

5. Adjustment Provisions. If, at any time or from time to time from the date of grant through the end of the Exercise Period, any of the following events shall occur, the Exercise Price and the number of and kind of Shares then subject to the Option shall in each instance be adjusted as follows:

(a) Stock Dividends, Split-Ups and Combinations

If a change is effected in the number of outstanding shares of Common Stock by a stock dividend in Common Stock or by a subdivision or combination of such shares, the Exercise Price shall be proportionately reduced or increased, as the case may be, so that it will bear the same ratio to the Exercise Price in effect immediately before such change as the number of shares outstanding immediately before such change bears to the number of shares outstanding immediately thereafter.

(b) Adjustment of Number of Optioned Shares

Upon any adjustment of the Exercise Price as provided above, the number of Shares subject to the Option shall be increased or decreased, as appropriate, so that the total purchase price that would be payable upon exercise of the Option, to the extent not previously exercised, shall be the same immediately after the adjustment as the total purchase price payable upon such exercise of the Option, immediately before the adjustment.

(c) Other Changes in Capital Structure

In the case of any reclassification or other change in the outstanding Common Stock not covered by the foregoing provisions, other than a change in par value, or from par value to no par value, or from no par value to par value, or in the case of any consolidation or merger of the Company with or into another corporation (other than a merger in which the Company is the continuing corporation and which does not result in any reclassification or change of outstanding shares of the Company), or in the case of any sale or conveyance to another corporation of the property of the Company as an entirety, or substantially as an entirety, the Optionee shall have the right, upon exercise of Option, to receive solely a like amount and kind of shares of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance as Optionee would have been entitled to

receive if the Option, to the extent not previously exercised, had been exercised in full immediately prior to such reclassification, change, consolidation, merger, sale or conveyance, and the Board shall adjust the Exercise Price as it shall determine in its discretion to be equitable to prevent a dilution or enlargement of rights hereunder.

(d) Notice of Adjustment

Upon any adjustment of the Exercise Price and change in the number of Shares or other securities purchasable hereunder, the Company shall give written notice thereof to Optionee, stating the new price and the increased or decreased number of Shares or other securities purchasable upon exercise of the Option and setting forth in reasonable detail the method of calculation and the pertinent facts upon which such calculation is based. All determinations with respect to such adjustments shall be made by the Board and shall be conclusive and binding.

6. Non-Transferability of Option. The Option may be exercised during the lifetime of Optionee only by Optionee or by the guardian or legal representative of the Optionee and may not be transferred in any manner other than by will or by the laws of descent and distribution. In the event of death of Optionee, the person or persons entitled to exercise the Option under Optionee's will or under the laws of descent and distribution shall have the right to exercise any previously unexercised portion of the Option as of the date of Optionee's death as provided in Section 7, provided that the Company has been supplied with documentation satisfactory to it with respect to the appointment of such person or persons as such. The terms of this Option shall be binding upon the executors, administrators, heirs and successors of the Optionee.

7. Exercise in the Event of Death, Disability, Retirement or Other Termination.

(a) *Termination of Employment By Death*. If the Optionee's employment within the Group is terminated by reason of death, the Option will become immediately exercisable in full and may thereafter be exercised by the holder for a period of one year from the date of death or until the Expiration Date, whichever period is shorter. Any part of the Option not so exercised shall expire.

(b) *Termination of Employment By Reason of Disability*. If the Optionee's employment within the Group is terminated by reason of permanent and total disability as determined by the Board ("Disability"), the Option will become immediately exercisable in full and may thereafter be exercised by the Optionee for a period of one year from the date of such termination or until the Expiration Date, whichever period is shorter; provided, however, that if the Optionee dies within such one-year period and prior to the Expiration Date, any unexercised portion of the Option shall, notwithstanding the expiration of such one-year period, continue to be exercisable for a period of 12 months from the date of death or until the Expiration Date, whichever period is shorter. Any part of the Option not so exercised shall expire.

(c) *Termination of Employment By Reason of Retirement*. If the Optionee's employment within the Group is terminated by reason of retirement on or after the Optionee reaches age sixty five (65), the Option will become immediately exercisable in full and may thereafter be exercised by Optionee for a period of one year from the date of such retirement or

until the Expiration Date, whichever period is shorter; provided, however, that if the Optionee dies within such one-year period and prior to the Expiration Date, any unexercised portion of the Option shall, notwithstanding the expiration of such one-year period, continue to be exercisable for a period of 12 months from the date of death or until the Expiration Date, whichever period is shorter. Any part of the Option not so exercised shall expire.

(d) *Other Termination of Employment*. Unless otherwise determined by the Board, if for any reason other than death, retirement after reaching age sixty five (65), or Disability, the Optionee's employment within the Group is terminated, the Option shall thereupon terminate, except that the Option, to the extent exercisable immediately prior to a termination for any reason other than death, retirement after reaching age sixty five (65), or Disability, may be exercised for a period of sixty (60) days from the date of such termination or until the Expiration Date, whichever period is shorter. Notwithstanding the foregoing, if the Optionee's employment is terminated at or after a Change of Control (as defined in Section 8), other than by reason of death, retirement on or after reaching age sixty five (65), or Disability, the Option shall be exercisable for the lesser of (1) sixty (60) days from the date of such termination, or (2) until the Expiration Date, whichever period is shorter. Any part of the Option not so exercised shall expire.

8. Change of Control. In the event of a Change of Control (as defined below), the Option shall become fully exercisable and vested. "Change of Control" means the occurrence of any of the following events:

(a) The Company is merged, consolidated or reorganized into or with another corporation or other legal person, and as a result of such merger, consolidation or reorganization less than a majority of the combined voting power of the then-outstanding securities of such corporation or person immediately after such transaction is held in the aggregate, directly or indirectly, by the holders of the then-outstanding securities entitled to vote generally in the election of directors (the "Voting Stock") of the Company immediately prior to such transaction;

(b) The Company sells or otherwise transfers all or substantially all of its assets to another corporation or other legal person, and as a result of such sale or transfer, less than a majority of the combined voting power of the then-outstanding Voting Stock of such corporation or person immediately after such sale or transfer is held in the aggregate, directly or indirectly, by the holders of Voting Stock of the Company immediately prior to such sale or transfer;

(c) There is a report filed on Schedule 13D or Schedule 14D-1 (or any successor schedule, form or report), each as promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), disclosing that any person (as the term "person" is used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) has become the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of securities representing 35% or more of the combined voting power of the then outstanding Voting Stock of the Company;

(d) There is a report or notification filed with any regulatory body in the United Kingdom or issued pursuant to the AIM Rules or any other applicable laws or regulations, disclosing that any person has become the beneficial owner of securities representing 35% or more of the combined voting power of the then outstanding Voting Stock of the Company.

(e) If, during any period of two consecutive years, individuals who at the beginning of any such period constitute the members of the Board of Directors of the Company cease for any reason to constitute at least a majority thereof; provided, however, that for purposes of this paragraph (e) each director who is first elected, or first nominated for election, by the Company's shareholders, by a vote of at least two-thirds of the directors of the Company (or a committee thereof) then still in office who were directors of the Company at the beginning of any such period will be deemed to have been a director of the Company at the beginning of such period; or

(f) The approval of the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing provisions of paragraphs (c) and (d) above, unless otherwise determined in a specific case by majority vote of the Board, a "Change of Control" shall not be deemed to have occurred for purposes of paragraph (c) and (d) solely because (i) the Company, (ii) a subsidiary of the Company, or (iii) any employee stock ownership plan or any other employee benefit plan of the Company or any Subsidiary either files or becomes obligated to file a report or a proxy statement under or in response to Schedule 13D or Schedule 14D-1 (or any successor schedule, form or report or item therein) under the Exchange Act or a report or notification is filed or issued with any regulatory body in the United Kingdom or pursuant to the AIM Rules or other applicable laws or regulations, disclosing beneficial ownership by it of shares of Voting Stock, whether in excess of 35% or otherwise.

9. Representations of Optionee. Optionee acknowledges that he has been informed that the Shares subject to the Option, if and when issued, will not be registered under the Securities Act of 1933, as amended (the "Act"). Optionee acknowledges that he has been informed that the Company is granting the Option in reliance upon exemptions contained in the Act and the General Rules and Regulations under the Act as promulgated and from time to time amended by the Securities and Exchange Commission on the grounds that the grant of the Option and the issuance and sale of the Shares subject to the Option when exercised are transactions not involving any public offering and that, consequently, such transactions are exempt from registration under the Act by virtue of the provisions of Section 4(2) thereof. Optionee acknowledges that reliance upon this exemption is predicated in part upon his representation that he has no intention of dividing his participation for any interest in the Option and the Shares subject to the Option with others or otherwise distributing all or any part thereof but that any Shares acquired by him upon exercise of the Option will be acquired for investment only. In addition, Optionee specifically authorizes the Company to place an appropriate legend on the Shares in the form set forth in Section 11 hereof.

10. Representation of the Company. The Company represents and warrants that the Shares issuable upon any exercise of the Option, when purchased and paid for as herein provided, will be validly issued, fully paid and non-assessable.

11. Legend. The certificates representing the Shares issued upon any exercise of the Option granted hereby shall bear the following legend:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER, IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION IS EXEMPT FROM REGISTRATION OR IS OTHERWISE IN COMPLIANCE WITH THE ACT AND SUCH LAWS.

12. No Employment Contract. Nothing in this Agreement shall confer upon the Optionee any right to become or to continue to be an employee of the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to discharge the Optionee, if an employee, at any time for any reason whatsoever, with or without cause, subject to the provisions of applicable law. This Agreement is not an employment contract.

13. Income Tax Withholding. Optionee authorizes the Company or other Group company to withhold in accordance with applicable law from any compensation payable to him or her any taxes required to be withheld by Federal, state, local or foreign laws as a result of the exercise of the Option. The Optionee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the Shares purchased upon the exercise of the Option. If such election is made, the Shares so retained shall be credited against such withholding requirement based on the fair market value of a share of Common Stock on the Exercise Date. Furthermore, in the event of any determination that the Company or other Group company has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the exercise of the Option, Optionee agrees to pay the Company the amount of any such deficiency in cash within five (5) days after receiving a written demand from the Company to do so, whether or not Optionee is an employee of the Company at that time.

14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

15. Option Subject to Terms of Plan**.** The granting of the Option is being made pursuant to the Plan and the Option shall be exercisable only in accordance with the applicable terms of the Plan. The Plan contains certain definitions, restrictions, limitations and other terms and conditions all of which shall be applicable to the Option. **ALL THE PROVISIONS OF THE PLAN ARE INCORPORATED HEREIN BY REFERENCE AND ARE MADE A PART OF THIS AGREEMENT IN THE SAME MANNER AS IF EACH AND EVERY SUCH PROVISION WERE FULLY WRITTEN INTO THIS AGREEMENT.** Should the Plan become void or unenforceable by operation of law or judicial decision, this Agreement shall have no force or effect. Nothing set forth in this Agreement is intended, nor shall any of its

provisions be construed, to limit or exclude any definition, restriction, limitation or other term or condition of the Plan as is relevant to this Agreement and as may be specifically applied to it by the Board. In the event of a conflict in the provisions of this Agreement and the Plan, as a rule of construction, the terms of the Plan shall be deemed superior and apply. The Optionee acknowledges receipt of a copy of the Plan.

16. No Rights in Stock. The holder of the Option shall have no rights as a shareowner in respect of any shares of Common Stock of the Company unless and until a certificate or certificates representing such shares shall have been delivered to him.

IN WITNESS WHEREOF, the parties have executed this Stock Option Agreement as of the date first above written.

AQUABOUNTY TECHNOLOGIES INC.

Name:
Title:

OPTIONEE

Name:

EXHIBIT A

TERMS OF OPTIONS

Date of Grant	Number of Shares	Exercise Price Per Share	Vesting Period	Expiration Date
		$		

Exhibit 10.5

AQUA BOUNTY TECHNOLOGIES INC.

2006 EQUITY INCENTIVE PLAN

FORM OF RESTRICTED STOCK AGREEMENT

(United Kingdom Residents)

This Agreement (the "Agreement") is made as of_____, 201__ (the "Date of Grant") by and between Aqua Bounty Technologies Inc., a Delaware corporation (the "Company") and _____ ("Grantee") on behalf of itself and of any subsidiary of the Company (a "Subsidiary") which is the employer of or deemed to be the employer of Grantee or to which Grantee provides services.

1. Grant of Restricted Shares. Subject to and upon the terms, conditions and restrictions set forth in this Agreement and in the Company's 2006 Equity Incentive Plan (the "Plan"), the Company hereby grants to Grantee as of the Date of Grant _____(_____) shares of the Company's Common Stock as Restricted Shares (the "Restricted Shares"). The Restricted Shares shall be fully paid and nonassessable and shall be represented by a certificate or certificates registered in Grantee's name, endorsed with an appropriate legend referring to the restrictions hereinafter set forth.

2. Restrictions on Transfer of Restricted Shares. The Restricted Shares may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by Grantee, except to the Company, until the Restricted Shares have become nonforfeitable as provided in Section 3 hereof. Any purported transfer or encumbrance in violation of the provisions of this Section 2 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Shares.

3. Vesting of Restricted Shares. The Restricted Shares shall become nonforfeitable on the_____ anniversary of the Date of Grant (the "Vesting Date") if Grantee remains in the continuous employ or service of the Company or a Subsidiary from the Date of Grant until the Vesting Date.

4. Forfeiture of Shares. Notwithstanding any other provision of this Agreement or of the Plan to the contrary, the Restricted Shares shall be forfeited without further consideration if Grantee ceases to be an employee of or to provide services to the Company or any Subsidiary prior to the Vesting Date. In the event of a forfeiture, the certificate(s) representing the Restricted Shares covered by this Agreement shall be canceled.

5. Dividend, Voting and Other Rights. Except as otherwise provided herein, from and after the Date of Grant, Grantee shall have all of the rights of a stockholder with respect to the Restricted Shares; provided, however, that any additional shares of Common Stock or other securities that Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of the Company shall be subject to the same restrictions as the Restricted Shares covered by this Agreement.

6. Retention of Stock Certificate(s) by the Company. The certificate(s) representing the Restricted Shares shall be held in custody by the Company, together with a stock power endorsed in blank by Grantee with respect thereto, until those shares have become nonforfeitable in accordance with Section 3 of this Agreement.

7. Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Company shall not be obligated to issue any shares of Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

8. Taxes and Withholding.

(a) To the extent that the Company or a Subsidiary shall be required to withhold any federal, state, local or foreign taxes and social security contributions (including, without limitation, UK primary class 1 (employee's) national insurance contributions) in connection with the issuance, vesting or disposal of the Restricted Shares or non restricted Common Stock of the Company or other securities obtained pursuant to this Agreement (including in the event of Grantee making an election under Section 431 of the United Kingdom Income Tax (Earnings and Pensions) Act 2003 (b) with respect to the Restricted Shares), and the amounts available to the Company for such withholding are insufficient, Grantee shall pay such taxes or make provisions that are satisfactory to the Company for the payment thereof.

(b) Grantee hereby acknowledges and agrees that he shall be fully responsible for and hereby indemnifies the Company and its Subsidiaries for and in respect of any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with the grant of Restricted Shares pursuant to this Agreement, where the recovery is not prohibited by law. The Grantee hereby further indemnifies the Company and its Subsidiaries against all reasonable costs, expenses and any penalty, final interest incurred or payable by the Company or any Subsidiary in connection with or in consequence of any such liability, deduction, contribution, assessment or claim.

9. Continuous Employment. For purposes of this Agreement, the continuous employment or service of Grantee with the Company or a Subsidiary shall not be deemed to have been interrupted, and Grantee shall not be deemed to have ceased to be an employee of or provider of services to the Company or a Subsidiary, by reason of the transfer of his employment or service among the Company and its Subsidiaries or a leave of absence approved by the Board.

10. No Employment Contract.

(a) Nothing contained in this Agreement shall confer upon Grantee any right with respect to continuance of employment or service with the Company or any Subsidiary, nor limit or affect in any manner the right of the Company or any Subsidiary to terminate the employment or service or to adjust the compensation of Grantee.

(b) This grant of Restricted Shares is a voluntary, discretionary bonus being made on a one time basis and does not constitute a commitment to make any future grants. This grant and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance. Grantee shall not be entitled to any compensation in connection with Grantee's termination of employment or service for any loss of any right or benefit or prospective right or benefit under this Agreement or the Plan which he might otherwise have enjoyed, whether such compensation is claimed by way of damages for breach of contract or by way of compensation for loss of office or otherwise.

11. Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of Grantee under this Agreement without Grantee's consent.

12. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

13. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. The Board acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions which arise in connection with the grant of Restricted Shares.

14. Data Privacy. Information about Grantee may be collected, recorded and held, used and disclosed in electronic or other form for the exclusive purpose of implementing, administering and managing Grantee's participation in the Plan. By accepting this grant of Restricted Shares, Grantee agrees and understands that processing of such information may need to be carried out by the Company and any Subsidiary and by third party administrators, whether such persons are located within Grantee's country of residence or elsewhere, including outside the European Economic Area. Grantee hereby consents to the processing of information relating to him and his participation in the Plan in any one or more of the ways referred to above.

15. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

16. Governing Law. This agreement is made under, and shall be construed in accordance with, the internal substantive laws of the State of Delaware.

[SIGNATURES ON NEXT PAGE]

This Agreement is executed by the Company on the day and year first set forth above.

By: _____
Name:
Title:

The undersigned hereby acknowledges receipt of an executed original of this Agreement and accepts the award of Restricted Shares granted thereunder on the terms and conditions set forth herein and in the Company's 2006 Equity Incentive Plan.

Date: _____, 201__

_____
GRANTEE
Name: _____

AQUABOUNTY TECHNOLOGIES, INC.
2016 EQUITY INCENTIVE PLAN

Adopted by the Board of Directors on March 11, 2016
Termination Date: March 11, 2026

1. General

a. **Eligible Award Recipients**. Employees, Directors, and Consultants (definitions for capitalized terms can be found in Section 13) are eligible to receive Awards.

b. **Available Awards**. The Plan provides for the grant of the following types of Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights, (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards, and (vi) Other Awards.

c. **Purpose**. This Plan, through the granting of Awards, is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and provide a means by which the eligible recipients may benefit from increases in value of the Common Stock.

2. Administration

a. **Administration by Board**. The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

b. **Powers of Board**. The Board will have the power, subject to and within the limitations of, the express provisions of the Plan, to:

i. determine (A) who will be granted Awards; (B) when and how each Award will be granted; (C) what type of Award will be granted; (D) the provisions of each Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Common Stock under the Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to an Award;

ii. construe and interpret the Plan and Awards granted under it;

iii. establish, amend, and revoke rules and regulations for its administration of the Plan and Awards;

iv. correct any defect, omission, or inconsistency in the Plan or in any Award Agreement in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective;

v. settle all controversies regarding the Plan and Awards granted under it;

vi. accelerate, in whole or in part, the time at which an Award may be exercised or vest (or at which cash or shares of Common Stock may be issued);

vii. amend, suspend, or terminate the Plan at any time, as long as such action does not materially impair any Participant's rights under any then-outstanding Award without that Participant's written consent or a provision in the Plan or the applicable Award Agreement permitting such action without consent; provided, however, that a Participant's rights will not be deemed to have been impaired by an amendment if (A) the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair those rights or (B) subject to any limitations of applicable law, the amendment is effected to (I) maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (II) change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (III) clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A, (IV) correct clerical or typographical errors, or (V) comply with other applicable laws or listing requirements;

viii. submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 422 of the Code regarding incentive stock options or to satisfy other applicable laws, regulations, or listing requirements;

ix. exercise such powers and perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards;

x. adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors, or Consultants who are foreign nationals or employed outside the United States; and

xi. effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase, or strike price of any outstanding Award; (B) the cancellation of any outstanding Award and the grant in substitution therefor of a new Option, SAR, Restricted Stock Award, Restricted Stock Unit Award, Other Award, cash, or other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (I) covering the same or a different number of shares of Common Stock as the cancelled Award and (II) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

c. **Delegation to Committee**. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee). Any delegation of administrative powers will

be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

d. **Delegation to an Officer**. To the extent permitted by law, the Board may delegate to one or more Officers the authority to do either or both of the following: (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Awards) and, to the extent permitted by applicable law, the terms of such Awards, and (ii) determine the number of shares of Common Stock to be subject to such Awards granted to such Employees. However, if and as required by applicable law, the Board resolutions regarding such delegation will specify the total number of shares of Common Stock that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the form of Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. Unless permitted by applicable law, the Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value if the Common Stock is not listed on any established stock exchange or traded on any established market.

e. **Effect of Board's Decision**. All determinations, interpretations, and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding, and conclusive on all persons.

3. Shares Subject to the Plan

a. **Share Reserve**. Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Awards will not exceed 13,500,000 shares (the "***Share Reserve***").

b. **Reversion of Shares to the Share Reserve**. Shares will return to the Plan, and will not reduce (or otherwise offset) the number of shares of Common Stock that may be available for issuance under the Plan, if the Award, or any portion thereof:

i. expires or otherwise terminates without all of the shares covered by such Award having been issued;

ii. is settled in cash (*i.e.*, the Participant receives cash rather than stock);

iii. is forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant;

iv. is reacquired by the Company in satisfaction of tax withholding obligations or as consideration for the exercise or purchase price of an Award (provided, for clarity, that such shares are treated as having been issued, and then returned to the Plan).

c. **Incentive Stock Option Limit**. Subject to the Plan provisions relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that

may be issued pursuant to the exercise of Incentive Stock Options will be equal to twice the expressly stated Share Reserve (with each increase to the Share Reserve authorized by the Board and stockholders also resulting in a corresponding increase in this Incentive Stock Option limit).

d. **Source of Shares**. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. Eligibility

a. **Eligibility for Specific Awards**. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Awards other than Incentive Stock Options may be granted to Employees, Directors, and Consultants. However, Awards may not be granted to Employees, Directors, and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405, unless (i) the stock underlying such Awards is treated as "service recipient stock" under Section 409A (for example, because the Awards are granted pursuant to a corporate transaction, such as a spin off transaction) or (ii) the Company, in consultation with its legal counsel, has determined that such Awards are otherwise exempt from or alternatively comply with the distribution requirements of Section 409A.

b. **Ten Percent Stockholders**. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant, and the Option is not exercisable after the expiration of five years from the date of grant.

5. Provisions Relating to Options and Stock Appreciation Rights

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on the exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical. However, each Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

a. **Term**. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of its grant or such shorter period specified in the Award Agreement.

b. **Exercise Price**. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than 100% of the Fair Market Value of the Common Stock subject to the Option or SAR on the date the Award

is granted. However, an Option or SAR may be granted with an exercise price (or strike price) lower than 100% of the Fair Market Value if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Change in Control and in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

c. **Purchase Price for Options**. The purchase price of Common Stock acquired on the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

i. by cash, check, bank draft, electronic funds, wire transfer, or money order payable to the Company;

ii. through a program developed under Regulation T as established by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds (sometimes called a “same-day sale” or “sell to cover”);

iii. by tendering the cash proceeds resulting from a sale to a third party investor of some of the shares to be exercised, but only if the investor is approved by the Company at the time of exercise, under a private company liquidity assistance program approved by the Company;

iv. by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

v. if an option is a Nonstatutory Stock Option, by a “net exercise” arrangement by which the Company will reduce the number of shares of Common Stock received on exercise by the largest whole number of shares with a fair market value that does not exceed the aggregate exercise price, coupled with a cash payment for any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued (and for clarity, these shares used to pay the exercise price will be issued at exercise, and then immediately reacquired by the Company);

vi. according to a deferred payment or similar arrangement with the Participant, but only if interest will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Participant under any applicable provisions of the Code and (B) the classification of the Award as a liability for financial accounting purposes; or

vii. in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

d. **Exercise and Payment of a SAR**. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Award Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (i) the aggregate fair market value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (ii) the strike price. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Agreement evidencing such SAR.

e. **Transferability of Options and SARs**. The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

i. **Restrictions on Transfer**. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below) and will be exercisable during the lifetime of the Participant only by the Participant. The Board may permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

ii. **Domestic Relations Orders**. Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement, or other divorce or separation instrument as permitted by Treasury Regulations 1.421-l(b)(2). If an Option is an Incentive Stock Option, such Option will be deemed to be a Nonstatutory Stock Option as a result of such transfer.

iii. **Beneficiary Designation**. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company in a form approved by the Company (or the designated broker), designate a third party who, on the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

f. **Vesting Generally**. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of performance goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary.

g. **Termination of Continuous Service**. Except as otherwise provided below or in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than on the Participant's death or Disability), the Participant may exercise his or her Option or SAR (if the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three months following the termination of the Participant's Continuous Service and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR will terminate. In all cases, the unvested piece of an Option or SAR will terminate on the termination of Continuous Service.

h. **Extension of Termination Date**. If the exercise of an Option or SAR following the termination of a Participant's Continuous Service (other than for Cause and other than on the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of three months (that need not be consecutive) after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the immediate sale of any Common Stock received on exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than on the Participant's death or Disability) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (A) the expiration of a total period of three months (that need not be consecutive) after the termination of the Participant's Continuous Service during which the sale of the Common Stock received on exercise of the Option or SAR would not be in violation of the Company's insider trading policy or (B) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement.

i. **Disability of Participant**. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (if the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date that is twelve months following such termination of Continuous Service and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

j. **Death of Participant**. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death or (ii) a Participant dies within three months after the termination of the Participant's Continuous Service (for a reason other than death or Cause), then the Option or SAR may be exercised (to the extent the

Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance, or by a person designated to exercise the Option or SAR on the Participant's death, but only within the period ending on the earlier of (A) the date that is twelve months following the date of death and (B) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR will terminate.

k. **Termination for Cause**. Except as explicitly provided otherwise in a Participant's Award Agreement or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately on such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

l. **Non-Exempt Employees**. If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended from time to time, the Option or SAR will not be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability; (ii) on a Change in Control in which such Option or SAR is not assumed, continued, or substituted; or (iii) on the Participant's retirement (as such term may be defined in the Participant's Award Agreement in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then-current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. If permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting, or issuance of any shares under any other Award will be exempt from the employee's regular rate of pay, the provisions of this paragraph will apply to all Awards and are hereby incorporated by reference into such Award Agreements.

m. **Early Exercise**. An Option may, but need not, include a provision whereby the Participant may elect before the Participant's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option, except as would be inconsistent with Section 5(l). Subject to the repurchase limitation in Section 8(l), any unvested shares of Common Stock so purchased may be subject to a repurchase option in favor of the Company or to any other restriction the Board determines to be appropriate. Provided that the repurchase limitation in Section 8(l) is not violated, the Company shall not be required to exercise its repurchase option until at least six months (or such longer or shorter period of time required to avoid classification of the Option as a liability for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Award Agreement.

6. Provisions of Awards Other than Options and SARs

a. **Restricted Stock Awards**. Each Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Company's bylaws, at the Board's election, shares of Common Stock may be held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse or evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Award Agreements may change from time to time, and the terms and conditions of separate Award Agreements need not be identical. Each Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

i. **Consideration**. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft, electronic funds, wire transfer, or money order payable to the Company; (B) past services to the Company or an Affiliate; or (C) any other form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

ii. **Vesting**. Shares of Common Stock awarded under the Restricted Stock Award may be subject to forfeiture to the Company in accordance with a vesting schedule (also referred to as a schedule for lapsing of the Company's unvested share repurchase rights) to be determined by the Board.

iii. **Termination of Participant's Continuous Service**. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Award Agreement.

iv. **Transferability**. The right to acquire shares of Common Stock under a Restricted Stock Award will not be transferable by the Participant. Once the shares of Common Stock are issued, the Board may allow the holder to transfer unvested shares, but only on the terms and conditions in the Award Agreement, and only so long as the Common Stock awarded under the Award Agreement remains subject to the terms of the Award Agreement in the hands of the recipient.

v. **Dividends**. In the absence of an Award Agreement expressly providing otherwise, any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

b. **Restricted Stock Unit Awards**. Each Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. The terms and conditions of Award Agreements may change from time to time, and the terms and conditions of separate Award Agreements need not be identical. Each Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

i. **Consideration**. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant on delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

ii. **Vesting**. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

iii. **Payment**. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Award Agreement.

iv. **Additional Restrictions**. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

v. **Dividend Equivalents**. Dividend equivalents may be credited on shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in an Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Award Agreement to which they relate.

vi. **Termination of Participant's Continuous Service**. Except as otherwise provided in the applicable Award Agreement, the unvested portion of the Restricted Stock Unit Award that has not vested will be forfeited on the Participant's termination of Continuous Service.

c. **Other Awards**. Other forms of Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value of the Common Stock at the time of grant), may be granted either alone or in addition to other Awards. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Awards, and all other terms and conditions of such Other Awards.

7. Covenants of the Company

a. **Availability of Shares**. The Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy then-outstanding Awards.

b. **Compliance with Laws and Rules**. The Company will use reasonable efforts to seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock on exercise of the Awards. However, this undertaking will not require the Company to register under the Securities Act or any other securities laws the Plan, any Award, or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock on exercise of such Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable law or the rules of any stock exchange, including, but not limited to, the rules of the London Stock Exchange or Nasdaq.

c. **No Obligation to Notify or Minimize Taxes**. The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

8. Miscellaneous

a. **Use of Proceeds from Sales of Common Stock**. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

b. **Corporate Action Constituting Grant of Awards**. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. If the corporate records (*e.g.*, Board consents, resolutions, or minutes) documenting the corporate action constituting the grant contain terms (*e.g.*, exercise price, vesting schedule, or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement.

c. **Stockholder Rights**. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares under, the Award pursuant to its terms and (ii) the issuance of the Common

Stock subject to such Award has been entered into the books and records of the Company. The Board may require, as a condition to the grant, exercise, or settlement of an Award, the Participant to appoint the Company's CEO (or other member of the Board) as having the sole and exclusive power of attorney to vote all shares of Common Stock subject to Participant's Award, which power shall be effective until the earlier of the completion of a Change in Control or the Company's initial public offering.

d. **No Employment or Other Service Rights**. Nothing in the Plan, any Award Agreement, or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer on any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted, or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

e. **Change in Time Commitment**. If a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or goes out on a leave of absence from his or her duties) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion (and without the need to seek or obtain the consent of the affected Participant) to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

f. **Incentive Stock Option Limitations**. If the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and any Affiliates) exceeds $100,000 (or such other limit established in the Code) or if an Option grant otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (based on the order of grant, as specified in the Code) or otherwise do not comply with the rules will be treated as Nonstatutory Stock Options, despite any contrary provision of any applicable Award Agreement.

g. **Investment Assurances**. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Award, to (i) give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters; (ii) employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters, and as to the Participant's capability of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (iii) give written assurances satisfactory to the

Company stating that the Participant is acquiring Common Stock subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares on the exercise or acquisition of Common Stock under the Award has been registered under a then-currently effective registration statement under the Securities Act and any other applicable foreign securities laws or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then-applicable securities laws. The Company may, on advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

h. **Withholding Obligations**. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state, or local tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement. If shares of Common Stock are withheld to satisfy tax obligations, such shares will be deemed issued and then immediately tendered to the Company and no shares of Common Stock will be withheld for these purposes to the extent they have a value exceeding the minimum amount of tax required to be withheld by law (or such lesser amount as may be necessary to avoid classification of the Award as a liability for financial accounting purposes). For clarity, no partial shares will be withheld, and the Participant must satisfy the tax obligation related to any such partial share using another permitted form of payment.

i. **Electronic Delivery**. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically (filed publicly at www.sec.gov or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

j. **Deferrals**. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash on the exercise, vesting, or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A. Consistent with Section 409A, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

k. **Compliance with Section 409A**. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code. If an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement, with the permitted distribution events and timing being the earlier of the date of termination of Continuous Service and the date of a Change in Control. However, and unless the Award Agreement specifically provides otherwise, if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six-month period elapses, with the balance paid thereafter on the original schedule.

l. **Right of Repurchase**. An Award may include a provision whereby the Company may elect to repurchase all or any part of the shares of Common Stock acquired by the Participant, whether or not vested. The terms of any repurchase option shall be specified in the Award Agreement. Unless otherwise determined by the Board and subject to compliance with applicable laws, the repurchase price for vested shares of Common Stock will be the Fair Market Value of the shares of Common Stock on the date of repurchase, and the repurchase price for unvested shares of Common Stock (or vested shares, in the case of a termination of Continuous Service for Cause) will be the lower of (i) the Fair Market Value of the shares of Common Stock on the date of repurchase or (ii) their original purchase price. The Company will not exercise its repurchase option until at least six months (or such longer or shorter period of time necessary to avoid classification of the Award as a liability for financial accounting purposes) have elapsed following delivery of shares of Common Stock subject to the Award, unless otherwise specifically provided by the Board. The Board reserves the right to assign the Company's right of repurchase.

m. **Right of First Refusal**. An Award may also include a provision whereby the Company may elect to exercise a right of first refusal following receipt of notice from the Participant of the intent to transfer all or any part of the shares of Common Stock received under the Award. Except as expressly provided in this paragraph or in the Award Agreement, such right of first refusal shall otherwise comply with any applicable provisions of the bylaws of the Company. The Board reserves the right to assign the Company's right of first refusal.

n. **Compliance with Exemption from Registration**. Unless otherwise determined by the Board, during any period in which the Company does not have a class of its securities registered under Section 12 of the Exchange Act and is not required to file reports under

Section 15(d) of the Exchange Act, the shares of Common Stock issued under Awards may not be transferred until the Company is no longer relying on the exemption provided by Rule 12h-1(f) promulgated under the Exchange Act, except: (i) as permitted by Rule 701(c) promulgated under the Securities Act, (ii) to a guardian on the disability of the Participant, or (iii) to an executor on the death of the Participant (collectively, the "***Permitted Transferees***"). In addition, the Board may permit transfers by the Participant to the Company and transfers in connection with a change in control or other acquisition involving the Company. Any Permitted Transferees may not further transfer the Awards. Except as otherwise expressly permitted in this paragraph, Awards and shares of Common Stock issued under Awards are restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" as defined by Rule 16a-1(h) promulgated under the Exchange Act, or any "call equivalent position" as defined by Rule 16a-1(b) promulgated under the Exchange Act by the Participant if doing so would require the Company to register a class of its securities under Section 12 of the Exchange Act or to file reports under Section 15(d) of the Exchange Act. To the extent required by law, including to maintain an exemption from registration under Section 12 of the Exchange Act, the Company shall deliver to Participants (whether by physical or electronic delivery or written notice of the availability of the information on an internet site) the information required by Rule 701(e)(3), (4), and (5) promulgated under the Securities Act every six months, including financial statements that are not more than 180 days old. However, the Company may condition the delivery of such information on the Participant's agreement to maintain its confidentiality.

o. **Non U.S. Participants**. To facilitate the making of any grant or combination of grants under this Plan, the Board may provide for such special terms or procedures for awards to Participants who are foreign nationals, are employed by the Company or any Affiliate outside of the United States of America, or provide services to the Company under an agreement with a foreign nation or agency, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy, custom securities, or exchange control laws. Moreover, the Board may approve such supplements to or amendments of this Plan (including, without limitation, sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments, or restatements, however, will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Company.

p. **Clawback/Recovery**. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery, or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including, but not limited to, a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property on the occurrence of Cause. The implementation of any clawback policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

9. Adjustments On Changes In Common Stock; Other Corporate Events

a. **Capitalization Adjustments**. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan as the Share Reserve, (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c), and (iii) the class(es) and number of securities and price per share subject to outstanding Awards. The Board will make such adjustments, and its determination will be final, binding, and conclusive.

b. **Dissolution or Liquidation**. Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company despite the fact that the holder of such Award is providing Continuous Service. However, the Board may, in its sole discretion, cause some or all Awards to become fully vested, exercisable, and/or no longer subject to repurchase or forfeiture (to the extent that such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

c. **Change in Control**. The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided (i) in the Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or (ii) by the Board expressly at the time of grant of an Award. In the event of a Change in Control, and despite any other provision of the Plan, the Board may take one or more of the following actions with respect to Awards, contingent on the closing or completion of the Change in Control:

i. arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar stock award for the Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in Control);

ii. arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

iii. accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) immediately prior to the effective time of the Change in Control;

iv. arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award on a date prior to the effective time of such Change in Control as the Board will determine (or, if the Board will not determine such a date, on the date that is five days prior to the effective date of the Change in Control);

v. cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

vi. make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received on the exercise of the Award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such holder in connection with such exercise, in consideration for the termination of such Award at or immediately prior to the closing. For clarity, this payment may be zero if the fair market value of the property is equal to or less than the exercise price.

The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of an Award. Only to the extent permitted under Code Section 409A may the Board provide that payments under this provision may be delayed to the same extent that payment of consideration to the holders of the Company's Common Stock in connection with the Change in Control is delayed as a result of escrows, earn outs, holdbacks, or other contingencies. In addition, the Board may provide that such payments made over time will remain subject to substantially the same vesting schedule as the Award, including any performance-based vesting metrics that applied to the Award immediately prior to the closing of the Change in Control. An Award may be subject to additional acceleration of vesting and exercisability in connection with a Change in Control as may be provided in the Award Agreement for such Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur. The Board may require that any award, cash, or property paid in consideration for a cancelled or exchanged Award be subject to the same terms and conditions (including earn out, escrow, or milestone payments) as apply to the consideration paid to the Company's stockholders in the deal, but only if doing so would not result in adverse tax penalties under Section 409A.

10. Term, Termination, and Suspension of the Plan

The Board may suspend or terminate the Plan at any time. This Plan will terminate, and no Incentive Stock Option will be granted after, the tenth anniversary of the earlier of (a) the date the Plan is adopted by the Board and (b) the date the Plan is approved by the stockholders of the Company. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated. Suspension or termination of the Plan will not materially impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

11. Effective Date of the Plan

This Plan became effective on the Effective Date.

12. Choice of Law

The laws of the State of Delaware will govern all questions concerning the construction, validity, and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. Definitions

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

"***Affiliate***" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

"***Award***" means (a) Incentive Stock Options, (b) Nonstatutory Stock Options, (c) Stock Appreciation Rights, (d) Restricted Stock Awards, (e) Restricted Stock Unit Awards, and (f) Other Awards.

"***Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

"***Board***" means the Board of Directors of the Company.

"***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). However, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

"***Cause***" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term as applicable to an Award and, in the absence of such agreement, such term means, with respect to a Participant, such Participant's: (a) commission of any felony; (b) commission of a crime involving fraud, dishonesty, or moral turpitude under the laws of the United States or any state thereof that is reasonably likely to result in material adverse effects on the Company; (c) commission of a crime of fraud,

embezzlement, or other intentional malfeasance against the Company; (d) intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (e) unauthorized use or disclosure of the Company's confidential information or trade secrets; or (f) gross misconduct that is reasonably likely to result in a material adverse effect on the Company. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Board, in its sole discretion. Any determination by the Board that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect on any determination of the rights or obligations of the Company or such Participant for any other purpose.

"***Change in Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(a) Any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then-outstanding securities other than by virtue of a merger, consolidation, or similar transaction. However, a Change in Control will not be deemed to occur (i) on account of the acquisition of securities of the Company by an investor, any affiliate thereof, or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (ii) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding. However, if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then-outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(b) there is consummated a merger, consolidation, or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation, or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (i) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation, or similar transaction or (ii) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation, or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction; or

(c) there is consummated a sale, lease, exclusive license, or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license, or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license, or other disposition.

However, the term Change in Control will not include a sale of assets, merger, or other transaction effected exclusively for the purpose of changing the domicile of the Company, and the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement. If necessary for compliance with Code Section 409A, no transaction will be a Change in Control unless it is also a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as provided in Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5). The Board may, in its sole discretion and without a Participant's consent, amend the definition of "Change in Control" to conform to the definition of "Change in Control" under Section 409A of the Code, and the regulations thereunder.

"***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

"***Committee***" means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

"***Common Stock***" means the common stock of the Company.

"***Company***" means AquaBounty Technologies, Inc., a Delaware corporation.

"***Consultant***" means any person, including an advisor, who is (a) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services or (b) serving as a member of the board of directors of an Affiliate and is compensated for such services, in either case, only if such person satisfies the requirements to be a consultant for purposes of Rule 701.

"***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director, or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant, or Director or a change in the Entity for which the Participant renders such service (provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate) will not terminate a Participant's Continuous Service. If the entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. If permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (a) any leave of absence approved by the Board or chief executive officer of the Company, including sick leave, military leave, or any other personal leave, or (b) transfers between the Company, an Affiliate, or their successors. However, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy

applicable to the Participant, or as otherwise required by law. In addition, if required for exemption from or compliance with Section 409A of the Code, the determination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

"***Director***" means a member of the Board.

"***Disability***" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve months, as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

"***Effective Date***" means the effective date of this Plan, which is the earlier of (a) the date that this Plan is first approved by the Company's stockholders and (b) the date this Plan is adopted by the Board.

"***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

"***Entity***" means a corporation, partnership, limited liability company, or other entity.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"***Exchange Act Person***" means any natural person, Entity, or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (a) the Company or any Subsidiary; (b) any employee benefit plan of the Company or any Subsidiary or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary; (c) an underwriter temporarily holding securities pursuant to a registered public offering of such securities; (d) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (e) any natural person, Entity, or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the date of determination, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

"***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows:

(a) Unless otherwise determined by the Board, if the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, or, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(b) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

In determining the value of a share for purposes of tax reporting on the exercise, issuance, or transfer of shares subject to Awards, fair market value may be calculated using the definition of Fair Market Value, the actual sales price in the transaction at issue (*e.g.*, "sell to cover"), or such other value determined by the Company's General Counsel in good faith in a manner that complies with applicable tax laws.

"***Good Reason***" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term as applicable to an Award and, in the absence of such agreement, such terms means, with respect to a Participant, the Participant's resignation from all positions he or she then holds with the Company following: (a) a reduction in the Participant's base salary of more than 10%, (b) the required relocation of the Participant's primary work location to a facility that increases his or her one-way commute by more than 50 miles, or (c) a material reduction in the Participant's duties or authority (other than a material reduction inherent in the transition of the Company from operating as a stand-alone entity to becoming a subsidiary or division of the acquiring entity), in each case, only if (i) the Participant provides written notice to the Company's Chief Executive Officer or Board within 30 days following such event identifying the nature of the event, (ii) the Company fails to cure such event within 30 days following receipt of such written notice, and (iii) the Participant's resignation is effective not later than 30 days thereafter.

"***Incentive Stock Option***" means an option granted under the Plan that is intended to be, and that qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

"***Nonstatutory Stock Option***" means any option granted under the Plan that does not qualify as an Incentive Stock Option.

"***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

"***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

"***Other Award***" means an award based in whole or in part by reference to the Common Stock that is granted pursuant to the terms and conditions of Section 6(c).

"***Own***," "***Owned***," "***Owner***," "***Ownership***" means a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

"***Participant***" means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

"***Plan***" means this AquaBounty Technologies, Inc. 2016 Equity Incentive Plan.

"***Restricted Stock Award***" means an award of shares of Common Stock that is granted pursuant to the terms and conditions of Section 6(a).

"***Restricted Stock Unit Award***" means a right to receive shares of Common Stock that is granted pursuant to the terms and conditions of Section 6(b).

"***Rule 405***" means Rule 405 promulgated under the Securities Act.

"***Rule 701***" means Rule 701 promulgated under the Securities Act.

"***Section 409A***" means Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect.

"***Securities Act***" means the Securities Act of 1933, as amended.

"***Stock Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

"***Subsidiary***" means, with respect to the Company, (a) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (b) any partnership, limited liability company, or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

"***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

"***Treasury Regulations***" means the final or temporary regulations that have been issued by the U.S. Department of Treasury pursuant to its authority under the Code, and any successor regulations.

"***US Public Market***" means a national stock exchange or stock market in the United States, such as the NYSE or Nasdaq.

Exhibit 10.7

DATED December 5, 2012

INTREXON CORPORATION

- and -

AQUABOUNTY TECHNOLOGIES, INC.

RELATIONSHIP AGREEMENT

- relating to -

AQUABOUNTY TECHNOLOGIES, INC.

Hogan Lovells

CONTENTS

THIS RELATIONSHIP AGREEMENT (this "Agreement") is made on December 5, 2012 by and between **Intrexon Corporation,** Incorporated in Virginia, USA, with offices at [ ] **("Intrexon"),** and **AquaBounty Technologies, Inc.,** incorporated in Delaware, USA, with offices at 935 Main Street, Waltham, Mass 02451, USA (the "**Company**").

RECITALS

(A) On 31 October 2012, Intrexon agreed to acquire shares constituting 47.56% of the current issued share capital of AquaBounty from Linnaeus Capital Partners B.V. and Tethys Ocean B.V., which acquisition was completed on 16 November 2012 with Intrexon becoming the owner of such shares.

(B) In accordance with the Company's Certificate of Incorporation, Intrexon intends to make a conditional cash offer for any and all shares of common stock of AquaBounty not already owned by Intrexon (the "**Mandatory Offer**"**).**

(C) The parties to this Agreement wish to record the current and future basis of Intrexon's relationship with the Company as a major shareholder.

OPERATIVE PROVISIONS

1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement the following words and expressions shall have the following meanings unless they are inconsistent with the context:

"Affiliate" means, as to any person, any other person or entity that, directly or indirectly through one or more intermediaries, controls, or is controlled by such person;

"Board" means the board of directors of the Company from time to time;

"Business Day" means any day (other than Saturday or Sunday) on which clearing banks are open for a full range of banking transactions in both London and New York City;

"Closing Date" means the date on which the Mandatory Offer becomes or is declared unconditional in all respects or lapses or is withdrawn in accordance with its terms;

"Confidential Information" mean's all information which is not publicly known, and which is used in or otherwise relates to the Company's business, customers, or financial or other affairs, including, without limitation, information relating to:

(a) trade secrets, know-how, ideas, computer systems and computer software;

(b) future projects, business development or planning, commercial relationships and negotiations; and

(c) the marketing of goods or services including customer names and lists, sales targets and statistics;

"Director" means a director of the Company from time to time;

"First Annual Meeting" has the meaning given in clause 2.1.

"Intrexon Director" has the meaning given in clause 2.5;

"Intrexon Nominee" has the meaning given in clause 2.2(a);

"Intrexon Representative" has the meaning given in clause 2.5; and

"Mandatory Offer" has the meaning given in Recital (B).

1.2 In this Agreement:

(a) references to clauses and parties are, unless otherwise stated, to the clauses of and the parties to this Agreement;

(b) words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include bodies corporate or unincorporated;

(c) the headings to the clauses are for convenience only and shall not affect the construction or interpretation of this Agreement; and

(d) references to any statute or statutory provision include, unless the context otherwise requires, a reference to the statute or statutory provision as modified, replaced or reenacted and in force from time to time prior to the date hereof and any subordinate legislation made under the relevant statute or statutory provision (as so modified, replaced or re-enacted) in force prior to the date hereof.

2. **INTREXON NOMINEE; INTREXON REPRESENTATIVE**

2.1 As soon as practicable after the Closing Date, and in any case no later than the later of (x) ten (10) Business Days after the Closing Date and (y) thirty (30) days after the date on which Intrexon submits names to the Company's Nominated Advisor, the Company shall take or cause to be taken all necessary actions to (A) increase the size of the Board from three (3) to six (6) directors and (B) appoint three (3) nominees of Intrexon (each an **"Intrexon Nominee"** and together the **"Intrexon Nominees")** as directors of the Company with terms expiring at the next annual meeting of the shareholders of the Company occurring after the date of such appointment (the **"First Annual Meeting"**), provided, however that if as a result of the Mandatory Offer Intrexon becomes the beneficial owner of greater than 50% of the outstanding common stock of the Company, the Company shall take or cause to be taken all necessary actions to (A) increase the size of the Board from three (3) to seven (7) directors and (B) appoint four (4) Intrexon Nominees as directors of the Company with terms expiring at the First Annual Meeting. Intrexon shall have the right to nominate each Intrexon Nominee from among the officers and directors of Intrexon (or any such other persons with at least similar stature and experience, in the reasonable judgment of the Board), provided, however, that for so long as the Company is listed on the AIM Market of the London Stock Exchange that (i) Intrexon acknowledges the obligation of the Company's Nominated Advisor under the AIM Rules to undertake due diligence on any prospective Intrexon Nominee and agrees to cooperate with the Nominated Advisor's reasonable enquiries and (ii) Intrexon will not exercise its voting rights in a manner designed to prevent the Company from having on the Board at all times two directors who are independent of Intrexon and the Company.

2.2 The Company agrees that so long as (i) this Agreement continues in full force and effect and has not been terminated pursuant to clause 6 (*Duration*) and (ii) Intrexon itself or together with its Affiliates control 25% or more of the voting rights exercisable at meetings of the shareholders of the Company, the Company will procure that the Board will, in advance of the First Annual Meeting and thereafter in advance of each annual meeting of the shareholders of the Company:

(a) nominate such number of Intrexon Nominees as may be designated by Intrexon for election as directors of the Company at each forthcoming annual meeting of shareholders of the Company occurring after the date of such nomination so that Intrexon shall have representation on the Board proportional to Intrexon's percentage shareholding in the capital of the Company rounded up to the nearest whole person in the event that Intrexon's representation on the Board would not as a result constitute at least a majority of the directors on the Board and rounded arithmetically to the nearest whole person in the event that Intrexon's representation on the Board would as a result constitute a majority of the Board; provided, that each such nomination shall not include any individual whose membership on the Board would be a violation of law and shall be in accordance with the Bylaws of the Company then in effect; and provided, further, that should the Board determine that any such designee of Intrexon is inappropriate, consistent with the standards set forth in this clause 2.2(a), Intrexon shall be entitled to designate, as a substitute, an additional individual for election as a director of the Company that shall meet the standards set forth in this clause 2.2(a) and such individual shall be deemed an Intrexon Nominee; and

(b) recommend that the shareholders of the Company vote to elect each such Intrexon Nominee as a director of the Company at the next annual meeting of shareholders of the Company occurring after the date of such nomination.

2.3 In the event that an Intrexon Nominee, nominated for election to the Board in accordance with clause 2.2(a), fails to be elected to the Board by the shareholders at the applicable annual meeting, the Company shall, as an ongoing obligation, procure that the Board take such steps as are permitted by the Bylaws and any applicable law to appoint such Intrexon Nominee to fill any vacancy.

2.4 If a member, of the Board that has been designated by Intrexon resigns or is removed from the Board and Intrexon indicates that it does not wish to designate a nominee to fill the vacancy or fails to nominate a designee that meets the standards set forth in clause 2.2(a) to replace such individual within ten (10) Business Days following receipt of notice of such resignation or removal, the Company will take or cause to be taken all necessary actions to reduce the size of the Board so that there is no vacancy as a result thereof and then to promptly increase the size of the Board to create a vacancy at such time as Intrexon indicates that it wishes to designate a nominee to fill the vacancy that meets the standards set forth in clause 2.2(a). Upon termination of this Agreement pursuant to clause 6 *(Duration)*, Intrexon shall, upon the written request of the Board, cause such member(s) of the Board that have been designated by Intrexon to resign from the Board, effective immediately.

2.5 Intrexon shall be entitled to, and the Company shall procure that it may, send a representative (an **"Intrexon Representative"**) to attend and speak at, but not to vote at, any meetings of the board of subsidiary of the Company if at such time it has no Intrexon-appointed director serving on the board of directors of that subsidiary (any such Intrexon-appointed director, an **"Intrexon Director"**).

2.6 The Company agrees that, for so long as there is an Intrexon Nominee on the Board, it will procure director insurance of a type and at a level of coverage that is customary for members of a board of directors of a publicly listed company and reasonably acceptable to Intrexon.

2.7 The Company agrees that, for so long as there is an Intrexon Nominee on the Board, it will enter into a customary form of indemnification agreement with each Intrexon Nominee in a form reasonably acceptable to Intrexon.

3. **REPORTING COMPLIANCE.**

3.1 For so long as Intrexon itself or together with its Affiliates controls 10% or more of the voting rights exercisable at meetings of the shareholders of the Company, for any time period for which Intrexon has notified. AquaBounty that Intrexon has reasonably concluded, after consultation with its outside advisors, that Intrexon is required to consolidate or include AquaBounty's financial statements with its own, AquaBounty shall comply with the following additional obligations:

(a) AquaBounty shall maintain at its principal place of business or, upon notice to Intrexon, at such other place as AquaBounty shall determine:

(i) a copy of AquaBounty's Certificate of Incorporation or organizational document and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(ii) a copy of this Agreement;

(iii) a copy of AquaBounty's federal, state, and local income tax returns and reports, if any; and

(iv) minutes of meetings of AquaBounty's board of directors and shareholders or actions by written consent in lieu thereof, redacted as necessary by AquaBounty to exclude any sensitive or confidential information that Intrexon, by operation of law or contractual stipulation, is not permitted to receive.

(b) AquaBounty shall keep its books and records consistent with United States generally accepted accounting principles (US GAAP).

(c) Intrexon at its own expense and upon reasonable notice, may examine any information it may reasonably request (including, to the extent AquaBounty has the right to provide such, the work papers of AquaBounty's internal and independent auditors) and make copies of and abstracts from the financial and operating records and books of account of AquaBounty, and discuss the affairs, finances and accounts of AquaBounty with AquaBounty and independent auditors of AquaBounty, all at such reasonable times and as often as Intrexon or any agents or representatives of Intrexon may reasonably request. The rights granted pursuant to this clause 3.1(c) are expressly subject to compliance by Intrexon with the safety, security and confidentiality procedures and guidelines of AquaBounty, as such procedures and guidelines may be established from time to time.

(d) Unless waived by Intrexon, in its sole discretion, as soon as available but no later than ninety (90) days after the end of each fiscal year, AquaBounty shall cause to be prepared and Intrexon to be furnished with an audited balance sheet as of the last day of such fiscal year and an audited income statement, a statement of stockholders' equity and statement of cash flows for AquaBounty for such fiscal year and notes associated with each, in each case prepared in accordance with US GAAP, together with a report of AquaBounty's independent auditor that such statements have been prepared in accordance with US GAAP and present fairly, in all material respects, the financial position, results of operations and cash flows of AquaBounty.

(e) As soon as available but no later than forty five (45) days after the end of each calendar quarter, AquaBounty shall furnish the following to Intrexon an unaudited balance sheet as of the last day of such period, and an unaudited income statement, a statement of cash flows and a statement of stockholders' equity for AquaBounty for such period, in each case prepared in accordance with US GAAP.

(f) As requested by Intrexon on no more than a quarterly basis, a certificate, executed by the Chief Executive Officer or Chief Financial Officer of AquaBounty, certifying on behalf of AquaBounty the following:

(i) AquaBounty maintains accurate books and records reflecting its assets and liabilities and maintains proper and adequate internal accounting controls that provide assurance that (1) transactions are executed with management's authorization; (2) transactions are recorded as necessary to permit preparation of the consolidated financial statements of AquaBounty and to maintain accountability for AquaBounty's consolidated assets; (3) access to the assets of AquaBounty is permitted only in accordance with management's authorization; (4) the reporting of assets of AquaBounty is compared with existing assets at regular intervals; and (5) accounts, notes and other receivables and inventory are recorded accurately, and proper and adequate procedures are implemented to effect the collection of accounts, notes and other receivables on a current and timely basis.

(ii) under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder; any such controls and procedures are adequate to ensure that all material information concerning AquaBounty is made known on a timely basis to those individuals responsible for the preparation of any filings that may be required to be made by Intrexon with the SEC and other public disclosure documents.

(iii) AquaBounty shall promptly prepare and furnish to Intrexon any information, whether written or oral, requested by Intrexon that is reasonably necessary for purposes of Intrexon's ongoing compliance with applicable law.

3.2 The parties agree that the delivery deadlines in clause 3.1 will be modified to the extent necessary to ensure that such deliverables are provided by AquaBounty no less than thirty (30) days prior to the date necessary for Intrexon to meet any disclosure obligation under rules or regulations to which Intrexon may be or become subject from time to time. Intrexon will provide AquaBounty with notice as promptly as practicable regarding any changes in Intrexon's disclosure obligations that would require a change in delivery deadlines under this clause 3.

4. CONFIDENTIALITY

4.1 The parties acknowledge the existence and continuing effect of the Mutual Confidentiality Agreement effective January 13, 2012 between Intrexon and the Company, as amended June 25, 2012 and as further amended by this Section 4.1 (the "Mutual Confidentiality Agreement"). The first section of Section 3 of the Mutual Confidentiality Agreement is hereby replaced in its entirety with the following "The disclosure period of this Agreement shall expire on the date that the Relationship Agreement dated [ ], 2012 between Intrexon and AquaBounty Technologies terminates (the **"Disclosure Period"),** unless such Disclosure Period is extended by the agreement of the parties in writing." The definition of "Confidential Information" in Section 1 of the Mutual Confidentiality Agreement is hereby amended to replace the period at the end of such definition with the following: "; provided, however, that Confidential Information shall not include any such information that Intrexon can demonstrate was developed by Intrexon independently of and without reference to any Confidential Information or became known to Intrexon (independently of disclosure by the Company) on a non-confidential basis from a third party lawfully possessing and entitled to disclose such information.".

4.2 For the avoidance of doubt, information shared by or on behalf of the Company with an Intrexon Nominee is deemed to be shared with such individual in his or her capacity as an Intrexon Nominee and not in his or her capacity as an employee, consultant or agent of Intrexon; provided, however, that each Intrexon Nominee shall be entitled to disclose to Intrexon such information concerning the Company as he or she thinks fit, to the extent permitted by applicable law, and that information that constitutes Confidential Information under the Confidentiality Agreement that is disclosed to Intrexon shall be subject to the terms of the Confidentiality Agreement.

5. CAPACITY AND LIABILITY

Each party warrants and represents to the other that it has the power to enter into this Agreement and to exercise its rights and to perform its obligations hereunder and all corporate and other action required to authorise its execution of this Agreement and its performance of its obligations hereunder has been duly taken.

6. DURATION

This Agreement will continue in full force and effect until Intrexon itself or together with its Affiliates ceases to control 10% or more of the voting rights exercisable at meetings of the shareholders of the Company, save that the provisions of clauses 4 (*Confidentiality*), 10 *(Notices)* and 13 *(Governing Law)* shall survive termination of this Agreement.

7. **ENTIRE AGREEMENT**

This Agreement (together with any documents referred to herein) constitutes the entire agreement between the parties hereto in connection with the subject matter of this Agreement.

8. **WAIVERS AND AMENDMENTS**

8.1 No waiver of any term, provision or condition of this Agreement shall be effective unless such waiver is evidenced in writing and signed by the waiving party.

8.2 No omission or delay on the part of any party to this Agreement in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege. The rights and remedies in this Agreement are cumulative with and not exclusive of any rights or remedies provided by law.

8.3 No amendment or modification to this Agreement shall be effective unless in writing and signed by all parties.

9. **ASSIGNMENT**

No party to this Agreement may assign, transfer or charge all or any of the other parties' obligations nor any of its rights or benefits arising under this Agreement without the prior written consent of the other party; except that Intrexon may assign, transfer or charge all or any of its obligations, rights and benefits arising under this Agreement without the prior written consent of the Company to (i) an Affiliate of Intrexon or (ii) to the transferee in the event Intrexon sells, conveys, disposes or otherwise transfers all of its shares of AquaBounty common stock.

10. **NOTICES**

Any demand, notice or other communication in connection with this Agreement will be in writing and will, if otherwise given or made in accordance with this clause 10, be deemed to have been duly given or made as follows:

(a) if sent by prepaid first class post to the recipient at its registered office (or such other address as may be notified to the other parties by a recipient in writing), on the second Business Day after the date of posting;

(b) if sent by air mail to the recipient at its registered office (or such other address as may be notified to the other parties by a recipient in writing), on the sixth Business Day after the date of posting; or

(c) if delivered by hand, upon delivery to the recipient at its registered office (or such other address as may be notified to the other parties by a recipient in writing),

provided that, if it is delivered by hand or sent by facsimile on a day which is not a Business Day or after 4 p.m. (at the location of the recipient) on a Business Day, it will instead be deemed given or made on the next Business Day.

11. **INVALIDITY**

If at any time any one or more of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

12. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the parties on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

13. GOVERNING LAW

All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, employees or agents) shall be commenced exclusively in the New York Courts. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any such New York Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. For the purposes of this Agreement, “Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

[Signatures Appear on the Following Page]

THIS AGREEMENT is executed and delivered on the date stated at the beginning of this Agreement.

Intrexon Corporation

By: /s/ Thomas R. Kasser
Name: Thomas R. Kasser
Title: President, Animal Science Division
SVP, Intrexon Corporation

AquaBounty Technologies, Inc.

By: /s/ David A. Frank
Name: David A. Frank
Title: Chief Financial Officer

EXHIBIT 10.8

EXCLUSIVE CHANNEL COLLABORATION AGREEMENT

THIS EXCLUSIVE CHANNEL COLLABORATION AGREEMENT (the "**Agreement**") is made and entered into effective as of February 14, 2013 (the "**Effective Date**") by and between **INTREXON CORPORATION**, a Virginia corporation with offices at 20358 Seneca Meadows Parkway, Germantown, MD 20876 ("**Intrexon**"), and **AQUABOUNTY TECHNOLOGIES, INC.,** a Delaware corporation having its principal place of business at Two Clock Tower Place, Suite 395, Maynard, MA 01754 ("**AquaBounty**"). Intrexon and AquaBounty may be referred to herein individually as a "**Party**", and collectively as the "**Parties**."

RECITALS

WHEREAS, Intrexon has expertise in and owns or controls proprietary technology relating to the identification, design and production of genetically modified cells and DNA vectors, and the control of peptide expression; and

WHEREAS, AquaBounty now desires to become Intrexon's exclusive channel collaborator with respect to such technology for the purpose of developing the Aquaculture Program (as defined herein), and Intrexon is willing to appoint AquaBounty as a channel collaborator in the Field (as defined herein, and subject to amendments to the definition as permitted herein) under the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing and the covenants and promises contained herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the following meanings:

1.1 "**AAA Rules**" has the meaning set forth in Section 11.2.

1.2 "**Affiliate**" means, with respect to a particular Party, any other person or entity that directly or indirectly controls, is controlled by, or is in common control with such Party. As used in this Section 1.2, the term "controls" (with correlative meanings for the terms "controlled by" and "under common control with") means the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of an entity, or the possession, directly or indirectly, of the power to direct the management or policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. Notwithstanding the foregoing, Third Security shall be deemed not to be an Affiliate of Intrexon, and neither Party shall be deemed to be an Affiliate of the other Party. In addition, any other person, corporation, partnership, or other entity that would be an Affiliate of Intrexon solely because it and Intrexon are under common control by Randal J. Kirk or by investment funds managed by Third Security or an affiliate of Third Security shall also be deemed not to be an Affiliate of Intrexon.

1.3 "**Applicable Laws**" has the meaning set forth in Section 8.2(d)(xii).

1.4 "**AquaBounty Indemnitees**" has the meaning set forth in Section 9.1.

1.5 "**AquaBounty Product**" means any product in the Field that is created, produced, developed, or identified in whole or in part, directly or indirectly, by or on behalf of AquaBounty during the Term through use or practice of Intrexon Channel Technology, Intrexon IP, or the Intrexon Materials.

1.6 "**AquaBounty Program Patent**" has the meaning set forth in Section 6.2(b).

1.7 "**AquaBounty Termination IP**" means all Patents or other intellectual property that AquaBounty or any of its Affiliates Controls as of the Effective Date or during the Term that cover, or is otherwise necessary or useful for, the development, manufacture or Commercialization of a Reverted Product or necessary or useful for Intrexon to operate in the Field.

1.8 "**Aquaculture Program**" has the meaning set forth in Section 2.1(a).

1.9 "**Authorizations**" has the meaning set forth in Section 8.2(d)(xii).

1.10 "**Channel-Related Program IP**" has the meaning set forth in Section 6.1(c).

1.11 "**Claims**" has the meaning set forth in Section 9.1.

1.12 "**Committees**" has the meaning set forth in Section 2.2(a).

1.13 "**Commercialize**" or "**Commercialization**" means any activities directed to marketing, promoting, distributing, importing for sale, offering to sell and/or selling AquaBounty Products.

1.14 "**Commercial Sale**" means for a given product and country the sale for value of that product by a Party (or, as the case may be, by an Affiliate or permitted sublicensee of a Party), to a Third Party after regulatory approval (if necessary) has been obtained for such product in such country.

1.15 "**Complementary In-Licensed Third Party IP**" has the meaning set forth in Section 3.9(a).

1.16 "**Confidential Information**" means all Information which is not publicly known, and which is used in or otherwise relates to each Party's business, customers, or financial or other affairs and disclosed by a Party pursuant to this Agreement or any other confidentiality agreement between the Parties, regardless of whether in oral, written, graphic, electronic, or other tangible and intangible forms, including, without limitation, information relating to (a) trade secrets, know-how, ideas, computer systems and computer software; (b) future projects, business development or planning, commercial relationships and negotiations; and (c) the marketing of goods or services including customer names and lists, sales targets and statistics.

1.17 "**Control**" means, with respect to Information, a Patent or other intellectual property right, that a Party owns or has a license from a Third Party to such right and has the ability to grant a license or sublicense as provided for in this Agreement under such right without violating the terms of any agreement or other arrangement with any Third Party.

1.18 "**Costs of Goods Sold**" or "**COGS**" means all Manufacturing Costs that are directly and reasonably attributable to manufacturing of an AquaBounty Product in accordance with US GAAP for commercial sale in the countries where such AquaBounty Product has been launched.

1.19 "**Diligent Efforts**" means, with respect to a Party's obligation under this Agreement, the level of efforts and resources reasonably required to diligently develop, manufacture, and/or Commercialize (as applicable) each AquaBounty Product in a sustained manner, consistent with the efforts and resources a similarly situated company working in the Field would typically devote to a product of similar market potential, profit potential, strategic value and/or proprietary protection, based on market conditions then prevailing.

1.20 "**Excess Product Liability Costs**" has the meaning set forth in Section 9.3.

1.21 "**Executive Officer**" means : (a) the Chief Executive Officer of the applicable Party, or (b) another senior executive officer of such Party who has been duly appointed in writing by the Chief Executive Officer to act as the representative of the Party to resolve, as the case may be, (i) a Committee dispute, provided that such appointed officer is not a member of the applicable Committee and occupies a position senior to the positions occupied by the applicable Party's members of the applicable Committee, or (ii) a dispute described in Section 11.1.

1.22 "**FDA**" has the meaning set forth in Section 8.2(d)(xii).

1.23 "**Field**" means the development, breeding, hatching, and farming of genetically modified finfish to be used for human food consumption.

1.24 "**Field Infringement**" has the meaning set forth in Section 6.3(b).

1.25 "**Fully Loaded Cost**" means the direct cost of the applicable good, product or service plus indirect charges and overheads reasonably allocable to the provision of such good, product or service in accordance with US GAAP. Subject to the approval of a project and its associated budget by the JSC and the terms of Sections 4.5 and 4.6 (as appropriate), Intrexon will bill for its internal direct costs incurred through the use of annualized standard full-time equivalents; such rate shall be based upon the actual fully loaded costs of those personnel directly involved in the provision of such good, product or service. Intrexon may, from time to time, adjust such full-time equivalent rate based on changes to its actual fully loaded costs and will review the accuracy of its full-time equivalent rate at least quarterly, and any increase to the full-time equivalent rate must be communicated in advance to AquaBounty. Intrexon shall provide AquaBounty with documentation reasonably acceptable to AquaBounty indicating the basis for any direct and indirect charges, any allocable overhead, and any such adjustment in full-time equivalent rate.

1.26 "**Gross Profit**" means, with respect to sales of a particular product by a seller who is the producer of such product, the gross revenues derived by that seller or an Affiliate of that seller (including without limitation net sales of the product to a non-Affiliate sublicensee but not including net sales by such non-Affiliate sublicensee), as determined in accordance with US GAAP as the gross amount invoiced on account of sales of the product less COGS as determined in accordance with US GAAP. In the case of any sale for value, such as barter or counter-trade other than in an arm's length transaction exclusively for cash, Gross Profit shall be deemed to be the net sales at which substantially similar quantities of the product are sold for cash in an arm's length transaction in the relevant country. If an AquaBounty Product is sold to any Third Party together with other products or services, the price of such product, solely for purposes of the calculation of Gross Profit, shall be deemed to be no less than the price at which such product would be sold in a similar transaction to a third party not also purchasing the other products or services.

1.27 "**In-Licensed Program IP**" has the meaning set forth in Section 3.9(a).

1.28 "**Information**" means information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, including without limitation, databases, inventions, practices, methods, techniques, specifications, formulations, formulae, knowledge, know-how, skill, experience, test data including pharmacological, biological, chemical, biochemical, toxicological and regulatory test data, analytical and quality control data, stability data, studies and procedures, and patent and other legal information or descriptions.

1.29 "**Infringement**" has the meaning set forth in Section 6.3(a).

1.30 "**Intrexon Channel Technology**" means Intrexon's current and future technology directed towards the design, identification, culturing, and/or production of genetically modified cells, including without limitation the technology embodied in the Intrexon Materials and the Intrexon IP, and specifically including without limitation the following of Intrexon's platform areas and capabilities: (1) UltraVector®, (2) LEAP™, (3) DNA and RNA MOD engineering, (4) protein engineering, (5) transcription control chemistry, (6) genome engineering, and (7) cell system engineering.

1.31 "**Intrexon Indemnitees**" has the meaning set forth in Section 9.2.

1.32 "**Intrexon IP**" means the Intrexon Patents and Intrexon Know-How.

1.33 "**Intrexon Know-How**" means all Information (other than Intrexon Patents) that (a) is Controlled by Intrexon as of the Effective Date or during the Term and (b) is reasonably required or useful for AquaBounty to conduct the Aquaculture Program. For the avoidance of doubt, the Intrexon Know-How shall include any Information (other than Intrexon Patents) in the Channel-Related Program IP.

1.34 "**Intrexon Materials**" means the gene constructs, in each case that are Controlled by Intrexon, used alone or in combination and such other proprietary reagents and biological materials including but not limited to plasmid vectors, virus stocks, cells and cell lines, antibodies, and ligand-related chemistry, in each case that are reasonably required or useful for and provided to AquaBounty by or on behalf of Intrexon to conduct the Aquaculture Program.

1.35 "**Intrexon Patents**" means all Patents that (a) are Controlled by Intrexon as of the Effective Date or during the Term; and (b) are reasonably required or useful for AquaBounty to conduct the Aquaculture Program. For the avoidance of doubt, the Intrexon Patents shall include any Patent in the Channel-Related Program IP.

1.36 "**Intrexon Trademarks**" means those trademarks related to the Intrexon Channel Technology that are established from time to time by Intrexon for use across its channel partnerships or collaborations.

1.37 "**Inventions**" has the meaning set forth in Section 6.1(b).

1.38 "**IPC**" has the meaning set forth in Section 2.2(b).

1.39 "**JSC**" has the meaning set forth in Section 2.2(b).

1.40 "**Losses**" has the meaning set forth in Section 9.1.

1.41 "**Manufacturing Costs**" means, with respect to a given AquaBounty Product, the full-time equivalent costs (under a reasonable accounting mechanism to be agreed upon by the Parties) and out-of-pocket costs that AquaBounty or any of its Affiliates incurred in manufacturing such products, including costs and expenses incurred in connection with (a) the development or validation of any manufacturing process, formulations or delivery systems, or improvements to the foregoing; (b) manufacturing scale-up; (c) in-process testing, stability testing and release testing; (d) quality assurance/quality control development; (e) internal and Third Party costs and expenses incurred in connection with qualification and validation of Third Party contract manufacturers, including scale up, process and equipment validation, and initial manufacturing licenses, approvals and inspections; (f) packaging development and final packaging and labeling; (g) shipping configurations and shipping studies; and (h) overseeing the conduct of any of the foregoing. "Manufacturing Costs" shall further include: (i) to the extent that any such AquaBounty Product is manufactured by a Third Party manufacturer, the out-of-pocket costs incurred by AquaBounty or any of its Affiliates to the Third Party for the manufacture and supply (including packaging and labeling) thereof, and any reasonable out-of-pocket costs and direct labor costs incurred by AquaBounty or any of its Affiliates in managing or overseeing the Third Party relationship determined in accordance with the books and records of such Party or its Affiliates maintained in accordance with US GAAP; and (ii) to the extent that any such AquaBounty Product is manufactured by AquaBounty or any of its Affiliates, direct material and direct labor costs attributable to such product, as well as reasonably allocable overhead expenses, determined in accordance with the books and records of AquaBounty or its Affiliates maintained in accordance with US GAAP.

1.42 "**Patents**" means (a) all patents and patent applications (including provisional applications), (b) any substitutions, divisions, continuations, continuations-in-part, reissues, renewals, registrations, requests for continued examination, confirmations, re-examinations, extensions, supplementary protection certificates and the like of the foregoing, and (c) any foreign or international equivalents of any of the foregoing.

1.43 "**Product-Specific Program Patent**" means any issued Intrexon Patent where all the claims are directed to Inventions that relate solely and specifically to AquaBounty Products. In the event of a disagreement between the Parties as to whether a particular Intrexon Patent is or is not a Product-Specific Program Patent, the Parties shall seek to resolve the issue through discussions at the IPC, provided that if the Parties are unable to resolve the disagreement, the issue shall be submitted to arbitration pursuant to Section 11.2. Any Intrexon Patent that is subject to such a dispute shall be deemed not to be a Product-Specific Program Patent unless and until (a) Intrexon agrees in writing that such Patent is a Product-Specific Program Patent or (b) an arbitrator or arbitration panel determines, pursuant to Article 11, that such Intrexon Patent is a Product-Specific Program Patent

1.44 "**Product Sublicense**" has the meaning set forth in Section 3.2(c).

1.45 "**Product Sublicensee**" has the meaning set forth in Section 3.2(c).

1.46 "**Proposed Terms**" has the meaning set forth in Section 11.2.

1.47 "**Prosecuting Party**" has the meaning set forth in Section 6.2(c).

1.48 "**Recovery**" has the meaning set forth in Section 6.3(f).

1.49 "**Retained Product**" has the meaning set forth in Section 10.4(a).

1.50 "**Reverted Product**" has the meaning set forth in Section 10.4(c).

1.51 "**SEC**" means the United States Securities and Exchange Commission.

1.52 "**Sublicensing Revenue**" means any cash consideration, or the cash equivalent value of non-cash consideration, regardless of whether in the form of upfront payments, milestones, or royalties, actually received by AquaBounty or its Affiliate from a Third Party in consideration for a grant of a sublicense under the Intrexon IP or any rights to develop or Commercialize AquaBounty Products, but excluding: (a) any amounts paid as bona fide reimbursement for research and development costs to the extent incurred following such grant; (b) bona fide loans or any payments in consideration for a grant of equity of AquaBounty to the extent that such consideration is equal to or less than fair market value (i.e. any amounts in excess of fair market value shall be Sublicensing Revenue); and (c) amounts received from sublicensees in respect of any AquaBounty Product sales that are included in the calculation of revenue sharing payments made to Intrexon under Section 5.1(a).

1.53 "**Superior Animal Product**" means a genetically modified animal product in the Field that, based on the data then available, (a) demonstrably appears to offer either superior farming yield or safety or significantly lower cost of production, as compared with both (i) those animal products that are marketed (either by AquaBounty or others) at such time for similar commercial use and (ii) those animal products that are being actively developed by AquaBounty for such indication; (b) demonstrably appears to represent a substantial improvement over such existing animal products; and (c) has intellectual property protection and a regulatory approval pathway that, in each case, would not present a significant barrier to commercial development.

1.54 "**Supplemental In-Licensed Third Party IP**" has the meaning set forth in Section 3.9(a).

1.55 "**Support Memorandum**" has the meaning set forth in Section 11.2.

1.56 "**Term**" has the meaning set forth in Section 10.1.

1.57 "**Territory**" means the world.

1.58 "**Third Party**" means any individual or entity other than the Parties or their respective Affiliates.

1.59 "**Third Security**" means Third Security, LLC.

1.60 "**US GAAP**" means generally accepted accounting principles in the United States.

ARTICLE 2

SCOPE OF CHANNEL COLLABORATION; MANAGEMENT

2.1 Scope.

(a) Generally. The general purpose of the channel collaboration described in this Agreement will be to use the Intrexon Channel Technology to research, develop and Commercialize products for use in the Field (collectively, the "**Aquaculture Program**"). As provided below, the JSC shall establish, monitor, and govern projects for the Aquaculture Program. Either Party may propose potential projects in the Field for review and consideration by the JSC.

2.2 Committees.

(a) Generally. The Parties desire to establish several committees (collectively, "**Committees**") to oversee the Aquaculture Program and to facilitate communications between the Parties with respect thereto. Each of such Committees shall have the responsibilities and authority allocated to it in this Article 2. Each of the Committees shall have the obligation to exercise its authority consistent with the respective purpose for such Committee as stated herein and any such decisions shall be made in good faith.

(b) Formation and Purpose. Promptly following the Effective Date, the Parties shall confer and then create a Joint Steering Committee ("**JSC**") and an Intellectual Property Committee ("**IPC**"). The JSC shall have authority, subject to Section 2.5 and except as otherwise delegated to the IPC, to (i) establish research and development projects for the Aquaculture Program (including establishing the priorities and budgets for such projects), (ii) oversee manufacturing and controls for AquaBounty Products, (iii) review and approve all regulatory trial projects and associated regulatory filings and correspondence under the Aquaculture Program (including reviewing and approving itemized budgets with respect to the foregoing), (iv) establish project plans and review and approve activities and budgets for Commercialization activities under the Aquaculture Program, and (v) approve the projects and plans of any subcommittee it establishes consistent with this authority. The IPC shall have authority, subject to Section 2.5, to evaluate all intellectual property issues and approve

associated collaborative activities in connection with the Aquaculture Program, including the protection of Inventions or Confidential Information, the filing of Patents, licensing of Third Party intellectual property, the establishment or enforcement of controls concerning the dissemination or use of intellectual property (including Intrexon Channel Technology, Intrexon IP, or Intrexon Materials) for the development or manufacturing of AquaBounty Products.

(c) JSC Governance Activities. Promptly following creation of the JSC, the JSC shall meet and deliberate on a regular basis as set forth in Section 2.3 below. The JSC shall review information and make recommendations as necessary to the Parties to implement the Aquaculture Program and, subject to Section 2.5, authorize activities of the Parties under the Aquaculture Program consistent with the terms and provisions of this Agreement. The activities of the JSC shall include, from time to time as warranted or necessary: (i) preparation of written plans for each Aquaculture Program project detailing for each project its purpose and objectives, the activities to be performed, a timeline for achievement of such activities and a budget (including Intrexon activities and associated budget for support services), and timing for the transfer of relevant Information and materials between the Parties; (ii) preparation of research and development plans associated with any necessary regulatory approvals for any projects for the Aquaculture Program, all associated publications, and all regulatory filings and correspondence related to gaining regulatory approval for new AquaBounty Projects under the Aquaculture Program; (iii) review of the overall progress of a project against any approved plan and advising the Parties accordingly; (iv) establishment of procedures for any necessary technology transfer between the Parties; (v) preparation of plans relating to regulatory approval and Commercialization activities under the Aquaculture Program; and (vi) establishment and oversight of any subcommittees as it deems appropriate (and within its authority) for carrying out activities under this Agreement. The representatives from each Party to the JSC shall be responsible for reporting to their respective Party and obtaining any necessary delegations, authorizations or approvals required by their respective Party in accordance with Section 2.5.

2.3 General Committee Membership and Procedure.

(a) Membership. For each Committee, each Party shall designate an equal number of representatives (not to exceed three (3) for each Party) with appropriate expertise to serve as members of such Committee. For the JSC, the representatives must all be employees of such Party or an Affiliate of such Party, and for Committees other than the JSC, the representatives must all be employees of such Party or an Affiliate of such Party with the caveat that each Party may designate for each such other Committee up to one (1) representative who is not an employee if: (i) such non-employee representative agrees in writing to be bound by the terms of this Agreement for the treatment and ownership of Confidential Information and Inventions of the Parties, and (ii) the other Party consents to the designation of such non-employee representative, which consent shall not be unreasonably withheld. For purposes of this Section 2.3, employees of Third Security may, at Intrexon's election, serve as members of a Committee as if they were employees of Intrexon. Each representative as qualified above may serve on more than one (1) Committee as appropriate in view of the individual's expertise. Each Party may replace its Committee representatives at any time upon written notice to the other Party. Each Committee shall have a chairperson; the chairperson of each committee shall serve for a two-year term and the right to designate which representative to the Committee will act as chairperson shall alternate between the Parties, with AquaBounty selecting the chairperson first

for the JSC, and Intrexon selecting the chairperson first for the IPC. The chairperson of each Committee shall be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting of such Committee, and preparing and issuing minutes of each meeting within fifteen (15) days thereafter.

(b) Meetings. Each Committee shall hold meetings at such times as it elects to do so, but in no event shall such meetings be held less frequently than once every six (6) months. Meetings of any Committee may be held in person or by means of telecommunication (telephone, video, or web conferences). To the extent that a Committee holds any meetings in person, the Parties will alternate in designating the location for such in-person meetings, with AquaBounty selecting the first meeting location for each Committee. A reasonable number of additional representatives of a Party may attend meetings of a Committee in a non-voting capacity. Each Party shall be responsible for all of its own expenses of participating in any Committee excepting that an Intrexon employee or agent serving on a Committee shall not prevent Intrexon from recouping the Fully Loaded Costs otherwise derived from the labor of that employee or agent in the course of providing manufacturing or support services as set forth in Sections 4.5 and 4.6 below.

(c) Meeting Agendas. Each Party will disclose to the other proposed agenda items along with appropriate information at least three (3) business days in advance of each meeting of the applicable Committee; provided, that a Party may provide its agenda items to the other Party within a lesser period of time in advance of the meeting, or may propose that there not be a specific agenda for a particular meeting, so long as such other Party consents to such later addition of such agenda items or the absence of a specific agenda for such Committee meeting.

(d) Limitations of Committee Powers. Each Committee shall have only such powers as are specifically delegated to it hereunder or from time to time as agreed to in writing by the mutual consent of the Parties and shall not be a substitute for the rights of the Parties. Without limiting the generality of the foregoing, no Committee shall have any power to amend this Agreement. Any amendment to the terms and conditions of this Agreement shall be implemented pursuant to Section 12.7 below. Additionally, no member of any Committee shall be able to vote in such Committee and thereby bind its respective Party on any material matter accept as otherwise properly authorized, approved, or delegated by such Party in accordance with Section 2.5.

2.4 Committee Decision-Making. If a Committee is unable to reach unanimous consent on a particular matter within thirty (30) days of its initial consideration of such matter, then either Party may provide written notice of such dispute to the Executive Officer of the other Party. The Executive Officers of each of the Parties will meet at least once in person or by means of telecommunication (telephone, video, or web conferences) to discuss the dispute and use their good faith efforts to resolve the dispute within thirty (30) days after submission of such dispute to the Executive Officers. If any such dispute is not resolved by the Executive Officers within thirty (30) days after submission of such dispute to such Executive Officers, then the Executive Officer of the Party specified in the applicable subsection below shall have the authority to finally resolve such dispute acting in good faith.

(a) Casting Vote at JSC. If a dispute at the JSC is not resolved pursuant to Section 2.4 above, then the Executive Officer of AquaBounty shall have the authority to finally resolve such dispute.

(b) Casting Vote at IPC. If a dispute at the IPC is not resolved pursuant to Section 2.4 above, then the Executive Officer of Intrexon shall have the authority to finally resolve such dispute, provided that such authority shall be shared by the Parties with respect to Product-Specific Program Patents (i.e., neither Party shall have the casting vote on such matters, and any such disputes shall be resolved pursuant to Article 11).

(c) Other Committees. If any additional Committee or subcommittee other than those set forth in Section 2.2(b) is formed, then the Parties shall, at the time of such formation, agree on which Party shall have the authority to finally resolve a dispute that is not resolved pursuant to Section 2.4 above.

(d) Restrictions. Neither Party shall exercise its right to finally resolve a dispute at a Committee in accordance with this Section 2.4 in a manner that (i) excuses such Party from any of its obligations specifically enumerated under this Agreement; (ii) expands the obligations of the other Party under this Agreement; (iii) negates any consent rights or other rights specifically allocated to the other Party under this Agreement; (iv) purports to resolve any dispute involving the breach or alleged breach of this Agreement; (v) resolves a matter if the provisions of this Agreement specify that mutual agreement is required for such matter; or (vi) would require the other Party to perform any act that is inconsistent with applicable law.

2.5 Authorization of Committee Representatives. Each Committee representative shall be able to bind his or her respective appointing Party via any Committee vote or other material Committee activity only to the extent such vote or other activity (a) has been previously approved by the Party, (b) is within the authority duly delegated to the representative by the respective Party, or (c) is otherwise authorized by its respective Party as may be required by that Party's corporate charter or bylaws, or by its board of directors. Any action or vote taken by a Party's representative at any Committee without valid authority shall be considered null and void and shall be without effect unless subsequently and expressly approved by the Party appointing the representative on the Committee.

ARTICLE 3

LICENSE GRANTS

3.1 Licenses to AquaBounty.

(a) Subject to the terms and conditions of this Agreement, Intrexon hereby grants to AquaBounty a license under the Intrexon IP to research, develop, use, make, have made, sell, import, and offer for sale AquaBounty Products in the Field in the Territory. Such license shall be exclusive (even as to Intrexon) with respect to any development, selling, making or having made (except as permitted in Section 4.5), using (except for uses in connection with research), importing, offering for sale or other Commercialization of AquaBounty Products in the Field, and shall be otherwise non-exclusive.

(b) Subject to the terms and conditions of this Agreement, Intrexon hereby grants to AquaBounty a non-exclusive, royalty-free license to use and display the Intrexon Trademarks, solely in connection with the Commercialization of AquaBounty Products in the promotional materials, packaging, and labeling for AquaBounty Products, as provided under and in accordance with Section 4.8.

3.2 Sublicensing. Except as provided in this Section 3.2, AquaBounty shall not sublicense the rights granted under Section 3.1 to any Third Party, or transfer the Intrexon Materials to any Third Party, or otherwise grant any Third Party the right to research, develop, use, or Commercialize AquaBounty Products or use or display the Intrexon Trademarks, in each case except with Intrexon's written consent, which written consent may be withheld in Intrexon's sole discretion. Notwithstanding the foregoing, AquaBounty (and its Product Sublicensees only to the extent explicitly set forth in Section 3.2(a) below) shall have a limited right to sublicense under the circumstances described in Sections 3.2(a) through 3.2(c).

(a) AquaBounty may transfer, to the extent reasonably necessary and after providing Intrexon with reasonable advance notice thereof, Intrexon Materials to a Third Party contractor performing (i) farming, cultivation, or harvesting of food animals from AquaBounty Products under bailment from AquaBounty or (ii) contract manufacturing, fill, and/or finish responsibilities for AquaBounty Products, and may in connection therewith grant limited sublicenses necessary to enable such Third Party to perform such activities. If AquaBounty transfers any Intrexon Materials under this Section 3.2(a), AquaBounty will take commercially reasonable steps, including contractually obligating any such Third Party contractors, to ensure that the rights of Intrexon in and to the Intrexon Materials and Intrexon IP and under the provisions of Articles 6 and 7 of this Agreement are not violated by any such Third Party contractor. A Product Sublicensee may transfer, to the extent reasonably necessary and upon the consent of Intrexon (which consent shall not be unreasonably withheld), Intrexon Materials that are ingredients for the AquaBounty Product sublicensed by the Product Sublicensee to a Third Party contractor performing on behalf of that Product Sublicensee (A) farming, cultivation, or harvesting of food animals from AquaBounty Products under bailment from AquaBounty or (B) contract manufacturing, fill, and/or finish responsibilities for AquaBounty Products, and may in connection therewith grant limited sublicenses to the extent necessary to enable such Third Party to perform such activities. AquaBounty will require and ensure that if any Product

Sublicensee transfers any Intrexon Materials under this Section 3.2(a), that such Product Sublicensee, after obtaining Intrexon's consent, will take commercially reasonable steps, including contractually obligating any such Third Party contractors, to ensure that the rights of Intrexon in and to the Intrexon Materials and Intrexon IP and under the provisions of Articles 6 and 7 of this Agreement are not violated by any Third Party contractors of such Product Sublicensees.

(b) AquaBounty may, with Intrexon's written consent, which consent shall not be unreasonably withheld, sublicense the rights granted under Section 3.1 to an Affiliate, or transfer the Intrexon Materials to an Affiliate, or grant an Affiliate the right to display the Intrexon Trademarks. In the event that Intrexon consents to any such grant or transfer to an Affiliate, AquaBounty shall remain responsible for, and be guarantor of, the performance by any such Affiliate and shall cause such Affiliate to comply with the provisions of this Agreement in connection with such performance (as though such Affiliate were AquaBounty), including any payment obligations owed to Intrexon hereunder.

(c) AquaBounty may grant a sublicense of the rights granted under Section 3.1 (and not including a right to sublicense under this Section 3.1(c)) to a Third Party licensee of any AquaBounty Product (a "**Product Sublicensee**") to the extent necessary to permit such Third Party to research, develop, use, import, export, make, have made, sell, and offer for sale that AquaBounty Product (a "**Product Sublicense**"), provided that (i) such Product Sublicense is expressly limited to the appropriate AquaBounty Product, (ii) such Product Sublicense does not grant the Product Sublicensee any rights to Intrexon IP other than as incorporated into the AquaBounty Product at the time of the Product Sublicense, (iii) such Product Sublicense does not purport to relieve AquaBounty of any of its obligations under this Agreement, (iv) the Product Sublicensee agrees in writing, in a document in form reasonably acceptable to Intrexon and to which Intrexon is an express third party beneficiary, to abide by the following provisions of this Agreement: Sections 3.1, 3.3 through 3.6, 3.8, 3.10, and 3.11 and Articles 6, 7, and 10), and (v) the Product Sublicense is presented in full to the JSC by AquaBounty before execution by AquaBounty and the prospective Product Sublicensee and as soon as is reasonably practical for the purpose of allowing the JSC to review and comment upon the terms and scope of the Product Sublicense agreement before execution.

3.3 Limitation on Sublicensees. None of the enforcement rights under the Intrexon Patents that are granted to AquaBounty pursuant to Section 6.3 shall be transferred to, or exercised by, a sublicensee except with Intrexon's prior written consent, which may be withheld in Intrexon's sole discretion.

3.4 No Non-Permitted Use. AquaBounty hereby covenants that it shall not, nor shall it permit any Affiliate or, if applicable, (sub)licensee, to use or practice, directly or indirectly, any Intrexon IP, Intrexon Channel Technology, or Intrexon Materials for any purposes other than those expressly permitted by this Agreement.

3.5 Exclusivity. Neither Intrexon nor its Affiliates shall make the Intrexon Channel Technology or Intrexon Materials available to any Third Party for the purpose of developing or Commercializing products in the Field (except as set forth in Section 3.2), and neither Intrexon nor any Affiliate shall pursue (either by itself or with a Third Party or Affiliate) the research,

development or Commercialization of any product for purpose of commercial use or sale in the Field, outside of the Aquaculture Program. Further, neither AquaBounty nor its Affiliates shall pursue (either by itself or with a Third Party or Affiliate) outside of the Aquaculture Program the research, development or Commercialization of any genetically modified product for purpose of commercial use or sale in the Field where such genetically modified products would compete with AquaBounty Products.

3.6 No Prohibition on Intrexon. Except as explicitly set forth in Sections 3.1 and 3.5, nothing in this Agreement shall prevent Intrexon from practicing or using the Intrexon Materials, Intrexon Channel Technology, and Intrexon IP for any purpose, and to grant to Third Parties the right to do the same. Without limiting the generality of the foregoing, AquaBounty acknowledges that Intrexon has all rights, in Intrexon's sole discretion, to make the Intrexon Materials, Intrexon Channel Technology (including any genetic materials used in an AquaBounty Product), and Intrexon IP available to Third Party channel partners or collaborators for use in fields outside the Field.

3.7 Rights to Regulatory Data. AquaBounty shall own and control all regulatory trial data and regulatory filings relating to Commercialization of AquaBounty Products (except to the extent such become Reverted Products). AquaBounty shall provide (or shall cause an applicable Product Sublicensee to provide) to Intrexon, upon its request, access to review all trial data and reports, regulatory filings, and communications from regulatory authorities that relate specifically and solely to AquaBounty Products. To the extent that there exist any trial data and reports, regulatory filings, and communications from regulatory authorities owned by AquaBounty (or a Product Sublicensee) that relate both to AquaBounty Products and other products produced by AquaBounty (or a Product Sublicensee) outside the Field or outside the Aquaculture Program, upon Intrexon's request, AquaBounty shall provide (or shall cause an applicable Product Sublicensee to provide) to Intrexon access to review the portions of such data, reports, filings, and communications that relate to AquaBounty Products. Subject to its ongoing obligations of exclusivity under Section 3.5, Intrexon shall be permitted, directly or in conjunction with or through partners or other channel collaborators, to reference these data, reports, filings, and communications relating to AquaBounty Products in regulatory filings made to obtain regulatory approval for products for use in fields outside the Field. Intrexon shall have the right to use any such information in developing and Commercializing products outside the Field and to license any Third Parties to do so. Notwithstanding the provisions of this Section 3.7, Intrexon shall not, outside of the Aquaculture Program, utilize knowingly any AquaBounty trial data or reports in support of obtaining regulatory approval for a product for use in the Field.

3.8 Third Party Licenses.

(a) Intrexon shall obtain, at its sole expense, any licenses from Third Parties that are required in order to practice the Intrexon Channel Technology in the Field where the licensed intellectual property is reasonably necessary for Intrexon to conduct genetic and cell engineering and related analytic activities under JSC-approved project plans for the Aquaculture Program (but specifically excluding intellectual property directed to any specific target genes, genetic transformation methodologies, or processes or methods for harvesting, culturing, formulating, or otherwise manufacturing AquaBounty Products) ("**Supplemental In-Licensed**

Third Party IP"). Other than with respect to Supplemental In-Licensed Third Party IP, AquaBounty shall be solely responsible for obtaining, at its sole expense, any licenses from Third Parties that AquaBounty determines, in its sole discretion, are required in order to lawfully make, use, sell, offer for sale, or import AquaBounty Products ("**Complementary In-Licensed Third Party IP**"). Supplemental In-Licensed Third Party IP and Complementary In-Licensed Third Party IP are collectively referred to as "**In-Licensed Program IP**".

(b) In the event that either Party desires to license from a Third Party any Supplemental In-Licensed Third Party IP or Complementary In-Licensed Third Party IP, such Party shall so notify the other Party, and the IPC shall discuss such In-Licensed Program IP and its applicability to the AquaBounty Products and to the Field. As provided above in Section 3.8(a), Intrexon shall have the sole right and responsibility to pursue a license under Supplemental In-Licensed Third Party IP, and AquaBounty hereby covenants that it shall not itself directly license such Supplemental In-Licensed Third Party IP at any time, provided that AquaBounty may (but shall not be obligated to) obtain such a license directly if the Third Party owner or licensee of such Supplemental In-Licensed Third Party IP brings an infringement action against AquaBounty or its Affiliates or threatens to bring such action (to the extent such threats would reasonably be considered to subject the Third Party owner or licensee to declaratory judgment jurisdiction) and, after written notice to Intrexon of such action, Intrexon fails to obtain a license to such Supplemental In-Licensed Third Party IP using Diligent Efforts within ninety (90) days after such notice. Following the IPC's discussion of any Complementary In-Licensed Third Party IP, subject to Section 3.8(c), AquaBounty shall have the right to pursue a license under Complementary In-Licensed Third Party IP, at AquaBounty's sole expense. Intrexon hereby covenants that during the Term it shall not directly license Complementary In-Licensed IP in the Field except in cooperation with AquaBounty and for the benefit of an AquaBounty Product or the Aquaculture Program. For the avoidance of doubt, Intrexon may at any time obtain a license under Complementary In-Licensed Third Party IP outside the Field, at Intrexon's sole expense, provided that if Intrexon decides to seek to obtain such a license, it shall use reasonable efforts to coordinate its licensing activities in this regard with AquaBounty.

(c) AquaBounty shall provide the proposed terms of any license under Complementary In-Licensed Third Party IP and the final version of the definitive license agreement for any Complementary In-Licensed Third Party IP to the IPC for review and discussion prior to signing, and shall consider Intrexon's comments thereto in good faith. To the extent that AquaBounty obtains a license under Supplemental In-Licensed Third Party IP, AquaBounty shall provide the final version of the definitive license agreement for such Supplemental In-Licensed Third Party IP to the IPC. If AquaBounty acquires rights under any In-Licensed Program IP outside the Field, it will do so on a non-exclusive basis unless it obtains the prior written consent of Intrexon for such license outside the Field to be exclusive. Any Party that is pursuing a license to any In-Licensed Program IP with respect to the Field under this Section 3.8 shall keep the other Party reasonably informed of the status of any negotiations relating thereto. For purposes of clarity, (i) any costs incurred by Intrexon in obtaining and maintaining licenses to Supplemental In-Licensed Third Party IP shall be borne solely by Intrexon, and (ii) any costs incurred by AquaBounty in obtaining and maintaining licenses to Complementary In-Licensed Third Party IP (and, to the limited extent provided in subsection (b), Supplemental In-Licensed Third Party IP) shall be borne solely by AquaBounty except as set forth in Section 10.4(h).

(d) For any Third Party license under which AquaBounty or its Affiliates obtain a license under Patents claiming inventions or know-how specific to or used or incorporated into the development, manufacture, and/or Commercialization of AquaBounty Products, AquaBounty shall use commercially reasonable efforts to ensure that AquaBounty will have the ability, pursuant to Section 10.4(h), to assign such agreement to Intrexon or grant a sublicense to Intrexon thereunder (having the scope set forth in Section 10.4(h)).

(e) The licenses granted to AquaBounty under Section 3.1 may include sublicenses under Intrexon IP that has been or will be licensed to Intrexon by one or more Third Parties. Any such sublicenses may be subject to the terms and conditions set forth in the applicable upstream license agreement, subject to the cost allocation set forth in Section 3.8(c), provided that Intrexon shall either provide unredacted copies of such upstream license agreements to AquaBounty or shall disclose in writing to AquaBounty all of such terms and conditions that are applicable to AquaBounty. AquaBounty shall not be responsible for complying with any provisions of such upstream license agreements unless, and to the extent that, such provisions have been disclosed to AquaBounty as provided in the preceding sentence.

(f) If either Party receives notice from a Third Party concerning activities of a Party taken in conjunction with performance of obligations under this Agreement, which notice alleges infringement by a Party of, or offers license under, Patents or other intellectual property rights owned or controlled by that Third Party, the receiving Party shall inform the other party thereof within five (5) business days.

3.9 Licenses to Intrexon. Subject to the terms and conditions of this Agreement, AquaBounty hereby grants to Intrexon a non-exclusive, worldwide, fully-paid, royalty-free license, under any applicable Patents or other intellectual property Controlled by AquaBounty or its Affiliates, solely to the extent necessary for Intrexon to conduct those responsibilities assigned to it under this Agreement, which license shall be sublicensable solely to Intrexon's Affiliates or to any Intrexon subcontractors as permitted in accordance with Section 4.5 or as otherwise permitted to be used by Intrexon in conjunction with support services under Section 4.6 (subject to JSC research plan approval).

3.10 Restrictions Relating to Intrexon Materials. AquaBounty and its permitted sublicensees shall use the Intrexon Materials solely for purposes of the Aquaculture Program and not for any other purpose without the prior written consent of Intrexon. With respect to the Intrexon Materials comprising Intrexon's vector assembly technology, AquaBounty shall not, and shall ensure that AquaBounty personnel and permitted sublicensees do not, except as otherwise permitted in this Agreement (a) distribute, sell, lend or otherwise transfer such Intrexon Materials to any Third Party; (b) except as is reasonably necessary for the Commercialization of AquaBounty Products, co-mingle such Intrexon Materials with any other proprietary biological or chemical materials without Intrexon's written consent; or (c) analyze such Intrexon Materials or in any way attempt to reverse engineer or sequence such Intrexon Materials.

ARTICLE 4

OTHER RIGHTS AND OBLIGATIONS

4.1 Development and Commercialization. Subject to Sections 4.5 and 4.6, AquaBounty shall be solely responsible for the development and Commercialization of AquaBounty Products. AquaBounty shall be responsible for all costs incurred in connection with the Aquaculture Program except that Intrexon shall be responsible for the following: (a) costs of establishing manufacturing capabilities and facilities in connection with Intrexon's manufacturing obligation under Section 4.5 (provided, however, that Intrexon may include an allocable portion of such costs, through depreciation and amortization, when calculating the Fully Loaded Cost of manufacturing an AquaBounty Product, to the extent such allocation, depreciation, and amortization is permitted by US GAAP, it being recognized that the majority of non-facilities scale-up costs cannot be capitalized and amortized under US GAAP); (b) costs of basic research with respect to the Intrexon Channel Technology (i.e., improvements to Intrexon's synthetic biology platforms) but, for clarity, excluding research described in Section 4.6 or research requested by AquaBounty for the development of an AquaBounty Product (which research costs shall be reimbursed by AquaBounty); (c) payments under Section 3.9(c)(i) in respect of Supplemental In-Licensed Third Party IP; and (d) costs of filing, prosecution and maintenance of Intrexon Patents. The costs encompassed within clause (a) of the previous sentence shall include the scale-up of Intrexon Materials for generating data for regulatory approval submissions and Commercialization of AquaBounty Products undertaken pursuant to Section 4.5, which shall be at Intrexon's cost whether it elects to conduct such efforts internally or through Third Party contractors retained by either Intrexon or AquaBounty (with Intrexon's consent).

4.2 Information and Reporting. AquaBounty will keep Intrexon informed about AquaBounty's efforts to develop and Commercialize AquaBounty Products, including reasonable and accurate summaries of AquaBounty's (and its Affiliates' and, if applicable, (sub)licensees') development plans (as updated), including regulatory plans, marketing plans (as updated), progress towards meeting the goals and milestones in such plans and explanations of any material deviations, significant developments in the development and/or Commercialization of the AquaBounty Products, including initiation or completion of a regulatory trial, submission of a United States or international regulatory filing, receipt of a response to such United States or international regulatory filing, product safety event, receipt of Regulatory Approval, or commercial launch, and manufacturing costs and pricing information. As set forth in Section 3.7 above, AquaBounty shall also provide Intrexon access to all final regulatory trial protocols and reports, and regulatory correspondence and filings generated by AquaBounty as soon as practical after they become available. Intrexon will keep AquaBounty informed about Intrexon's efforts (a) to establish manufacturing capabilities and facilities for AquaBounty Products (and Intrexon Materials relevant thereto) and (b) to undertake discovery-stage research for the Aquaculture Program with respect to the Intrexon Channel Technology and Intrexon Materials. Unless otherwise provided herein or directed by the JSC in accordance with Section 4.2 above, such disclosures by AquaBounty and Intrexon will be coordinated by the JSC and made in connection with JSC meetings at least once every six (6) months while AquaBounty Products are being developed or Commercialized anywhere in the world, and shall be reflected in the minutes of such meetings.

4.3 Regulatory Matters. At all times after the Effective Date, AquaBounty shall own and maintain, at its own cost, all regulatory filings and regulatory approvals for AquaBounty Products that AquaBounty is developing or Commercializing pursuant to this Agreement. As such, AquaBounty shall be responsible for reporting all adverse events related to such AquaBounty Products to the appropriate regulatory authorities in the relevant countries, in accordance with the applicable laws and regulations of such countries. To the extent that Intrexon will itself develop, or in collaboration with other third parties develop, Intrexon Materials outside of the Field, Intrexon may request that AquaBounty and Intrexon enter into a separate safety data exchange agreement governing the timely exchange of safety information generated by AquaBounty, Intrexon, and relevant third parties with respect to specific Intrexon Materials.

4.4 Diligence.

(a) AquaBounty shall use, and shall require its sublicensees to use, Diligent Efforts to develop and Commercialize AquaBounty Products. Intrexon shall use, and shall require its sublicensees to use, Diligent Efforts in conducting any activities undertaken by Intrexon in support of any JSC-approved research plan for the Aquaculture Program.

(b) Without limiting the generality of the foregoing, Intrexon may, from time to time, notify AquaBounty that it believes it has identified a Superior Animal Product, and in such case Intrexon shall provide to AquaBounty its then-available information about such animal product and reasonable written support for its conclusion that the animal product constitutes a Superior Animal Product. AquaBounty shall have the following obligations with respect to such proposed Superior Animal Product: (i) within sixty (60) days after such notification, AquaBounty, in conjunction with the members of the JSC, shall prepare and deliver to the JSC for review and approval a development plan detailing how AquaBounty will pursue the Superior Animal Product (including a proposed budget); (ii) AquaBounty shall revise the development plan as directed by the JSC; and (iii) following approval of the development plan by the JSC, AquaBounty shall use Diligent Efforts to pursue the development of the Superior Animal Product under the Aquaculture Program in accordance with such development plan. If AquaBounty fails to comply with the foregoing obligations, or if AquaBounty unreasonably exercises its casting vote at the JSC to either (x) prevent the approval of a development plan for a Superior Animal Product; (y) delay such approval more than sixty (60) days after delivery of the development plan to the JSC; or (z) approve a development plan that is insufficient in view of the nature and magnitude of the opportunity presented by the Superior Animal Product, then Intrexon shall have the termination right set forth in Section 10.2(b) (subject to the limitation set forth therein). For clarity, any dispute arising under this 4.4, including any dispute as to whether a proposed project constitutes a Superior Animal Product (as with any other dispute under this Agreement) shall be subject to dispute resolution in accordance with Article 11.

(c) The activities of AquaBounty's Affiliates and any permitted sublicensees shall be attributed to AquaBounty for the purposes of evaluating AquaBounty's fulfillment of the obligations set forth in this Section 4.4, and the activities of Intrexon's Affiliates and any permitted sublicensees shall be attributed to Intrexon for the purposes of evaluating Intrexon's fulfillment of the obligations set forth in this Section 4.4.

4.5 Manufacturing. Intrexon shall have the option and, in the event it so elects, shall use Diligent Efforts, to perform any manufacturing activities in connection with the Aquaculture Program that relate to the Intrexon Materials, including through the use of a suitable Third Party contract manufacturer. To the extent that Intrexon so elects, Intrexon may request that AquaBounty and Intrexon establish and execute a separate manufacturing and supply agreement, which agreement will establish and govern the production, quality assurance, and regulatory activities associated with manufacture of Intrexon Materials. Except as provided in Section 4.1, any manufacturing undertaken by Intrexon pursuant to the preceding sentence shall be performed in exchange for cash payments equal to Intrexon's Fully Loaded Cost in connection with such manufacturing, on terms to be negotiated by the Parties in good faith. In the event that Intrexon does not manufacture Intrexon Materials or bulk quantities of other components of AquaBounty Products, then Intrexon shall provide to AquaBounty or a contract manufacturer selected by AquaBounty and approved by Intrexon (such approval not to be unreasonably withheld) all Information Controlled by Intrexon that is (a) related to the manufacturing of such Intrexon Materials or bulk qualities of other components of AquaBounty Products for use in the Field and (b) reasonably necessary to enable AquaBounty or such contract manufacturer (as appropriate) for the sole purpose of manufacturing such Intrexon Materials or bulk quantities of other components of AquaBounty Products. The costs and expenses incurred by Intrexon in carrying out such transfer shall be borne by Intrexon. Any manufacturing Information transferred hereunder to AquaBounty or its contract manufacturer shall not be further transferred to any Third Party, including any Product Sublicensee, or any AquaBounty Affiliate without the prior written consent of Intrexon; provided, however, that Intrexon shall not unreasonably withhold such consent if necessary to permit AquaBounty to switch manufacturers.

4.6 Support Services. Subject to Section 2.4, the JSC will meet promptly following the Effective Date and establish a plan under which Intrexon will provide support services to AquaBounty for the research and development of AquaBounty Products under the Aquaculture Program, which initial plan may be amended from time to time by the JSC. AquaBounty will compensate Intrexon for such support services with cash payments equal to Intrexon's Fully Loaded Cost in connection with such services. Additionally, from time to time, on an ongoing basis, AquaBounty may request, or Intrexon may propose, that Intrexon perform certain additional support services with respect to researching and developing new AquaBounty Products or improving the manufacturing or processing methods for any existing AquaBounty Products. To the extent that the Parties mutually agree that Intrexon should perform such additional services, the Parties shall negotiate in good faith the terms under which services would be performed, it being understood that Intrexon would be compensated for such services by cash payments equal to Intrexon's Fully Loaded Cost in connection with such services.

4.7 Compliance with Law. Each Party shall comply, and shall ensure that its Affiliates, (sub)licensees and Third Party contractors comply, with all applicable laws, regulations, and guidelines applicable to the Aquaculture Program, including without limitation those relating to the transport, storage, and handling of Intrexon Materials and AquaBounty Products.

4.8 Trademarks and Patent Marking. To the extent permitted by applicable law and regulations, AquaBounty shall ensure that the packaging, promotional materials, and labeling for AquaBounty Products, as appropriate, shall carry, in a conspicuous location, the applicable Intrexon Trademark(s), subject to AquaBounty's reasonable approval of the size, position, and location thereof. Consistent with the U.S. patent laws, AquaBounty shall ensure that AquaBounty Products, or their respective packaging or accompanying literature, as appropriate, bear applicable and appropriate patent markings for Intrexon Patent numbers. AquaBounty shall provide Intrexon with copies of any materials containing the Intrexon Trademarks or patent markings prior to using or disseminating such materials in order to obtain Intrexon's approval thereof. AquaBounty's use of the Intrexon Trademarks and patent markings shall be subject to prior review and approval of the IPC. AquaBounty acknowledges Intrexon's sole ownership of the Intrexon Trademarks and agrees not to take any action inconsistent with such ownership. AquaBounty covenants that it shall not use any trademark confusingly similar to any Intrexon Trademarks in connection with any products (including any AquaBounty Product). From time to time during the Term, Intrexon shall have the right to obtain from AquaBounty samples of AquaBounty Product sold by AquaBounty or its Affiliates or sublicensees, or other items which reflect public uses of the Intrexon Trademarks or patent markings, for the purpose of inspecting the quality of such AquaBounty Products, the use of the Intrexon Trademarks, or the accuracy of the patent markings. In the event that Intrexon inspects under this Section 4.8, Intrexon shall notify the result of such inspection to AquaBounty in writing thereafter. AquaBounty shall comply with commercially reasonable policies provided by Intrexon from time-to-time to maintain the goodwill and value of the Intrexon Trademarks.

ARTICLE 5

COMPENSATION

5.1 Revenue Sharing.

(a) No later than thirty (30) days after each calendar quarter in which there are positive aggregate Gross Profits arising from the sale of AquaBounty Products in the Field and Territory, AquaBounty shall pay to Intrexon a royalty equal to sixteen point sixty-six percent (16.66%) of such Gross Profits during that calendar quarter. Commencing with the Effective Date, in the event that there are negative Gross Profits for a particular AquaBounty Product in any calendar quarter, neither AquaBounty nor Intrexon shall owe any payments hereunder with respect to such AquaBounty Product. Any negative Gross Profits for a given AquaBounty Product, including any that result from Excess Product Liability Costs, may be carried forward to future quarters and offset against positive Gross Profits in such future quarters for the same AquaBounty Product. Except as set forth in the preceding sentence, AquaBounty shall not be permitted to carry forward any negative Gross Profits to subsequent quarters.

(b) No later than thirty (30) days after each calendar quarter in which AquaBounty or any AquaBounty Affiliate receives Sublicensing Revenue, AquaBounty shall pay to Intrexon fifty percent (50%) of such Sublicensing Revenue.

5.2 Method of Payment. Payments due to Intrexon under this Agreement shall be paid in United States dollars by wire transfer to a bank in the United States designated in writing by Intrexon. All references to "dollars" or "$" herein shall refer to United States dollars.

5.3 Payment Reports and Records Retention. Within thirty (30) days after the end of each calendar quarter during which Gross Profits have been generated, during which Sublicensing Revenue has been received, or during which negative Gross Profits have occurred, AquaBounty shall deliver to Intrexon a written report that shall contain at a minimum for the applicable calendar quarter:

(a) gross sales of each AquaBounty Product on a country-by-country basis;

(b) itemized calculation of Gross Profits, showing all applicable COGS deductions;

(c) itemized calculation of Sublicensing Revenue;

(d) the amount of any negative Gross Profits for the applicable calendar quarter, and any negative Gross Profits amount carried forward from a prior quarter and applied during the present quarter (as per Section 5.1(a));

(e) the amount of the payment (if any) due pursuant to each of Sections 5.1(a) and 5.1(b);

(f) the amount of taxes, if any, withheld to comply with any applicable law; and

(g) the exchange rates used in any of the foregoing calculations.

For three (3) years after each sale of AquaBounty Product, or after incurring any component item AquaBounty incorporated into its calculation of Sublicensing Revenues, Gross Profits or COGS as reported to Intrexon, AquaBounty shall keep (and shall ensure that its Affiliates and, if applicable, (sub)licensees shall keep) complete and accurate records of such sales or component item in sufficient detail to confirm the accuracy of the payment calculations hereunder.

5.4 Audits.

(a) Upon no less than thirty (30) days' prior written request from Intrexon, AquaBounty shall permit an independent certified public accounting firm of internationally recognized standing selected by Intrexon, and reasonably acceptable to AquaBounty, to have access to and to review, during normal business hours and upon no less than thirty (30) days' prior written notice, the applicable records of AquaBounty and, if applicable, its Affiliates to verify the accuracy and timeliness of the reports and payments made by AquaBounty under this Agreement. Such review may cover the records for sales made in any calendar year ending not more than three (3) years prior to the date of such request, provided that such records for any given year are not subject to re-review in a subsequent audit for the same AquaBounty Product. The accounting firm shall disclose to both Parties whether the royalty reports and/or know-how reports conform to the provisions of this Agreement and/or US GAAP, as applicable, and the specific details concerning any discrepancies. Such audit may not be conducted more than once in any calendar year.

(b) If such accounting firm concludes that additional amounts were owed during such period, AquaBounty shall pay additional amounts, with interest from the date originally due as set forth in Section 5.6, within thirty (30) days of receipt of the accounting firm's written report. If the amount of the underpayment is greater than five percent (5%) of the total amount actually owed for the period audited, then AquaBounty shall in addition reimburse Intrexon for all costs related to such audit; otherwise, Intrexon shall pay all costs of the audit. In the event of overpayment, any amount of such overpayment shall be fully creditable against amounts payable for the immediately succeeding calendar quarter(s).

(c) Intrexon shall (i) treat all information that it receives under this Section 5.4 in accordance with the confidentiality provisions of Article 7 and (ii) cause its accounting firm to enter into a confidentiality agreement with and acceptable to AquaBounty, such confidentiality agreement obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement, in each case except to the extent necessary for Intrexon to enforce its rights under this Agreement.

5.5 Taxes. The Parties will cooperate in good faith to obtain the benefit of any relevant tax treaties to minimize as far as reasonably possible any taxes which may be levied on any amounts payable hereunder. AquaBounty shall deduct or withhold from any payments any taxes that it is required by applicable law to deduct or withhold. Notwithstanding the foregoing, if Intrexon is entitled under any applicable tax treaty to a reduction of the rate of, or the elimination of, applicable withholding tax, it may deliver to AquaBounty or the appropriate governmental authority (with the assistance of AquaBounty to the extent that this is reasonably required and is expressly requested in writing) the prescribed forms necessary to reduce the applicable rate of withholding or to relieve AquaBounty of its obligation to withhold tax, and AquaBounty shall apply the reduced rate of withholding tax, or dispense with withholding tax, as the case may be, provided that AquaBounty has received evidence of Intrexon's delivery of all applicable forms (and, if necessary, its receipt of appropriate governmental authorization) at least fifteen (15) days prior to the time that the payment is due. If, in accordance with the foregoing, AquaBounty withholds any amount, (a) it shall make timely payment to the proper taxing authority of the withheld amount, and send to Intrexon proof of such payment within forty-five (45) days following that latter payment, and (b) Intrexon agrees to indemnify and hold harmless AquaBounty from and against any loss, damage, liability, penalty or expense, including reasonable attorneys' fees and expenses, which AquaBounty may incur by reason of, or in connection with, any failure to withhold or make payment based upon the instruction of Intrexon.

5.6 Late Payments. Any amount owed by AquaBounty to Intrexon under this Agreement that is not paid within the applicable time period set forth herein shall accrue interest at the lower of (a) two percent (2%) per month, compounded, or (b) the highest rate permitted under applicable law.

ARTICLE 6

INTELLECTUAL PROPERTY

6.1 Ownership.

(a) Subject to the license granted under Section 3.1, all rights in the Intrexon IP shall remain with Intrexon.

(b) AquaBounty and/or Intrexon may solely or jointly conceive, reduce to practice or develop discoveries, inventions, processes, techniques, and other technology, whether or not patentable, in the course of performing the Aquaculture Program (collectively "**Inventions**"). Each Party shall promptly provide the other Party with a detailed written description of any such Inventions that relate to the Field. Inventorship shall be determined in accordance with applicable United States patent laws. Except as otherwise provided in this Section 6.1, ownership of Inventions shall be dictated by inventorship.

(c) Intrexon shall solely own all right, title and interest in all Inventions made with, using, or otherwise incorporating Intrexon Channel Technology, together with all Patent rights and other intellectual property rights therein (the "**Channel-Related Program IP**"). AquaBounty hereby assigns all of its right, title and interest in and to the Channel-Related Program IP to Intrexon. AquaBounty agrees to execute such documents and perform such other acts as Intrexon may reasonably request to obtain, perfect and enforce its rights to the Channel-Related Program IP and the assignment thereof.

(d) Notwithstanding anything to the contrary in this Agreement, any discovery, invention, process, technique, or other technology, whether or not patentable, that is conceived, reduced to practice or developed by AquaBounty solely or jointly through the use of the Intrexon Channel Technology, Intrexon IP, or Intrexon Materials in breach of the terms and conditions of this Agreement, together with all patent rights and other intellectual property rights therein, shall be solely owned by Intrexon and shall be included in the Channel-Related Program IP.

(e) All Information regarding Channel-Related Program IP shall be Confidential Information of Intrexon. AquaBounty shall be under appropriate written agreements with each of its employees, contractors, or agents working on the Aquaculture Program, pursuant to which such person shall grant all rights in the Inventions to AquaBounty (so that AquaBounty may convey certain of such rights to Intrexon, as provided herein) and agree to protect all Confidential Information relating to the Aquaculture Program.

6.2 Patent Prosecution.

(a) Intrexon shall have the sole right, but not the obligation, to (i) conduct and control the filing, prosecution and maintenance of the Intrexon Patents, and (ii) conduct and control the filing, prosecution, and maintenance of any applications for patent term extension and/or supplementary protection certificates that may be available as a result of the regulatory approval of any AquaBounty Product. At the reasonable request of Intrexon, AquaBounty shall cooperate with Intrexon in connection with such filing, prosecution, and maintenance, at

Intrexon's expense. Under no circumstances shall AquaBounty (A) file, attempt to file, or assist anyone else in filing, or attempting to file, any Patent application, either in the United States or elsewhere, that claims or uses or purports to claim or use or relies for support upon an Invention owned by Intrexon, (B) use, attempt to use, or assist anyone else in using or attempting to use, the Intrexon Know-How, Intrexon Materials, or any Confidential Information of Intrexon to support the filing of a Patent application, either in the United States or elsewhere, that contains claims directed to the Intrexon IP, Intrexon Materials, or the Intrexon Channel Technology, or (C) without prior approval of the IPC, file, attempt to file, or assist anyone else in filing, or attempting to file, any application for patent term extension or supplementary protection certificate, either in the United States or elsewhere, that relies upon the regulatory approval of an AquaBounty Product.

(b) AquaBounty shall have the sole right, but not the obligation, to conduct and control the filing, prosecution and maintenance of any Patents claiming Inventions that are owned by AquaBounty or its Affiliates and not assigned to Intrexon under Section 6.1(c) ("**AquaBounty Program Patents**"). At the reasonable request of AquaBounty, Intrexon shall cooperate with AquaBounty in connection with such filing, prosecution, and maintenance, at AquaBounty's expense. Under no circumstances shall Intrexon (i) file, attempt to file, or assist anyone else in filing, or attempting to file, any Patent application, either in the United States or elsewhere, that claims or uses or purports to claim an Invention owned by AquaBounty, or (ii) without prior approval of the IPC, file, attempt to file, or assist anyone else in filing, or attempting to file, any application for patent term extension or supplementary protection certificate, either in the United States or elsewhere, that relies upon the regulatory approval of an AquaBounty Product.

(c) As used in this Section, "**Prosecuting Party**" means Intrexon in the case of Intrexon Patents and AquaBounty in the case of AquaBounty Program Patents. The Prosecuting Party shall be entitled to use patent counsel selected by it and reasonably acceptable to the non-Prosecuting Party (including in-house patent counsel as well as outside patent counsel) for the prosecution of the Intrexon Patents and AquaBounty Program Patents, as applicable. The Prosecuting Party shall:

(i) regularly provide the other Party in advance with reasonable information relating to the Prosecuting Party's prosecution of Patents hereunder, including by providing copies of substantive communications, notices and actions submitted to or received from the relevant patent authorities and copies of drafts of filings and correspondence that the Prosecuting Party proposes to submit to such patent authorities (it being understood that, to the extent that any such information is readily accessible to the public, the Prosecuting Party may, in lieu of directly providing copies of such information to such other Party, provide such other Party with sufficient information that will permit such other Party to access such information itself directly);

(ii) consider in good faith and consult with the non-Prosecuting Party regarding its timely comments with respect to the same; provided, however, that if, within fifteen (15) days after providing any documents to the non-Prosecuting Party for comment, the Prosecuting Party does not receive any written communication from the non-Prosecuting Party indicating that it has or may have comments on such document, the Prosecuting Party shall be entitled to assume that the non-Prosecuting Party has no comments thereon;

(iii) consult with the non-Prosecuting Party before taking any action that would reasonably be expected to have a material adverse impact on the scope of claims within the Intrexon Patents and AquaBounty Program Patents, as applicable.

(d) If, for an Invention that (i) comprises Channel-Related Program IP, and (ii) covers an AquaBounty Product in development or Commercialization, Intrexon determines in its discretion to refrain from filing a patent application on such Invention or to abandon (without re-filing) or to discontinue prosecution of (without re-filing) or maintenance of any Intrexon Patent claiming such Invention, Intrexon shall notify AquaBounty in writing, at least thirty (30) days prior to the final, non-extendable date by which any action must be taken to preserve such patent application or Patent, of Intrexon's determination so as to provide AquaBounty with an opportunity to assume responsibility for such filing, prosecution, or maintenance. If AquaBounty elects to assume, at its sole discretion and expense, such responsibility, AquaBounty shall notify Intrexon in writing to that effect and Intrexon shall cooperate with AquaBounty to effect a smooth transfer of such responsibilities to AquaBounty. Such transfer of responsibility shall not otherwise modify the rights, license and obligations of the Parties hereunder.

6.3 Infringement of Patents by Third Parties.

(a) Except as expressly provided in the remainder of this Section 6.3, Intrexon shall have the sole right to take appropriate action against any person or entity directly or indirectly infringing any Intrexon Patent (or asserting that an Intrexon Patent is invalid or unenforceable) (collectively, "**Infringement**"), either by settlement or lawsuit or other appropriate action.

(b) Notwithstanding the foregoing, AquaBounty shall have the first right, but not the obligation, to take appropriate action to enforce Product-Specific Program Patents against any Infringement that involves a commercially material amount of allegedly infringing activities in the Field ("**Field Infringement**"), either by settlement or lawsuit or other appropriate action. If AquaBounty exercises the foregoing right, Intrexon agrees to be named in any such action if required. If AquaBounty fails to take the appropriate steps to enforce Product-Specific Program Patents against any Field Infringement within one hundred eighty (180) days of the date one Party has provided notice to the other Party pursuant to Section 6.3(g) of such Field Infringement, then Intrexon shall have the right (but not the obligation), at its own expense, to enforce Product-Specific Program Patents against such Field Infringement, either by settlement or lawsuit or other appropriate action.

(c) With respect to any Field Infringement that cannot reasonably be abated through the enforcement of Product-Specific Program Patents pursuant to Section 6.3(b) but can reasonably be abated through the enforcement of Intrexon Patent(s) (other than the Product-Specific Program Patents), Intrexon shall be obligated to choose one of the following courses of action: (i) enforce one or more of the applicable Intrexon Patent(s) in a commercially reasonable manner against such Field Infringement, or (ii) enable AquaBounty to do so directly. To the

extent AquaBounty shall be entitled to a share of the Recovery as set forth in Section 6.3(f), Intrexon and AquaBounty shall bear the costs and expenses of such enforcement equally. The determination of which Intrexon Patent(s) to assert shall be made by Intrexon in its sole discretion after consulting in good faith with AquaBounty on such determination. For the avoidance of doubt, Intrexon has no obligations under this Agreement to enforce any Intrexon Patents against, or otherwise abate, any Infringement that is not a Field Infringement.

(d) In the event a Party pursues an action under this Section 6.3, the other Party shall reasonably cooperate with the enforcing Party with respect to the investigation and prosecution of any alleged, threatened, or actual Infringement, at the enforcing Party's expense (except with respect to an action under Section 6.3(c), where all costs and expenses will be shared equally in accordance with terms thereof).

(e) AquaBounty shall not settle or otherwise compromise any action under this Section 6.3 in a way that diminishes the rights or interests of Intrexon outside the Field or adversely affects any Intrexon Patent without Intrexon's prior written consent, which consent shall not be unreasonably withheld. Intrexon shall not settle or otherwise compromise any action under this Section 6.3 in a way that diminishes the rights or interests of AquaBounty in the Field or adversely affects any Intrexon Patent with respect to the Field without AquaBounty's prior written consent, which consent shall not be unreasonably withheld.

(f) Except as otherwise agreed to by the Parties in writing, any settlements, damages or other monetary awards recovered pursuant to a suit, proceeding, or action brought pursuant to Section 6.3 will be allocated first to the costs and expenses of the Party controlling such action, and second, to the costs and expenses (if any) of the other Party (to the extent not otherwise reimbursed), and any remaining amounts (the "**Recovery**") will be shared by the Parties as follows: In any action initiated by Intrexon pursuant to Section 6.3(a) that does not involve Field Infringement, or in any action initiated by Intrexon pursuant to Section 6.3(b), Intrexon shall retain one hundred percent (100%) of any Recovery. In any action initiated by AquaBounty pursuant to Section 6.3(b), AquaBounty shall retain one hundred percent (100%) of any Recovery, but such Recovery shall be shared with Intrexon as Sublicensing Revenue. In any action initiated by Intrexon or AquaBounty pursuant to Section 6.3(c), the Parties shall share the Recovery equally, and such Recovery shall not be deemed to constitute Sublicensing Revenue.

(g) AquaBounty shall promptly notify Intrexon in writing of any suspected, alleged, threatened, or actual Infringement of which it becomes aware, and Intrexon shall promptly notify AquaBounty in writing of any suspected, alleged, threatened, or actual Field Infringement of which it becomes aware.

ARTICLE 7

CONFIDENTIALITY

7.1 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the Parties, each Party agrees that it shall keep confidential and shall not publish or otherwise disclose and shall not use for any purpose other than as provided for in this Agreement any Confidential Information disclosed to it by the other Party pursuant to this Agreement, except to the extent that the receiving Party can demonstrate by competent evidence that specific Confidential Information:

(a) was already known to the receiving Party, as can be demonstrated by written records, other than under an obligation of confidentiality, at the time of disclosure by the other Party;

(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party;

(c) became generally available to the public or otherwise part of the public domain after its disclosure other than through any act or omission of the receiving Party in breach of this Agreement;

(d) was disclosed to the receiving Party, other than under an obligation of confidentiality to a Third Party, by a Third Party who had no obligation to the disclosing Party not to disclose such information to others; or

(e) was independently discovered or developed by the receiving Party without the use of Confidential Information belonging to the disclosing Party, as documented by the receiving Party's written records.

The foregoing non-use and non-disclosure obligation shall continue (i) indefinitely, for all Confidential Information that qualifies as a trade secret under applicable law; or (ii) for the Term of this Agreement and for seven (7) years thereafter, in all other cases.

7.2 Authorized Disclosure. Notwithstanding the limitations in this Article 7, either Party may disclose the Confidential Information belonging to the other Party to the extent such disclosure is reasonably necessary in the following instances:

(a) complying with applicable laws or regulations or valid court orders, provided that the Party making such disclosure provides the other Party with reasonable prior written notice of such request or demand for disclosure and makes a reasonable effort to obtain, or to assist the other Party in obtaining, a protective order preventing or limiting the disclosure and/or requiring that the terms and conditions of this Agreement be used only for the purposes for which the law or regulation required, or for which the order was issued;

(b) to regulatory authorities in order to seek or obtain approval to conduct regulatory trials, or to gain regulatory approval, of AquaBounty Products or any products being developed by Intrexon or its other licensees and/or channel partners or collaborators, provided that the Party making such disclosure (i) provides the other Party with reasonable opportunity to review any such disclosure in advance and to suggest redactions or other means of limiting the disclosure of such other Party's Confidential Information and (ii) does not unreasonably reject any such suggestions;

(c) disclosure to investors and potential investors, acquirers, or merger candidates who agree to maintain the confidentiality of such information, provided that such disclosure is used solely for the purpose of evaluating such investment, acquisition, or merger (as the case may be);

(d) disclosure on a need-to-know basis to Affiliates, licensees, sublicensees, employees, consultants, advisors, or agents (such as CROs) who agree to be bound by obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Article 7; and

(e) disclosure of the terms of this Agreement by a Party to collaborators and other channel partners or collaborators who agree to be bound by obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Article 7.

7.3 Publicity; Publications. The Parties agree that the public announcement of the execution of this Agreement shall be substantially in the form of a press release and/or the filing of a Form 8-K by AquaBounty, which shall be mutually agreed to by the Parties. Each Party will provide the other Party with the opportunity to review and comment, prior to submission or presentation, on external reports, publications and presentations (e.g., press releases, reports to government agencies, abstracts, posters, manuscripts and oral presentations) that refer to the Aquaculture Program or programs that are approved by the JSC. For such reports, publications, and presentations, the disclosing Party will provide the other Party at least fifteen (15) calendar days for review of the proposed submission or presentation. In the case of a Form 8-K filing, such shall be provided to Intrexon by AquaBounty as soon as practicable prior to filing. For reports and manuscripts, the disclosing Party will provide the other Party at least thirty (30) days for review of the report or manuscript. The presenting Party will act in good faith to incorporate the comments of the other Party and shall, in any event, redact any Confidential Information of the other Party and cooperate with the other Party to postpone such submissions or presentations if necessary to provide the other Party with sufficient time to prepare and file any related Patent applications before the submission or presentation occurs, as appropriate.

7.4 Terms of the Agreement. Each Party shall treat the terms of this Agreement as the Confidential Information of other Party, subject to the exceptions set forth in Section 7.2. Notwithstanding the foregoing, each Party acknowledges that the other Party may be obligated to file a copy of this Agreement with the SEC, either as of the Effective Date or at some point during the Term. Each Party shall be entitled to make such a required filing, provided that it requests confidential treatment of certain commercial terms and sensitive technical terms hereof to the extent such confidential treatment is reasonably available to it. In the event of any such filing, the filing Party shall provide the other Party with a copy of the Agreement marked to show provisions for which the filing Party intends to seek confidential treatment and shall reasonably consider and incorporate the other Party's comments thereon to the extent consistent with the legal requirements governing redaction of information from material agreements that must be publicly filed. The other Party shall promptly provide any such comments.

7.5 Proprietary Information and Operational Audits.

(a) For the purpose of confirming compliance with the Field-limited licenses granted in Article 3, the diligence obligations of Article 4, and the confidentiality obligations under Article 7, AquaBounty acknowledges that Intrexon's authorized representative(s), during

regular business hours may (i) examine and inspect AquaBounty's facilities and (ii) inspect all data and work products relating to this Agreement, subject to restrictions imposed by applicable laws. Any examination or inspection hereunder shall require five (5) business days written notice from Intrexon to AquaBounty. AquaBounty will make itself and the pertinent employees and/or agents available, on a reasonable basis, to Intrexon for the aforementioned compliance review.

(b) For the purpose of confirming compliance with the diligence obligations of Section 4.6, and the confidentiality obligations under Article 7, Intrexon acknowledges that AquaBounty authorized representative(s), during regular business hours may (i) examine and inspect Intrexon's facilities and (ii) inspect all data and work products relating to this Agreement. Any examination or inspection hereunder shall require five (5) business days written notice from AquaBounty to Intrexon. Intrexon will make itself and the pertinent employees and/or agents available, on a reasonable basis, to AquaBounty for the aforementioned compliance review.

(c) In view of the Intrexon Confidential Information, Intrexon Know-How, and Intrexon Materials transferred to AquaBounty hereunder, Intrexon from time-to-time, but no more than quarterly, may request that AquaBounty confirm the status of the Intrexon Materials at AquaBounty (i.e. how much used, how much shipped, to whom and any unused amounts destroyed (by whom, when) as well as any amounts returned to Intrexon or destroyed). Within ten (10) business days of AquaBounty's receipt of any such written request, AquaBounty shall provide the written report to Intrexon.

7.6 Intrexon Commitment. Intrexon shall use reasonable efforts to obtain an agreement with its other licensees and channel partners or collaborators to enable AquaBounty to disclose confidential information of such licensees and channel partners or collaborators to regulatory authorities in order to seek or obtain approval to conduct regulatory trials, or to gain regulatory approval of, AquaBounty Products, in a manner consistent with the provisions of Section 7.2(b).

ARTICLE 8

REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of AquaBounty. AquaBounty hereby represents and warrants to Intrexon that, as of the Effective Date:

(a) Corporate Power. AquaBounty is duly organized and validly existing under the laws of Delaware and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.

(b) Due Authorization. AquaBounty is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder, and the person executing this Agreement on AquaBounty's behalf has been duly authorized to do so by all requisite corporate action.

(c) Binding Agreement. This Agreement is a legal and valid obligation binding upon AquaBounty and enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting creditors' rights, and subject to general equity principles and to limitations on availability of equitable relief, including specific performance. The execution, delivery and performance of this Agreement by AquaBounty does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound. AquaBounty is aware of no action, suit or inquiry or investigation instituted by any governmental agency which questions or threatens the validity of this Agreement.

8.2 Representations and Warranties of Intrexon. Intrexon hereby represents and warrants to AquaBounty that, as of the Effective Date:

(a) Corporate Power. Intrexon is duly organized and validly existing under the laws of Virginia and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.

(b) Due Authorization. Intrexon is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder, and the person executing this Agreement on Intrexon's behalf has been duly authorized to do so by all requisite corporate action.

(c) Binding Agreement. This Agreement is a legal and valid obligation binding upon Intrexon and enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting creditors' rights, and subject to general equity principles and to limitations on availability of equitable relief, including specific performance. The execution, delivery and performance of this Agreement by Intrexon does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound. Intrexon is aware of no action, suit or inquiry or investigation instituted by any governmental agency which questions or threatens the validity of this Agreement.

(d) Additional Intellectual Property Representations.

(i) Intrexon possesses sufficient rights to enable Intrexon to grant all rights and licenses it purports to grant to AquaBounty with respect to the Intrexon Patents under this Agreement;

(ii) The Intrexon Patents existing as of the Effective Date constitute all of the Patents Controlled by Intrexon as of such date that are necessary for the development, manufacture and Commercialization of AquaBounty Products;

(iii) Intrexon has not granted, and during the Term Intrexon will not grant, any right or license, to any Third Party under the Intrexon IP that conflicts with the rights or licenses granted or to be granted to AquaBounty hereunder;

(iv) There is no pending litigation, and Intrexon has not received any written notice of any claims or litigation, seeking to invalidate or otherwise challenge the Intrexon Patents or Intrexon's rights therein;

(v) None of the Intrexon Patents is subject to any pending re-examination, opposition, interference or litigation proceedings;

(vi) All of the Intrexon Patents have been filed and prosecuted in accordance with all applicable laws and have been maintained, with all applicable fees with respect thereto (to the extent such fees have come due) having been paid;

(vii) Intrexon has entered into agreements with each of its current and former officers, employees and consultants involved in research and development work, including development of Intrexon's products and technology, providing Intrexon, to the extent permitted by law, with title and ownership to patents, patent applications, trade secrets and inventions conceived, developed, reduced to practice by such person, solely or jointly with other of such persons, during the period of employment or contract by Intrexon (except where the failure to have entered into such an agreement would not have a material adverse effect on the rights granted to AquaBounty herein), and Intrexon is not aware that any of its employees or consultants is in material violation thereof;

(viii) To Intrexon's knowledge, there is no infringement, misappropriation or violation by third parties of any Intrexon Channel Technology in the Field;

(ix) There is no pending or, to Intrexon's knowledge, threatened action, suit, proceeding or claim by others against Intrexon that Intrexon infringes, misappropriates or otherwise violates any intellectual property or other proprietary rights of others in connection with the use of the Intrexon Channel Technology, and Intrexon has not received any written notice of such claim;

(x) To Intrexon's knowledge, no former or current employee or contractor of Intrexon is the subject of any claim or proceeding involving a violation of any term of any contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, non-disclosure agreement or any restrictive covenant to or with a former employer or other Third Party (A) where the basis of such violation relates to such employee's employment or contractor's contractual relationship with Intrexon or actions undertaken by the employee or contractor while employed or under contract, as applicable, with Intrexon and (B) where such violation is relevant to the use of the Intrexon Channel Technology in the Field;

(xi) None of the Intrexon Patents owned by Intrexon or its Affiliates, and, to Intrexon's knowledge, the Intrexon Patents licensed to Intrexon or its Affiliates, have been adjudged invalid or unenforceable by a court of competent jurisdiction or applicable government agency, in whole or in part, and there is no pending or, to Intrexon's knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intrexon Patents;

(xii) Except as otherwise disclosed in writing to AquaBounty, Intrexon: (A) is in material compliance with all statutes, rules or regulations applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product that is under

development, manufactured or distributed by Intrexon in the Field ("**Applicable Laws**"); (B) has not received any FDA Form 483, notice of adverse finding, warning letter, untitled letter or other correspondence or notice from the United States Food and Drug Administration (the "**FDA**") or any other federal, state, local or foreign governmental or regulatory authority alleging or asserting material noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws ("**Authorizations**"), which would, individually or in the aggregate, result in a material adverse effect; (C) possesses all material Authorizations necessary for the operation of its business as described in the Field and such Authorizations are valid and in full force and effect and Intrexon is not in material violation of any term of any such Authorizations; and (D) since January 1, 2011, (1) has not received notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from the FDA or any other federal, state, local or foreign governmental or regulatory authority or third party alleging that any product operation or activity is in material violation of any Applicable Laws or Authorizations and has no knowledge that the FDA or any other federal, state, local or foreign governmental or regulatory authority or third party is considering any such claim, litigation, arbitration, action, suit investigation or proceeding; (2) has not received notice that the FDA or any other federal, state, local or foreign governmental or regulatory authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any material Authorizations and has no knowledge that the FDA or any other federal, state, local or foreign governmental or regulatory authority is considering such action; (3) has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission); and (4) has not, either voluntarily or involuntarily, initiated, conducted, or issued or caused to be initiated, conducted or issued, any recall, market withdrawal or replacement, safety alert, post sale warning, letters to customers, or other notice or action relating to the alleged lack of safety or efficacy of any product or any alleged product defect or violation and, to Intrexon's knowledge, no third party has initiated, conducted or intends to initiate any such notice or action; and

(xiii) Except, in each of (ix) through (xii), for any instances which would not, individually or in the aggregate, result in a material adverse effect on the rights granted to AquaBounty hereunder or Intrexon's ability to perform its obligations hereunder.

8.3 Warranty Disclaimer. EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS ARTICLE 8, EACH PARTY HEREBY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

ARTICLE 9

INDEMNIFICATION

9.1 Indemnification by Intrexon. Intrexon agrees to indemnify, hold harmless, and defend AquaBounty and its Affiliates and their respective directors, officers, employees, and agents (collectively, the "**AquaBounty Indemnitees**") from and against any and all liabilities, damages, costs, expenses, or losses (including reasonable legal expenses and attorneys' fees) (collectively, "**Losses**") resulting from any claims, suits, actions, demands, or other proceedings brought by a Third Party (collectively, "**Claims**") to the extent arising from (a) the gross negligence or willful misconduct of Intrexon or any of its Affiliates, or their respective employees or agents; (b) the use, handling, storage or transport of Intrexon Materials by or on behalf of Intrexon or its Affiliates, licensees (other than AquaBounty) or sublicensees; or (c) breach by Intrexon of any representation, warranty, covenant, or other material provision in this Agreement. Notwithstanding the foregoing, Intrexon shall not have any obligation to indemnify the AquaBounty Indemnitees to the extent that a Claim arises from (i) the gross negligence or willful misconduct of AquaBounty or any of its Affiliates, licensees, or sublicensees, or their respective employees or agents; or (ii) a breach by AquaBounty of a representation, warranty, covenant, or other material provision of this Agreement.

9.2 Indemnification by AquaBounty. AquaBounty agrees to indemnify, hold harmless, and defend Intrexon, its Affiliates and Third Security, and their respective directors, officers, employees, and agents (and any Third Parties which have licensed to Intrexon intellectual property rights within Intrexon IP on or prior to the Effective Date, to the extent required by the relevant upstream license agreement) (collectively, the "**Intrexon Indemnitees**") from and against any Losses resulting from Claims, to the extent arising from any of the following: (a) the gross negligence or willful misconduct of AquaBounty or any of its Affiliates or their respective employees or agents; (b) the use, handling, storage, or transport of Intrexon Materials by or on behalf of AquaBounty or its Affiliates, licensees, or sublicensees; (c) breach by AquaBounty of any material representation, warranty, covenant, or other material provision in this Agreement; or (d) the design, development, manufacture, regulatory approval, handling, storage, transport, distribution, sale or other disposition of any AquaBounty Product by or on behalf of AquaBounty or its Affiliates, licensees, or sublicensees. Notwithstanding the foregoing, AquaBounty shall not have any obligation to indemnify the Intrexon Indemnitees to the extent that a Claim arises from (i) the gross negligence or willful misconduct of Intrexon or any of its Affiliates, or their respective employees or agents; or (ii) a breach by Intrexon of a representation, warranty, covenant, or other material provision of this Agreement.

9.3 Product Liability Claims. Notwithstanding the provisions of Section 9.2, any Losses arising out of any Third Party claim, suit, action, proceeding, liability or obligation involving any actual or alleged death or bodily injury arising out of or resulting from the development, manufacture or Commercialization of any AquaBounty Products for use or sale in the Field, to the extent that such Losses exceed the amount (if any) covered by the applicable Party's product liability insurance ("**Excess Product Liability Costs**"), shall be paid by AquaBounty, except to the extent such Losses arise out of any Third Party Claim based on the gross negligence or willful misconduct of a Party, its Affiliates, or its Affiliates' sublicensees, or any of the respective officers, directors, employees and agents of each of the foregoing entities, in the performance of obligations or exercise of rights under this Agreement.

9.4 Control of Defense. As a condition precedent to any indemnification obligations hereunder, any entity entitled to indemnification under this Article 9 shall give written notice to the indemnifying Party of any Claims that may be subject to indemnification, promptly after learning of such Claim, provided that, no delay in giving or failure to give notice by the indemnified Party to the indemnifying Party of any Claims that may be subject to indemnification under this Agreement will adversely affect any of the other rights or remedies that the indemnified Party has under this Agreement, or alter or relieve the indemnifying Party of its obligation to indemnify the indemnified Party, except to the extent that the indemnifying Party is prejudiced thereby. If such Claim falls within the scope of the indemnification obligations of this Article 9, then the indemnifying Party shall assume the defense of such Claim with counsel reasonably satisfactory to the indemnified Party, provided that, in the case of a conflict of interest, the indemnified Party may be represented by separate counsel of its choosing at the indemnifying Party's expense. The indemnified Party shall cooperate with the indemnifying Party in such defense. Except in the case of a conflict as provided above, the indemnified Party may, at its option and expense, be represented by counsel of its choice in any action or proceeding with respect to such Claim. The indemnifying Party shall not be liable for any litigation costs or expenses incurred by the indemnified Party without the indemnifying Party's written consent, which consent shall not be unreasonably withheld. The indemnifying Party shall not settle any such Claim if such settlement (a) does not fully and unconditionally release the indemnified Party from all liability relating thereto or (b) adversely impacts the exercise of the rights granted to the indemnified Party under this Agreement, unless the indemnified Party otherwise agrees in writing.

9.5 Insurance. Immediately prior to, and during marketing of AquaBounty Products, AquaBounty shall maintain in effect and good standing a product liability insurance policy issued by a reputable insurance company in amounts considered standard for the industry. Immediately prior to, and during the conduct of any regulatory trials, AquaBounty shall maintain in effect and good standing a regulatory trials liability insurance policy issued by a reputable insurance company in amounts considered standard for the industry. At Intrexon's reasonable request, AquaBounty shall provide Intrexon with all details regarding such policies, including without limitation copies of the applicable liability insurance contracts. AquaBounty shall use commercially reasonable efforts to include Intrexon as an additional insured on any such policies.

ARTICLE 10

TERM; TERMINATION

10.1 Term. The term of this Agreement shall commence upon the Effective Date and shall continue until terminated pursuant to Section 10.2 or 10.3 (the "**Term**").

10.2 Termination for Material Breach; Termination Under Section 4.4(b)

(a) Either Party shall have the right to terminate this Agreement upon written notice to the other Party if the other Party commits any material breach of any provision of this Agreement that such breaching Party fails to cure within sixty (60) days following written notice from the nonbreaching Party specifying such breach. Notwithstanding the foregoing, if a breach is capable of being cured, but is not reasonably capable of being cured within the sixty (60) day period above, such cure period shall be extended to such time as needed to cure the breach within a reasonable timeframe thereafter if (i) the breaching Party proposed within such relevant cure period a written notice thereof and plan reasonably acceptable to the non-breaching party to cure the breach and, (ii) the breaching Party uses Diligent Efforts to implement such written cure plan.

(b) Intrexon shall have the right to terminate this Agreement under the circumstances set forth in Section 4.4(b) upon written notice to AquaBounty, such termination to become effective (i) sixty (60) days following such written notice unless AquaBounty remedies the circumstances giving rise to such termination within such sixty (60) day period, or (ii) in the event that the Parties have commenced a dispute resolution process pursuant to Section 4.4(b) and Article 11, in accordance with any determination made with respect to termination of this Agreement as part of that proceeding.

(c) Intrexon shall have the right to terminate this Agreement should AquaBounty execute any purported assignment of this Agreement contrary to the prohibitions in Section 12.8, such termination occurring upon Intrexon providing written notice to AquaBounty and becoming effective immediately upon such written notice.

10.3 Termination by AquaBounty. AquaBounty shall have the right to voluntarily terminate this Agreement in its entirety upon ninety (90) days' written notice to Intrexon at any time. Additionally, AquaBounty has the right to terminate this Agreement within those ninety (90) days if it fails to receive equity financing in an amount of at least six million dollars ($6,000,000) from existing or new shareholders, said amount including any amount received by AquaBounty from Intrexon by way of the Subscription Agreement, dated as of even date herewith, by and between AquaBounty and Intrexon, as may be amended from time to time.

10.4 Effect of Termination. In the event of termination of this Agreement pursuant to Section 10.2 or Section 10.3, the following shall apply:

(a) Retained Products. AquaBounty shall be permitted, but not obligated, to continue the development and Commercialization in the Field of any product resulting from the Aquaculture Program that, at the time of termination, satisfies at least one of the following criteria (a "**Retained Product**"):

(i) the particular product is an AquaBounty Product that is being sold by AquaBounty (or, as may be permitted under this Agreement, its Affiliates and, if applicable, (sub)licensees) triggering profit sharing payments therefor under Section 5.1(a) or (b) of this Agreement,

(ii) the particular product is an AquaBounty Product that has received regulatory approval, or

(iii) the particular product is an AquaBounty Product that is the subject of an application for regulatory approval in the Field, including, but not limited to, a filed application for an Investigational New Animal Drug, that is pending before the applicable regulatory authority.

Such right to continue development and Commercialization shall be subject to AquaBounty's full compliance with the payment provisions in Article 5, a continuing obligation for AquaBounty to use in accordance with Sections 4.5(a) and 4.5(c) Diligent Efforts to develop and Commercialize any Retained Products, and all other provisions of this Agreement that survive termination.

(b) Termination of Licenses. After the Term, all rights and licenses granted to AquaBounty shall continue only for Retained Products in the Field as permitted by Section 10.4(a), all rights and licenses granted by Intrexon to AquaBounty under this Agreement shall terminate and shall revert to Intrexon without further action by either Intrexon or AquaBounty. AquaBounty's license with respect to Retained Products shall be exclusive or non-exclusive, as the case may be, on the same terms as set forth in Section 3.1.

(c) Reverted Products. All AquaBounty Products other than the Retained Products shall be referred to herein as the "**Reverted Products**." AquaBounty shall immediately cease, and shall cause its Affiliates and, if applicable, (sub)licensees to immediately cease, all development and Commercialization of the Reverted Products, and AquaBounty shall not use or practice, nor shall it cause or permit any of its Affiliates or, if applicable, (sub)licensees to use or practice, directly or indirectly, any Intrexon IP with respect to the Reverted Products. AquaBounty shall immediately discontinue making any representation regarding its status as a licensee or channel collaborator of Intrexon with respect to the Reverted Products.

(d) Intrexon Materials. AquaBounty shall promptly return, or at Intrexon's request, destroy, any Intrexon Materials in AquaBounty's possession or control at the time of termination other than any Intrexon Materials necessary for the continued development, regulatory approval, use, manufacture and Commercialization of the Retained Products in the Field.

(e) Licenses to Intrexon. AquaBounty is automatically deemed to grant to Intrexon a worldwide, fully paid, royalty-free (except for any payment due to Third Parties to license AquaBounty Termination IP, as applicable), exclusive (even as to AquaBounty and its Affiliates), irrevocable license (with full rights to sublicense upon AquaBounty's prior written consent, which consent shall not be unreasonably withheld) under the AquaBounty Termination IP, to make, have made, import, use, offer for sale and sell Reverted Products and to use the Intrexon Channel Technology, the Intrexon Materials, and/or the Intrexon IP in the Field, subject to any exclusive rights held by AquaBounty in Reverted Products pursuant to Section 10.4(c). The Parties shall also take such actions and execute such other instruments and documents as may be reasonably necessary to document such license to Intrexon. For clarity, with respect to Reverted Products, Intrexon shall be responsible for any license payments due to any Third Party under an AquaBounty license with such Third Party for portions of the AquaBounty Termination IP to the extent that such license payments are attributable to such AquaBounty Termination IP being used by or on behalf of Intrexon in the Commercialization of Reverted Products.

(f) Regulatory Filings. AquaBounty shall promptly assign to Intrexon, and will provide full copies of, all regulatory approvals and regulatory filings that relate specifically and solely to Reverted Products. AquaBounty shall also take such actions and execute such other instruments, assignments and documents as may be necessary to effect the transfer of rights thereunder to Intrexon. To the extent that there exist any regulatory approvals and regulatory filings that relate both to Reverted Products and other products, AquaBounty shall provide copies of the portions of such regulatory filings that relate to Reverted Products and shall reasonably cooperate to assist Intrexon in obtaining the benefits of such regulatory approvals with respect to the Reverted Products.

(g) Data Disclosure. AquaBounty shall provide to Intrexon copies of the relevant portions of all material reports and data, including regulatory trial data and reports, obtained or generated by or on behalf of AquaBounty or its Affiliates to the extent that they relate to Reverted Products, within sixty (60) days of such termination unless otherwise agreed, and Intrexon shall have the right to use any such Information in developing and Commercializing Reverted Products and to license any Third Parties to do so.

(h) Third Party Licenses. At Intrexon's request, AquaBounty shall promptly provide to Intrexon copies of all Third Party agreements under which AquaBounty or its Affiliates obtained a license under Patents claiming inventions or know-how specific to or used or incorporated into the development, manufacture and/or Commercialization of the Reverted Products. At Intrexon's request such that Intrexon may Commercialize the Reverted Products, AquaBounty shall promptly work with Intrexon to either, as appropriate, (i) assign to Intrexon the Third Party agreement(s), or (ii) grant a sublicense (with an appropriate scope) to Intrexon under the Third Party agreement(s). Thereafter Intrexon shall be fully responsible for all obligations due for its actions under the sublicensed or assigned Third Party agreements. Notwithstanding the above, if Intrexon does not wish to assume any financial or other obligations associated with a particular Third Party agreement identified to Intrexon under this Section 10.4(h), then Intrexon shall so notify AquaBounty and AquaBounty shall not make such assignment or grant such sublicense (or cause it to be made or granted).

(i) Remaining Materials. At the request of Intrexon, AquaBounty shall transfer to Intrexon all quantities of Reverted Product (including final products or work-in-process) in the possession of AquaBounty or its Affiliates. AquaBounty shall transfer to Intrexon all such quantities of Reverted Products without charge, except that Intrexon shall pay the reasonable costs of shipping.

(j) Third Party Vendors. At Intrexon's request, AquaBounty shall promptly provide to Intrexon copies of all agreements between AquaBounty or its Affiliates and Third Party suppliers, vendors, or distributors that relate to the supply, sale, or distribution of Reverted Products in the Territory. At Intrexon's request, AquaBounty shall promptly: (i) with respect to such Third Party agreements relating solely to the applicable Reverted Products and permitting assignment without consent of such Third Party, immediately assign (or cause to be assigned), such agreements to Intrexon, and (ii) with respect to all other such Third Party agreements, AquaBounty shall use its commercially reasonable efforts to assist Intrexon in obtaining the benefits of such agreements. AquaBounty shall be liable for any costs associated with assigning a Third Party agreement to Intrexon or otherwise obtaining the benefits of such agreement for Intrexon, to the extent such costs are directly related to AquaBounty's breach. For the avoidance of doubt, Intrexon shall have no obligation to assume any of AquaBounty's obligations under any Third Party agreement.

(k) Commercialization. Intrexon shall have the right to develop and Commercialize the Reverted Products itself or with one or more Third Parties, and shall have the right, without obligation to AquaBounty, to take any such actions in connection with such activities as Intrexon (or its designee), at its discretion, deems appropriate.

(l) Confidential Information. Each Party shall promptly return, or at the other Party's request destroy, any Confidential Information of the other Party in such Party's possession or control at the time of termination; provided, however, that each Party shall be permitted to retain (i) a single copy of each item of Confidential Information of the other Party in its confidential legal files for the sole purpose of monitoring and enforcing its compliance with Article 7, (ii) Confidential Information of the other Party that is maintained as archive copies on the recipient Party's disaster recovery and/or information technology backup systems, or (iii) Confidential Information of the other Party necessary to exercise such Party's rights in Retained Products (in the case of AquaBounty) or Reverted Products (in the case of Intrexon). The recipient of Confidential Information shall continue to be bound by the terms and conditions of this Agreement with respect to any such Confidential Information retained in accordance with this Section 10.4(l).

10.5 Surviving Obligations. Termination or expiration of this Agreement shall not affect any rights of either Party arising out of any event or occurrence prior to termination, including, without limitation, any obligation of AquaBounty to pay any amount which became due and payable under the terms and conditions of this Agreement prior to expiration or such termination. The following portions of this Agreement shall survive termination or expiration of this Agreement: Sections 3.1 (as applicable with respect to 10.4(b)), 5.2, 5.4, 6.1, 6.2 (with subsection (c) surviving only to the extent relating to Intrexon Patents that are relevant to Retained Products that, to Intrexon's knowledge, are being developed or Commercialized at such time, if any), 7.1, 7.2, 7.4, 7.5, 10.4, and 10.5; Articles 9, 11, and 12; and any relevant definitions in Article 1. Further, Article 7 and Sections 4.4(a), 4.4(c), 5.1 through 5.5, and 9.4 will survive termination of this Agreement to the extent there are applicable Retained Products.

ARTICLE 11

DISPUTE RESOLUTION

11.1 Disputes. It is the objective of the Parties to establish procedures to facilitate the resolution of disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to litigation. In the event of any disputes, controversies or differences which may arise between the Parties out of or in relation to or in connection with this Agreement (other than disputes arising from a Committee, except for disputes at the IPC with respect to Product-Specific Program Patents, as provided in Section 2.4(b)), including, without limitation, any alleged failure to perform, or breach, of this Agreement, or any issue relating to the interpretation or application of this Agreement, then upon the request of either Party by written notice, the Parties agree to meet and discuss in good faith a possible resolution thereof,

which good faith efforts shall include at least one in-person meeting between the Executive Officers of each Party. If the matter is not resolved within thirty (30) days following the written request for discussions, either Party may then invoke the provisions of Section 11.2. For the avoidance of doubt, any disputes, controversies or differences arising from a Committee pursuant to Article 2 shall be resolved solely in accordance with Section 2.4.

11.2 Arbitration. Any dispute, controversy, difference or claim which may arise between the Parties and not from a Committee, out of or in relation to or in connection with this Agreement (including, without limitation, arising out of or relating to the validity, construction, interpretation, enforceability, breach, performance, application or termination of this Agreement) that is not resolved pursuant to Section 11.1 shall, subject to Section 11.10, be settled by binding "baseball arbitration" as follows. Either Party, following the end of the thirty (30) day period referenced in Section 11.1, may refer such issue to arbitration by submitting a written notice of such request to the other Party, with the arbitration to be held in the state where the other Party's principal office is located (or some other place as may be mutually agreed by the Parties). Promptly following receipt of such notice, the Parties shall meet and discuss in good faith and choose one arbitrator from a list of arbitrators provided by the American Arbitration Association in accordance with its Commercial Arbitration Rules (the "**AAA Rules**") as being suitable to arbitrate the Parties' dispute. The Parties agree that the chosen arbitrator shall be neutral and independent of both Parties and all of their respective Affiliates, and shall have significant experience and expertise in licensing and partnering agreements in the biotechnology industry and concerning related intellectual property rights (as appropriate in light of the subject matter of the Parties' disputed issues), and shall have some experience in mediating or arbitrating issues relating to such agreements and/or related intellectual property rights. The AAA Rules shall govern the arbitration between the Parties, except as set forth in, and to the extent not inconsistent with, this Section 11.2. Within fifteen (15) days after an arbitrator is selected, each Party will deliver to both the arbitrator and the other Party a detailed written proposal setting forth its proposed terms for the resolution for the matter at issue (the "**Proposed Terms**" of the Party) and a memorandum (the "**Support Memorandum**") in support thereof. The Parties will also provide the arbitrator a copy of this Agreement, as it may be amended at such time. Within fifteen (15) days after receipt of the other Party's Proposed Terms and Support Memorandum, each Party may submit to the arbitrator (with a copy to the other Party) a response to the other Party's Support Memorandum. Neither Party may have any other communications (either written or oral) with the arbitrator other than for the sole purpose of engaging the arbitrator or as expressly permitted in this Section 11.2; provided that, the arbitrator may convene a hearing if the arbitrator so chooses to ask questions of the Parties and hear oral argument and discussion regarding each Party's Proposed Terms. Within sixty (60) days after the arbitrator's appointment, the arbitrator will select one of the two Proposed Terms (without modification) provided by the Parties that he or she believes is most consistent with the intention underlying and agreed principles set forth in this Agreement. The decision of the arbitrator shall be final, binding, and unappealable. For clarity, the arbitrator must select as the only method to resolve the matter at issue one of the two sets of Proposed Terms, and may not combine elements of both Proposed Terms or award any other relief or take any other action.

11.3 Governing Law. This Agreement shall be governed by and construed under the substantive laws of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

11.4 Award. Any award to be paid by one Party to the other Party as determined by the arbitrator as set forth above under Section 11.2 shall be promptly paid in United States dollars free of any tax, deduction or offset; and any costs, fees or taxes incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the losing Party. Each Party agrees to abide by the award rendered in any arbitration conducted pursuant to this Article 11, and agrees that, subject to the United States Federal Arbitration Act, 9 U.S.C. §§ 1-16, judgment may be entered upon the final award in any United States District Court located in New York and that other courts may award full faith and credit to such judgment in order to enforce such award. The award shall include interest from the date of any damages incurred for breach of the Agreement, and from the date of the award until paid in full, at a rate fixed by the arbitrator. With respect to money damages, nothing contained herein shall be construed to permit the arbitrator or any court or any other forum to award consequential, incidental, special, punitive or exemplary damages. By entering into this agreement to arbitrate, the Parties expressly waive any claim for consequential, incidental, special, punitive or exemplary damages. The only damages recoverable under this Agreement are direct compensatory damages.

11.5 Costs. Each Party shall bear its own legal fees. The arbitrator shall assess his or her costs, fees and expenses against the Party losing the arbitration.

11.6 Injunctive Relief. Nothing in this Article 11 will preclude either Party from seeking equitable relief or interim or provisional relief from a court of competent jurisdiction, including a temporary restraining order, preliminary injunction or other interim equitable relief, concerning a dispute either prior to or during any arbitration if necessary to protect the interests of such Party or to preserve the status quo pending the arbitration proceeding. Specifically, the Parties agree that a material breach by either Party of its obligations in Section 3.5 or Article 7 of this Agreement may cause irreparable harm to the other Party, for which damages may not be an adequate remedy. Therefore, in addition to its rights and remedies otherwise available at law, including, without limitation, the recovery of damages for breach of this Agreement, upon an adequate showing of material breach of such Section 3.5 or Article 7, and without further proof of irreparable harm other than this acknowledgement, such non-breaching Party shall be entitled to seek (a) immediate equitable relief, specifically including, but not limited to, both interim and permanent restraining orders and injunctions, without bond, and (b) such other and further equitable relief as the court may deem proper under the circumstances. For the avoidance of doubt, nothing in this Section 11.6 shall otherwise limit a breaching Party’s opportunity to cure a material breach as permitted in accordance with Section 10.2.

11.7 Confidentiality. The arbitration proceeding shall be confidential and the arbitrator shall issue appropriate protective orders to safeguard each Party’s Confidential Information. Except as required by law, no Party shall make (or instruct the arbitrator to make) any public announcement with respect to the proceedings or decision of the arbitrator without prior written consent of the other Party. The existence of any dispute submitted to arbitration, and the award, shall be kept in confidence by the Parties and the arbitrator, except as required in connection with the enforcement of such award or as otherwise required by applicable law.

11.8 Survivability. Any duty to arbitrate under this Agreement shall remain in effect and be enforceable after termination of this Agreement for any reason.

11.9 Jurisdiction. For the purposes of this Article 11, the Parties acknowledge their diversity and agree to accept the non-exclusive jurisdiction of any United States District Court located in the Southern District of New York for the purposes of enforcing or appealing any awards entered pursuant to this Article 11 and for enforcing the agreements reflected in this Article 11.

11.10 Patent Disputes. Notwithstanding any other provisions of this Article 11, and subject to the provisions of Section 6.2, any dispute, controversy or claim relating to the scope, validity, enforceability or infringement of any Intrexon Patents shall be submitted to a court of competent jurisdiction in the country in which such Patent was filed or granted.

ARTICLE 12

GENERAL PROVISIONS

12.1 Use of Name. No right, express or implied, is granted by this Agreement to either Party to use in any manner the name of the other or any other trade name or trademark of the other in connection with the performance of this Agreement, except that (a) either Party may use the name of the other Party as required by regulations and in press releases accompanying quarterly and annual earnings reports approved by the issuer's Board of Directors, and (b) AquaBounty may use the Intrexon Trademarks in accordance with licenses and restrictions set forth herein.

12.2 LIMITATION OF LIABILITY. EXCEPT FOR FRAUD, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS PARAGRAPH IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY UNDER ARTICLE 9, OR DAMAGES AVAILABLE FOR BREACHES OF THE OBLIGATIONS SET FORTH IN ARTICLE 7.

12.3 Independent Parties. The Parties are not employees or legal representatives of the other Party for any purpose. Neither Party shall have the authority to enter into any contracts in the name of or on behalf of the other Party. This Agreement shall not constitute, create, or in any way be interpreted as a joint venture, partnership, or business organization of any kind.

12.4 Notice. All notices, including notices of address change, required or permitted to be given under this Agreement shall be in writing and deemed to have been given (a) when delivered if personally delivered or sent by facsimile (provided that the party providing such notice promptly confirms receipt of such transmission with the other party by telephone), (b) on the business day after dispatch if sent by a nationally-recognized overnight courier and (c) on the third business day following the date of mailing if sent by certified mail, postage prepaid, return receipt requested. All such communications shall be sent to the address or facsimile number set forth below (or any updated addresses or facsimile number communicated to the other Party in writing in accordance with this Section 12.4):

If to Intrexon: Intrexon Corporation
20358 Seneca Meadows Parkway
Germantown, MD 20876
Attention: President, Animal Sciences Division
Fax: (301) 556-9901

with a copy to: Intrexon Corporation
20358 Seneca Meadows Parkway
Germantown, MD 20876
Attention: Legal Department
Fax: (301) 556-9902

If to AquaBounty: AquaBounty Technologies, Inc.
Two Clock Tower Place, Suite 395
Maynard, MA 01754
Attention: Chief Executive Officer
Fax: (978) 897-3217

12.5 Severability. In the event any provision of this Agreement is held to be invalid or unenforceable, the valid or enforceable portion thereof and the remaining provisions of this Agreement will remain in full force and effect.

12.6 Waiver. Any waiver (express or implied) by either Party of any breach of this Agreement shall not constitute a waiver of any other or subsequent breach.

12.7 Entire Agreement; Amendment. This Agreement, including any exhibits attached hereto, constitutes the entire, final, complete and exclusive agreement between the Parties and supersede all previous agreements or representations, written or oral, with respect to the subject matter of this Agreement (including any prior confidentiality agreement between the Parties). All information of Intrexon or AquaBounty to be kept confidential by the other Party under any prior confidentiality agreement, as of the Effective Date, shall be maintained as Confidential Information by such other Party under the obligations set forth in Article 7 of this Agreement. This Agreement may not be modified or amended except in a writing signed by a duly authorized representative of each Party.

12.8 Non-assignability; Binding on Successors. Any attempted assignment of the rights or delegation of the obligations under this Agreement shall be void without the prior written consent of the non-assigning or non-delegating Party; provided, however, that either Party may assign its rights or delegate its obligations under this Agreement without such consent (a) to an Affiliate of such Party or (b) to its successor in interest in connection with any merger, acquisition, consolidation, corporate reorganization, or similar transaction, or sale of all or substantially all of its assets, provided that such assignee agrees in writing to assume and be

bound by the assignor's obligations under this Agreement. This Agreement shall be binding upon, and inure to the benefit of, the successors, executors, heirs, representatives, administrators and permitted assigns of the Parties. Notwithstanding the foregoing, in the event that either Party assigns this Agreement to its successor in interest by way of merger, acquisition, consolidation, corporate reorganization, or similar transaction, or sale of all or substantially all of its assets (whether this Agreement is actually assigned or is assumed by such successor in interest or its affiliate by operation of law (e.g., in the context of a reverse triangular merger)), the intellectual property rights of such successor in interest or any of its Affiliates other than those licensed in this Agreement shall be automatically excluded from the rights licensed to the other Party under this Agreement.

12.9 Force Majeure. Neither Party shall be liable to the other for its failure to perform any of its obligations under this Agreement, except for payment obligations, during any period in which such performance is delayed because rendered impracticable or impossible due to circumstances beyond its reasonable control, including without limitation earthquakes, governmental regulation, fire, flood, labor difficulties, civil disorder, acts of terrorism and acts of God, provided that the Party experiencing the delay promptly notifies the other Party of the delay.

12.10 No Other Licenses. Neither Party grants to the other Party any rights or licenses in or to any intellectual property, whether by implication, estoppel, or otherwise, except to the extent expressly provided for under this Agreement.

12.11 Non-Solicitation. During the Term and for a period of one (1) year following the end of the Term, neither AquaBounty nor Intrexon may directly or indirectly solicit in order to offer to employ, engage in any discussion regarding employment with, or hire any employee of the other Party or an individual who was employed by the other party within one (1) year prior to such solicitation, discussion, or hire, without the prior approval of such other Party. General employment solicitations or advertisements shall not be considered direct or indirect solicitations, and the hiring of any employee as a result of such general solicitations or advertisements is not prohibited under this Agreement.

12.12 Legal Compliance. The Parties shall review in good faith and cooperate in taking such actions to ensure compliance of this Agreement with all applicable laws.

12.13 Counterparts. This Agreement may be executed in any number of counterparts (including by facsimile, PDF, or other means of electronic communication), each of which will be deemed an original and, when taken together, will constitute one and the same instrument, and any of the Parties hereto may execute this Agreement by signing any such counterpart.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Exclusive Channel Collaboration Agreement.

INTREXON CORPORATION

By: /s/ Thomas R. Kasser
Name: Thomas R. Kasser
Title: Senior Vice President

AQUABOUNTY TECHNOLOGIES, INC.

By: /s/ David Frank
Name: David Frank
Title: Chief Financial Officer and Secretary

Exhibit 10.9

DATED 14 FEBRUARY 2013

(1) AQUABOUNTY TECHNOLOGIES, INC.

(2) THE INVESTORS LISTED ON EXHIBIT A HERETO

SUBSCRIPTION AGREEMENT

CONTENTS

THIS SUBSCRIPTION AGREEMENT (this "**Agreement**") is made on 14 February 2013

BETWEEN:

(1) **AQUABOUNTY TECHNOLOGIES, INC.**, incorporated and registered in the state of Delaware, USA with registered number 2282110 and whose principal place of business is at Two Clock Tower Place, Suite 395, Maynard, MA 01754 USA (the "**Company**"); and

(2) Each of the investors listed on **Exhibit A** hereto (each an "**Investor**" and, collectively, the "**Investors**").

WHEREAS:

The Investors have agreed to subscribe for the New Shares (as defined below) in the capital of the Company and the parties have agreed to regulate the terms of the Subscription (as defined below) on the terms and conditions of this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 The following words and expressions where used in this Agreement have the meanings given to them below:

Admission shall have the meaning given to it in clause 2.1.3 of this Agreement.

Admission Condition shall have the meaning given to it in clause 2.2 of this Agreement.

Aggregate Subscription Amount means the sum of $6,000,000, being the aggregate subscription price payable by the Investors for the New Shares.

Agreement shall have the meaning given to it in the preamble of this Agreement.

AIM means AIM, a market operated by the London Stock Exchange.

AIM Rules means the AIM Rules for Companies published by the London Stock Exchange.

Authorities shall have the meaning given to it in clause 5.1 of Schedule 1 of this Agreement.

Board means the board of directors of the Company from time to time.

Business Day means any day other than a Saturday, Sunday or English bank or public holiday.

Bylaws means the corporate bylaws of the Company in effect as at the date of this Agreement.

Certificate of Incorporation means the amended and restated certificate of incorporation of the Company, as amended.

Circular shall have the meaning given to it in clause 2.5 of this Agreement.

Common Shares means the shares of common stock, par value one tenth of one cent ($0.001) per share of the Company.

Companies Act means the Companies Act 2006.

Company shall have the meaning given to it in the preamble of this Agreement.

Completion means completion of the Subscription, (subject to the full satisfaction of the Conditions) in accordance with clause 2.12.

Completion Date means the date on which Completion occurs.

Conditions means the conditions to Completion set out in clause 2.1.

Copyright means copyright, which includes all rights in computer software and in databases and all rights or forms of protection which have equivalent or similar effect to the foregoing and which subsist anywhere in the world.

Directors means the directors of the Company from time to time.

FSA means the Financial Services Authority.

FSMA means the Financial Services and Markets Act 2000.

Group means the Company and any company which is a subsidiary undertaking of the Company from time to time and references to "**Group Company**" and "**member of the Group**" shall be construed accordingly.

Intellectual Property Rights includes patents, inventions, Know-How, trade secrets and other confidential information, registered designs, Copyright, database rights, design rights, rights affording equivalent protection to copyright, database rights and design rights, topography rights, trade marks, service marks, business names, trade names, domain names, registration of an application to register any of the aforesaid items, rights to sue for passing-off and rights in the nature of any of the aforesaid items in any country.

International Jurisdiction means a country other than the United States.

International Securities Laws means, in respect of each and every offer or sale of New Shares, any securities laws having application to an Investor and the Subscription other than the laws of the USA and all regulatory notices, orders, rules, regulations, policies and other instruments incident thereto.

Intrexon means Intrexon Corporation, a Virginia corporation.

Investor shall have the meaning given to it in the preamble of this Agreement.

Investor Representatives shall have the meaning given to it in clause 5.1.1 of this Agreement.

Investor Warranties means the warranties set out in clause 5.

Know-How means inventions, discoveries, improvement, processes, formulae, techniques, specifications, technical information, methods, tests, reports, component lists, manuals, instructions, drawings and information relating to customers and suppliers (whether written, unwritten or in any other form and whether confidential or not).

London Stock Exchange means London Stock Exchange plc.

Mandatory Offer Waiver means a waiver of the requirement under paragraph 7(b) of the Certificate of Incorporation that a person who is an Offeror makes an Offer as a consequence of (i) the Subscription or (ii) a related transaction prior to the Subscription, made pursuant to paragraph 7(n) of the Certificate of Incorporation by way of independent vote or consent of a majority of all Shareholders with voting rights other than those Shareholders who would be an Offeror under paragraph 7(b) of the Certificate of Incorporation had the requirement to make an Offer thereunder not been waived.

New Shares means the 22,883,295 Common Shares in the capital of the Company to be subscribed by the Investors under the terms of this Agreement.

Notice has the meaning set forth in clause 9.1.

Offer shall be as defined in the Certificate of Incorporation.

Offeror shall be as defined in the Certificate of Incorporation.

Participating Shareholder has the meaning set forth in clause 6.

Pre-Completion means the satisfaction of the conditions and obligations set forth in clauses 2.7 to 2.10 (inclusive).

Prospectus Rules means the Prospectus Rules made by the Financial Services Authority under Part VI of the FSMA.

Publicly Announced means the making by the Company of an announcement on a Regulatory Information Service provided by the London Stock Exchange, within the 6 month period immediately preceding the date of this Agreement.

Purchased Shares means, with respect to each Investor, the number of New Shares for which such Investor is subscribing pursuant to this Agreement, as set forth opposite such Investor's name on **Exhibit A**.

Resolutions means the resolutions of the Shareholders of the Company in the approved terms, *inter alia*, waiving the application of the pre-emption rights contained in Section 4(c) of the Certificate of Incorporation, approving the Mandatory Offer Waiver and waiving the application of Section 4(d) of the Certificate of Incorporation.

Securities Act means the U.S. Securities Act of 1933, as amended.

Share means any share in or of capital stock issued by the Company from time to time.

Share Price means $0.2622 per share.

Shareholder means any holder of any Share from time to time.

Subscription means the subscription by the Investors for the New Shares in accordance with the terms of this Agreement.

Subscription Amount means, with respect to each Investor, the amount listed on **Exhibit A**, which is a product of such Investor's Purchased Shares, multiplied by the Share Price.

Terminating Investor shall have the meaning given to it in clause 3.3 of this Agreement.

Terminating Investor Shares shall have the meaning given to it in clause 3.4 of this Agreement.

US Laws shall have the meaning given to it in clause 3.1 of Schedule 1 of this Agreement.

USA or **U.S.** means the United States of America.

Warranties means the warranties and representations set out in Schedule 1 of this Agreement.

1.2 Unless the context otherwise requires, words and expressions defined in or having a meaning provided by the Companies Act shall have the same meaning in this Agreement.

1.3 Unless the context otherwise requires, references in this Agreement to:

1.3.1 any of the masculine, feminine and neuter genders shall include other genders;

1.3.2 the singular shall include the plural and vice versa;

1.3.3 a person shall include a reference to any natural person, body corporate, unincorporated association, partnership, firm and trust;

1.3.4 any statute or statutory provision shall be deemed to include any instrument, order, regulation or direction made or issued under it and shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, consolidated, re-enacted or replaced except to the extent that any amendment or modification made after the date of this Agreement would increase any liability or impose any additional obligation under this Agreement;

1.3.5 any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than that of England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term; and

1.3.6 any time or date shall be construed as a reference to the time or date prevailing in England.

1.4 The headings in this Agreement are for convenience only and shall not affect its meaning. References to a clause, Schedule, Exhibit or paragraph are (unless otherwise stated) to a clause or paragraph of, or Schedule or Exhibit to, this Agreement. The Schedules and Exhibits form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement.

1.5 A document expressed to be "**in the approved terms**" means a document, the terms of which have been approved by the parties to the Agreement and a copy of which has been identified as such and initialled by or on behalf of each such party.

1.6 In construing this Agreement, general words introduced by the word "**other**" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. SUBSCRIPTION

Conditions

2.1 Subject to clause 3, Completion shall be conditional in all respects on:

2.1.1 the passing of the Resolutions;

2.1.2 the obtaining by the Company of the Mandatory Offer Waiver; and

2.1.3 the admission of the New Shares to trading on AIM becoming effective in accordance with the latest edition of the AIM Rules ("**Admission**").

2.2 The Company agrees to notify the Investors in writing within one Business Day of the last of the Conditions in clauses 2.1.1 and 2.1.2 (but not clause 2.1.3 (the "**Admission Condition**")) being satisfied and the Company shall provide such evidence as the Investors may reasonably request as to the satisfaction of these Conditions.

2.3 From the date of this Agreement until Completion (or termination of this Agreement), the Company undertakes to the Investors that it shall take no action that is inconsistent with the provisions of this Agreement or the consummation of the Subscription as contemplated by this Agreement.

2.4 If the Conditions have not been satisfied in full on or before April 1, 2013, this Agreement (other than this clause 2.4 and clauses 4, 7, 8, 9 and 10) shall have no further effect and in such event no party to this Agreement shall have any claim against the other parties to this Agreement for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to any accrued rights or obligations of any party under this Agreement or the ability of the Investors to bring a claim against the Company for a breach of the Warranties.

Signing of this Agreement

2.5 The Company agrees that, promptly (but in no event more than five days) following the date of

this Agreement, it will send to each Shareholder entitled thereto a circular incorporating a notice convening a special meeting of the Shareholders of the Company (the "**Circular**") containing the Resolutions, including the request for the Mandatory Offer Waiver, in accordance with the requirements of the Bylaws and the Certificate of Incorporation.

2.6 Upon signing of this Agreement, the Company shall deliver to each of the Investors duly passed resolutions of the Board in terms reasonably satisfactory to the Investors approving the entry into this Agreement and granting all necessary authorities to implement its terms including, subject to the satisfaction of the Conditions and receipt of the subscription monies from the Investors, the issue of the New Shares to the Investors in accordance with the terms of this Agreement.

Pre-Completion

2.7 Pre-Completion shall take place remotely via the exchange of documents and signatures on the Business Day immediately following notification by the Company to the Investors, under clause 2.2, of all of the Conditions (other than the Admission Condition) being satisfied.

2.8 At Pre-Completion, the Company shall deliver to each of the Investors certified copies of the Resolutions and the Mandatory Offer Waiver.

2.9 Subject to clause 2.11, at Pre-Completion each Investor shall subscribe in cash (conditional upon Admission) for its Purchased Shares, at a price per share equal to the Share Price, and each Investor shall pay its Subscription Amount into the following bank account of the Company and such payment shall constitute a full and proper discharge by each Investor of its obligations under this clause 2.9:

Bank:	Citizens Bank
Bank Address:	28 State Street, Boston, MA 02109
Account number:	XXXXXXXXX
Routing number:	XXXXXXXXX
ABA:	XXXXXXXXX

2.10 Subject to clause 2.11, at Pre-Completion, upon receipt by the Company of each Investor's Subscription Amount pursuant to clause 2.9, the Company shall allot (conditional upon Admission) each Investor its Purchased Shares, shall deliver to each Investor a share certificate in respect of its Purchased Shares and enter the name of such Investor in the Company's stock register as the holder of such Purchased Shares.

2.11 Clauses 2.7 to 2.10 (inclusive) shall not apply to any Investor whose obligations under this Agreement have been terminated pursuant to clause 3.

Completion

2.12 Completion shall take place automatically upon Admission. Promptly following Completion, the Company shall deliver to each Investor a share certificate in respect of its Purchased Shares and enter the name of such Investor in the Company's stock register as the holder of such Purchased Shares.

3. TERMINATION

3.1 If at any time prior to Completion:

3.1.1 it comes to the knowledge of any of the Investors (whether by way of receipt of a notification pursuant to clause 4.4 or otherwise) that any of the Warranties was materially untrue, inaccurate or misleading when made and/or that any of the Warranties has ceased to be materially true or accurate or has become materially misleading by reference to the facts and circumstances then subsisting, provided, that for purposes of this clause 3.1.1 any materiality qualifier in a Warranty shall be read without such qualifier; or

3.1.2 the Company shall fail, in a material way, to comply with any of its obligations under this Agreement,

then each Investor shall be entitled to terminate its obligations under this Agreement by giving notice to the Company at any time prior to Completion.

3.2 If at any time prior to Completion it comes to the knowledge of the Company that any of the Investor Warranties was, in relation to any particular Investor, materially untrue, inaccurate or misleading when made and/or that any of the Investor Warranties has, in relation to any particular Investor, ceased to be materially true or accurate or has become materially misleading, the Company shall be entitled to terminate its obligations under this Agreement in relation to that particular Investor only, by giving notice to such Investor at any time prior to Completion.

3.3 If this Agreement is terminated under clause 3.1 or 3.2 in relation to any particular Investor (the "**Terminating Investor**"), this Agreement (other than this clause 3.3 and clauses 4, 7 and 8) shall have no further effect in respect of the Terminating Investor.

3.4 In the event that the obligations of any one or more Investors, other than Intrexon, are terminated pursuant to clauses 3.1 or 3.2, Intrexon shall subscribe for the Purchased Shares of each Terminating Investor (the "**Terminating Investor Shares**") (in addition to Intrexon's

Purchased Shares) at the Share Price and otherwise in accordance with the terms of this Agreement; provided, however, if Intrexon is terminated pursuant to clauses 3.1 or 3.2, it shall not be obligated to subscribe for or purchase any Terminating Investor Shares.

4. COMPANY WARRANTIES

4.1 The Company, upon the execution of this Agreement, warrants and represents to the Investors in the terms of the Warranties. The Company acknowledges that the Investors have relied on the Warranties in entering into this Agreement.

4.2 No fact, matter, event or circumstance of which the Investors have or may be deemed to have knowledge (actual, constructive or imputed) shall prejudice any claim made by the Investors under the Warranties or operate to reduce any amount recoverable.

4.3 The Warranties are given at the date of this Agreement. The Warranties shall continue in full force and effect until Completion.

4.4 The Company undertakes to the Investors that it will immediately notify the Investors upon its becoming aware at any time up to Completion:

4.4.1 that any of the Warranties was materially untrue, inaccurate or misleading at the date of this Agreement; or

4.4.2 that any of the Warranties would be materially untrue, inaccurate or misleading if it were to be repeated at any time before Completion by reference to the facts and circumstances then subsisting.

4.5 Each Warranty shall be separate and independent and, save as expressly provided, shall not be limited by reference to any other Warranty or any other provision in this Agreement.

4.6 Where any statement in the Warranties is qualified by the expression "**so far as the Company is aware**" or any similar expression, the Company shall be deemed to have knowledge of:

4.6.1 anything of which any of the Directors or officers of the Company has knowledge or is deemed by clause 4.6.2 or 4.6.3 to have knowledge;

4.6.2 anything of which a Director or officer of the Company ought reasonably to have knowledge given his particular position in and responsibility to the Group; and

4.6.3 anything of which it would have had knowledge had it made enquiry immediately before giving the Warranties.

4.7 The Company agrees with the Investors:

4.7.1 to waive any right or claim which it may have against any of its officers, employees, agents or advisers for any error, omission or misrepresentation of any such information or opinion (provided that nothing in this clause shall exclude any liability of any person for fraudulent misrepresentation); and

4.7.2 that any such right or claim shall not constitute a defence to any claim by the Investors under or in relation to this Agreement (including the Warranties).

LIMITATIONS

Time Limits

4.8 The Company shall not be liable for any claim under the Warranties (other than clauses 3, 10 and 11 of the Warranties) unless the Investors who are bringing such claim give written notice thereof to the Company before the expiry of six months following the Completion Date (containing such details of the claim under the Warranties, including its anticipated value, as the relevant Investors have available to them within 60 days after becoming aware of the claim under the Warranties).

Maximum Liability

4.9 For all claims under the Warranties or other claims under this Agreement, the aggregate amount of the liability of the Company shall not exceed the Aggregate Subscription Amount and the liability of the Company to each Investor shall not exceed the Subscription Amount actually paid by such Investor.

5. INVESTOR WARRANTIES

5.1 Each Investor severally and not jointly and severally, represents and warrants that:

5.1.1 The Company has afforded each Investor and each Investor's attorneys, accountants, investment advisors and other representatives (the "**Investor Representatives**") full, complete and unrestricted access to all financial reports and information of the Company requested by the Investors or the Investor Representatives. The Investors are familiar with the business and operations of the Company and have had the opportunity to obtain the advice of the Investor Representatives with respect to all aspects of this Agreement. The Investors are entering into this Agreement and purchasing the New Shares from the Company of their own free will and the Aggregate Subscription Amount and terms of payment are fair, equitable and desired by the Investors.

5.1.2 If an Investor is in the United States or is a resident of the United States, such Investor is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated pursuant to the Securities Act. Each Investor understands and acknowledges that: (i) the New Shares are being offered and sold to it without registration under the Securities Act in a private placement that is exempt from registration provisions of the Securities Act, and (ii) the availability of such exemption depends in part on, and the Company will rely upon the accuracy and truthfulness of, the representations, warranties and covenants of such Investor set forth in this clause 5, and such Investor hereby consents to such reliance.

5.1.3 If an Investor is not in the United States, then such Investor represents that (i) it is not a "U.S. Person" (as defined in Regulation S under the Securities Act); (ii) the Investor has not been subject to any "directed selling efforts" (within the meaning of Regulation S under the Securities Act) by or on behalf of the Company, its affiliates or any person controlled by its or their affiliates; and (iii) at the time the buy order for the New Shares was placed, the Investor was outside of the United States.

5.1.4 Each Investor understands that the New Shares have not been registered under the Securities Act, the securities laws of any state of the USA or the securities laws of any other jurisdiction, nor is such registration contemplated, and such Investor will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit offers to buy, purchase, or otherwise acquire or take a pledge of) any of the New Shares, except in compliance with the Securities Act and other applicable securities laws and the respective rules and regulations promulgated thereunder.

5.1.5 If an Investor is a resident of an International Jurisdiction, then such Investor on its own behalf and, if applicable, on behalf of others for whom it is hereby acting, confirms that:

(i) such Investor is knowledgeable of, or has been independently advised as to, the International Securities Laws which would apply to this Subscription, if any;

(ii) such Investor is purchasing the New Shares pursuant to an applicable exemption from any prospectus, registration or similar requirements under the International Securities Laws of that International Jurisdiction, or, if such is not applicable, such Investor is permitted to purchase the New Shares under the International Securities Laws of the International Jurisdiction without the need to rely on exemptions;

(iii) the Subscription by such Investor does not contravene any of the International Securities Laws applicable to the Investor and the Company and does not give rise to any obligation of the Company to prepare and file a prospectus or similar document or to register the New Shares or to be registered with any governmental or regulatory authority; and

(iv) the International Securities Laws do not require the Company to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction.

5.1.6 Each Investor acknowledges that (i) transfers of the New Shares are restricted by the provisions of the Certificate of Incorporation and (ii) that legends stating that the New Shares have not been registered under the Securities Act or other applicable securities laws and setting out or referring to the restrictions on the transferability and resale of the New Shares will be placed on all documents evidencing the New Shares, and accordingly, it may not be possible for an Investor to readily, if at all, liquidate its investment in the Company in the case of an emergency or otherwise.

5.1.7 Each Investor has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the New Shares, is able to bear the risks of an investment in the Company and understands the risks of, and other considerations relating to, a purchase of New Shares.

5.1.8 Each Investor undertakes to the Company that it will immediately notify the Company upon its becoming aware at any time up to Completion:

(i) that in relation to that Investor, any of the Investor Warranties was materially untrue, inaccurate or misleading at the date of this Agreement; or

(ii) that in relation to that Investor, any of the Investor Warranties would be materially untrue, inaccurate or misleading if it were to be repeated at any time before Completion.

5.1.9 Each Investor is acquiring the New Shares to be acquired hereunder for such Investor’s own account for investment purposes only and not with a view to or for the sale in connection with any distribution of all or any part of such New Shares. Each Investor has become aware of the Company and the opportunity to subscribe for New Shares directly from the Company or its affiliates or agents, and not by means of any general solicitation or general advertising (including, without limitation, any advertisement, article, notice or other communication published in any newspaper, magazine, website or similar media or broadcast over television or radio, and any seminars or meetings whose attendees have been invited by any general solicitation or advertising).

5.1.10 If an Investor is not a natural person, (i) such Investor has the power and authority to enter into this Agreement and each other document required to be executed and delivered by such Investor in connection with this Subscription for New Shares, and to perform its obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby and (ii) the person signing this Agreement on behalf of such Investor has been duly authorized to execute and deliver this Agreement and each other document required to be executed and delivered by such Investor in connection with this Subscription for New Shares. If an Investor is a natural person, such Investor has all requisite legal capacity to acquire and hold the New Shares and to execute, deliver and comply with the terms of each of the documents required to be executed and delivered by such Investor in connection with this Subscription for New Shares. The execution and delivery by such Investor of, and compliance by such Investor with, this Agreement and each other document required to be executed and delivered by such Investor in connection with this Subscription for New Shares do not violate, represent a breach of, or constitute a default under, any instruments governing such Investor, any permit, franchise, judgment, decree, statute, order, rule or regulation applicable to such Investor or such Investor's business or properties, or any agreement to which such Investor is a party or by which such Investor is bound. This Agreement has been duly executed by each Investor and when executed by the Company will constitute a valid and legally binding agreement of each Investor, enforceable against it in accordance with its terms.

6. PARTICIPATION BY SHAREHOLDERS

In the event that, during the period starting on the date the Company mails the Circular to the Shareholders and ending on the date the Resolutions are approved by the Shareholders, any holder of Common Shares provides notice to the Company that it wishes to participate in the Subscription (each a "**Participating Shareholder**"), the Company may elect to sell a portion of the New Shares to any Participating Shareholder and, to give effect to that participation, the number of Purchased Shares to which Intrexon is entitled shall be reduced to permit the participation of each Participating Shareholder; provided, however, that Intrexon's Purchased Shares shall not be reduced below 14,874,142 Shares.

7. ASSIGNMENT

If at any time any Investor (or any person holding the legal title to the Common Shares as nominee, custodian or trustee or otherwise on behalf of such Investor) transfers any of its

Common Shares, its rights and/or benefits arising from, or in connection with, this Agreement (including the benefit of the Warranties) shall be assignable in whole or in proportionate part to the transferee of such Common Shares or any interest therein.

8. APPLICABLE LAW AND JURISDICTION

8.1 This Agreement and the rights and obligations of the parties including all non-contractual obligations arising under or in connection with this Agreement shall be governed by and construed in accordance with the laws of Delaware.

8.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of Massachusetts in respect of any claim, dispute or difference arising out of or in connection with this Agreement and/or any non-contractual obligation arising in connection with this Agreement, provided that nothing contained in this clause shall be taken to have limited the right of the Investors to proceed in the courts of any other competent jurisdiction.

9. GENERAL

Entire agreement

9.1 This Agreement (together with any documents referred to herein or entered into pursuant to this Agreement including, in the case of Intrexon, the Exclusive Channel Collaboration Agreement between the Company and Intrexon dated as of even date herewith) contains the entire agreement and understanding of the parties and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to the subject matter of this Agreement and any such document. Each of the parties acknowledges that it is entering into this Agreement without reliance on any undertaking or representation given by or on behalf of the other party, other than as expressly contained in this Agreement, provided that nothing in this clause shall exclude any liability of either party for fraudulent misrepresentation.

9.2 This Agreement shall not be construed as creating any partnership or agency relationship between any of the parties.

Variations and waivers

9.3 No variation of this Agreement shall be effective unless made in writing and signed by or on behalf of all the parties and expressed to be such a variation.

9.4 No failure or delay by the Investors or time or indulgence given in exercising any remedy or right under or in relation to this Agreement shall operate as a waiver of the same nor shall any single or partial exercise of any remedy or right preclude any further exercise of the same or the exercise of any other remedy or right.

9.5 No waiver by any party of any requirement of this Agreement, or of any remedy or right under this Agreement, shall have effect unless given in writing and signed by such party. No waiver of any particular breach of the provisions of this Agreement shall operate as a waiver of any repetition of such breach.

Effect of Completion

9.6 The provisions of this Agreement, insofar as the same shall not have been performed at Completion, shall remain in full force and effect notwithstanding Completion.

Counterparts

9.7 This Agreement may be executed as two or more counterparts and execution by any of the parties of any one of such counterparts will constitute due execution of this Agreement.

Further assurance

9.8 Each party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, do and execute and perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to this Agreement.

Other remedies

9.9 Any remedy or right conferred upon the Investors for breach of this Agreement shall be in addition, and without prejudice, to all other rights and remedies available to them.

Third party rights

9.10 Where, in connection with this Agreement (or any other agreement or arrangement to be entered into by the Investors in accordance with this Agreement), the Company undertakes any obligation in respect of any person (other than, or in addition to, the Investors), the Company unconditionally and irrevocably acknowledges and agrees that each Investor is entering into this Agreement (or any such other agreement or arrangement) and accepting the benefits of such obligations not only for itself but also as agent and trustee for such other person.

9.11 No provision of this Agreement is intended to benefit or be enforceable by any third party pursuant to the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999. Notwithstanding any benefits or rights conferred by this Agreement on any third party by virtue of the Contracts (Rights of Third Parties) Act 1999, the parties to this Agreement may vary, terminate or rescind this Agreement without obtaining the consent of any such third party.

10. NOTICES

Form of Notice

10.1 Any notice, consent, request, demand, approval or other communication to be given or made under or in connection with this Agreement (each a "**Notice**" for the purposes of this clause) shall be in writing and signed by or on behalf of the person giving it.

Method of service

10.2 Service of a Notice must be effected by one of the following methods;

10.2.1 by hand to the relevant address set out in clause 10.4 and shall be deemed served upon delivery if delivered during a Business Day, or at the start of the next Business Day if delivered at any other time;

10.2.2 by prepaid international airmail to the relevant address set out in clause 10.4 and shall be deemed served at the start of the fourth Business Day after the date of posting; or

10.2.3 by facsimile transmission to the relevant facsimile number set out in clause 9.4 and shall be deemed served on despatch if despatched during a Business Day, or at the start of the next Business Day if despatched at any other time, provided that in each case a receipt indicating complete transmission of the Notice is obtained by the sender and that a copy of the Notice is also despatched to the recipient using a method described in clause 10.2.1 or clause 10.2.2 no later than the end of the next Business Day.

10.3 In clause 10.2 "**during a Business Day**" means any time between 9.30 a.m. and 5.30 p.m. on a Business Day based on the local time where the recipient of the Notice is located. References to "**the start of a Business Day**" and "**the end of a Business Day**" shall be construed accordingly.

Address for service

10.4 Notices shall be addressed as follows:

10.4.1 Notices for the Company shall be marked for the attention of:

Name:	the Company Secretary
Address:	Two Clock Tower Place, Suite 395, Maynard, MA 01754 USA
Fax number:	+1 978-897-3217

10.4.2 Notices for the Investors shall be marked for the attention of the persons listed on **Exhibit A** hereto.

Change of details

10.5 A party may change its address for service provided that it gives all other parties not less than 14 days' prior notice in accordance with this clause 10. Until the end of such notice period, service on either address shall remain effective.

THIS AGREEMENT has been duly executed and delivered as a deed on the date stated above.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

AQUABOUNTY TECHNOLOGIES, INC.

By: /s/ David Frank
Name: David Frank
Title: Chief Financial Officer and Secretary

INTREXON CORPORATION

By: /s/ Thomas R. Kasser
Name: Thomas R. Kasser
Title: Senior Vice President

SCHEDULE 1

Warranties

1. Circular

Statements of fact contained in the Circular are true and accurate in all material respects and not misleading in any material respect and there are no facts, matters or circumstances known, or which could after due and proper consideration and enquiry have been known, to the Company or any of the Directors which are not disclosed in the Circular, the omission of which would, or might reasonably be expected to, materially affect the ability of the Company's Shareholders to properly consider the matters contained therein.

2. Liabilities

2.1 Save as Publicly Announced or disclosed in the Circular, the Company has no outstanding borrowings of any nature or amount (including, without limitation, any overdraft facilities; loans; invoice discounting factoring or other financial facilities).

3. Compliance with Laws

3.1 Subject to the passing of the Resolutions, the execution of this Agreement by the Company and the creation and issue of the New Shares will comply in all respects with the FSMA, the rules and regulations of the FSA and the London Stock Exchange, the Prospectus Rules, the AIM Rules, the General Corporation Law of the State of Delaware, the federal securities laws of the USA, and all applicable state and federal laws and regulations of the USA (collectively, the "**US Laws**"), and all other relevant laws and regulations of the United Kingdom and elsewhere and will comply with and will not infringe or exceed any limits, powers or restrictions or the terms of any agreement, obligation or commitment to which the Company or any Group Company is a party or by which the Company or any Group Company is bound.

3.2 Each Group Company and its officers, agents and employees (past and present) in the course of their respective duties have complied in all material respects with all applicable laws and regulations of the United Kingdom, the European Community and any foreign jurisdiction in which the business of such Group Company is carried on, including, without limitation, the US Laws.

4. Position Since the Accounts Date

4.1 Save as Publicly Announced or disclosed in the Circular, since June 30, 2012:

4.1.1 the business of the Group has been carried on in the ordinary and usual course;

4.1.2 there has been no significant adverse change in the financial or trading position of the Group taken as a whole;

4.1.3 no member of the Group has acquired or disposed of or agreed to acquire or dispose of any of its assets or businesses other than in the ordinary course of trading; and

4.1.4 no member of the Group has paid or made any payment or transfer to shareholders of any dividend, bonus, loan or distribution.

5. Licences and Consents

5.1 Save as Publicly Announced or disclosed in the Circular, the Group has all material licences, consents, approvals, permissions, permits, certificates, qualifications, registrations and other authorisations (public and private) necessary for the proper and efficient operation of its current businesses in the places and in the manner in which the business is now carried on (together the "**Authorities**").

5.2 Save as Publicly Announced or disclosed in the Circular, all of the Authorities are in full force and effect and are not limited in duration or subject to any unusual or onerous conditions, and have been complied with in all material respects.

5.3 Save as Publicly Announced or disclosed in the Circular, so far as the Company is aware, there are no circumstances which indicate that any of the Authorities will be revoked or not renewed, in whole or in part, whether as a result of the transactions contemplated by this Agreement or otherwise.

6. Intellectual Property

6.1 The Company owns or possesses sufficient legal rights to all Intellectual Property Rights necessary for its business as now conducted, without any known infringement of the rights of others. The Company is not aware of any allegations that the Company is presently violating any of the Intellectual Property Rights of any other Person.

7. Options and Warrants

7.1 Save as Publicly Announced or disclosed in the Circular, there are no options, warrants or other agreements or arrangements in force which call for the issue to any person, or accord to any person the right to call for the issue of any shares in the capital of the Group or any other securities of any member of the Group.

8. Assets

8.1 All the material assets necessary for the operation of the business of the Group, as currently carried on, are legally and beneficially owned or leased by the Company or the applicable member of the Group.

8.2 The Group's fixed asset register provided to the Investors sets out a complete and accurate record of the plant, machinery, vehicles and equipment owned or used by it.

9. Litigation

No member of the Group nor any Director nor any other person for whom the Company or any member of the Group is or may be vicariously liable is engaged in any material legal or arbitration proceedings or is the subject of any disciplinary proceedings or enquiries by any governmental or regulatory bodies which individually or collectively may have, or have had during the 12 months preceding the date of this Agreement, a material effect on the financial position of the Group and, so far as the Company is aware, no such legal or arbitration proceedings are threatened or pending nor are there any circumstances of which the Company is aware which may give rise to any such legal or arbitration proceedings being threatened or commenced.

10. Capitalization and Issuance

10.1 As of the date of this Agreement, the authorized capital of the Company consists of 200,000,000 shares of Common Stock, par value of $0.001 per share, and 40,000,000 shares of Preferred Stock, par value $0.01 per share, of which 102,255,688 shares of Common Stock are issued and outstanding.

10.2 The New Shares (i) are duly authorized, (ii) when issued and sold to Investors will be validly issued, (iii) after receipt of all consideration due therefore, will be fully paid and nonassessable with no personal liability attaching to the ownership thereof and (iv) will be free and clear of any and all liens, charges, restrictions, claims and encumbrances, except as set forth in this Agreement or the Certificate of Incorporation.

10.3 Based in part on, and in reliance upon the accuracy of, the representations and warranties of Investors set forth in clause 5 of this Agreement, the offer, sale and issuance of the New Shares in conformity with the terms of this Agreement are exempt from the registration requirements of the Securities Act and are exempt from the qualification or registration requirements of applicable U.S. state securities laws. Neither the Company nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the New Shares to any Person or Persons so as to bring the sale of such New Shares by the Company within the registration provisions of the Securities Act or any U.S. state securities laws.

11. Authorization

11.1 This Agreement has been duly executed by the Company and when executed by an Investor will constitute a valid and legally binding agreement of the Company, enforceable against it by such Investor in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally or by equitable principles, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) to the extent that the enforceability of the indemnification provisions may be limited by applicable laws.

11.2 Except for the conditions listed in clause 2.1 of this Agreement, all corporate action on the part of the Company and its officers and Directors necessary for (i) the authorization, execution, delivery and performance of all obligations of the Company under each of this Agreement and the Certificate of Incorporation has been taken and (ii) the issuance and sale by the Company of the New Shares hereunder has been taken.

EXHIBIT A

Investor	Shares	Subscription Amount
Intrexon Corporation 20358 Seneca Meadows Parkway Germantown, MD 20876	22,883,295	$ 6,000,000
Total:	22,883,295	$ 6,000,000

Exhibit 10.10

DATED 5 MARCH 2014

(1) AQUABOUNTY TECHNOLOGIES, INC.

(2) INTREXON CORPORATION

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "**Agreement**") is made on 5 March 2014

BETWEEN:

(1) **AQUABOUNTY TECHNOLOGIES, INC.**, incorporated and registered in the state of Delaware, USA with registered number 2282110 and whose principal place of business is at Two Clock Tower Place, Suite 395, Maynard, MA 01754 USA (the "**Company**"); and

(2) **INTREXON CORPORATION**, incorporated and registered in the state of Virginia, USA with registered number 06154801 and whose principal place of business is at 20358 Seneca Meadows Parkway, Germantown, MD 20876 USA ("**Intrexon**").

WHEREAS:

Intrexon has agreed to subscribe for the New Shares (as defined below) in the capital of the Company and the parties have agreed to regulate the terms of the Subscription (as defined below) on the terms and conditions of this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 The following words and expressions where used in this Agreement have the meanings given to them below:

Admission shall have the meaning given to it in clause 2.1.2 of this Agreement.

Admission Condition shall have the meaning given to it in clause 2.2 of this Agreement.

Advisers Act shall have the meaning given to it in clause 5.1.11(d) of this Agreement.

Agreement shall have the meaning given to it in the preamble of this Agreement.

AIM means AIM, a market operated by the London Stock Exchange.

AIM Rules means the AIM Rules for Companies published by the London Stock Exchange.

Authorities shall have the meaning given to it in clause 5.1 of Schedule 1 of this Agreement.

Board means the board of directors of the Company from time to time.

Business Day means any day other than a Saturday, Sunday or English bank or public holiday.

Bylaws means the corporate bylaws of the Company in effect as at the date of this Agreement.

Certificate of Incorporation means the amended and restated certificate of incorporation of the Company, as amended.

Circular shall have the meaning given to it in clause 2.5 of this Agreement.

Common Shares means the shares of common stock, par value one tenth of one cent ($0.001) per share of the Company.

Companies Act means the Companies Act 2006.

Company shall have the meaning given to it in the preamble of this Agreement.

Completion means completion of the Subscription, (subject to the full satisfaction of the Conditions) in accordance with clause 2.12.

Completion Date means the date on which Completion occurs.

Conditions means the conditions to Completion set out in clause 2.1.

Copyright means copyright, which includes all rights in computer software and in databases and all rights or forms of protection which have equivalent or similar effect to the foregoing and which subsist anywhere in the world.

Directors means the directors of the Company from time to time.

Exchange Act shall have the meaning given to it in clause 5.1.11(d) of this Agreement.

FSA means the Financial Services Authority.

FSMA means the Financial Services and Markets Act 2000.

Group means the Company and any company which is a subsidiary undertaking of the Company from time to time and references to "**Group Company**" and "**member of the Group**" shall be construed accordingly.

Intellectual Property Rights includes patents, inventions, Know-How, trade secrets and other confidential information, registered designs, Copyright, database rights, design rights, rights affording equivalent protection to copyright, database rights and design rights, topography rights, trade marks, service marks, business names, trade names, domain names, registration of an application to register any of the aforesaid items, rights to sue for passing-off and rights in the nature of any of the aforesaid items in any country.

Intrexon shall have the meaning given to it in the preamble of this Agreement.

Intrexon Representatives shall have the meaning given to it in clause 5.1.1 of this Agreement.

Intrexon Warranties means the warranties set out in clause 5.

Know-How means inventions, discoveries, improvement, processes, formulae, techniques, specifications, technical information, methods, tests, reports, component lists, manuals, instructions, drawings and information relating to customers and suppliers (whether written, unwritten or in any other form and whether confidential or not).

London Stock Exchange means London Stock Exchange plc.

New Shares means the 19,040,366 Common Shares in the capital of the Company to be subscribed by Intrexon under the terms of this Agreement.

Notice has the meaning set forth in clause 9.1.

Pre-Completion means the satisfaction of the conditions and obligations set forth in clauses 2.7 to 2.10 (inclusive).

Prospectus Rules means the Prospectus Rules made by the Financial Services Authority under Part VI of the FSMA.

Publicly Announced means the making by the Company of an announcement on a Regulatory Information Service provided by the London Stock Exchange, within the 6 month period immediately preceding the date of this Agreement.

Resolutions means the resolutions of the Stockholders of the Company in the approved terms, *inter alia*, waiving the application of the pre-emption rights contained in Section 4(c) of the Certificate of Incorporation, waiving the application of Section 4(d) of the Certificate of Incorporation, and approving the Second Amended and Restated Certificate of Incorporation.

SEC shall have the meaning given to it in clause 5.1.11(a) of this Agreement.

Securities Act means the U.S. Securities Act of 1933, as amended.

Share means any share in or of capital stock issued by the Company from time to time.

Share Price means US$0.5252 per share, which represents (i) the closing price per share for the Company's Common Shares on AIM (which will be quoted in British pounds sterling) on the day before the date of this Agreement, divided by (ii) the exchange rate for British pounds sterling and U.S. dollars on the date of this Agreement.

Stockholder means any holder of any Share from time to time.

Subscription means the subscription by Intrexon for the New Shares in accordance with the terms of this Agreement.

Subscription Amount means the sum of $10,000,000, being the aggregate subscription price payable by Intrexon for the New Shares.

US Laws shall have the meaning given to it in clause 3.1 of Schedule 1 of this Agreement.

USA or **U.S.** means the United States of America.

Warranties means the warranties and representations set out in Schedule 1 of this Agreement.

1.2 Unless the context otherwise requires, words and expressions defined in or having a meaning provided by the Companies Act shall have the same meaning in this Agreement.

1.3 Unless the context otherwise requires, references in this Agreement to:

1.3.1 any of the masculine, feminine and neuter genders shall include other genders;

1.3.2 the singular shall include the plural and vice versa;

1.3.3 a person shall include a reference to any natural person, body corporate, unincorporated association, partnership, firm and trust;

1.3.4 any statute or statutory provision shall be deemed to include any instrument, order, regulation or direction made or issued under it and shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, consolidated, re-enacted or replaced except to the extent that any amendment or modification made after the date of this Agreement would increase any liability or impose any additional obligation under this Agreement;

1.3.5 any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than that of England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term; and

1.3.6 any time or date shall be construed as a reference to the time or date prevailing in England.

1.4 The headings in this Agreement are for convenience only and shall not affect its meaning. References to a clause, Schedule, Exhibit or paragraph are (unless otherwise stated) to a clause or paragraph of, or Schedule or Exhibit to, this Agreement. The Schedules and Exhibits form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement.

1.5 A document expressed to be "**in the approved terms**" means a document, the terms of which have been approved by the parties to the Agreement and a copy of which has been identified as such and initialled by or on behalf of each such party.

1.6 In construing this Agreement, general words introduced by the word "**other**" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. SUBSCRIPTION

Conditions

2.1 Subject to clause 3, Completion shall be conditional in all respects on:

2.1.1 the passing of the Resolutions; and

2.1.2 the admission of the New Shares to trading on AIM becoming effective in accordance with the latest edition of the AIM Rules ("**Admission**").

2.2 The Company agrees to notify Intrexon in writing within one Business Day of the last of the Condition in clause 2.1.1 (but not clause 2.1.2 (the "**Admission Condition**")) being satisfied and the Company shall provide such evidence as Intrexon may reasonably request as to the satisfaction of these Conditions.

2.3 From the date of this Agreement until Completion (or termination of this Agreement), the Company undertakes to Intrexon that it shall take no action that is inconsistent with the provisions of this Agreement or the consummation of the Subscription as contemplated by this Agreement.

2.4 If the Conditions have not been satisfied in full on or before April 15, 2013, this Agreement (other than this clause 2.4 and clauses 4, 7, 8, 9 and 10) shall have no further effect and in such event no party to this Agreement shall have any claim against the other parties to this Agreement for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to any accrued rights or obligations of any party under this Agreement or the ability of Intrexon to bring a claim against the Company for a breach of the Warranties.

Signing of this Agreement

2.5 The Company agrees that, promptly (but in no event more than five days) following the date of this Agreement, it will send to each Stockholder entitled thereto a circular incorporating a notice convening a special meeting of the Stockholders of the Company (the "**Circular**") containing the Resolutions, in accordance with the requirements of the Bylaws and the Certificate of Incorporation.

2.6 Upon signing of this Agreement, the Company shall deliver to Intrexon duly passed resolutions of the Board in terms reasonably satisfactory to Intrexon approving the entry into this Agreement and granting all necessary authorities to implement its terms including, subject to the satisfaction of the Conditions and receipt of the subscription monies from Intrexon, the issue of the New Shares to Intrexon in accordance with the terms of this Agreement.

Pre-Completion

2.7 Pre-Completion shall take place remotely via the exchange of documents and signatures on the Business Day immediately following notification by the Company to Intrexon, under clause 2.2, of all of the Conditions (other than the Admission Condition) being satisfied.

2.8 At Pre-Completion, the Company shall deliver to Intrexon certified copies of the Resolutions.

2.9 Subject to clause 2.11, at Pre-Completion Intrexon shall subscribe in cash (conditional upon Admission) for the New Shares, at a price per share equal to the Share Price, and Intrexon shall pay its Subscription Amount into the following bank account of the Company and such payment shall constitute a full and proper discharge by Intrexon of its obligations under this clause 2.9:

Bank:	Citizens Bank
Bank Address:	28 State Street, Boston, MA 02109
Account number:	XXXXXXXXXX
Routing number:	XXXXXXXXX
ABA:	XXXXXXXXX

2.10 Subject to clause 2.11, at Pre-Completion, upon receipt by the Company of the Subscription Amount pursuant to clause 2.9, the Company shall allot (conditional upon Admission) Intrexon the New Shares and enter the name of Intrexon in the Company's stock register as the holder of the New Shares.

Completion

2.11 Completion shall take place automatically upon Admission. Promptly following Completion, the Company shall deliver to Intrexon a share certificate in respect of the New Shares and enter the name of Intrexon in the Company's stock register as the holder of the New Shares.

3. TERMINATION

3.1 If at any time prior to Completion:

3.1.1 it comes to the knowledge of Intrexon (whether by way of receipt of a notification pursuant to clause 4.4 or otherwise) that any of the Warranties was materially untrue, inaccurate or misleading when made and/or that any of the Warranties has ceased to be materially true or accurate or has become materially misleading by reference to the facts and circumstances then subsisting, provided, that for purposes of this clause 3.1.1 any materiality qualifier in a Warranty shall be read without such qualifier; or

3.1.2 the Company shall fail, in a material way, to comply with any of its obligations under this Agreement,

then Intrexon shall be entitled to terminate its obligations under this Agreement by giving notice to the Company at any time prior to Completion.

3.2 If at any time prior to Completion it comes to the knowledge of the Company that any of the Intrexon Warranties was materially untrue, inaccurate or misleading when made and/or that any of the Intrexon Warranties has ceased to be materially true or accurate or has become materially misleading, the Company shall be entitled to terminate its obligations under this Agreement by giving notice to Intrexon at any time prior to Completion.

4. COMPANY WARRANTIES

4.1 The Company, upon the execution of this Agreement, warrants and represents to Intrexon in the terms of the Warranties. The Company acknowledges that Intrexon has relied on the Warranties in entering into this Agreement.

4.2 No fact, matter, event or circumstance of which Intrexon has or may be deemed to have knowledge (actual, constructive or imputed) shall prejudice any claim made by Intrexon under the Warranties or operate to reduce any amount recoverable.

4.3 The Warranties are given at the date of this Agreement. The Warranties shall continue in full force and effect until Completion.

4.4 The Company undertakes to Intrexon that it will immediately notify Intrexon upon its becoming aware at any time up to Completion:

4.4.1 that any of the Warranties was materially untrue, inaccurate or misleading at the date of this Agreement; or

4.4.2 that any of the Warranties would be materially untrue, inaccurate or misleading if it were to be repeated at any time before Completion by reference to the facts and circumstances then subsisting.

4.5 Each Warranty shall be separate and independent and, save as expressly provided, shall not be limited by reference to any other Warranty or any other provision in this Agreement.

4.6 Where any statement in the Warranties is qualified by the expression "**so far as the Company is aware**" or any similar expression, the Company shall be deemed to have knowledge of:

4.6.1 anything of which any of the Directors or officers of the Company has knowledge or is deemed by clause 4.6.2 or 4.6.3 to have knowledge;

4.6.2 anything of which a Director or officer of the Company ought reasonably to have knowledge given his particular position in and responsibility to the Group; and

4.6.3 anything of which it would have had knowledge had it made enquiry immediately before giving the Warranties.

4.7 The Company agrees with Intrexon:

4.7.1 to waive any right or claim which it may have against any of its officers, employees, agents or advisers for any error, omission or misrepresentation of any such information or opinion (provided that nothing in this clause shall exclude any liability of any person for fraudulent misrepresentation); and

4.7.2 that any such right or claim shall not constitute a defence to any claim by Intrexon under or in relation to this Agreement (including the Warranties).

LIMITATIONS

Time Limits

4.8 The Company shall not be liable for any claim under the Warranties (other than clauses 3, 10 and 11 of the Warranties) unless Intrexon gives written notice thereof to the Company before the expiry of six months following the Completion Date (containing such details of the claim under the Warranties, including its anticipated value, as Intrexon has available to them within 60 days after becoming aware of the claim under the Warranties).

Maximum Liability

4.9 For all claims under the Warranties or other claims under this Agreement, the aggregate amount of the liability of the Company shall not exceed the Subscription Amount.

5. INTREXON WARRANTIES

5.1 Intrexon represents and warrants that:

5.1.1 The Company has afforded Intrexon and each of Intrexon's attorneys, accountants, investment advisors and other representatives (the "**Intrexon Representatives**") full, complete and unrestricted access to all financial reports and information of the Company requested by Intrexon or the Intrexon Representatives. Intrexon is familiar with the business and operations of the Company and has had the opportunity to obtain the advice of the Intrexon Representatives with respect to all aspects of this Agreement. Intrexon is entering into this Agreement and purchasing the New Shares from the Company of its own free will and the Subscription Amount and terms of payment are fair, equitable and desired by Intrexon.

5.1.2 Intrexon is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated pursuant to the Securities Act. Intrexon understands and acknowledges that: (i) the New Shares are being offered and sold to it without registration under the Securities Act in a private placement that is exempt from registration provisions of the Securities Act, and (ii) the availability of such exemption depends in part on, and the Company will rely upon the accuracy and truthfulness of, the representations, warranties and covenants of Intrexon set forth in this clause 5, and Intrexon hereby consents to such reliance.

5.1.3 [Reserved]

5.1.4 Intrexon understands that the New Shares have not been registered under the Securities Act, the securities laws of any state of the USA or the securities laws of any other jurisdiction, nor is such registration contemplated, and Intrexon will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit offers to buy, purchase, or otherwise acquire or take a pledge of) any of the New Shares, except in compliance with the Securities Act and other applicable securities laws and the respective rules and regulations promulgated thereunder.

5.1.5 [Reserved]

5.1.6 Intrexon acknowledges that (i) transfers of the New Shares are restricted by the provisions of the Certificate of Incorporation and (ii) that legends stating that the New Shares have not been registered under the Securities Act or other applicable securities laws and setting out or referring to the restrictions on the transferability and resale of the New Shares will be placed on all documents evidencing the New Shares, and accordingly, it may not be possible for Intrexon to readily, if at all, liquidate its investment in the Company in the case of an emergency or otherwise.

5.1.7 Intrexon has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the New Shares, is able to bear the risks of an investment in the Company and understands the risks of, and other considerations relating to, a purchase of New Shares.

5.1.8 Intrexon undertakes to the Company that it will immediately notify the Company upon its becoming aware at any time up to Completion:

(i) that any of the Intrexon Warranties was materially untrue, inaccurate or misleading at the date of this Agreement; or

(ii) that any of the Intrexon Warranties would be materially untrue, inaccurate or misleading if it were to be repeated at any time before Completion.

5.1.9 Intrexon is acquiring the New Shares to be acquired hereunder for Intrexon's own account for investment purposes only and not with a view to or for the sale in connection with any distribution of all or any part of such New Shares. Intrexon has become aware of the Company and the opportunity to subscribe for New Shares directly from the Company or its affiliates or agents, and not by means of any general solicitation or general advertising (including, without limitation, any advertisement, article, notice or other communication published in any newspaper, magazine, website or similar media or broadcast over television or radio, and any seminars or meetings whose attendees have been invited by any general solicitation or advertising).

5.1.10 Intrexon has the power and authority to enter into this Agreement and each other document required to be executed and delivered by Intrexon in connection with this Subscription for New Shares, and to perform its obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby and (ii) the person signing this Agreement on behalf of Intrexon has been duly authorized to execute and deliver this Agreement and each other document required to be executed and delivered by Intrexon in connection with this Subscription for New Shares. The execution and delivery by Intrexon of, and compliance by Intrexon with, this Agreement and each other document required to be executed and delivered by Intrexon in connection with this Subscription for New Shares do not violate, represent a breach of, or constitute a default under, any instruments governing Intrexon, any permit, franchise, judgment, decree, statute, order, rule or regulation applicable to Intrexon or Intrexon's business or properties, or any agreement to which Intrexon is a party or by which Intrexon is bound. This Agreement has been duly executed by Intrexon and when executed by the Company will constitute a valid and legally binding agreement of Intrexon, enforceable against it in accordance with its terms.

5.1.11 Neither (x) Intrexon, (y) any other person who, through Intrexon's ownership, would be deemed to beneficially own 20% or more of the outstanding voting equity securities[1] of the Company, and (z) any person(s) who have the authority to make decisions with respect to the undersigned's outstanding securities of the Company (collectively, the "**Intrexon Parties**"):

(a) has, within the last 10 years, been convicted of a felony or misdemeanor, (i) in connection with the purchase or sale of any security, (ii) involving the making of any false filing with the U.S. Securities and Exchange Commission (the "**SEC**") or (iii) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(b) is currently subject to any order, judgment or decree of any court of competent jurisdiction, entered in the last 5 years, that restrains or enjoins Intrexon from engaging in any conduct or practice (i) in connection with

1 Note that the term "voting securities" has not been specifically defined by the U.S. Securities and Exchange Commission (the "**SEC**"). The SEC intends such term to be applied based on whether securityholders have or share the ability, either currently or on a contingent basis, to control or significantly influence the management and policies of the issuer through the exercise of a voting right. For example, the SEC would consider that securities that confer to securityholders the right to elect or remove the directors or equivalent controlling persons of the issuer, or to approve significant transactions such as acquisitions, dispositions or financings, would be considered voting securities for these purposes. Conversely, securities that confer voting rights limited solely to approval of changes to the rights and preferences of the class would not be considered voting securities for these purposes.

the purchase or sale of any security, (ii) involving the making of a false filing with the SEC or (iii) arising out of the conduct of the business of an underwriter, broker-dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(c) is currently subject to a Final Order[2] of a state securities commission (or an agency or officer of a state performing similar functions), a state authority that supervises or examines banks, savings associations, or credit unions, a state insurance commission (or an agency or officer of a State performing like functions), an appropriate federal banking agency, the National Credit Union Administration, or the U.S. Commodity Futures Trading Commission, that (i) bars any Intrexon Party from (A) association with an entity regulated by such commission, authority, agency, or officer; (B) engaging in the business of securities, insurance, or banking; or (C) engaging in savings association or credit union activities; or (ii) constitutes a Final Order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct within the last 10 years;

(d) is currently subject to an order of the SEC pursuant to Section 15(b) or 15B(c) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") or Section 203(e) or (f) of the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**") that (i) suspends or revokes such Intrexon Party's registration as a broker, dealer, municipal securities dealer or investment adviser, (ii) places limitations on Intrexon's activities, functions or operations or (iii) bars such Intrexon Party from being associated with any entity or from participating in the offering of any penny stock;

(e) is currently subject to any order of the SEC, entered in the last 5 years, that orders Intrexon to cease and desist from committing or causing a violation or future violation of (i) any scienter-based antifraud provision of the federal securities laws (including without limitation Section 17(a)(1) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 15(c)(1) of the Exchange Act and Section 206(1) of the Advisers Act, or any other rule or regulation thereunder) or (ii) Section 5 of the Securities Act;

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2 A "**Final Order**" is a written directive or declaratory statement issued by a federal or State agency under applicable statutory authority that provides for notice and an opportunity for hearing, which constitutes a final disposition or action by that federal or State agency. A Final Order may still be subject to appeal and otherwise meet this definition.

(f) is currently suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(g) has filed as a registrant or issuer, or the issuer has been named as an underwriter in, a registration statement or Regulation A offering statement filed with the SEC that, within the last 5 years, (i) was the subject of a refusal order, stop order, or order suspending the Regulation A exemption or (ii) is currently the subject of an investigation or a proceeding to determine whether such a stop order or suspension order should be issued;

(h) has been subject to (i) a United States Postal Service false representation order entered into within the last 5 years, or (ii) a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations; or

(i) If the statements described in clauses (a) through (h) of this Section 5.1.11 apply to any Intrexon Party, the Intrexon Party has obtained a waiver from disqualification under Rule 506(d) either (i) from the SEC or (ii) from the court or regulatory authority that entered the relevant order, judgment or decree.

6. ASSIGNMENT

If at any time Intrexon (or any person holding the legal title to the Common Shares as nominee, custodian or trustee or otherwise on behalf of Intrexon) transfers any of its Common Shares, its rights and/or benefits arising from, or in connection with, this Agreement (including the benefit of the Warranties) shall be assignable in whole or in proportionate part to the transferee of such Common Shares or any interest therein.

7. APPLICABLE LAW AND JURISDICTION

7.1 This Agreement and the rights and obligations of the parties including all non-contractual obligations arising under or in connection with this Agreement shall be governed by and construed in accordance with the laws of Delaware.

7.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of Massachusetts in respect of any claim, dispute or difference arising out of or in connection with this Agreement and/or any non-contractual obligation arising in connection with this Agreement, provided that nothing contained in this clause shall be taken to have limited the right of Intrexon to proceed in the courts of any other competent jurisdiction.

8. GENERAL

Entire agreement

8.1 This Agreement (together with any documents referred to herein or entered into pursuant to this Agreement contains the entire agreement and understanding of the parties and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to the subject matter of this Agreement and any such document. Each of the parties acknowledges that it is entering into this Agreement without reliance on any undertaking or representation given by or on behalf of the other party, other than as expressly contained in this Agreement, provided that nothing in this clause shall exclude any liability of either party for fraudulent misrepresentation.

8.2 This Agreement shall not be construed as creating any partnership or agency relationship between any of the parties.

Variations and waivers

8.3 No variation of this Agreement shall be effective unless made in writing and signed by or on behalf of all the parties and expressed to be such a variation.

8.4 No failure or delay by Intrexon or time or indulgence given in exercising any remedy or right under or in relation to this Agreement shall operate as a waiver of the same nor shall any single or partial exercise of any remedy or right preclude any further exercise of the same or the exercise of any other remedy or right.

8.5 No waiver by any party of any requirement of this Agreement, or of any remedy or right under this Agreement, shall have effect unless given in writing and signed by such party. No waiver of any particular breach of the provisions of this Agreement shall operate as a waiver of any repetition of such breach.

Effect of Completion

8.6 The provisions of this Agreement, insofar as the same shall not have been performed at Completion, shall remain in full force and effect notwithstanding Completion.

Counterparts

8.7 This Agreement may be executed as two or more counterparts and execution by any of the parties of any one of such counterparts will constitute due execution of this Agreement.

Further assurance

8.8 Each party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, do and execute and perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to this Agreement.

Other remedies

8.9 Any remedy or right conferred upon Intrexon for breach of this Agreement shall be in addition, and without prejudice, to all other rights and remedies available to them.

Third party rights

8.10 Where, in connection with this Agreement (or any other agreement or arrangement to be entered into by Intrexon in accordance with this Agreement), the Company undertakes any obligation in respect of any person (other than, or in addition to, Intrexon), the Company unconditionally and irrevocably acknowledges and agrees that Intrexon is entering into this Agreement (or any such other agreement or arrangement) and accepting the benefits of such obligations not only for itself but also as agent and trustee for such other person.

8.11 No provision of this Agreement is intended to benefit or be enforceable by any third party pursuant to the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999. Notwithstanding any benefits or rights conferred by this Agreement on any third party by virtue of the Contracts (Rights of Third Parties) Act 1999, the parties to this Agreement may vary, terminate or rescind this Agreement without obtaining the consent of any such third party.

9. NOTICES

Form of Notice

9.1 Any notice, consent, request, demand, approval or other communication to be given or made under or in connection with this Agreement (each a "**Notice**" for the purposes of this clause) shall be in writing and signed by or on behalf of the person giving it.

Method of service

9.2 Service of a Notice must be effected by one of the following methods;

9.2.1 by hand to the relevant address set out in clause 9.4 and shall be deemed served upon delivery if delivered during a Business Day, or at the start of the next Business Day if delivered at any other time;

9.2.2 by prepaid international airmail to the relevant address set out in clause 9.4 and shall be deemed served at the start of the fourth Business Day after the date of posting; or

9.2.3 by facsimile transmission to the relevant facsimile number set out in clause 9.4 and shall be deemed served on despatch if despatched during a Business Day, or at the start of the next Business Day if despatched at any other time, provided that in each case a receipt indicating complete transmission of the Notice is obtained by the sender and that a copy of the Notice is also despatched to the recipient using a method described in clause 9.2.1 or clause 9.2.2 no later than the end of the next Business Day.

9.3 In clause 9.2 "**during a Business Day**" means any time between 9.30 a.m. and 5.30 p.m. on a Business Day based on the local time where the recipient of the Notice is located. References to "**the start of a Business Day**" and "**the end of a Business Day**" shall be construed accordingly.

Address for service

9.4 Notices shall be addressed as follows:

9.4.1 Notices for the Company shall be marked for the attention of:

Name:	the Company Secretary
Address:	Two Clock Tower Place, Suite 395, Maynard, MA 01754 USA
Fax number:	+1 978-897-3217

9.4.2 Notices for the Intrexon shall be marked for the attention of:

Name:	General Counsel
Address:	20358 Seneca Meadows Parkway, Germantown, MD 20876 USA
Fax number:	+1 301-556-9902

Change of details

9.5 A party may change its address for service provided that it gives all other parties not less than 14 days' prior notice in accordance with this clause 9. Until the end of such notice period, service on either address shall remain effective.

THIS AGREEMENT has been duly executed and delivered as a deed on the date stated above.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

AQUABOUNTY TECHNOLOGIES, INC.

By: /s/ David Frank
Name: David Frank
Title: Chief Financial Officer and Secretary

INTREXON CORPORATION

By: /s/ Don Lehr
Name: Don Lehr
Title: Chief Legal Officer

SCHEDULE 1

Warranties

1. Circular

Statements of fact contained in the Circular are true and accurate in all material respects and not misleading in any material respect and there are no facts, matters or circumstances known, or which could after due and proper consideration and enquiry have been known, to the Company or any of the Directors which are not disclosed in the Circular, the omission of which would, or might reasonably be expected to, materially affect the ability of the Company's Stockholders to properly consider the matters contained therein.

2. Liabilities

2.1 Save as Publicly Announced or disclosed in the Circular, the Company has no outstanding borrowings of any nature or amount (including, without limitation, any overdraft facilities; loans; invoice discounting factoring or other financial facilities).

3. Compliance with Laws

3.1 Subject to the passing of the Resolutions, the execution of this Agreement by the Company and the creation and issue of the New Shares will comply in all respects with the FSMA, the rules and regulations of the FSA and the London Stock Exchange, the Prospectus Rules, the AIM Rules, the General Corporation Law of the State of Delaware, the federal securities laws of the USA, and all applicable state and federal laws and regulations of the USA (collectively, the "**US Laws**"), and all other relevant laws and regulations of the United Kingdom and elsewhere and will comply with and will not infringe or exceed any limits, powers or restrictions or the terms of any agreement, obligation or commitment to which the Company or any Group Company is a party or by which the Company or any Group Company is bound.

3.2 Each Group Company and its officers, agents and employees (past and present) in the course of their respective duties have complied in all material respects with all applicable laws and regulations of the United Kingdom, the European Community and any foreign jurisdiction in which the business of such Group Company is carried on, including, without limitation, the US Laws.

4. Position Since the Accounts Date

4.1 Save as Publicly Announced or disclosed in the Circular, since June 30, 2013:

4.1.1 the business of the Group has been carried on in the ordinary and usual course;

4.1.2 there has been no significant adverse change in the financial or trading position of the Group taken as a whole;

4.1.3 no member of the Group has acquired or disposed of or agreed to acquire or dispose of any of its assets or businesses other than in the ordinary course of trading; and

4.1.4 no member of the Group has paid or made any payment or transfer to stockholders of any dividend, bonus, loan or distribution.

5. Licences and Consents

5.1 Save as Publicly Announced or disclosed in the Circular, the Group has all material licences, consents, approvals, permissions, permits, certificates, qualifications, registrations and other authorisations (public and private) necessary for the proper and efficient operation of its current businesses in the places and in the manner in which the business is now carried on (together the "**Authorities**").

5.2 Save as Publicly Announced or disclosed in the Circular, all of the Authorities are in full force and effect and are not limited in duration or subject to any unusual or onerous conditions, and have been complied with in all material respects.

5.3 Save as Publicly Announced or disclosed in the Circular, so far as the Company is aware, there are no circumstances which indicate that any of the Authorities will be revoked or not renewed, in whole or in part, whether as a result of the transactions contemplated by this Agreement or otherwise.

6. Intellectual Property

6.1 Except as disclosed on Schedule 2, the Company owns or possesses sufficient legal rights to all Intellectual Property Rights necessary for its business as now conducted, without any known infringement of the rights of others. The Company is not aware of any allegations that the Company is presently violating any of the Intellectual Property Rights of any other Person.

7. Options and Warrants

7.1 Save as Publicly Announced or disclosed in the Circular, there are no options, warrants or other agreements or arrangements in force which call for the issue to any person, or accord to any person the right to call for the issue of any shares in the capital of the Group or any other securities of any member of the Group.

8. Assets

8.1 All the material assets necessary for the operation of the business of the Group, as currently carried on, are legally and beneficially owned or leased by the Company or the applicable member of the Group.

8.2 The Group's fixed asset register provided to Intrexon sets out a complete and accurate record of the plant, machinery, vehicles and equipment owned or used by it.

9. Litigation

Save as Publicly Announced or disclosed in the Circular or on Schedule 2, no member of the Group nor any Director nor any other person for whom the Company or any member of the Group is or may be vicariously liable is engaged in any material legal or arbitration proceedings or is the subject of any disciplinary proceedings or enquiries by any governmental or regulatory bodies which individually or collectively may have, or have had during the 12 months preceding the date of this Agreement, a material effect on the financial position of the Group and, so far as the Company is aware, no such legal or arbitration proceedings are threatened or pending nor are there any circumstances of which the Company is aware which may give rise to any such legal or arbitration proceedings being threatened or commenced.

10. Capitalization and Issuance

10.1 As of the date of this Agreement, the authorized capital of the Company consists of 200,000,000 shares of Common Stock, par value of $0.001 per share, and 40,000,000 shares of Preferred Stock, par value $0.01 per share, of which 125,305,471 shares of Common Stock are issued and outstanding.

10.2 The New Shares (i) are duly authorized, (ii) when issued and sold to Intrexon will be validly issued, (iii) after receipt of all consideration due therefore, will be fully paid and nonassessable with no personal liability attaching to the ownership thereof and (iv) will be free and clear of any and all liens, charges, restrictions, claims and encumbrances, except as set forth in this Agreement or the Certificate of Incorporation.

10.3 Based in part on, and in reliance upon the accuracy of, the representations and warranties of Intrexon set forth in clause 5 of this Agreement, the offer, sale and issuance of the New Shares in conformity with the terms of this Agreement are exempt from the registration requirements of the Securities Act and are exempt from the qualification or registration requirements of applicable U.S. state securities laws. Neither the Company nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the New Shares to any Person or Persons so as to bring the sale of such New Shares by the Company within the registration provisions of the Securities Act or any U.S. state securities laws.

11. Authorization

11.1 This Agreement has been duly executed by the Company and when executed by Intrexon will constitute a valid and legally binding agreement of the Company, enforceable against it by Intrexon in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally or by equitable principles, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) to the extent that the enforceability of the indemnification provisions may be limited by applicable laws.

11.2 Except for the conditions listed in clause 2.1 of this Agreement, all corporate action on the part of the Company and its officers and Directors necessary for (i) the authorization, execution, delivery and performance of all obligations of the Company under each of this Agreement and the Certificate of Incorporation has been taken and (ii) the issuance and sale by the Company of the New Shares hereunder has been taken.

SCHEDULE 2

On July 25, 2013, the Company set a notice of termination to Genesis Group, Inc. ("**Genesis**") which terminated the License Agreement dated July 10,1996 (as amended), which was originally entered into by and among the Company's predecessors in interest, A/F Protein Inc. and A/F Protein Canada Inc, and HSC Research and Development Partnership and Genesis (the "**License Agreement**"). On October 18, 2013, the Company received a letter from Genesis' counsel disputing the termination of the License Agreement. The Company and Genesis are currently negotiating a settlement agreement under which the Company will pay Genesis C$150,000 in return for (i) a complete release from Genesis for any claims it may have against the Company under the License Agreement, and (ii) a perpetual license for the Company to make use of the technology and licensed patents covered under the License Agreement.

Exhibit 10.11

Execution Version

Dated 24 June 2015

(1) AquaBounty Technologies, Inc.

(2) Intrexon Corporation

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "**Agreement**") is made on 24 June 2015,

BETWEEN:

(1) **AQUABOUNTY TECHNOLOGIES, INC.**, incorporated and registered in the state of Delaware, USA with registered number 2282110 and whose principal place of business is at Two Clock Tower Place, Suite 395, Maynard, MA 01754 USA (the "**Company**"); and

(2) **INTREXON CORPORATION**, incorporated and registered in the state of Virginia, USA with registered number 06154801 and whose principal place of business is at 20358 Seneca Meadows Parkway, Germantown, MD 20876 USA ("**Intrexon**").

WHEREAS:

Intrexon has agreed to subscribe for the New Shares (as defined below) in the capital of the Company and the parties have agreed to regulate the terms of the Subscription (as defined below) on the terms and conditions of this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 The following words and expressions where used in this Agreement have the meanings given to them below:

Admission shall have the meaning given to it in clause 2.1 of this Agreement.

Admission Condition means the condition to Completion set out in clause 2.1 of this Agreement.

Advisers Act shall have the meaning given to it in clause 5.1.11(d) of this Agreement.

Agreement shall have the meaning given to it in the preamble of this Agreement.

AIM means AIM, a market operated by the London Stock Exchange.

AIM Rules means the AIM Rules for Companies published by the London Stock Exchange.

Authorities shall have the meaning given to it in clause 4.1 of Schedule 1 of this Agreement.

Board means the board of directors of the Company from time to time.

Business Day means any day other than a Saturday, Sunday or English bank or public holiday.

Bylaws means the corporate bylaws of the Company in effect as at the date of this Agreement.

Certificate of Incorporation means the third amended and restated certificate of incorporation of the Company, as amended.

Common Shares means the shares of common stock, par value one tenth of one cent ($0.001) per share of the Company.

Companies Act means the Companies Act 2006.

Company shall have the meaning given to it in the preamble of this Agreement.

Completion means the satisfaction of the conditions and obligations set forth in clauses 2.5 to 2.7 (inclusive).

Completion Date means the date on which Completion occurs.

Copyright means copyright, which includes all rights in computer software and in databases and all rights or forms of protection which have equivalent or similar effect to the foregoing and which subsist anywhere in the world.

Directors means the directors of the Company from time to time.

Exchange Act shall have the meaning given to it in clause 5.1.11(d) of this Agreement.

FSA means the Financial Services Authority.

FSMA means the Financial Services and Markets Act 2000.

Group means the Company and any company which is a subsidiary undertaking of the Company from time to time and references to "**Group Company**" and "**member of the Group**" shall be construed accordingly.

Intellectual Property Rights includes patents, inventions, Know-How, trade secrets and other confidential information, registered designs, Copyright, database rights, design rights, rights affording equivalent protection to copyright, database rights and design rights, topography rights, trademarks, service marks, business names, trade names, domain names, registration of an application to register any of the aforesaid items, rights to sue for passing-off and rights in the nature of any of the aforesaid items in any country.

Intrexon shall have the meaning given to it in the preamble of this Agreement.

Intrexon Representatives shall have the meaning given to it in clause 5.1.1 of this Agreement.

Intrexon Warranties means the warranties set out in clause 5.

Know-How means inventions, discoveries, improvement, processes, formulae, techniques, specifications, technical information, methods, tests, reports, component lists, manuals, instructions, drawings and information relating to customers and suppliers (whether written, unwritten or in any other form and whether confidential or not).

London Stock Exchange means London Stock Exchange plc.

New Shares means the 12,728,044 Common Shares in the capital of the Company to be subscribed by Intrexon under the terms of this Agreement, which is equal to (i) the Subscription Amount, divided by (ii) the Share Price, which quotient is then rounded down to the nearest share.

Notice has the meaning set forth in clause 9.1.

Prospectus Rules means the Prospectus Rules made by the Financial Services Authority under Part VI of the FSMA.

Publicly Announced means the making by the Company of an announcement on a Regulatory Information Service provided by the London Stock Exchange, within the six-month period immediately preceding the date of this Agreement.

SEC shall have the meaning given to it in clause 5.1.11(a) of this Agreement.

Securities Act means the U.S. Securities Act of 1933, as amended.

Share means any share in or of capital stock issued by the Company from time to time.

Share Price means US$0.2357 per share, which represents (i) the closing price per share for the Common Shares on AIM (quoted in British pounds sterling) on the day before the date of this Agreement (*i.e.*, 0.15), multiplied by (ii) the Closing Spot Rate (*i.e.*, exchange rate) for British pounds sterling to U.S. dollars on the day before the date of this Agreement, as published on the WM/Reuters Service at 4.00 p.m. London time (*i.e.*, 1.5711), which product is rounded to the nearest ten-thousandth of a dollar.

Stockholder means any holder of any Share from time to time.

Subscription means the subscription by Intrexon for the New Shares in accordance with the terms of this Agreement.

Subscription Amount means $3,000,000, being the aggregate subscription price payable by Intrexon for the New Shares.

US Laws shall have the meaning given to it in clause 2.1 of Schedule 1 of this Agreement.

USA or **U.S.** means the United States of America.

Warranties means the warranties and representations set out in Schedule 1 of this Agreement.

1.2 Unless the context otherwise requires, words and expressions defined in or having a meaning provided by the Companies Act shall have the same meaning in this Agreement.

1.3 Unless the context otherwise requires, references in this Agreement to:

1.3.1 any of the masculine, feminine and neuter genders shall include other genders;

1.3.2 the singular shall include the plural and vice versa;

1.3.3 a person shall include a reference to any natural person, body corporate, unincorporated association, partnership, firm and trust;

1.3.4 any statute or statutory provision shall be deemed to include any instrument, order, regulation or direction made or issued under it and shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, consolidated, re-enacted or replaced except to the extent that any amendment or modification made after the date of this Agreement would increase any liability or impose any additional obligation under this Agreement;

1.3.5 any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than that of England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term; and

1.3.6 any time or date shall be construed as a reference to the time or date prevailing in England.

1.4 The headings in this Agreement are for convenience only and shall not affect its meaning. References to a clause, Schedule, Exhibit or paragraph are (unless otherwise stated) to a clause or paragraph of, or Schedule or Exhibit to, this Agreement. The Schedules and Exhibits form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement.

1.5 A document expressed to be "**in the approved terms**" means a document, the terms of which have been approved by the parties to the Agreement and a copy of which has been identified as such and initialled by or on behalf of each such party.

1.6 In construing this Agreement, general words introduced by the word "**other**" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. SUBSCRIPTION

2.1 Subject to clause 3, Completion shall be conditional in all respects on the admission of the New Shares to trading on AIM becoming effective in accordance with the latest edition of the AIM Rules ("**Admission**"). The Company shall provide such evidence as Intrexon may reasonably request as to the satisfaction of the Admission Condition.

2.2 From the date of this Agreement until Completion (or termination of this Agreement), the Company undertakes to Intrexon that it shall take no action that is inconsistent with the provisions of this Agreement or the consummation of the Subscription as contemplated by this Agreement.

2.3 If the Admission Condition has not been satisfied in full on or before 30 June 2015, this Agreement (other than this clause 2.3 and clauses 4, 7, 8 and 9) shall have no further effect and in such event no party to this Agreement shall have any claim against the other parties to this Agreement for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to any accrued rights or obligations of any party under this Agreement or the ability of Intrexon to bring a claim against the Company for a breach of the Warranties.

Signing of this Agreement

2.4 Upon signing of this Agreement, the Company shall deliver to Intrexon duly passed resolutions of the Board in terms reasonably satisfactory to Intrexon approving the entry into this Agreement and granting all necessary authorities to implement its terms including, subject to the satisfaction of the Admission Condition and receipt of the subscription monies from Intrexon, the issue of the New Shares to Intrexon in accordance with the terms of this Agreement.

Completion

2.5 Completion shall take place remotely via the exchange of documents and signatures on the date on which the Admission Condition is satisfied or such other date as may be mutually agreed upon by the Company and Intrexon.

2.6 At Completion, Intrexon shall subscribe in cash for the New Shares, at a price per share equal to the Share Price, and Intrexon shall pay its Subscription Amount into the following bank account of the Company and such payment shall constitute a full and proper discharge by Intrexon of its obligations under this clause 2.6:

Bank:	Citizens Bank
Bank Address:	28 State Street, Boston, MA 02109
Account number:	XXXXXXXXXX
Routing number:	XXXXXXXXX
ABA:	XXXXXXXXX

2.7 At Completion, upon receipt by the Company of the Subscription Amount pursuant to clause 2.6, the Company shall allot to Intrexon the New Shares and enter the name of Intrexon in the Company's stock register as the holder of the New Shares.

Post-Completion

2.8 Promptly following Completion the Company shall deliver to Intrexon a share certificate in respect of the New Shares.

3. TERMINATION

3.1 If at any time prior to Completion:

3.1.1 it comes to the knowledge of Intrexon (whether by way of receipt of a notification pursuant to clause 4.4 or otherwise) that any of the Warranties was materially untrue, inaccurate or misleading when made and/or that any of the Warranties has ceased to be materially true or accurate or has become materially misleading by reference to the facts and circumstances then subsisting, provided, that for purposes of this clause 3.1.1 any materiality qualifier in a Warranty shall be read without such qualifier; or

3.1.2 the Company shall fail, in a material way, to comply with any of its obligations under this Agreement,

then Intrexon shall be entitled to terminate its obligations under this Agreement by giving notice to the Company at any time prior to Completion.

3.2 If at any time prior to Completion it comes to the knowledge of the Company that any of the Intrexon Warranties was materially untrue, inaccurate or misleading when made and/or that any of the Intrexon Warranties has ceased to be materially true or accurate or has become materially misleading, the Company shall be entitled to terminate its obligations under this Agreement by giving notice to Intrexon at any time prior to Completion.

4. COMPANY WARRANTIES

4.1 The Company, upon the execution of this Agreement, warrants and represents to Intrexon in the terms of the Warranties. The Company acknowledges that Intrexon has relied on the Warranties in entering into this Agreement.

4.2 No fact, matter, event or circumstance of which Intrexon has or may be deemed to have knowledge (actual, constructive or imputed) shall prejudice any claim made by Intrexon under the Warranties or operate to reduce any amount recoverable.

4.3 The Warranties are given at the date of this Agreement. The Warranties shall continue in full force and effect until Completion.

4.4 The Company undertakes to Intrexon that it will immediately notify Intrexon upon its becoming aware at any time up to Completion:

4.4.1 that any of the Warranties was materially untrue, inaccurate or misleading at the date of this Agreement; or

4.4.2 that any of the Warranties would be materially untrue, inaccurate or misleading if it were to be repeated at any time before Completion by reference to the facts and circumstances then subsisting.

4.5 Each Warranty shall be separate and independent and, save as expressly provided, shall not be limited by reference to any other Warranty or any other provision in this Agreement.

4.6 Where any statement in the Warranties is qualified by the expression "**so far as the Company is aware**" or any similar expression, the Company shall be deemed to have knowledge of:

4.6.1 anything of which any of the Directors or officers of the Company has knowledge or is deemed by clause 4.6.2 or 4.6.3 to have knowledge;

4.6.2 anything of which a Director or officer of the Company ought reasonably to have knowledge given his particular position in and responsibility to the Group; and

4.6.3 anything of which it would have had knowledge had it made enquiry immediately before giving the Warranties.

4.7 The Company agrees with Intrexon:

4.7.1 to waive any right or claim which it may have against any of its officers, employees, agents or advisers for any error, omission or misrepresentation of any such information or opinion (provided that nothing in this clause shall exclude any liability of any person for fraudulent misrepresentation); and

4.7.2 that any such right or claim shall not constitute a defence to any claim by Intrexon under or in relation to this Agreement (including the Warranties).

4.8 The Company agrees with Intrexon that it will not effect any of the reverse stock splits approved by Stockholders at the 2015 annual meeting of shareholders held on 28 April 2015 until Completion or the prior termination of this Agreement.

LIMITATIONS

Time Limits

4.9 The Company shall not be liable for any claim under the Warranties (other than clauses 2, 9 and 10 of the Warranties) unless Intrexon gives written notice thereof to the Company before the expiry of six months following the Completion Date (containing such details of the claim under the Warranties, including its anticipated value, as Intrexon has available to them within 60 days after becoming aware of the claim under the Warranties).

Maximum Liability

4.10 For all claims under the Warranties or other claims under this Agreement, the aggregate amount of the liability of the Company shall not exceed the Subscription Amount.

5. INTREXON WARRANTIES

5.1 Intrexon represents and warrants that:

5.1.1 The Company has afforded Intrexon and each of Intrexon's attorneys, accountants, investment advisors and other representatives (the "**Intrexon Representatives**") full, complete and unrestricted access to all financial reports and information of the Company requested by Intrexon or the Intrexon Representatives. Intrexon is familiar with the business and operations of the Company and has had the opportunity to obtain the advice of the Intrexon Representatives with respect to all aspects of this Agreement. Intrexon is entering into this Agreement and purchasing the New Shares from the Company of its own free will and the Subscription Amount and terms of payment are fair, equitable and desired by Intrexon.

5.1.2 Intrexon is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated pursuant to the Securities Act. Intrexon understands and acknowledges that: (i) the New Shares are being offered and sold to it without registration under the Securities Act in a private placement that is exempt from registration provisions of the Securities Act, and (ii) the availability of such exemption depends in part on, and the Company will rely upon the accuracy and truthfulness of, the representations, warranties and covenants of Intrexon set forth in this clause 5, and Intrexon hereby consents to such reliance.

5.1.3 [Reserved]

5.1.4 Intrexon understands that the New Shares have not been registered under the Securities Act, the securities laws of any state of the USA or the securities laws of any other jurisdiction, nor is such registration contemplated, and Intrexon will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit offers to buy, purchase, or otherwise acquire or take a pledge of) any of the New Shares, except in compliance with the Securities Act and other applicable securities laws and the respective rules and regulations promulgated thereunder.

5.1.5 [Reserved]

5.1.6 Intrexon acknowledges that legends stating that the New Shares have not been registered under the Securities Act or other applicable securities laws and setting out or referring to

the restrictions on the transferability and resale of the New Shares will be placed on all documents evidencing the New Shares, and accordingly, it may not be possible for Intrexon to readily, if at all, liquidate its investment in the Company in the case of an emergency or otherwise.

5.1.7 Intrexon has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the New Shares, is able to bear the risks of an investment in the Company and understands the risks of, and other considerations relating to, a purchase of New Shares.

5.1.8 Intrexon undertakes to the Company that it will immediately notify the Company upon its becoming aware at any time up to Completion:

(i) that any of the Intrexon Warranties was materially untrue, inaccurate or misleading at the date of this Agreement; or

(ii) that any of the Intrexon Warranties would be materially untrue, inaccurate or misleading if it were to be repeated at any time before Completion.

5.1.9 Intrexon is acquiring the New Shares to be acquired hereunder for Intrexon's own account for investment purposes only and not with a view to or for the sale in connection with any distribution of all or any part of such New Shares. Intrexon has become aware of the Company and the opportunity to subscribe for New Shares directly from the Company or its affiliates or agents, and not by means of any general solicitation or general advertising (including, without limitation, any advertisement, article, notice or other communication published in any newspaper, magazine, website or similar media or broadcast over television or radio, and any seminars or meetings whose attendees have been invited by any general solicitation or advertising).

5.1.10 Intrexon has the power and authority to enter into this Agreement and each other document required to be executed and delivered by Intrexon in connection with this Subscription for New Shares, and to perform its obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby. The person signing this Agreement on behalf of Intrexon has been duly authorized to execute and deliver this Agreement and each other document required to be executed and delivered by Intrexon in connection with this Subscription for New Shares. The execution and delivery by Intrexon of, and compliance by Intrexon with, this Agreement and each other document required to be executed and delivered by Intrexon in connection with this Subscription for New Shares do not violate, represent a breach of, or constitute a default under, any instruments governing Intrexon; any permit, franchise, judgment, decree, statute, order, rule or regulation applicable to Intrexon or Intrexon's business or properties; or any agreement to which Intrexon is a party or by which Intrexon is bound. This Agreement has been duly executed by Intrexon and when executed by the Company will constitute a valid and legally binding agreement of Intrexon, enforceable against it in accordance with its terms.

5.1.11 None of (x) Intrexon, (y) any other person who, through Intrexon's ownership, would be deemed to beneficially own 20% or more of the outstanding voting equity securities[1] of the Company, and (z) any person(s) who have the authority to make decisions with respect to the undersigned's outstanding securities of the Company (collectively, the "**Intrexon Parties**"):

(a) has, within the last ten years, been convicted of a felony or misdemeanor, (i) in connection with the purchase or sale of any security, (ii) involving the making of any false filing with the U.S. Securities and Exchange Commission (the "**SEC**") or (iii) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(b) is currently subject to any order, judgment or decree of any court of competent jurisdiction, entered in the last five years, that restrains or enjoins Intrexon from engaging in any conduct or practice (i) in connection with the purchase or sale of any security, (ii) involving the making of a false filing with the SEC or (iii) arising out of the conduct of the business of an underwriter, broker-dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(c) is currently subject to a Final Order[2] of a state securities commission (or an agency or officer of a state performing similar functions), a state authority that supervises or examines banks, savings associations, or credit unions, a state insurance commission (or an agency or officer of a State performing like functions), an appropriate federal banking agency, the National Credit Union Administration, or the U.S. Commodity Futures Trading Commission, that (i) bars any Intrexon Party from (A) association with an entity regulated by such commission, authority, agency, or officer; (B) engaging in the business of securities, insurance, or banking; or (C) engaging in savings association or credit union activities; or (ii) constitutes a Final Order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct within the last ten years;

(d) is currently subject to an order of the SEC pursuant to Section 15(b) or 15B(c) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") or Section 203(e) or (f) of the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**") that (i) suspends or revokes such Intrexon Party's registration as a broker, dealer, municipal securities dealer or investment adviser,

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1 Note that the term "voting securities" has not been specifically defined by the U.S. Securities and Exchange Commission (the "**SEC**"). The SEC intends such term to be applied based on whether securityholders have or share the ability, either currently or on a contingent basis, to control or significantly influence the management and policies of the issuer through the exercise of a voting right. For example, the SEC would consider that securities that confer to securityholders the right to elect or remove the directors or equivalent controlling persons of the issuer, or to approve significant transactions such as acquisitions, dispositions or financings, would be considered voting securities for these purposes. Conversely, securities that confer voting rights limited solely to approval of changes to the rights and preferences of the class would not be considered voting securities for these purposes.

2 A "**Final Order**" is a written directive or declaratory statement issued by a federal or State agency under applicable statutory authority that provides for notice and an opportunity for hearing, which constitutes a final disposition or action by that federal or State agency. A Final Order may still be subject to appeal and otherwise meet this definition.

(ii) places limitations on Intrexon's activities, functions or operations or (iii) bars such Intrexon Party from being associated with any entity or from participating in the offering of any penny stock;

(e) is currently subject to any order of the SEC, entered in the last 5 years, that orders Intrexon to cease and desist from committing or causing a violation or future violation of (i) any scienter-based antifraud provision of the federal securities laws (including without limitation Section 17(a)(1) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 15(c)(1) of the Exchange Act and Section 206(1) of the Advisers Act, or any other rule or regulation thereunder) or (ii) Section 5 of the Securities Act;

(f) is currently suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(g) has filed as a registrant or issuer, or the issuer has been named as an underwriter in, a registration statement or Regulation A offering statement filed with the SEC that, within the last five years, (i) was the subject of a refusal order, stop order, or order suspending the Regulation A exemption or (ii) is currently the subject of an investigation or a proceeding to determine whether such a stop order or suspension order should be issued;

(h) has been subject to (i) a United States Postal Service false representation order entered into within the last five years, or (ii) a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations; or

(i) If the statements described in clauses (a) through (h) of this Section 5.1.11 apply to any Intrexon Party, the Intrexon Party has obtained a waiver from disqualification under Rule 506(d) either (i) from the SEC or (ii) from the court or regulatory authority that entered the relevant order, judgment or decree.

6. ASSIGNMENT

If at any time Intrexon (or any person holding the legal title to the Common Shares as nominee, custodian or trustee or otherwise on behalf of Intrexon) transfers any of its Common Shares, its rights and/or benefits arising from, or in connection with, this Agreement (including the benefit of the Warranties) shall be assignable in whole or in proportionate part to the transferee of such Common Shares or any interest therein.

7. APPLICABLE LAW AND JURISDICTION

7.1 This Agreement and the rights and obligations of the parties, including all non-contractual obligations arising under or in connection with this Agreement, shall be governed by and construed in accordance with the laws of Delaware.

7.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of Massachusetts in respect of any claim, dispute or difference arising out of or in connection with this Agreement and/or any non-contractual obligation arising in connection with this Agreement, provided that nothing contained in this clause shall be taken to have limited the right of Intrexon to proceed in the courts of any other competent jurisdiction.

8. GENERAL

Entire agreement

8.1 This Agreement (together with any documents referred to herein or entered into pursuant to this Agreement contains the entire agreement and understanding of the parties and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to the subject matter of this Agreement and any such document. Each of the parties acknowledges that it is entering into this Agreement without reliance on any undertaking or representation given by or on behalf of the other party, other than as expressly contained in this Agreement, provided that nothing in this clause shall exclude any liability of either party for fraudulent misrepresentation.

8.2 This Agreement shall not be construed as creating any partnership or agency relationship between any of the parties.

Variations and waivers

8.3 No variation of this Agreement shall be effective unless made in writing and signed by or on behalf of all the parties and expressed to be such a variation.

8.4 No failure or delay by Intrexon or time or indulgence given in exercising any remedy or right under or in relation to this Agreement shall operate as a waiver of the same nor shall any single or partial exercise of any remedy or right preclude any further exercise of the same or the exercise of any other remedy or right.

8.5 No waiver by any party of any requirement of this Agreement, or of any remedy or right under this Agreement, shall have effect unless given in writing and signed by such party. No waiver of any particular breach of the provisions of this Agreement shall operate as a waiver of any repetition of such breach.

Effect of Completion

8.6 The provisions of this Agreement, insofar as the same shall not have been performed at Completion, shall remain in full force and effect notwithstanding Completion.

Counterparts

8.7 This Agreement may be executed as two or more counterparts, and execution by any of the parties of any one of such counterparts will constitute due execution of this Agreement.

Further assurance

8.8 Each party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, do and execute and perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to this Agreement.

Other remedies

8.9 Any remedy or right conferred upon Intrexon for breach of this Agreement shall be in addition, and without prejudice, to all other rights and remedies available to them.

Third party rights

8.10 Where, in connection with this Agreement (or any other agreement or arrangement to be entered into by Intrexon in accordance with this Agreement), the Company undertakes any obligation in respect of any person (other than, or in addition to, Intrexon), the Company unconditionally and irrevocably acknowledges and agrees that Intrexon is entering into this Agreement (or any such other agreement or arrangement) and accepting the benefits of such obligations not only for itself but also as agent and trustee for such other person.

8.11 No provision of this Agreement is intended to benefit or be enforceable by any third party pursuant to the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999. Notwithstanding any benefits or rights conferred by this Agreement on any third party by virtue of the Contracts (Rights of Third Parties) Act 1999, the parties to this Agreement may vary, terminate or rescind this Agreement without obtaining the consent of any such third party.

9. NOTICES

Form of Notice

9.1 Any notice, consent, request, demand, approval or other communication to be given or made under or in connection with this Agreement (each a "**Notice**" for the purposes of this clause) shall be in writing and signed by or on behalf of the person giving it.

Method of service

9.2 Service of a Notice must be effected by one of the following methods;

9.2.1 by hand to the relevant address set out in clause 9.4 and shall be deemed served upon delivery if delivered during a Business Day, or at the start of the next Business Day if delivered at any other time;

9.2.2 by prepaid international airmail to the relevant address set out in clause 9.4 and shall be deemed served at the start of the fourth Business Day after the date of posting; or

9.2.3 by facsimile transmission to the relevant facsimile number set out in clause 9.4 and shall be deemed served on despatch if despatched during a Business Day, or at the start of the next Business Day if despatched at any other time, provided that in each case a receipt indicating complete transmission of the Notice is obtained by the sender and that a copy of the Notice is also despatched to the recipient using a method described in clause 9.2.1 or clause 9.2.2 no later than the end of the next Business Day.

9.3 In clause 9.2 "**during a Business Day**" means any time between 9.30 a.m. and 5.30 p.m. on a Business Day based on the local time where the recipient of the Notice is located. References to "**the start of a Business Day**" and "**the end of a Business Day**" shall be construed accordingly.

Address for service

9.4 Notices shall be addressed as follows:

9.4.1 Notices for the Company shall be marked for the attention of:

Name:	the Company Secretary
Address:	Two Clock Tower Place, Suite 395, Maynard, MA 01754 USA
Fax number:	+1 978-897-3217

9.4.2 Notices for Intrexon shall be marked for the attention of:

Name:	Chief Legal Officer
Address:	20374 Seneca Meadows Parkway, Germantown, MD 20876 USA
Fax number:	+1 301-556-9902

Change of details

9.5 A party may change its address for service, provided that it gives all other parties not less than 14 days' prior notice in accordance with this clause 9. Until the end of such notice period, service on either address shall remain effective.

THIS AGREEMENT has been duly executed and delivered as a deed on the date stated above.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

AQUABOUNTY TECHNOLOGIES, INC.

By: /s/ David Frank
David Frank
Chief Financial Officer and Secretary

INTREXON CORPORATION

By: /s/ Donald P. Lehr
Donald P. Lehr
Chief Legal Officer

SCHEDULE 1

Warranties

1. Liabilities

1.1 Save as Publicly Announced, the Company has no outstanding borrowings of any nature or amount (including, without limitation, any overdraft facilities; loans; invoice discounting factoring or other financial facilities).

2. Compliance with Laws

2.1 The execution of this Agreement by the Company and the creation and issue of the New Shares will comply in all respects with the FSMA, the rules and regulations of the FSA and the London Stock Exchange, the Prospectus Rules, the AIM Rules, the General Corporation Law of the State of Delaware, the federal securities laws of the USA, and all applicable state and federal laws and regulations of the USA (collectively, the "**US Laws**"), and all other relevant laws and regulations of the United Kingdom and elsewhere and will comply with and will not infringe or exceed any limits, powers or restrictions or the terms of any agreement, obligation or commitment to which the Company or any Group Company is a party or by which the Company or any Group Company is bound.

2.2 Each Group Company and its officers, agents and employees (past and present) in the course of their respective duties have complied in all material respects with all applicable laws and regulations of the United Kingdom, the European Community and any foreign jurisdiction in which the business of such Group Company is carried on, including, without limitation, the US Laws.

3. Position Since the Accounts Date

3.1 Save as Publicly Announced, since 31 December 2014:

3.1.1 the business of the Group has been carried on in the ordinary and usual course;

3.1.2 there has been no significant adverse change in the financial or trading position of the Group taken as a whole;

3.1.3 no member of the Group has acquired or disposed of or agreed to acquire or dispose of any of its assets or businesses other than in the ordinary course of trading; and

3.1.4 no member of the Group has paid or made any payment or transfer to stockholders of any dividend, bonus, loan or distribution.

4. Licences and Consents

4.1 Save as Publicly Announced, the Group has all material licences, consents, approvals, permissions, permits, certificates, qualifications, registrations and other authorisations (public and private) necessary for the proper and efficient operation of its current businesses in the places and in the manner in which the business is now carried on (together the "**Authorities**").

4.2 Save as Publicly Announced, all of the Authorities are in full force and effect and are not limited in duration or subject to any unusual or onerous conditions, and have been complied with in all material respects.

4.3 Save as Publicly Announced, so far as the Company is aware, there are no circumstances which indicate that any of the Authorities will be revoked or not renewed, in whole or in part, whether as a result of the transactions contemplated by this Agreement or otherwise.

5. Intellectual Property

5.1 The Company owns or possesses sufficient legal rights to all Intellectual Property Rights necessary for its business as now conducted, without any known infringement of the rights of others. The Company is not aware of any allegations that the Company is presently violating any of the Intellectual Property Rights of any other Person.

6. Options and Warrants

6.1 Save as Publicly Announced, or as disclosed to Intrexon prior to the execution of this Agreement, there are no options, warrants or other agreements or arrangements in force which call for the issue to any person, or accord to any person the right to call for the issue of any shares in the capital of the Group or any other securities of any member of the Group.

7. Assets

7.1 All the material assets necessary for the operation of the business of the Group, as currently carried on, are legally and beneficially owned or leased by the Company or the applicable member of the Group.

7.2 The Group's fixed asset register provided to Intrexon sets out a complete and accurate record of the plant, machinery, vehicles and equipment owned or used by it.

8. Litigation

Save as Publicly Announced, no member of the Group nor any Director nor any other person for whom the Company or any member of the Group is or may be vicariously liable is engaged in any material legal or arbitration proceedings or is the subject of any disciplinary proceedings or enquiries by any governmental or regulatory bodies which individually or collectively may have, or have had during the 12 months preceding the date of this Agreement, a material effect on the financial position of the Group and, so far as the Company is aware, no such legal or arbitration proceedings are threatened or pending nor are there any circumstances of which the Company is aware which may give rise to any such legal or arbitration proceedings being threatened or commenced.

9. Capitalization and Issuance

9.1 As of the date of this Agreement, the authorized capital of the Company consists of 200,000,000 shares of Common Stock, par value of $0.001 per share, and 40,000,000 shares of Preferred Stock, par value $0.01 per share, of which 144,697,265 shares of Common Stock are issued and outstanding.

9.2 The New Shares (i) are duly authorized, (ii) when issued and sold to Intrexon will be validly issued, (iii) after receipt of all consideration due therefore, will be fully paid and nonassessable with no personal liability attaching to the ownership thereof and (iv) will be free and clear of any and all liens, charges, restrictions, claims and encumbrances, except as set forth in this Agreement.

9.3 Based in part on, and in reliance upon the accuracy of, the representations and warranties of Intrexon set forth in clause 5 of this Agreement, the offer, sale and issuance of the New Shares in conformity with the terms of this Agreement are exempt from the registration requirements of the Securities Act and are exempt from the qualification or registration requirements of applicable U.S. state securities laws. Neither the Company nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the New Shares to any Person or Persons so as to bring the sale of such New Shares by the Company within the registration provisions of the Securities Act or any U.S. state securities laws.

10. Authorization

10.1 This Agreement has been duly executed by the Company and, when executed by Intrexon, will constitute a valid and legally binding agreement of the Company, enforceable against it by Intrexon in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally or by equitable principles, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) to the extent that the enforceability of the indemnification provisions may be limited by applicable laws.

10.2 All corporate action on the part of the Company and its officers and Directors necessary for (i) the authorization, execution, delivery and performance of all obligations of the Company under this Agreement has been taken and (ii) the issuance and sale by the Company of the New Shares hereunder has been taken.

Exhibit 10.12

Execution Version

PROMISSORY NOTE PURCHASE AGREEMENT

This Promissory Note Purchase Agreement (including all exhibits hereto, this "Agreement") is made as of February 22, 2016 (the "Effective Date"), between AquaBounty Technologies, Inc., a Delaware corporation ("AquaBounty"), and Intrexon Corporation, a Virginia corporation ("Intrexon").

WHEREAS, upon the terms and conditions set forth in this Agreement, AquaBounty proposes to issue to Intrexon one or more promissory notes with commitments in an aggregate principal amount not to exceed $10,000,000, each in substantially the same form as *Exhibit A* hereto (the "Notes"), upon the terms and conditions set forth herein and therein; and

WHEREAS, Intrexon has agreed to make such loans to AquaBounty subject to the terms and conditions contained herein and in the Notes.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and conditions set forth herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions.

In addition to the terms defined elsewhere herein, when used herein, the following terms shall have the meanings indicated hereunder:

"Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder.

"Affiliate" means, with respect to any Person, any other Person who controls, is controlled by, or is under common control with such Person.

"AIM Market" means AIM, a market operated by the London Stock Exchange.

"Board" means the Board of Directors of AquaBounty.

"Business Day" means any day other than a Saturday, Sunday, or other day on which commercial banks in the State of Delaware are authorized or required by law or executive order to close.

"Capital Stock" means all of AquaBounty's issued and outstanding equity securities.

"Commitment" means the amount of capital that Intrexon agrees to fund to AquaBounty in exchange for each Note under the terms set forth therein.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust, or other instrument to which such Person is a party or by which it or any of its property is bound.

"GAAP" means U.S. generally accepted accounting principles as in effect from time to time.

"Governmental Authority" means the AIM Market; any federal, state, or local governmental or quasi-governmental instrumentality, agency, board, commission, or department; or any regulatory agency, bureau, commission, or authority.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, encumbrance, lien (statutory or other) or preference, priority, right, or other security interest or preferential arrangement of any kind or nature whatsoever (excluding preferred stock and equity-related preferences), including, without limitation, those created by, arising under, or evidencing substantially the same economic effect as any of the foregoing.

"Material Adverse Effect" means, subject to any applicable cure or grace periods, a material adverse effect upon (a) the financial condition, operations, business, or properties of AquaBounty; (b) the ability of AquaBounty to perform its material obligations under any of the Transaction Documents; or (c) the legality, validity, or enforceability of any of the Transaction Documents.

"Order" means any judgment, injunction, writ, award, decree, or order of any nature.

"Person" means any individual, group of individuals, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, Governmental Authority, or other entity of any kind and shall include any successor (by merger or otherwise) of such entity.

"Requirement of Law" means, as to any Person, any law, statute, treaty, rule, regulation, or determination of an arbitrator or a court or other Governmental Authority that is applicable to or binding upon such Person or any of its property, or to which such Person or any of its property is subject, or that pertains to the transactions contemplated or referred to herein.

"SEC" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Act.

"Securities Filings" means the filing of any filing required by the SEC under the Act, any filing required pursuant to the rules of the AIM Market, or any filing with the Delaware Corporations Commission under the Delaware General Corporation Law by AquaBounty, in each case in respect of its issuance of the Notes.

"Transaction Documents" means, collectively, this Agreement and the Notes.

Section 1.2 Accounting Terms; Financial Statements.

All accounting terms used herein not expressly defined in this Agreement shall have the respective meanings given to them in accordance with sound accounting practice. The term "sound accounting practice" shall mean such accounting practice as, in the opinion of the independent certified public accountants regularly retained by AquaBounty, conforms at the time to GAAP applied on a consistent basis except for changes with which such accountants concur.

ARTICLE II
PURCHASE AND SALE OF THE NOTES

Section 2.1 Purchase and Sale of the Notes.

(a) Subject to the terms and conditions set forth herein, AquaBounty may issue and sell to Intrexon, and Intrexon hereby agrees to purchase from AquaBounty, one or more Notes, each with a Commitment in an amount designated by AquaBounty (with respect to any Note, the "Purchase Price") subject to the following limitations: (i) each Note shall be for a principal amount evenly divisible by $2,500,000 and (ii) all Notes issued hereunder shall have aggregate Commitments of no more than $10,000,000. Intrexon agrees to be bound by the terms and conditions of each Note issued to Intrexon hereunder.

(b) From and after the Effective Date, for a period of one year, AquaBounty may notify Intrexon of its desire to sell to Intrexon one or more Notes and shall provide Intrexon with a request substantially in the form of *Exhibit B* attached hereto (each a "Compliance Certificate"), completed to the satisfaction of Intrexon and delivered as provided in Section 7.2. Each Compliance Certificate shall be provided at least three Business Days prior to the prospective sale of the applicable Note.

Section 2.2 Closings.

The closing of the sale and purchase of each Note (a "Closing") shall take place on the date set forth in the Compliance Certificate (a "Closing Date"). On each Closing Date, AquaBounty shall deliver the applicable Note, and, upon satisfaction of the conditions set forth herein and in that Note, Intrexon will fund the principal amount thereof.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF AQUABOUNTY

AquaBounty represents and warrants to Intrexon that the statements contained in this Article III are true, complete, and correct as of each Closing Date. For purposes of the representations and warranties set forth in this Article III, AquaBounty will be deemed to have "knowledge" of a particular fact or other matter if an officer or director of AquaBounty is actually aware of such fact or other matter.

Section 3.1 Organization and Standing.

AquaBounty is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted. AquaBounty is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

Section 3.2 Authorization; Enforceability.

(a) AquaBounty has all requisite corporate power and authority to execute, deliver, and perform, as applicable, the Transaction Documents.

(b) AquaBounty and its officers, directors, and shareholders have taken all corporate action necessary for (i) the authorization, execution, delivery, and performance of all obligations of

AquaBounty under each of the Transaction Documents and (ii) the issuance and sale by AquaBounty of the Notes hereunder. Each of the Transaction Documents constitutes a valid and legally binding obligation of AquaBounty, enforceable in accordance with its terms, except (A) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally or by equitable principles; (B) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; and (C) to the extent that the enforceability of the indemnification provisions may be limited by applicable laws (such limitations, collectively, the "Equitable Exceptions").

Section 3.3 Validity of Notes and Issuance.

The Notes (a) are duly authorized; (b) when issued and sold to Intrexon will be validly issued; and (c) will be free and clear of any and all liens, charges, restrictions, claims, and encumbrances except as set forth in this Agreement or as otherwise created by Intrexon.

Section 3.4 Compliance with Law and Instruments.

To AquaBounty's knowledge, the execution, delivery, and performance of and compliance with this Agreement and the issuance and sale of the Notes will not, with or without the passage of time or giving of notice, violate (a) any applicable statute, rule, regulation, order, or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties; (b) any term of AquaBounty's organizational documents; (c) any provision of any mortgage, indenture, contract, agreement, instrument, or contract to which it is party or by which it is bound; or (d) any Order by which it is bound.

Section 3.5 Consents.

No consent, approval, order, or authorization of, or registration, qualification, designation, declaration, or filing with, any federal, state, or local Governmental Authority or any other Person is required in connection with the consummation of the transactions contemplated by this Agreement, except for compliance with notice filings and other requirements under federal and applicable state securities laws.

Section 3.6 Offering Exemption.

Based in part on the representations of Intrexon set forth in Article IV, the offer, sale, and issuance of the Notes in conformity with the terms and conditions set forth in this Agreement and in the Notes are exempt from the registration requirements of the Act and are exempt from the qualification or registration requirements of applicable state securities laws. Neither AquaBounty nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the Notes to any Person or Persons so as to bring the sale of such Notes by AquaBounty within the registration provisions of the Act or any state securities laws.

Section 3.7 Brokers and Finders.

AquaBounty agrees to indemnify and hold harmless Intrexon from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this Agreement or the transactions contemplated hereby (and the costs and expenses of defending against such liability or asserted liability) for which AquaBounty or any of its officers, employees, or representatives is responsible.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF INTREXON

As a material inducement to AquaBounty to enter into and perform its obligations under this Agreement, Intrexon represents and warrants to AquaBounty that the statements contained in this Article IV are true, complete, and correct as of the Effective Date.

Section 4.1 Authorization; Enforceability.

Intrexon has all requisite power and authority to execute, deliver, and perform this Agreement. Intrexon and, as applicable, its directors, officers, members, partners, and shareholders have taken all action necessary for the authorization, execution, delivery, and performance of all obligations of Intrexon under this Agreement. This Agreement constitutes the valid and legally binding obligation of Intrexon, enforceable in accordance with its terms, except as limited by the Equitable Exceptions.

Section 4.2 Investor Representations.

(a) The Notes will be acquired by Intrexon for its own account for investment purposes and not with a view to, or for sale in connection with, any distribution. Intrexon does not presently have any contract, undertaking, or agreement with any Person to sell, transfer, or grant participation rights to such Person or to any other Person with respect to any of the Notes.

(b) Intrexon is an “accredited investor” within the meaning of Rule 501(a) promulgated under the Act.

(c) Intrexon understands that the Notes are characterized as “restricted securities” under the federal securities laws inasmuch as they are being acquired from AquaBounty in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances. Intrexon acknowledges and agrees that the Notes must be held indefinitely unless they are subsequently registered under the Act or an exemption from such registration is available. Intrexon understands that no public market now exists for the Notes and that a public market may never exist for the Notes.

(d) Intrexon acknowledges and agrees that it can bear the economic risk of its investment in the Notes and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Notes.

(e) Intrexon was not contacted by AquaBounty or its representatives for the purpose of investing in any securities of AquaBounty offered hereby through any advertisement, article, notice, or any other communication published in any newspaper, magazine, or similar media or broadcast over television or radio, or any seminar or meeting whose attendees were invited by any general advertising. The Notes purchased under this Agreement were not offered or sold to Intrexon by any form of general solicitation or general advertising.

(f) Intrexon has not agreed to incur, directly or indirectly, any liability for brokerage or finders' fees, agents' commissions, or other similar charges in connection with this Agreement or any of the transactions contemplated hereby.

Section 4.3 Legends.

Intrexon acknowledges and agrees that the instruments evidencing the Notes may bear such restrictive legends as required by law.

ARTICLE V
CONDITIONS TO THE OBLIGATION OF INTREXON TO CLOSE

The obligation of Intrexon to purchase the Notes and to perform any obligations hereunder with respect to each Closing shall be subject to the satisfaction as determined by, or waiver by, Intrexon of the following conditions on or before that Closing.

Section 5.1 Representations and Warranties.

The representations of AquaBounty contained in Article III shall be true and correct in all material respects, and the warranties in that Article shall remain in effect, at and as of the applicable Closing Date (except with respect to such representations that address matters only as of a particular date, which are true and correct as of such particular date).

Section 5.2 Compliance with this Agreement.

AquaBounty shall have performed and complied in all material respects with all of its agreements and conditions set forth herein that are required to be performed or complied with by AquaBounty on or before the applicable Closing Date.

Section 5.3 Secretary's Certificate.

The Secretary of AquaBounty shall have signed and delivered to Intrexon on behalf of AquaBounty a certificate, in form and substance satisfactory to Intrexon and dated as of the applicable Closing Date, certifying (a) that the Board resolutions attached thereto approving each of the Transaction Documents to which AquaBounty is a party and the transactions contemplated thereby are all true, complete, and correct and remain unamended and in full force and effect and (b) as to the incumbency and specimen signature of each officer of AquaBounty executing each Transaction Document or other document delivered in connection with that Closing on behalf of AquaBounty.

Section 5.4 Note.

AquaBounty shall have executed and delivered to Intrexon the applicable Note.

Section 5.5 Consents and Approvals.

Except for the Securities Filings, all consents, exemptions, authorizations, and other actions by, or notices to, or filings with, any Governmental Authority or any other Person required in respect of any Requirement of Law and with respect to each Contractual Obligation of AquaBounty that is necessary in

connection with the execution, delivery, or performance by, or enforcement against, AquaBounty of each of the Transaction Documents shall have been obtained and be in full force and effect, and Intrexon shall have been furnished with appropriate evidence thereof.

Section 5.6 No Material Judgment or Order.

There shall be no Order of a court of competent jurisdiction, Lien under any Contractual Obligation, ruling of any Governmental Authority, or condition imposed under any Requirement of Law that, in the reasonable judgment of Intrexon, would prohibit the purchase of the Notes or subject Intrexon to any penalty or other onerous condition under or pursuant to any Requirement of Law if the Notes were to be purchased hereunder.

Section 5.7 No Litigation.

No action, suit, proceeding, claim, or dispute shall have been brought or otherwise arisen against AquaBounty (whether at law, in equity, in arbitration, or before any Governmental Authority) that would, if adversely determined, have a Material Adverse Effect.

ARTICLE VI
CONDITIONS TO THE OBLIGATIONS OF AQUABOUNTY TO CLOSE

The obligations of AquaBounty to issue and sell the Notes and to perform its other obligations hereunder, shall be subject to the satisfaction, as determined by, or written waiver by, AquaBounty of the following conditions on or before each Closing Date.

Section 6.1 Representations and Warranties.

The representations of Intrexon contained in Article IV shall be true and correct in all material respects, and the warranties in that Article shall remain in effect, at and as of the applicable Closing Date (except with respect to such representations that address matters only as of a particular date, which are true and correct as of such particular date).

Section 6.2 Compliance with this Agreement.

Intrexon shall have performed and complied in all material respects with all of the agreements and conditions set forth herein that are required to be performed or complied with by Intrexon on or before the applicable Closing Date.

Section 6.3 No Material Judgment or Order.

On the applicable Closing Date, there shall be no Order of a court of competent jurisdiction, Lien under any Contractual Obligation, ruling of any Governmental Authority, or condition imposed under any Requirement of Law that, in the reasonable judgment of AquaBounty, would prohibit the sale of the applicable Note or subject AquaBounty to any penalty or other onerous condition under or pursuant to any Requirement of Law if that Note were to be purchased hereunder.

Section 6.4 Consents and Approvals.

Except for the Securities Filings, all consents, exemptions, authorizations, or other actions by, or notices to, or filings with, Governmental Authorities and other Persons required in respect of any Requirement of Law and with respect to each Contractual Obligation of Intrexon that is necessary in connection with the execution, delivery, or performance by, or enforcement against, Intrexon of each of the Transaction Documents shall have been obtained and be in full force and effect, and AquaBounty shall have been furnished with appropriate evidence thereof.

Section 6.5 Purchase Price.

AquaBounty shall have received the Purchase Price from Intrexon for the Note to be acquired during the applicable Closing.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Survival of Representations and Warranties.

All of the representations and warranties made herein shall survive the execution and delivery of this Agreement until the first anniversary of the Effective Date.

Section 7.2 Notices.

All notices, demands, and other communications required or permitted hereunder shall be in writing and shall be given by registered or certified first-class mail (return receipt requested), facsimile, electronic mail, courier service, or personal delivery to the address or number for the intended recipient set forth below or such other address or number as may be provided by notice from the intended recipient from time to time.

(a) if to AquaBounty:

AquaBounty Technologies, Inc.
Two Clock Tower Place, Suite 395
Maynard, MA 01754
Attention: David Frank
Facsimile: 978-897-3217
E-mail: dfrank@aquabounty.com

(b) if to Intrexon:

Intrexon Corporation
1750 Kraft Drive, Suite 1400
Blacksburg, VA 24060
Attention: Rick L. Sterling, Chief Financial Officer
Facsimile: 540-961-0925
E-mail: rsterling@intrexon.com

with a copy (which shall not constitute notice) to:

Intrexon Corporation
20358 Seneca Meadows Parkway
Germantown, MD 20876
Attention: Legal Department
Facsimile: 301-556-9901
E-mail: dlehr@intrexon.com

All such communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five Business Days after being deposited in the mail, postage prepaid, if mailed; and upon receipt, if sent via facsimile or electronic mail.

Section 7.3 Successors and Assigns; Third-Party Beneficiaries.

This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto. Subject to applicable securities laws and the terms of the applicable Transaction Documents, Intrexon may assign any of its rights under any of the Transaction Documents to any of its Affiliates and, with the prior written consent of AquaBounty, to any Person that is not an Affiliate of Intrexon. AquaBounty may not assign any of its rights under this Agreement without the prior written consent of Intrexon. No Person other than the parties hereto and their successors are intended to be beneficiaries of the provisions of this Agreement.

Section 7.4 Amendment and Waiver.

(a) No failure or delay on the part of AquaBounty or Intrexon in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to AquaBounty or Intrexon at law, in equity, or otherwise.

(b) Any amendment, supplement, modification, or waiver of or to any provision of this Agreement must be in a written agreement signed by both parties hereto and shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on AquaBounty in any case shall entitle AquaBounty to any other further notice or demand in similar or other circumstances.

Section 7.5 Counterparts; Facsimile or Electronic Transmission.

This Agreement may be executed in any number of counterparts, each being deemed to be an original and all of which taken together being deemed to constitute a single agreement. Such counterparts may be delivered by facsimile or as a .pdf file by electronic mail.

Section 7.6 Headings.

The headings in this Agreement are for convenience only and shall not limit or otherwise affect the meaning hereof.

Section 7.7 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

Section 7.8 Severability.

If any provision of this Agreement, or the application thereof in any circumstance, is held invalid, illegal, or unenforceable in any respect for any reason, the validity, legality, and enforceability of such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provision held invalid, illegal, or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

Section 7.9 Rules of Construction.

Unless the context otherwise requires, references to articles, sections, or subsections refer to articles, sections, or subsections of this Agreement.

Section 7.10 Entire Agreement.

The Transaction Documents are intended by the parties hereto as a complete and final expression of their agreement in respect of the subject matter of those documents and supersede all prior agreements and understandings between the parties with respect to such subject matter. There are no restrictions, promises, representations, warranties, or undertakings other than those set forth or referred to in the Transaction Documents.

Section 7.11 Fees.

Each party hereto shall be responsible for all costs, fees, and expenses it incurs (including, without limitation, those of counsel) in connection with the transactions contemplated hereby, including, without limitation, any amendment or modification of the Transaction Documents.

Section 7.12 Publicity; Confidentiality.

Neither of the parties hereto shall make any disclosure concerning this Agreement, the transactions contemplated hereby, or, with respect to Intrexon, regarding the business, technology, or financial affairs of AquaBounty, without prior approval by the other party; provided, however, that nothing in this Agreement shall restrict AquaBounty or Intrexon from disclosing information (a) that is already publicly available; (b) that was known to Intrexon on a non-confidential basis prior to its disclosure by AquaBounty; (c) that may be required or appropriate in response to any summons or subpoena or in connection with any litigation, provided that the parties will use reasonable efforts to notify the other party in advance of such disclosure so as to permit such party to seek a protective order or otherwise contest such disclosure, and such other party will use reasonable efforts to cooperate, at the expense of the party trying to prevent such disclosure, with such party in pursuing any such protective order; (d) to the extent that Intrexon or AquaBounty reasonably believes it appropriate in order to comply with any Requirement of Law; (e) to Intrexon's or AquaBounty's officers, directors, shareholders, agents, employees, members, partners, controlling persons, auditors, or counsel; (f) to Persons from whom releases, consents, or approvals are required, or to whom notice is required to be

provided, pursuant to the transactions contemplated by the Transaction Documents; or (g) to the prospective transferee in connection with any contemplated transfer of any Note. If any announcement is required by law or the rules of any securities exchange or market on which shares of Capital Stock of AquaBounty are traded to be made by any party hereto, prior to making such announcement such party will deliver a draft of such announcement to the other party and shall give the other party reasonable opportunity to comment thereon.

Section 7.13 Further Assurances.

Each of the parties shall execute such documents and perform such further acts (including, without limitation, obtaining any consents, exemptions, authorizations, or other actions of, or giving any notices to, or making any filings with, any Governmental Authority or any other Person) as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

Section 7.14 Waiver of Jury Trial and Setoff; Consent to Jurisdiction; Etc.

(a) In any litigation with respect to, in connection with, or arising out of this Agreement or any instrument or document delivered pursuant to this Agreement, or the validity, protection, interpretation, collection, or enforcement hereof or thereof, or any other claim or dispute howsoever arising, between AquaBounty and Intrexon, the parties hereby waive, to the fullest extent they may legally do so, (i) the right to interpose any setoff, recoupment, counterclaim, or cross-claim in connection with any such litigation, irrespective of the nature of such setoff, recoupment, counterclaim, or cross-claim, unless such setoff, recoupment, counterclaim, or cross-claim could not, by reason of any applicable federal or state procedural laws, be interposed, pleaded, or alleged in any other action and (ii) TRIAL BY JURY IN CONNECTION WITH ANY SUCH LITIGATION. AQUABOUNTY AGREES THAT THIS SECTION 7.14(a) IS A SPECIFIC AND MATERIAL ASPECT OF THIS AGREEMENT AND ACKNOWLEDGES THAT INTREXON WOULD NOT EXTEND ANY CREDIT TO AQUABOUNTY IF THIS SECTION 7.14(a) WERE NOT PART OF THIS AGREEMENT.

(b) The parties hereby irrevocably consent to the exclusive jurisdiction of the courts located within the State of Delaware in connection with any action or proceeding arising out of or relating to this Agreement or any document or instrument delivered in connection with the transactions contemplated hereby. In such litigation, AquaBounty waives, to the fullest extent it may effectively do so, any personal service of any summons, complaint, or other process and agrees that the service thereof may be made by certified or registered mail directed to AquaBounty at its address set forth in this Agreement. AquaBounty hereby waives, to the fullest extent it may effectively do so, the defenses of *forum non conveniens* and improper venue.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers hereunto duly authorized on the date first set forth above.

AQUABOUNTY TECHNOLOGIES, INC.

By: /s/ David A. Frank
David A. Frank
Chief Financial Officer

INTREXON CORPORATION

By: /s/ Donald P. Lehr
Name: Donald P. Lehr
Title: Chief Legal Officer

[Signature Page to Promissory Note Purchase Agreement]

EXHIBIT A

FORM OF PROMISSORY NOTE

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS. IT MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITY UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO AQUABOUNTY THAT SUCH REGISTRATION IS NOT REQUIRED.

CONVERTIBLE PROMISSORY NOTE

$2,500,000 February , 2016

FOR VALUE RECEIVED, the undersigned, AquaBounty Technologies, Inc., a Delaware corporation, with an address of Two Clock Tower Place, Suite 395, Maynard, MA 01754 (together with its successors and permitted assigns, "AquaBounty"), hereby promises to pay to the order of Intrexon Corporation, a Virginia corporation (together with its successors and assigns, "Intrexon"), at 1750 Kraft Drive, Suite 1400, Blacksburg, VA 24060, or at such other place as may be designated from time to time in writing by Intrexon, in lawful money of the United States of America, without setoff, the principal sum of $2,500,000, or such lesser amount as may be advanced and remain outstanding from time to time, together with simple interest thereon at the rate provided below, all in accordance with the following terms and provisions:

1. Definitions. Capitalized terms used in this Convertible Promissory Note (as in effect from time to time, the "Note") but not defined herein shall have the meanings ascribed thereto in that certain Promissory Note Purchase Agreement by and among AquaBounty and Intrexon, dated as of February 16, 2016 (as in effect from time to time, the "Purchase Agreement"). The following terms, unless the context otherwise requires, have the following meanings:

a. "Common Stock" means AquaBounty's common stock, par value $0.001 per share.

b. "Copyrights" means any foreign or United States copyright registrations, applications for registration thereof, and any non-registered copyrights.

c. "Event of Default" has the meaning set forth in Section 16 of this Note.

d. "Indebtedness" means, as to any Person, (i) all obligations of such Person (A) for borrowed money (including, without limitation, reimbursement and all other obligations with respect to surety bonds, letters of credit, and bankers' acceptances, whether or not matured); (B) evidenced by notes, bonds, debentures, or similar instruments; (C) to pay the deferred purchase price of property or services, except trade accounts payable and accrued commercial or trade liabilities arising in the ordinary course of business; or (D) under leases that have been or should be, in accordance with GAAP, recorded as capital leases; (ii) all interest rate and currency swaps, caps, collars, and similar agreements or hedging devices under which payments are obligated to be made by such Person, whether periodically or upon the happening of a contingency; and (iii) all indebtedness (A) created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the

rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); or (B) secured by any Lien (other than Liens in favor of lessors under leases not included in clause (i)(D) above) on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or its non-recourse to the credit of that Person.

e. "Intellectual Property" means Copyrights, Patents, Trade Secrets, Trademarks, Internet Assets, software (excluding "off the shelf" software) and other proprietary rights.

f. "Internet Assets" mean any internet domain names and other computer user identifiers and any rights in and to sites on the worldwide web, including rights in and to any text, graphics, audio and video files, and html or other code incorporated in such sites.

g. "Loan" has the meaning set forth in Section 3 of this Note.

h. "Maturity Date" shall mean March 1, 2017, or such later date as may be agreed to by Intrexon in writing.

i. "Patents" means any foreign or United States patents and patent applications, (including any divisionals, continuations, continuations-in-part, substitutions, or reissues thereof), whether or not patents are issued on such applications or such applications are modified, withdrawn, or resubmitted.

j. "Offering" means the first issuance and sale of shares of Common Stock that occurs prior to the repayment in full of the outstanding principal balance of this Note and all accrued interest thereon, excluding the grant, issuance, or sale or any security by AquaBounty to any employee or director in such capacity.

k. "Trade Secrets" means any scientific or technical information, design, process, procedure, formula, or improvement that derives independent economic value from not being generally known, and not being readily ascertainable through proper means, to AquaBounty's competitors or other persons who can obtain economic value from its use. To the fullest extent consistent with the foregoing, and otherwise lawful, Trade Secrets shall include, without limitation, information and documentation pertaining to the design, specifications, testing, validation, implementation, and customizing techniques and procedures concerning AquaBounty's products and services.

l. "Trademarks" means any foreign or United States trademarks, service marks, trade dress, trade names, brand names, designs and logos, corporate names, and product or service identifiers, whether registered or unregistered, and all registrations and applications for registration thereof.

2. Purchase Agreement. This Note is one of the Notes executed and delivered by AquaBounty pursuant to the terms and conditions of the Purchase Agreement and is subject to the terms and conditions thereof.

3. Loans. Upon the terms and subject to the conditions of this Note and the Purchase Agreement, Intrexon agrees to make a loan (the "Loan") to AquaBounty on the Closing Date, in

an amount up to $2,500,000. Intrexon may endorse and attach a schedule to reflect the borrowing of the Loan evidenced by this Note and all payments and permitted prepayments thereon; *provided* that any failure to endorse such information shall not affect the obligation of AquaBounty to pay amounts evidenced hereby. Any and all borrowing under this Note shall be in the manner set forth in Section 2.3 of the Purchase Agreement.

4. Use of Proceeds. The Loan made by Intrexon to AquaBounty hereunder may only be used for working capital and other general corporate purposes of AquaBounty.

5. Interest Rate. The unpaid principal balance of this Note outstanding from time to time shall bear interest at a simple rate of interest equal to 10% per annum. After the occurrence and during the continuance of an Event of Default, interest shall accrue on all amounts due hereunder at a simple rate of interest equal to 15% per annum. Interest shall be calculated on the basis of actual number of days elapsed over a year of 360 days.

6. Interest Payments. Without the prior written consent of Intrexon, AquaBounty shall not be permitted to make a payment of interest under this Note prior to the Maturity Date or such earlier date that this Note is repaid pursuant to Section 8 of this Note.

7. Principal Payments. If not sooner paid, the entire unpaid principal balance of this Note and all unpaid accrued interest thereon shall be due and payable on the Maturity Date.

8. Prepayment. This Note may be prepaid in whole or in part at any time at the election of AquaBounty.

9. Application of Payments. Payments made by AquaBounty pursuant to the terms hereof shall be applied as follows: *first*, to any unpaid accrued collection costs and expenses; *second*, to any unpaid accrued interest; and *third*, to the principal balance of this Note.

10. Conversion. The aggregate outstanding balance of principal and accrued interest on this and all other Notes shall be converted into shares of Common Stock at a price per share equal to the closing market price for Common Stock on the AIM market on the Effective Date (as defined in the Purchase Agreement) upon (a) the closing of any Offering or (b) written notice from Intrexon to AquaBounty of Intrexon's election to so convert. If such conversion would result in the issuance of a fractional share of Common Stock, AquaBounty shall, in lieu of issuance of any fractional share, pay Intrexon a sum in cash equal to the product of the then-current fair market value of one share of Common Stock, multiplied by such fraction. Upon such conversion, Intrexon shall surrender this Note to AquaBounty, this Note shall be deemed cancelled, and the Purchase Agreement shall be deemed terminated.

11. Assignment. Subject to the restrictions on transfer described in Section 13 of this Note, the rights and obligations of AquaBounty and Intrexon shall be binding upon and inure to the benefit of their respective permitted successors, assigns, heirs, administrators, and transferees.

12. Amendment. Any provision of this Note may be amended or modified with the prior written consent of both Intrexon and AquaBounty.

13. Transfer. Subject to applicable securities laws, Intrexon may assign this Note or any of its rights hereunder to any of its Affiliates and, with the prior written consent of AquaBounty, to any other Person. With respect to any such transfer of this Note, Intrexon will give written notice to AquaBounty prior thereto, describing briefly the manner thereof, together with a written opinion of Intrexon's counsel, in a form reasonably satisfactory to AquaBounty, to the effect that such offer, sale, or other distribution may be effected without registration or qualification under any federal or state law then in effect. Promptly upon receiving such written notice and opinion of counsel, AquaBounty, as promptly as practicable but in no event later than five Business Days after such receipt, shall notify Intrexon that Intrexon may sell or otherwise dispose of this Note in accordance with the terms of the notice delivered to AquaBounty, subject to any additional applicable restrictions, including without limitation restrictions set forth in any Transaction Document. If AquaBounty determines that the opinion of counsel for Intrexon is not reasonably satisfactory to AquaBounty, AquaBounty shall so notify Intrexon promptly after such determination has been made. Each Note thus transferred shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with the Act, unless in the opinion of counsel for AquaBounty such legend is not required, in order to ensure compliance with the registration or qualification requirement of any federal or state law then in effect. AquaBounty may issue stop transfer instructions to its transfer agent in connection with such restrictions.

14. Shareholder Status. Intrexon or its Affiliates currently own certain Capital Stock of AquaBounty. Nothing contained in this Note shall be construed as conferring upon Intrexon any additional rights to vote or to receive dividends or to consent or to receive notice as a shareholder in respect of any meeting of shareholders for the election of directors of AquaBounty or of any other matter, or any rights whatsoever as a shareholder of AquaBounty.

15. Negative Covenants. So long as there remains any outstanding and unpaid principal or interest under this Note, AquaBounty hereby agrees to abide by the restrictions and negative covenants set forth in this Section 15, unless AquaBounty first obtains the written consent of Intrexon to permit AquaBounty to take the action that would otherwise result in a breach of this Section 15.

a. Financing. AquaBounty shall not raise capital through the issuance of equity or debt, or any instruments convertible into or exchangeable for equity or debt, unless, in connection with and contemporaneous with the closing of such financing, AquaBounty shall repay this Note in full. Notwithstanding the foregoing, AquaBounty shall be permitted to incur indebtedness without repayment of this Note pursuant to proposed financing arrangements (the "Proposed Loans") between Aqua Bounty Canada Inc., a Newfoundland and Labrador corporation ("ABC"), and (A) Finance PEI, a crown corporation of the Prince Edward Island Department of Economic Development and Tourism, for an initial principal amount of up to US$600,000, and (B) the Atlantic Canada Opportunities Agency, a Canadian federal agency ("ACOA"), for an initial principal amount of up to US$400,000.

b. Liens. AquaBounty shall not (i) create, incur, assume, or suffer to exist any Lien upon any of the property or assets of AquaBounty or (ii) suffer to exist for a period of more than 30 days after the same shall have been incurred any Indebtedness or claim against it in excess of $100,000 that, if unpaid, would by law or upon bankruptcy or insolvency, or otherwise, be entitled to any priority whatsoever over Intrexon other than trade credit incurred in the ordinary

course of business; *provided*, *however*, that AquaBounty may incur and suffer to exist Liens (A) in favor of Intrexon under any Note in compliance with the terms hereof; (B) imposed by law, which were incurred in the ordinary course of business, do not secure Indebtedness for borrowed money arising in the ordinary course of business, and do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of business; (C) for taxes, fees, assessments, or other government charges or levies, either not delinquent or being contested in good faith and for which AquaBounty maintains adequate reserves on its books; (D) arising in connection with leases or subleases of real property granted in the ordinary course of business, and licenses or sublicenses of property granted in the ordinary course of AquaBounty's business; (E) arising from judgments, decrees, or attachments in circumstances not constituting an Event of Default under any of the Transaction Documents; (F) in favor of financial institutions arising in connection with AquaBounty's deposit and/or securities accounts held at such institutions; (G) in connection with purchase money Indebtedness for equipment and capitalized leases of equipment, provided that such security interests only attach to the equipment the purchase of which was financed by such purchase money Indebtedness or which is the subject of such capitalized leases and the proceeds thereof; or (H) arising in connection with either of the Proposed Loans or a financing arrangement between ABC and ACOA under Contract Number 193648, entered into as of December 16, 2009.

c. Dissolution; Sale of Assets. AquaBounty shall not dissolve, reorganize, liquidate, or sell any of its assets to any Person or enter into any merger or consolidation with any Person except (i) dispositions of assets or property of AquaBounty of $100,000 or less, individually or collectively, (ii) sales or leases of AquaBounty's products in the ordinary course of business, (iii) grants of non-exclusive licenses of Intellectual Property in the ordinary course of business, and (iv) dispositions in the ordinary course of business.

d. Obligations Under this Note. AquaBounty shall not, by amendment of its organizational documents or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of Intrexon hereunder.

16. Default and Remedies. If any of the events specified in this Section 16 shall occur (each, an "Event of Default"), Intrexon may, so long as such condition exists (after giving effect to any applicable cure period set forth below), declare the entire outstanding principal balance and unpaid accrued interest hereon immediately due and payable, by notice in writing to AquaBounty.

a. Default in the payment of the principal or unpaid accrued interest on this Note when due and payable if such default is not cured by AquaBounty within fifteen Business Days after AquaBounty receives written notice of such default.

b. A material default in the observance or performance of any other covenant or agreement contained in this Note or the Purchase Agreement, which default continues for a period of fifteen Business Days after AquaBounty receives written notice specifying the default.

c. The failure to pay at final stated maturity (giving effect to any applicable grace periods and any extensions thereof) (i) any trade credit of AquaBounty incurred in the ordinary course of business that has an outstanding principal balance in excess of $100,000 or (ii) any other Indebtedness of AquaBounty or, in each case, the acceleration of any such Indebtedness (which acceleration is not rescinded, annulled, or otherwise cured within fifteen Business Days after receipt by AquaBounty of notice of any such acceleration).

d. The institution by AquaBounty of proceedings to be adjudicated as bankrupt or insolvent; the consent by it to institution of bankruptcy or insolvency proceedings against it; the filing by it of a petition, answer, or consent seeking reorganization or release under Title 11 of the United States Code, or any other applicable federal or state law; the consent by it to the filing of any such petition or the appointment of a receiver, liquidator, assignee, trustee, or other similar official of AquaBounty or any substantial part of its property; or the making by it of an assignment for the benefit of creditors, in each case that is not dismissed within 60 days of the commencement thereof.

e. If, within 60 days after the commencement of an action against AquaBounty (and service of process in connection therewith on AquaBounty) seeking any bankruptcy, insolvency, reorganization, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation, (i) such action shall not have been resolved in favor of AquaBounty or all orders or proceedings thereunder affecting the operations or the business of AquaBounty stayed; (ii) the stay of any such order or proceeding shall thereafter be set aside; or (iii) within 60 days after the appointment without the consent or acquiescence of AquaBounty of any trustee, receiver, or liquidator of AquaBounty of all or any substantial part of its properties, such appointment shall not have been vacated.

f. The decision by the Board to cease or substantially cease its operations or wind up the affairs of AquaBounty.

g. The occurrence of an event of default or material breach, as applicable, under any of the Transaction Documents if such default or breach is not cured by AquaBounty within fifteen Business Days after AquaBounty receives written notice of such default.

17. Allocation of Costs. If this Note is not paid in accordance with its terms, AquaBounty shall pay to Intrexon, in addition to principal and accrued interest thereon, all costs of collection of the principal and accrued interest, including, but not limited to, reasonable attorneys' fees, court costs, and other costs for the enforcement of payment of this Note.

18. Waiver. No waiver of any obligation of AquaBounty under this Note shall be effective unless it is in a writing signed by Intrexon. A waiver by Intrexon of any right or remedy under this Note on any occasion shall not be a bar to exercise of the same right or remedy on any subsequent occasion or of any other right or remedy at any time. AquaBounty hereby expressly waives presentment; demand; protest; notice of demand, dishonor, and nonpayment; and all other notices or demands of any kind in connection with the delivery, acceptance, performance, default, or enforcement hereof, except as expressly provided for herein or in any other Transaction Document, and hereby consents to any delays, extensions of time, renewals, or waivers that may be granted or consented to by Intrexon with respect to the time of payment or any other provision hereof.

19. Notices. Each notice or other communication provided for or permitted hereunder shall be made in writing and shall be delivered by registered or certified first-class mail (return receipt requested), facsimile, electronic mail, courier service, or personal delivery to the address or number for each intended recipient listed in the Purchase Agreement. Such communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five Business Days after being deposited in the mail, if mailed; and upon receipt, if sent via facsimile or electronic mail.

20. Governing Law. This Note is delivered in and shall be enforceable and construed in accordance with the laws of the State of Delaware (other than its conflict of laws principles).

21. Severability. If any provision of this Note shall for any reason be held to be invalid, illegal, or unenforceable, in whole or in part or in any respect, or operate or would operate to invalidate this Note, then such provision shall be deemed null and void, and the remaining provisions of this Note shall remain operative and in full force and effect and in no way shall be affected, prejudiced, or disturbed thereby.

22. No Personal Liability. No officer, director, or shareholder of AquaBounty or any Person executing this Note on behalf of AquaBounty shall be liable personally or be subject to any personal liability or accountability with respect to the obligations of this Note or the Purchase Agreement by reason of the issuance hereof.

IN WITNESS WHEREOF, AquaBounty has executed and delivered this Note as of the date first set forth above.

AQUABOUNTY TECHNOLOGIES, INC.

By: _____

David A. Frank
Chief Financial Officer

EXHIBIT B

FORM OF COMPLIANCE CERTIFICATE

I, , hereby certify, as of this day of , 20 , that I am the duly elected, qualified, and serving Chief Financial Officer of AquaBounty Technologies, Inc., a Delaware corporation ("AquaBounty"). This Compliance Certificate (this "Certificate") is being delivered pursuant to Section 2.1 of that certain Promissory Note Purchase Agreement, dated as of February 16, 2016, by and between AquaBounty and Intrexon Corporation (the "Agreement"). Capitalized terms appearing in this Certificate, but not otherwise defined, shall have the meanings given to them in the Agreement.

Pursuant to the Agreement, AquaBounty hereby gives notice of its desire to sell to Intrexon a Note in accordance with the terms of the Agreement and as set forth below:

The initial principal amount of such Note shall be $, and the Closing Date shall be , 20 .

I hereby certify, solely in my capacity as Chief Financial Officer of AquaBounty, that as of the date hereof, there exists no Event of Default (as defined in the Note being sold in reliance on this Certificate).

IN WITNESS WHEREOF, the undersigned has duly executed this Compliance Certificate as of the date first set forth above.

AQUABOUNTY TECHNOLOGIES, INC.

By: _____
[Name]
Chief Financial Officer

Exhibit 10.13

THE COMMONWEALTH OF MASSACHUSETTS

William Francis Galvin
Secretary of the Commonwealth

APOSTILLE
(Convention de La Haye du 5 octobre 1961)

1. *Country:* United States of America
   This public document
2. *has been signed by:* Caillin D. Wall
3. *acting in the capacity of:* Notary Public
4. *bears the seal/stamp of:* Caillin D. Wall
   whose commission expires on: November 28, 2019

Certified

5. *at:* Boston, Massachusetts
6. *the:* 26 June, 2013
7. *by:* the Secretary of the Commonwealth
8. *No.:* 1677755
9. *Seal/stamp:* *Great Seal of the Commonwealth*

10. *Signature*
/s/ William Francis Galvin

William Francis Galvin
Secretary of the Commonwealth

UNITED STATES OF AMERICA

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss

On this 20th day of June, 2013, before me, the undersigned notary public, personally appeared David A. Frank and proved to me through satisfactory evidence of identification, which was a driver's license, to be the person whose name is signed on the preceding or attached document, and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of his knowledge and belief.

/s/ Caillin Wall

Caillin Wall
Notary Public
My Commission Expires: November 28, 2019

LEASE AND MANAGEMENT AGREEMENT

This Lease and Management Agreement ("Agreement") is made and entered into as of 1 October 2013 (the "Effective Date"), by and between **LUIS LAMASTUS**, male, Panamanian, of legal age, married, with identity card No. #-###-### ("**LANDLORD**"), on one hand, and on the other hand, DAVID FRANK, male, American (USA), of legal age, with passport No. #########, acting in name and on behalf of **AQUA BOUNTY PANAMA, S. de R.L.**, a company duly organized and existing under the laws of the Republic of Panama, registered under Microjacket 1017, Document 1363400 of the Mercantile Section of the Public Registry of the Republic of Panama, ("**ABP**") duly authorized to that end, as registered before the Public Registry, (each individually a "Party" and both collectively the "Parties").

RECITALS

WHEREAS, the LANDLORD owns possessory rights over a property of approximately 21 hectares, located in Los Naranjos, District of Boquete, Province of Chiriqui, Republic of Panama (the "Property").

WHEREAS, the Property is adjacent to a river flow that originates from the *Rio Caldera* ("River Flow"), with an average water flow of 95,000 gallons per minute during the rainy season, that is key for the purpose of this Agreement.

WHEREAS, the LANDLORD is the only owner of the Property and has had the total control and use of the Property, for sixteen (16) years, including the River Flow but for the 2.03 hectares previously given in usufruct to ABP. Furthermore, the Property is under a titling process before the National Property Administration Authority (ANATI) to obtain an official property title.

WHEREAS, the Property was subject to a usufruct agreement entered into and between the LANDLORD and ABP (the "Previous Usufruct Agreement").

WHEREAS, the LANDLORD wishes to lease to ABP, and ABP wishes to lease from the LANDLORD, a portion of 2.03 hectares of the Property adjacent to the River Flow, that is described and depicted in **EXHIBIT A** attached hereto that constitutes part of this Agreement (the "Parcel").

Whereas, the Parcel is free and clear from any encumbrances, liens or restrictions. Furthermore, the Property is in good standing from any fees or taxes applicable from any public or private institutions.

Whereas, there are no claims or disputes over the possessory rights and/or title rights of the LANDLORD on the Parcel or of any other nature.

Whereas, ABP is developing an aquaculture project in the Parcel identified as "Aqua Bounty Panama Project" consisting of the production of genetically modified salmon (the "ABP Project") that requires (i) the importation of AquAdvantage Salmon ("**AAS**") eggs from the facilities of Aqua Bounty Technologies ("**ABT**") and (ii) grow-out of the AAS.

WHEREAS, ABP will obtain from ABT the AAS eggs from ABT and will ship them to Panama for production.

Whereas, ABP made capital investments and improvements to the Parcel during the term of the Previous Usufruct Agreement, consisting of the following ("FACILITIES AND EQUIPMENT"):

1. The buildings contained on the Parcel, including, but not limited to, the quarantine building containing the fry tanks, egg incubation system, feed warehouse and office.
2. The structures, including, but not limited to, the small LHO ("Low Head Oxygenator"), large LHO, concrete water intake and distribution structure, containment sump, and sedimentation pond outlet structures.
3. The fry tanks and external grow-out tanks.
4. The containment components, including the filters and screens, filter boxes, containment sump screens, sedimentations ponds including their outlet screens, and perimeter fencing.
5. Water distribution components, including river and spring water intakes, pipes, drainage canal, and sedimentation ponds.
6. Electrical generation system, including the solar panels, hydroelectric turbine, and associated electrical transmission and storage components.

WHEREAS, in furtherance of this ABP Project, ABP wishes to obtain from the LANDLORD, and the LANDLORD wishes to provide to ABP the management services specified in this Agreement in connection with the ABP Project.

NOW, THEREFORE, in consideration of the premises described above, and of the mutual benefits and obligations set forth in this Agreement, the Parties hereto agree as follows:

The Recitals set forth above are material to this Agreement and are hereby expressly incorporated herein.

ARTICLE 1. LEASE

The LANDLORD hereby leases to ABP the following:

1. The Parcel described in **EXHIBIT A** and all its inherent benefits.
2. The River Flow and spring water adjacent to the Parcel.

ARTICLE 2. MANAGEMENT SERVICES

The LANDLORD may use the FACILITIES AND EQUIPMENT and is obliged to provide the following management services:

2.1 Carry on the daily management of the ABP Project;

2.2 Obtain all the permits and authorizations required for the Property and the ABP Project to comply with the regulations of Panama, including, but not limited to import permits and any permit and/or authorization before the National Environmental Authority (ANAM), Ministry of Agricultural Development (MIDA), Aquatic Resources Authority of Panama (ARAP), and the National Bio-safety Commission (Comisión Nacional de Bioseguridad- CNB);

2.3 Purchase local and imported feeds;

2.4 Take care of the security within the ABP Project;

2.5 Harvest the product on the dates established to that end by ABP;

2.6 Maintain the necessary stock of food for the salmons, and parts for repairing the facilities within the ABP Project;

2.7 Transfer the AAS from the incubation system to the fry tanks, and from the fry tanks to the growout tanks as indicated and/or established by ABP;

2.8 Maintain the facilities within the ABP Project in good conditions to guarantee the health, safety, and survival of the AAS and the ABP Project;

2.9 Assume the minor legal expenses related to the administration of the ABP Project, and not covered in Article 9.6;

2.10 Pay all the operating expenses of the ABP Project, including but not limited to, all salaries for full time and part time employees, feed, oxygen, gas, supplies, equipment, maintenance, utilities, and costs related to regulatory compliance; and

2.11 Maintain a minimum of **100** AAS alive in the ABP Project.

ARTICLE 3. PARCEL AND WATER USE

3.1 ABP shall only use the Parcel for activities related to the ABP Project.

3.2 ABP shall use the Parcel with the diligence of a good *pater familias* and shall not allow the Parcel to be used for any unlawful purpose.

3.3 ABP shall make any additional improvements that it deems convenient and/or necessary to develop the ABP Project without the approval of the LANDLORD.

3.4 Unless there is a cause that originates from Acts of God, the ABP Project will have access to the River Flow and to spring water at the same volumes that are currently in use in the ABP Project and in no event shall these volumes be lower than 2170 gallons per minute of river water for the growout tanks and 130 gallons per minute of spring water for the fry tanks.

3.5 The water distribution system of the ABP Project will be managed by the LANDLORD. The LANDLORD will not diminish, increase or in any way endanger the water levels in the ABP Project’s drainage canal and sedimentation ponds without the written consent of ABP.

3.6 In the event that the LANDLORD develops production facilities that require water use in his portion of the Property, ABP shall share with the LANDLORD, without any cost to the LANDLORD, a portion of the water flow contained in the water distribution system only if the water requirements for the ABP Project are met.

ARTICLE 4. TERM

The term of this Agreement shall be two (2) years as of the Effective date ("Term").

ARTICLE 5. LANDLORD OBLIGATIONS AND PROHIBITIONS

5.1 The LANDLORD shall guarantee ABP the peaceful and uninterrupted use of the Parcel.

5.2 The LANDLORD shall make any repair that is needed to preserve the Parcel for the use of ABP for the purposes herein established.

5.3 The LANDLORD shall not impose any liens or restrictions for the use of the Property during the Term of this Agreement. Shall the LANDLORD sell or transfer his possessory rights over the Property, the contract covering the sale or transfer of the possessory rights over the Property to the new owner shall include the duty of the new owner to respect this Agreement. In any case, ABP has the right to exercise any actions that it deems convenient or necessary to guarantee that the Parcel, the equipment and the Improvements are free and clear from any liens or restriction of use.

5.4 The LANDLORD agrees not to modify or interfere with any of the existing AAS production facilities, containment, and/or water distribution systems of the ABP Project without prior written authorization of ABP and/or ABT. The LANDLORD will not jeopardize, negatively impact or increase effluent flow into the project drainage canal and sedimentation ponds without the written authorization of ABP. The LANDLORD has knowledge that any unauthorized change to the facilities of the ABP Project that were previously inspected by the FDA could jeopardize ABT's Food and Drug Administration (FDA) application.

5.5 The LANDLORD also agrees to staff the ABP Project with at least the following persons, all which shall be employees of the LANDLORD or of a company of its control: Luis Lamastus as Manager, plus a minimum of four (4) production staff comprised of: (i) one (1) experienced supervisor; and (ii) three (3) workers ("Production Staff"). None of the Production Staff shall be considered an employee of ABP.

5.6 Whenever there are AAS in the ABP Project, the LANDLORD will make every effort to assure that there is a minimum of one (1) LANDLORD employee present at the ABP Project twenty four (24) hours per day, seven (7) days per week. ABP and/or ABT will continue to visit and monitor the ABP Project, and if there is indication that the health, well-being or survival of the salmon is being endangered by the Production Staff, ABT will notify the LANDLORD in writing, and the LANDLORD will immediately replace the Production Staff with the necessary biologists and/or technicians trained in fish biology.

ARTICLE 6. LANDLORD RIGHTS

6.1 The LANDLORD is permitted to build on the Property outside the borders of the Parcel, in accordance with the Property borders established in EXHIBIT A, as long as the construction and new infrastructure does not impede the development of the ABP Project, damages or

interferes with (i) the existing ABP Project infrastructure; (ii) the equipment; (iii) containment elements and/or (iv) the River Flow and spring water used in the ABP Project and the effluent. The LANDLORD must advise ABP in writing before making any constructions or additions to the infrastructure of the ABP Project for ABP and shall await for ABP to authorize them.

6.2 The LANDLORD has the right to receive the monthly fee described in Article 9.1.

6.3 The LANDLORD has the right to receive technical assistance from ABP when needed.

ARTICLE 7. ABP OBLIGATIONS

ABP shall provide the LANDLORD with the following:

7.1 The Canadian Food Inspection Agency (CFIA) export permits for all the AAS egg shipments to Panama from Canada (Shipment);

7.2 All the permits that are required by the laws of Panama to introduce the Shipment from Canada to Panama, including Aquatic Animal Health Certificates and Export Permits from Canada for the National Directorship of Animal Health of Panama (*Autoridad Nacional de Salud Animal-DINASA* and/or the Animal Quarantine Directorship (Dirección de Cuarentena Animal – DECA) permits or eligibility renewals;

7.3 The Shipment;

7.4 The technical assistance when required or needed; and

7.5 The payment of the monthly fee described in Article 9.1 of this Agreement.

ARTICLE 8. ABP RIGHTS

8.1 ABP has the right to:

1. Enter the ABP Project at any time without prior notice to the LANDLORD.
2. Impose its technical and management parameters on the management of the ABP Project to guarantee the survival, performance, and production of the AAS, in accordance with Article 8.2.

8.2 All of the technical parameters for the management of the ABP project (including, but not limited to, the stocking densities, optimal ASS biomasses, feed types and rates, size grading and population reduction, mean harvest weight, and harvest scheduling) will be mutually agreed upon by ABP and/or ABT, and the LANDLORD.

8.3 Unless otherwise informed by ABP in writing, the AAS biomass will be maintained at or below twenty (20) kilograms per cubic meter of grow-out tank water volume, and the AAS biomass will be managed through selective culling and harvesting. This maximum AAS biomass may be modified in the future under mutual written agreement of ABP and/or ABT, and the LANDLORD.

ARTICLE 9. PAYMENT

9.1 ABP agrees to pay the LANDLORD a total fee of **US$712,834.00** over the term of the lease (the FEE), such payments to be made according to article 9.2 that cover all of the costs for:

1. The lease of the Parcel, which is US$13,200.00 per month of the FEE and is included in the monthly payments and the Deposit as further defined in this Agreement;
2. The management services of the ABP Project;
3. The operational expenses of the ABP Project; and
4. The opportunity costs for loss of revenue from sales of trout to organic food wholesalers.

9.2 Payments to the LANDLORD:

a. The first payment to the LANDLORD will be a $180,000.00 Deposit that the LANDLORD will acknowledge in writing upon receipt by means of a letter that shall be personally delivered to ABP; and by email, as well;

b. Monthly payments numbers one (1) through twelve (12) will be $15,000.00 per month for October 2013 through September 2014;

c. Monthly payment number thirteen (13) will be $22,834.00 for October 2014; and

d. Monthly payments number fourteen (14) through twenty-four (24) will be $30,000.00 per month for November 2014 through September 2015.

9.3 The FEE shall be transferred to the following bank account designated by the LANDLORD within the first ten (10) days of every month:

CITIBANK NEW YORK
ABA ######### (Swift: ###### ##)
Credit to account No. ########
In name of GLOBAL BANK CORPORATION (Swift: GLBLPAPA)
For further credit to account No. ##-###-#####-#
In the name of: LUIS LAMASTUS

9.4 The LANDLORD agrees to pay all operational expenses related to the ABP Project from the FEE, excluding (i) the AAS eggs; and (ii) the freight costs associated with the Shipment of the AAS eggs from Canada to Panama.

9.5 The monthly payment described in section 9.1 will be suspended if the total live AAS population in the ABP Project's rearing facilities falls below one hundred (100) AAS, for any reason other than programmed harvests mutually agreed upon by both, ABT by means of ABP, and the LANDLORD. In the event that the AAS population in the rearing facilities has not recovered to more than one hundred (100) AAS within ninety (90) days of falling below the one hundred (100) AAS threshold, this agreement will be irrevocably terminated without the need of previous notice or judicial authorization, unless it is remedied within the cure period stated in Article 12 of this Agreement.

In the event that the loss of AAS is due to an Act of God (*caso fortuito* as described in the second paragraph of Article 34-D of the Civil Code of Panama) or a government imposed action (*fuerza mayor* as described in the first paragraph of Article 34-D of the Civil Code of Panama), that was not directly or indirectly caused by the LANDLORD, the monthly payments will continue at fifty percent (50%), which is US$15,000.00 per month, until the termination date of this Agreement.

In the event that the conditions of 9.5 have been triggered by loss of AAS as described above within the first thirteen (13) months of the TERM, the reduced monthly payments of $15,000.00 described above will be discounted (up to a maximum of $15,000 per month) until the Deposit has been fully realized, at which point the $15,000.00 per month payments to the LANDLORD will continue until the termination date of the Agreement.

9.6 ABP will pay for an independent local auditor to prepare an inventory of the AAS population in the ABP Project and to verify that no material changes have been made to the ABP Project's layout, production facilities, containment elements, and water distribution pathways.

9.7 In the event that Panamanian legal counsel is required to defend the ABP Project against litigations or claims, ABP will assume the legal expenses if the litigation or claim arises out of (i) reasons not attributable to the LANDLORD; and/or (ii) reasons attributable to the ABP Project or the AAS eggs. However, if the litigation or claim is a result of a direct or indirect action of the LANDLORD, then the LANDLORD will bear said legal expenses.

9.8 ABP will transfer ownership to the LANDLORD of ABP's vehicle (2007 Nissan Frontier, license plate: 416101) at no cost to the LANDLORD.

ARTICLE 10. PRODUCT

10.1 Product ownership: ABP is the owner of (i) the AAS contained in the tanks; and (ii) the harvested AAS. At its discretion, ABP may offer without any cost to the LANDLORD a portion of the AAS as a production performance incentive bonus, in addition to the monthly fees described in Article 9.1, if the AAS has been approved by United States (U.S.) and Panamanian authorities as described in Article 11.

10.2 Product sales: In the event that the AAS is approved by U.S. and the authorities of the Republic of Panama, as described in Article 11, ABP, and/or ABT, will determine to whom and in what form the harvested AAS will be commercialized. The LANDLORD will be given first rights of refusal to purchase the harvested AAS.

10.3 Product processing: ABT and/or ABP will decide where to process the harvested AAS. If ABT and/or ABP use the LANDLORD to process the AAS, ABT and/or ABP will pay the LANDLORD a competitively priced processing and packing fee that shall be agreed by both parties.

10.4 Sales Proceeds: In the event that the AAS is approved by the U.S. and authorities of the Republic of Panama, as described in Article 11, all sales proceeds from approved harvested AAS will belong to ABP and/or ABT.

ARTICLE 11. PRODUCT DISPOSITION

Until the U.S. FDA has approved AAS in the U.S., and until ABP has complied with the regulations and laws of the Republic of Panama permitting the commercialization and consumption of AAS in Panama, all AAS produced at the ABP Project must be destroyed according to the protocol established by the authorities in Panama and not allowed to enter commerce or be consumed.

ARTICLE 12. CURE PERIOD

If any of the Parties breaches the terms of this Agreement ("Breach"), the offended party will deliver a written notice to the breaching party ("Notice") within thirty (30) calendar days of the Breach. The breaching party will in turn have sixty (60) calendar days to remedy his Breach ("Cure Period"). In the event that breaching party does not satisfactorily remedy his Breach within the Cure Period, the offended party shall have the right to terminate this Agreement by written notice to the breaching party. Notwithstanding the above, shall according to the exclusive opinion of ABP, the Breach endanger the ABP Project, upon Notice the LANDLORD will be obliged to immediately remedy the Breach, and shall it not be remedied, ABP will be entitled to terminate this Agreement without Notice and/or judicial authorization.

ARTICLE 13. TERMINATION

13.1 The occurrence of any of the following events shall be deemed to be and shall be treated as a default under this Agreement and the parties shall be entitled to terminate this Agreement without the need of Notice and/or judicial authorization:

1. The breach or failure by either Party in the due observance or performance of the obligations of this Agreement;
2. The extinction of the possessory rights of LANDLORD over the Property, unless that such possessory rights evolve into property rights and title;
3. The resignation or death of the LANDLORD;
4. The diminishment of the River Flow and/or spring water adjacent to the Parcel in such a manner that could impede ABP to continue developing its activities and/or the ABP Project;
5. The expiration of the Term of this Agreement; and
6. If either of the Parties files or have filed a petition of bankruptcy liquidation or dissolution.

ARTICLE 14. CONFLICT RESOLUTION

In case any disputes arise in connection with the interpretation or execution of this Agreement, such dispute shall be submitted to arbitration in law, at a proceeding administered by the *Centro de Conciliación y Arbitraje de la Cámara de Comercio, Industria y Agricultura* of the Republic of Panama, to which rules the Parties unconditionally voluntarily submit and claim knowledge thereof. The dispute shall be resolved in accordance with Panamanian substantive rules and the procedural rules of the *Centro de Conciliación y Arbitraje de la Cámara de Comercio, Industria y Agricultura* of the Republic of Panama or, in its defect, applicable procedural rules under Panamanian law. The arbitration shall take place in Panama City, Republic of Panama and proceedings shall be in Spanish unless the Parties to the dispute agree otherwise. The dispute will be resolved by a panel of three arbitrators. Each Party to the dispute shall appoint an arbitrator from the list of arbitrators approved by the *Centro de Conciliación y Arbitraje de la*

Cámara de Comercio, Industria y Agricultura of the Republic of Panama. The *Centro de Conciliación y Arbitraje de la Cámara de Comercio, Industria y Agricultura* of the Republic of Panama shall appoint the third arbitrator who will preside the panel. The award rendered pursuant to such arbitration shall be in writing, shall be final, binding and conclusive between the Parties. The award shall have no further recourse, except for those provided for annulment in accordance with the laws of Panama. Once the award is rendered and is final, it will produce the effects of *res judicata* and the Parties shall comply with the award without delay.

All costs and expenses related to the arbitration proceeding shall be borne by the Parties to the dispute in equal parts. Each party will cover the costs of its own legal counsel and expert witnesses, except they expressly agree otherwise or the arbitrators so decide in the final award.

ARTICLE 15. TAXES

The LANDLORD shall maintain the Property in good standing from any applicable fees or taxes from any public or private institutions.

ARTICLE 16. GOVERNING LAW

This Agreement shall be interpreted and enforced in accordance with the laws of the Republic of Panama.

ARTICLE 17. ENTIRE .AGREEMENT.

This Agreement constitutes the entire Agreement between the Parties related to the subject matter herein, and the terms included herein may not be contradicted by evidence of any prior Agreement or of any oral Agreement.

ARTICLE 18. NOTICES

Any notice or written communications required or submitted under this Agreement shall be sent to the Following Addresses:

For ABP:

Name: David A. Frank
Domicile: Two Clock Tower Place, Suite 395, Maynard, MA 01754
Telephone: (978) 648-6048
Email: dfrank@aquabounty.com

For the LANDLORD:

Name: Luis Lamastus
Domicile: Los Naranjos, Boquete, Chiriqui, Panama
Telephone: 507 66174739
Email: luitolamastus@hotmail.com

ARTICLE 19. MODIFICATIONS.

This Agreement can be only modified by written agreement of the Parties. No change in, addition to, or waiver of any of the terms and conditions of this Agreement shall be binding upon any Party unless approved by it in writing.

ARTICLE 20. ASSIGNMENT.

The Parties to this Agreement shall not assign any rights or obligations hereunder without the express written consent of the other Party.

ARTICLE 21. SEVERABILITY

If it is determined that any provision of this Agreement is invalid or not binding, in whole or in part, such invalidity shall be only in respect of that provision or portion thereof and the remainder of the same clause or all the remaining provisions of this Agreement shall remain valid, in full force and binding on the Parties.

ARTICLE 22. CONFIDENTIALITY

The Parties agree to maintain strict confidentiality of the terms of this Agreement. The Parties shall treat as confidential all information made available to them under this Agreement and shall not disclose such confidential information without the written consent of the owner of that information.

The foregoing restriction on use and disclosure shall not apply to confidential information that, at the time of disclosure or its becoming known to the recipient, the recipient can show:

1. Is public knowledge; or
2. Came lawfully into the recipient's possession otherwise than directly or indirectly from the owner without restriction on its subsequent disclosure or use by the recipient.

The foregoing restriction on use and disclosure shall be maintained by the recipient until the confidential information:

1. Becomes public knowledge through no fault or action on the recipient's part; or
2. Comes into the recipient's possession free from any restriction from a third party (other than the owner or its affiliate) who has the lawful right to make such disclosure.

Notwithstanding the foregoing restriction on use and disclosure, a party may disclose confidential information to any competent governmental agencies having authority to require such disclosure but informing such governmental agencies of the confidential nature of such information.

ARTICLE 23. COUNTERPARTS

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it shall have been executed by the Parties in their respective counterparts, and when taken together constitute a single document. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

/s/ Luis Lamastus	/s/ David Frank
LUIS LAMASTUS	DAVID FRANK
LANDLORD	AQUA BOUNTY PANAMA S. DE R.L.

Exhibit 10.14

Atlantic Innovation Fund
Repayable

Contract Number: 193648

This Agreement made

BETWEEN: **ATLANTIC CANADA OPPORTUNITIES AGENCY**

(hereinafter referred to as **"ACOA"**)

AND: **Aqua Bounty Canada Inc.,** a corporation duly incorporated under the laws of **the province of Newfoundland and Labrador** having its head office located at **20 Hallett Crescent, St. John's, Newfoundland A1B 4C5.**

AND: **Aqua Bounty Technologies Inc.,** a publicly traded company listed on the London Stock Exchange with headquarters at **935 Main Street., Waltham, Massachusetts, 024517418 United States of America.**

(hereinafter referred to as "the **Proponent")**

WHEREAS ACOA has established a program, the Atlantic Innovation Fund (AIF), to strengthen the economy of Atlantic Canada by supporting the development of knowledge-based industry. The AIF will help increase the region's capacity to carry out leading-edge research and development that directly contributes to the development of new technology-based economic activity in Atlantic Canada; and

WHEREAS the Proponent submitted a project proposal in response to ACOA's Request for Letters of Intent and Project Proposals, dated April 30, 2008.

IN CONSIDERATION of their respective obligations set out below, the parties hereto agree as follows.

Article 1—Deadline for Receipt of Signed Agreement

1.1 This Agreement must be signed by the Proponent and received by ACOA on or before **January 31, 2010,** failing which it will be null and void.

Article 2—Documents Forming Part of this Agreement

2.1 The following documents form an integral part of this Agreement:

These Articles of Agreement

Schedule 1—General Conditions

Schedule 2—Statement of Work

Schedule 3—Claims and AIF Project Cost Principles

Schedule 4 — Commercialization

Schedule 5—Reporting Requirements

Schedule 6—Project Fact Sheet for News Release

Schedule 7—Special Purpose Equipment

Schedule 8—Pre-Authorized Repayment/Direct Deposit Authorization

Schedule 9—Environmental Mitigation Measures

2.2 In the event of conflict or inconsistency, the order of precedence amongst the documents forming part of this Agreement shall be:

These Articles of Agreement

Schedule 1—General Conditions

Schedule 2—Statement of Work

Other Schedules

Article 3—The Proponent's Obligations

3.1 The Proponent will carry out the **Reproductive Confinement for Safe Cultivation of Salmon** Project ("the Project") as described in Schedule 2, Statement of Work, will make claims in accordance with Schedule 3, will commercialize as mentioned in Schedule 4, will issue the reports required under Schedule 5 and will fulfill all of its other obligations hereunder, in a diligent and professional manner using qualified personnel.

3.2 The Proponent shall ensure that the Project is completed on or before **April 30, 2013 ("Project Completion Date"),** unless otherwise agreed to in writing by ACOA.

3.3 In the event the carrying out of the Project involves collaboration with other parties, the Proponent shall provide, prior to any disbursement of funds, satisfactory evidence to ACOA that appropriate agreements exist to ensure the roles and responsibilities of each party are defined.

Article 4—The Contribution

4.1 Subject to all the other provisions of this Agreement, ACOA will make a Contribution to the Proponent in respect of the Project, of the lesser of:

(a) 69% of all Eligible Costs (estimated to be **$4,166,177**); or,

(b) **$2,871,919**.

4.2 ACOA will not contribute to any Eligible Costs incurred by the Proponent prior to **April 30, 2008** nor after the Project Completion Date, unless otherwise agreed to in writing by ACOA.

4.3 ACOA will pay the Contribution to the Proponent in respect of Eligible Costs incurred on the basis of itemized claims submitted in accordance with the procedures set out in Schedule 3.

4.4 ACOA may withhold up to ten percent (10%) of the Contribution prior to the completion of the Project or until such audit as ACOA may require has been performed. In the event that no audit has been performed twelve (12) months after receipt of the final claim, any amount so withheld shall be released to the Proponent.

4.5 At the discretion of ACOA or at the request of the Proponent, ACOA may make payments(s) jointly to the Proponent and a supplier for Eligible Costs which have been incurred.

4.6 (a) At the discretion of ACOA, an advance payment may be made to the Proponent

(b) To request an advance payment, the Proponent must submit a completed copy of the Advance Payment Request form (provided by ACOA), including a monthly cash flow forecast of requirements for the Eligible Costs to be incurred during the advance period. Such documentation must demonstrate that an advance payment is essential to the successful completion of the project. Each advance payment must be accounted for, to the satisfaction of ACOA, within forty-five (45) days of the end of the advance period for which that advance payment was made.

(c) Should ACOA determine that an advance payment will be made; such payment will be made in accordance with the Treasury Board Policy on Transfer Payments.

Article 5—Repayment

5.1 The Proponent shall repay the Contribution to ACOA by annual instalments calculated as a percentage of the Gross Revenues from the Resulting Products. The amount due to ACOA at each repayment shall be calculated as **10%** of the Gross Revenues from the Resulting Product(s) for the Fiscal Year immediately preceding the due date of the respective payment.

5.2 The first repayment is due on **July 31, 2014** and subsequent repayments are due annually until the Contribution has been repaid in full.

5.3 The Proponent agrees that its Fiscal Year presently begins on **January 1** and ends on **December 31** and there shall be no change of that Fiscal Year except with the prior approval of ACOA.

Article 6—Environmental Assessment

6.1 ACOA has assessed the Project under the *Canadian Environmental Assessment Act* and is satisfied that any potentially adverse environmental effects that may be caused by the Project are mitigable with known technology. ACOA will have no obligation to make all or part of the Contribution unless the Proponent:

(a) satisfies ACOA that it has implemented or will implement, measures to mitigate such potentially adverse environmental effects in accordance with Schedule 9 (Environmental Mitigation Measures), within the time frames specified therein; and

(b) has incorporated and utilized and maintains environmental protection measures in relation to the Project that satisfy the requirements of all regulatory bodies having jurisdiction over the Proponent or the Project, or both, and certifies to ACOA that it has done so.

The said certification must be provided together with each claim for payment of the Contribution, and annually thereafter during the repayment period.

Article 7—Other Government Assistance

7.1 The Proponent hereby acknowledges that, no other federal, provincial or municipal government financial assistance other than that described in Section 7 of Schedule 2 has been, or will be, requested or received by the Proponent for the Eligible Costs of the Project.

7.2 The Proponent will inform ACOA promptly in writing of any other federal, provincial or municipal government assistance (except for scientific research and experimental development tax credits, deductions or allowances) to be received for the Eligible Costs of the Project and ACOA will have the right to reduce the Contribution under this Agreement to the extent of any such assistance.

Article 8—Project Financing

8.1 Prior to first disbursement of funds, the Proponent shall submit to ACOA sufficient documentation of confirmation of the Proponent contribution to project financing in the amount of $1,294,258.

8.2 The Proponent shall, at the request of ACOA, submit sufficient documentation on an annual basis to confirm instalments of Proponent's total contribution (see Section 8.1) as required to bring project to completion.

Article 9—Research Involving Humans or Animals

9.1 Prior to the first disbursement of funds, the Proponent shall provide evidence satisfactory to ACOA that the project has received approval from a Research Ethics Board which is constituted and working in accordance to the Tri-Council Policy Statement on Ethical Conduct for Research Involving Humans and, in the case of a clinical trial, with Health Canada's Food and Drugs Act and Food and Drug Regulations. Research involving animals must be approved by an Animal Care Committee, which is constituted and working in accordance with the Canadian Council on Animal Care Guide to the Care and Use of Experimental Animals.

9.2 The Proponent shall address any further ethical issues which may arise during the course of the Project in the same manner and shall provide ACOA with satisfactory evidence of same.

Article 10—Equity

10.1 The Proponent shall attain Equity, satisfactory to ACOA, in the total amount of $5,191,269 on or before the date of the first disbursement by ACOA to the Proponent.

10.2 Unless otherwise authorized by ACOA in writing, this level of Equity shall be maintained until all of the Proponent's undertakings in regard to commercialization mentioned in Schedule 4 have been fulfilled.

10.3 Prior to each payment, the Applicant will be required to sign a Subordination Agreement to subordinate the shareholders' loan in the amount of the proponent's contribution to the project costs. The subordination agreement will be accumulative to the maximum amount of the proponents overall contribution to the project.

Article 11—Notice

11.1 Any notice to ACOA will be addressed to:

ACOA PEI and Tourism
P.O. Box 40
Charlottetown, PE CIA 7K2

Attention: Gerard Watts
Tel. (902) 566-7192 Fax. (902) 566-7098

11.2 Any notice to the Proponent will be addressed to:

David A. Frank
Chief Financial Officer
Aqua Bounty Technologies Inc.
935 Main Street
Waltham, MA 02451
Phone No: 781-899-7755
Fax No: 781-899-2814

Article 12—Entire Agreement

12.1 This Agreement constitutes the entire agreement between the parties and supersedes all previous documents, negotiations, arrangements, undertakings and understandings related to its subject matter.

IN WITNESS WHEREOF the parties hereto have executed this Agreement through duly authorized representatives.

ATLANTIC CANADA OPPORTUNITIES AGENCY,

Per: /s/ Wayne Hooper

Wayne Hooper, A/Vice-President, ACOA PEI & Tourism — Date

AQUA BOUNTY CANADA INC.

Per: /s/ David Frank

David Frank, Chief Financial Officer — 16-Dec-09 Date

Per: _____

Name & Title — Date

AQUA BOUNTY TECHNOLOGIES INC.

Per: /s/ David Frank

David Frank, Chief Financial Officer — 16-Dec-09 Date

Per: _____

Name & Title — Date

EXHIBIT 10.15

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is entered into as of the date executed below by and between Aqua Bounty Technologies, Inc. (the "**Company**"), a Delaware corporation, and Ronald Stotish ("**Employee**").

Employment and Term

The Company hereby agrees to employ Employee, and Employee hereby agrees to be employed by the Company, on the terms and subject to the conditions set forth in this Agreement. The parties agree that this Agreement commences shall remain in effect unless and until terminated in accordance with the terms and conditions set forth in this Agreement. The provisions of this Agreement are conditional upon admission of the Company's outstanding common stock to trading on AIM becoming effective upon the admission of the Company.

1. POSITION AND DUTIES

1.1 The Company shall employ Employee as Vice President Regulatory Affairs; provided, however, that Employee may have such other titles in addition to or in lieu thereof as the Company determines in its sole discretion. Employee shall report to the Chief Executive Officer ("CEO")of the Company and to the Board of Directors of the Company ("**the Board**") or its designee, the CEO. Employee shall have such responsibilities as may, from time to time, be duly authorized or directed by the CEO or the Board. A basic description of duties and responsibilities is included in Appendix A. During his employment, Employee shall perform faithfully and loyally and to the best of his abilities the duties assigned to him hereunder. Employee shall act at all times in the best interests of the Company. Employee shall devote his full business time, attention and effort to the affairs of the Company and shall not, at any time during his employment, be engaged in any other business activity whether or not such business activity is pursued for gain, profit or other pecuniary advantage, without the prior written consent of the Board. The foregoing is not intended to restrict Employee's ability to engage in charitable, civic or community activities to the extent that such activities do not materially interfere with his duties hereunder and are notified in writing to the Company,

(A) Notwithstanding the preceding, the Company agrees that the Employee may maintain his pre-existing business interest in XXXXX so long as any activities associated with XXXX are undertaken on Employee's personal time, do not interfere with his ability to perform his duties for the Company, and that the business interests of XXX in no way compare with those of the Company.

1.2 Employee shall immediately upon the Company's request supply any and all information which the Company or any Group Company may reasonably require in order to be able to comply with any statutory or regulatory provision or stock exchange rule or requirement, including for the avoidance of doubt the Rules for AIM Companies published by the London Stock Exchange.

1.3 Employee shall comply with the provisions of the code of dealing adopted by the Company in accordance with the requirements of the London Stock Exchange or, in the absence of the adoption of such a code, with the provisions of the Model Code set out in the Listing Rules published by the UK Listing Authority and Employee shall not do or omit to do anything which could result in the Company being in breach of the Rules for AIM Companies published by the London Stock Exchange.

2. NOTICE

2.1 The employment of Employee shall, subject to the provisions of clause 6, continue unless and until terminated by:

(A) The Company giving to Employee not less than one (1) months' notice during Employee's first twelve (12) months of employment; or

(B) Employee giving to the Company not less than one (1) months' notice during Employee's first twelve (12) months of employment.

(C) The Company and Employee each giving to the other not less than three (3) months' notice during Employee's second twelve (12) months of employment;

(D) The Company and Employee each giving to the other not less than six (6) months' notice during Employee's third twelve (12) months of employment.

2.2 The Company reserves the right at any time, in its absolute discretion, to terminate Employee's employment by paying to Employee a sum equal to his basic salary and benefits for the relevant period of notice which shall be subject to deductions for taxes as appropriate. Employee agrees to accept any such payment in lieu of notice as being in full and final settlement of any claim he may have for wages, salary or compensation arising out of his employment, its termination and/or the resignation of any directorship.

2.3 The Company may make a payment pursuant to clause 3.2 regardless of whether or by whom notice under clause 3.1 has been given and in respect of the whole or the balance of the notice period which would otherwise be required under that clause.

2.4 For the avoidance of doubt, the right of the Company to make a payment in lieu of notice does not give rise to any right of Employee to demand such payment.

2.5 After notice of termination has been given by either party or if Employee seeks to resign without notice or by giving shorter notice than is required under this clause 3, provided that the Company continues to pay Employee his Base Salary and to provide all contractual benefits until his employment terminates in accordance with the terms of this Agreement, the Company has absolute discretion for all or part of the notice period to:

(A) exclude Employee from such of the premises of the Company and/or Group Company as the Board may direct;

2.6 instruct him not to communicate with suppliers, customers, employees, agents or representatives of the Company or Group Company; and/or

(A) instruct him to perform some only or none of his duties under this Agreement;

3. COMPENSATION

As compensation for the services to be rendered by Employee pursuant to this Agreement, the Company shall pay to Employee the following compensation:

3.1 **Base Salary**

During his employment, the Company shall pay to Employee a base salary at the rate of $225,000 per annum ("**Base Salary**"), payable on the Company's regular payroll schedule. The Company shall deduct from the Base Salary paid to Employee the required federal, state and local withholding taxes, as well as any other authorized deductions. Such salary shall be reviewed (with the outcome of such review being at the absolute discretion of the Board) annually in each calendar year without commitment to increase.

3.1A **Options**

Employee shall be granted ninety thousand (90,000) options exercisable for the Company's Common Stock for each year of employment under this contract; such options to be vested at the end of each year of employment. The exercise price for the initial tranche of 90,000 Options is to be the closing price of the Company's stock on the AIM as recorded on the day of signing of this contract. The exercise price for option grants in succeeding years will be the closing price of the Company's common stock on the AIM (or other public market where the Company may be listed) on each annual anniversary of the signing of this contract. Options shall have an exercise period of seven years from the date of vesting.

3.2 **Bonus**

Employee may receive an annual bonus up to 25% of his Base Salary, plus stock options (in addition to those defined in 3.1A) as determined by the Company at the end of its fiscal year. Such bonus, if any, may be granted at the sole discretion of the Board and will be based on the achievement of financial targets and on other performance criteria to be established by the Board under its Equity Incentive Plan. Employee will not be entitled to any such bonus payment if he is not employed or is under notice to terminate employment from either party at the date that payment would ordinarily be made.

3.3 **Benefit Plans**

Except as provided more specifically herein, Employee shall be entitled to participate in the Company's employee benefit plans or programs available to regular full-time exempt employees of the Company and their families, provided that Employee meets all eligibility requirements under those plans or programs. Unless otherwise provided

herein, Employee's participation in the employee benefit plans or programs shall be subject to the terms and conditions of said plans or programs including, without limitation, the Company's right to amend, revise, terminate or replace the plans or programs at any time and without notice to participants. Any reduction, alteration or enhancement of the benefit plans and programs shall not be deemed to be a breach of this Agreement by the Company and it is agreed between the parties that the Company shall have no liability to pay any benefit to Employee (or any of his family members) unless it receives payment of the benefit from the insurer under the scheme and shall not be responsible for providing Employee (or any of his family members) with any benefit under any scheme in the event that the relevant insurer refuses for whatever reason to pay or provide or to continue to pay or provide that benefit to Employee (or any of his family members). Appendix B provides a summary of the Company's current benefit plan.

3.4 **Expense Reimbursement**

The Company shall reimburse Employee, subject to his compliance with the Company's then current guidelines relating to expenses, for all proper and reasonable expenses incurred by him in the performance of his duties hereunder, subject to his compliance with the Company's then current guidelines relating to expenses.

4. VACATION

4.1 Employee shall be entitled to twenty (20) working days' vacation (in addition to the normal public holidays) in each calendar year commencing on January 1 in each year and which shall accrue on a pro rata monthly basis. Vacation shall be taken at such times as the Board shall consider most convenient having regard to the requirements of the Company's business.

4.2 Save with the prior written consent of the Company, untaken vacation entitlement for any one calendar year which is not used may not be carried forward to any subsequent year.

4.3 On termination of Employee's employment (howsoever occasioned), if Employee has taken more or less than his annual vacation entitlement an appropriate adjustment shall be made to any payment of salary or benefits from the Company to Employee. In this event the calculation shall be made on the basis that each day of holiday is worth 1/260 of his Base Salary.

5. TERMINATION

5.1 **Death**

Upon the death of Employee, this Agreement shall automatically terminate and all rights of Employee and his heirs, executors and administrators to compensation and other benefits under this Agreement shall cease. Termination of benefits does not terminate paid-in pension plans, any and all options or other forms of equity that may have been vested and are owned by Employee.

5.2 **Disability**

The Company may, at its option, terminate this Agreement upon written notice to Employee due to Employee's disability. For purposes of this Agreement, "Disability" means Employee's incapacity due to physical or mental illness to substantially perform his duties on a full-time basis for at least twelve consecutive weeks or an aggregate period in excess of twenty-four weeks in any one fiscal year and, within 30 days after a notice of termination of this Agreement, Employee shall not have returned to the full-time performance of the duties hereunder. Upon such termination, all obligations of the Company hereunder shall cease. In the event of any dispute regarding the existence of Employee's incapacity hereunder, the matter shall be resolved by the determination of a physician to be mutually selected and agreed upon by the Company and Employee. In the absence of an agreement between the Company and Employee, each party shall nominate a qualified physician and the two physicians shall select a third physician who shall then make the determination as to disability. Employee agrees that he will submit to appropriate medical examinations for purposes of such determination.

5.3 **Termination by the Company**

The Company may terminate Employee's employment without notice or payment in lieu of notice at any time for Cause.

(A) "**Cause**" shall mean any one or more of the following:

(1) performance by Employee of his duties in a manner which is deemed consistently materially unsatisfactory by the Board in its sole and exclusive discretion;

(2) wilful and material failure or refusal by Employee to perform his duties under this Agreement (other than by reason of Employee's death or disability);

(3) Employee being guilty of any serious breach or non-observance of the provisions of this Agreement or directions of the Board of relevant rules and/or codes issued by or on behalf of any Recognised Stock Exchange or guilty of any continued or successive breaches or non-observance of any such provisions or directions in spite of written warning to the contrary by the Board.

(4) any intentional act of dishonesty, fraud or embezzlement by Employee or the admission or conviction of, or entering of a plea of nolo contendere by, Employee of any felony or any lesser crime involving moral turpitude, dishonesty, fraud, embezzlement or theft;

(5) any negligence, wilful misconduct or personal dishonesty of Employee resulting in the good faith determination of the Board, in a loss to the Company or any of its affiliates, successors or assigns, or in damage to the reputation of the Company or any of its affiliates, successors or assigns;

(6) any failure of Employee to comply with Company policies or procedures to a material extent;

(7) Employee commits any act of deliberate unlawful discrimination or harassment;

(8) Employee is adjudged bankrupt or enters into any composition or arrangement with or for the benefit of his creditors;

(9) Employee becomes of unsound mind or a patient for the purpose of any law relating to mental health;

(10) Employee becomes prohibited by law or is disqualified or is liable to be disqualified from being a director.

6. CONFIDENTIAL AND BUSINESS INFORMATION

6.1 Employee shall not (except for the purpose of performing his duties hereunder or unless ordered to do so by a court of competent jurisdiction) either during his employment or after its termination directly or indirectly use, disclose or communicate Confidential Information and he shall use his best endeavours to prevent the improper use, disclosure or communication of Confidential Information:

(A) concerning the business of the Company or any Group Company and which comes to Employee's attention during the course of or in connection with his employment with the Company or any Group Company from any source within the Company or any Group Company; or

(B) concerning the business of any person having dealings with the Company or any Group Company and which is obtained in circumstances in which the Company or any Group Company is subject to a duty of confidentiality in relation to that information.

6.2 For the purposes of clause 6.1, Confidential Information means:

(A) any information of a confidential nature (whether trade secrets, other private or secret information including secrets and information relating to corporate strategy, business development plans, product designs, intellectual property, business contacts, terms of business with customers and potential customers and/or suppliers, annual budgets, management accounts and other financial information); and/or

(B) any confidential report or research undertaken by or for the Company or any Group Company before or during the course of Employee's employment; and/or

(C) lists or compilations of the names and contact details of the individuals or clients and counterparts with whom the Company or any Group Company transacts business; and/or

(D) contact details of all employees and directors of the Company or any Group Company together with details of their remuneration and benefits; and/or

(E) information so designated by the Company or any Group Company or which to Employee's knowledge has been supplied to the Company or any Group Company subject to any obligation of confidentiality.

6.3 The restrictions contained in this clause 6 shall cease to apply with respect to any information which would otherwise have been Confidential Information but which comes into the public domain otherwise than through an unauthorised disclosure by Employee or a third party.

6.4 The obligations of Employee under this clause 7 shall continue to apply after the termination of Employee's employment (howsoever terminated) for a period of three years following termination.

7. NON COMPETITION

7.1 For the purposes of this clause the following expressions shall have the following meanings:

(A) "**Relevant Employee**" means any person employed by or who renders or rendered services to the Company or any Group Company in a Relevant Business and who has client responsibility or influence over a Relevant Customer and/or who is in possession of confidential information about a Relevant Customer of the Company or a Group Company and who in any such case was so employed or so rendered services during the period of twelve months before the termination of Employee's employment and had dealings with Employee during that period;

(B) "**Relevant Customer**" means a person, firm or company who:

(1) **at any time during the twelve months prior to the termination of this** Agreement was a customer of the Company or any Group Company (whether or not services were actually provided during such period) or intermediary of such customer or to whom at the termination of this Agreement the Company or any Group Company was actively and directly seeking to supply services in either case for the purpose of a Relevant Business; and

(2) with whom Employee or a Relevant Employee in a Relevant Business reporting directly to Employee had dealings at any time during the twelve months prior to the termination or about whom Employee or such Relevant Employee was in possession of any Confidential Information (as defined in clause 7) in the performance of his duties to the Company or any Group Company;

(C) "**Relevant Business**" means any business or part thereof howsoever carried on involving the supply of Restricted Goods and/or Services;

(D) "**Relevant Supplier**" means any person firm or company who is or was at any time during the twelve months preceding the termination of Employee's employment a supplier or procurer of goods and/or services to the Company or any Group Company as part of the trading activities within a Relevant Business;

(E) "**Restricted Services**" means science-based research and development services which have as a goal the improvement of the health and productivity of organisms subject to aquaculture production;

(F) "**Restricted Area**" means the entire planet.

7.2 In order to safeguard the legitimate business interests of the Company and any Group Company and particularly the goodwill of the Company and any Group Company in connection with its clients, suppliers and employees Employee hereby undertakes with the Company (for itself and as trustee for each Group Company) that, and so that each undertaking below shall constitute an entirely separate, severable and independent obligation of Employee, he will not (except with the prior written consent of the Company) directly or indirectly:

(A) during his employment or for a period of 12 months after the termination of his employment entice or solicit or endeavour to entice or solicit away from the Company or any Group Company any Relevant Employee;

(B) during his employment or for a period of 12 months after the termination of his employment employ or otherwise engage any Relevant Employee;

(C) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area solicit or endeavour to supply Restricted Services to any Relevant Customer;

(D) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area supply Restricted Services to any Relevant Customer;

(E) during his employment or for a period of 12 months after the termination of his employment carry on or be concerned in any Relevant Business within the Restricted Area in competition with the business of the Company or any Group Company;

(F) during his employment or for a period of 12 months after the termination of his employment to the detriment of the Company or any Group Company, persuade or endeavour to persuade any Relevant Supplier to cease doing business or materially reduce its business with the Company or any Group Company.

7.3 For the purposes of clause 8 Employee is concerned in a business if (without limitation):-

(A) he carries it on as principal or agent; or

(B) he is a partner, director, employee, secondee, consultant, investor, shareholder or agent in, of or to any person who carries on the business;

(C) disregarding any financial interest of a person in securities which are listed or dealt in on any Recognised Investment Exchange if that person, Employee and any person connected with him are interested in securities which amount to less than five per cent. of the issued securities of that class and which, in all circumstances, carry less than five per cent. of the voting rights (if any) attaching to the issued securities of that class.

7.4 Employee shall not (except with the prior written consent of the Company) at any time after the termination of his employment represent himself to be connected with or interested in the business of or employed by the Company or any Group Company or use for any purpose the name of the Company or any Group Company or any name capable of confusion therewith.

7.5 Employee shall not during his employment whether during or outside office hours undertake any steps of any kind to promote or establish (or assist therein) any business which in the reasonable opinion of the Company is or is intended to be or may become in competition with any business operated by the Company or any Group Company.

7.6 Employee shall not at any time (whether during or after the termination of his employment) make whether directly or indirectly any untrue, misleading or derogatory oral or written statement concerning the business, affairs, officers or employees of the Company or any Group Company.

7.7 Employee agrees to enter into the restrictions in this clause 8 in consideration for the Company employing him on the terms set out herein.

7.8 While the restrictions in this clause 8 are considered by Employee and the Company to be reasonable in all the circumstances, it is recognised that such restrictions may fail for reasons unforeseen and, accordingly, it is hereby declared and agreed that if any of the restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company but that they would be valid if part of the wording thereof were deleted and/or if the periods (if any) specified therein were reduced and/or the areas dealt with thereby reduced in scope, the said restrictions shall apply with such modifications as may be necessary to make them valid and effective.

8. ARBITRATION

Any dispute or controversy between the Company and Employee, whether arising out of or relating to this Agreement, Employee’s employment with the Company, the termination of such employment, or otherwise (except as provided below), shall be

submitted to binding arbitration before a single arbitrator selected under the then-current employment dispute resolution rules of the American Arbitration Association, and the arbitration shall be conducted under such rules and in the Commonwealth of Massachusetts. The determination of the arbitrator shall be conclusive and binding upon the parties and judgement upon the same may be entered in any court having jurisdiction thereof. The arbitrator shall give written notice to the parties stating his or her determination, and shall furnish to each party a signed copy of such determination. The expenses of arbitration shall be borne equally by the Employee and the Company. Notwithstanding the foregoing, the Company shall not be required to seek or participate in arbitration regarding any breach of the Employee's confidentiality, non-solicit and non-compete obligations contained in Clauses 7 and 8, but may pursue its remedies for such breach in a court of competent jurisdiction in the Commonwealth of Massachusetts Any arbitration or action pursuant to this Clause 9 shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State.

9. NOTICES

All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when (i) delivered personally or by overnight courier to the following address of the other party hereto (or such other address for such party as shall be specified by notice given pursuant to this Section) or (ii) sent by facsimile to the following facsimile number of the other party hereto (or such other facsimile number for such party as shall be specified by notice given pursuant to this Section), with the confirmatory copy delivered by overnight courier to the address of such party pursuant to this Section:

If to the Company, to:

Aqua Bounty Technologies, Inc.
935 Main Street
Waltham, MA 02451

Attention: Chief Executive Officer

If to Employee, to:

Ronald Stotish
XXXXXXXXXXXXX
XXXXXXXXXXXXX

10. 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 is held to be invalid, illegal or unenforceable in any respect under applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the

validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

11. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and pre-empts any prior understandings, agreements or representations by or between the parties, written or oral which may have related in any manner to the subject matter hereof.

12. SUCCESSORS AND ASSIGNS

This Agreement is personal to Employee and shall not be assignable by Employee. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns; the Company may assign and transfer its rights and obligations under this Agreement, by operation of law or otherwise, to any successor to all or substantially all of its equity ownership interests, assets or business by dissolution, merger, consolidation, transfer or assets, or otherwise as permitted under the Company's Articles of Incorporation. Except as stated herein, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties and their respective successors and permitted assigns any rights or remedies under or by reason of this Agreement.

13. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware without regard to principles of conflict of laws.

14. REPRESENTATIONS AND WARRANTIES

Employee represents, warrants and agrees that he has all right, power, authority and capacity, and is free to enter into this Agreement; that by doing so, Employee will not violate or interfere with the rights of any other person or entity; and that Employee is not subject to any contract, understanding or obligation that will or might prevent, interfere or conflict with or impair the performance of this Agreement by Employee. Employee further represents, warrants, and agrees that he will not enter into any agreement or other obligation while this Agreement is in effect that might conflict or interfere with the operation of this Agreement or his obligation hereunder. Employee agrees to indemnify and hold the Company harmless with respect to any losses, liabilities, demands, claims, fees, expenses, damages and costs (including attorneys' fees and costs) resulting from or arising out of any claim or action based upon Employee's entering into this Agreement.

15. WAIVER

No waiver of any breach of any term of this Agreement shall be construed to be, nor shall be, a waiver of any breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

16. MODIFICATION

Neither this Agreement nor the provisions contained herein may be extended, renewed, amended or modified other than by a written agreement executed by Employee and a representative of the Company other than Employee.

17. CONSTRUCTION

The rule that a contract is construed against the party drafting the contract is hereby waived, and shall have no applicability in construing this Agreement or the terms hereof. Any headings and captions used herein are only for convenience and shall not affect the construction or interpretation of this Agreement.

18. LEGAL REPRESENTATION

The parties understand that this is a legally binding contract and acknowledge and agree that they have had a reasonable opportunity to consult with legal counsel of their choice prior to execution.

19. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same original instrument.

IN WITNESS HEREOF, the parties hereto execute and effectuate this Agreement as of the last date stated below.

Dated: April 1, 2006

By: /s/ Elliot Entis
Elliot Entis

Aqua Bounty Technologies Inc.

Dated: April 1, 2006

By: /s/ Ronald Stotish
Ronald Stotish

APPENDIX B

Summary of Employee Benefits

GENERAL BENEFITS:

1. HOLIDAY'S The Company will observe the following holidays: New Years Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving and the Day after Thanksgiving, Christmas Eve Day and Christmas Day.
2. VACATION ALLOWANCE. for the first three years of employment, 2 weeks paid vacation for staff and 3 weeks paid vacation for management. From the fourth year and onward, 3 weeks paid vacation for staff and 4 weeks paid vacation for management. Vacations may not be accrued from year to year without approval of the CEO.
3. SICK LEAVE. 10 sick days per calendar year plus 3 personal days per calendar year. Sick leave is not accrued from year to year.
4. HEALTH AND DENTAL INSURANCE 100% paid for by employer. Current plan is through Blue Cross.
5. PENSION PLAN . The Company intends to establish a uniform 401K plan for all employees as soon as possible following a successful financing.

Other Items Specific for Dr. Stotish:

1. Equipment Purchases. Dr. Stotish may, at his discretion and within a budget to be approved by the CEO purchase office supplies and equipment as he deems necessary.
2. Vacation: Dr. Stotish is to have 4 weeks of paid vacation as of the effective date of this agreement

EXHIBIT 10.16

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is entered into as of the date executed below by and between Aqua Bounty Technologies, Inc. (the "**Company**"), a Delaware corporation, and David Frank ("**Employee**").and is deemed effective on the date signed below.

1. EMPLOYMENT AND TERM

The Company hereby agrees to employ Employee, and Employee hereby agrees to be employed by the Company, on the terms and subject to the conditions set forth in this Agreement. The parties agree that this Agreement commences shall remain in effect unless and until terminated in accordance with the terms and conditions set forth in this Agreement.

2. POSITION AND DUTIES

2.1 The Company shall employ Employee as Chief Financial Officer; provided, however, that Employee may have such other titles in addition to or in lieu thereof as the Company determines in its sole discretion. Employee shall report to the CEO and the Board of Directors of the Company ("**the Board**"). Employee shall have such responsibilities as may, from time to time, be duly authorized or directed by the CEO and by the Board. A basic description of duties and responsibilities is included in Appendix A. During his employment, Employee shall perform faithfully and loyally and to the best of his abilities the duties assigned to him hereunder. Employee shall act at all times in the best interests of the Company. Employee shall devote his full business time, attention and effort to the affairs of the Company and shall not, at any time during his employment, be engaged in any other business activity whether or not such business activity is pursued for gain, profit or other pecuniary advantage, without the prior written consent of the Board. The foregoing is not intended to restrict Employee's ability to engage in charitable, civic or community activities to the extent that such activities do not materially interfere with his duties hereunder and are notified in writing to the Company.

2.2 Employee shall immediately upon the Company's request supply any and all information which the Company or any Group Company may reasonably require in order to be able to comply with any statutory or regulatory provision or stock exchange rule or requirement, including for the avoidance of doubt the Rules for AIM Companies published by the London Stock Exchange.

2.3 Employee shall comply with the provisions of the code of dealing adopted by the Company in accordance with the requirements of the London Stock Exchange or, in the absence of the adoption of such a code, with the provisions of the Model Code set out in the Listing Rules published by the UK Listing Authority and Employee shall not (subject always to his fiduciary duties as a director of the Company) do or omit to do anything which could result in the Company being in breach of the Rules for AIM Companies published by the London Stock Exchange.

3. NOTICE

3.1 The employment of Employee shall be at will until January 1, 2008. Thereafter, subject to the provisions of clause 6, employment shall continue unless and until terminated by:

(A) The Company giving to Employee not less than three (3) months' notice during the first full year of employment beginning January l, 2008; six (6) months notice during the second full year of employment, nine (9) months notice during the third full year of employment, and twelve (12) months notice thereafter;

(B) Employee giving to the Company not less than three (3) months' notice during the first full year of employment beginning January 1, 2008; six (6) months notice during the second full year of employment, nine (9) months notice during the third full year of employment, and twelve (12) months notice thereafter;

3.2 The Company reserves the right at any time, in its absolute discretion, to terminate Employee's employment by paying to Employee a sum equal to his basic salary and benefits for the relevant period of notice which shall be subject to deductions for taxes as appropriate. Employee agrees to accept any such payment in lieu of notice as being in full and final settlement of any claim he may have for wages, salary or compensation arising out of his employment, its termination and/or the resignation of any directorship.

3.3 The Company may make a payment pursuant to clause 3.2 regardless of whether or by whom notice under clause 3.1 has been given and in respect of the whole or the balance of the notice period which would otherwise be required under that clause.

3.4 For the avoidance of doubt, the right of the Company to make a payment in lieu of notice does not give rise to any right of Employee to demand such payment.

3.5 After notice of termination has been given by either party or if Employee seeks to resign without notice or by giving shorter notice than is required under this clause 3, provided that the Company continues to pay Employee his Base Salary and to provide all contractual benefits until his employment terminates in accordance with the terms of this Agreement, the Company has absolute discretion for all or part of the notice period to:

(A) exclude Employee from such of the premises of the Company and/or Group Company as the Board may direct;

(B) instruct him not to communicate with suppliers, customers, employees, agents or representatives of the Company or Group Company; and/or

(C) instruct him to perform some only or none of his duties under this Agreement.

4. COMPENSATION

As compensation for the services to be rendered by Employee pursuant to this Agreement, the Company shall pay to Employee the following compensation:

4.1 **Base Salary**

During his employment, the Company shall pay to Employee a base salary at the rate of $185,000 per annum, such salary to be increased to $200,000 per annum as of January 1, 2008 ("**Base Salary**"), payable on the Company's regular payroll schedule. The Company shall deduct from the Base Salary paid to Employee the required federal, state and local withholding taxes, as well as any other authorized deductions. Such salary shall be reviewed (with the outcome of such review being at the absolute discretion of the Board) annually in each calendar year without commitment to increase.

4.2 **Bonus**

Employee may receive an annual bonus up to 25% of his Base Salary, plus stock options as determined by the Company at the end of its fiscal year. Such bonus, if any, may be granted at the sole discretion of the Board and will be based on the achievement of financial targets and on other performance criteria to be established by the Board under its Equity Incentive Plan. Employee will not be entitled to any such bonus payment if he is not employed or is under notice to terminate employment from either party at the date that payment would ordinarily be made.

4.3 **Benefit Plans**

Except as provided more specifically herein, Employee shall be entitled to participate in the Company's employee benefit plans or programs available to regular full-time exempt employees of the Company and their families, provided that Employee meets all eligibility requirements under those plans or programs. Unless otherwise provided herein, Employee's participation in the employee benefit plans or programs shall be subject to the terms and conditions of said plans or programs including, without limitation, the Company's right to amend, revise, terminate or replace the plans or programs at any time and without notice to participants. Any reduction, alteration or enhancement of the benefit plans and programs shall not be deemed to be a breach of this Agreement by the Company and it is agreed between the parties that the Company shall have no liability to pay any benefit to Employee (or any of his family members) unless it receives payment of the benefit from the insurer under the scheme and shall not be responsible for providing Employee (or any of his family members) with any benefit under any scheme in the event that the relevant insurer refuses for whatever reason to pay or provide or to continue to pay or provide that benefit to Employee (or any of his family members). The Employee Handbook provides a summary of the Company's current benefit plans. For the first twelve months following employment, employee will receive "payment in lieu" of medical/dental benefits in an amount not to exceed $1300 per month.

4.4 **Expense Reimbursement**

The Company shall reimburse Employee, subject to his compliance with the Company's then current guidelines relating to expenses, for all proper and reasonable expenses incurred by him in the performance of his duties hereunder, subject to his compliance with the Company's then current guidelines relating to expenses.

5. VACATION

5.1 Employee shall be entitled to paid vacation in accordance with the schedule in the Employee Handbook (in addition to the normal public holidays) in each calendar year commencing on January 1 in each year and which shall accrue on a pro rata monthly basis. Vacation shall be taken at such times as the Board shall consider most convenient having regard to the requirements of the Company's business.

5.2 Save with the prior written consent of the Company, untaken vacation entitlement for any one calendar year which is not used may not be carried forward to any subsequent year.

5.3 On termination of Employee's employment (howsoever occasioned), if Employee has taken more or less than his annual vacation entitlement an appropriate adjustment shall be made to any payment of salary or benefits from the Company to Employee. In this event the calculation shall be made on the basis that each day of holiday is worth 1/260 of his Base Salary.

6. TERMINATION

6.1 **Death**

Upon the death of Employee, this Agreement shall automatically terminate and all rights of Employee and his heirs, executors and administrators to compensation and other benefits under this Agreement shall cease. Termination of benefits does not terminate paid-in pension plans, any and all options or other forms of equity that may have been vested and are owned by Employee.

6.2 **Disability**

The Company may, at its option, terminate this Agreement upon written notice to Employee due to Employee's disability. For purposes of this Agreement, "Disability" means Employee's incapacity due to physical or mental illness to substantially perform his duties on a full-time basis for at least twelve consecutive weeks or an aggregate period in excess of twenty-four weeks in any one fiscal year and, within 30 days after a notice of termination of this Agreement, Employee shall not have returned to the full-time performance of the duties hereunder. Upon such termination, all obligations of the Company hereunder shall cease. In the event of any dispute regarding the existence of Employee's incapacity hereunder, the matter shall be resolved by the determination of a physician to be mutually selected and agreed upon by the Company and Employee. In the absence of an agreement between the Company and Employee, each party shall nominate a qualified physician and the two physicians shall select a third physician who shall then make the determination as to disability. Employee agrees that he will submit to appropriate medical examinations for purposes of such determination.

6.3 **Termination by the Company**

The Company may terminate Employee's employment without notice or payment in lieu of notice at any time for Cause.

(A) "**Cause**" shall mean any one or more of the following:

(1) performance by Employee of his duties in a manner which is deemed consistently materially unsatisfactory by the Board in its sole and exclusive discretion;

(2) wilful and material failure or refusal by Employee to perform his duties under this Agreement (other than by reason of Employee's death or disability);

(3) Employee being guilty of any serious breach or non-observance of the provisions of this Agreement or directions of the Board of relevant rules and/or codes issued by or on behalf of any Recognised Stock Exchange or guilty of any continued or successive breaches or non-observance of any such provisions or directions in spite of written warning to the contrary by the Board.

(4) any intentional act of dishonesty, fraud or embezzlement by Employee or the admission or conviction of, or entering of a plea of nolo contendere by, Employee of any felony or any lesser crime involving moral turpitude, dishonesty, fraud, embezzlement or theft;

(5) any negligence, wilful misconduct or personal dishonesty of Employee resulting in the good faith determination of the Board, in a loss to the Company or any of its affiliates, successors or assigns, or in damage to the reputation of the Company or any of its affiliates, successors or assigns;

(6) any failure of Employee to comply with Company policies or procedures to a material extent;

(7) Employee commits any act of deliberate unlawful discrimination or harassment;

(8) Employee becomes of unsound mind or a patient for the purpose of any law relating to mental health;

(9) Employee becomes prohibited by law or is disqualified or is liable to be disqualified from being a director.

7. CONFIDENTIAL AND BUSINESS INFORMATION

7.1 Employee shall not (except for the purpose of performing his duties hereunder or unless ordered to do so by a court of competent jurisdiction) either during his employment or

after its termination directly or indirectly use, disclose or communicate Confidential Information and he shall use his best endeavours to prevent the improper use, disclosure or communication of Confidential Information:

(A) concerning the business of the Company or any Group Company and which comes to Employee's attention during the course of or in connection with his employment with the Company or any Group Company from any source within the Company or any Group Company; or

(B) concerning the business of any person having dealings with the Company or any Group Company and which is obtained in circumstances in which the Company or any Group Company is subject to a duty of confidentiality in relation to that information.

7.2 For the purposes of clause 7.1, Confidential Information means:

(A) any information of a confidential nature (whether trade secrets, other private or secret information including secrets and information relating to corporate strategy, business development plans, product designs, intellectual property, business contacts, terms of business with customers and potential customers and/or suppliers, annual budgets, management accounts and other financial information); and/or

(B) any confidential report or research undertaken by or for the Company or any Group Company before or during the course of Employee's employment; and/or

(C) lists or compilations of the names and contact details of the individuals or clients and counterparts with whom the Company or any Group Company transacts business; and/or

(D) contact details of all employees and directors of the Company or any Group Company together with details of their remuneration and benefits; and/or

(E) information so designated by the Company or any Group Company or which to Employee's knowledge has been supplied to the Company or any Group Company subject to any obligation of confidentiality.

7.3 The restrictions contained in this clause 7 shall cease to apply with respect to any information which would otherwise have been Confidential Information but which comes into the public domain otherwise than through an unauthorised disclosure by Employee or a third party.

7.4 The obligations of Employee under this clause 7 shall continue to apply after the termination of Employee's employment (howsoever terminated) for a period of three years following termination.

8. NON COMPETITION

8.1 For the purposes of this clause the following expressions shall have the following meanings:

(A) "**Relevant Employee**" means any person employed by or who renders or rendered services to the Company or any Group Company in a Relevant Business and who has client responsibility or influence over a Relevant Customer and/or who is in possession of confidential information about a Relevant Customer of the Company or a Group Company and who in any such case was so employed or so rendered services during the period of twelve months before the termination of Employee's employment and had dealings with Employee during that period;

(B) "**Relevant Customer**" means a person, firm or company who:

(1) at any time during the twelve months prior to the termination of this Agreement was a customer of the Company or any Group Company (whether or not services were actually provided during such period) or intermediary of such customer or to whom at the termination of this Agreement the Company or any Group Company was actively and directly seeking to supply services in either case for the purpose of a Relevant Business; and

(2) with whom Employee or a Relevant Employee in a Relevant Business reporting directly to Employee had dealings at any time during the twelve months prior to the termination or about whom Employee or such Relevant Employee was in possession of any Confidential Information (as defined in clause 7) in the performance of his duties to the Company or any Group Company;

(C) "**Relevant Business**" means any business or part thereof howsoever carried on involving the supply of Restricted Goods and/or Services;

(D) "**Relevant Supplier**" means any person firm or company who is or was at any time during the twelve months preceding the termination of Employee's employment a supplier or procurer of goods and/or services to the Company or any Group Company as part of the trading activities within a Relevant Business;

(E) "**Restricted Services**" means science-based research and development services which have as a goal the improvement of the health and productivity of organisms subject to aquaculture production;

(F) "**Restricted Area**" means the entire planet.

8.2 In order to safeguard the legitimate business interests of the Company and any Group Company and particularly the goodwill of the Company and any Group Company in connection with its clients, suppliers and employees Employee hereby undertakes with the Company (for itself and as trustee for each Group Company) that, and so that each undertaking below shall constitute an entirely separate, severable and independent obligation of Employee, he will not (except with the prior written consent of the Company) directly or indirectly:

(A) during his employment or for a period of 12 months after the termination of his employment entice or solicit or endeavour to entice or solicit away from the Company or any Group Company any Relevant Employee;

(B) during his employment or for a period of 12 months after the termination of his employment employ or otherwise engage any Relevant Employee;

(C) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area solicit or endeavour to supply Restricted Services to any Relevant Customer;

(D) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area supply Restricted Services to any Relevant Customer;

(E) during his employment or for a period of 12 months after the termination of his employment carry on or be concerned in any Relevant Business within the Restricted Area in competition with the business of the Company or any Group Company;

(F) during his employment or for a period of 12 months after the termination of his employment to the detriment of the Company or any Group Company, persuade or endeavour to persuade any Relevant Supplier to cease doing business or materially reduce its business with the Company or any Group Company.

8.3 For the purposes of clause 8 Employee is concerned in a business if (without limitation):

(A) he carries it on as principal or agent; or

(B) he is a partner, director, employee, secondee, consultant, investor, shareholder or agent in, of or to any person who carries on the business;

(C) disregarding any financial interest of a person in securities which are listed or dealt in on any Recognised Investment Exchange if that person, Employee and any person connected with him are interested in securities which amount to less than five per cent of the issued securities of that class and which, in all circumstances, carry less than five per cent of the voting rights (if any) attaching to the issued securities of that class.

8.4 Employee shall not (except with the prior written consent of the Company) at any time after the termination of his employment represent himself to be connected with or interested in the business of or employed by the Company or any Group Company or use for any purpose the name of the Company or any Group Company or any name capable of confusion therewith.

8.5 Employee shall not during his employment whether during or outside office hours undertake any steps of any kind to promote or establish (or assist therein) any business which in the reasonable opinion of the Company is or is intended to be or may become in competition with any business operated by the Company or any Group Company.

8.6 Employee shall not at any time (whether during or after the termination of his employment) make whether directly or indirectly any untrue, misleading or derogatory oral or written statement concerning the business, affairs, officers or employees of the Company or any Group Company.

8.7 Employee agrees to enter into the restrictions in this clause 8 in consideration for the Company employing him on the terms set out herein.

8.8 While the restrictions in this clause 8 are considered by Employee and the Company to be reasonable in all the circumstances, it is recognised that such restrictions may fail for reasons unforeseen and, accordingly, it is hereby declared and agreed that if any of the restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company but that they would be valid if part of the wording thereof were deleted and/or if the periods (if any) specified therein were reduced and/or the areas dealt with thereby reduced in scope, the said restrictions shall apply with such modifications as may be necessary to make them valid and effective.

9. ARBITRATION

Any dispute or controversy between the Company and Employee, whether arising out of or relating to this Agreement, Employee's employment with the Company, the termination of such employment, or otherwise (except as provided below), shall be submitted to binding arbitration before a single arbitrator selected under the then-current employment dispute resolution rules of the American Arbitration Association, and the arbitration shall be conducted under such rules and in the Commonwealth of Massachusetts. The determination of the arbitrator shall be conclusive and binding upon the parties and judgement upon the same may be entered in any court having jurisdiction thereof. The arbitrator shall give written notice to the parties stating his or her determination, and shall furnish to each party a signed copy of such determination. The expenses of arbitration shall be borne equally by the Employee and the Company. Notwithstanding the foregoing, the Company shall not be required to seek or participate in arbitration regarding any breach of the Employee's confidentiality, non-solicit and non-compete obligations contained in Clauses 7 and 8, but may pursue its remedies for such breach in a court of competent jurisdiction in the Commonwealth of Massachusetts Any arbitration or action pursuant to this Clause 9 shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State.

10. NOTICES

All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when (i) delivered personally or by overnight courier to the following address of the other Party hereto (or such other address for such party as shall be specified by notice given pursuant to this Section) or (ii) sent by facsimile to the following facsimile number of the other Party hereto (or such other facsimile number for such Party as shall be specified by notice given pursuant to this Section), with the confirmatory copy delivered by overnight courier to the address of such party pursuant to this Section:

If to the Company, to:

Aqua Bounty Technologies, Inc.
935 Main Street
Waltham, MA 02451

Attention: Chief Executive Officer

If to Employee, to:

David Frank
XX XXXXX XXXX
XXXXXXXX XX XXXXX
XXXXX XXXXXXXX

11. 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 is held to be invalid, illegal or unenforceable in any respect under applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and pre-empts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof.

13. SUCCESSORS AND ASSIGNS

This Agreement is personal to Employee and shall not be assignable by Employee. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns; the Company may assign and transfer its rights and obligations under this Agreement, by operation of law or otherwise, to any successor to all or substantially all of its equity ownership interests, assets or business by dissolution, merger, consolidation, transfer or assets, or otherwise as permitted under the Company's Articles of Incorporation. Except as stated herein, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties and their respective successors and permitted assigns any rights or remedies under or by reason of this Agreement.

14. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware without regard to principles of conflict of laws.

15. REPRESENTATION AND WARRANTIES

Employee represents, warrants and agrees that he has all right, power, authority and capacity, and is free to enter into this Agreement; that by doing so, Employee will not violate or interfere with the rights of any other person or entity; and that Employee is not subject to any contract, understanding or obligation that will or might prevent, interfere or conflict with or impair the performance of this Agreement by Employee. Employee further represents, warrants, and agrees that he will not enter into any agreement or other obligation while this Agreement is in effect that might conflict or interfere with the operation of this Agreement or his obligation hereunder. Employee agrees to indemnify and hold the Company harmless with respect to any losses, liabilities, demands, claims, fees, expenses, damages and costs (including attorneys' fees and costs) resulting from or arising out of any claim or action based upon Employee's entering into this Agreement.

16. WAIVER

No waiver of any breach of any term of this Agreement shall be construed to be, nor shall be, a waiver of any breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

17. MODIFICATION

Neither this Agreement nor the provisions contained herein may be extended, renewed, amended or modified other than by a written agreement executed by Employee and a representative of the Company other than Employee.

18. CONSTRUCTION

The rule that a contract is construed against the party drafting the contract is hereby waived, and shall have no applicability in construing this Agreement or the terms hereof. Any headings and captions used herein are only for convenience and shall not affect the construction or interpretation of this Agreement.

19. LEGAL REPRESENTATION

The parties understand that this is a legally binding contract and acknowledge and agree that they have had a reasonable opportunity to consult with legal counsel of their choice prior to execution.

20. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same original instrument.

IN WITNESS HEREOF, the parties hereto execute and effectuate this Agreement as of the last date stated below.

Date: Oct. 1, 2007

By: /s/ Elliot Entis
Elliot Entis
Aqua Bounty Technologies Inc.

Date: Oct. 1, 2007

By: /s/ David Frank
David Frank

APPENDIX A

Aqua Bounty Technologies

CHIEF FINANCIAL OFFICER

Job Description & Responsibilities

Primary Function: Responsible· for the establishment and maintenance of an effective accounting process for the purpose of internal management control and external statutory reporting requirements for taxation and public reporting.

Reports To: The Chief Executive Officer of Aqua Bounty Technologies (ABT).

Subordinates: All accounting and administrative personnel of ABT.

Other Key Relationships: The Board of Directors; the Audit Committee Chairman; the external service providers of ABT, including the Auditors, the Legal Advisors, and the Public Market Advisors; the

Responsibilities:

Accounting. Maintain an efficient and effective accounting system; provide prompt reporting of monthly financial results; ensure the accuracy of the company's financial accounts; direct the annual accounting audit in conjunction with the company's auditors.

Professional knowledge. The CFO is required to stay current on the following matters, as they apply to U.S. Incorporated companies (Delaware law) and the London stock exchange: Accounting policies & procedures; Government regulation (statutory reporting requirements); Codes of practice.

The CFO should develop and maintain a thorough knowledge of the company and its business economics.

Controls & risk management. Ensure that effective controls are developed and maintained to protect the integrity of the accounting system and the safeguarding of company assets. Ensure compliance with published internal control procedures. Ensure compliance with the company's delegation of authority.

Financial reporting. Provide internal management reports to the senior management team and the board of directors, including information to interpret the financial results. Provide advice as to appropriate corrective action. Provide external financial reports as required for statutory public reporting and taxation. Ensure the timely reporting of all significant accounting, financial, legal and control issues to the board of directors as soon as they become evident.

External liaison. Maintain communication and on-going relationships with the company's third-party service providers: auditors; legal advisors; public market advisors Maintain communication and on-going relationships with the company's investors.

Business planning. The CFO Is Responsible For The Preparation Of The Financial Projections Of The Company, Which Encompass The Following: Strategic Plan; Annual Budget; Short-Term Forecasts; Project Projections

Strategic thinking The CFO should provide financial and strategic advise in support of the strategic plan and the annual budget, as they relate to issues of: Company Structure, Investment Proposals, including M&A activities; Operational Plans, Product Development, Distribution, Supply and Manufacturing

Legal Provide financial and strategic advise on all legal matters: Company Structure; External Agreements; Issues related to Corporate Governance. Work with the company's external legal advisors to ensure that agreements are structured in accordance with the company's governance requirements and strategic objectives.

Human Resources. Manage issues relating to the following human resource activities: Compensation, Company Benefit Plans, Hiring and Termination Issues

Company Secretary. As secretary of ABT - prepare minutes of the meetings of the board.

General: Contribute to discussions on strategic and/or financial issues as a member of the senior management committee.

DOCUMENT REVIEW This Job Description should be reviewed annually to appraise job performance and to discuss appropriate alterations to its terms.

EXHIBIT 10.17

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is entered into as of the date executed below by and between Aqua Bounty Technologies, Inc. (the "**Company**"), a Delaware corporation, and Alejandro Rojas ("**Employee**") and is deemed effective on the date signed below.

1. EMPLOYMENT AND TERM

The Company hereby agrees to employ Employee, and Employee hereby agrees to be employed by the Company, on the terms and subject to the conditions set forth in this Agreement. The parties agree that this Agreement commences and shall remain in effect unless and until terminated in accordance with the terms and conditions set forth in this Agreement.

2. POSITION AND DUTIES

2.1 Commencing on 1 February 2014 the Company shall employ Employee as Chief Operating Officer of its AquaBounty Farms Division; provided, however, that Employee may have such other titles in addition to or in lieu thereof as the Company determines in its sole discretion. Employee shall report to the CEO of the Company. Employee shall have such responsibilities as may, from time to time, be duly authorized or directed by the CEO. A basic description of duties and responsibilities is included in Appendix A. During his employment, Employee shall perform faithfully and loyally and to the best of his abilities the duties assigned to him hereunder. Employee shall act at all times in the best interests of the Company. Employee shall devote his full business time, attention and effort to the affairs of the Company and shall not, at any time during his employment, be engaged in any other business activity whether or not such business activity is pursued for gain, profit or other pecuniary advantage, without the prior written consent of the Company. The foregoing is not intended to restrict Employee's ability to engage in charitable, civic or community activities to the extent that such activities do not materially interfere with his duties hereunder and are notified in writing to the Company.

2.2 Employee shall immediately upon the Company's request supply any and all information which the Company or any Group Company may reasonably require in order to be able to comply with any statutory or regulatory provision or stock exchange rule or requirement, including for the avoidance of doubt the Rules for AIM Companies published by the London Stock Exchange.

2.3 Employee shall comply with the provisions of the code of dealing adopted by the Company in accordance with the requirements of the London Stock Exchange or, in the absence of the adoption of such a code, with the provisions of the Model Code set out in the Listing Rules published by the UK Listing Authority and Employee shall not (subject always to his fiduciary duties as an officer of the Company) do or omit to do anything which could result in the Company being in breach of the Rules for AIM Companies published by the London Stock Exchange.

3. NOTICE

3.1 The employment of Employee shall, subject to the provisions of clause 6, continue unless and until terminated by:

(A) The Company giving to Employee not less than twelve (12) months' notice; or

(B) Employee giving to the Company not less than one (1) months' notice.

3.2 The Company reserves the right at any time, in its absolute discretion, to terminate Employee's employment by paying to Employee a sum equal to his basic salary and benefits for the relevant period of notice which shall be subject to deductions for taxes as appropriate. Employee agrees to accept any such payment in lieu of notice as being in full and final settlement of any claim he may have for wages, salary or compensation arising out of his employment, its termination and/or the resignation of any directorship.

3.3 The Company may make a payment pursuant to clause 3.2 regardless of whether or by whom notice under clause 3.1 has been given and in respect of the whole or the balance of the notice period which would otherwise be required under that clause.

3.4 For the avoidance of doubt, the right of the Company to make a payment in lieu of notice does not give rise to any right of Employee to demand such payment.

3.5 After notice of termination has been given by either party or if Employee seeks to resign without notice or by giving shorter notice than is required under this clause 3, provided that the Company continues to pay Employee his Base Salary and to provide all contractual benefits until his employment terminates in accordance with the terms of this Agreement, the Company has absolute discretion for all or part of the notice period to:

(A) exclude Employee from such of the premises of the Company and/or Group Company as the Company may direct;

(B) instruct him not to communicate with suppliers, customers, employees, agents or representatives of the Company or Group Company; and/or

(C) instruct him to perform some only or none of his duties under this Agreement.

4. COMPENSATION

As compensation for the services to be rendered by Employee pursuant to this Agreement, the Company shall pay to Employee the following compensation:

4.1 Base Salary

During his employment, the Company shall pay to Employee a base salary at the rate of $200,000 per annum ("**Base Salary**"), payable on the Company's regular payroll schedule. The Company shall deduct from the Base Salary paid to Employee the required federal, state and local withholding taxes, as well as any other authorized deductions. Such salary shall be reviewed (with the outcome of such review being at the absolute discretion of the Company) annually in each calendar year without commitment to increase.

4.2 Bonus

Employee may receive an annual bonus up to 50% of his Base Salary, plus stock options as determined by the Company at the end of its fiscal year. Such bonus, if any, may be granted at the sole discretion of the Company and will be based on the achievement of financial targets and on other performance criteria to be established by the Company under its Equity Incentive Plan. Employee will not be entitled to any such bonus payment if he is not employed or is under notice to terminate employment from either party at the date that payment would ordinarily be made.

4.3 Benefit Plans

Except as provided more specifically herein, Employee shall be entitled to participate in the Company's employee benefit plans or programs available to regular full-time exempt employees of the Company and their families, provided that Employee meets all eligibility requirements under those plans or programs. Unless otherwise provided herein, Employee's participation in the employee benefit plans or programs shall be subject to the terms and conditions of said plans or programs including, without limitation, the Company's right to amend, revise, terminate or replace the plans or programs at any time and without notice to participants. Any reduction, alteration or enhancement of the benefit plans and programs shall not be deemed to be a breach of this Agreement by the Company and it is agreed between the parties that the Company shall have no liability to pay any benefit to Employee (or any of his family members) unless it receives payment of the benefit from the insurer under the scheme and shall not be responsible for providing Employee (or any of his family members) with any benefit under any scheme in the event that the relevant insurer refuses for whatever reason to pay or provide or to continue to pay or provide that benefit to Employee (or any of his family members). Appendix B provides a summary of the Company's current benefit plan.

4.4 Expense Reimbursement

The Company shall reimburse Employee, subject to his compliance with the Company's then current guidelines relating to expenses, for all proper and reasonable expenses incurred by him in the performance of his duties hereunder, subject to his compliance with the Company's then current guidelines relating to expenses.

5. VACATION

5.1 Employee shall be entitled to paid vacation in accordance with the schedule in Appendix B (in addition to the normal public holidays) in each calendar year commencing on January 1 in each year and which shall accrue on a pro rata monthly basis. Vacation shall be taken at such times as the Company shall consider most convenient having regard to the requirements of the Company's business.

5.2 Save with the prior written consent of the Company or the then current guidelines of the Company's vacation policy, untaken vacation entitlement for any one calendar year which is not used may not be carried forward to any subsequent year.

5.3 On termination of Employee's employment (howsoever occasioned), if Employee has taken more or less than his annual vacation entitlement, an appropriate adjustment shall be made to any payment of salary or benefits from the Company to Employee. In this event the calculation shall be made on the basis that each day of vacation is worth 1/260 of his Base Salary.

6. TERMINATION

6.1 Death

Upon the death of Employee, this Agreement shall automatically terminate and all rights of Employee and his heirs, executors and administrators to compensation and other benefits under this Agreement shall cease. Termination of benefits does not terminate paid-in pension plans, any and all options or other forms of equity that may have been vested and are owned by Employee.

6.2 Disability

The Company may, at its option, terminate this Agreement upon written notice to Employee due to Employee's disability. For purposes of this Agreement, "Disability" means Employee's incapacity due to physical or mental illness to substantially perform his duties on a full-time basis for at least twelve consecutive weeks or an aggregate period in excess of twenty-four weeks in any one fiscal year and, within 30 days after a notice of termination of this Agreement, Employee shall not have returned to the full-time performance of the duties hereunder. Upon such termination, all obligations of the Company hereunder shall cease. In the event of any dispute regarding the existence of Employee's incapacity hereunder, the matter shall be resolved by the determination of a physician to be mutually selected and agreed upon by the Company and Employee. In the absence of an agreement between the Company and Employee, each party shall nominate a qualified physician and the two physicians shall select a third physician who shall then make the determination as to disability. Employee agrees that he will submit to appropriate medical examinations for purposes of such determination.

6.3 Termination by the Company

The Company may terminate Employee's employment without notice or payment in lieu of notice at any time for Cause.

(A) "**Cause**" shall mean any one or more of the following:

(1) performance by Employee of his duties in a manner which is deemed consistently materially unsatisfactory by the Company in its sole and exclusive discretion;

(2) wilful and material failure or refusal by Employee to perform his duties under this Agreement (other than by reason of Employee's death or disability);

(3) Employee being guilty of any serious breach or non-observance of the provisions of this Agreement or directions of the Company of relevant rules and/or codes issued by or on behalf of any Recognised Stock Exchange or guilty of any continued or successive breaches or non-observance of any such provisions or directions in spite of written warning to the contrary by the Board.

(4) any intentional act of dishonesty, fraud or embezzlement by Employee or the admission or conviction of, or entering of a plea of nolo contendere by, Employee of any felony or any lesser crime involving moral turpitude, dishonesty, fraud, embezzlement or theft;

(5) any negligence, wilful misconduct or personal dishonesty of Employee resulting in the good faith determination of the Company, in a loss to the Company or any of its affiliates, successors or assigns, or in damage to the reputation of the Company or any of its affiliates, successors or assigns;

(6) any failure of Employee to comply with Company policies or procedures to a material extent;

(7) Employee commits any act of deliberate unlawful discrimination or harassment;

(8) Employee becomes of unsound mind or a patient for the purpose of any law relating to mental health;

(9) Employee becomes prohibited by law or is disqualified or is liable to be disqualified from being an employee.

7. CONFIDENTIAL AND BUSINESS INFORMATION

7.1 Employee shall not (except for the purpose of performing his duties hereunder or unless ordered to do so by a court of competent jurisdiction) either during his employment or after its termination directly or indirectly use, disclose or communicate Confidential Information and he shall use his best endeavours to prevent the improper use, disclosure or communication of Confidential Information:

(A) concerning the business of the Company or any Group Company and which comes to Employee's attention during the course of or in connection with his employment with the Company or any Group Company from any source within the Company or any Group Company; or

(B) concerning the business of any person having dealings with the Company or any Group Company and which is obtained in circumstances in which the Company or any Group Company is subject to a duty of confidentiality in relation to that information.

7.2 For the purposes of clause 7.1, Confidential Information means:

(A) any information of a confidential nature (whether trade secrets, other private or secret information including secrets and information relating to corporate strategy, business development plans, product designs, intellectual property, business contacts, terms of business with customers and potential customers and/or suppliers, annual budgets, management accounts and other financial information); and/or

(B) any confidential report or research undertaken by or for the Company or any Group Company before or during the course of Employee's employment; and/or

(C) lists or compilations of the names and contact details of the individuals or clients and counterparts with whom the Company or any Group Company transacts business; and/or

(D) contact details of all employees and directors of the Company or any Group Company together with details of their remuneration and benefits; and/or

(E) information so designated by the Company or any Group Company or which to Employee's knowledge has been supplied to the Company or any Group Company subject to any obligation of confidentiality.

7.3 The restrictions contained in this clause 7 shall cease to apply with respect to any information which would otherwise have been Confidential Information but which comes into the public domain otherwise than through an unauthorised disclosure by Employee or a third party.

7.4 The obligations of Employee under this clause 7 shall continue to apply after the termination of Employee's employment (howsoever terminated) for a period of three years following termination.

8. NON COMPETITION

8.1 For the purposes of this clause the following expressions shall have the following meanings:

(A) "**Relevant Employee**" means any person employed by or who renders or rendered services to the Company or any Group Company in a Relevant Business and who has client responsibility or influence over a Relevant Customer and/or who is in

possession of confidential information about a Relevant Customer of the Company or a Group Company and who in any such case was so employed or so rendered services during the period of twelve months before the termination of Employee's employment and had dealings with Employee during that period;

(B) "**Relevant Customer**" means a person, firm or company who :

(1) **at any time during the twelve months prior to the termination of this** Agreement was a customer of the Company or any Group Company (whether or not services were actually provided during such period) or intermediary of such customer or to whom at the termination of this Agreement the Company or any Group Company was actively and directly seeking to supply services in either case for the purpose of a Relevant Business; and

(2) with whom Employee or a Relevant Employee in a Relevant Business reporting directly to Employee had dealings at any time during the twelve months prior to the termination or about whom Employee or such Relevant Employee was in possession of any Confidential Information (as defined in clause 7) in the performance of his duties to the Company or any Group Company;

(C) "**Relevant Business**" means any business or part thereof howsoever carried on involving the supply of Restricted Goods and/or Services;

(D) "**Relevant Supplier**" means any person firm or company who is or was at any time during the twelve months preceding the termination of Employee's employment a supplier or procurer of goods and/or services to the Company or any Group Company as part of the trading activities within a Relevant Business;

(E) "**Restricted Services**" means science-based research and development or production services which have as a goal the improvement of the health and productivity of organisms subject to aquaculture production;

(F) "**Restricted Area**" means the entire planet.

8.2 In order to safeguard the legitimate business interests of the Company and any Group Company and particularly the goodwill of the Company and any Group Company in connection with its clients, suppliers and employees Employee hereby undertakes with the Company (for itself and as trustee for each Group Company) that, and so that each undertaking below shall constitute an entirely separate, severable and independent obligation of Employee, he will not (except with the prior written consent of the Company) directly or indirectly:

(A) during his employment or for a period of 12 months after the termination of his employment entice or solicit or endeavour to entice or solicit away from the Company or any Group Company any Relevant Employee;

(B) during his employment or for a period of 12 months after the termination of his employment employ or otherwise engage any Relevant Employee;

(C) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area solicit or endeavour to supply Restricted Services to any Relevant Customer;

(D) during his employment or for a period of 12 months after the termination of his employment in competition with the Company or any Group Company within the Restricted Area supply Restricted Services to any Relevant Customer;

(E) during his employment or for a period of 12 months after the termination of his employment carry on or be concerned in any Relevant Business within the Restricted Area in competition with the business of the Company or any Group Company;

(F) during his employment or for a period of 12 months after the termination of his employment to the detriment of the Company or any Group Company, persuade or endeavour to persuade any Relevant Supplier to cease doing business or materially reduce its business with the Company or any Group Company.

8.3 For the purposes of clause 8 Employee is concerned in a business if (without limitation):-

(A) he carries it on as principal or agent; or

(B) he is a partner, director, employee, secondee, consultant, investor, shareholder or agent in, of or to any person who carries on the business;

(C) disregarding any financial interest of a person in securities which are listed or dealt in on any Recognised Investment Exchange if that person, Employee and any person connected with him are interested in securities which amount to less than five per cent. of the issued securities of that class and which, in all circumstances, carry less than five per cent. of the voting rights (if any) attaching to the issued securities of that class.

8.4 Employee shall not (except with the prior written consent of the Company) at any time after the termination of his employment represent himself to be connected with or interested in the business of or employed by the Company or any Group Company or use for any purpose the name of the Company or any Group Company or any name capable of confusion therewith.

8.5 Employee shall not during his employment whether during or outside office hours undertake any steps of any kind to promote or establish (or assist therein) any business which in the reasonable opinion of the Company is or is intended to be or may become in competition with any business operated by the Company or any Group Company.

8.6 Employee shall not at any time (whether during or after the termination of his employment) make whether directly or indirectly any untrue, misleading or derogatory oral or written statement concerning the business, affairs, officers or employees of the Company or any Group Company.

8.7 Employee agrees to enter into the restrictions in this clause 8 in consideration for the Company employing him on the terms set out herein.

8.8 While the restrictions in this clause 8 are considered by Employee and the Company to be reasonable in all the circumstances, it is recognised that such restrictions may fail for reasons unforeseen and, accordingly, it is hereby declared and agreed that if any of the restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company but that they would be valid if part of the wording thereof were deleted and/or if the periods (if any) specified therein were reduced and/or the areas dealt with thereby reduced in scope, the said restrictions shall apply with such modifications as may be necessary to make them valid and effective.

9. ARBITRATION

Any dispute or controversy between the Company and Employee, whether arising out of or relating to this Agreement, Employee's employment with the Company, the termination of such employment, or otherwise (except as provided below), shall be submitted to binding arbitration before a single arbitrator selected under the then-current employment dispute resolution rules of the American Arbitration Association, and the arbitration shall be conducted under such rules and in the Commonwealth of Massachusetts. The determination of the arbitrator shall be conclusive and binding upon the parties and judgement upon the same may be entered in any court having jurisdiction thereof. The arbitrator shall give written notice to the parties stating his or her determination, and shall furnish to each party a signed copy of such determination. The expenses of arbitration shall be borne equally by the Employee and the Company. Notwithstanding the foregoing, the Company shall not be required to seek or participate in arbitration regarding any breach of the Employee's confidentiality, non-solicit and non-compete obligations contained in Clauses 7 and 8, but may pursue its remedies for such breach in a court of competent jurisdiction in the Commonwealth of Massachusetts Any arbitration or action pursuant to this Clause 9 shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State.

10. NOTICES

All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when (i) delivered personally or by overnight courier to the following address of the other party hereto (or such other address for such party as shall be specified by notice given pursuant to this Section) or (ii) sent by facsimile to the following facsimile number of the other party hereto (or such other facsimile number for such party as shall be specified by notice given pursuant to this Section), with the confirmatory copy delivered by overnight courier to the address of such party pursuant to this Section:

If to the Company, to:

AquaBounty Technologies, Inc.
Two Clock Tower Place, Ste 395
Maynard, MA 01754
Attention: Chief Financial Officer

If to Employee, to:

Alejandro Rojas
XXXX XXXX XXXXX XXXX XXXXX
XXXXX XXXXXXXX XXXXX

11. 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 is held to be invalid, illegal or unenforceable in any respect under applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and pre-empts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof.

13. SUCCESSORS AND ASSIGNS

This Agreement is personal to Employee and shall not be assignable by Employee. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns; the Company may assign and transfer its rights and obligations under this Agreement, by operation of law or otherwise, to any successor to all or substantially all of its equity ownership interests, assets or business by dissolution, merger, consolidation, transfer or assets, or otherwise as permitted under the Company's Articles of Incorporation. Except as stated herein, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties and their respective successors and permitted assigns any rights or remedies under or by reason of this Agreement.

14. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware without regard to principles of conflict of laws.

15. REPRESENTATIONS AND WARRANTIES

Employee represents, warrants and agrees that he has all right, power, authority and capacity, and is free to enter into this Agreement; that by doing so, Employee will not violate or interfere with the rights of any other person or entity; and that Employee is not subject to any contract, understanding or obligation that will or might prevent, interfere or conflict with or impair the performance of this Agreement by Employee. Employee further represents, warrants, and agrees that he will not enter into any agreement or other obligation while this Agreement is in effect that might conflict or interfere with the operation of this Agreement or his obligation hereunder. Employee agrees to indemnify and hold the Company harmless with respect to any losses, liabilities, demands, claims, fees, expenses, damages and costs (including attorneys' fees and costs) resulting from or arising out of any claim or action based upon Employee's entering into this Agreement.

16. WAIVER

No waiver of any breach of any term of this Agreement shall be construed to be, nor shall be, a waiver of any breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

17. MODIFICATION

Neither this Agreement nor the provisions contained herein may be extended, renewed, amended or modified other than by a written agreement executed by Employee and a representative of the Company other than Employee.

18. CONSTRUCTION

The rule that a contract is construed against the party drafting the contract is hereby waived, and shall have no applicability in construing this Agreement or the terms hereof. Any headings and captions used herein are only for convenience and shall not affect the construction or interpretation of this Agreement.

19. LEGAL REPRESENTATION

The parties understand that this is a legally binding contract and acknowledge and agree that they have had a reasonable opportunity to consult with legal counsel of their choice prior to execution.

20. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same original instrument.

IN WITNESS HEREOF, the parties hereto execute and effectuate this Agreement as of the last date stated below.

Dated: December 30, 2013

By: /s/ David A. Frank
David A. Frank, Chief Financial Officer
AquaBounty Technologies Inc.

Dated: December 30, 2013

By: /s/ Alejandro Rojas
Alejandro Rojas

APPENDIX A

EMPLOYEES DUTIES

The Chief Operating Officer of AquaBounty Farms is responsible for:

The management, coordination, planning and successful execution of the Company’s U.S. production operations, so that productivity of the firm increases and production targets are met in time. The COO has the responsibility of overseeing the production process, managing the budget, ensuring the supply of raw materials and monitoring the quality of the products. He is responsible for the effective management of the human resources and material resources.

APPENDIX B

Summary of Employee Benefits

GENERAL BENEFITS :

1. HOLIDAY'S: The Company will observe the following holidays: New Years Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving and the Day after Thanksgiving, Christmas Eve Day and Christmas Day.
2. VACATION ALLOWANCE.
3. SICK LEAVE.
4. HEALTH AND DENTAL INSURANCE.
5. 401K RETIREMENT PLAN .

Exhibit 10.18

EXECUTION COPY

COLLABORATIVE RESEARCH AGREEMENT

This COLLABORATIVE RESEARCH AGREEMENT (this "***Agreement***") is made and entered into as of March 22, 2012, by and between Aqua Bounty Canada Inc. (the "***Company***"), a Newfoundland corporation having registered offices at P.O. Box 2430, St. John's, Newfoundland, Canada, A1C 6E7, and Tethys Aquaculture Canada, Inc. (the "***Collaborator***"), a Canadian corporation with offices at 0718 Bay Fortune, RR No. 4, Souris, PEI, Canada, C0A 2B0. The Company and the Collaborator are sometimes referred to in this Agreement together as the "***Parties***" or individually as a "***Party***."

WHEREAS, the Parties have developed a mutually agreeable statement of work and budget for the research project as described on **Schedule A** attached hereto (the "***Project***"); and

WHEREAS, the Company has agreed to provide the Collaborator with access to confidential and proprietary information relating to its business for use only in connection with this Agreement and subject to the confidentiality and non-disclosure provisions set forth herein, and the Collaborator acknowledges that such information has been developed by the Company through substantial expenditures of time, effort, and money and constitutes valuable and unique property of the Company.

NOW THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Collaborator agree as follows:

ARTICLE I – AGREEMENT AS TO SERVICES

1.1 Services. The Collaborator will undertake the Project and will use reasonable efforts to perform the Project substantially in accordance with the terms and conditions of this Agreement and the statement of work forming part of **Schedule A**. The Company and the Collaborator may at any time amend the Project by mutual written agreement.

1.2 Manager. In the event that Debbie Plouffe (the "***Manager***") of the Collaborator ceases to have primary responsibility for the Project, and a mutually acceptable substitute is not available, the Company has the right to terminate the Project and this Agreement by providing the Collaborator with two (2) weeks' prior written notice. The Manager shall be responsible for, among other things, management and oversight of the Project and the preparation and production of reports, including those reports described in **Section 3.2** below.

ARTICLE II – TERM

2.1 Duration. Subject to the right of either Party to terminate this Agreement as set forth in **Article 6** below, the Collaborator shall provide the Services (as hereinafter defined) to the Company beginning April 1, 2012 and shall continue in full force and effect until April 1, 2013, unless otherwise extended by mutual written agreement of the Parties (the "***Project Period***").

ARTICLE III – PERFORMANCE OF SERVICES

3.1 Services. During the Project Period, the Collaborator will perform the services described on **Schedule A** (the "***Services***") in collaboration with the Company and its parent, subsidiaries or affiliates. Collaborator must perform duties in compliance with regulatory requirements when necessary, such compliance requirements to be set by the Company. The Company may add to or subtract from the Services by mutual written agreement with the Collaborator.

3.2 Reporting. During the Project Period, the Collaborator will keep the Company informed, orally or in writing, as to the progress of the Project. The Collaborator will submit monthly reports to the Company within seven (7) days after the end of each calendar month. Additionally, the Collaborator will prepare written quarterly and annual status reports regarding the AIF research project to the Company within thirty (30) days after the end of each calendar quarter and year. The Collaborator will submit a final written report to the Company within sixty (60) days after the conclusion of the Project Period or the early termination of this Agreement, whichever is sooner. To the extent that either of the parties will make application for input tax credits that are based on scientific research or experimental development (i.e., SR/ED credits), the reports prepared pursuant to this **Section 3.2** will be in a form sufficient to substantiate the amounts of such credits for the benefit of the party entitled thereto; provided, however, that, if the Collaborator is applying for input tax credits, it shall only disclose information in any such application to the extent required by such application and in no event will the Collaborator disclose any Confidential Information (as defined below).

3.3 Discretion. The Collaborator will exercise customary discretion and independent judgment with respect to the manner in which it performs the Services pursuant to this Agreement. Nothing in this Agreement will be deemed to deprive the Collaborator of such discretion or judgment, or to require the Collaborator to perform particular Services at any particular time or in any specific manner.

ARTICLE IV – COSTS AND INVOICES

4.1 Costs. The Parties understand and agree that the Services specified in this Project are governed by the mutually agreed to budget set forth on **Schedule A** and that the monthly costs incurred in performing the Services of the Project shall be an aggregate amount calculated based on the submission of monthly timesheets of the individuals set forth on **Schedule A**. Changes to the budget for the Project can only be made by mutual written agreement of the Parties.

4.2 Direct Charges. For those categories of expenses that are listed as "direct charges" in the budget, purchase orders will be issued in the name of the Collaborator and billed directly to the Company, and the Company will directly pay the resulting invoices. Any such purchase order issued in the name of the Collaborator shall be signed by the Company.

4.3 Invoice and Receipts. For those categories of expenses that are not listed as "direct charges" in the budget, the Collaborator shall submit monthly invoices for such other Services rendered pursuant to this Agreement. Receipts or other evidence showing the amount of each expense must support the invoice. The Company will pay all validly supported invoices submitted by the Collaborator for the Services rendered pursuant to this Agreement within thirty (30) days of receipt.

ARTICLE V– CONFIDENTIAL INFORMATION

5.1 Confidential Information. "***Confidential Information***" means all information, regardless of its form, disclosed by one Party (the "***Discloser***") to the other Party (the "***Recipient***") and which is clearly marked as confidential or proprietary when first disclosed and includes, without limitation, trade secrets, know-how, show-how, concepts, discoveries, inventions, research or technical data and other proprietary information or material (biological or otherwise). Confidential Information may also include information furnished during discussions or oral presentations if it is conspicuously identified as proprietary at the time and then transcribed or confirmed in writing within thirty (30) days, specifically describing what portions of such information is considered to be proprietary or confidential, except that Confidential Information does not include information:

(i) known by the Recipient prior to receipt from the Discloser, other than through (a) prior confidential disclosure by the Discloser, as evidenced by the Recipient's business records, or (b) prior disclosure by a third party under a confidentiality obligation to the Discloser in respect of such Confidential Information;

(ii) published or available to the general public otherwise than through a breach of this Agreement;

(iii) obtained by the Recipient from a third party with a valid right to disclose it, provided that the third party is not under a confidentiality obligation to the Discloser in respect of the same; or

(iv) independently developed by employees, agents or consultants of the Recipient who had no knowledge of or access to the Discloser's information.

5.2 Non-Disclosure. Each Recipient will keep and use the Discloser's Confidential Information in confidence and will not, without the Discloser's prior written consent, disclose the Discloser's Confidential Information to any person or entity, except to the Recipient's directors, officers or employees who require the Confidential Information to assist Recipient in performing its obligations and exercising its rights under this Agreement.

5.3 Judicial Process. Any Party required by judicial or administrative process to disclose the other Party's Confidential Information will promptly notify the other Party and allow it reasonable time to oppose the process before disclosing the Confidential Information.

5.4 Return or Destroy. Upon the termination or expiration of this Agreement for any reason, the Recipient will promptly discontinue the use of, and will return to the Discloser or its designee, or, at the request of the Discloser, destroy, all of the Discloser's Confidential Information and copies thereof which were furnished to or otherwise came into the possession of Recipient during the term of this Agreement, and any notes, summaries and other documents or materials containing information relating to such Confidential Information.

5.5 Company Objection. The Company may object to the proposed disclosure on the grounds that (i) it contains Confidential Information that was disclosed to the Collaborator by the Company; or (ii) that it discloses patentable subject matter which needs protection. If the Company makes objection on the grounds of the inclusion of the Company's Confidential Information, the Collaborator will remove such Confidential Information immediately from the proposed disclosure, after which the Collaborator is free to present and/or publish the proposed disclosure. If the Company makes an objection on the grounds of protection of patentable subject matter, the Collaborator will delay the proposed disclosure until the Company has filed one or more patent applications with one or more patent offices directed to such patentable subject matter (the "***Delay***"). A provisional patent application will be considered to be a patent application in the United States of America for the purposes of this Agreement.

5.6 Publication. The Collaborator is not restricted from presenting at symposia, conferences or professional meetings, or from publishing in journals or other publications, results from the Project, provided that the Company is provided with copies of the proposed disclosure at least ninety (90) days before any material is disclosed (including by way of a submission for publication or a proposal for a presentation at a symposia, conference or professional meeting) or presented or published and does not, within sixty (60) days after delivery of the proposed disclosure, give notice to the Collaborator indicating that it objects to the proposed disclosure.

5.7 Intellectual Property Rights. The Company shall own:

(i) all copyrights, copyright registrations and copyright applications that are owned by the Company as of the date of this Agreement;

(ii) all trademarks, service marks, mark registrations and mark registration applications owned by the Company as of the date of this Agreement;

(iii) all patents and patent applications in any country owned by the Company as of the date of this Agreement;

(iv) all technical information, proprietary information, trade secrets, techniques, technology, Improvements (hereinafter defined) and other specialized knowledge that is owned by the Company as of the date of this Agreement (all of the above, collectively, the "***Company Intellectual Property***"); and

(v) any and all improvements, modifications, inventions, discoveries and enhancements ("***Improvements***") to, or made with, the Company Intellectual Property made or created by the Company, the Collaborator, or the subsidiaries, parents or affiliates of the Collaborator, alone or jointly.

The Collaborator hereby irrevocably and unconditionally transfers and assigns to the Company and agrees to transfer and assign to the Company, its successors and assigns, all of the Collaborator's right, title and interest in any and all Improvements to, or made with, the Company Intellectual Property.

Subject to the terms, conditions and limitations of this Agreement, the Company grants to the Collaborator a non-exclusive, non-transferable, non-sublicenseable, revocable, royalty-free license to use the Company Intellectual Property and Improvements to, or made with, the Company Intellectual Property solely in connection with this Agreement for the purpose of conducting the activities contemplated hereby.

ARTICLE VI– TERMINATION

6.1 Termination. This Agreement will terminate by its terms at the end of the Project Period, unless mutually extended by written agreement of the Parties. Either Party may terminate this Agreement at any time by providing sixty (60) days prior written notice to the other Party.

6.2 Breach. If either Party commits any breach or default of any terms or conditions of this Agreement and also fails to remedy such breach or default within thirty (30) days after receipt of a written notice from the other Party, the Party giving notice may terminate this Agreement by sending a notice of termination in writing to the Party in breach. This termination will be effective as of the date of the receipt of such notice of termination. The termination may be in addition to any other remedies available at law or in equity.

6.3 Extension. The Parties may extend this Agreement in writing for additional periods under mutually agreeable terms and conditions. Said extension will be effective upon signature by both Parties.

ARTICLE VII – STATUS AND AUTHORITY

7.1 Independence. The Collaborator will perform all services hereunder as an independent organization. The relationships of the Parties are those of independent contractors and nothing contained herein will be deemed to create a partnership, joint venture or any other relationship between the Collaborator and the Company, its parent, subsidiaries or affiliates.

7.2 Mutual Authority. Nothing contained herein will be deemed to authorize either Party to act as the agent or legal representative of the other Party. Each Party hereby acknowledges that it is not authorized to act as the agent or legal representative or to otherwise act in the name of or on behalf of the other Party, its parent, subsidiaries or affiliates.

ARTICLE VIII –INDEMNITY AND DISCLAIMER

8.1 Mutual Indemnity. Each Party (the "***Indemnifying Party***") hereby agrees to indemnify, hold harmless and defend the other Party, its directors, officers, employees, affiliates, contractors, partners, shareholders, invitees and agents (each an "***Indemnified Party***") against any and all liabilities, suits, judgments, settlements, obligations, fines, damages, penalties, claims, costs, charges and expenses, including, without limitation, all reasonable legal fees and disbursements, which may be imposed upon or incurred by or asserted against any Indemnified Party by reason of or resulting from any one or more of the following occurring during or after (but attributable to a period of time falling within) the Project Period: (i) any accident, injury (including death) or damage to any employee of the Indemnifying Party occurring in, on or about the premises of an Indemnified Party or any part thereof (the "***Premises***"), (ii) any accident, injury (including death) or damage to any person or property occurring in, on or about the Premises as a result of the act or neglect of any employee of the Indemnifying Party, or (iii) any act or failure to act on the part of any employee of the Indemnifying Party while in, on or about the Premises during the performance of this Agreement.

8.2 Disclaimer. COLLABORATOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY COMPANY FROM USE OF THE DELIVERABLES AND THE SERVICES PURCHASED FROM THE COLLABORATOR.

8.3 Limitation of Liability. The maximum liability of each party under this Agreement is the amount paid by Company to Collaborator for the Project.

ARTICLE IX– GENERAL PROVISIONS

9.1 Entire Agreement. This Agreement sets forth all the understandings between and obligations of the Parties hereto. There are no other promises, understandings or obligations extant between the Parties.

9.2 Headings. The headings to the Articles and Sections of this Agreement are inserted for convenience only and will not be deemed a part of this Agreement for purposes of interpreting or applying the provisions of this Agreement.

9.3 Severability. All provisions, terms, conditions, paragraphs and covenants contained in this Agreement are severable and, in the event any one of them shall be held to be invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such provision was not contained herein, and such determination shall not otherwise affect the validity of any other provisions. This and all other provisions of this Agreement shall be and remain applicable as provided herein, irrespective of any termination of the Collaborator's services hereunder, whether by the Company or by the Collaborator, and irrespective of any other termination or expiration of this or any other written or oral agreement or arrangement (or any extensions thereof) with the Company.

9.4 Governing Law. This Agreement will be governed in all respects by the laws of the Province of Newfoundland and the laws of Canada in force in that Province**.**

9.5 Amendments. The Collaborator and the Company may amend this Agreement, but any such amendment must be in writing and signed by both Parties.

9.6 Assignment. Neither Party may assign this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld.

9.7 Continuation of Covenants. Notwithstanding any other provision in this Agreement, the Parties' respective rights and obligations under **Articles 5** and **6** of this Agreement will survive any termination or expiration of this Agreement or the termination of the Collaborator's Services for any reason whatsoever.

9.8 Notice of Obligations. The Collaborator hereby consents to the notification of persons or entities of the Collaborator's obligations under this Agreement when the Company reasonably believes that the Collaborator's activities are likely to be restricted by this Agreement.

9.9 Notices. All notices, requests, demands and other communications given hereunder shall be in writing and delivered personally, by overnight courier, by mail or by facsimile, and shall be deemed delivered when actually received. The executed copy of this Agreement and/or any written notices to the Company should be provided to:

AquaBounty Technologies, Inc.
Two Clock Tower Place
Suite 395 Maynard,
Massachusetts 01754
Attention: Chief Financial Officer

If to the Collaborator to:

John Buchanan
President
0718 Bay Fortune, RR No. 4
Souris, PEI C0A 2B0

9.10 Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

COMPANY:

AQUA BOUNTY CANADA INC.

By: /s/ David A. Frank
Name: David A. Frank
Title: Chief Financial Officer

COLLABORATOR:

TETHYS AQUACULTURE CANADA, INC.

By: /s/ John Buchanon
Name: John Buchanon
Title: CEO

[Signature Page to Collaborative Research Agreement]

SCHEDULE A

Statement of Work

(See attached)

STATEMENT OF WORK
Description of Major Activities

AquaBounty Commercial

1. Development and validation of a GLP qPCR-based assay, including high-throughput genomic DNA extraction, for determination of zygosity and qualification of AquAdvantage broodstock.
    a. Development of a Study Protocol, conduct of the study and completion of the Final Study Report for hemizygous and homozygous discrimination.
    b. As a replacement for Southern blot analysis, requiring the ability to discriminate between 2 and 3 or more copies of the transgene (method development ongoing, but formal validation upon FDA acceptance of this approach)
    c. Preparation of SOPs for the high-throughput genomic DNA extraction and qPCR assays.
2. GxP-compliant qualification of AquAdvantage broodstock including:
    a. Confirmation of identity and location of the EO-1a transgene using traditional PCR
    b. Confirmation of zygosity using a validated qPCR-based assay
    c. Confirmation of transgene copy number through GLP Southern blotting (involving coordination with a GLP-contract research facility OR an approved, validated qPCR-based assay developed by TAC)
    d. Diagnostic PCRs
3. GxP-compliant QC for induction of triploidy in commercial batches of AquAdvantage salmon as required
4. Assist in management of studies optimizing the production of sex-reversed females (neomales)
    a. Continue evaluation of sex-reversal treatments applied to the 2010YC
    b. Evaluate of at least three different hormone treatments to achieve sex reversal for the 2011YC confirming efficacy of successful immersion treatment(s) from the 2010YC.
    c. Summarize data and report recommendation for optimal sex-reversal treatments
    d. Evaluate photoperiod and temperature manipulation to induce sexual maturation in one and two year old sex-reversed AquAdvantage salmon.
5. Maintain and develop laboratory SOPs as necessary.
6. Review of regulatory documents, preparation of Study Protocols and Final Study Reports for validation of assays and equipment as reasonable. Assist in preparation of regulatory documents (US, Canada, other) as reasonable.
7. Maintenance of GxP compliance in the laboratory including maintenance, calibration and performance verification/qualification of equipment.
8. Ad hoc PCR and flow cytometry as reasonable.

AquaBounty AIF

1. Management of AIF collaborators
    a. Collect, analyze and report results as necessary
    b. Coordinate meetings of collaborators, review publications
    c. Prepare quarterly and annual updates for ACOA as part of AIF administration
    d. Interact with ACOA/AIF administration as needed in support of AIF funding
2. Coordination of the ABC Animal Care Committee
    a. Participation on the committee and preparation of protocols for review
3. Assessment of family-based growth performance and appearance in 2009-2011YC from the in-house selective breeding program. Make recommendations for improved performance through breeding.

a. Analyze and present growth performance and appearance data for all current year classes comparing diploid and triploid performance, looking for correlations.

b. Consult on establishment of the 2012YC families for the selective breeding program

c. Assist in tissue and growth-data collection for performance studies as needed

4. Organization, management, and conduct of test-diet trials for juvenile Atlantic salmon

   a. Assist with formulation and preparation of test diets

   b. Assist with feeding and sampling events

   c. Collect, analyze and present growth and FCR data

   d. Ensure collection of biochemical data

5. Collection and presentation of composition data for first-feeding fry of the 2010YC in relation to feed composition to assess nutrient utilization in early life stages.

   a. Recommendation of diet formulation for first-feeding fry based on results

6. Evaluation of fatty acid composition of growth hormone transgenic and nontransgenic diploids and triploids; correlation of blood and tissue levels of fatty acids.

7. Manage assessment of new genetics and improved lines in-house at AquaBounty and/or as a part of field trials at alternate locations

   a. Preparation of study plans, assistance in data collection, analysis and presentation/comparison of growth results

8. Coordinate utilization of genetic markers to:

   a. Define genetic diversity of in-house stocks and any new genetics

   b. Assign parentage of fish enrolled in the growth performance and nutrition studies as necessary

   c. Predict genetic sex as required

9. Confirmation of ploidy and presence of the EO-1a transgene using flow cytometry and traditional PCR for individuals as required.

10. Assist with evaluation and testing of the database

SCHEDULE A

Budget

(See attached)

AquaBounty Canada, Inc.
Contract Research Budget
with Tethys Aquaculture Canada, Inc.

		April 2012 - March 2013					
		Production	**%**	**AIF**	**%**	**Total**	**%**
Professional Services:	Name						
Research Director	Plouffe	17,400	20%	52,200	60%	69,600	80%
Research Associate	Bryenton	21,500	50%	21,500	50%	43,000	100%
Aquaculture Research Associate	Peters	6,500	20%	26,000	80%	32,500	100%
Aquaculture Research Associate	MacInnis	18,000	50%	18,000	50%	36,000	100%
Postdoctoral Researcher	Wall	—	0%	42,000	100%	42,000	100%
Postdoctoral Researcher	Ganga	—	0%	50,000	100%	50,000	100%
Corporate Administrator	JB	16,800	10%	42,000	25%	58,800	35%
Benefits (15%)		12,030		37,755		49,785	
Total Professional Services		92,230		289,455		381,685	
Operating Expenses:							
Supplies and Materials		22,667		40,000		62,667	
Maintenance and Repair		—		—		—	
Travel and Entertainment		2,600		3,667		6,267	
Miscellaneous		1,867		4,333		6,200	
Total Operating Expenses		27,133		48,000		75,133	
TAC Expenses		119,363		337,455		456,818	

Professional services to be invoiced by TAC monthly based on timesheets.
Supplies to be direct billed to ABC via PO process.
Travel expenses to be reimbursed by ABC.

Exhibit 10.19

INTELLECTUAL PROPERTY LICENSE AND FULL AND FINAL RELEASE

This Agreement, effective as of the 28th day of February, 2014, (the "Effective Date") is by and among **GENESIS GROUP INC.**, a corporation incorporated in the province of Newfoundland, with offices located at Memorial University of Newfoundland, St. John's Newfoundland, Canada A1C 5S7 ("**Genesis**") and **HSC RESEARCH AND DEVELOPMENT PARTNERSHIP**, a partnership organized and subsisting under the laws of the Province of Ontario, Canada with offices at 555 University Avenue, Toronto, Ontario, M5G 1X8 ("**RDLP**"), and **AQUABOUNTY TECHNOLOGIES, INC.**, a corporation incorporated in the United States of America, with offices located at Two Clock Tower Place, Suite 395, Maynard, Massachusetts, 01754, USA ("**AquaBounty**") (each of Genesis, RDLP and AquaBounty, a "**Party**" and collectively, the "**Parties**").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. The parties acknowledge and agree that this Agreement supersedes and replaces the License Agreement dated July 10, 1996 (as amended), which was originally entered into by and among AquaBounty's predecessors in interest, namely A/F Protein Inc. and A/F Protein Canada Inc. (as licensees), and RDLP and Genesis (as licensors) (the "**License Agreement**").

2. Genesis and RDLP hereby grant to AquaBounty, and AquaBounty hereby accepts, a worldwide, royalty-free, fully paid up, sub-licensable, assignable, non-exclusive right and license (i) to the Technology (as defined in Appendix A) and (ii) to the Licensed Patents (as defined in Appendix A) (collectively, the "**Licensed Rights**") to make, have made, use (including use in the performance of services for its customers), offer, market and sell products and services.

3. Genesis and RDLP and each of its successors and assigns (hereinafter collectively called the "**Licensors**") hereby remise, release and forever discharge AquaBounty, A/F Protein, Inc. and A/F Protein Canada Inc. and each of its successors and assigns (hereinafter collectively called the "**Licensees**") and each of its affiliates, associates and subsidiaries and each of their respective present and former directors, officers, attorneys, employees, parents, successors, subsidiaries, related entities, administrators and assigns, as the case may be, of and from all actions, causes of action, claims, demands and damages whatsoever, and howsoever arising, which the Licensors have or ever had against the Licensees, or any of them, by reason of any loss, liability or other damage arising out of or in relation to (i) the Licence Agreement, (ii) the Technology and (iii) the Licensed Rights (collectively, the "**Released Subject Matters**").

4. The Licensees hereby remise, release and forever discharge the Licensors and each of its affiliates, associates and subsidiaries and each of their respective present and former directors, officers, attorneys, employees, parents, successors, subsidiaries, related entities, administrators and assigns, as the case may be, of and from all actions, causes of action, claims, demands and damages whatsoever, and howsoever arising, which the Licensees have or ever had against the Licensors, or any of them, by reason of any loss, liability or other damage any arising out of or in relation to the **Released Subject Matters**.

5. In consideration for the license and release granted above, AquaBounty shall pay to Genesis a sum of C$150,000.00, by March 7, 2014 via a payment method mutually agreed upon by the Parties.

6. The Parties acknowledge and agree that the other Party does not admit any liability or obligation of any kind whatsoever and such liabilities and obligations are, in fact, denied.

7. The Parties hereby covenant that they will not, at any time, bring any suit, make any threat or claim or commence any action or proceeding against the other Party, or any person in respect of or relating to the Released Subject Matters in which a claim could arise, or any of them for contribution or indemnity or any other relief.

8. The Parties acknowledge and agree that their covenants and obligations hereunder, and the rights and benefits to the other Party hereunder, are binding on any and all of their successors and assigns, and enure to the benefit of all successors and assigns of the Parties.

9. The Parties agree that if any Party (including any successor or assign) hereafter make any claims or demands or take or threaten to take any action against the other Party in respect of the Released Subject Matters, then this Release may be raised as an estoppel to such claim, demand or proceeding. The Party making the claim or demand shall be jointly and severally liable for indemnifying the other Party for any and all fees, costs and expenses associated with the claim.

10. Except as set for in paragraph 9 above, each Party will bear its own costs and attorney fees with respect to this matter.

11. The Licensors, including their fellows, officers, employees and agents, hereby represent and warrant that no information, manufacturing techniques, data, designs or concepts developed by The Research Institute of the Hospital for Sick Children of Toronto, Ontario, and Memorial University of Newfoundland covering the “all fish” gene construct for the production of transgenic fish has been delivered to the Licensees at any date between July 11, 1996 and the Effective Date.

12. The Licensors, including their fellows, officers, employees and agents, make no representations or warranties that any Licensed Patent is or will be held valid, or that the manufacture, use, sale or other distribution of any products will not infringe upon any patent or other rights not vested in the Licensors.

13. The Licensors, including their fellows, officers, employees and agents, make no representations, extend no warranties of any kind, either express or implied, including but not limited to the implied warranties of merchantability or fitness for a particular purpose, and assume no responsibilities whatever with respect to design, development, manufacture, use, sale or other disposition of products by Licensees and their sublicensees or affiliates.

14. The entire risk as to the design, development, manufacture, offering for safe, sale or other disposition and performance of products is assumed by Licensees and their sublicensees and affiliates. In no event shall the Licensors, including their fellows, officers, employees an agents, be responsible or liable for any direct, indirect, special, incidental, or consequential damages or lost profits to Licensees and their sublicensees or affiliates or any other individual or entity regardless of legal theory. The above limitations on liability apply even though the Licensors, including their fellows, officers, employees or agents, may have been advised of the possibility of such damage.

15. Regardless of any research or testing that may have been done at or by the Licensors, the Licensors make no representations regarding how Licensed Rights can or should be used in the commercial production of products.

16. Licensees shall defend, indemnify and hold harmless and shall require its sublicensees and Affiliates licensed hereunder to defend, indemnify and hold harmless the Licensors, as well as their fellows, officers, trustees, directors, employees and agents, for and against any and all claims, demands, damages, losses, and expenses of any nature (including attorneys' fees and other litigation expenses), resulting from, but not limited to, death, personal injury, illness, property damage, economic loss or products liability arising from or in connection with, any of the following:

    a. Any manufacture, use, sale or other disposition of products by Licensees and their sublicensees, affiliates, or transferees;

    b. The direct or indirect use by any person of products made, used, sold or otherwise distributed by Licensees and their sublicensees or Affiliates;

    c. The use by Licensees and their sublicensee or Affiliates of any invention related to the Technology or the Licensed Patents.

17. The Licensors shall be entitled to participate at their option and expense through counsel of its own selection, and may join in any legal actions related to any such claims, demands, damages, losses and expenses under Paragraph 16 above.

18. Prior to the first commercial sale or other distribution of products, the Licensees shall purchase and maintain in effect a policy of product liability insurance covering all claims with respect to any products manufactured, sold, licensed or otherwise distributed by Licensees and their sublicensees and affiliates, and shall specify the Licensors, including their fellows, officers, trustees, directors and employees, as an additional insureds (or otherwise extend such coverage to include those Parties) Licensees shall furnish certificate(s) of such insurance to the Licensors, upon request.

19. This Agreement supersedes any and all prior discussions, communications, and agreements, either oral or written, and it embodies the entire agreement of the Parties hereto with respect to the subject matter hereof. Any changes or modifications of this Agreement shall be in writing, executed by the Parties hereto, and any attempt at oral modification of this Agreement, or through a writing signed by only one of the Parties, shall be void. There are no representations or warranties or understandings of any kind except as expressly set forth herein. The consideration for the terms of this Agreement is contained solely herein, and no Party has relied on representations, warranties, or understandings, other than as expressly set forth herein, in entering into this Agreement.

20. Any term or provision of the Agreement held by a court of competent jurisdiction to be unenforceable shall be severable and shall not affect the validity of the remaining terms or provisions of this Agreement.

21. The Agreement may be executed in counterparts, each of which constitutes an original and all of which taken together constitute one and the same instrument. This Agreement may be executed and transmitted by facsimile telecopies or by email attachment in .pdf format, which facsimile copies or email attachments shall be deemed as originals for all purposes.

22. This Agreement shall be governed by the laws of Ontario and the laws of Canada applicable therein.

23. The Parties acknowledge and agree that they have each had an adequate opportunity to read and consider this Agreement and to obtain legal advice in regard to it. The rule of contract construction that a contract is construed against its drafter shall not apply to this Agreement, and the Parties waive any right and shall not assert any claim in any proceeding that this Agreement should be construed against the drafter hereof.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives this 5th day of March, 2014.

GENESIS GROUP INC.

Per: /s/ David J. King
Name: David J. King
Title: President & CEO

HSC RESEARCH AND DEVELOPMENT PARTNERSHIP

Per: /s/ Stuart Howe
Name: Stuart Howe
Title: President

AQUABOUNTY TECHNOLOGIES, INC.

Per: /s/ David Frank
Name: David Frank
Title: Chief Financial Officer

Exhibit 10.20

AMENDED AND RESTATED LEASE AGREEMENT

This Amended and Restated Lease Agreement (this "Agreement") is made and entered into as of 1 May 2016 (the "Effective Date") by and between **LIGIA GABRIELA SURGEON DE LAMASTUS** (legal name), female, Panamanian, of legal age, widowed, with identity card No. X-XXX-XXXX ("**LANDLORD"**), on the one hand, and on the other hand, DAVID FRANK, male, American (USA), of legal age, with passport No. XXXXXXXXX, acting in name and on behalf of **AQUA BOUNTY PANAMA, S. de R.L.**, a company duly organized and existing under the laws of the Republic of Panama, registered under Microjacket 1017, Document 1363400 of the Mercantile Section of the Public Registry of the Republic of Panama ("**ABP**"), duly authorized to that end, as registered before the Public Registry (each individually a "Party" and both collectively the "Parties").

RECITALS

WHEREAS, LUIS LAMASTUS and ABP subscribed to a Usufruct Agreement dated as of 19 January 2009 for use of that parcel of 2.03 hectares described and depicted in **EXHIBIT A** attached hereto (the "Parcel"), which is part of a property of approximately 21 hectares, located in Los Naranjos, District of Boquete, Province of Chiriqui, Republic of Panama (the "Property").

WHEREAS, ABP has developed on the Parcel an aquaculture project identified as the "Aqua Bounty Panama Project," which consists of the production of its genetically modified salmon (the "ABP Project") and requires (i) the importation of AquAdvantage® Salmon ("AAS") eggs from the facilities of AquaBounty Technologies, Inc. ("ABT") and (ii) grow-out of the AAS.

WHEREAS, the LANDLORD requested the National Land Authority of Panama ("ANATI") to title the Property in her name to obtain an official property title (the "Titling Proceeding").

WHEREAS, the ABP Project is still in force and requires that the Lease Agreement be amended for ABP to continue the ABP Project.

WHEREAS, the Property is under the total control and use of the LANDLORD.

WHEREAS, the LANDLORD and ABP subscribed to a Lease Agreement ("Previous Agreement") as of 24 August 2015.

WHEREAS, according to the Previous Agreement, it could be only modified by written agreement of the Parties and no change in, addition to, or waiver of any of the terms and conditions of the Agreement were to be binding upon any Party unless approved by it in writing.

WHEREAS, the LANDLORD and ABP wish to amend and restate the Previous Agreement.

WHEREAS, the LANDLORD has demonstrated that the Parcel is free and clear from any encumbrances, liens, or restrictions and that all fees and taxes due to any public or private institution in regard to the Property have been paid.

WHEREAS, the LANDLORD has demonstrated that there are no claims or disputes over the possessory rights and/or title rights of the LANDLORD or of any other nature on the Parcel or on the Property.

WHEREAS, ABP has made and may make capital investments in and improvements to the Parcel ("FACILITIES AND EQUIPMENT"), including, but not limited to, the following:

1. The buildings contained on the Parcel, including, but not limited to, a quarantine building, an egg incubation system, a feed warehouse, and an office.
2. The improvements to the Parcel, including, but not limited to, a small Low Head Oxygenator ("LHO"), a large LHO, a concrete water intake for water of the river for which ABP has obtained a provisional water concession and distribution structure, a containment sump, and sedimentation pond outlet structures.
3. Fry tanks and external grow-out tanks.
4. Containment components, including, but not limited to, the filters and screens, filter boxes, containment sump screens, sedimentation ponds (including their outlet screens), and perimeter fencing.
5. Water distribution components, including, but not limited to, river intake, pipes, a drainage canal, and sedimentation ponds.
6. An electrical generation system, including, but not limited to, solar panels, a hydroelectric turbine, and associated electrical transmission and storage components.

NOW, THEREFORE, in consideration of the premises described above, and of the mutual benefits and obligations set forth in this Agreement, the Parties agree to amend and restate the Previous Agreement to read as set forth in this Agreement.

The Recitals set forth above are material to this Agreement and are hereby expressly incorporated herein.

ARTICLE 1. LEASE

The LANDLORD hereby leases to ABP the following:

1. The Parcel described in **EXHIBIT A** and all its inherent benefits.

ARTICLE 2. PARCEL AND WATER USE

2.1 ABP shall only use the Parcel for activities related to the ABP Project.

2.2 ABP shall use the Parcel with the diligence of a good *pater familias* and shall not knowingly allow the Parcel to be used for any unlawful purpose.

2.3 ABP may make any additional improvements that it deems convenient and/or necessary to further develop the ABP Project without the approval of the LANDLORD.

2.4 Unless there is a cause that originates from Acts of God, the ABP Project will have access to the River Flow at the same volumes that are currently in use in the ABP Project and in no event shall these volumes be lower than 2170 gallons per minute of river water for the growout and fry. tanks.

2.5 The water distribution system of the ABP Project will be managed by ABP. The LANDLORD will not diminish, increase, or in any way endanger the water levels in the ABP Project's drainage canal and sedimentation ponds without the written consent of ABP. The LANDLORD in no way will contaminate the waters of the ABP Project. Furthermore, the LANDLORD shall take all measures reasonably necessary to guarantee that no third parties take any action that in any manner may jeopardize or endanger the quality of the water that is originated from the Water Flow and/or the water levels in the ABP Project.

2.6 If the LANDLORD develops production facilities that require water use in her portion of the Property, ABP shall share with the LANDLORD, without any cost to the LANDLORD, a portion of the water flow contained in the water distribution system, but only if the water requirements for the ABP Project are met first.

ARTICLE 3. TERM

3.1 This Agreement shall have an initial term of two (2) years from the Effective Date and may be renewed for additional two-year terms at the exclusive option of ABP through notice to the LANDLORD (such initial term and any renewal periods, collectively, the "Term"). If any third party files for title of the Parcel and/or the Property as part of the Titling Proceeding, the LANDLORD shall take all steps that are required for ABP to continue to use the Parcel and the River Flow, as provided in this Agreement and to continue the ABP Project, in each case until ABP allows this Agreement to expire without renewal.

ARTICLE 4. LANDLORD OBLIGATIONS AND PROHIBITIONS

4.1 The LANDLORD shall guarantee ABP the peaceful and uninterrupted use of the Parcel.

4.2 The LANDLORD shall make any repair that is needed to preserve the Parcel for the use of ABP for the purposes herein established.

4.3 The LANDLORD shall not impose any liens or restrictions on the use of the Property during the Term and shall take all steps necessary to have any such lien or restriction imposed by any third party removed. Shall the LANDLORD sell or transfer her possessory rights over the Property, the contract covering the sale or transfer of the possessory rights over the Property to the new owner shall include the duty of the new owner to respect this Agreement. In any case, ABP has the right to exercise any actions that it deems convenient or necessary to guarantee that the Parcel and the FACILITIES AND EQUIPMENT are free and clear from any liens or restriction of use.

4.4 The LANDLORD agrees not to modify or interfere with any of the existing AAS production facilities, containment, and/or water distribution systems of the ABP Project without prior written authorization of ABP and/or ABT. The LANDLORD will not jeopardize, negatively impact, or increase effluent flow into the ABP Project drainage canal and sedimentation ponds without the written authorization of ABP. The LANDLORD has knowledge that any unauthorized change to the facilities of the ABP Project that were previously inspected by the FDA could jeopardize ABT's Food and Drug Administration (FDA) application.

ARTICLE 5. LANDLORD RIGHTS

5.1 The LANDLORD is permitted to build on the Property outside the borders of the Parcel, in accordance with the Property borders established in **EXHIBIT A**, as long as the construction and new infrastructure do not impede the operation of the ABP Project or damage or interfere with (i) the ABP Project infrastructure; (ii) the FACILITIES AND EQUIPMENT; (iii) containment elements; (iv) the River Flow used in the ABP Project; and/or (v) the discharge of effluent. The LANDLORD must advise ABP in writing before making any additions or changes to the infrastructure of the ABP Project for ABP and shall await for ABP to authorize them.

5.2 The LANDLORD has the right to receive technical assistance from ABP when needed.

ARTICLE 6. ABP OBLIGATIONS

6.1 ABP shall provide the LANDLORD with the monthly payment described in Article 8.1 of this Agreement.

ARTICLE 7. ABP RIGHTS

7.1 ABP has the right to:

1. Enter the ABP Project at any time without prior notice to the LANDLORD.
2. Impose its technical and management parameters on the management of the ABP Project to guarantee the survival, performance, and production of the AAS.

ARTICLE 8. PAYMENT

8.1 ABP agrees to pay the LANDLORD a fee of **US$15,000** per month (a total of **US$180,000.00** per year) during the Term (the “FEE”), which covers all of the costs for the lease of the Parcel.

8.2 The FEE shall be transferred to the following bank account designated by the LANDLORD within the first ten (10) days of every month:

LIGIA GABRIELA SURGEON DE LAMASTUS
ACCOUNT # XX-XXX-XXXXX-X
ABA XXXXXXXXX
Citibank, New York 10043
111 Wall Street, USA
GLOBAL BANK CORP

SWIFT GLBLPAPA
5056 Victoriano Lorenzo
PANAMA ,REPUBLIC OF PANAMA

ARTICLE 9. LEGAL EXPENSES

9.1 If Panamanian legal counsel is required to defend the ABP Project against any litigation or claim, ABP will assume the legal expenses if that litigation or claim arises out of (i) reasons not attributable to the LANDORD and/or (ii) reasons attributable to the ABP Project or the AAS eggs. However, if the litigation or claim is a result of (i) a direct or indirect action of the LANDLORD, (ii) dispute on possessory rights on the Property, and/or (iii) inheritance rights involving the Property, then the LANDLORD will bear said legal expenses.

ARTICLE 10. PRODUCT

10.1 Product Ownership: ABP is the owner of all AAS and AAS eggs located on the Parcel.

10.2 Product Sales: If the AAS and/or AAS eggs is approved for sale by U.S. and Panamanian authorities, ABP and/or ABT will determine to whom and in what form the harvested AAS will be commercialized.

10.3 Product Processing: ABT and/or ABP will decide where to process the harvested AAS. If ABT and/or ABP use the LANDLORD to process the AAS, ABT and/or ABP will pay the LANDLORD a competitively priced processing and packing fee that shall be agreed by both Parties.

10.4 Sales Proceeds: If the AAS and/or AAS eggs is approved for sale by U.S. and Panamanian authorities, all sales proceeds from approved harvested AAS will belong to ABP and/or ABT.

ARTICLE 11. PROPERTY TITLE

11.1 The LANDLORD shall continue to pursue and obtain clear legal title to the Property from the appropriate authorities (ANATI) in Panama or any other authority where the ownership title is to be obtained and further registered.

ARTICLE 12. PROMISE TO LEASE

12.1 Once the Titling Proceeding is finished and title to the Property is registered under the name of the LANDLORD, the LANDLORD shall, if requested by ABP, and at the option of ABP, either sign a new lease agreement with ABP on the same terms as this Agreement or renew through notice as provided in Article 3.

ARTICLE 13. PURCHASE RIGHTS

13.1 If the LANDLORD receives an offer from a third party to purchase the Property, either in its entirety, or any portion of the Property (a "Purchase Offer"), the LANDLORD will give ABP the right of first refusal to match the purchase offer under the same terms and conditions as offered by the third party.

13.2 The LANDLORD is required to inform ABP in writing of any Purchase Offer within three (3) calendar days of receiving it. ABP will be considered to have been informed when the LANDLORD receives electronic confirmation that its notice to ABP of the Purchase Offer has been delivered. Notwithstanding the above, the LANDLORD will make the necessary efforts to confirm with ABP that the Purchase Offer was received by ABP.

13.3 ABP has fourteen (14) calendar days to respond to the LANDLORD with ABP's counter-offer for the Purchase Offer.

ARTICLE 14. CURE PERIOD

If any of the Parties breaches the terms of this Agreement ("Breach"), the offended Party will deliver a written notice to the breaching Party ("Notice") within thirty (30) calendar days of the Breach. The breaching Party will in turn have sixty (60) calendar days to remedy its Breach (the "Cure Period"). If the breaching Party does not satisfactorily remedy its Breach within the Cure Period, the offended Party shall have the right to terminate this Agreement by written notice to the breaching Party. Notwithstanding the above, if, in the sole and absolute opinion of ABP, the Breach endangers the ABP Project, upon Notice the LANDLORD will be obliged to immediately remedy the Breach, and, if it is not remedied, ABP will be entitled to terminate this Agreement without Notice or judicial authorization.

ARTICLE 15. TERMINATION

15.1 The occurrence of any of the following events shall be deemed to be and shall be treated as a default under this Agreement, and the Parties shall be entitled to terminate this Agreement without the need of Notice or judicial authorization:

1. The breach or failure by either Party in the due observance or performance of the obligations of this Agreement;

2. The extinction of the possessory rights of the LANDLORD over the Property, unless such possessory rights evolve into property rights and title under the name of the LANDLORD;
3. The death of the LANDLORD;
4. The diminishment or contamination of the River Flow in such a manner as to impede ABP's activities and/or the continued operation and further development of the ABP Project;
5. The expiration of the Term;
6. If either of the Parties files a petition of bankruptcy liquidation or dissolution, or has such a petition filed against it by any third party; and
7. If any of the RECITALS described above are not verified or prove to be invalid.

15.2 The occurrence of the following shall be deemed to be and shall be treated as a default under this Agreement, and the Parties shall be entitled to terminate this Agreement without judicial authorization, on prior notice of sixty (60) days:

1. The abandonment by ABT.

ARTICLE 16. CONFLICT RESOLUTION

If a dispute arises in connection with this Agreement, the Parties agree that their representatives will meet to attempt to resolve such controversy through a conciliation managed by the Conciliation and Arbitration Center of the Chamber of Commerce of the Republic of Panama.

If the dispute is not resolved by conciliation, such dispute shall be submitted to arbitration in law, at a proceeding administered by the Conciliation and Arbitration Center of the Chamber of Commerce of the Republic of Panama, to which rules the Parties unconditionally voluntarily submit and claim knowledge thereof. The dispute shall be resolved in accordance with Panamanian substantive rules and the procedural rules of the Conciliation and Arbitration Center of the Chamber of Commerce of the Republic of Panama or, in its defect, applicable procedural rules under Panamanian law. The arbitration shall take place in Panama City, Republic of Panama, and proceedings shall be in Spanish. The decision rendered pursuant to such arbitration shall be in writing and shall be final, binding, and conclusive between the

Parties. The Parties shall have no further recourse in regard to the decision, except as otherwise provided for annulment of such decisions under the laws of Panama. Once the decision is rendered and is final, it will produce the effects of *res judicata*, and the Parties shall comply with the decision without delay.

All costs and expenses related to the arbitration proceeding shall be borne by the Parties equally. Each Party will cover the costs of its own legal counsel and expert witnesses, except to the extent that they expressly agree otherwise or the arbitrators so decide in the final decision.

ARTICLE 17. TAXES

The LANDLORD shall timely pay any and all applicable fees or taxes relating to the Property that are due to any public or private institution during the Term.

ARTICLE 18. GOVERNING LAW

This Agreement shall be interpreted and enforced in accordance with the laws of the Republic of Panama.

ARTICLE 19. ENTIRE AGREEMENT

This Agreement as hereby amended constitutes the entire Agreement between the Parties related to the subject matter herein, and the terms included herein may not be contradicted by evidence of any prior Agreement or of any oral Agreement.

ARTICLE 20. NOTICES

Any notice or communications required or submitted under this Agreement shall be in writing and sent to the following addresses:

For ABP:
Name: David A. Frank
Domicile: Two Clock Tower Place, Suite 395, Maynard, MA 01754
Telephone: (978) 648-6048
Email: dfrank@aquabounty.com

For the LANDLORD:
Name: Ligia Gabriela Surgeon de Lamastus
Domicile: Lamasur, Los Naranjos, Avenida Central, Boquete, Provincia de Chiriquí, República de Panamá.
Telephone: 507 6615 3679
Email: gabysurgeon@icloud.com

ARTICLE 21. MODIFICATIONS

This Agreement can be only modified by written agreement of the Parties. No change in, addition to, or waiver of any of the terms and conditions of this Agreement shall be binding upon any Party unless approved by it in writing.

ARTICLE 22. ASSIGNMENT

The Parties to this Agreement shall not assign any rights or obligations hereunder without the express written consent of the other Party.

ARTICLE 23. SEVERABILITY

If it is determined that any provision of this Agreement is invalid or not binding, in whole or in part, such invalidity shall be only in respect of that provision or portion thereof and the remainder of the same clause or all the remaining provisions of this Agreement shall remain valid, in full force and binding on the Parties.

ARTICLE 24. CONFIDENTIALITY

The Parties agree to maintain strict confidentiality of the terms of this Agreement. The Parties shall treat as confidential all information made available to them under this Agreement and shall not disclose such confidential information without the written consent of the owner of that information.

The foregoing restriction on use and disclosure shall not apply to confidential information that, at the time of disclosure or its becoming known to the recipient, the recipient can show:

1. Is of public knowledge; or
2. Came lawfully into the recipient’s possession otherwise than directly or indirectly from the owner without restriction on its subsequent disclosure or use by the recipient.

The foregoing restriction on use and disclosure shall be maintained by the recipient until the confidential information:

1. Becomes public knowledge through no fault or action on the recipient’s part; or

2. Comes into the recipient's possession free from any restriction from a third party (other than the owner or its affiliate) who has the lawful right to make such disclosure.

Notwithstanding the foregoing restriction on use and disclosure, a Party may disclose confidential information to any competent governmental agencies having authority to require such disclosure but informing such governmental agencies of the confidential nature of such information.

ARTICLE 25. COUNTERPARTS

This Agreement may be executed in counterparts (and by different Parties in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it shall have been executed by the Parties in their respective counterparts, and when taken together constitute a single document. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

/s/ Gabriela Surgeon de Lamastus
LIGIA GABRIELA SURGEON DE LAMASTUS
LANDLORD

/s/ David Frank
DAVID FRANK
AQUA BOUNTY PANAMA S. DE R.L.

EXHIBIT A

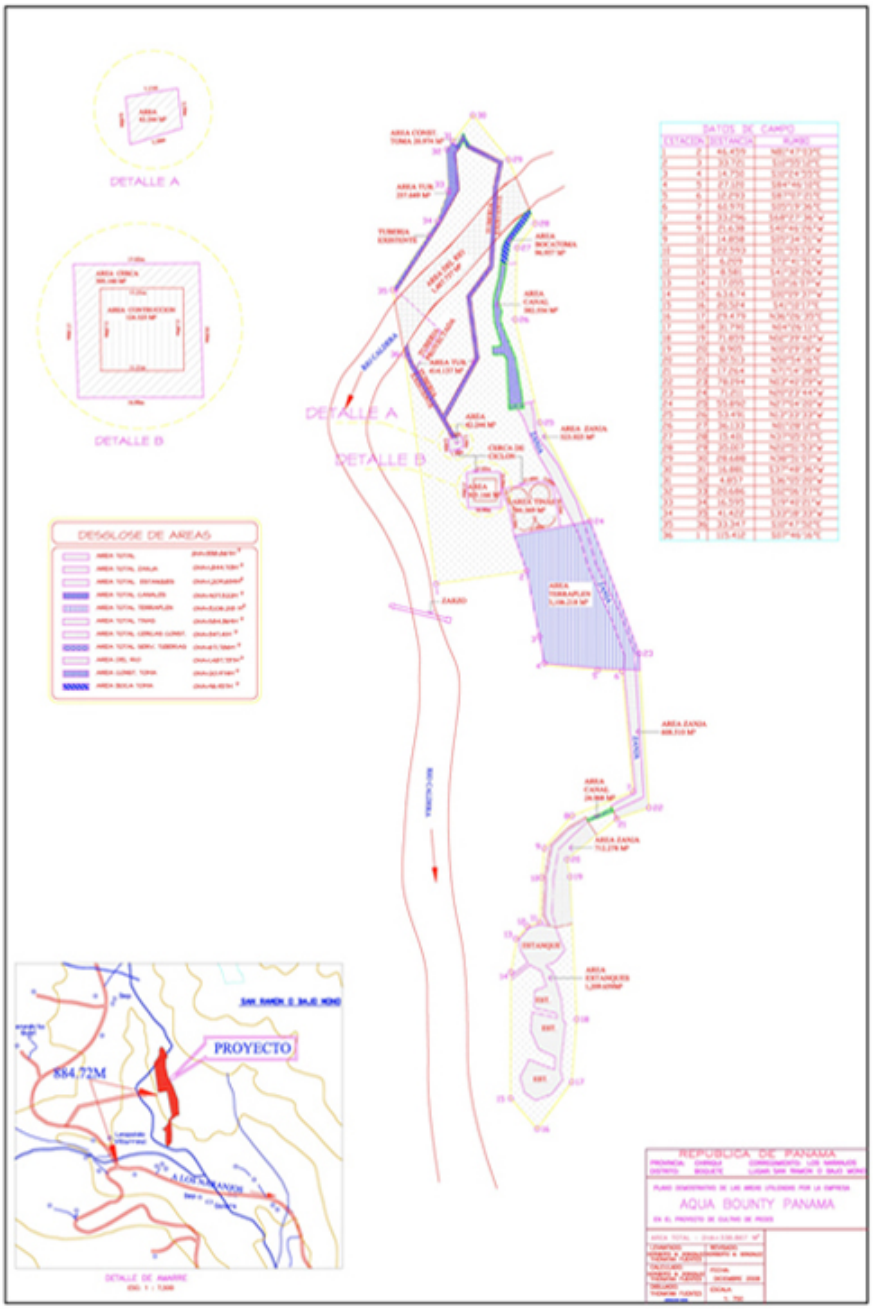
DETALLE A
DETALLE B
DESGLOSE DE AREAS
DATOS DE CAMPO
PROYECTO
884.72M
REPUBLICA DE PANAMA
AQUA BOUNTY PANAMA

EXHIBIT 21.1

List of Subsidiaries of AquaBounty Technologies, Inc.

The following is a list of subsidiaries of AquaBounty, Inc., the names under which such subsidiaries do business, and the state or country in which each was organized:

Name	Jurisdiction of Organization
AQUA Bounty Canada Inc.	Canada
AquaBounty Panama, S. de R.L.	Panama
Aqua Bounty Farms Chile Limitada	Chile
AquaBounty Farms, Inc.	Delaware
AquaBounty Brasil Participações Ltda.	Brazil

Exhibit 99.1

Dear Fellow Intrexon Shareholder:

We are pleased to inform you that Intrexon Corporation's board of directors has approved a plan to pursue a distribution (the "Distribution") of an aggregate of shares of common stock of AquaBounty Technologies, Inc. ("AquaBounty"). The shares of AquaBounty will be distributed as a dividend to our shareholders on or about , (the "Distribution Date").

The Distribution will occur by way of a pro rata dividend on shares of Intrexon common stock outstanding at the close of business (i.e., [5]:00 PM, New York City time) on (the "Record Date"). On the Distribution Date, each of Intrexon's shareholders who held shares on the Record Date will receive shares of AquaBounty common stock for every shares of Intrexon's common stock that the shareholder holds. The number of shares of AquaBounty common stock that you will be entitled to receive will be calculated by dividing the total number of shares of AquaBounty common stock to be distributed by the total number of shares of Intrexon common stock outstanding at the close of business on the Record Date, multiplied by the total number of shares of Intrexon common stock you hold at the close of business on the Record Date. The shares of AquaBounty common stock will be issued in book-entry form only and fractional shares will not be issued in the Distribution. Shareholders will instead receive an amount in cash for such fractional interest.

Shareholder approval of the Distribution is not required, nor are you required to take any action to receive your shares of AquaBounty common stock.

Following the Distribution, Intrexon will continue to hold a majority of AquaBounty's outstanding common stock and the shares of Intrexon will continue to trade on the New York Stock Exchange under the symbol "XON." AquaBounty expects to apply to have its shares listed on the NASDAQ Capital Market under the symbol "AQB."

Intrexon intends to treat the Distribution as a partially taxable dividend to its shareholders for U.S. federal income tax purposes, including for withholding tax purposes. Accordingly, the amount of AquaBounty common stock otherwise distributable may be reduced in respect of U.S. federal income tax withholding, and U.S. federal backup withholding may apply if certain certification requirements are not met. You should consult your own tax advisor as to the particular consequences of the Distribution to you.

We invite you to learn more about AquaBounty by reviewing the enclosed information statement, which describes the Distribution and AquaBounty in detail and contains important information about AquaBounty, including its historical financial statements.

Thank you for your continued support of Intrexon Corporation.

Sincerely,

Randal J. Kirk
Chief Executive Officer
Enclosure

Intrexon Corporation
20374 Seneca Meadows Parkway
Germantown, Maryland 20876
United States

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Dear Future AquaBounty Shareholder:

We are very pleased that you will soon be a shareholder of AquaBounty Technologies, Inc. (“AquaBounty”). AquaBounty’s driving force is the belief that modern genetics, married with technological advances in aquaculture production, can spur a radically more responsible and sustainable way of farming Atlantic salmon. Breakthroughs in modern bioscience have revitalized aquaculture and AquaBounty is at the forefront of this Blue Revolution.

Currently, our common stock is listed on London’s Alternative Investment Market. We expect to apply to list our common stock on the NASDAQ Capital Market under the symbol “AQB,” which listing would occur prior to the distribution of our shares by Intrexon Corporation.

We invite you to learn more about AquaBounty by reviewing the enclosed information statement. We are excited by our future prospects, and look forward to your support as a holder of our common stock.

Sincerely,

Ronald L. Stotish
Executive Director, President and Chief Executive Officer
AquaBounty Technologies, Inc.

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Information contained herein is subject to completion or amendment. A Registration Statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Subject to Completion, dated November 7, 2016

INFORMATION STATEMENT

AquaBounty Technologies, Inc.

Shares of Common Stock

Intrexon Corporation ("Intrexon"), is sending this information statement to its shareholders in connection with the distribution by Intrexon of shares of AquaBounty Technologies, Inc. ("AquaBounty") that are owned by Intrexon to holders of Intrexon's common stock (the "Distribution"). As of the date of this information statement, Intrexon holds approximately 62.9% of AquaBounty's outstanding common stock. In addition, following the Distribution and assuming the issuance of shares of AquaBounty common stock upon the conversion of the outstanding Convertible Debt (as defined herein) and the issuance of shares in connection with the Investment (as defined herein) (collectively, the "Transactions"), Intrexon will own shares of AquaBounty common stock, which would represent approximately % of the then outstanding shares of AquaBounty common stock.

On , 2016, Intrexon's board of directors authorized the Distribution to Intrexon's shareholders of an aggregate of shares of AquaBounty's common stock on or about (the "Distribution Date"). The Distribution will be effected by Intrexon as a pro rata dividend on shares of Intrexon common stock outstanding at the close of business (i.e., [5]:00 PM, New York City time) on (the "Record Date"). The Distribution is subject to the conditions described below under "The Distribution—Conditions to Distribution."

Each Intrexon shareholder will receive shares of AquaBounty common stock for every share of Intrexon's common stock that the shareholder holds. You will not be required to pay any cash or other consideration for the shares of AquaBounty common stock distributed to you or to surrender or exchange your shares of Intrexon common stock to receive the dividend of AquaBounty common stock. The Distribution will not affect the number of outstanding shares of Intrexon common stock held by any shareholder, nor will it affect the rights of holders of Intrexon common stock. **No vote of Intrexon shareholders is required or sought in connection with the Distribution, and Intrexon shareholders will have no appraisal rights in connection with the Distribution. You are not being asked for a proxy and you are requested not to send a proxy.**

As discussed under "The Distribution—Description of the Distribution—Trading Between the Ex-Dividend Date and Distribution Date," if you sell your Intrexon common stock in the "regular way" market after the Record Date and before or on the Distribution Date, you will be selling your right to receive AquaBounty common stock in connection with the Distribution. You are encouraged to consult your financial advisor regarding the specific implications of selling your Intrexon common stock before or on the Distribution Date.

AquaBounty's common stock is currently listed on London's Alternative Investment Market ("AIM"). There is no current U.S. trading market for AquaBounty's common stock. However, AquaBounty expects that a limited market, commonly known as a "when-issued" trading market, for AquaBounty common stock will begin prior to the Distribution Date on or about , 2016, and AquaBounty expects that "regular way" trading of AquaBounty common stock will begin the first day of trading after the Distribution Date. AquaBounty expects to apply to list AquaBounty common stock on the NASDAQ Capital Market under the symbol "AQB."

AquaBounty is an "emerging growth company" as defined under the federal securities laws. For implications of its status as an "emerging growth company," please see "Summary—Emerging Growth Company Status" beginning on page 9, "Risk Factors" beginning on page 11, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 41.

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 11 of this information statement.

Neither the Securities and Exchange Commission (the "SEC"), nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Intrexon first mailed this information statement to its shareholders on or about , .

The date of this information statement is , .

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INFORMATION REGARDING THE CONTENTS OF THIS INFORMATION STATEMENT

Unless otherwise noted or indicated by the context, the terms “AquaBounty,” “the Company,” “we,” “us,” and “our” refer to AquaBounty Technologies, Inc., together with its consolidated subsidiaries, and all references to “Intrexon” mean Intrexon Corporation and its consolidated subsidiaries, including for periods both before and after the Distribution.

The transaction in which AquaBounty shares will be distributed from Intrexon and by which AquaBounty will become a U.S. publicly traded company is referred to in this information statement as the “Distribution.”

This information statement is being sent solely to provide information to Intrexon shareholders who will receive AquaBounty common stock in connection with the Distribution. It is not provided as an inducement or encouragement to buy or sell any securities. You should not assume that the information contained in this information statement is accurate as of any date other than the date set forth on the cover. Changes to the information contained in this information statement may occur after that date, and we undertake no obligation to update the information contained in this information statement, unless we are so required by applicable securities laws. You should be aware of certain risks relating to the Distribution, our business and ownership of our common stock, which are described under the heading “Risk Factors.”

Trademarks and Market and Industry Data

AquAdvantage® and Aqua Bounty® are registered trademarks of AquaBounty. This information statement also includes the registered trademarks of other persons.

This information statement includes management estimates based on industry and other knowledge; statistical market and industry data that we obtained from industry and general publications; and research, surveys, and studies conducted by third-party sources that we believe to be reliable. We have not independently verified any of the data from third-party sources, and we make no representation as to the accuracy of such information. While we believe internal company estimates are reliable and market definitions are appropriate, they have not been verified by any independent sources, and we make no representations as to the accuracy of such estimates and market definitions.

QUESTIONS AND ANSWERS ABOUT THE DISTRIBUTION

Q: What is the Distribution?

A: The Distribution is the method by which Intrexon will distribute shares of AquaBounty common stock held by it to Intrexon shareholders. To complete the Distribution, Intrexon will distribute as a pro rata dividend to its shareholders shares of AquaBounty common stock. Following the Distribution, we will be a U.S. publicly traded company, and Intrexon will retain a % interest in us. You do not have to pay any consideration or give up any portion of your Intrexon common stock to receive our common stock in the Distribution.

Q: What is AquaBounty?

A: We are a Delaware corporation that was formed on December 17, 1991. Headquartered in Maynard, Massachusetts, we are a biotechnology company focused on enhancing productivity in the fast-growing aquaculture market through the use of genetic modification and other molecular biologic techniques in order to improve the quality and yield of fish stocks.

Q: Will AquaBounty common stock trade on a stock market?

A: Currently, our common stock is listed on AIM. We expect to apply to list our common stock on the NASDAQ Capital Market under the symbol “AQB.” We cannot predict the trading price for our common stock or the availability of an active trading market when such listing on the NASDAQ Capital Market begins.

It is anticipated that the trading of AquaBounty common stock will commence on a “when-issued” basis at least two trading days prior to the Distribution Date. “When-issued” trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. “When-issued” trades generally settle within four trading days after the Distribution Date. On the first trading day following the Distribution Date, any “when-issued” trading with respect to AquaBounty common stock will end, and “regular-way” trading will begin. “Regular-way” trading refers to trading after a security has been issued and typically involves a transaction that settles on the third full trading day following the date of the transaction. For a more detailed description, see “The Distribution—Listing and Trading of AquaBounty Common Stock beginning on page 29.

Q: What other transactions are expected to occur in connection with the Distribution?

A: Intrexon and AquaBounty entered into a stock purchase agreement (the “Purchase Agreement”) on November 7, 2016, pursuant to which, contemporaneously with the Distribution, AquaBounty will sell to Intrexon 72,632,190 shares of AquaBounty common stock for proceeds of approximately $25 million (the “Investment”). See “Certain Relationships and Related Transactions, and Director Independence—Purchase Agreement.” The closing of the Investment is conditioned upon the effectiveness of the registration statement of which this information statement is a part, our common stock being approved for listing on the NASDAQ Capital Market, and certain other customary closing conditions.

On February 23, 2016, Intrexon and AquaBounty entered into a convertible debt facility pursuant to which Intrexon agreed to provide AquaBounty with up to $10.0 million in convertible debt (“Convertible Debt”), of which $7.5 million has been advanced under this debt facility. The debt carries an interest rate of 10%, has a maturity of March 1, 2017, and can be converted into AquaBounty common shares at a price of 23 pence per share. The $2.5 million that remains available to be drawn as of the date of this information statement is expected to be drawn prior to or in conjunction with the Distribution.

Q: Why am I receiving this document?

A: You are receiving this document because you are a holder of Intrexon common stock. If you are a holder of Intrexon common stock as the close of business (i.e., [5]:00 PM, New York City time) on , the Record Date of the Distribution, you will be entitled to receive share[s] of AquaBounty common stock for every share[s] of Intrexon common stock that you hold at the close of business on the Record Date. This document will help you understand how the Distribution will affect your ownership of Intrexon and AquaBounty, respectively.

Q: What is the expected date for the completion of the Distribution?

A: The completion and timing of the Distribution are dependent on a number of conditions, but if the conditions are timely met, we expect the Distribution to be completed on . See "The Distribution—Conditions to the Distribution."

Q: What are the reasons for and benefits of the Distribution?

A: Intrexon's board of directors and management believe that the Distribution will provide, among others, the following benefits:

- the Distribution will help AquaBounty meet the initial listing requirements of the NASDAQ Capital Market, which AquaBounty believes will increase AquaBounty's access to capital;
- the Distribution may help prevent the AquaBounty common stock from being delisted from AIM; and
- the Distribution will allow Intrexon's shareholders to participate directly in the potential value creation at AquaBounty.

Q: Who will manage AquaBounty after the Distribution?

A: We will continue to benefit from an experienced leadership team after the Distribution. Mr. Ronald Stotish, Ph.D., who has over 40 years of experience in the discovery, development and commercialization of new animal health products, will continue to serve as Executive Director, Chief Executive Officer and President. Mr. David Frank, an executive with over 30 years of financial management experience, will continue to be our Chief Financial Officer and Treasurer. Mr. Christopher H. Martin will continue to serve as our General Counsel and Corporate Secretary. Dr. Alejandro Rojas, who has been a technical advisor and consultant for over 14 years to numerous global aquaculture and biotech companies working with marine fish, including salmon, seabass, seabream and barramundi, will continue to serve as Chief Operating Officer of AquaBounty Farms. We will also benefit from the knowledge, experience and skills of our full board of directors (our "Board of Directors"). For more information regarding Dr. Stotish, Mr. Frank, Mr. Martin, Dr. Rojas and our Board of Directors following the Distribution, see "Management."

Q: What will I receive in the Distribution?

A: Intrexon will distribute to its shareholders share[s] of AquaBounty common stock for every share[s] of Intrexon common stock outstanding as of the Record Date for the Distribution. The number of Intrexon shares you own and your proportionate interest in Intrexon will not change as a result of the Distribution.

Q: What is the Record Date for the Distribution, and when will the Distribution occur?

A: The Record Date is , and ownership is determined as of [5]:00 p.m., New York City time, on that date. AquaBounty common stock will be distributed on , which we refer to as the Distribution Date.

Q: How many shares of AquaBounty common stock will be distributed in total?

A: Approximately shares of AquaBounty common stock will be distributed in the Distribution, based on the total number of shares of Intrexon common stock expected to be outstanding as of the Record Date. The actual number of shares of AquaBounty common stock to be distributed will be calculated on the Record Date.

Q: What are the conditions to the Distribution?

A: The Distribution is subject to a number of conditions, including, among others, (1) declaration of the Distribution by Intrexon's board of directors, (2) the Securities and Exchange Commission declaring effective the registration statement of which this information statement forms a part, (3) the receipt of approval for listing AquaBounty common stock on the NASDAQ Capital Market, subject to official notice of issuance, and (4) the completion of the Investment. For a more detailed description, see "The Distribution—Conditions to the Distribution" beginning on page 30.

Q: Can Intrexon decide to cancel the Distribution even if all the conditions have been met?

A: Yes. Intrexon may waive one or more of these conditions in its sole and absolute discretion, and the determination by Intrexon regarding the satisfaction of the conditions will be conclusive. The fulfillment of these conditions will not create any obligation on Intrexon's part to effect the Distribution, and Intrexon has reserved the right to amend, modify or abandon the Distribution at any time prior to the Distribution Date. To the extent that Intrexon determines that any modification to the terms or the conditions of the Distribution is material, Intrexon will notify its shareholders in a manner reasonably calculated to inform them of such modifications with a press release, Current Report on Form 8-K or other similar means.

Q: As a holder of Intrexon common stock as of the Record Date, what do I have to do to participate in the Distribution?

A: You are not required to take any action to participate in the Distribution, although you are urged to read this entire document carefully. You will receive share[s] of AquaBounty common stock for every share[s] of Intrexon common stock held as of the Record Date and retained through the Distribution Date. You may also participate in the Distribution if you purchase Intrexon common stock in the "regular way" market after the Record Date and retain your Intrexon common stock through the Distribution Date. See "The Distribution—Description of the Distribution—Trading Between the Ex-Dividend Date and Distribution Date."

Q: If I sell my shares of Intrexon common stock before or on the Distribution Date, will I still be entitled to receive shares of AquaBounty common stock in the Distribution?

A: If you own shares of Intrexon common stock on the Record Date and hold such shares through the Distribution Date, you will receive shares of AquaBounty common stock. However, if you sell your shares of Intrexon common stock after the Record Date and before or on the Distribution Date, you may also be selling your right to receive shares of AquaBounty common stock. See "The Distribution—Description of the Distribution—Trading Between the Ex-Dividend Date and Distribution Date." You are encouraged to consult your financial advisor regarding the specific implications of selling your Intrexon common stock before or on the Distribution Date.

Q: How will fractional shares be treated in the Distribution?

A: Any fractional shares of AquaBounty common stock otherwise issuable to you will be sold on your behalf, and you will receive a cash payment with respect to that fractional share. For an

explanation of how the cash payments for fractional shares will be determined, see “The Distribution—Description of the Distribution—When and How You Will Receive the Dividend—Fractional Shares.”

Q: Will my Intrexon common stock continue to trade on a stock market?

A: Yes, Intrexon common stock will continue to be listed on the NYSE under the symbol “XON.”

Q: What are the U.S. federal income tax consequences to me of the distribution of shares of AquaBounty common stock pursuant to the Distribution?

A: The receipt of AquaBounty common stock by holders of Intrexon common stock in the Distribution is expected to be partially taxable for U.S. federal income tax purposes. Intrexon intends to treat the Distribution as a partially taxable dividend to its shareholders for U.S. federal income tax purposes, including for withholding tax purposes. Accordingly, the amount of AquaBounty common stock otherwise distributable may be reduced in respect of U.S. federal income tax withholding, and U.S. federal backup withholding may apply if certain certification requirements are not met. You should consult your tax advisor as to the particular consequences of the Distribution to you. See “The Distribution—Certain U.S. Federal Income Tax Considerations of the Distribution.”

Q: When will I receive my shares of AquaBounty common stock? Will I receive a stock certificate for my shares of AquaBounty common stock distributed as a result of the Distribution?

A: Registered holders of Intrexon common stock who are entitled to participate in the Distribution will receive a book-entry account statement reflecting their ownership of AquaBounty common stock. For additional information, registered Intrexon shareholders in the United States, Canada or Puerto Rico should contact Intrexon’s transfer agent, [American Stock Transfer & Trust Company, LLC], at [ ] or through its website at www.[ ].com. Intrexon shareholders located outside the United States, Canada and Puerto Rico may call [ ]]. If you would like to receive physical certificates evidencing your shares of AquaBounty common stock, please contact AquaBounty’s transfer agent. See “The Distribution—Description of the Distribution—When and How You Will Receive the Dividend.”

Q: What if I hold my shares of common stock through a broker, bank or other nominee?

A: Intrexon shareholders who hold their shares of common stock through a broker, bank or other nominee will have their brokerage account credited with shares of AquaBounty common stock. For additional information, those shareholders should contact their broker or bank directly.

Q: Are there risks to owning common stock of AquaBounty?

A: Yes. AquaBounty’s business is subject both to general and specific business risks relating to its operations. In addition, the Distribution and listing of AquaBounty common stock on the NASDAQ Capital Market present certain risks. See “Risk Factors.”

Q: Does AquaBounty intend to pay cash dividends?

A: We have never declared or paid any cash dividends on our common stock. We currently intend to retain earnings, if any, to finance the growth and development of our business. We do not expect to pay any cash dividends on our common stock in the foreseeable future. Payment of future dividends, if any, will be at the discretion of our Board of Directors and will depend on our financial

condition, results of operations, capital requirements, restrictions contained in current or future financing instruments, provisions of applicable law, and other factors the Board of Directors deems relevant. See “Market Price Of and Dividends On the Registrant’s Common Equity and Related Stockholder Matters—Dividends.”

Q: What will the relationship between Intrexon and AquaBounty be following the Distribution?

A: Following the Transactions, Intrexon will continue to own a majority of our then outstanding common stock. See “Relationship with Intrexon Following the Distribution.”

Q: Will I have appraisal rights in connection with the Distribution?

A: No. Holders of Intrexon common stock are not entitled to appraisal rights in connection with the Distribution.

Q: Who is the transfer agent for your shares of Intrexon common stock?

A: [American Stock Transfer & Trust Company, LLC].

Q: Who is the Distribution agent for the Distribution?

A: [American Stock Transfer & Trust Company, LLC].

Q: Whom can I contact for more information?

A: If you have questions relating to the mechanics of the Distribution of AquaBounty common stock, you should contact the Distribution agent:

By Mail to:
[American Stock Transfer & Trust Company, LLC]
[ ]

By Overnight Courier or Hand-Delivery to:
[American Stock Transfer & Trust Company, LLC]
[ ]

Before the Distribution, if you have questions relating to the Distribution, you should contact Intrexon at:

Intrexon Corporation
20374 Seneca Meadows Parkway
Germantown, MD 20876
Attention: [ ]
Telephone: (301) 556-9900

After the Distribution, if you have questions relating to AquaBounty, you should contact AquaBounty at:

AquaBounty Technologies, Inc.
2 Mill and Main Place, Suite 395
Maynard, MA 01754
Attention: Corporate Secretary
Telephone: (978) 648-6000

SUMMARY

The following is a summary of some of the information contained in this information statement. It does not contain all the details concerning AquaBounty or the Distribution, including information that may be important to you. We urge you to read this entire document carefully, including "Risk Factors," and "Selected Financial Data" and the consolidated financial statements and the notes to those financial statements included elsewhere in this information statement.

Overview

AquaBounty Technologies, Inc., a Delaware corporation, was formed on December 17, 1991. Our common stock was listed on AIM in 2006. Headquartered in Maynard, Massachusetts, we are a biotechnology company focused on enhancing productivity in the fast-growing aquaculture market. Our principal place of business is located at 2 Mill and Main Place, Suite 395, Maynard, Massachusetts 01754, and our telephone number at that location is (978) 648-6000.

We use genetic modification and other molecular biologic techniques in order to improve the quality and yield of fish stocks and help the aquaculture industry meet growing consumer demand. Since 2008, we have been focused on the regulatory approval of our AquAdvantage Salmon product. Since that time, we completed the New Animal Drug Application ("NADA"), process with the U.S. Food and Drug Administration ("FDA"), for AquAdvantage Salmon, and, on November 19, 2015, we received approval of the NADA.

On May 19, 2016, we received approval from Health Canada, the department of the government of Canada with responsibility for national public health, for the production, sale, and consumption of AquAdvantage Salmon as a novel food and feed in Canada. Previously, we had received approval from Environment Canada, the agency of the government of Canada with responsibility for regulating environmental policies and issues, which decided that AquAdvantage Salmon was not harmful to the environment or human health when produced in contained facilities. Consequently, we have now received approvals for our product from what we believe are two of the most respected and rigorous regulatory agencies in the world.

We believe that receipt of FDA approval for AquAdvantage Salmon not only represents a major milestone for us, but also a significant pioneering development in introducing transgenic animals into the food chain. Although genetically modified crops have been accepted by consumers in the United States and South America for some time, AquAdvantage Salmon is the first genetically modified animal to be approved for human consumption. We intend to deploy AquAdvantage Salmon in land-based, contained, freshwater aquaculture systems, which would allow inland fish farms to be established close to major demand centers in a profitable and environmentally sustainable manner. The technology underlying AquAdvantage Salmon offers the potential to reintroduce salmon aquaculture in the United States, which imported more than $2.1 billion of Atlantic salmon in 2015 according to the U.S. Department of Commerce (the "DOC").

Management is evaluating several paths to revenue generation that follow different timelines, including production of our fish at our existing farm in Panama, purchase of an existing production facility in North America, and construction of a new production facility in North America. Depending on which path or combination of paths is chosen, modest revenues could commence as early as next year from our Panama farm with more significant revenues expected once a new facility is in full production.

Summary of the Distribution

The Distribution

On , 2016, Intrexon's board of directors authorized the Distribution to Intrexon's shareholders of an aggregate of shares of AquaBounty's common stock on or about , the Distribution Date. The Distribution will be effected by Intrexon as a pro rata dividend on shares of Intrexon common stock outstanding at the close of business (i.e., [5]:00 PM, New York City time) on , the Record Date. The Distribution is subject to the conditions described below under "—Conditions to the Distribution."

Each of Intrexon's shareholder will receive shares of AquaBounty common stock for every share of Intrexon's common stock that the shareholder holds. You will not be required to pay any cash or other consideration for the shares of AquaBounty common stock distributed to you or to surrender or exchange your shares of Intrexon common stock to receive the dividend of AquaBounty common stock. The Distribution will not affect the number of outstanding shares of Intrexon common stock held by any shareholder, nor will it affect the rights of holders of Intrexon common stock. No vote of Intrexon shareholders is required or sought in connection with the Distribution, and Intrexon shareholders will have no appraisal rights in connection with the Distribution.

Reasons for the Distribution

Intrexon's board of directors and management believe that the Distribution will provide, among others, the following benefits:

- the Distribution will help AquaBounty meet the initial listing requirements of the NASDAQ Capital Market, which AquaBounty believes will increase AquaBounty's access to capital;
- the Distribution may help prevent the AquaBounty common stock from being delisted from AIM; and
- the Distribution will allow Intrexon's shareholders to participate directly in the potential value creation at AquaBounty.

Relationship of AquaBounty and Intrexon after the Distribution

Following the Transactions, Intrexon will continue to own a majority of our then outstanding common stock.

As a result of Intrexon's continued ownership of a majority of our common stock, we have elected to be treated as a "controlled company" for purposes of the NASDAQ Rules and Intrexon will have the ability to influence our corporate affairs. For more information, see "Corporate Governance—Director Independence; Controlled Company Exemption," "Risk Factors—Risks Relating to our Common Stock—Intrexon's significant share ownership position allows it to influence corporate matters" and "Risk Factors—Risks Relating to our Common Stock—Our shareholders will not have the same protections generally available to shareholders of other NASDAQ-listed companies because we are currently a "controlled company" within the meaning of the NASDAQ listing rules."

Conditions to the Distribution

The Distribution is subject to a number of conditions, including, among others, (1) declaration of the Distribution by Intrexon's board of directors, (2) the Securities and Exchange Commission declaring

effective the registration statement of which this information statement forms a part, and (3) the receipt of approval for listing AquaBounty common stock on the NASDAQ Capital Market, subject to official notice of issuance, and (4) the completion of the Investment. For a more detailed description, see “The Distribution—Conditions to the Distribution” beginning on page 30.

Record Date and Distribution Date

The Distribution will occur by way of a pro rata dividend on shares of Intrexon common stock outstanding at the close of business (i.e., [5]:00 PM, New York City time) on (the “Record Date”). On the Distribution Date, each of Intrexon’s shareholders who held shares on the Record Date will receive shares of AquaBounty common stock for every shares of Intrexon’s common stock that the shareholder holds.

Certain U.S. Federal Income Tax Considerations of the Transaction

The receipt of AquaBounty common stock by holders of Intrexon common stock in the Distribution is expected to be partially taxable for U.S. federal income tax purposes. Intrexon intends to treat the Distribution as a partially taxable dividend to its shareholders for U.S. federal income tax purposes, including for withholding tax purposes. See “The Distribution—Certain U.S. Federal Income Tax Considerations of the Distribution.”

Stock Exchange Listing

We expect to apply to list our common stock on the NASDAQ Capital Market under the symbol “AQB,” which listing would occur prior to the Distribution.

Risk Factors

You should review the risks relating to the Distribution, our industry and our business, and ownership of our common stock, as described in “Risk Factors.”

Emerging Growth Company Status

We are an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as amended by the Jumpstart Our Business Startups Act (the “JOBS Act”) enacted on April 5, 2012. For as long as we are an “emerging growth company,” we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies.” These include, but are not limited to, not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act; an exemption from the adoption of new or revised financial accounting standards until they would apply to private companies; an exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, that require mandatory audit firm rotation or a supplement to the auditors’ report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer; reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and exemptions from the requirements of holding advisory “say-on-pay” votes on executive compensation and shareholder advisory votes on golden parachute compensation not previously approved.

Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new

or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Section 107 of the JOBS Act provides that our decision not to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Under the JOBS Act, we will remain an “emerging growth company” until the earliest of:

- the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement filed under the Securities Act;
- the last day of the fiscal year during which we have total annual gross revenues of $1 billion or more;
- the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt; and
- the date on which we are deemed to be a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur as of the first day of the first fiscal year after we have (i) more than $700 million in outstanding common equity held by our non-affiliates as of the last day of our second fiscal quarter and (ii) been public for at least 12 months.

RISK FACTORS

The following are certain risk factors that could affect our business, financial condition and results of operations. You should carefully consider the risks described below, together with the other information contained in this information statement, including our consolidated financial statements and the related notes appearing at the end of this information statement. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have a material and adverse impact on our business, results of operations, financial condition, or prospects. If that were to happen, the trading price of our common stock could decline, and you could lose all or part of your investment.

This information statement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this information statement. See "Cautionary Note Regarding Forward-Looking Statements" for information relating to these forward-looking statements.

Risks Relating to our Business

We have a history of net losses and will likely incur future losses, at least during the next five years, and we may not achieve or maintain profitability.

Although we were established in 1991, we did not start to develop our current product portfolio until 1996. In the period since incorporation to September 30, 2016, we have incurred net losses of approximately $96.8 million. These losses reflect our personnel, research and development, and marketing costs. Management is evaluating several paths to revenue generation that follow different timelines, including production of our fish at our existing farm in Panama, purchase of an existing production facility in North America, and construction of a new production facility in North America. Depending on which path or combination of paths is chosen, modest revenues could commence as early as next year from our Panama farm with more significant revenues expected once a new facility is in full production. However, the ability to realize revenues and the timing thereof are not certain, and achieving revenues does not assure that we will become profitable.

We will need substantial additional capital in the future in order to fund our business.

We do not expect significant sales until 2021, at the earliest and to date we have not generated any profit and expect to incur losses for the foreseeable future and may never become profitable. Therefore, based on our current business plan, we anticipate a need to raise further funds. Any issuance of shares of our common stock could have an effect of depressing the market price of shares of our common stock through dilution of earnings per share or otherwise.

The amount and timing of the expenditures needed to achieve our development and commercialization programs will depend on numerous factors, some of which are outside our control. Changes in our plans could result in the need for additional funds. The primary factor impacting the amount and timing of any additional expenditures is the timing of the completion of our pilot commercial operation for AquAdvantage Salmon, which is expected to commence in 2017. Until the pilot operation is completed, we will have no sources of revenue and thus will require funds to cover operational losses, which have recently averaged between $5 million and $7 million per year.

Following completion of the pilot commercial operation, we plan to commercialize the product through the channel we determine to be most advantageous to the Company. Such efforts may involve producing AquAdvantage Salmon eggs for commercial production, licensing the technology to salmon growers, and/or growing out the salmon in our own land-based facilities. If we elect to grow-out fish ourselves, we would need to invest in the construction of land based recirculating aquaculture system facilities. These facilities have estimated construction costs of $15 million for each 1,000 metric tons of output.

There can be no assurance that additional funds will be available on a timely basis, on favorable terms, or at all, or that such funds, if raised, would be sufficient to enable us to continue to implement our business strategy.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of holders of our common stock will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of our common stock. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise additional funds through government or other third-party funding; marketing and distribution arrangements; or other collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs, or product candidates or to grant licenses on terms that may not be favorable to us.

Our ability to generate revenue to support our operations depends on obtaining additional regulatory approvals for AquAdvantage Salmon, and receipt of those approvals is uncertain.

As a genetically modified animal for human consumption, AquAdvantage Salmon required approval from the FDA in the United States and the Ministers of Health and Environment in Canada before it could be produced, sold, or consumed in those countries. Our FDA approval covers the production of our eggs in our hatchery in Canada and the grow-out of our eggs in our facility in Panama. FDA approvals will be needed for each additional facility we plan to bring on line. Additionally, we will require local regulatory approvals in other countries in which we hope to operate. There is no guarantee that we will receive or be able to maintain regulatory approvals from the FDA or other regulatory bodies or that there will not be a significant delay before approval. There is also no guarantee that any approvals granted will not be subject to unduly onerous obligations in relation to matters such as production or labeling, or that any regulator will not require additional data prior to approval, which may be costly and time consuming to acquire.

We will be required to continue to comply with FDA regulations.

Even with the approval of the NADA for AquAdvantage Salmon, we must continue to comply with FDA requirements not only for manufacturing, but also for labeling, advertising, record keeping, and reporting to the FDA of adverse events and other information. Failure to comply with these requirements could subject us to administrative or judicial enforcement actions, including but not limited to product seizures, injunctions, civil penalties, criminal prosecution, refusals to approve new products, or withdrawal of existing approvals, as well as increased product liability exposure, any of which could have a material adverse effect on our business, financial condition, or results of operations.

Ethical, legal, and social concerns about genetically modified organisms could limit or prevent the use of our products and limit our revenues.

Our technologies involve the use of genetically modified organisms. Public perception about the safety and environmental hazards of, and ethical concerns over, genetically engineered products could influence public acceptance of our technologies and products. Activist groups opposing genetic modifications of organisms have recently pressured a number of retail food outlets and grocery chains to publicly state that they will not carry genetically modified Atlantic salmon. If we are not able to overcome the ethical, legal, and social concerns relating to genetic engineering, products using our technologies may not be accepted in the marketplace, and demand for our products could fall short of what we expect. These concerns could also result in increased expenses, regulatory scrutiny, delays, or other impediments to implementation of our business plan.

The subject of genetically modified organisms has received negative publicity, which has aroused public debate. This adverse publicity could lead to greater regulation and trade restrictions on imports of genetically altered products. Further, there is a concern that products produced using our technologies could be perceived to cause adverse events, which could also lead to negative publicity.

We may have limited success in gaining consumer acceptance of our products.

There is an active and vocal group of opponents to genetically modified organisms who wish to ban or restrict the technology and who, at a minimum, hope to sway consumer perceptions and acceptance of this technology. Their efforts include regulatory legal challenges and labeling campaigns for genetically modified products, as well as application of pressure to consumer retail outlets seeking a commitment not to carry genetically modified Atlantic salmon. We may not be able to overcome the negative consumer perceptions that these organizations have instilled against our products.

We may be sued by non-governmental organizations and others who are opposed to the development or commercialization of genetically modified organisms.

There are many organizations in the United States and elsewhere that are fundamentally opposed to the development of genetically modified organisms. These groups have a history of bringing legal action against companies attempting to bring new biotechnology products to market. On January 16, 2014, an application was filed by two non-governmental organizations (“NGOs”) with the Canadian Federal Court seeking judicial review to declare invalid the decision by the Canadian Minister of the Environment to publish in the Canadian Gazette a Significant New Activity Notice (“SNAN”) with respect to AquAdvantage Salmon. Though the Canadian Federal Court dismissed this challenge, the petitioners filed an appeal of the ruling, which was subsequently dismissed by the Canadian Federal Court of Appeal on October 21, 2016.

In the United States, a coalition of NGOs filed a complaint on March 30, 2016, against the FDA, the United States Fish and Wildlife Service, and related individuals for their roles in the approval of AquAdvantage Salmon, claiming that the FDA had no statutory authority to regulate genetically modified animals, and, if it did, that the agency failed to analyze and implement measures to mitigate ecological, environmental, and socioeconomic risks that could impact wild salmon and the environment, including the risk that AquAdvantage Salmon could escape and threaten endangered wild salmon stocks. Among other things, the claimants are seeking a judgment that the FDA decision to approve AquAdvantage Salmon is not authorized by the federal Food, Drug and Cosmetic Act (“FFDCA”); that an injunction be issued requiring the FDA to withdraw its assertion of jurisdiction over animals that contain genetically modified organisms (“GMOs”); that the FDA decision to approve AquAdvantage Salmon and its Environmental Assessment (“EA”) and Finding of No Significant Impact (“FONSI”) determinations be declared in violation of the FFDCA; and that the decision to approve the AquAdvantage Salmon NADA be vacated.

Though we believe this legal action lacks merit, it is currently ongoing. We may be subject to future litigation brought by one or more of these organizations in their attempt to block the development or sale of our product. In addition, animal rights groups and various other organizations and individuals have attempted to stop genetic engineering activities by pressing for legislation and additional regulation in these areas. To the extent the actions of these organizations are successful, our business may be adversely affected. Such actions, even if unsuccessful, may distract management from its operational priorities and may cause us to incur significant costs.

We may have to label our AquAdvantage Salmon at the retail level as containing a genetically modified organism, which could negatively impact consumer acceptance.

Until the recent passage of the National Sea Grant College Program Reauthorization in July 2016, which contained the National Bioengineered Food Disclosure Standard, or Labeling Act, our

AquAdvantage Salmon did not need to be labeled as containing a genetically modified organism, because it had been deemed to be "substantially equivalent" to the traditional product. However, because several states either passed or considered new laws specifying varying requirements for labeling products sold at the retail level that contain genetically modified ingredients, the United States Congress passed the Labeling Act to establish a national standard for package labeling for foods containing genetically modified ingredients. The United States Department of Agriculture has until July 2018 to implement this new law. Labeling requirements could cause consumers to view the label as either a warning or as an indication that AquAdvantage Salmon is inferior to traditional Atlantic salmon, which could negatively impact consumer acceptance of our product.

The markets in which we intend to sell our products are subject to significant regulations.

In addition to our FDA approval for the sale and consumption of AquAdvantage Salmon in the United States, we will also be subject to state and local regulations and permitting requirements, which could impact or delay the commercialization and commencement of revenue generation from the sale of AquAdvantage Salmon. International sales are also subject to rules and regulations promulgated by regulatory bodies within foreign jurisdictions. There can be no assurance that foreign, state, or local regulatory bodies will approve the sale of our product in their jurisdiction.

We may incur significant costs complying with environmental, health, and safety laws and regulations, and failure to comply with these laws and regulations could expose us to significant liabilities.

Our operations are subject to a variety of federal, state, local, and international laws and regulations governing, among other matters, the use, generation, manufacture, transportation, storage, handling, disposal of, and human exposure to our products in both the United States and overseas, including regulation by governmental regulatory agencies, such as the FDA and the U.S. Environmental Protection Agency. We have incurred, and will continue to incur, capital and operating expenditures and other costs in the ordinary course of our business in complying with these laws and regulations.

We may become subject to increasing regulation in the future.

Regulations pertaining to genetically modified animals are still developing and could change from their present state. We could be subject to increasing or more onerous regulatory hurdles as we attempt to commercialize our product, which could require us to incur significant additional capital and operating expenditures and other costs in complying with these laws and regulations.

The loss of AquAdvantage Salmon broodstock could result in the loss of our commercial technology.

Our intellectual property for AquAdvantage Salmon resides in the breeding population of live fish, or broodstock, themselves. Destruction of AquAdvantage Salmon broodstocks by whatever means would result in the loss of the commercial technology. Live animals are subject to disease that may, in some cases, prevent or cause delay in the export of fish or eggs to customers. Disease organisms may be present undetected and transferred inadvertently. In addition, our broodstock is kept at a limited number of facilities, and damage to or failure of critical systems at any one of those facilities could lead to the loss of a substantial percentage of our broodstock. Such events may cause loss of revenue, increased costs, or both.

Atlantic salmon farming is subject to disease outbreaks, which can increase the cost of production and/or reduce production harvests.

Salmon farming systems, particularly conventional, open sea-cage systems, are vulnerable to disease introduction and transmission, primarily from the marine environment or adjacent culture systems. The

economic impact of disease to these production systems can be significant, as farmers must incur the cost of preventative measures, such as vaccines and antibiotics, and then, if the fish become infected, the cost of lost or reduced harvests. Although we will produce and grow our AquAdvantage Salmon in land-based, closed containment facilities, we will still be at risk for potential disease outbreaks. We have implemented biosecurity measures in our facilities intended to prevent or mitigate disease impact, but there can be no assurance that any measures will be 100% effective.

Our ability to compete may be negatively impacted if we do not adequately protect our proprietary technologies or if we lose some of our intellectual property rights.

Our success depends in part on our ability to obtain patents and maintain adequate protection of our intellectual property in the United States and abroad for our technologies and resultant products and potential products. We have adopted a strategy of seeking patent protection in the United States and abroad with respect to certain of the technologies used in or relating to our products; however, the patent to the technology covering AquAdvantage Salmon, which we license under a global, perpetual, royalty-free, non-exclusive license from Genesis and HSC, expired in August 2013. We expect to protect our proprietary technology in regards to AquAdvantage Salmon through a combination of in-house know-how and the deterrence of the regulatory process that would need to be completed for a competing product to be commercialized, which we believe would be cost-prohibitive to our competitors. There can be no guaranty that this strategy will be successful.

We also rely on trade secrets to protect our technologies, particularly in cases when we believe patent protection is not appropriate or obtainable. However, trade secrets are difficult to protect, and we may not be able to adequately protect our trade secrets or other proprietary or licensed information. While we require our employees, academic collaborators, consultants, and other contractors to enter into confidentiality agreements with us, if we cannot maintain the confidentiality of our proprietary and licensed technologies and other confidential information, our ability and that of our licensor to receive patent protection, and our ability to protect valuable information owned or licensed by us may be imperiled.

Enforcing our intellectual property rights may be difficult and unpredictable.

Enforcing our intellectual property rights can be expensive and time consuming, and the outcome of such efforts can be unpredictable. If we were to initiate legal proceedings against a third party to enforce a patent covering one of our technologies, the defendant could counterclaim that our patent is invalid and/or unenforceable or assert that the patent does not cover its manufacturing processes, manufacturing components, or products. Furthermore, in patent litigation in the United States, defendant counterclaims alleging both invalidity and unenforceability are commonplace. Although we may believe that we have conducted our patent prosecution in accordance with the duty of candor and in good faith, the outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity of our patent rights, we cannot be certain, for example, that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would not be able to exclude others from practicing the inventions claimed therein. Such a loss of patent protection could have a material adverse impact on our business. Even if our patent rights are found to be valid and enforceable, patent claims that survive litigation may not cover commercially valuable products or prevent competitors from importing or marketing products similar to our own, or using manufacturing processes or manufacturing components similar to those used to produce the products using our technologies.

Although we believe we have obtained assignments of patent rights from all inventors, if an inventor did not adequately assign their patent rights to us, a third party could obtain a license to the patent from such inventor. This could preclude us from enforcing the patent against such third party.

We may not be able to enforce our intellectual property rights throughout the world.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, often do not favor the enforcement of patents and other intellectual property protection, particularly those relating to genetic engineering. This could make it difficult for us to stop the infringement of our patents or misappropriation of our other intellectual property rights. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

Competitors and potential competitors may develop products and technologies that make ours obsolete or garner greater market share than ours.

We do not believe that we have a direct competitor for genetically modified, growth-enhanced Atlantic salmon. However, the market for Atlantic salmon is dominated by a group of large, multinational corporations with entrenched distribution channels. Our ability to compete successfully will depend on our ability to demonstrate that AquAdvantage Salmon is superior to and/or less expensive than other products available in the market. Certain of our competitors may benefit from government support and other incentives that are not available to us. As a result, our competitors may be able to develop competing and/or superior products and compete more aggressively and sustain that competition over a longer period of time than we can. As more companies develop new intellectual property in our markets, a competitor could acquire patent or other rights that may limit our ability to successfully market our product.

If our technologies or products are stolen, misappropriated, or reverse engineered, others could use the technologies to produce competing technologies or products.

Third parties, including our collaborators, contractors, and others involved in our business often have access to our technologies. If our technologies or products were stolen, misappropriated, or reverse engineered, they could be used by other parties that may be able to reproduce our technologies or products using our technologies for their own commercial gain. If this were to occur, it would be difficult for us to challenge this type of use, especially in countries with limited intellectual property protection.

If we lose key personnel, including key management personnel, or are unable to attract and retain additional personnel, it could delay our commercialization plans or harm our research and development efforts, and we may be unable to sell or develop our own products.

Our success depends substantially on the efforts and abilities or our officers and other key employees. The loss of any key members of our management, or the failure to attract or retain other key employees who possess the requisite expertise for the conduct of our business, could prevent us from developing and commercializing our products and executing on our business strategy. We may not be able to attract or retain qualified employees in the future due to the intense competition for qualified personnel among biotechnology and other technology-based businesses, or due to the unavailability of personnel with the particular qualifications or experience necessary for our business. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience staffing constraints that could adversely affect our ability to meet the demands of our customers in a timely fashion or to support our internal research and development programs. In particular, our product development programs are dependent on our ability to attract and retain highly skilled scientists. Competition for experienced scientists and other technical personnel from numerous companies and academic and other research institutions may limit our ability to attract and retain such personnel on acceptable terms.

We may encounter difficulties managing our growth, which could adversely affect our business.

We could face a period of rapid growth following commercial availability of our products, which may place significant pressure on our management, sales, operational, and financial resources. The execution of our business plan and our future success will depend, in part, on our ability to manage current and planned expansion and on our ability to continue to implement and improve our operational management. Any failure to manage the planned growth may have a significant adverse effect on our business, financial condition, trading performance, and prospects.

We may pursue strategic acquisitions and investments that could have an adverse impact on our business if they are unsuccessful.

If appropriate opportunities become available, we may acquire businesses, assets, technologies, or products to enhance our business in the future. In connection with any future acquisitions, we could:

- issue additional equity securities, which would dilute our current shareholders;
- incur substantial debt to fund the acquisitions; or
- assume significant liabilities.

Acquisitions involve numerous risks, including:

- difficulties integrating the purchased operations, technologies, or products;
- unanticipated costs and other liabilities;
- diversion of management's attention from our core business;
- adverse effects on existing business relationships with current and/or prospective customers and/or suppliers;
- risks associated with entering markets in which we have no or limited prior experience; and
- potential loss of key employees.

We do not have extensive experience in managing the integration process, and we may not be able to successfully integrate any businesses, assets, products, technologies, or personnel that we might acquire in the future without a significant expenditure of operating, financial, and management resources. The integration process could divert management time from focusing on operating our business, result in a decline in employee morale, or cause retention issues to arise from changes in compensation, reporting relationships, future prospects, or the direction of the business. Acquisitions also may require us to record goodwill and non-amortizable intangible assets that will be subject to impairment testing on a regular basis and potential periodic impairment charges, incur amortization expenses related to certain intangible assets, and incur large and immediate write-offs and restructuring and other related expenses, all of which could harm our operating results and financial condition. In addition, we may acquire companies that have insufficient internal financial controls, which could impair our ability to integrate the acquired company and adversely impact our financial reporting. If we fail in our integration efforts with respect to any of our acquisitions and are unable to efficiently operate as a combined organization, our business and financial condition may be adversely affected.

We have entered into agreements that require us to pay a significant portion of our future revenue to third parties.

In 2009, we received a grant from the Atlantic Canada Opportunities Agency to fund a research program. A total of C$2.9 million was made available under the grant, and we received the entire

amount through December 31, 2015. Once we begin to generate revenue, we must commence repayment of the outstanding loan in the form of a 10% royalty. These loan payments could negatively impact our ability to support our operations.

In February 2013, we entered into an Exclusive Channel Collaboration Agreement (the “ECC”) with Intrexon pursuant to which we are permitted to use Intrexon’s UltraVector® and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. The ECC grants us a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale, and offer for sale of products involving DNA administered to finfish for human consumption. We agreed under the ECC to pay Intrexon, on a quarterly basis, 16.66% of the gross profits calculated for each developed product. We also agreed to pay Intrexon 50% of the quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, we agreed to reimburse Intrexon for the costs of certain services provided by Intrexon. The ECC will continue in effect after the Distribution. These payments could negatively impact our ability to support our operations.

Our financial condition or results of operations may be adversely affected by international business risks, including exchange rate fluctuation.

The majority of our employees, including our research personnel, are located outside of the United States. As a consequence of the international nature of our business, we are exposed to risks associated with changes in foreign currency exchange rates. We are based in the United States and present our financial statements in U.S. dollars and the majority of our cash resources are held in U.S. dollars or in Canadian dollars. Some of our future expenses and revenues are expected to be denominated in currencies other than in U.S. dollars. Therefore, movements in exchange rates to translate to foreign currencies may have a negative impact on our reported results of operations, financial position, and cash flows.

We have received government research grants and loans in the past, but such grants and loans may not be available in the future.

We have in the past received government assistance in the form of research grants and loans to partially fund various research projects, including projects involving our AquAdvantage Salmon. There can be no assurance that additional government assistance will be available in the future to help offset the cost of our research activities, in which case we would need to fund our research projects entirely from our available cash resources, which may be limited. This could delay progress on future product development and introduction. In addition, we may be subject to audit by the government agencies that provided research assistance to ensure that the funds were used in accordance with the terms of the grant or loan. Any audit of the use of these funds would require the expenditure of funds and result in the diversion of management’s attention.

Risks Relating to the Distribution

We may not realize the potential benefits from the Distribution.

We expect to incur one-time transaction and related costs related to the Distribution and to incur additional ongoing costs related to operating as an independent public company, as discussed below. However, even though we will incur these additional costs, we may not realize the potential benefits that we expect from the expected listing on the NASDAQ Capital Market, including what we believe would be increased opportunities to access capital.

Our success will depend in part on our ongoing relationship with Intrexon after the Distribution.

We are party to agreements with Intrexon that will remain in effect following completion of the Distribution, including the ECC. Our success will depend, in part, on the maintenance of our ongoing relationship with Intrexon.

After the Distribution, certain members of management and our Board of Directors may hold stock in both Intrexon and AquaBounty, and as a result may face actual or potential conflicts of interest.

After the Distribution, the management and directors of each of Intrexon and AquaBounty may own both Intrexon common stock and AquaBounty common stock. This ownership overlap could create, or appear to create, potential conflicts of interest when AquaBounty management and directors and Intrexon management and directors face decisions that could have different implications for AquaBounty and Intrexon. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between AquaBounty and Intrexon regarding the terms of their relationship following the Distribution. Potential conflicts of interest may also arise out of additional commercial arrangements that AquaBounty or Intrexon may enter into in the future.

No vote of Intrexon shareholders is required in connection with the Distribution.

No vote of Intrexon shareholders is required in connection with the Distribution. Accordingly, if this transaction occurs and you do not want to receive AquaBounty common stock in the Distribution, your only recourse will be to divest yourself of your Intrexon common stock prior to the Record Date for the Distribution.

Risks Relating to our Common Stock

Intrexon's significant share ownership position allows it to influence corporate matters.

Intrexon currently holds approximately 62.9% of our outstanding shares of common stock. Following the completion of the Transactions, Intrexon is expected to own approximately % of our outstanding shares of common stock. In addition, we have granted to Intrexon certain rights to nominate members of our Board of Directors that are intended to ensure that Intrexon-nominated Board members represent a percentage of our Board that is proportionate to Intrexon's percentage ownership of our common stock. Accordingly, Intrexon will be able to significantly influence who serves on our Board of Directors and the outcome of matters required to be submitted to our shareholders for approval, including decisions relating to the outcome of any proposed merger or consolidation of our company. Intrexon's interests may not be consistent with those of our other shareholders. In addition, Intrexon's significant interest in us may discourage third parties from seeking to acquire control of us, which may adversely affect the market price of our common stock.

An active trading market for our common stock may not develop or be sustained.

Although our common stock is currently traded on AIM and we will be listed on the NASDAQ Capital Market prior to the Distribution, an active trading market for our common stock may never develop or, if developed, be maintained. If an active market for our common stock does not develop or is not maintained, it may be difficult for shareholders to sell shares of our common stock. An inactive trading market may impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

The price of our shares of common stock is likely to be volatile.

The share price of publicly traded emerging companies can be highly volatile and subject to wide fluctuations. The prices at which our common stock are quoted and the prices which investors may realize will be influenced by a large number of factors, some specific to our company and operations and some which may affect the quoted biotechnology sector, or quoted companies generally. These factors could include variations in our operating results, publicity regarding the process of obtaining regulatory approval to commercialize our products, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, overall market or sector sentiment, legislative changes in our sector, the performance of our research and development programs, large purchases or sales of our common stock, currency fluctuations, legislative changes in the genetic engineering environment, and general economic conditions. Certain of these events and factors are outside of our control. Stock markets have from time to time experienced severe price and volume fluctuations, which, if recurring, could adversely affect the market prices for our commons stock.

Substantial sales of our common stock may occur in connection with the Distribution, which could cause the market price of our common stock to decline or experience volatility.

The shares of our common stock that Intrexon distributes to its shareholders generally may be sold immediately in the public market. We are unable to predict whether large amounts of our common stock will be sold in the open market following the Distribution. Although we have no actual knowledge of any plan or intention on the part of any holder of five percent or more of the outstanding shares of Intrexon to sell our common stock on or after the Record Date, following the Distribution, the shares of AquaBounty common stock held by Intrexon's shareholders will represent an investment in a biotechnology company with a different business profile from Intrexon. Accordingly, it is possible that some Intrexon shareholders will sell our common stock received in the Distribution for reasons such as our business profile or market capitalization as a public company not fitting their investment objectives or because our common stock is not included in certain indices after the Distribution. The sales of significant amounts of our common stock or the perception in the market that this will occur may result in the lowering of or volatility in the market price of our common stock.

We do not anticipate paying cash dividends in the foreseeable future, and, accordingly, shareholders must rely on stock appreciation for any return on their investment.

We have never declared or paid cash dividends on our common stock. We do not anticipate paying cash dividends in the foreseeable future and intend to retain all of our future earnings, if any, to finance the operations, development, and growth of our business. There can be no assurance that AquaBounty will have sufficient surplus under Delaware law to be able to pay any dividends at any time in the future. As a result, absent payment of dividends, only appreciation of the price of our common stock, which may never occur, will provide a return to shareholders. You may also have to sell some or all of your shares of our common stock in order to generate cash flow from your investment in us.

If securities or industry analysts do not publish research or reports, or publish inaccurate or unfavorable research or reports about our business, our share price and trading volume could decline.

The U.S. trading market for our shares of common stock will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If no securities or industry analysts commence coverage of us, the trading price for our shares of common stock may be negatively impacted. If we obtain securities or industry analyst coverage and one or more of the analysts who covers us downgrades our shares of common

stock, changes their opinion of our shares, or publishes inaccurate or unfavorable research about our business, our share price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our shares of common stock could decrease and we could lose visibility in the financial markets, which could cause our share price and trading volume to decline.

We are an "emerging growth company," and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our shares of common stock less attractive to investors.

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including the auditor attestation requirements in the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act, the adoption of new or revised financial accounting standards until they would apply to private companies, compliance with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditors' report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and the requirements of holding advisory "say-on-pay" votes on executive compensation and shareholder advisory votes on golden parachute compensation not previously approved. Under the JOBS Act, we will remain an "emerging growth company" until the earliest of (1) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement filed under the Securities Act, (2) the last day of the fiscal year during which we have total annual gross revenues of $1 billion or more, (3) the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt, and (4) the date on which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act. We cannot predict if investors will find our shares of common stock to be less attractive because we may rely on these exemptions. If some investors find our shares of common stock less attractive as a result, there may be a less active trading market for our shares of common stock and our share price may be more volatile.

Under the JOBS Act, emerging growth companies also can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Our shareholders will not have the same protections generally available to shareholders of other NASDAQ-listed companies because we are currently a "controlled company" within the meaning of the NASDAQ listing rules.

Because Intrexon holds a majority of the voting power for the election of our Board of Directors, we are a "controlled company" within the meaning of NASDAQ Listing Rule 5615(c). As a controlled company, we qualify for exemptions from several of NASDAQ's corporate governance requirements, including requirements that:

- a majority of our Board of Directors consist of independent directors;
- compensation of officers be determined or recommended to our Board of Directors by a majority of its independent directors or by a compensation committee comprised solely of independent directors; and

- director nominees be selected or recommended to our Board of Directors by a majority of its independent directors or by a nominating committee that is composed entirely of independent directors.

While our Board of Directors has determined that a majority of its members are independent, we may not have a compensation committee or a nominating committee composed entirely of independent directors. Accordingly, our shareholders may not be afforded the same protections generally as shareholders of other NASDAQ-listed companies for so long as Intrexon controls the composition of our Board of Directors and our Board of Directors determines to rely upon exemptions available to controlled companies.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

We may issue preferred stock with terms that could dilute the voting power or reduce the value of our common stock.

While we have no specific plan to issue preferred stock, our certificate of incorporation authorizes us to issue, without the approval of our shareholders, one or more series of preferred stock having such designation, relative powers, preferences, including preferences over our common stock respecting dividends and distributions, voting rights, terms of conversion or redemption, and other relative, participating, optional, or other special rights, if any, of the shares of each such series of preferred stock and any qualifications, limitations or restrictions thereof, as our Board of Directors may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred stock could affect the residual value of the common stock.

The financial reporting obligations of being a public company in the United States are expensive and time consuming and may place significant additional demands on our management.

Prior to the effectiveness of the registration statement, of which this information statement forms a part, we have not been subject to public company reporting obligations in the United States. The additional obligations of being a public company in the United States require significant additional expenditures, which we estimate will be approximately $400 thousand annually, and place additional demands on our management, including costs resulting from public company reporting obligations under the Exchange Act, and the rules and regulations regarding corporate governance practices, including those under the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the listing requirements for the NASDAQ Capital Market, the exchange on which we intend to apply to list our common stock. Our management and other personnel will need to devote a substantial amount of time

to ensure that we comply with all of these requirements. Moreover, despite recent reforms made possible by the JOBS Act, the reporting requirements, rules, and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly, particularly if we were no longer to qualify as an “emerging growth company.” Any changes that we make to comply with these obligations may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis, or at all.

We also expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These factors also could make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, particularly to serve on our Audit Committee and Compensation Committee, or as executive officers.

There can be no assurance that we will be able to comply with other continued listing standards of the NASDAQ Capital Market.

Even if we are able to meet the initial requirements for the listing of our common stock on the NASDAQ Capital Market, we cannot assure you that we will be able to comply with standards necessary to maintain a listing of our common stock on the NASDAQ Capital Market. Our failure to meet the continuing listing requirements may result in our common stock being delisted from the NASDAQ Capital Market.

Provisions in our corporate documents and Delaware law could have the effect of delaying, deferring or preventing a change in control of us, even if that change may be considered beneficial by some of our shareholders.

The existence of some provisions of our articles of incorporation or our bylaws or Delaware law could have the effect of delaying, deferring or preventing a change in control of us that a shareholder may consider favorable. These provisions include:

- providing that the number of members of our board is limited to a range fixed by our bylaws;
- establishing advance notice requirements for nominations of candidates for election to our Board of Directors or for proposing matters that can be acted on by shareholders at shareholder meetings; and
- authorizing the issuance of “blank check” preferred stock, which could be issued by our Board of Directors to issue securities with voting rights and thwart a takeover attempt.

As a Delaware corporation, we will also be subject to provisions of Delaware law, including Section 203 of the General Corporation Law of the State of Delaware. Section 203 prevents some shareholders holding more than 15% of our voting stock from engaging in certain business combinations unless the business combination or the transaction that resulted in the shareholder becoming an interested shareholder was approved in advance by our Board of Directors, results in the shareholder holding more than 85% of our voting stock, subject to certain restrictions, or is approved at an annual or special meeting of shareholders by the holders of at least 66 2/3% of our voting stock not held by the shareholder engaging in the transaction.

Any provision of our certificate of incorporation or our bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our shareholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This information statement contains “forward-looking statements.” Forward-looking statements include any statements that address future results or occurrences. In some cases, you can identify forward-looking statements by terminology such as “may,” “might,” “will,” “would,” “should,” “could,” or the negatives thereof. Generally, the words “anticipate,” “believe,” “continue,” “expect,” “intend,” “estimate,” “project,” “plan,” and similar expressions identify forward-looking statements. In particular, statements about our expectations, beliefs, plans, objectives, assumptions, or future events or performance contained in this information statement in “Information on AquaBounty,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” are forward-looking statements. These forward-looking statements include statements that are not historical facts, including statements concerning our possible or assumed future actions and business strategies and the process of obtaining regulatory approval to commercialize our product candidates.

We have based these forward-looking statements on our current expectations, assumptions, estimates, and projections. While we believe these expectations, assumptions, estimates, and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks, uncertainties, and other factors, many of which are outside of our control, which could cause our actual results, performance, or achievements to differ materially from any results, performance, or achievements expressed or implied by such forward-looking statements. These risks, uncertainties, and other factors include, but are not limited to:

- the anticipated benefits and characteristics of our AquAdvantage® Salmon product;
- the uncertainty of achieving the business plan, future revenue, and operating results;
- developments concerning our research projects;
- our ability to successfully enter new markets or develop additional products;
- competition from existing technologies and products or new technologies and products that might emerge;
- actual or anticipated variations in our operating results;
- our cash position and ability to raise additional capital to finance our activities;
- market conditions in our industry;
- our ability to protect our intellectual property and other proprietary rights and technologies;
- our ability to adapt to changes in laws or regulations and policies;
- the ability to secure any necessary regulatory approvals to commercialize any products;
- the rate and degree of market acceptance of any products developed through the application of genetic engineering, including genetically modified fish;
- our ability to retain and recruit key personnel;
- the ability of our majority shareholder, Intrexon, to control us;
- the success of any of our future acquisitions or investments;
- international business risks and exchange rate fluctuations;
- the possible volatility of our stock price;
- our limited operating history and track record of operating losses; and
- our estimates regarding expenses, future revenue, capital requirements, and needs for additional financing.

We caution you that the foregoing list may not contain all of the risks to which the forward-looking statements made in this information statement are subject. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions, and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this information statement, particularly in “Risk Factors”, that could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments that we may make.

Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements are made only as of the date of this information statement. We do not undertake and specifically decline any obligation to update any such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments unless required by federal securities law. New risks emerge from time to time, and it is not possible for us to predict all such risks.

THE DISTRIBUTION

On , 2016, Intrexon's board of directors authorized the Distribution to Intrexon's shareholders of an aggregate of shares of AquaBounty's common stock on or about (the "Distribution Date"). The Distribution will be effected by Intrexon as a pro rata dividend on shares of Intrexon common stock outstanding at the close of business (i.e., [5]:00 PM, New York City time) on (the "Record Date"). The Distribution is subject to the conditions described below under "—Conditions to the Distribution."

AquaBounty is a Delaware corporation formed on December 17, 1991. Our common stock was listed on AIM in 2006. On , the closing price of a share of our common stock on AIM was (the "Closing Price"), which is equivalent to approximately $ per share, calculated by multiplying the Closing Price by the exchange rate for British pounds sterling to U.S. dollars on , as published on the WM/Reuters Service at 4.00 p.m. London time on such date (the "Closing Spot Rate").

Intrexon first became a shareholder of AquaBounty in November 2012, and, as of the date of this information statement, it holds 99,114,668 shares of our common stock representing approximately 62.9% of our total outstanding common stock. In addition, in February 2016, AquaBounty and Intrexon executed a convertible debt facility providing for borrowings of up to $10.0 million ("Convertible Debt"), of which $7.5 million has been advanced under this debt facility and $2.5 million is available for future draws. Assuming conversion of the outstanding principal and interest under the Convertible Debt, Intrexon would receive an additional shares of AquaBounty's common stock, representing approximately an additional % of what would then be AquaBounty's outstanding common stock.

On November 7, 2016, we entered into the Purchase Agreement, pursuant to which AquaBounty will sell to Intrexon 72,632,190 shares of AquaBounty common stock for proceeds of approximately $25 million (the "Investment"). For more information, see "Certain Relationships and Related Transactions, and Director Independence—Purchase Agreement."

Following the Distribution and assuming the issuance of shares of our common stock upon the conversion of the outstanding Convertible Debt and the issuance of shares in connection with the Investment, Intrexon will own shares of our common stock, which would represent approximately % of the then outstanding shares of our common stock.

Reasons for the Distribution

Intrexon's board of directors has determined to proceed with the Distribution because of the following key benefits:

- *The Distribution will help AquaBounty meet the initial listing requirements of the NASDAQ Capital Market, which AquaBounty believes will increase its access to capital.* AquaBounty's common stock is currently not traded or quoted on a U.S. stock exchange or quotation system. The completion of the Distribution, which will increase the number of AquaBounty's held by non-affiliates, will help enhance AquaBounty's ability to meet the NASDAQ initial listing requirements and therefore become a publicly traded company on the NASDAQ Capital Market. We believe that a listing on the NASDAQ Capital Market, in addition to the enhanced liquidity in the market provided by the Distribution, will increase AquaBounty's opportunities to access capital, which AquaBounty will need prior to being able to prove the economic benefit and market acceptance of AquaBounty's product. Since its initial investment in 2012, Intrexon

has been AquaBounty's primary source of capital and liquidity, and AquaBounty believes that a NASDAQ listing will reduce AquaBounty's reliance on Intrexon's willingness to provide funds.

- *The Distribution may help prevent the AquaBounty common stock from being delisted from AIM.* AquaBounty's common stock currently trades on AIM, which is a market of the London Stock Exchange designed primarily for emerging or smaller companies. As part of the AIM requirements, AIM requires that AIM companies retain a Nominated Adviser ("NOMAD") at all times. A NOMAD's primary role is to advise and guide a company on its responsibilities in relation to its admission to AIM as well as its continuing obligations. AquaBounty's NOMAD has indicated to AquaBounty that, were Intrexon's interest in AquaBounty to reach a significantly high level, the NOMAD and AIM would need to review AquaBounty's ongoing appropriateness to remain admitted to trading on AIM. AquaBounty therefore believes that the Transactions, absent the Distribution, could materially increase the risk of AquaBounty being delisted from AIM. If Intrexon were to make the Investment of $25 million, which AquaBounty's Board of Directors believes is in the best interest of AquaBounty and our shareholders, without the contemplated Distribution and assuming conversion of the Convertible Debt, it would increase Intrexon's ownership interest in AquaBounty to over 78%. The Distribution will reduce Intrexon's ownership interest in AquaBounty to approximately , allowing Intrexon to broadly maintain its majority interest in AquaBounty, and therefore facilitate our ability to maintain the AIM quote for AquaBounty's common stock.
- *Intrexon believes that the Distribution will allow its shareholders to participate directly in the potential value creation at AquaBounty, including as a result of the ECC with Intrexon.* Intrexon believes that it can reduce its direct ownership position in AquaBounty without changing its strategic relationship with AquaBounty and its ability to recognize value over the long-term, including through the ECC between Intrexon and AquaBounty. Immediately after the Distribution, Intrexon will continue to hold a majority of AquaBounty's outstanding common stock, and accordingly its influence and relationship with AquaBounty is not expected to be materially different. In addition, Intrexon believes that the strategic rationale for its relationship with AquaBounty over the long-term is through the ECC. While Intrexon has provided significant capital and liquidity to AquaBounty, its long term goal is to create and recognize value by providing collaborators with access to Intrexon technology, which is consistent with the purpose of the ECC. The Distribution of the AquaBounty stock to Intrexon's shareholders will allow Intrexon to reduce its ownership position while at the same time providing Intrexon's shareholders with the opportunity to participate directly in the potential value creation at AquaBounty.

Description of the Distribution

On , 2016, Intrexon's board of directors authorized the Distribution to Intrexon's shareholders of an aggregate of shares of our common stock on the Distribution Date. The Distribution will be effected by Intrexon as a pro rata dividend on shares of Intrexon common stock outstanding at the close of business on the Record Date. The Distribution is subject to the conditions described below under "Conditions to Distribution."

Each of Intrexon's shareholder will receive shares of AquaBounty common stock for every share of Intrexon's common stock that the shareholder holds. You will not be required to pay any cash or other consideration for the shares of AquaBounty common stock distributed to you or to surrender or exchange your shares of Intrexon common stock to receive the dividend of AquaBounty common stock. The Distribution will not affect the number of outstanding shares of Intrexon common stock held by any shareholder, nor will it affect the rights of holders of Intrexon

common stock. No vote of Intrexon shareholders is required or sought in connection with the Distribution, and Intrexon shareholders will have no appraisal rights in connection with the Distribution.

The Number of Shares Intrexon Shareholders Will Receive

If you are the record holder of Intrexon common stock at the close of business on the Record Date, you will be entitled to receive shares of AquaBounty common stock in the Distribution. The number of shares of AquaBounty common stock that you will be entitled to receive will equal the quotient obtained by dividing (i) the total number of shares of AquaBounty common stock to be distributed in the Distribution by (ii) the total number of shares of Intrexon common stock outstanding at the close of business on the Record Date, multiplied by the total number of shares of Intrexon common stock you hold at the close of business on the Record Date. As discussed below, fractional shares will not be issued in the Distribution and shareholders will instead receive an amount in cash for such fractional interest. If applicable, shares of AquaBounty common stock may be withheld in respect of withholding taxes. See “Certain U.S. Federal Income Tax Considerations of the Distribution.”

The following equation determines the number of shares of AquaBounty common stock you will receive for each share of Intrexon common stock you hold at the close of business on the Record Date:

$$\frac{\text{Total number of shares of AquaBounty common stock to be distributed}}{\text{Total number of shares of Intrexon common stock outstanding at the close of business on the Record Date}} = \quad = 0.$$

Based on the number of shares of Intrexon common stock outstanding at the close of business on the Record Date, you will receive shares of AquaBounty common stock for every share[s] of Intrexon common stock for which you are the record holder at the close of business on the Record Date. The distributed shares of AquaBounty common stock will be fully paid and non-assessable and will have no pre-emptive rights.

Trading Between the Ex-Dividend Date and Distribution Date

Beginning on (the “Ex-Dividend Date”) and continuing through the close of trading on the New York Stock Exchange (“NYSE”), on or about the Distribution Date, shares of Intrexon common stock that trade on the NYSE will continue to trade in the “regular way” market, the same market in which they are currently traded. Beginning on the Ex-Dividend date, trades in Intrexon common stock will not include any entitlement to shares of AquaBounty common stock to be distributed pursuant to the Distribution. Holders of shares of Intrexon common stock who sell Intrexon shares, from and after the Ex-Dividend date and through the Distribution Date, will retain their right to receive AquaBounty shares. You should also consult your own financial advisors, such as your stockbroker, bank or tax advisor, regarding the specific implications of trading your Intrexon common stock between the Ex-Dividend date and the Distribution Date.

When and How You Will Receive the Dividend

Intrexon will pay the dividend on or about the Distribution Date by releasing shares of AquaBounty common stock to Intrexon’s transfer and distribution agent, [American Stock Transfer & Trust Company, LLC]. On or about the Distribution date, the transfer and distribution agent will cause the shares of AquaBounty common stock to which you are entitled in the Distribution to be registered in your name or in the “street name” of your bank or brokerage firm.

Registered Holders. If you are the registered holder of Intrexon common stock and hold your Intrexon common stock in book entry form, the shares of AquaBounty common stock distributed to you in the Distribution will be registered in your name and you will become the record holder of that number of shares of AquaBounty common stock.

"Street Name" Holders. Many Intrexon shareholders have their Intrexon common stock held in an account with a bank or brokerage firm. If this applies to you, that bank or brokerage firm is the registered holder that holds the shares on your behalf. The AquaBounty common stock being distributed in the Distribution will be registered in the "street name" of your bank or broker, who in turn will then electronically credit your account for the shares of AquaBounty common stock that you are entitled to receive in the Distribution. We encourage you to contact your bank or broker if you have any questions regarding the mechanics of having your shares of AquaBounty common stock posted to your account.

Fractional Shares. Fractional shares of AquaBounty common stock will not be distributed in the Distribution. Instead, the transfer and distribution agent will (i) sell such fractional shares of AquaBounty common stock to AquaBounty and (ii) distribute the pro rata portion of the net proceeds from such sale to each shareholder of Intrexon who would otherwise have received a fractional share of AquaBounty common stock. Intrexon currently estimates that it will take approximately one week after the Distribution for the transfer and distribution agent to effectuate this sale and mail checks for fractional share payments to Intrexon's shareholders, which checks will be attached to the distribution statements for AquaBounty common stock described below under "Direct Registration System." No interest will accrue on the amount of any payment made in lieu of the distribution of a fractional share.

Direct Registration System. AquaBounty common stock will be issued as uncertificated shares registered in book entry form through the direct registration system. No certificates representing your shares of AquaBounty common stock will be mailed to you in the ordinary course. Under the direct registration system, instead of receiving stock certificates, you will receive a distribution statement reflecting your ownership interest in shares of AquaBounty common stock. The AquaBounty transfer agent and registrar, Computershare Trust Company, N.A., will begin mailing distribution statements reflecting your ownership of shares of AquaBounty common stock promptly after the Distribution. When you receive your first account statement, you will receive information explaining the direct registration system and detailing the various options of this form of ownership. We currently estimate that it will take approximately one week from the Distribution for the AquaBounty transfer agent and registrar to complete these mailings, which will include the checks for any fractional share payments described above under "Fractional Shares."

Treatment of Intrexon Option Awards. In connection with the Distribution, pursuant to the terms of Intrexon's outstanding stock options, the conversion terms of all outstanding options for shares of Intrexon's common stock as of the Record Date will be adjusted to reflect the value of the Distribution with respect to shares of Intrexon's common stock by decreasing the exercise prices and increasing the number of shares subject to the awards.

Listing and Trading of AquaBounty Common Stock

Market for Our Common Stock

Currently, our common stock is listed on AIM. We expect to apply to list our common stock on the NASDAQ Capital Market under the symbol "AQB." Beginning on or shortly before the Record Date and continuing up to the Distribution Date, we expect that there will be a "when-issued" market for our common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for shares of our common stock that will be distributed to Intrexon shareholders on the Distribution Date. If you own shares of Intrexon common stock as of the Record Date, you will be entitled to shares of our common stock distributed pursuant to the Distribution. You may trade this entitlement to shares of our common stock, without trading the shares of Intrexon common stock you own, on the "when-issued" market. On the Distribution Date, "when-issued" trading with respect to our common stock will end and

“regular-way” trading will begin. “Regular-way” trading refers to trading after a security has been issued and typically involves a transaction that settles on the third full business day following the date of the transaction.

Conditions to the Distribution

We expect that the Distribution will be completed on the Distribution Date, provided that, among other things:

- the Investment contemplated by the Purchase Agreement between Intrexon and AquaBounty will have been consummated (See “Certain Relationships and Related Transactions, and Director Independence—Purchase Agreement”);
- the Intrexon board of directors will, in its sole and absolute discretion, have authorized and approved the Distribution;
- the SEC shall have declared effective our registration statement on Form 10, of which this information statement forms a part, under the Exchange Act, with no stop order in effect with respect to the Form 10, and this information statement shall have been sent to Intrexon shareholders;
- no order, injunction or decree that would prevent the consummation of the Distribution will be threatened, pending or issued (and still in effect) by any governmental entity of competent jurisdiction, no other legal restraint or prohibition preventing the consummation of the Distribution will be in effect, and no other event outside the control of Intrexon will have occurred or failed to occur that prevents the consummation of the Distribution;
- AquaBounty’s common stock shall have been approved for listing on the NASDAQ Capital Market, subject to official notice of issuance;
- immediately prior to the Distribution, AquaBounty’s restated certificate of incorporation and bylaws, each in substantially the form filed as an exhibit to the registration statement of which this information statement forms a part, will be in effect; and
- No Material Adverse Effect (as defined in the Purchase Agreement) shall have occurred and Intrexon shall not have concluded that the Distribution contemplated by the information statement would be materially adverse to Intrexon or its shareholders.

Intrexon may waive one or more of these conditions in its sole and absolute discretion, and the determination by Intrexon regarding the satisfaction of these conditions will be conclusive. The fulfillment of these conditions will not create any obligation on Intrexon’s part to effect the Distribution, and Intrexon has reserved the right to amend, modify or abandon the Distribution at any time prior to the Distribution Date. To the extent that Intrexon determines that any modification to the terms or the conditions of the Distribution is material, Intrexon will notify its shareholders in a manner reasonably calculated to inform them of such modifications with a press release, Current Report on Form 8-K or other similar means.

Accounting Treatment

As a result of Intrexon’s ownership interest in AquaBounty, Intrexon includes our financial results in Intrexon’s consolidated financial statements. Immediately after the Distribution, Intrexon will continue to own a majority of our outstanding common stock and will therefore continue to include AquaBounty’s results in its consolidated financial statements. In the period in which the Distribution occurs, Intrexon will reduce its balance of additional paid-in capital by the amount of the Distribution with a corresponding increase in noncontrolling interests. For all reporting periods after the date of Distribution, net income or loss attributable to Intrexon will reflect its post Distribution ownership interest in the net income or loss of AquaBounty.

Certain U.S. Federal Income Tax Considerations of the Distribution

The following is a summary of certain U.S. federal income tax considerations to holders of shares of Intrexon common stock in connection with the Distribution but does not purport to be a complete analysis of all potential tax effects. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), the U.S. Treasury Regulations promulgated thereunder and judicial and administrative interpretations thereof, each as in effect as of the date hereof, and all of which are subject to change at any time, possibly with retroactive effect. Any such change could affect the tax consequences described below.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of Intrexon common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of the Code), or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a "United States person" (within the meaning of the Code) for U.S. federal income tax purposes.

A "Non-U.S. Holder" is any beneficial owner of Intrexon common stock that is neither a "U.S. Holder" nor an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

This summary does not discuss all tax considerations that may be relevant to holders in light of their particular circumstances, nor does it address the consequences to holders subject to special treatment under the U.S. federal income tax laws, such as:

- U.S. expatriates and former citizens or long-term residents of the United States;
- dealers or brokers in securities, commodities or currencies;
- tax-exempt organizations;
- banks, insurance companies or other financial institutions;
- mutual funds;
- regulated investment companies and real estate investment trusts;
- "controlled foreign corporations," "passive foreign investment companies" and corporations that accumulate earnings to avoid U.S. federal income tax;
- holders who hold individual retirement or other tax-deferred accounts;
- holders who acquired shares of Intrexon common stock pursuant to the exercise of employee stock options or otherwise as compensation;
- holders who hold Intrexon common stock as part of a hedge, appreciated financial position, straddle, constructive sale, conversion transaction or other risk reduction transaction;
- traders in securities who elect to apply a mark-to-market method of accounting;
- U.S. holders who have a functional currency other than the U.S. dollar;
- holders who are subject to the alternative minimum tax; or
- partnerships or other pass-through entities or investors in such entities.

This summary does not address the U.S. federal income tax consequences to Intrexon shareholders who do not hold shares of Intrexon common stock as a "capital asset" (within the meaning of the Code), nor does this summary address the tax consequences of the ownership or disposition of the AquaBounty common stock received in the Distribution. Moreover, this summary does not address any state, local or foreign tax consequences or any estate, gift or other non-income tax consequences. If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds shares of Intrexon common stock, the tax treatment of a partner in that partnership will generally depend on the status of the partner and the activities of the partnership. A partner in a partnership holding Intrexon common stock should consult its tax advisor as to the tax consequences of the Distribution.

Intrexon shareholders will not receive any cash in the Distribution (other than cash in lieu of fractional shares of AquaBounty common stock).

EACH INTREXON SHAREHOLDER IS URGED TO CONSULT ITS TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE DISTRIBUTION.

Tax Treatment of the Distribution

The receipt of AquaBounty common stock by holders of Intrexon common stock in the Distribution is expected to be partially taxable for U.S. federal income tax purposes. Intrexon intends to treat the Distribution as a partially taxable dividend to its shareholders for U.S. federal income tax purposes, including for withholding tax purposes. Accordingly, as described below, the amount of AquaBounty common stock otherwise distributable may be reduced in respect of U.S. federal income tax withholding, and U.S. federal backup withholding may apply if certain certification requirements are not met.

Principal Federal Income Tax Consequences to Intrexon.

As described above under "—Tax Treatment of the Distribution," Intrexon intends to treat the Distribution as a taxable distribution of the AquaBounty common stock by Intrexon. Any corporate-level income tax incurred on the Distribution will be paid by Intrexon.

Principal Federal Income Tax Consequences to Intrexon Shareholders.

Tax Consequences to U.S. Holders

Each U.S. Holder will be treated as receiving a distribution in an amount equal to the fair market value on the date of the Distribution of (i) the AquaBounty common stock received plus (ii) the fractional share of AquaBounty common stock sold by the distribution agent on such U.S. Holder's behalf. This distribution generally would be treated first as a taxable dividend to the extent of the U.S. Holder's pro rata share of Intrexon's current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), then as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Intrexon common stock, and finally as capital gain from the sale or exchange of Intrexon common stock with respect to any remaining value. Based on the amount of Intrexon's earnings and profits, Intrexon expects a portion of this distribution to be treated as other than a dividend for U.S. federal income tax purposes.

Dividends received by individual U.S. Holders generally should qualify for reduced tax rates so long as certain holding period requirements are met. Dividends received by corporate holders may be eligible

for the dividends received deduction if the U.S. Holder is an otherwise qualifying corporate holder that meets the holding period and certain other requirements for the dividends received deduction. This distribution may be considered an “extraordinary dividend” under the U.S. federal income tax rules depending on the facts and circumstances of the U.S. Holder, which may affect a corporate U.S. Holder’s basis in its Intrexon common stock. A noncorporate U.S. Holder that receives an extraordinary dividend and later sells its underlying Intrexon shares at a loss will be treated as realizing a long-term capital loss, regardless of its holding period in the shares, to the extent of the extraordinary dividend.

A U.S. Holder’s tax basis in the AquaBounty common stock received in the Distribution generally will equal the fair market value on the date of the Distribution of such common stock received, and the holding period in the AquaBounty common stock will begin on the day after the Distribution. A U.S. Holder will have a basis in the fractional share of AquaBounty common stock that is to be sold by the distribution agent on such U.S. Holder’s behalf equal to the fair market value of such fractional share on the date of the Distribution. Upon the sale of such fractional share by the distribution agent on behalf of a U.S. Holder, such U.S. Holder generally will recognize short-term capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realized and the U.S. Holder’s basis in the fractional share.

Tax Consequences to Non-U.S. Holders

Each Non-U.S. Holder will be treated as receiving a distribution in an amount equal to the fair market value on the date of the Distribution of (i) the AquaBounty common stock received plus (ii) the fractional share of AquaBounty common stock sold by the distribution agent on such Non-U.S. Holder’s behalf. The Distribution generally would be treated first as a taxable dividend to the extent of the Non-U.S. Holder’s pro rata share of Intrexon’s current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), then as a non-taxable return of capital to the extent of the Non-U.S. Holder’s basis in the Intrexon common stock, and finally as capital gain from the sale or exchange of Intrexon common stock with respect to any remaining value. Based on the amount of Intrexon’s earnings and profits, Intrexon expects a portion of the Distribution to be treated as other than a dividend for U.S. federal income tax purposes.

Accordingly, it is anticipated that Non-U.S. Holders generally will be subject to U.S. federal withholding tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on a portion of the Distribution. Even if a Non-U.S. Holder is eligible for a lower treaty rate, dividend payments will generally be subject to withholding at a 30% rate (rather than the lower treaty rate) unless the Non-U.S. Holder provides a properly completed IRS Form W-8BEN or W-8BEN-E, as applicable (or applicable successor form), certifying such holder’s qualification for the reduced rate. If a Non-U.S. Holder holds the stock through a financial institution or other intermediary, the Non-U.S. Holder will be required to provide appropriate documentation to the intermediary, which then will be required to provide certification to the applicable withholding agent, either directly or through other intermediaries. Non-U.S. Holders who do not timely provide the applicable withholding agent with the required certification, but who qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Subject to the discussions below regarding backup withholding and FATCA, if the AquaBounty common stock distributed to a Non-U.S. Holder in the Distribution is effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from U.S. federal withholding tax. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a properly completed IRS Form W-8ECI (or applicable successor form), certifying that the dividends are effectively connected with the Non-U.S. Holder’s conduct of a trade or business

within the United States. If the AquaBounty common stock received by a Non-U.S. Holder is effectively connected with the Non-U.S. Holder's U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States), the fair market value on the date of the Distribution of the AquaBounty common stock distributed (including any AquaBounty common stock withheld in respect of U.S. federal withholding tax) generally will be subject to U.S. federal income tax on a net income basis in the same manner as if such holder were a U.S. Holder (as described above). A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) of all or a portion of its effectively connected earnings and profits for the taxable year.

Any withholding tax with respect to the Distribution must be remitted in cash to the IRS. A Non-U.S. Holder's broker or other applicable withholding agent may obtain the funds necessary to remit such withholding tax by selling (on the Non-U.S. holder's behalf) shares of AquaBounty common stock that such Non-U.S. Holder would otherwise receive in the Distribution. Such holder may bear brokerage or other costs for this withholding procedure. A Non-U.S. Holder may seek a refund from the IRS of any amounts withheld if it is subsequently determined that the amounts withheld exceeded the holder's U.S. tax liability for the year in which the Distribution occurred.

A Non-U.S. Holder should consult its tax advisor regarding its entitlement to benefits and the various rules under applicable tax treaties.

Information Reporting and Backup Withholding.

In general, the fair market value of the AquaBounty common stock received by U.S. Holders in the Distribution will be reported to the IRS unless the holder is an exempt recipient. Backup withholding, at a rate of 28%, may apply unless the U.S. Holder (1) is an exempt recipient or (2) provides a certificate (generally on an IRS Form W- 9) containing the holder's name, address, correct federal taxpayer identification number and a certification under penalty of perjury that the holder is a "United States person" (within the meaning of the Code) and is not subject to backup withholding.

Any backup withholding tax with respect to the Distribution must be remitted in cash to the IRS. A U.S. Holder's broker or other applicable withholding agent may obtain the funds necessary to remit such withholding tax by selling (on the U.S. holder's behalf) shares of AquaBounty common stock that such U.S. Holder would otherwise receive in the Distribution. Such holder may bear brokerage or other costs for this withholding procedure.

A Non-U.S. Holder will not be subject to backup withholding with respect to the AquaBounty common stock received in the Distribution, provided the holder certifies its non-U.S. status, such as by providing a properly completed IRS Form W-8BEN, W-8BEN-E or W-8ECI, as applicable, or otherwise establishes an exemption. However, information returns will be filed with the IRS in connection with the AquaBounty common stock received by a Non-U.S. Holder in the Distribution, regardless of whether any tax was actually withheld. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Foreign Account Tax Compliance Act

Pursuant to the Foreign Account Tax Compliance Act, or FATCA, withholding taxes may also apply to certain types of payments made to "foreign financial institutions" (within the meaning of the Code) and

certain other non-U.S. entities (including payments to U.S. shareholders that hold shares of AquaBounty common stock through such a foreign financial institution or non-U.S. entity). Specifically, a 30% withholding tax may be imposed on dividends on, and gross proceeds from the sale or other disposition of, stock paid to a foreign financial institution or to a non-financial foreign entity, unless (i) the foreign financial institution undertakes certain diligence and reporting, (ii) the non-financial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner, or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (i) above, in order to avoid the imposition of such withholding, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts to the IRS (or, in some cases, local tax authorities), and withhold 30% on payments it makes to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these provisions may be subject to different rules.

Under the applicable Treasury Regulations and IRS guidance, the withholding provisions described above generally (i) apply to payments of dividends, and (ii) will apply to payments of gross proceeds from a sale or other disposition of stock on or after January 1, 2019. Based on the amount of Intrexon's earnings and profits, Intrexon expects a portion of the Distribution to be treated as other than a dividend for U.S. federal income tax purposes.

If the withholding described above is imposed pursuant to the Distribution, a beneficial owner that is not a foreign financial institution and that otherwise would not be subject to withholding (or that otherwise would be entitled to a reduced rate of withholding) generally may obtain a refund from the IRS by filing a U.S. federal income tax return (which may entail significant administrative burden). You should consult your tax advisor regarding these withholding provisions.

THE FOREGOING IS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS OF THE DISTRIBUTION TO HOLDERS OF INTREXON COMMON STOCK UNDER CURRENT LAW. THE FOREGOING DOES NOT PURPORT TO ADDRESS ALL U.S. FEDERAL INCOME TAX CONSEQUENCES OR TAX CONSEQUENCES THAT MAY ARISE UNDER THE TAX LAWS OR THAT MAY APPLY TO PARTICULAR CATEGORIES OF HOLDERS. EACH HOLDER OF INTREXON COMMON STOCK SHOULD CONSULT ITS TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE DISTRIBUTION TO SUCH HOLDER, INCLUDING THE APPLICATION OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND THE EFFECT OF POSSIBLE CHANGES IN TAX LAWS THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED ABOVE.

RELATIONSHIP WITH INTREXON FOLLOWING THE DISTRIBUTION

Following the Transactions, Intrexon will continue to own a majority of our then outstanding common stock.

As a result of Intrexon's continued ownership of a majority of our common stock, we have elected to be treated as a "controlled company" for purposes of the NASDAQ Rules and Intrexon will have the ability to influence our corporate affairs. For more information, see "Corporate Governance—Director Independence; Controlled Company Exemption," "Risk Factors—Risks Relating to our Common Stock—Intrexon's significant share ownership position allows it to influence corporate matters" and "Risk Factors—Risks Relating to our Common Stock—Our shareholders will not have the same protections generally available to shareholders of other NASDAQ-listed companies because we are currently a "controlled company" within the meaning of the NASDAQ listing rules."

In December 2012, we entered into a relationship agreement with Intrexon (the "Relationship Agreement") which sets forth certain matters relating to Intrexon's relationship with us as a major shareholder, including rights to nominate members to our Board of Directors. For more information, see "Certain Relationships and Related Transactions, and Director Independence—Other Agreements with Intrexon—Relationship Agreement."

In February 2013, we entered into the ECC with Intrexon pursuant to which we are permitted to use Intrexon's UltraVector® and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. The ECC grants us a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale, and offer for sale of products involving DNA administered to finfish for human consumption. We agreed under the ECC to pay Intrexon, on a quarterly basis, 16.66% of the gross profits calculated for each developed product. We also agreed to pay Intrexon 50% of the quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, we agreed to reimburse Intrexon for the costs of certain services provided by Intrexon. The ECC will continue in effect after the Distribution. For more information, see "Certain Relationships and Related Transactions, and Director Independence—Other Agreements with Intrexon—Exclusive Channel Collaboration Agreement."

The above descriptions, together with the other above referenced sections of this information statement, are summaries of the terms of the Relationship Agreement and the ECC. These summaries may not be complete and are qualified by reference to the terms of the agreements, which have been included as exhibits to the registration statement of which this information statement forms a part. We encourage you to read the full text of the Relationship Agreement and the ECC.

Mr. Randal J. Kirk, Intrexon's Chairman and Chief Executive Officer, has indicated that as an AquaBounty shareholder, he has no current intention of selling any of our shares that he will receive through the Distribution.

MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

There is currently no established public trading market for our common stock in the United States. Our common stock is quoted on AIM under the symbol "ABTU." As of November 4, 2016, 157,527,974 shares of our common stock were issued and outstanding. As of November 4, 2016, there were approximately 220 holders of record of our common stock. The U.S. transfer agent for our common stock is Computershare Trust Company, N.A.

The following table sets forth the high and low bid prices for our common stock for the periods indicated, as reported by AIM. These prices are as reported by the London Stock Exchange plc. Amounts presented in U.S. dollars reflect the currency exchange rate in effect on the date the price was reported on AIM.

	Price Per Share of Common Stock(1)			
Quarterly Period	Low		High	
2014				
Quarter ended March 31, 2014	£0.3150	$ 0.5192	£ 0.4950	$0.8200
Quarter ended June 30, 2014	£0.2050	$ 0.3438	£ 0.3150	$0.5345
Quarter ended September 30, 2014	£0.1750	$ 0.2817	£ 0.2100	$0.3603
Quarter ended December 31, 2014	£0.1550	$ 0.2459	£ 0.1800	$0.2840
2015				
Quarter ended March 31, 2015	£0.1200	$ 0.1828	£ 0.1700	$0.2648
Quarter ended June 30, 2015	£0.1450	$ 0.2161	£ 0.1550	$0.2380
Quarter ended September 30, 2015	£0.1250	$ 0.1895	£ 0.1500	$0.2359
Quarter ended December 31, 2015	£0.1350	$ 0.2036	£ 0.3700	$0.5645
2016				
Quarter ended March 31, 2016	£0.2200	$ 0.3169	£ 0.2750	$0.3949
Quarter ended June 30, 2016	£0.1350	$ 0.1958	£ 0.3950	$0.5752
Quarter ended September 30, 2016	£0.2450	$ 0.3224	£ 0.3650	$0.4727
Period October 1 through November 4, 2016	£0.2700	$ 0.3283	£ 0.3050	$0.3931

(1) The figures have not been adjusted to reflect the Reverse Stock Split to be implemented immediately following the effectiveness of the registration statement of which this information statement forms a part, as defined and described under the section entitled "Description of Capital Stock." The following table presents such information as adjusted to reflect the Reverse Stock Split, assuming a Reverse Stock Split ratio of 1-for-20.

	Price Per Share of Common Stock			
Quarterly Period	Low		High	
2014				
Quarter ended March 31, 2014	£6.300	$ 10.384	£ 9.900	$16.400
Quarter ended June 30, 2014	£4.100	$ 6.876	£ 6.300	$10.690
Quarter ended September 30, 2014	£3.500	$ 5.634	£ 4.200	$ 7.206
Quarter ended December 31, 2014	£3.100	$ 4.918	£ 3.600	$ 5.680
2015				
Quarter ended March 31, 2015	£2.400	$ 3.656	£ 3.400	$ 5.296
Quarter ended June 30, 2015	£2.900	$ 4.322	£ 3.100	$ 4.760
Quarter ended September 30, 2015	£2.500	$ 3.790	£ 3.000	$ 4.718
Quarter ended December 31, 2015	£2.700	$ 4.072	£ 7.400	$11.290

Quarterly Period	Price Per Share of Common Stock Low		Price Per Share of Common Stock High	
2016				
Quarter ended March 31, 2016	£4.400	$ 6.338	£ 5.500	$ 7.898
Quarter ended June 30, 2016	£2.700	$ 3.916	£ 7.900	$11.504
Quarter ended September 30, 2016	£4.900	$ 6.448	£ 7.300	$ 9.454
Period October 1 through November 4, 2016	£5.400	$ 6.566	£ 6.100	$ 7.862

Holders of Common Stock

See “Security Ownership of Certain Beneficial Owners and Management” for disclosure regarding the holders of our common stock.

Dividends

We have never declared or paid any cash dividends on our common stock. We currently intend to retain earnings, if any, to finance the growth and development of our business. We do not expect to pay any cash dividends on our common stock in the foreseeable future. Payment of future dividends, if any, will be at the discretion of our Board of Directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in current or future financing instruments, provisions of applicable law, and other factors the Board of Directors deems relevant.

Securities Authorized for Issuance Under Equity Compensation Plans

We have reserved the following number of securities for issuance under the AquaBounty Technologies 2016 Equity Incentive Plan (the “2016 Plan”) and the AquaBounty Technologies 2006 Equity Incentive Plan (the “2006 Plan”) as of December 31, 2015:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans(1)
Equity compensation plans approved by shareholders	5,382,000	$ 0.26	10,360,531
Equity compensation plans not approved by shareholders	0	$ —	0
Total	5,382,000	$ 0.26	10,360,531

(1) Includes shares of common stock reserved for issuance under the 2006 Plan. The 2006 Plan terminated on March 18, 2016 and there are no shares of common stock reserved for future awards under the 2006 Plan.

Our 2016 Plan was adopted by our Board of Directors and shareholders in April 2016. 13,500,000 shares of common stock are reserved for issuance under the 2016 Plan.

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2016, on a historical basis and on an as adjusted basis to give effect to:

- the expected conversion of the Convertible Debt held by Intrexon;
- the Investment by Intrexon;
- the Reverse Stock Split, assuming a ratio of 1-for-20; and
- the Distribution.

The adjustments are based on available information and assumptions that management believes are reasonable; however, such adjustments are subject to change based on the final terms of the Distribution and the agreements that define our relationship with Intrexon after the Distribution. In addition, such adjustments are estimates and may not prove to be accurate. Accordingly, the information below is not necessarily indicative of what our cash and cash equivalents and capitalization would have been had the Distribution and related transactions been completed as of September 30, 2016.

The information in the following table should be read in conjunction with “Selected Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our audited consolidated financial statements and accompanying notes included elsewhere in this information statement.

	As of September 30, 2016	
	Actual	As adjusted
	(in thousands)	
Cash and CD’s	$ 3,194	$ 30,694
Accrued interest on convertible debt	238	—
Intrexon convertible debt	7,500	—
Current debt	18	18
Long-term debt	2,710	2,710
Total liabilities	11,193	3,455
Preferred stock, $0.01 par value per share;	—	—
Common stock, $0.001 par value per share;	158	13
Additional paid-in capital	90,983	126,128
Accumulated other comprehensive loss	(313)	(313)
Accumulated deficit	(96,828)	(96,590)
Total stockholders’ equity	(6,000)	29,238
Total capitalization	$ 5,193	$ 32,693

SELECTED FINANCIAL DATA

The following table sets forth our selected consolidated financial data for the periods and as of the dates indicated. You should read the following selected consolidated financial data in conjunction with our audited consolidated financial statements and the related notes thereto included elsewhere in this information statement and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The consolidated statement of operations data for the years ended December 31, 2015, 2014, and 2013, and the consolidated balance sheet data as of December 31, 2015, 2014, and 2013, are derived from our audited consolidated financial statements. The consolidated statement of operations data for the nine months ended September 30, 2016 and 2015, and the consolidated balance sheet data as of September 30, 2016, are derived from our unaudited consolidated financial statements. Our audited and unaudited consolidated financial statements have been prepared in U.S. dollars in accordance with United States generally accepted accounting principles, or U.S. GAAP.

Our historical results for any prior period are not necessarily indicative of results to be expected in any future period, and our results for any interim period are not necessarily indicative of results to be expected for a full fiscal year.

	Nine Months Ended September 30,		Fiscal Years Ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited)		in thousands, except share data		
Statement of Operations Data:					
Costs and expenses:					
Sales and marketing	$ 650	$ 787	$ 994	$ 729	$ 298
Research and development (2)	2,703	2,395	3,336	3,213	2,275
General and administrative	2,428	2,008	2,697	3,193	2,302
Total costs and expenses	5,781	5,190	7,027	7,135	4,875
Operating loss	(5,781)	(5,190)	(7,027)	(7,135)	(4,875)
Other income (expense):					
Gain on royalty based financing instrument	—	—	—	—	187
Interest and other income (expense), net	(243)	(4)	(5)	8	(1)
Total other income (expense)	(243)	(4)	(5)	8	186
Net loss	$ (6,024)	$ (5,194)	$ (7,032)	$ (7,127)	$ (4,689)
Other comprehensive income:					
Foreign currency translation gain (loss)	(87)	188	229	111	94
Total other comprehensive income (loss)	(87)	188	229	111	94
Comprehensive loss	$ (6,111)	$ (5,006)	$ (6,803)	$ (7,016)	$ (4,595)
Basic and diluted net loss per share(1)	$ (0.04)	$ (0.03)	$ (0.05)	$ (0.05)	$ (0.04)
Weighted average number of common shares—basic and diluted (1)	157,493,281	148,998,613	151,112,602	140,389,712	120,613,246

(1) The basic and diluted net loss per share and weighted average number of common shares used in the net loss per share calculation have not been adjusted to reflect the Reverse Stock Split to be effected immediately following the effective time of the registration statement of which this information statement forms a part. See "Description of Capital Stock."

(2) In 2016, we reclassified the costs of our field trials and Panama farm site from sales and marketing to research and development.

	As of September 30,		As of December 31,		
	2016	2015	2015	2014	2013
Balance Sheet Data:	(unaudited)				
Cash and CD's	$ 3,194	$ 3,104	$1,324	$5,176	$1,889
Total assets	$ 5,193	$ 4,530	$2,637	$6,608	$3,561
Debt	$10,229	$ 2,141	$2,070	$2,422	$2,360
Stockholders' equity (deficit)	$ (6,000)	$ 1,707	$ (56)	$3,509	$ 497

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the other sections of this information statement, including our consolidated financial statements and notes thereto included herein. This discussion and analysis also contains forward-looking statements and should also be read in conjunction with the disclosures and information contained in "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors." Our actual results may differ materially from those discussed below. The following discussion and analysis is intended to enhance the reader's understanding of our business environment.

Overview

We believe we are a leader in the field of biotechnology tools for improving the productivity of aquaculture. Our lead product is the AquAdvantage Salmon, which recently received FDA approval as the first genetically modified animal available for sale for human consumption. We intend to commence commercial activities with a pilot-scale operation and subsequent commercialization in markets where we have received regulatory approval. Management is evaluating several paths to revenue generation that follow different timelines, including production of our fish at our existing farm in Panama, purchase of an existing production facility in North America, and construction of a new production facility in North America. Depending on which path or combination of paths is chosen, modest revenues could commence as early as next year from our Panama farm with more significant revenues expected once a new facility is in full production.

Financial Overview

We have incurred significant losses since our inception. We expect to continue to incur significant losses for the foreseeable future, and we may never achieve or maintain profitability. We have never generated revenues from the sale of AquAdvantage Salmon, and we have had no revenues from any other product since 2008.

We expect our future capital requirements will be substantial, particularly as we continue to develop our business and expand our commercial activities. As discussed in "Information on AquaBounty—Recent Events," in February 2016, we executed a convertible debt facility providing for borrowings of up to $10.0 million with Intrexon, our majority shareholder. As of September 30, 2016, $7.5 million has been advanced under this debt facility and $2.5 million is available for future draws. Based on our current level of operations and anticipated expenditures, we believe that borrowings under this facility will provide adequate funds for ongoing operations, planned capital expenditures, and working capital requirements through March 2017. Additionally, we have entered into the Purchase Agreement to sell Intrexon our common stock for proceeds of approximately $25 million. We also believe that such proceeds will allow us to commence activities for a pilot-scale commercial operation to prove the economic benefit and market acceptance for our product.

During the next several years, we expect that our annual spending on operations will increase. We expect that our research and development costs will increase as we expand the scope of our current projects and add new development projects under the ECC with Intrexon. We expect that our general and administrative expenses and capital expenditures will increase due to the added reporting requirements of being a reporting company in the United States, as well as due to the buildout and operation of our new salmon egg farm, the commencement of our pilot commercial operation and the anticipated growth of our company. We expect that our sales and marketing expenses will increase with the commencement of commercial activities for our AquAdvantage Salmon. We may also decide to enter full-scale production operations and raise the AquAdvantage Salmon eggs to harvest in our

own facilities. These activities would require substantial new investment to fund the cost of construction for land-based farming facilities. However, the uncertainty of the timing of the completion of the pilot-scale commercial operation for AquAdvantage Salmon makes it difficult to forecast these expenses or create a definitive operational plan beyond the short-term. Upon completion of the pilot-scale commercial operation, we expect to finalize our operational plan and move forward with our expansion, which will require us to raise additional funds.

Sales and Marketing Expenses

Our sales and marketing expenses currently consist primarily of personnel costs, travel, and consulting fees for premarket commercial activities. As of September 30, 2016, we had three employees dedicated to sales and marketing.

Research and Development Expenses

We employ fifteen scientists and technicians at our hatchery on Prince Edward Island to oversee our broodstock of AquAdvantage Salmon, as well as the lines of fish we maintain for research and development purposes. Since 2012, we have outsourced our research activities at the hatchery to Tethys Aquaculture Canada, Inc. (doing business as the Center for Aquaculture Technologies Canada), our former research group. During 2015, we made the decision to reinstitute our in-house research group, and we have hired personnel to reestablish that function internally. This has allowed us to phase-out and end our contract research agreement with Tethys Aquaculture Canada. In addition, under the ECC, we have an agreement with Intrexon to conduct research on and develop new finfish products using their technology platform. We recognize research and development expenses as they are incurred. Our research and development expenses consist primarily of:

- salaries and related overhead expenses for personnel in research and development functions;
- fees paid to Tethys Aquaculture Canada, Inc., consultants, and contract research organizations who perform research on our behalf and under our direction;
- costs related to laboratory supplies used in our research and development efforts; and
- costs related to the operation of our field trials and Panama site.

From time to time we receive government funding or assistance in support of certain research projects. Any funds received are credited against costs incurred for the specific program.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs for employees in executive, operational, and finance functions. Other significant general and administrative expenses include corporate governance and public market maintenance, regulatory compliance, rent and utilities, insurance, and legal services. We have six employees in our general and administrative group.

Other Income (Expense), Net

Interest income consists of interest earned on our cash and short-term investments. Interest expense includes the interest on our convertible and term loans. Other expense includes bank charges and fees and gains or losses on our royalty-based financings.

Significant Accounting Policies and Estimates

This management’s discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which we have prepared in accordance with U.S.

GAAP. The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. We evaluate these estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in Note 2 to our audited consolidated financial statements appearing elsewhere in this information statement, we believe that the following accounting policies are the most critical for fully understanding and evaluating our financial condition and results of operations.

Government Assistance

From time to time we receive government assistance in the form of research grants and loans, which are recorded as a reduction of the related expenditures. All government assistance is subject to periodic audit by the agency involved in the grant.

Valuation Allowance for Net Deferred Tax Assets

We record a valuation allowance to offset any net deferred tax assets if, based upon the available evidence, it is more likely than not that we will not recognize some or all of the deferred tax assets. We have had a history of net losses since inception, and, as a result, we have established a 100% valuation allowance for our net deferred tax assets. If circumstances change, and we determine that we will able to realize some or all of these net deferred tax assets in the future, we will record an adjustment to the valuation allowance.

Valuation of Long-Lived Assets

Definite lived intangible assets include patents and licenses. Patent costs consist primarily of legal and filing fees incurred to file patents on proprietary technology that we have developed. Patent costs are amortized on a straight line basis over 20 years beginning with the issue date of the applicable patent. Licensing fees are capitalized and expensed over the term of the licensing agreement. Indefinite lived intangible assets include trademark costs, which are capitalized with no amortization, as they have an indefinite life.

We review the carrying value of our long-lived tangible assets and definite-lived intangible assets on an annual basis or more frequently if facts and circumstances suggest that they may be impaired. The carrying values of such assets are considered impaired when the anticipated identifiable undiscounted cash flows from such assets are less than their carrying values. An impairment loss, if any, is recognized in the amount of the difference between the carrying amount and fair value. Indefinite-lived intangible assets are subject to impairment testing annually or more frequently if impairment indicators arise. Our impairment testing utilizes a discounted cash flow analysis that requires significant management judgment with respect to revenue and expense growth rates, changes in working capital, and the selection and use of the appropriate discount rate. An impairment loss, if any, is recognized in the amount of the difference between the carrying amount and fair value.

Royalty-Based Financing Instruments

From time to time we will enter into financing arrangements whereby the funds received will be repaid through future royalties from revenues at agreed-upon royalty rates. Amounts to be paid may be in

excess of amounts borrowed. Additionally, in certain instances the repayment terms have expiration dates. We record outstanding borrowings under these arrangements as long-term debt liabilities and adjust the balance based on the likelihood of future repayment, taking into consideration the terms of the individual arrangement.

Share-Based Compensation

We measure and recognize all share-based payment awards, including stock options made to employees and directors, based on estimated fair values. The fair value of each share-based payment awards is estimated on the date of grant using an option pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service period in our consolidated statement of operations. We use the Black-Scholes option pricing model ("Black-Scholes") as our method of valuation.

Results of Operations

Comparison of the three months ended September 30, 2016, to the three months ended September 30, 2015.

The following table summarizes our results of operations for the three months ended September 30, 2016 and 2015, together with the changes in those items in dollars and as a percentage (in thousands):

	Three Months Ended September 30,		Dollar Change	% Change
	2016	2015		
	(unaudited)			
Operating expenses:				
Sales and marketing	$ 210	$ 220	$ (10)	-5%
Research and development	975	788	187	24%
General and administrative	824	649	175	27%
Operating loss	2,009	1,657	352	21%
Total other (income) expense, net	133	1	132	13200%
Net loss	$ 2,142	$ 1,658	$ 484	29%

Sales and Marketing Expenses

The decrease in sales and marketing expenses for the three months ended September 30, 2016, was primarily due to a reduction in compensation costs and the completion of outside services related to design fees for an RAS facility. We expect that our sales and marketing expenses will continue to increase now that we have received both FDA and Health Canada approvals for AquAdvantage Salmon.

Research and Development Expenses

Research and development expenses for the three months ended September 30, 2016, increased due to the operation of field trials in Argentina and Brazil and the purchase of the Rollo Bay site, which incurred costs for outside services and supplies related to the initial maintenance of the property. We expect that our research and development expenses will increase as we further develop this new site and as we continue to pursue regulatory approval for additional products.

General and Administrative Expenses

The increase in general and administrative expenses for the three months ended September 30, 2016, was primarily due to increased legal fees from third-party challenges to our two regulatory approvals and increases in general corporate expenses, including travel, taxes and insurance. We expect that our general and administrative expenses will increase once we begin to operate as a public company in the United States. We estimate that expenditures associated with being a public company will be approximately $400 thousand annually and will include increased costs for director and officer liability insurance; costs related to the hiring of additional personnel; and increased fees for outside consultants, lawyers, and accountants. We also expect to incur increased costs to comply with corporate governance, internal controls, and similar requirements applicable to U.S. public companies.

Total Other (Income) Expense

Total other (income) expense is comprised of interest on debts and bank charges for the three-month period ended September 30, 2016, and bank charges for the three-month period ended September 30, 2015.

Comparison of the nine months ended September 30, 2016, to the nine months ended September 30, 2015.

The following table summarizes our results of operations for the nine months ended September 30, 2016 and 2015, together with the changes in those items in dollars and as a percentage (in thousands):

	Nine Months Ended September 30,		Dollar Change	% Change
	2016	2015		
	(unaudited)			
Operating expenses:				
Sales and marketing	$ 650	$ 787	$ (137)	-17%
Research and development	2,703	2,395	308	13%
General and administrative	2,428	2,008	420	21%
Operating loss	5,781	5,190	591	11%
Total other (income) expense, net	244	4	240	6000%
Net loss	$6,025	$5,194	$ 831	16%

Sales and Marketing Expenses

The decrease in sales and marketing expenses for the nine months ended September 30, 2016, was due to a decrease in outside services related to design fees for an RAS facility which were completed in February 2016. This was partially off-set by an increase in headcount. We expect that our sales and marketing expenses will continue to increase now that we have received both FDA and Health Canada approvals for AquAdvantage Salmon.

Research and Development Expenses

The increase in research and development expenses for the nine months ended September 30, 2016, was due to the shift of spending from the use of outside contract work to inside personnel, along with the commencement of field trials in Argentina and Brazil and the added costs incurred for outside services and supplies related to the initial maintenance of the Rollo Bay property. We expect that our research and development expenses will increase as we continue to enter into new ECC projects and pursue regulatory approval for additional products.

General and Administrative Expenses

The increase in general and administrative expenses for the nine months ended September 30, 2016, was due to the addition of headcount and increased legal fees from third-party challenges to our two regulatory approvals and increases in general corporate expenses, including travel, taxes and insurance. These increases were partially off-set by a reduction in professional services. We expect that our general and administrative expenses will increase once we begin to operate as a public company in the United States. We estimate that expenditures associated with being a public company will be approximately $400 thousand annually and will include increased costs for director and officer liability insurance; costs related to the hiring of additional personnel; and increased fees for outside consultants, lawyers, and accountants. We also expect to incur increased costs to comply with corporate governance, internal controls, and similar requirements applicable to U.S. public companies.

Total Other (Income) Expense

Total other (income) expense is comprised of interest on debts and bank charges for the nine-month period ended September 30, 2016, and bank charges for the nine-month period ended September 30, 2015.

Comparison of the year ended December 31, 2015, to the year ended December 31, 2014.

The following table summarizes our results of operations for the years ended December 31, 2015 and 2014, together with the changes in those items in dollars and as a percentage (in thousands):

	Years Ended December 31,		Dollar Change	% Change
	2015	2014		
	(unaudited)			
Operating expenses:				
Sales and marketing	$ 994	$ 729	$ 265	36%
Research and development	3,336	3,213	123	4%
General and administrative	2,697	3,193	(496)	-16%
Operating loss	7,027	7,135	(108)	-2%
Total other (income) expense, net	5	(8)	13	-163%
Net loss	$7,032	$7,127	$ (95)	-1%

Sales and Marketing Expenses

The increase in sales and marketing expenses for the year ended December 31, 2015, was the result of pre-commercialization activities for our AquAdvantage Salmon product. We contracted for the design of a land-based recirculating aquaculture facility and we hired an international technical support person.

Research and Development Expenses

The increase in research and development expenses for the year ended December 31, 2015, was due to an increase in work performed under our ECC agreement with Intrexon and the ending of our USDA grant for work on our maternal sterility project. These costs were partly offset by the positive impact of the weakening Canadian dollar versus the US dollar.

General and Administrative Expenses

The decrease in general and administrative expenses for the year ended December 31, 2015, was the result of lower legal fees incurred in conjunction with the planned registration of our common stock in

the United States and lower outside consulting fees. This reduction was partly offset by the cost of hiring a General Counsel to join the management team. We expect that our general and administrative expenses will increase once we begin to operate as a public company in the United States.

Total Other Income (Expense)

Total other income (expense) was primarily comprised of bank charges for the year ended December 31, 2015. It was comprised of interest income and bank charges for the year ended December 31, 2014.

Liquidity and Capital Resources

Sources of Liquidity

We have incurred losses from operations since our inception in 1991, and, as of September 30, 2016, we had an accumulated deficit of $96.8 million. On June 30, 2015, we completed a private placement of 12,728,044 shares of our common stock, all of which was purchased by Intrexon. The net proceeds from this offering were $3.0 million. On February 22, 2016, we executed a convertible debt agreement for up to $10.0 million with Intrexon of which $7.5 million was advanced during the nine-month period ending September 30, 2016. Advances on the convertible debt bear interest at 10% per year and mature on March 1, 2017. As of September 30, 2016, we had a cash balance of $3.2 million, which along with the $2.5 million remaining available to be drawn on the convertible debt, we believe will be sufficient to fund our operations through March 2017. In addition, on November 7, 2016, we entered into the Purchase Agreement to sell to Intrexon our common stock for proceeds of approximately $25 million, which we expect to close in connection with the Distribution.

Cash Flows

The following table sets forth the significant sources and uses of cash for the periods set forth below (in thousands):

	Nine Months Ended September 30,		Years Ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited)				
Net cash provided by (used in):					
Operating activities	$(5,434)	$(4,993)	$(6,748)	$ (6,561)	$(4,458)
Investing activities	(739)	(90)	(105)	(152)	(142)
Financing activities	8,045	3,044	3,044	10,024	6,127
Effect of exchange rate changes on cash	(2)	(31)	(41)	(23)	—
Net increase (decrease) in cash	$ 1,870	$(2,070)	$(3,850)	$ 3,288	$ 1,527

Cash Flows from Operating Activities

Net cash used in operating activities during the nine months ended September 30, 2016, was primarily comprised of our $6.0 million net loss, offset by non-cash depreciation and stock compensation charges of $276 thousand, and working capital sources of $315 thousand. Net cash used in operating activities during the nine months ended September 30, 2015, was primarily comprised of our $5.2 million net loss, offset by non-cash depreciation and stock compensation charges of $256 thousand, and increased by working capital uses of $55 thousand. Spending on operations increased during the current nine-month period due to headcount additions, increased legal fees, the

commencement of two international field trials and the purchase of a new farm site. The increase in cash sourced by working capital in 2016 was due to an increase in payables and accrued liabilities and a decrease in accounts receivable.

Net cash used in operating activities during the year ended December 31, 2015, was primarily comprised of our $7.0 million net loss, offset by non-cash depreciation and stock compensation charges of $344 thousand, and working capital reductions of $59 thousand. Spending on operations was slightly down during 2015. We increased spending on research and pre-commercial activities and added headcount, but we reduced legal fees and benefited from favorable foreign exchange rates. Cash used for working capital went to an increase in prepaid expenses and outstanding receivables, along with a reduction in accounts payable and accrued liabilities.

Net cash used in operating activities during the year ended December 31, 2014, was primarily comprised of our $7.1 million net loss, offset by non-cash depreciation and stock compensation charges of $414 thousand, and working capital increases of $153 thousand. Spending on operations increased by $2.3 million during 2014, as we incurred legal and professional fees for the planned registration of our common stock in 2014, began to increase employee headcount, and invested in new research programs. Cash provided by changes in working capital came primarily from a reduction in prepaid expenses and outstanding receivables, offset by an increase in accounts payable and accrued liabilities.

Net cash used in operating activities during the year ended December 31, 2013, was primarily comprised of our $4.7 million net loss, offset by depreciation and stock compensation charges of $289 thousand, a gain of $187 thousand on a royalty-based financing instrument, and working capital increases of $129 thousand.

Cash Flows from Investing Activities

In the current nine-month period, we used $757 thousand for property and equipment purchases, primarily for the purchase of the Rollo Bay farm site, and $6 thousand for patent charges. This was offset by $24 thousand in proceeds from the sale of existing assets. In the prior year period, we used $70 thousand for equipment purchases and $20 thousand for patent charges.

During fiscal 2015, we used $74 thousand for equipment purchases and incurred $31 thousand for patent charges. In 2014, we used $117 thousand for equipment purchases and incurred $35 thousand for patent charges. In 2013, we used $100 thousand for equipment purchases and incurred $42 thousand for patent charges.

Cash Flows from Financing Activities

In the current period, we received $7.5 million in proceeds from the issuance of convertible debt and $547 thousand in proceeds from the issuance of term debt. This was off-set by $2 thousand in the repayment of debt. In the prior year period, we received $44 thousand in proceeds from the issuance of term debt and $3.0 million in proceeds from the issuance of our common stock in a private placement of shares.

During fiscal 2015, we received $3.0 million of net proceeds from the issuance of our common stock in a private placement of shares and $44 thousand from the issuance of term debt. In 2014, we received $9.7 million of net proceeds from the issuance of our common stock in a private placement of shares, we received $12 thousand in proceeds from the exercise of stock options, and we received $268 thousand in proceeds from the issuance of term debt. In 2013, we received $5.7 million of net proceeds from the issuance of our common stock in a private placement of shares and $397 thousand in proceeds from the issuance of term debt, net of current payments.

Future Capital Requirements

On March 20, 2014, we completed a private offering of 19,040,366 shares of our common stock to Intrexon, our majority shareholder. The net proceeds from this offering were approximately $9.7 million. On June 30, 2015, we completed a private offering of 12,728,044 shares of our common stock to Intrexon. The net proceeds from this offering were approximately $3.0 million. For a discussion of the impact of these offerings on our capitalization and balance sheet, see “Recent Sales of Unregistered Securities”. We had $3.1 million of available cash and cash equivalents at September 30, 2016.

We believe our existing cash and borrowing capacity will provide adequate funds for ongoing operations, planned capital expenditures, and working capital requirements through at least March 2017. We anticipate a need to raise further funds in order to build and operate our pilot-scale commercial operation and complete the commercialization of AquAdvantage Salmon. On November 7, 2016, we entered into the Purchase Agreement to sell to Intrexon our common stock for proceeds of approximately $25 million, which we expect to close in connection with the Distribution. We intend to devote a significant portion of our existing cash to the pilot-scale commercial operation of our AquAdvantage Salmon product and the continued investment in our research and development projects. We have not determined the amounts we may spend on the commercial roll-out of AquAdvantage Salmon and research and development projects. We may also use existing cash for acquisitions of companies that we believe may be complementary to our current business plan.

We have based our estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including:

- the timing of additional regulatory approvals and permits for AquAdvantage Salmon, if any;
- the successful roll-out of our AquAdvantage Salmon pilot-scale commercial plan;
- the acceptance of AquAdvantage Salmon by consumers;
- the resources, time, and cost required to develop new and complimentary products; and
- the costs associated with legal activities and regulatory filings.

Until such time, if ever, as we can generate positive operating cash flows, we may finance our cash needs through a combination of equity offerings, debt financings, government or other third-party funding, strategic alliances, and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of holders of our common stock will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of our common stock. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise additional funds through government or other third-party funding; marketing and distribution arrangements; or other collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs, or product candidates or to grant licenses on terms that may not be favorable to us.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements as defined under SEC rules.

Contractual Obligations

The following table summarizes our significant contractual obligations and commercial commitments at December 31, 2015, and the effects such obligations are expected to have on our liquidity and cash flows in future periods (in thousands):

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Office lease	5	5	—	—	—
Panama site lease	105	105	—	—	—
Total	110	110	—	—	—

Does not include borrowings of $7.5 million under our convertible debt facility with Intrexon which were incurred after December 31, 2015. We expect to borrow an additional $2.5 million under such facility prior to or in conjunction with the Distribution.

In addition to the obligations in the table above, as of December 31, 2015, we also have the following significant contractual obligations described below:

- In January 2009, we were awarded a grant to provide funding of a research and development project from the Atlantic Canada Opportunities Agency, a Canadian government agency. The total amount provided under the award was C$2.9 million ($2.1 million as of December 31, 2015), which must be repaid in the form of a 10% royalty on any products commercialized out of this research and development project until fully paid. This amount is included in long-term debt in the consolidated balance sheet, but is not included in the table above due to the uncertainty of the timing of repayment.
- In February 2013, we entered into the ECC with Intrexon, pursuant to which we are permitted to use Intrexon's UltraVector and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. We agreed under the ECC to pay Intrexon, on a quarterly basis, 16.66% of the gross profits calculated for each developed product. We also agreed to pay Intrexon 50% of the quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, we agreed to reimburse Intrexon for the costs of certain services provided by Intrexon. Amounts required to be paid to Intrexon under the ECC are not included in the table above due to the uncertainty of the timing of payments.
- In August 2016, our Canadian subsidiary obtained a loan from Finance PEI in the amount of $547,142 to partially finance the purchase of the assets of the former Atlantic Sea Smolt plant in Rollo Bay West on Prince Edward Island. The loan is being repaid through monthly payments of principal and interest with a balloon payment for the balance due in July 2021 and is not included in the table above as we entered into the loan subsequent to December 31, 2015.

Quantitative and Qualitative Disclosures About Market Risk

The following sections provide quantitative information on our exposure to interest rate risk and foreign currency exchange risk. We make use of sensitivity analyses which are inherently limited in estimating actual losses in fair value that can occur from changes in market conditions.

Interest Rate Risk

Our primary exposure to market risk is interest rate risk associated with debt financing that we utilize from time to time to fund operations or specific projects. The interest on this debt is usually determined

based on a fixed rate and is contractually set in advance. At September 30, 2016, and December 31, 2015, we had $8.0 million and nil, respectively in interest-bearing debt instruments on our consolidated balance sheet. All of our interest-bearing debt is at fixed rates.

Foreign Currency Exchange Risk

Our functional currency is the U.S. Dollar. The functional currency of our Canadian subsidiary is the Canadian Dollar, and the functional currency of our Panama subsidiary is the U.S. Dollar. For the Canadian subsidiary, assets and liabilities are translated at the exchange rates in effect at the balance sheet date, equity accounts are translated at the historical exchange rate, and the income statement accounts are translated at the average rate for each period during the year. Net translation gains or losses are adjusted directly to a separate component of other comprehensive loss within shareholders' equity (deficit).

Recent Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2014-15 "*Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*." The core principle of the guidance is that an entity's management should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. When management identifies conditions or events that raise substantial doubt about an entity's ability to continue as a going concern, management should consider whether its plans that are intended to mitigate those relevant conditions or events that will alleviate the substantial doubt are adequately disclosed in the footnotes to the financial statements. This guidance will be effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. We are currently evaluating the impact of adopting this ASU on our financial statements.

In April 2015, the FASB issued ASU 2015-03, "*Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*". ASU 2015-03 is intended to simplify the presentation of debt issuance costs. These amendments require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. This new guidance is effective for fiscal years beginning after December 15, 2015 and interim periods within those fiscal years. This ASU did not have an impact on the our financial statements.

In November 2015, the FASB issued ASU 2015-17, "*Balance Sheet Classification of Deferred Taxes*" which requires that deferred tax liabilities and assets be classified as noncurrent on the balance sheet. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by this guidance. ASU 2015-17 is effective for annual and interim periods beginning after December 15, 2016 but early application is permitted and the guidance may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented.

In February 2016, the FASB issued ASU 2016-02, "*Leases*", which requires a lessee to recognize lease liabilities for the lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and right-of-use assets, representing the lessee's right to use, or control the use of, specified assets for the lease term. Additionally, the new guidance has simplified accounting for sale and leaseback transactions. Lessor accounting is largely unchanged. The ASU is effective for fiscal years beginning after December 15, 2018. Early application is permitted.

In March 2016, the FASB issued ASU No. 2016-09, "*Compensation—Stock Compensation*". The areas for simplification in this update involve several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. For public entities, the amendments in this update are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted in any interim or annual period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. We are currently evaluating the impact of adopting this ASU on our financial statements.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows", which provides specific guidance on eight cash flow classification issues. For public entities, the amendments in this update are effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. Early adoption is permitted in any interim or annual period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. We are currently evaluating the impact of adopting this ASU on our financial statements.

We do not expect any other recently issued, but not yet effective, accounting standards to have a material effect on our results of operations or financial condition.

INFORMATION ON AQUABOUNTY

Overview

AquaBounty Technologies, Inc., a Delaware corporation, was formed on December 17, 1991. Our common stock was listed on AIM in 2006 and will be listed on the NASDAQ Capital Market prior to the Distribution. Headquartered in Maynard, Massachusetts, we are a biotechnology company focused on enhancing productivity in the fast-growing aquaculture market. Our principal place of business is located at 2 Mill and Main Place, Suite 395, Maynard, Massachusetts 01754, and our telephone number at that location is (978) 648-6000.

We use genetic modification and other molecular biologic techniques in order to improve the quality and yield of fish stocks and help the aquaculture industry meet growing consumer demand. Since 2008 we have been focused on the regulatory approval of our AquAdvantage Salmon product. Since that time, we completed the NADA process with the FDA for AquAdvantage Salmon, and, on November 19, 2015, we received approval of the NADA.

On May 19, 2016, we received approval from Health Canada, the department of the government of Canada with responsibility for national public health, for the production, sale, and consumption of AquAdvantage Salmon as a novel food and feed in Canada. Previously, we had received approval from Environment Canada, the agency of the government of Canada with responsibility for regulating environmental policies and issues, which decided that AquAdvantage Salmon was not harmful to the environment or human health when produced in contained facilities. Consequently, we have now received approvals from what we believe are two of the most respected and rigorous regulatory agencies in the world for our product.

We believe that receipt of FDA approval for AquAdvantage Salmon not only represents a major milestone for us, but also a significant pioneering development in introducing transgenic animals into the food chain. Although genetically modified crops have been accepted by consumers in the United States and South America for some time, AquAdvantage Salmon is the first genetically modified animal to be approved for human consumption. We intend to deploy AquAdvantage Salmon in land-based, contained, freshwater aquaculture systems, which would allow inland fish farms to be established close to major demand centers in a profitable and environmentally sustainable manner. The technology underlying AquAdvantage Salmon offers the potential to reintroduce salmon aquaculture in the United States, which imported more than $2.1 billion of Atlantic salmon in 2015 according to the U.S. Department of Commerce, or the DOC. Management is evaluating several paths to revenue generation that follow different timelines, including production of our fish at our existing farm in Panama, purchase of an existing production facility in North America, and construction of a new production facility in North America. Depending on which path or combination of paths is chosen, modest revenues could commence as early as next year from our Panama farm with more significant revenues expected once a new facility is in full production.

In 2012, we implemented a reorganization in conjunction with a fundraising in an effort to reduce operating expenses and conserve resources. This included the spin-off and sale of our research group to Tethys Ocean, B.V., or Tethys, which was our largest shareholder at that time. We subsequently executed a contract research agreement with the new organization, Tethys Aquaculture Canada, Inc., to provide us with the resources required for our development needs. In 2015, we reestablished our own in-house research group, and our agreement with Tethys Aquaculture Canada, Inc. terminated in September 2016.

Tethys sold its shares in the Company to Intrexon in November 2012. Intrexon subsequently purchased additional shares in the Company in a fundraising in March 2013 and became our majority shareholder. Intrexon provided us with additional equity funding in March 2014 and June 2015, increasing their holdings to 62.9% of our outstanding shares as of the date of this information statement.

We currently have no source of revenue and continue to generate losses. For the years ended December 31, 2015, 2014 and 2013, we incurred net losses of $7.0 million, $7.1 million and $4.7 million, respectively, and for the nine months ended September 30, 2016, we recorded a net loss of $6.0 million. As of September 30, 2016, our cumulative losses since inception were $96.8 million and our total assets were $5.2 million.

See "—Our Product" for more information on AquAdvantage Salmon and "—Regulatory Environment" for more information on our completed NADA process with the FDA.

The Aquaculture Industry

Aquaculture is the farming of aquatic organisms such as fish, shellfish, crustaceans, and aquatic plants. It involves cultivating freshwater or saltwater species under controlled conditions, as an alternative to the commercial harvesting of wild species of aquatic organisms. The aquaculture industry has experienced growth in recent years, and we believe that the aquaculture industry, and in particular salmon farming, is poised for significant additional growth in the coming years as the global population expands.

Salmon Farming

According to industry analyst Kontali Analyse ("Kontali"), and major producer Marine Harvest ASA ("Marine Harvest"), farmed salmon accounted for approximately 70% of the world's salmon production during 2015. According to the United Nations Food and Agriculture Organization ("FAO"), Atlantic salmon aquaculture production grew by approximately 6.5% annually between 2000 and 2014. Kontali and Marine Harvest have both indicated that they expect increases in demand to drive continued production growth through 2020, although at a lower annual rate of approximately 3.0%, primarily due to supply constraints.

Atlantic salmon farming is a major industry in the cold-water countries of the northern and southern hemispheres. According to the FAO, total production volume of farmed Atlantic salmon during 2014 was 2.3 million metric tons. This production had a market value of over $14.6 billion. Below is a break-down by major producing country for the time period 2008 through 2014, which is the last year for which data is readily available.

Worldwide Atlantic Salmon Production by Country (in metric tons)

	2008	2009	2010	2011	2012	2013	2014
Canada	104,075	100,212	101,544	110,328	116,101	100,126	78,979
United States	16,714	14,074	19,535	18,595	19,295	18,685	18,719
Chile	388,847	233,308	123,233	264,349	399,678	492,329	644,459
United Kingdom	128,744	144,663	154,633	158,310	162,547	163,518	165,006
Ireland	9,217	12,210	15,691	12,196	12,440	9,125	9,368
Norway	737,694	862,908	939,536	1,064,868	1,232,095	1,168,324	1,258,356
Faroe Islands	38,494	51,383	45,391	60,473	76,564	75,821	86,454
Australia	25,737	29,893	31,807	36,662	43,982	42,776	41,591
All other	1,745	2,975	6,472	10,393	11,981	25,534	23,356
WW Volume (mt)	1,451,267	1,451,625	1,437,842	1,736,174	2,074,683	2,096,238	2,326,288

Pricing

According to the DOC, which tracks the volume and value of Atlantic salmon imports into the country, from 2008 to 2015, the average wholesale price of Atlantic salmon imported into the United States increased from $3.17 per pound ($7.05/kilogram) to $3.55 per pound ($7.82/kilogram).

The daily spot (farm-gate or wholesale market) price for Atlantic salmon is very volatile due to the species' long production cycle, which typically ranges between two and three years, and its short shelf life, which typically ranges between two and three weeks. Farmed salmon is typically sold as fresh and thus must be consumed within this timeframe. Consequently, the available supply is very inelastic over the short-term, while demand can be very elastic due to price, season, or market size.

Major Producers

The global Atlantic salmon farming industry includes several very large companies with operations in each of the major producing countries. Consolidation has been evident in the past few years as producers attempt to gain competitive cost advantages while overcoming the regulatory challenges associated with developing new marine farm sites. Major market producers, and their primary country of operation, include the following companies: Marine Harvest (Norway), Leroy Seafood Group ASA (Norway), Cermaq ASA (Norway), SalMar ASA (Norway), Empresas AquaChile S.A. (Chile), and Cooke Aquaculture Inc. (Canada).

U.S. Atlantic Salmon Market

According to the DOC, in 2015 the United States imported a record 614 million pounds (278 thousand metric tons) of Atlantic salmon with an aggregate market value of approximately $2.18 billion, or $3.55 per pound. The DOC also reported that over 73% of the total quantity of Atlantic salmon imports into the United States in 2015 originated from Chile and Canada. The Atlantic salmon farming industry in the United States contracted significantly beginning in the 1990s in the face of environmental concerns and lower costs of production from foreign sources, notably Chile. According to the FAO, a total of only 41 million pounds of farmed Atlantic salmon was produced in the United States in 2014, a slight decrease from the previous year.

Despite intensive public consumer education campaigns promoting its health benefits, seafood consumption in the United States still lags behind other protein sources and trails consumption in overseas markets. According to the DOC, during the period from 2007 to 2012, annual seafood consumption in the United States ranged between 14 and 16 pounds per capita, significantly behind consumption of poultry (80 to 85 pounds), beef (57 to 65 pounds), and pork (46 to 50 pounds). In comparison, according to SeaFood Business magazine, average seafood consumption throughout Europe was 48.5 pounds per capita in 2012.

Perception of Genetically Modified Atlantic Salmon

Though Atlantic salmon is the second-largest-consumed seafood in the United States, activist groups opposing genetic modifications of organisms have recently pressured a number of retail food outlets and grocery chains to publicly state that they will not carry genetically modified Atlantic salmon.

However, we do not expect that this will have a significant impact on overall consumer demand and product placement in the marketplace generally, and in particular the wholesale marketplace. To date, large wholesalers have not followed the example of these retailers, and we believe that there will be sufficient demand from smaller retailers, wholesalers, and institutional seafood buyers to absorb our projected production. We believe that FDA approval reinforces the message that AquAdvantage Salmon is a safe and nutritious seafood product that is equivalent to conventional farmed Atlantic

salmon. This belief is based in part on the results of a 2014 survey released by the International Food Information Council, titled “Consumer Perceptions of Food Technology,” which indicated that 59% of consumers are “somewhat” or “very” likely to buy genetically engineered seafood if the FDA deems it safe. However, there are surveys that have been cited by various NGOs that indicate that consumers are reluctant to purchase genetically modified food and that they would like to see labeling in order to avoid it. In response, we plan to educate consumers on the benefits of AquAdvantage Salmon versus conventional Atlantic salmon, including better feed conversion, a lower carbon footprint due to local production, reduced environmental impact due to land-based aquaculture systems, and reduced reliance on chemotherapeutics due to improved biosecurity.

Atlantic Salmon Disease Impact

An area of concern with current Atlantic salmon farming techniques is the environmental impact and the cost of disease management associated with those techniques. Salmon farming systems, particularly conventional, open sea-cage systems, are vulnerable to disease introduction and transmission, primarily from the marine environment or adjacent culture systems. The economic impact of disease to these production systems can be significant, as farmers must incur the cost of preventative measures, such as vaccines and antibiotics and then, if infected, the cost of lost or reduced harvests.

The most prevalent disease and health management issues are Infectious Salmon Anemia (“ISA”) and sea lice. ISA is a viral disease in Atlantic salmon, and outbreaks have occurred in virtually every major salmon farming geography since 1984, including a major event in Chile in 2008 that impacted the country’s production for three years. There is currently no effective treatment for the disease, and the salmon farming industry relies on vaccines and health management practices to mitigate its impact. Though primarily occurring in traditional sea-cage farming environments, ISA can also be introduced into populations that are in land-based, self-contained facilities. In November 2009, certain fish from our land-based hatchery on Prince Edward Island tested positive for ISA. We notified the Canadian Department of Fisheries and Oceans (“DFO”) following discovery of the virus, which was diagnosed as a strain with low pathogenicity and of unknown origin. We conducted an extensive screening program of all fish in the facility, destroying any fish that tested positive for ISA. Subsequent tests conducted by DFO of fish in the facility began in March 2010 and indicated that the virus had been eliminated from the facility. We enacted improvements in biosecurity and facility operation, and the facility regained its disease-free status from DFO after four consecutive tests indicated no presence of the virus. The fish health status of the facility continues to be monitored by the Canadian Food Inspection Agency. The facility has not had any reportable disease outbreaks since the isolated incident in 2009.

Sea lice are marine parasites that occur naturally and attach to the skin of Atlantic salmon. Though a few lice on a large salmon present no problem, the presence of significant numbers can adversely impact the health and aesthetic appearance of the fish. The cost of managing sea lice in sea-cage farming environments can be significant.

In addition, other diseases and health management issues have impacted and may in the future impact salmon populations in certain farming geographies.

The closed, contained, land-based production systems proposed for the grow-out of AquAdvantage Salmon are less susceptible, though not immune, to the same disease-related pressures because this type of culture system is isolated from the environment. Further, stocking closed systems with disease-free eggs results in a much higher degree of biosecurity and protection from disease. We expect that production and economic losses due to disease will be significantly less in the closed, land-based culture systems proposed for the production of AquAdvantage Salmon, because of greater control over environmental conditions and superior biosecurity than in traditional Atlantic salmon production systems.

Restrictions on Atlantic Salmon Farming

Environmental concerns have led certain states to impose legislative and regulatory restrictions or bans on the farming of Atlantic salmon. This could reduce the number of potential sites available to us for production farms in the United States. Nevertheless, we expect that many states will offer excellent potential sites for AquAdvantage Salmon production systems.

Our Product

Our product, AquAdvantage Salmon, is a genetically modified Atlantic salmon that can grow to marketable size in about half the time of traditional farmed Atlantic salmon. By placing the salmon growth hormone under the control of an alternative genetic promoter (gene switch) from the ocean pout, an edible marine fish, more consistent levels of growth hormone are released, which accelerates the early stages of the salmon's development. The AquAdvantage Salmon do not reach a larger final size than their traditional counterparts, but by accelerating growth in the early stages of rearing, these fish can reach a marketable size sooner. In the case of Atlantic salmon, this can reduce farming time from 28 to 36 months to 18 to 20 months.

This accelerated growth has several advantages, both economic and environmental. The faster life cycle, from birth to harvesting, of AquAdvantage Salmon as compared to conventional salmon would allow it to be produced more economically in contained inland systems. Although this would require greater capital investment than the sea cage approach, we believe that the higher costs would be offset by more efficient growth, better feed conversion, and more effective control of disease. In addition, with a facility located nearer to the major food markets, we believe there would be savings on transportation of the harvested stock as well as an improved ability to get fresh product to market faster.

Plan of Operation

Our core business is to develop and market superior products to improve productivity in aquaculture. Our first product is the AquAdvantage Salmon, which recently received FDA and Health Canada approval as the first genetically modified animal for human consumption as food. Our business plan contemplates that we will initially establish a pilot production facility to prove the economic benefit and consumer acceptance for our product. Once the pilot-scale production operation is completed, we intend to commercialize the product through the channel we determine to be most advantageous to us. Such efforts may involve producing AquAdvantage Salmon eggs for commercial production, licensing the technology to salmon growers, and/or growing out the salmon in our own land-based facilities.

In order to scale up our egg production capabilities, we plan to increase our supply of unfertilized Atlantic salmon eggs, and we recently purchased a farm site near our existing hatchery on Prince Edward Island for this purpose. We also intend to engage in pilot-scale commercial production of AquAdvantage Salmon through the construction or purchase of an operation in the United States or Canada utilizing a land-based recirculating aquaculture system facility, which is a closed-loop production system that filters and recycles water. Our ability to pursue some or all of these plans is subject to uncertainties, including the receipt of necessary regulatory approvals and our ability to obtain financing on acceptable terms. The uncertainty of the timing of the commencement and completion of the pilot-scale production operation for AquAdvantage Salmon makes it difficult to create a definitive plan beyond the short term. Upon completion of the project, we expect to finalize our operational plan and move forward with our expansion, which may require us to seek to raise additional funds.

We intend to continue investing in research and development. We anticipate that our research and development expenditures will increase as we continue to develop our other AquAdvantage fish products and as we initiate new development projects under the ECC that we entered into in

February 2013 with Intrexon. See "—Research and Development." The timeline for development projects will depend on many factors, but could extend beyond ten to fifteen years, taking into account the time needed for development, regulatory approval, and pre-marketing activities.

Any additions to headcount in our research and production activities will depend in large part on the number of development activities we undertake and the success of our commercialization efforts for AquAdvantage Salmon. We expect to increase our headcount in administration at our corporate headquarters as we begin to commercialize our product and as a result of being a public reporting company in the United States.

Our Markets

With regulatory approvals in the United States and Canada, we plan to market AquAdvantage Salmon throughout both countries. In addition, we intend to focus on those significant fish farming markets where we believe we will have success in gaining further regulatory approvals and consumer acceptance. We currently expect to market AquAdvantage Salmon in the United States and Canada, as well as Argentina, Brazil, and Panama following receipt of required regulatory approval in the applicable jurisdiction.

If we pursue a commercial strategy to sell AquAdvantage Salmon eggs, we expect the cost of production for each AquAdvantage Salmon egg will be higher than the industry norm, but will fall significantly once volume production increases. While no pricing structure has been set, we believe that the cost savings associated with AquAdvantage Salmon resulting from the ability to spread fixed costs over a greater number of fish and reduced grow-out time will allow AquAdvantage Salmon eggs to sell at a premium to standard Atlantic salmon eggs.

If we pursue a commercial strategy to grow-out AquAdvantage Salmon in our own land-based facilities, we expect our production costs to be lower than traditional salmon farming due to the faster growth rate and better feed conversion rate of our fish, along with lower relative transportation costs.

The salmon distribution system in the United States is complex and varied. Participants include fishermen, fish farmers, processors, importers, secondary processors, broadline distributors, specialty seafood distributors, brokers, traders, and many different kinds of retail and food service companies. Salmon distribution channels are evolving, with fewer and larger distributors handling an increasing share of total volume, and an increasing share of salmon being sold directly by large fish-farming companies and large wild salmon processors to large retail and food service chains. We expect that harvested AquAdvantage Salmon will be sold into this distribution network.

Regulatory Environment

FDA Approval

We opened an Investigational New Animal Drug file for AquAdvantage Salmon with the FDA in 1995. At that time, there was no defined regulatory framework for the regulation of genetically engineered animals. There were, however, certain studies that were generally acknowledged to be necessary for an eventual approval process, and we commenced work on those studies and began a phased submission of studies to the FDA that ultimately were responsive to each technical section of the NADA. These technical sections require submission of studies relating to molecular characterization of the construct; molecular characterization of AquAdvantage Salmon lineage; phenotypic characterization of AquAdvantage Salmon; a genotypic and phenotypic durability plan; support for environmental, food, and feed safety; and claim validation. The FDA's phased review process, which included a cycle of study conduct, submission, review, and acceptance, continued over

the period from 1995 to 2010. The following is a summary of certain submissions relating to the technical section of the NADA that we made to the FDA's Center for Veterinary Medicine ("CVM") during this period:

- In August 2006, we submitted to the CVM the last correspondence for the review of the molecular characterization of the AquAdvantage construct. On October 6, 2006, we received a letter from the CVM stating "the data and information that you have submitted adequately supports the molecular characterization of the opAFP-GHc2 construct."
- In May 2007, we submitted to the CVM the last correspondence for the review of the molecular characterization of the AquAdvantage Salmon lineage. On July 2, 2008, we received a letter from the CVM stating "[w]e have reviewed the data and information you have submitted in support of the molecular characterization of the genetically engineered (GE) salmon referred to as 'AquAdvantage Salmon' and find that it is adequate support to conclude the molecular characterization of the inserted rDNA construct and GE animal lineage step of our review."
- In July 2009, we submitted to the CVM the last of the correspondence for the review of AquAdvantage Salmon claim validation. On March 12, 2010, we received a letter from the CVM stating "[w]e have reviewed the data and information that you have submitted in support of the Claim Validation of the genetically engineered (GE) salmon referred to as 'AquAdvantage Salmon', and consider this section complete."
- In December 2009, we submitted to the CVM the last of the correspondence for the review of the phenotypic characterization of AquAdvantage Salmon. On June 4, 2010, we received a letter from the CVM stating "[w]e have reviewed the data and information that you have submitted in support of the phenotypic characterization of the genetically engineered (GE) salmon referred to as 'AquAdvantage Salmon' and find that it is adequate support to conclude the phenotypic characterization step of our review."
- In March 2010, we submitted to the CVM the final correspondence for the review of data submitted in support of the safety of food from AquAdvantage Salmon. On August 27, 2010, we received a letter from the CVM stating "[w]e have reviewed the data and information that you have submitted in support of the food safety assessment of food from the genetically engineered (GE) salmon referred to as 'AquAdvantage Salmon' and find that it is adequate to conclude our evaluation of food safety."
- In April 2010, we submitted to the CVM the last of the correspondence for the review of the genotypic and phenotypic durability of AquAdvantage Salmon. On June 11, 2010, we received a letter from the CVM stating "[w]e have reviewed the data and information that you have submitted in support of the Genotypic and Phenotypic Durability of the genetically engineered (GE) salmon referred to as 'AquAdvantage Salmon' and find that you have adequately supported the Genotypic and Phenotypic Durability step of our review."

By the spring of 2010, we had submitted to the FDA data for each technical submission requirement for approval under the NADA. By the fall of 2010, we had received from the FDA technical section complete letters for each submission requirement.

Following this process, the FDA concluded that AquAdvantage Salmon "is as safe as food from conventional salmon, and that there is a reasonable certainty of no harm from consumption of food" from AquAdvantage Salmon.

In September 2010, the FDA held a public meeting of its Veterinary Medicine Advisory Committee (the "VMAC") to review the FDA's findings regarding AquAdvantage Salmon. The VMAC, which was disbanded in September 2013, was a group of independent experts charged with providing scientific advice to the FDA on animal drug and food issues. The VMAC had no authoritative power regarding

the approval of the NADA but was convened to listen to the results of the FDA review process and to provide an outside opinion on the FDA's conclusions. At the public meeting, the FDA posed four questions to the VMAC relating to the safety and effectiveness of AquAdvantage Salmon, including safety to the animal, safety of consumption, safety to the environment, and effectiveness of the growth gene. The Chairman's Report of the VMAC relating to the public meeting stated that (1) the VMAC found no evidence to conclude that the gene construct was unsafe to the animal; (2) a large number of the test results studied by the VMAC established similarities and equivalence between AquAdvantage Salmon and traditional Atlantic salmon and that the levels of growth hormone contained in AquAdvantage Salmon did not appear to be biologically relevant from a food safety standpoint, although the VMAC noted that it could not conclude from the data submitted that AquAdvantage Salmon would be more or less allergenic than traditional Atlantic salmon; (3) the multitude of barriers to escape of AquAdvantage Salmon at both our Prince Edward Island and Panama facilities were extensive, mitigating the potential environmental impact of escape; and (4) there was evidence to support our claim that AquAdvantage Salmon grows faster than traditional Atlantic salmon. The VMAC did not vote or make a recommendation on whether to approve the NADA, and certain members of the panel recommended additional monitoring to determine whether the growing conditions could cause health abnormalities. While the FDA is not bound by the VMAC's recommendations or opinions, the VMAC did not dispute the FDA's conclusions that AquAdvantage Salmon is safe for human consumption.

On December 26, 2012, the FDA published its EA for AquAdvantage Salmon, along with its preliminary FONSI confirming that an approval of the pending NADA would not have an adverse effect on the environment. The FDA opened up a 60-day period for public comment on the EA and preliminary FONSI. On February 13, 2013, the FDA extended the period for public comment by an additional 60 days, and that period expired April 26, 2013.

In July 2014, we submitted to the FDA revised label and package insert information, which updated label and package insert information that we initially submitted to the FDA in April 2011. The submission of revised label and package insert information was in response to a June 2014 request from the FDA to revise and update the initial submission. Under the NADA review process, we were required to submit to the FDA from time to time information responsive to an "all other information" portion of the NADA, which requires the submission of information, not included in any of the technical sections, that comes to our attention and is pertinent to an evaluation of the safety or effectiveness of AquAdvantage Salmon. We submitted our last supplement to the "all other information" portion of the NADA on July 15, 2015, and the FDA formally acknowledged its acceptance of this submission on November 18, 2015.

On November 19, 2015, the FDA finalized the FONSI on the EA and issued an approval letter for the NADA for AquAdvantage Salmon. This approval was published in the Federal Register on November 24, 2015. In conjunction with the approval, the FDA issued a guidance document on the voluntary labeling of food derived from Atlantic salmon that has or has not been genetically engineered. That document was intended to assist those manufacturers who wish to voluntarily make the distinction on the labeling of their food products.

Following the FDA approval, in April 2016, a coalition of NGOs sued the FDA for their approval of AquAdvantage Salmon. The NGOs claim that the FDA failed to analyze and prevent risks to wild salmon and the environment. Among other things, the claimants are seeking a judgment that the FDA decision to approve AquAdvantage Salmon is not authorized by the Federal Food, Drug and Cosmetic Act, or FFDCA; that an injunction be issued requiring the FDA to withdraw its assertion of jurisdiction over GMO animals; that the FDA decision to approve AquAdvantage Salmon and it EA and FONSI be declared in violation of the FFDCA; and that the decision to approve the AquAdvantage Salmon NADA be vacated. Although we believe that these claims lack merit, this legal action is ongoing and is currently in the discovery phase.

In January 2016, the U.S. Congress passed the 2016 Omnibus Appropriations Act ("Appropriations Act"), which was signed into law. The Appropriations Act contained an amendment that directed the FDA to issue final guidance for labeling of AquAdvantage Salmon as a genetically modified organism, or GMO, despite the absence of any GMO labeling requirement in the FDA's NADA approval. Current FDA policy does not require labeling for method of production if there is no material difference compared with its traditional counterpart, and the FDA arrived at the decision that AquAdvantage Salmon is as safe to eat as any non-genetically engineered Atlantic salmon, and also as nutritious. However, given this directive, the FDA issued an Import Alert on AquAdvantage Salmon and stated that a temporary hold was being implemented to comply with language in the Appropriations Act, which was due to expire on September 30, 2016, but which was extended through a continuing resolution to December 9, 2016. At this time, there can be no certainty as to when the Import Alert will be lifted or when the FDA will finalize its labeling guidance.

In addition to FDA approval of the NADA for AquAdvantage Salmon, our operating sites in Panama and on Prince Edward Island, as well as those we plan to build or purchase in the future, must be registered with, and periodically inspected by, the FDA as drug manufacturing establishments. Drug manufacturing establishments that supply FDA-regulated products for use in the United States must comply with the product's conditions for approval, whether located in the United States or in a foreign country. Each of our Panama and Prince Edward Island operating sites is currently registered with the FDA, and the FDA has performed inspections and site visits at each facility.

With the FDA approval of our NADA, we must continue to comply with FDA requirements not only for manufacturing, but also for labeling, advertising, record keeping, and reporting to the FDA of adverse events and other information. Failure to comply with these requirements could subject us to administrative or judicial enforcement actions, including but not limited to product seizures, injunctions, civil penalties, criminal prosecution, refusals to approve new products, or withdrawal of existing approvals, as well as increased product liability exposure.

Other Regulatory Approvals

On November 25, 2013, Environment Canada concluded that AquAdvantage Salmon is not harmful to the environment or human health when produced in contained facilities. This ruling, which was subject to a judicial review brought about by certain environmental groups on administrative procedural grounds, recognized that our Canadian hatchery, which produces sterile, all-female eggs, was no longer solely a research facility but could produce eggs on a commercial scale without harm to the environment or human health. In December 2015, the Federal Court in Canada ruled that the Ministers of Environment and Health decision to allow production of AquAdvantage Salmon in Canada for commercial use was "reasonable and made in the manner prescribed by the Canadian Environmental Protection Act." Accordingly, the court dismissed the entire application brought before it by the Ecology Action Centre and Living Oceans Society. This ruling was appealed by those organizations, however, the Canadian Federal Court of Appeal dismissed the appeal on October 21, 2016.

In February 2012, we filed a Novel Food application for AquAdvantage Salmon with Health Canada. In conjunction with this application, we filed to register AquAdvantage Salmon as a Novel Feed with the Canadian Food Inspection Agency, a prerequisite for a Novel Food approval. Health Canada and the Canadian Food Inspection Agency reviewed our data submission on the safety of AquAdvantage Salmon as a food and feed, respectively. On May 19, 2016, Health Canada concluded that AquAdvantage Salmon does not raise concerns related to food safety. Health Canada also noted in its opinion that fillets derived from AquAdvantage Salmon are as safe and nutritious as fillets from currently available farmed Atlantic salmon.

We are required to comply with regulatory and permitting requirements in Panama, where we operate a demonstration farm for AquAdvantage Salmon. In October 2010, we received authority from

Autoridad Nacional del Ambiente (“ANAM”), the Panamanian environmental regulator, to operate our facility in Panama. In March 2012, we were notified by ANAM that we had failed to comply with specified permitting, inspection, reporting, and other regulatory requirements in connection with the construction and operation of the facility. We initiated a program to remedy the deficiencies, and the issues were formally resolved in August 2014. We paid a fine of $9,500 in connection with the resolution of these issues and the matter is now closed. We currently have all regulatory approvals necessary to operate our demonstration farm in Panama and we have obtained and are in compliance in all material respects with all permits necessary to operate that facility. We have moved forward with an application for the commercial production, sale, and consumption of AquAdvantage Salmon in Panama. This application process is new, and we do not have information on when, or if, the application will be approved.

We have also received approval from regulators to conduct field trials for AquAdvantage Salmon in Argentina and Brazil. We intend to initiate additional regulatory filings outside the United States in selected markets that offer a clear regulatory path and market opportunity.

Grow-out of AquAdvantage Salmon in the United States will require compliance with environmental regulations and local site permitting statutes. In addition, every production site for AquAdvantage Salmon in the United States will require approval by the FDA of both a Supplemental NADA and a site-specific EA, as well as compliance with local permitting requirements for construction of grow-out facilities. We expect that we will incur costs to comply with these environmental and regulatory requirements, which could take several years to complete for each production site. We are currently unable to estimate these costs but they may be significant.

Raw Materials

We previously sourced the unfertilized eggs that we use for internal research and trials of our AquAdvantage Salmon eggs from a Canadian supplier. After our FDA approval, we purchased a salmon farm near our hatchery on Prince Edward Island to maintain our own source of unfertilized eggs. We believe this site will allow for the sufficient production of unfertilized eggs to meet our needs for the next five to ten years.

Intellectual Property

The AquAdvantage fish program is based upon a single, specific molecular modification in fish that results in more rapid growth in early development. This enables shorter production cycles and increased efficiency of production. Prior to February 2014, we were a party to a license agreement with Genesis Group, Inc. (“Genesis”) and an affiliate of the Hospital for Sick Children of Toronto and Memorial University (“HSC”) related to our transgenic fish program. Under the terms of this agreement, we were required to make an annual royalty payment of $25 thousand or revenue-based royalty payments equal to five percent of any gross revenues generated from products that utilize the technology covered under the license agreement. No revenue-based royalty payments were made under this agreement. The patent for the licensed technology, which had been issued in every major salmon producing country, expired in August 2013. In February 2014, we entered into a new license agreement with Genesis and HSC that replaced the prior license agreement. Under the new agreement, we hold a global, perpetual, royalty-free, fully paid, sub-licensable, assignable, non-exclusive right to the technology covering genetically modified salmonid fish that express endogenous growth hormone under the control of a protein gene promoter from an edible fish. In consideration for this license, we agreed to pay to Genesis a one-time payment of C$150,000 (US$140,235), which amount was paid on March 6, 2014. Despite the expiration of the patent for the licensed technology, we believe that the degree of know-how in the molecular modification process and the regulatory timescales associated with approval of genetically modified fish would present significant barriers to competition.

We rely on a combination of patent, trademark, and trade secret laws in the United States and applicable foreign jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our proprietary technology, processes, and brand. In December 2015, we were granted a U.S. patent for our molecular sterility system, which renders sterile the progeny of any female fish carrying a defined maternal sterility gene; patents for this technology have been granted in other foreign jurisdictions, and we continue to pursue additional patent applications.

For information regarding our rights to use certain technologies under the ECC with Intrexon, see "—Research and Development."

Seasonality

Atlantic salmon spawn once per year, so there is a natural seasonality of three to five months in the production of Atlantic salmon eggs for commercial use. This natural seasonality can be lengthened through the use of photoperiod techniques to make Atlantic salmon eggs available year round. We are not currently capable of producing AquAdvantage Salmon eggs on a year-round basis. Currently, we produce AquAdvantage Salmon eggs during the period of January through April of each year. We expect that, with the establishment of our new farm site to produce unfertilized eggs, within three years we will be able to produce AquAdvantage Salmon eggs year-round.

Competition

There are four major commercial salmonid breeding companies that market proprietary lines of Atlantic salmon eggs, as well as many small producers of salmonid eggs. Additionally, many of the largest Atlantic salmon producers maintain their own egg production capabilities. We do not believe, however, that we have a direct competitor for genetically modified, growth-enhanced Atlantic salmon eggs.

The industry and market for farmed Atlantic salmon is dominated by a group of large, multinational corporations with entrenched distribution channels, as discussed above under "The Aquaculture Industry—Major Producers." While we do not believe that we have a direct competitor for genetically modified, growth-enhanced Atlantic salmon, we do believe that our product will need to compete with non-genetically modified salmon.

Research and Development

As of December 31, 2015, we had 13 employees dedicated to research and development. Our primary research and development operations are located in our owned hatchery on Prince Edward Island. In addition, we contracted research activities to Tethys Aquaculture Canada, Inc. (doing business as the Center for Aquaculture Technologies Canada), our former research group, which was spun-off and sold to Tethys in 2012. We incurred expenses of $3.3 million in 2015, $3.2 million in 2014, and $2.3 million in 2013 on research and development activities.

In February 2013, we entered into the ECC with Intrexon pursuant to which we are permitted to use Intrexon's UltraVector® and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. The ECC grants us a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale, and offer for sale of products involving DNA administered to finfish for human consumption. This license is exclusive with respect to any development, selling, offering for sale, or other commercialization of developed products, and otherwise is non-exclusive. Under the ECC and subject to certain exceptions, we are responsible for, among other things, the performance of the program, including development, commercialization, and certain aspects of manufacturing developed products. Among other things, Intrexon is responsible for the costs of establishing manufacturing capabilities and facilities for the bulk manufacture of certain products developed under the program; certain other aspects of manufacturing; costs of discovery-stage research with respect to platform improvements; and costs of filing, prosecution, and

maintenance of Intrexon's patents. We agreed to pay Intrexon, on a quarterly basis, 16.66% of the gross profits calculated for each developed product. We also agreed to pay Intrexon 50% of the quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, we agreed to reimburse Intrexon for the costs of certain services provided by Intrexon.

Since its execution in February 2013, we and Intrexon have commenced development on two projects under the ECC, both of which are in their early stages. The first project, which commenced in June 2013, is a research effort to determine the effectiveness of utilizing precise genome engineering technology to produce desirable features in a finfish. The second project, which commenced in September 2013, is a research effort to determine if the use of germ cells to perform gene modification is effective in reducing the time required to develop new traits in finfish. If these technology-enabling projects prove to be successful, they will allow us to add additional beneficial traits to AquAdvantage Salmon.

In addition to the projects being undertaken under the ECC, we are exploring the potential development of a range of additional products, including a second generation of AquAdvantage Salmon to ensure 100% sterility, a line of AquAdvantage® Trout that grows faster than traditional rainbow trout, molecular sterility systems to provide an improved means of sterility for farmed fish, infection control in shrimp, and improved methods for generating transgenic fish.

Our research and development expenditures are directly tied to the number of projects that we choose to undertake. We expect to increase our development efforts as we commence projects under our ECC with Intrexon. We expect that these projects could result in an increase in our research and development expenditures in the range of 5% to 10% per year.

Legal Proceedings

Legal Challenge in Canada to Significant New Activity Notice

On January 16, 2014, an application was filed by Ecology Action Centre and Living Oceans Society with the Canadian Federal Court seeking judicial review to declare invalid the decision by the Canadian Minister of the Environment to publish in the Canada Gazette a SNAN with respect to AquAdvantage Salmon. The Canadian Minister of the Environment, the Canadian Minister of Health, and AQUA Bounty Canada Inc., our Canadian subsidiary, were listed as respondents on the application. The plaintiffs alleged that the Canadian Minister of the Environment inappropriately waived a requirement of the Canadian Environmental Protection Act ("CEPA") to provide certain prescribed information for an assessment under CEPA. The plaintiffs sought an order from the court that the minister acted unlawfully and without jurisdiction by publishing notice of the SNAN with respect to AquAdvantage Salmon in the Canada Gazette, that the SNAN was invalid and unlawful, and, in the alternative, that the minister acted unreasonably in exercising her discretion.

In December 2015, the Canadian Federal Court ruled that the decision by the Ministers of Environment and Health to allow production of AquAdvantage Salmon in Canada for commercial use was reasonable and made in the manner prescribed by the CEPA, and accordingly dismissed the entire application brought before it. The petitioners appealed this ruling and in October 2016, the Canadian Federal Court of Appeal dismissed the appeal.

Lawsuit Against the FDA Approval of NADA

On March 30, 2016, a coalition of NGOs filed a complaint against the FDA, the United States Fish and Wildlife Service, and related individuals for their roles in the approval of AquAdvantage Salmon. The coalition, including the Centre for Food Safety and Friends of the Earth, claims that the FDA had no

statutory authority to regulate genetically modified animals, and, if it did, that the agency failed to analyze and implement measures to mitigate ecological, environmental, and socioeconomic risks that could impact wild salmon and the environment, including the risk that AquAdvantage Salmon could escape and threaten endangered wild salmon stocks.

Other than as set forth above, we are not party to any legal proceedings the outcome of which, we believe, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our future business, consolidated results of operations, cash flows, or financial position. We may, from time to time, be subject to legal proceedings and claims arising from the normal course of business activities.

Employees

As of September 30, 2016, we had 24 employees. None of our employees are represented by a labor union, and we consider our employee relations to be good.

Financial Information About Geographic Areas

While our corporate headquarters are located in Maynard, Massachusetts, and we are domiciled in the United States, our primary physical assets are comprised of our hatchery and farm site on Prince Edward Island, Canada. We own the buildings, all improvements, and the equipment used in both facilities. In addition, we lease a demonstration farm for AquAdvantage Salmon in Panama.

Recent Events

On February 23, 2016, we executed a convertible debt facility with Intrexon to provide us with up to $10.0 million. The debt carries an interest rate of 10%, has a maturity of March 1, 2017, and can be converted into our common shares at a price of 23 pence per share. As of September 30, 2016, $7.5 million was outstanding on this debt and $2.5 million was available for future draw-down.

Based on our current operations and anticipated expenditures, we believe that borrowings under this facility will provide adequate funds for on-going operations, planned capital expenditures and other working capital requirements through March 2017. On November 7, 2016, we entered into the Purchase Agreement to sell to Intrexon our common stock for proceeds of approximately $25 million, which we expect to close in connection with the Distribution. Management is evaluating several paths to revenue generation that follow different timelines, including production of our fish at our existing farm in Panama, purchase of an existing production facility in North America, and construction of a new production facility in North America. Depending on which path or combination of paths is chosen, modest revenues could commence as early as next year from our Panama farm with more significant revenues expected once a new facility is in full production.

Properties

Our primary operations include locations in Massachusetts, Canada, and Panama. We lease approximately 1,800 square feet of office space which is used as our corporate headquarters in Maynard, Massachusetts. We lease a demonstration farm for AquAdvantage Salmon in Panama, and we own an 18,000-square-foot hatchery and a salmon farm on Price Edward Island, Canada. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations.”

MANAGEMENT

Directors and Executive Officers

The following table sets forth certain information regarding our directors and executive officers as of October 31, 2016:

Name	Age	Position(s)
Richard J. Clothier	71	Chairman
Jack A. Bobo	50	Director
Christine St.Clare	66	Director
Richard L. Huber	79	Director
Rick Sterling	52	Director
James C. Turk, Jr.	60	Director
Ronald L. Stotish	67	Director, Chief Executive Officer and President
David A. Frank	56	Chief Financial Officer and Treasurer
Alejandro Rojas	54	Chief Operating Officer, AquaBounty Farms
Christopher Martin	50	General Counsel and Corporate Secretary

Our directors are elected for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our Amended and Restated Bylaws. Our executive officers are elected by our Board of Directors and hold office until removed by the Board of Directors, and until their successors have been duly elected and qualified or until their earlier resignation, retirement, removal, or death.

Richard J. Clothier. Mr. Clothier has served as Chairman of the Board of Directors of AquaBounty since April 2006. Mr. Clothier has served as the Chairman of Robinson Plc since 2004, Spearhead International Ltd from 2005 to 2015, and Exosect from 2013 to 2015. He retired as Group Chief Executive of PGI Group Plc, an international agricultural products producer, following 20 years with Dalgety Plc where he was chief executive officer of the genetics firm Pig Improvement Company until 1992 and then Group Chief Executive Officer until 1997. He holds a Bachelor of Science in Agriculture from Natal University and an Advanced Management Program degree from Harvard Business School. Mr. Clothier's extensive experience, both as an executive in the food industry and as a director of public and private companies, provides considerable operating, strategic, and policy knowledge to our Board of Directors.

Jack A. Bobo. Mr. Bobo joined the Board of Directors of AquaBounty in November 2015. He has significant expertise in the analysis and communication of global trends in biotechnology, food, and agriculture to audiences around the world and is currently Senior Vice-President and Chief Communications Officer of Intrexon Corporation, a position he has held since July 2015. He was previously at the U.S. Department of State, where he worked for 13 years, most recently as Senior Advisor for Food Policy following his position as Senior Advisor for Biotechnology. Mr. Bobo was an attorney at Crowell & Moring, LLP. He received his Juris Doctor from Indiana University School of Law and a Masters in environmental science from Indiana University School of Public and Environmental Affairs. Mr. Bobo's knowledge of our industry and public policy and his executive leadership experience make him well qualified to serve as a director.

Christine St.Clare. Ms. St.Clare joined the Board of Directors of AquaBounty in May 2014. She retired as a partner of KPMG LLP in 2010, where she worked for a total of 35 years. While at KPMG, Ms. St.Clare worked as an Audit Partner serving publicly-held companies until 2005 when she transferred to the Advisory Practice, serving in the Internal Audit, Risk and Compliance practice until her retirement. She currently serves on the board of Fibrocell Science, Inc., a company that specializes in the development of personalized biologics, and formerly served on the board of Polymer Group, Inc., a

global manufacturer of engineered materials. Ms. St.Clare has a Bachelor of Science from California State University at Long Beach and has been a licensed Certified Public Accountant in California, Texas, and Georgia. Ms. St.Clare's background in accounting and support of publicly held companies, as well as her experience with biotechnology, makes her well suited for service on our Board of Directors.

Richard L. Huber. Mr. Huber joined the Board of Directors of AquaBounty after our public offering in 2006. Mr. Huber is the former Chairman, President, and Chief Executive Officer of Aetna, a major U.S. health insurer, and is currently an independent investor in a number of companies operating in a wide range of businesses, mainly in South America. Following a 40-year career in the financial services industry, Mr. Huber now serves as a director of Invina, SA, a non-public wine producer in Chile. Previously he served on the boards of Gafisa, the largest integrated residential housing developer in Brazil, and Antarctic Shipping, SA of Chile. He holds a Bachelor of Arts in Chemistry from Harvard University. Mr. Huber brings unique knowledge and experience in strategic planning, organizational leadership, accounting, and legal and governmental affairs to our Board of Directors.

Rick Sterling. Mr. Sterling joined the Board of Directors of AquaBounty in September 2013. He is the Chief Financial Officer of Intrexon Corporation. Prior to joining Intrexon, he was with KPMG LLP, where he worked in the audit practice for over 17 years, with a client base primarily in the healthcare, technology, and manufacturing industries. Mr. Sterling's experience includes serving clients in both the private and public sector, including significant experience with SEC filings and compliance with the Sarbanes-Oxley Act. He has a Bachelor of Science in Accounting and Finance from Virginia Tech and is a licensed Certified Public Accountant. Mr. Sterling's background in audit and finance, as well as his experience with technology companies, make him well suited for service on our Board of Directors.

James C. Turk, Jr. Mr. Turk joined the Board of Directors of AquaBounty in February 2013. Mr. Turk has served as a partner in the law firm Harrison & Turk, P.C. since 1987, having practiced two years before that with other firms. He has previously served as a member of the board of directors for multiple companies and foundations including Intrexon Corporation, the New River Community College Education Foundation, the Virginia Student Assistance Authorities and Synchrony Inc. before it was acquired by Dresser-Rand in January, 2012. He presently serves as a member of Roanoke/New River Valley Advisory Council of SunTrust Bank, a director of the Virginia Tech Athletic Foundation and a member of the Roanoke College President's advisory board. Mr. Turk received a Bachelor of Arts from Roanoke College and a Juris Doctor from Cumberland School of Law at Samford University. Mr. Turk's legal background and his experience on multiple boards make him well qualified for service on our Board of Directors.

Ronald L. Stotish, Ph.D. Chief Executive Officer and President. Dr. Stotish was appointed Executive Director, President, and Chief Executive Officer of AquaBounty in May 2008. He joined AquaBounty in 2006 as Vice-President for Regulatory Affairs and, most recently, was Senior Vice-President for R&D and Regulatory Affairs. Prior to joining AquaBounty, Dr. Stotish was Executive Vice-President for R&D at MetaMorphix, Inc. He has served as Vice-President for Pharmaceutical R&D at Fort Dodge Animal Health and held a variety of positions at American Cyanamid. He began his career in research at Merck & Co. Dr. Stotish has degrees in biochemistry and over 40 years' experience in the discovery, development, and commercialization of new animal health products. Dr. Stotish has a Bachelor of Science degree from Pennsylvania State University and a Master of Science and a Ph.D. from Rutgers University.

David A. Frank, M.B.A. Chief Financial Officer and Treasurer. Mr. Frank was appointed Chief Financial Officer and Treasurer of AquaBounty in October 2007. Previously he served as President and General Manager of TekCel LLC, a subsidiary of Magellan Biosciences, after serving as Magellan's Chief Financial Officer since the company's founding in 2004 and as TekCel's Chief Financial Officer. Mr. Frank has over 30 years of financial management experience, including as Chief Financial Officer of

SmartEnergy, an independent energy supplier, as Corporate Controller for Moldflow Corporation, and in financial roles at PerSeptive Biosystems, Inc., Lotus Development Corporation, Apollo Computer, Inc., and Honeywell International, Inc. He has a Bachelor of Science in finance and accounting from Boston College and a Masters of Business Administration from Babson College.

Alejandro Rojas, D.V.M. Chief Operating Officer, AquaBounty Farms. Dr. Rojas joined AquaBounty as the Chief Operating Officer, AquaBounty Farms in February 2014. He formerly was the Production and Technical Manager for Marine Harvest from 1988 to 2000, where he was responsible for operations and the production of salmonids in Chile. He was also responsible for managing Quality Control Labs, Environmental Programs, and Fish Health Programs. Dr. Rojas has a doctorate in Veterinary Medicine and for the past 14 years has been a Technical Advisor and Consultant to numerous global aquaculture and biotech companies working with marine fish, including salmon, seabass, seabream, and barramundi. His areas of expertise include benchmarking and market studies; technical and economic analysis for M&A activities; new species development in Latin America, the Middle East, and Africa; and consulting on fish production, aquatic health, environment, and biosecurity programs to private companies and governments.

Christopher Martin. General Counsel and Corporate Secretary. Mr. Martin has served as our General Counsel since June 2015 and as our Corporate Secretary since July 2015. Prior to joining AquaBounty, he was Assistant General Counsel at athenahealth, Inc. from 2012 to 2014 and Senior Corporate Counsel from 2008 to 2012. He also served as Corporate Counsel at LeMaitre Vascular, Inc. from 2006 to 2008 and practiced in the areas of commercial, corporate, finance, and intellectual property law with Hemenway & Barnes LLP in Boston and Cummings & Lockwood LLC in Connecticut. Mr. Martin holds a Bachelor of Arts from Stanford University and a Juris Doctor from the University of California, Berkeley (Boalt Hall).

EXECUTIVE COMPENSATION

Overview

In preparing to become a public company, we have begun a thorough review of all elements of our executive and director compensation program, including the function and design of our equity incentive programs. We have begun, and we expect to continue in the coming months, to evaluate the need for revisions to our executive compensation program to ensure our program is competitive with those of the companies with which we compete for executive talent and is appropriate for a public company.

The tables and discussion below present compensation information for our chief executive officer and our two other most highly compensated officers for the year ended December 31, 2015, whom we refer to collectively as our named executive officers. These officers are:

- Ronald L. Stotish, Chief Executive Officer and President;
- David A. Frank, Chief Financial Officer and Treasurer; and
- Alejandro Rojas, Chief Operating Officer, AquaBounty Farms.

Summary Compensation Table

The following table sets forth the compensation paid or accrued during the fiscal years ended December 31, 2015 and 2014, to our named executive officers.

Name and Position	Year	Salary ($) (1)	Bonus ($) (2)	Stock Awards ($)	Option Awards ($) (3)	Non-Equity Incentive Plan Compensation ($)	All other Compensation ($) (4)	Total ($)
R. Stotish	2015	335,500	84,000		—		7,206	426,706
CEO and President	2014	327,563			120,706		6,574	454,843
D. Frank	2015	245,625			—		8,831	254,456
CFO and Treasurer	2014	238,625			120,706		6,565	365,896
A. Rojas	2015	200,000	5,000		—		3,750	208,750
COO, AquaBounty Farms	2014	183,333	25,000		120,706		—	329,039

(1) Represents salaries before any employee contributions under our 401(k) plan.
(2) Represents discretionary cash incentive awards paid for performance during the 2015 and 2014 fiscal years.
(3) The Option Awards included for each individual consists of stock option awards granted under the AquaBounty Technologies 2006 Equity Incentive Plan. The value for each of these awards is its grant date fair value calculated by multiplying the number of shares subject to the award by the fair value of the stock option award on the date such award was granted, computed in accordance with FASB Accounting Standards Codification Topic 718. The following table summarizes the number of stock option awards granted, the grant date, and the fair value of the stock option award to calculate the total grant date fair value for the option awards reported. The Fair Value of the stock option grants were measured on the date of the grant using the Black-Scholes calculation. The assumptions included an expected stock price volatility of 105%, a risk-free interest rate of 1.67%, a dividend yield of 0%, and an expected life of five years.

Name	Number of Stock Option Awards	Grant Date	Per Share Fair Value	Total Grant Date Fair Value
R. Stotish	—			—
	200,000	Jan 20 2014	0.6035	120,706
D. Frank	—			—
	200,000	Jan 20 2014	0.6035	120,706
A. Rojas	—			—
	200,000	Jan 20 2014	0.6035	120,706

The actual value a named executive officer may receive depends on market prices, and there can be no assurance that the amounts reflected in the Option Awards column will actually be realized. No gain to a named executive officer is possible without an appreciation in stock value after the date of grant.

(4) Amounts represent our contributions under our 401(k) plan and other benefits.

In 2015, we paid base salaries to Dr. Stotish, Mr. Frank, and Dr. Rojas of $335,500, $245,625, and $200,000, respectively. As of December 31, 2015, the base salaries of Dr. Stotish, Mr. Frank, and Dr. Rojas were $336,000, $246,000, and $200,000, respectively. Base salaries are used to recognize the experience, skills, knowledge, and responsibilities required of all of our employees, including our named executive officers. Certain of our named executive officers are currently party to an employment agreement that provides for the continuation of certain compensation upon termination of employment. See "—Employment Agreements."

Our Board of Directors may, at its discretion, award bonuses to our named executive officers from time to time. We typically establish bonus targets for our named executive officers and evaluate their performance based on the achievement of specified goals and objectives by each individual employee. Our management may propose bonus awards to the Compensation Committee of the Board of Directors primarily based on such achievements. Our Board of Directors makes the final determination of the eligibility requirements for and the amounts of such bonus awards. For the fiscal year ended December 31, 2015, the bonus award for Dr. Stotish was $84,000, which represents 25% of his base salary, awarded for his achievements in progressing the approval process for AquAdvantage Salmon with the FDA. Dr. Rojas received a bonus award of $5,000 for his achievements in progressing the planning of our North American operations strategy.

Although we do not have a formal policy with respect to the grant of equity incentive awards to our executive officers, or any formal equity ownership guidelines applicable to them, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture, and help to align the ownership interests of our executives and our shareholders. In addition, we believe that equity grants with a time-based vesting feature promote executive retention because this feature incentivizes our executive officers to remain in our employment during the vesting period.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes outstanding equity awards to our named executive officers at December 31, 2015.

	Option Awards			
	Number of securities underlying unexercised options		Option	Option Expiration
Name and Position	Exercisable	Unexercisable	Exercise Price	Date
R. Stotish	1,870,000		$ 0.11	30-Jun-19
CEO and President	500,000		$ 0.23	10-Jan-21
	127,777	72,223	$ 0.78	20-Jan-24
D. Frank	450,000		$ 0.11	30-Jun-19
CFO and Treasurer	150,000		$ 0.23	10-Jan-21
	177,778	22,222	$ 0.25	27-Apr-23
	127,777	72,223	$ 0.78	20-Jan-24
A. Rojas	127,777	72,223	$ 0.78	20-Jan-24
COO, AquaBounty Farms				

Director Compensation

Through December 31, 2015, the Chairman of our Board of Directors received annual compensation of £40,000 (approximately $59,208 using the pound sterling to U.S. Dollar spot exchange rate of 1.4802 published in *The Wall Street Journal* as of December 31, 2015), payable in one annual installment. He also received an annual grant of restricted common shares equal to £20,000 (approximately $30,976) (based on the fair market value on the date of grant), with vesting after three years.

Through December 31, 2015, all non-employee directors, except for directors who are employees of Intrexon per the Relationship Agreement described under "Certain Relationships and Related Transactions, and Director Independence—Other Agreements with Intrexon—Relationship Agreement" received annual compensation of $30,000, payable in one annual installment. Board of Directors committee chairs received $10,000 per annum, and members of a board committee received $5,000 per annum, both payable annually. All non-employee directors, except for directors employed and appointed by Intrexon per the Relationship Agreement, received an annual grant of options to purchase 75,000 shares of our common stock (with an exercise price equal to the fair market value on the date of grant), with vesting after one year.

The following table discloses all compensation provided to the non-employee directors for the most recently completed fiscal year ending December 31, 2015:

Name	Fees earned or paid in cash ($)	Stock Awards ($)	Option Awards ($)	Non-equity deferred comp earnings ($)	All other compensation ($)	Total ($)
R. Clothier	59,208	30,976				90,184
J. Bobo	—					—
C. St.Clare	35,000		10,298			45,298
R. Huber	45,000		10,298			55,298
R. Sterling	—					—
J. Turk	35,000		10,298			45,298
Total	174,208	30,976	30,894	—	—	236,078

(1) Mr. Clothier's compensation includes both Board of Directors fees and an annual grant of common shares. Included in his 2015 compensation is a share grant of $30,976.
(2) Messrs. Bobo and Sterling are employees of Intrexon and do not receive any compensation from AquaBounty at this time.

Employment Agreements

We have formal employment agreements with Dr. Stotish, Dr. Rojas, and Messrs. Frank and Martin. Each agreement provides for the payment of a base salary, an annual bonus determined at the discretion of our Board of Directors based on achievement of financial targets and other performance criteria and, for Dr. Stotish, a one-time grant of 90,000 stock options.

Each agreement will remain in effect unless and until terminated in accordance with the terms and conditions set forth in the agreement. Mr. Frank's agreement provides that employment may be terminated by either us or the employee after giving the other not less than 12 months' notice. Mr. Martin's agreement provides that employment may be terminated by either us or the employee after giving the other not less than 6 months' notice. Dr. Rojas' agreement provides that employment may be terminated by us after giving to Dr. Rojas not less than 12 months' notice, and by Dr. Rojas after giving to us not less than one month's notice. During these respective notice periods, we have the right

to terminate employment prior to expiration of the notice period by paying the employee a sum equal to his basic salary and benefits during the notice period. Dr. Stotish's agreement does not contain termination notice requirements applicable to his current employment.

In addition, under each agreement, we may terminate the employee's employment without notice or payment at any time for cause. For these purposes, "cause" means any of the following:

- performance by the employee of his duties in a manner that is deemed consistently materially unsatisfactory by our Board of Directors in its sole and exclusive discretion;
- willful and material failure or refusal by the employee to perform his duties under the employment agreement (other than by reason of the employee's death or disability);
- certain breaches or nonobservance by the employee of the provisions of the employment agreement or directions of our Board of Directors or of rules issued by a stock exchange on which our securities are listed;
- any intentional act of dishonesty, fraud, or embezzlement by the employee or the admission or conviction of, or entering a plea of no contest by, the employee with respect to any felony or lesser crime involving moral turpitude, dishonesty, fraud, embezzlement, or theft;
- any negligence, willful misconduct, or personal dishonesty of the employee resulting in a good faith determination by our Board of Directors of a loss to us or a damage to our reputation;
- any failure by the employee to comply with our policies or procedures to a material extent;
- the employee commits any act of deliberate unlawful discrimination or harassment;
- the employee is adjudged bankrupt or enters into any composition or arrangement with or for the benefit of his creditors;
- the employee becomes of unsound mind or a patient for the purposes of any law relating to mental health; or
- the employee becomes prohibited by law from being a director.

Each agreement also contains confidentiality and noncompetition provisions that we believe are typical for agreements of this type.

Equity Incentive and Retirement Plans

AquaBounty Technologies 2016 Equity Incentive Plan

The 2016 Plan was first adopted by our Board of Directors and our shareholders in April 2016.

The 2016 Plan provides for the issuance of incentive stock options to our employees and non-qualified stock options and awards of restricted and direct stock purchases to our directors, officers, employees, and consultants. In accordance with the terms of the 2016 Plan, the Compensation Committee of the Board of Directors administers the 2016 Plan and, subject to any limitations, approves the recipients of awards and determines, among other things:

- the number of shares of our common stock covered by options and the dates upon which those options become exercisable;
- the exercise prices of options;
- the duration of options (subject to certain limitations set forth in the plan);
- the methods of payment of the exercise price of options;

- the number of shares of our common stock subject to any restricted stock awards and the terms and conditions of those awards, including the price, if any, restriction period (subject to certain limitations set forth in the plan), and conditions for repurchase (with respect to restricted stock awards);
- the number of shares of our common stock subject to any restricted stock unit awards and the terms and conditions of those awards, including the vesting schedule, the consideration, if any, to be paid by the recipient, and the settlement of the award upon vesting; and
- the number of shares of our common stock subject to any stock appreciation right awards and the terms and conditions of those awards, including the vesting schedule, exercise price, and payment terms (subject to certain limitations set forth in the plan).

In the event of a change in control, as defined in the 2016 Plan, all awards under the 2016 Plan, subject to the reasonable discretion of the Board of Directors, will become vested and exercisable, restrictions on Restricted Shares and Deferred Shares (each as defined in the 2016 Plan) will lapse, performance targets will be deemed achieved and all other terms and conditions met, and all other awards will be delivered or paid.

AquaBounty Technologies 2006 Equity Incentive Plan

The 2006 Plan was first adopted by our Board of Directors and our shareholders in June 2007.

The 2006 Plan provided for the issuance of incentive stock options to our employees and non-qualified stock options and awards of restricted and direct stock purchases to our directors, officers, employees and consultants. In accordance with the terms of the 2006 Plan, the Compensation Committee of the Board of Directors administered the 2006 Plan and, subject to any limitations, approved the recipients of awards and determined, among other things:

- the number of shares of our common stock covered by options and the dates upon which those options become exercisable;
- the exercise prices of options;
- the duration of options (subject to certain limitations set forth in the plan);
- the methods of payment of the exercise price of options;
- the number of shares of our common stock subject to any restricted stock awards and the terms and conditions of those awards, including the price, if any, restriction period (subject to certain limitations set forth in the plan), and conditions for repurchase (with respect to restricted stock awards);
- the number of shares of our common stock subject to any restricted stock unit awards and the terms and conditions of those awards, including the vesting schedule, the consideration, if any, to be paid by the recipient, and the settlement of the award upon vesting; and
- the number of shares of our common stock subject to any stock appreciation right awards and the terms and conditions of those awards, including the vesting schedule, exercise price, and payment terms (subject to certain limitations set forth in the plan).

In the event of a change in control, as defined in the 2006 Plan, all awards under the 2006 Plan, subject to the reasonable discretion of the Board of Directors, will become vested and exercisable, restrictions on Restricted Shares and Deferred Shares (each as defined in the 2006 Plan) will lapse, and performance targets will be deemed achieved and all other terms and conditions met, and all other awards will be delivered or paid.

As of December 31, 2015, there were options to purchase an aggregate of 5,382,000 shares of our common stock outstanding under the 2006 Plan at a weighted-average exercise price of $0.26 per share. As of December 31, 2015, there were 10,360,531 shares of our common stock available for future awards under the 2006 Plan. The 2006 Plan terminated on March 18, 2016, and the Board of Directors has ceased making awards under the 2006 Plan, and there are no shares of our common stock reserved for future awards under the 2006 Plan.

401(k) Plan

We provide an employee retirement plan under Section 401(k) of the Code (the “401(k) plan”), to all U.S. employees who are eligible employees as defined in the 401(k) plan. Subject to annual limits set by the Internal Revenue Service, we match 50% of eligible employee contributions up to a maximum of 3% of an employee’s salary, and vesting in our match is immediate. We made contributions in connection with the 401(k) plan during the years ended December 31, 2015, 2014, and 2013, of $29,931, $24,018, and $21,788, respectively.

Registered Retirement Savings Plan

We also have a Registered Retirement Savings Plan for our Canadian employees. Subject to annual limits set by the Canadian government, we match 50% of eligible employee contributions up to a maximum of 3% of an employee’s salary, and vesting in our match is immediate. We made contributions in connection with this plan during the years ended December 31, 2015, 2014, and 2013, of $16,274, $16,566, and $14,312, respectively.

Compensation Committee Interlocks

None of our executive officers serves, or in the past has served, as a member of our Board of Directors or Compensation Committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our Board of Directors or our Compensation Committee. None of the members of our Compensation Committee is also an officer or employee of AquaBounty, nor have they ever been an officer or employee of AquaBounty.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of November 4, 2016, there were 157,527,974 shares of our common stock outstanding. The following table sets forth information regarding beneficial ownership of our share capital as of this date, by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our shares of common stock;
- each of our directors;
- each of our named executive officers; and
- all of our directors and current named executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Name and address of beneficial owner	Beneficially owned(1) Shares	Percentage
Intrexon Corporation(2) 222 Lakeview Avenue, Suite 1400 West Palm Beach, Florida 33401	135,239,319	69.8%
Abbot Labs CFR International SPA Avenida Pedro de Valdivia No 295 Comuna de Providencia Ciudad de Santiago Region Metroploitana 7500524 Chile	22,130,040	14.1%
Ronald L. Stotish	2,567,125	1.6%
David A. Frank	997,125	-
Alejandro Rojas	197,125	-
Richard J. Clothier	1,109,943	-
Jack A. Bobo	—	-
Christine St.Clare	162,450	-
Richard L. Huber	969,771	-
Rick Sterling	—	-
James C. Turk	186,450	-
Executive officers and directors as a group (11 persons)	7,011,758	4.5%

\- Indicates beneficial ownership of less than one percent of the total outstanding shares of our common stock.

(1) Numbers of shares does not give effect to the Reverse Stock Split to be implemented following the effectiveness of the registration statement of which this information forms a part. Percentages of shares beneficially owned will not change as a result of the Reverse Stock Split. Amounts include options to purchase shares of our common stock that are exercisable within 60 days of November 4, 2016.

(2) Intrexon's board of directors has voting and dispositive power over the shares held by Intrexon. Includes 36,124,651 shares into which Convertible Debt may be converted.

DESCRIPTION OF CAPITAL STOCK

The following description summarizes certain important terms of our common stock. Because this description is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section, you should refer to the Third Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws, forms of which are included as exhibits to the registration statement of which this information statement forms a part.

General

Our authorized capital stock consists of 200,000,000 shares of common stock, par value $0.001 per share, of which 157,527,974 share are outstanding, and 40,000,000 shares of preferred stock, par value $0.01 par value per share, of which zero shares are outstanding.

In 2014, we sought and obtained the approval of our shareholders of the amendment and restatement of our then existing Second Amended and Restated Certificate of Incorporation to effect a 1-for-10 reverse stock split and certain changes to the corporate governance procedures and voting thresholds set forth therein. In 2015, we sought and obtained the approval of our shareholders to adjust the reverse stock split ratio, either keeping it at 1-for-10, or changing it to 1-for-20, 1-for-30, 1-for-40, or 1-for-50, at the discretion of our Board of Directors. In May 2015, we adopted our Third Amended and Restated Certificate of Incorporation.

In connection with the Transactions, including our application to list our common stock on the NASDAQ Capital Market, we intend to convene a special meeting of our shareholders and submit proposals for the reapproval by our shareholders to effect a reverse stock split (the “Reverse Stock Split”). The proposals will contemplate Reverse Stock Split ratios of 1-for-20, 1-for-30, 1-for-40, or 1-for-50, respectively, and will provide our Board of Directors the flexibility to implement the most appropriate Reverse Stock Split to meet the initial listing standards of the NASDAQ Capital Market. The Reverse Stock Split would affect all shareholders uniformly and would not affect any shareholder’s percentage ownership interest in AquaBounty, except to the extent that the Reverse Stock Split results in any shareholders owning a fractional share.

Our authorized share capital would not change as a result of the Reverse Stock Split. Therefore, as a result of the Reverse Stock Split, the number of outstanding shares of common stock would decrease by a specified amount (which will depend on the Reverse Stock Split ratio) and an equivalent number of shares would become authorized but unissued shares. The existence of a large amount of authorized but unissued common stock provides a corporation with flexibility as such stock can be issued without shareholder approval. As of September 30, 2016, and after giving effect to the reverse stock split as if it had occurred as of that date, assuming a 1-for-20 split ratio, there were zero shares of preferred stock and 7,876,350 shares of common stock outstanding. There were 220 holders of record of our shares of our common stock as of September 30, 2016. Our Board of Directors will be authorized to issue additional shares of our capital stock without shareholder approval, except as required by the NASDAQ listing standards.

Dividends

Subject to preferences that may be applicable to any outstanding shares of our preferred stock, holders of shares of our common stock are entitled to receive ratably such dividends, if any, as our Board of Directors may declare on the common stock out of funds legally available for that purpose.

Voting Rights

Holders of shares of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of shareholders. A majority of the votes cast at a meeting of the shareholders by the holders of shares entitled to vote is required for any action by the shareholders except (a) as otherwise provided by law or the Third Amended and Restated Certificate of

Incorporation and (b) that directors are to be elected by a plurality of the votes cast at elections. Holders of shares of our common stock do not have cumulative voting rights in the election of directors.

Liquidation

Upon our liquidation, dissolution, or winding up, holders of shares of our common stock would be entitled to share ratably in all assets remaining after the payment of all debts and other liabilities and the liquidation preferences of any outstanding shares of our preferred stock.

Future Issuance of Preferred Stock

There are no shares of preferred stock issued or outstanding. Our Board of Directors may, without further action by our shareholders, from time to time, direct the issuance of shares of preferred stock in one or more series and may, at the time of issuance, determine the rights, preferences, and limitations of each series. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of our common stock.

Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation, dissolution, or winding up before any payment is made to the holders of shares of our common stock. Under certain circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer, or proxy contest; the assumption of control by a holder of a large block of our securities; or the removal of incumbent management. Our Board of Directors may, without shareholder approval, issue shares of preferred stock with voting and conversion rights that could adversely affect the holders of shares of our common stock.

Certain Provisions of the Third Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws

Advance Notice Procedures

The Amended and Restated Bylaws establish advance notice procedures for shareholders to make nominations of candidates for election as directors or bring other business before an annual meeting of our shareholders. These procedures provide that only persons who are nominated by or at the direction of our Board of Directors or by a shareholder who has given timely notice in proper written form that is received at our principal executive offices prior to the applicable annual meeting will be eligible for election as directors. These procedures also require that, in order to raise matters at an annual meeting, those matters be raised before the meeting pursuant to the notice of meeting we deliver or by, or at the direction of, our Board of Directors or by a shareholder who is entitled to vote at the meeting and who has given timely notice in proper written form to our Corporate Secretary of the shareholder's intention to raise those matters at the annual meeting. If the officer presiding at a meeting determines that a person was not nominated, or other business was not brought before the meeting, in accordance with the notice procedure, that person will not be eligible for election as a director, or that business will not be conducted at the meeting.

Authorized but Unissued Shares

The authorized but unissued shares of our common stock are available for future issuance without shareholder approval. We may use these additional shares for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions, and as incentive compensation. The existence of authorized but unissued shares of our common stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger, or otherwise.

Transfer Agent

The U.S. transfer agent for AquaBounty's common stock is Computershare Trust Company, N.A.

RECENT SALES OF UNREGISTERED SECURITIES

The following sets forth information regarding all unregistered securities sold since January 1, 2013:

- On March 15, 2013, we issued 22,883,295 shares of our common stock to certain of our existing shareholders at a per share price of $0.26, for aggregate consideration of approximately $6,000,000. The net proceeds were used for general corporate purposes.
- On March 20, 2014, we issued 19,040,366 shares of our common stock to Intrexon at a per share price of $0.53, for aggregate consideration of approximately $10,000,000. The net proceeds were used for general corporate purposes.
- On June 30, 2015, we issued 12,728,044 shares of our common stock to Intrexon at a per share price of $0.27, for aggregate consideration of approximately $3,000,000. The net proceeds were used for general corporate purposes.

Each of the sales of our common stock referenced above was exempt from the registration requirements of the Securities Act pursuant to the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D and Regulation S under the Securities Act. We did not pay or give, directly or indirectly, any commission or other remuneration, including underwriting discounts or commissions, in connection with any of the sales of our common stock referenced above. The recipients of the shares of our common stock in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients represented that they had adequate access to information about us. Each of the sales was made without any general solicitation or advertising. With respect to sales exempt from registration pursuant to Regulation S, those sales were made outside of the United States to, and for the account or benefit of, non-U.S. persons.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Purchase Agreement

On November 7, 2016, we entered into the Purchase Agreement, pursuant to which AquaBounty will sell to Intrexon 72,632,190 shares of AquaBounty common stock for proceeds of approximately $25 million, which we refer to as the Investment. The closing of the Investment in connection with the Distribution is subject to the following conditions being met by Intrexon and AquaBounty, together with other customary closing conditions:

- the admission of the shares to be sold in the Investment to trading on AIM shall have become effective in accordance with the latest version of the rules applicable to AIM;
- AquaBounty's common stock shall have been approved for listing on the NASDAQ Capital Market;
- No Material Adverse Effect of AquaBounty, as the term is defined in the Purchase Agreement, shall have occurred and Intrexon shall not have concluded that the Distribution would be materially adverse to Intrexon or its shareholders; and
- No action, suit, proceeding, claim or dispute shall have been brought or otherwise rise against AquaBounty that would, if adversely determined, have a Material Adverse Effect, as the term is defined in the Purchase Agreement.

Other Agreements with Intrexon

Exclusive Channel Collaboration Agreement

In February 2013, we entered into the ECC with Intrexon, pursuant to which we are permitted to use Intrexon's UltraVector and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. The ECC grants us a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale, and offer for sale of products involving DNA administered to finfish for human consumption. This license is exclusive with respect to any development, selling, offering for sale, or other commercialization of developed products but otherwise is non-exclusive.

Under the ECC and subject to certain exceptions, we are responsible for, among other things, the performance of the program, including development, commercialization, and certain aspects of manufacturing developed products. Among other things, Intrexon is responsible for the costs of establishing manufacturing capabilities and facilities for the bulk manufacture of certain products developed under the program; certain other aspects of manufacturing; costs of discovery-stage research with respect to platform improvements; and costs of filing, prosecution, and maintenance of Intrexon's patents.

We agreed to pay Intrexon, on a quarterly basis, 16.66% of the gross profits calculated for each developed product. We also agreed to pay Intrexon 50% of the quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, we agreed to reimburse Intrexon for the costs of certain services provided by Intrexon. The total Intrexon service costs incurred under the ECC during 2015 were approximately $1.2 million, of which approximately $79 thousand was reflected as an account payable in the consolidated balance sheet as of December 31, 2015.

The ECC may be terminated by either party in the event of a material breach by the other. Intrexon may terminate the ECC (a) if we elect not to pursue the development of a "superior animal product" identified by Intrexon or (b) under certain circumstances if we assign our rights under the ECC without

Intrexon's consent. We may voluntarily terminate the ECC at any time upon 90 days' written notice to Intrexon. Upon termination of the ECC, we may continue to develop and commercialize any collaboration product that, at the time of termination, (x) is being sold by us, (y) has received regulatory approval, or (z) is the subject of an application for regulatory approval. Our obligation to pay 16.66% of the gross profits with respect to these "retained" products will survive termination of the ECC.

Relationship Agreement

In December 2012, we entered into the Relationship Agreement, that sets forth certain matters relating to Intrexon's relationship with us as a major shareholder. The Relationship Agreement was entered into in connection with the acquisition in October 2012 by Intrexon of shares of our common stock constituting 47.56% of our outstanding share capital from Linnaeus Capital Partners B.V. and Tethys, our former major shareholders.

Pursuant to the Relationship Agreement, we agreed to increase the size of our Board of Directors from three members to six members and to appoint three nominees of Intrexon ("Intrexon Nominees") as directors with terms expiring at the annual meeting of shareholders held on July 10, 2013. Intrexon nominated Messrs. Barton, Kasser, and Turk to serve as directors. Each was appointed to our Board of Directors on February 14, 2013. In addition, we agreed that, so long as the Relationship Agreement remains in effect and Intrexon and its affiliates together control 25% or more of the voting rights exercisable at meetings of our shareholders, we will (a) nominate such number of Intrexon Nominees as may be designated by Intrexon for election to our Board of Directors at each annual meeting of our shareholders so that Intrexon will have representation on our Board of Directors proportional to Intrexon's percentage shareholding and (b) recommend that shareholders vote to elect such Intrexon Nominees at the next annual meeting of shareholders occurring after the date of nomination. Subsequent to entering into the Relationship Agreement, we increased the size of our Board of Directors from six members to seven members, and Intrexon nominated Mr. Sterling to fill the Board vacancy. Mr. Sterling was appointed to our Board of Directors on September 13, 2013. On May 30, 2014, Mr. Barton resigned as a director, and Intrexon nominated Ms. St.Clare to serve as a director. Our Board of Directors approved and appointed Ms. St.Clare to the Board of Directors on May 30, 2014. On October 27, 2015, Mr. Kasser resigned as a director, and Intrexon nominated Mr. Bobo to serve as a director. Our Board of Directors approved and appointed Mr. Bobo to the Board of Directors on October 27, 2015.

In addition, we and Intrexon agreed that, so long as Intrexon and its affiliates control 10% or more of the voting rights exercisable at meetings of our shareholders, for any time period for which Intrexon has reasonably concluded that it is required to consolidate or include our financial statements with its own:

- we will maintain at our principal place of business (i) a copy of our certificate of incorporation and other organizational documents; (ii) a copy of the Relationship Agreement; (iii) copies of our federal, state, and local income tax returns; and (iv) minutes of our Board of Director and shareholder meetings, redacted as necessary to exclude sensitive or confidential information;
- we will keep our books and records consistent with U.S. GAAP;
- Intrexon may examine any information that it may reasonably request; make copies of and abstracts from our financial and operating records and books of account; and discuss our affairs, finances, and accounts with us and our independent auditors;
- as soon as available but no later than ninety days after the end of each fiscal year, we will furnish to Intrexon an audited balance sheet, income statement, and statements of cash flows and shareholders' equity as of and for the fiscal year then ended, together with a report of our

independent auditor that such financial statements have been prepared in accordance with U.S. GAAP and present fairly, in all material respects, our financial position, results of operation and cash flows;

- as soon as available but no later than forty-five days after the end of each calendar quarter, we will furnish to Intrexon an unaudited balance sheet, income statement, and statements of cash flows for such period, in each case prepared in accordance with U.S. GAAP; and
- as requested by Intrexon, but no more than quarterly, we will provide to Intrexon (i) a certificate of our Chief Executive Officer and Chief Financial Officer certifying as to the accuracy of our books and records and the adequacy of our internal control over financial reporting and disclosure controls and procedures and (ii) any information requested by Intrexon for purposes of its compliance with applicable law.

The Relationship Agreement and related documents also provide for certain confidentiality obligations between the two parties. The Relationship Agreement will continue in full force and effect until Intrexon and its affiliates cease to control 10% or more of the voting rights exercisable at meetings of our shareholders.

Bridge Loan

In December 2012, Intrexon agreed to provide us with a $500,000 bridge loan to help fund operations until permanent financing could be completed. The terms of the loan provided that borrowings could be made in increments of $100,000. Outstanding borrowings accrued interest at 3.0% per annum and were required to be repaid with the proceeds of our next fundraising but in any event no later than May 2013. As of December 31, 2012, we had borrowed $200,000 of the available amounts, and during January 2013 and February 2013, we made additional borrowings of $200,000 and $100,000, respectively. The balance under the bridge loan, including $2,567 in accrued interest, was repaid on March 15, 2013.

2013 Subscription Agreements

On February 14, 2013, we entered into separate subscription agreements with certain of our existing shareholders, including Intrexon and Alejandro Weinstein, another major shareholder, pursuant to which Intrexon and Mr. Weinstein agreed to invest an aggregate of approximately $6.0 million in the Company by way of a subscription for 22,883,295 new shares or our common stock at a price of $0.2622 per share. Intrexon initially agreed to subscribe for the full amount of the subscription but reduce its participation to a minimum 14,874,142 shares in the event that other eligible shareholders agreed to participate in the subscription. The closing of the subscription occurred on March 15, 2013, and resulted in Intrexon purchasing 18,714,814 shares, Mr. Weinstein purchasing 4,046,682 shares, and other investors purchasing a combined 121,799 shares. The subscription price represented the average share price of our common stock on AIM for the 24 trading days prior to and including February 14, 2013, which was the date of the pricing of the subscription.

2014 Subscription Agreement

On March 5, 2014, we entered into a subscription agreement with Intrexon pursuant to which Intrexon agreed to invest approximately $10.0 million in the Company by way of a subscription for 19,040,366 new shares or our common stock at a price of $0.5252 per share. The closing of the subscription occurred on March 20, 2014. The subscription price represented the closing share price of our common stock on AIM on March 4, 2014, which was the last practical date prior to the signing of the subscription agreement.

2015 Subscription Agreement

On June 24, 2015, we entered into a subscription agreement with Intrexon pursuant to which Intrexon agreed to invest approximately $3.0 million in the Company by way of a subscription for 12,728,044 new shares of our common stock at a price of $0.2357 per share. The closing of the subscription occurred on June 30, 2015. The subscription price represented the closing share price of our common stock on AIM on June 23, 2015, which was the last practical date prior to the signing of the subscription agreement.

2016 Convertible Loan

On February 23, 2016, we entered into a debt financing agreement with Intrexon for an unsecured, convertible bridge loan of $10.0 million. The terms of the loan included an interest rate of 10%, a maturity date of March 1, 2017, and conversion into our common shares at a price of 23 U.K. pence per share, representing the closing price of the Company's Ordinary Shares on AIM on February 23, 2016.

Policies and Procedures for Review of Related Person Transactions

Our Board of Directors has adopted a written policy with respect to related person transactions. This policy governs the review, approval, and ratification of covered related person transactions. The Audit Committee of the Board of Directors manages this policy.

For purposes of this policy, a "related person transaction" is a transaction, arrangement, or relationship (or any series of similar transactions, arrangements, or relationships) in which we (or any of our subsidiaries) were, are, or will be a participant, and in which any related person had, has, or will have a direct or indirect interest. For purposes of determining whether a transaction is a related person transaction, the Audit Committee relies upon Item 404 of Regulation S-K promulgated under the Exchange Act.

A "related person" is defined as:

- any person who is, or at any time since the beginning of our last fiscal year was, one of our directors or executive officers or a nominee to become one of our directors;
- any person who is known to be the beneficial owner of more than 5% of any class of our voting securities;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee, or more-than-five-percent beneficial owner and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee, or more-than-five-percent beneficial owner; and
- any firm, corporation, or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person has a ten percent or greater beneficial ownership interest.

The policy generally provides that we may enter into a related person transaction only if:

- the Audit Committee pre-approves such transaction in accordance with the guidelines set forth in the policy;
- the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party, and the Audit Committee (or the chairperson of the Audit Committee) approves or ratifies such transaction in accordance with the guidelines set forth in the policy;

- the transaction is approved by the disinterested members of the Board of Directors; or
- the transaction involves compensation approved by the Compensation Committee of the Board of Directors.

In the event a related person transaction is not pre-approved by the Audit Committee, and our management determines to recommend such related person transaction to the Audit Committee, such transaction must be reviewed by the Audit Committee. After review, the Audit Committee will approve or disapprove such transaction.

In addition, the Audit Committee will review the policy at least annually and recommend amendments to the policy to the Board of Directors from time to time.

The policy provides that all related person transactions will be disclosed to the Audit Committee, and all material related person transactions will be disclosed to the Board of Directors. Additionally, all related person transactions requiring public disclosure will be properly disclosed in our public filings.

The Audit Committee will review all relevant information available to it about the related person transaction. The policy provides that the Audit Committee may approve or ratify the related person transaction only if the Audit Committee determines that, under all of the circumstances, the transaction is in, or is not inconsistent with, our best interests. The policy provides that the Audit Committee may, in its sole discretion, impose such conditions as it deems appropriate on us or the related person in connection with approval of the related person transaction.

CORPORATE GOVERNANCE

Corporate Governance Principles

We are committed to having sound corporate governance principles. Having such principles is essential to maintaining our integrity in the marketplace. Our Code of Business Conduct and Ethics and the charters for each of the Audit, Compensation and Corporate Governance and Nominations Committees will be, prior to the effectiveness of the registration statement of which this information statement forms a part, available on an investor relations section of our corporate website (www.aquabounty.com). A copy of our Code of Business Conduct and Ethics and the committee charters may also be obtained upon request to Corporate Secretary, AquaBounty Technologies, Inc., 2 Mill and Main Place, Suite 395, Maynard, Massachusetts 01754.

Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics applies to all of our outside directors, officers and employees, including, but not limited to, our Chief Executive Officer and Chief Financial Officer. The Code of Ethics constitutes our “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act and is our “code of conduct” within the meaning of the NASDAQ listing standards.

Shareholder Communications with Directors

Following the Distribution, procedures for shareholders and other interested persons to send communications to our board will be posted on an investor relations section of our corporate website (www.aquabounty.com).

Director Independence; Controlled Company Exemption

As required by the NASDAQ listing rules, our Board of Directors will evaluate the independence of its members at least once annually and at other appropriate times when a change in circumstances could potentially impact the independence or effectiveness of one of our directors.

In October 2016, our Board of Directors undertook a review of the composition of our Board of Directors and its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment, and affiliations, including family relationships, our Board of Directors has determined each of Messrs. Clothier, Huber, and Turk and Ms. St.Clare is an “independent director” as defined under NASDAQ Listing Rule 5605(a)(2).The remaining members of our Board of Directors may not satisfy these “independence” definitions because they have been chosen by and/or are affiliated with our controlling shareholder, Intrexon, in a non-independent capacity. Our Board of Directors has three standing committees: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominations Committee (the “Corporate Governance Committee”). As discussed below, each member of the Audit Committee satisfies the special independence standards for such committee established by the SEC and NASDAQ. Because we are eligible to be a “controlled company” within the meaning of NASDAQ Listing Rule 5615(c), and our Board of Directors has chosen to rely on this exception, we are exempt from certain NASDAQ listing rules that would otherwise require us to have a majority independent board and fully independent standing nominating and compensation committees. We determined that we are such a “controlled company” because Intrexon holds more than 50% of the voting power for the election of our directors. If Intrexon’s voting power were to fall below this level, however, we would cease to be permitted to rely on the controlled company exception and would be required to have a majority independent board and fully independent standing nominating and compensation committees.

Board Leadership Structure and Role in Risk Oversight

Our Board of Directors understands that board structures vary greatly among U.S. public corporations, and our Board of Directors does not believe that any one leadership structure is more effective at creating long-term shareholder value. Our Board of Directors believes that an effective leadership structure could be achieved either by combining or separating the Chairman and Chief Executive Officer positions, so long as the structure encourages the free and open dialogue of competing views and provides for strong checks and balances. Specifically, the Board believes that to be effective, the governance structure must balance the powers of the Chief Executive Officer and the independent directors and ensure that the independent directors are fully informed, able to discuss and debate the issues that they deem important and able to provide effective oversight of management.

Currently, Dr. Stotish serves as our Chief Executive Officer and President and Mr. Clothier serves as our Chairman of the Board of Directors. Our Board of Directors believes that this leadership structure, which separates the Chairman and Chief Executive Officer roles, is appropriate for the company at this time because it allows Dr. Stotish to focus on operating and managing the company following our transition to becoming a public company. At the same time, Mr. Clothier can focus on leadership of the Board of Directors, including calling and presiding over Board meetings and executive sessions of the independent directors, preparing meeting agendas in collaboration with the Chief Executive Officer, serving as a liaison and supplemental channel of communication between independent directors and the Chief Executive Officer and serving as a sounding board and advisor to the Chief Executive Officer. Nevertheless, the Board of Directors believes that “one-size” does not fit all, and the decision of whether to combine or separate the positions of Chairman and Chief Executive Officer will vary from company to company and depend upon a company’s particular circumstances at a given point in time. Accordingly, the Board of Directors will continue to consider from time to time whether the Chairman and Chief Executive Officer positions should be combined based on what the Board of Directors believes is best for our company and shareholders.

Our Board of Directors is primarily responsible for assessing risks associated with our business. However, our Board of Directors delegates certain of such responsibilities to other groups. The Audit Committee is responsible for reviewing with management our company’s policies and procedures with respect to risk assessment and risk management, including reviewing certain risks associated with our financial and accounting systems, accounting policies, investment strategies, regulatory compliance, insurance programs and other matters. In addition, under the direction of our Board of Directors and certain of its committees, our legal department assists in the oversight of corporate compliance activities. The Compensation Committee also reviews certain risks associated with our overall compensation program for employees to help ensure that the program does not encourage employees to take excessive risks.

Board Committees and Meetings

Our Board of Directors has determined that a board consisting of between six and ten members is appropriate at the current time and has currently set the number at seven members. Our Board of Directors will evaluate the appropriate size of our Board of Directors from time to time. Our Board of Directors has three standing committees: the Audit Committee, the Compensation Committee, and the Corporate Governance Committee.

During 2015, each director attended or participated in 75% or more of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by all committees of the Board of Directors on which such director served. Members of the Board of Directors and its committees also consulted informally with management from time to time. Additionally, non-management Board members met in executive sessions without the presence of management periodically during 2015. Directors are expected to attend our annual meetings.

Audit Committee

Following our listing on the NASDAQ Capital Market and the Distribution, Messrs. Huber and Turk and Ms. St.Clare will continue to serve as members of our Audit Committee and Ms. St.Clare will serve as its chair. Each member of the Audit Committee satisfies the special independence standards for such committee established by the SEC and NASDAQ, as applicable. Ms. St.Clare is an “audit committee financial expert,” as that term is defined by the SEC in Item 407(d) of Regulation S-K. Shareholders should understand that this designation is an SEC disclosure requirement relating to Ms. St.Clare’s experience and understanding of certain accounting and auditing matters, which the SEC has stated does not impose on the director so designated any additional duty, obligation, or liability than otherwise is imposed generally by virtue of serving on the Audit Committee and/or our Board of Directors. Our Audit Committee is responsible for, among other things, oversight of our independent auditors and the integrity of our financial statements. Our Audit Committee held four meetings in 2015.

Compensation Committee

Following our listing on the NASDAQ Capital Market and the Distribution, Messrs. Huber and Sterling will be members of our Compensation Committee and Mr. Huber will serve as its chair. As discussed above, because we are eligible to be a “controlled company” within the meaning of NASDAQ Listing Rule 5615(c), and our Board of Directors has chosen to rely on this exception, we are exempt from certain NASDAQ listing rules that would otherwise require us to have a fully independent Compensation Committee. Our Compensation Committee is responsible for, among other things, establishing and administering our policies, programs and procedures for compensating our executive officers and board of directors. Our Compensation Committee held one meeting in 2015.

Corporate Governance and Nominations Committee

Following our listing on the NASDAQ Capital Market and the Distribution, Mr. Clothier will be the sole permanent member of our Corporate Governance Committee and he will serve as its chair, assigning other directors to the committee as necessary. As discussed above, because we are eligible to be a “controlled company” within the meaning of NASDAQ Listing Rule 5615(c), and our Board of Directors has chosen to rely on this exception, we are exempt from certain NASDAQ listing rules that would otherwise require us to have a fully independent Corporate Governance Committee. Our Corporate Governance Committee is responsible for, among other things, evaluating new director candidates and incumbent directors and recommending directors to serve as members of our Board committees. Our Corporate Governance Committee held no meetings in 2015.

Director Nominees

Our Board of Directors believes that the Board should be comprised of individuals with varied, complementary backgrounds who have exhibited proven leadership capabilities within their chosen fields. Directors should have the ability to quickly grasp complex principles of business and finance, particularly those related our industry. Directors should possess the highest personal and professional ethics, integrity and values and should be committed to representing the long-term interests of our shareholders. When considering a candidate for director, the Corporate Governance Committee will take into account a number of factors, including, without limitation, the following: depth of understanding of our industry; education and professional background; judgment, skill, integrity and reputation; existing commitments to other businesses as a director, executive or owner; personal conflicts of interest, if any; diversity; and the size and composition of the existing Board. Although the Board of Directors does not have a policy with respect to consideration of diversity in identifying director nominees, among the many other factors considered by the Corporate Governance Committee are the benefits of diversity in board composition, including with respect to age, gender, race and

specialized background. When seeking candidates for director, the Corporate Governance Committee may solicit suggestions from incumbent directors, management, shareholders and others. Additionally, the Corporate Governance Committee may use the services of third-party search firms to assist in the identification of appropriate candidates. The Corporate Governance Committee will also evaluate the qualifications of all candidates properly nominated by shareholders, in the same manner and using the same criteria. A shareholder that desires to nominate a person director for election to the Board of Directors must comply with the advance notice procedures of our Amended and Restated Bylaws.

LIMITATION OF LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 102 of the Delaware General Corporation Law, or DGCL, permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its shareholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct, knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law, or obtained an improper personal benefit. Our Third Amended and Restated Certificate of Incorporation provides that none of our directors will be personally liable to us or our shareholders for monetary damages for or with respect to any acts or omissions in the performance of such person's duties as a director, except to the extent required by law.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust, or other enterprise in related capacities, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit, or proceeding to which he or she was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification will be made with respect to any claim, issue, or matter as to which such person has been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court deems proper.

The Third Amended and Restated Certificate of Incorporation provides that we may indemnify, and advance expenses to, our directors and officers with respect to certain liabilities, expenses, and other accounts imposed upon them because of having been a director or officer.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form 10 under the Exchange Act relating to shares of our common stock, including those being distributed in the Distribution. This information statement forms a part of that registration statement but does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information relating to us and our common stock, reference is made to the registration statement, including its exhibits and schedules. Statements made in this information statement relating to any contract or other document are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including its exhibits and schedules, at the SEC's Public Reference Room, located at 100 F Street, NE, Washington, D.C. 20549 or on the SEC's website at http://www.sec.gov. You may obtain a copy of the registration statement from the SEC's Public Reference Room upon payment of prescribed fees. Please call the SEC at (800) SEC-0330 for further information on the operation of the Public Reference Room.

Following the effectiveness of the registration statement of which this information statement forms a part, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, we will file periodic reports, proxy statements and other information with the SEC. Those periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's Public Reference Room and the SEC's website at http://www.sec.gov.

We intend to furnish holders of our common stock with annual reports containing financial statements prepared in accordance with U.S. GAAP and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

We plan to make available free of charge on our website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file or furnish such materials to the SEC. All of these documents will be made available free of charge on our website, www.aquabounty.com, and will be provided free of charge to any shareholders requesting a copy by writing to: Corporate Secretary, AquaBounty Technologies, Inc., 2 Mill and Main Place, Suite 395, Maynard, Massachusetts 01754, Telephone: (978) 648-6000. We will use our website as a channel for routine distribution of important information, including news releases, analyst presentations and financial information. In addition, our website allows investors and other interested persons to sign up to automatically receive e-mail alerts when we post news releases and financial information on our website.

The information on our website is not, and shall not be deemed to be, a part of this information statement or incorporated into any other filings we make with the SEC.

No person is authorized to give any information or to make any representations with respect to the matters described in this information statement other than those contained in this information statement or in the documents incorporated by reference in this information statement and, if given or made, such information or representation must not be relied upon as having been authorized by us or Intrexon. Neither the delivery of this information statement nor consummation of the Distribution shall, under any circumstances, create any implication that there has been no change in our affairs or those of Intrexon since the date of this information statement, or that the information in this information statement is correct as of any time after its date.

INDEX TO FINANCIAL STATEMENTS
AQUABOUNTY TECHNOLOGIES, INC.

AquaBounty Technologies, Inc.

Consolidated Financial Statements (unaudited)

Period Ended September 30, 2016

AquaBounty Technologies, Inc.

Consolidated balance sheets

(unaudited)

As of	September 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	**$ 3,183,525**	$ 1,313,421
Certificate of deposit	**10,901**	10,339
Other receivables	**30,977**	41,897
Prepaid expenses and other assets	**138,839**	109,898
Total current assets	**3,364,242**	1,475,555
Property, plant and equipment, net	**1,413,062**	741,340
Definite lived intangible assets, net	**202,035**	206,381
Indefinite lived intangible assets	**191,800**	191,800
Other assets	**21,628**	21,628
Total assets	**$ 5,192,767**	$ 2,636,704
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 964,360**	$ 621,909
Convertible debt with Intrexon	**7,500,000**	—
Current debt	**18,158**	—
Total current liabilities	**8,482,518**	621,909
Long-term debt	**2,710,497**	2,070,366
Total liabilities	**11,193,015**	2,692,275
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.001 par value, 200,000,000 shares authorized; 157,527,974 (2015: 157,425,309) shares outstanding	**157,528**	157,425
Additional paid-in capital	**90,983,011**	90,816,636
Accumulated other comprehensive loss	**(312,948)**	(226,432)
Accumulated deficit	**(96,827,839)**	(90,803,200)
Total stockholders' equity (deficit)	**(6,000,248)**	(55,571)
Total liabilities and stockholders' equity (deficit)	**$ 5,192,767**	$ 2,636,704

See accompanying notes to the consolidated financial statements.

AquaBounty Technologies, Inc.

Consolidated statements of operations and comprehensive loss

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	**2016**	2015
Costs and expenses				
Sales and marketing	**$ 209,556**	$ 220,059	**$ 650,075**	$ 786,697
Research and development	**974,980**	788,608	**2,703,117**	2,395,431
General and administrative	**824,381**	648,802	**2,428,044**	2,007,867
Total costs and expenses	**2,008,917**	1,657,469	**5,781,236**	5,189,995
Operating loss	**(2,008,917)**	(1,657,469)	**(5,781,236)**	(5,189,995)
Other income (expense)				
Gain on royalty based financing instrument	**—**	—	**—**	—
Interest income (expense), net	**(132,909)**	(936)	**(243,403)**	(3,648)
Total other income (expense)	**(132,909)**	(936)	**(243,403)**	(3,648)
Net loss	**$ (2,141,826)**	$ (1,658,405)	**$ (6,024,639)**	$ (5,193,643)
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	**13,659**	113,906	**(86,516)**	188,167
Total other comprehensive income (loss)	**13,659**	113,906	**(86,516)**	188,167
Comprehensive loss	**$ (2,128,167)**	$ (1,544,499)	**$ (6,111,155)**	$ (5,005,476)
Basic and diluted net loss per share	**$ (0.01)**	$ (0.01)	**$ (0.04)**	$ (0.03)
Weighted average number of common shares – basic and diluted	**157,512,436**	157,425,309	**157,493,281**	148,998,613

See accompanying notes to the consolidated financial statements.

AquaBounty Technologies, Inc.

Consolidated statements of cash flows

(unaudited)

Nine Months Ended September 30,	2016	2015
Operating activities		
Net loss	**$ (6,024,639)**	$ (5,193,643)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	**109,207**	77,464
Share-based compensation	**166,478**	178,268
Gain on disposal of equipment	**(2,861)**	—
Changes in operating assets and liabilities:		
Other receivables	**13,174**	(15,753)
Prepaid expenses and other assets	**(27,313)**	(64,419)
Accounts payable and accrued liabilities	**332,254**	24,784
Net cash used in operating activities	**(5,433,700)**	(4,993,299)
Investing activities		
Purchase of property, plant and equipment	**(757,402)**	(69,955)
Proceeds from sale of equipment	**23,844**	—
Payment of patent costs	**(5,665)**	(19,554)
Net cash used in investing activities	**(739,223)**	(89,509)
Financing activities		
Proceeds from issuance of debt	**8,047,142**	44,004
Repayment of term debt	**(1,866)**	—
Proceeds from the issuance of common stock, net	**—**	3,000,000
Proceeds from exercise of stock options	**—**	—
Net cash provided by financing activities	**8,045,276**	3,044,004
Effect of exchange rate changes on cash and cash equivalents	**(2,249)**	(30,932)
Net change in cash and cash equivalents	**1,870,104**	(2,069,736)
Cash and cash equivalents at beginning of period	**1,313,421**	5,163,262
Cash and cash equivalents at end of period	**$ 3,183,525**	$ 3,093,526
Supplemental cash flow information		
Interest paid in cash	**$ 1,440**	$ 9

See accompanying notes to the consolidated financial statements.

AquaBounty Technologies, Inc.

Notes to the consolidated financial statements

for the nine months ended September 30, 2016 and 2015 (unaudited)

1. Nature of business and organization

AquaBounty Technologies, Inc. (the “Parent”) was incorporated in December 1991 in the State of Delaware for the purpose of conducting research and development of the commercial viability of a group of proteins commonly known as antifreeze proteins (AFPs). In 1996, the Parent obtained the exclusive licensing rights for a gene construct (transgene) used to create a breed of farm-raised Atlantic salmon that exhibit growth rates that are substantially faster than traditional salmon.

In 2015, the Parent obtained approval from the US Food and Drug Administration for the production, sale and consumption of its AquAdvantage® Salmon product in the United States. In 2016, the Parent obtained approval from Health Canada for the sale and consumption of its AquAdvantage Salmon product in Canada.

AquaBounty Canada, Inc. (the “Canadian Subsidiary”) was incorporated in January 1994 in Canada for the purpose of establishing a commercial biotechnology laboratory to conduct research and development programs related to the Parent’s technologies.

AquaBounty Panama, S. de R.L. (the “Panama Subsidiary”) was incorporated in May 2008 in Panama for the purpose of conducting commercial trials of the Company’s AquAdvantage Salmon.

AquaBounty Farms, Inc. (the “US Subsidiary”) was incorporated in December 2014 in the State of Delaware for the purpose of conducting commercial trials of the Company’s AquAdvantage Salmon.

AquaBounty Brasil Participacoes Ltda. (the “Brazil Subsidiary”) was incorporated in May 2015 in Brazil for the purpose of conducting commercial trials of the Company’s AquAdvantage Salmon.

2. Basis of Presentation

The consolidated financial statements include the accounts of AquaBounty Technologies, Inc. and its wholly owned subsidiaries, AquaBounty Canada, Inc., AquaBounty Panama, S. de R.L., AquaBounty Farms, Inc. and AquaBounty Brasil Participacoes Ltda. The entities are collectively referred to herein as the “Company.” All inter-company transactions and balances have been eliminated upon consolidation.

The accompanying unaudited consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States (“GAAP”) consistent with those applied in, and should be read in conjunction with, the Company’s audited financial statements and related footnotes for the year ended December 31, 2015. The unaudited consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the Company’s financial position as of September 30, 2016 and its results of operations and cash flows for the interim periods presented and are not necessarily indicative of results for subsequent interim periods or for the full year. The interim financial statements do not include all of the information and footnotes required by GAAP for complete financial statements as allowed by the relevant SEC rules and regulations; however, the Company believes that its disclosures are adequate to ensure that the information presented is not misleading.

Certain balances in the 2015 Financial Statements have been reclassified to conform with the presentation of the 2016 Financial Statements.

3. Risks and uncertainties

The Company is subject to risks and uncertainties common in the biotechnology and aquaculture industries. Such risks and uncertainties include, but are not limited to: (i) results from current and planned product development studies and trials; (ii) decisions made by the FDA or similar regulatory bodies in other countries with respect to approval and commercial sale of any of the Company’s proposed products; (iii) the commercial acceptance of any products approved for sale and the Company’s ability to manufacture, distribute and sell for a profit any products approved for sale; (iv) the Company’s ability to obtain the necessary patents and proprietary rights to effectively protect its technologies; and (v) the outcome of any collaborations or alliances entered into by the Company.

Concentration of credit risk
Financial instruments which potentially subject the Company to credit risk consist principally of cash equivalents and marketable securities. This risk is minimized by the Company's policy of investing in financial instruments with short-term maturities issued by highly-rated financial institutions. The Company's cash balances may at times exceed insurance limitations. The Company holds cash balances in bank accounts located in Canada to fund its local operations. These amounts are subject to foreign currency exchange risk, which is minimized by the Company's policy to limit the balances held in these accounts. Balances in Canadian bank accounts totalled CN$466,314 ($354,772) at September 30, 2016.

Liquidity and Management's Plan
The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has experienced net losses and negative cash flows from operations since its inception and has historically financed its operations through issuances of equity and the proceeds of debt instruments.

The Company continues to actively pursue various funding options, including equity offerings, to obtain additional funds to continue the development of its products and bring them to commercial markets. Management continues to assess fundraising opportunities to ensure minimal dilution to its existing shareholder base and to obtain the best price for its securities. In February 2016, the Company agreed to a convertible debt facility with Intrexon Corporation ("Intrexon"), the Company's majority shareholder, with a maximum credit line of $10.0 million, of which $7.5 million has been advanced to the Company as of September 30, 2016. Absent further financing, this amount is expected to be sufficient to fund the Company to March 2017.

Based upon its ability to raise funds in prior years, management anticipates that it will be able to raise additional funds in the future. If the Company is unable to raise additional capital as may be needed to meet its projections for operating expenses, it could have a material adverse effect on liquidity. These financial statements do not include any adjustments relating to the recoverability of recorded asset amounts that might be necessary as a result of the above uncertainty.

4. Property, plant and equipment

Major classifications of property, plant and equipment are summarized as follows:

	September 30, 2016	December 31, 2015
Land	**$ 129,379**	$ 73,158
Building and improvements	**1,469,851**	1,143,384
Equipment	**984,272**	553,231
Office furniture and equipment	**79,592**	77,697
Vehicles	**27,826**	26,367
Total property and equipment	**$ 2,690,920**	$ 1,873,837
Less accumulated depreciation and amortization	**(1,277,858)**	(1,132,497)
Property, plant and equipment	**$ 1,413,062**	$ 741,340

Depreciation and amortization expense was $99,196 and $77,464 for the nine months ended September 30, 2016 and 2015, respectively.

During the nine-month period ended September 30, 2016, the Company purchased the property, plant and equipment of the former Atlantic Sea Smolt plant in Rollo Bay West on Prince Edward Island for $717,225, including legal and other expenses incurred. The Company allocated the purchase price to land, building and equipment based on prior valuations and management's estimates. The purchase was partially financed with a term loan from PEI Finance (Note 8). The Company intends to utilize this facility to raise its broodstock to supply Atlantic salmon eggs for the production of its AquAdvantage Salmon. The Company anticipates significant renovations to the site and has an agreement with the Atlantic Canada Opportunities Agency ("ACOA") to finance these renovations. The terms of the agreement include funding up to C$337,000 with repayment commencing after the final draw-down of the funds. The loan term is nine years with a zero percent interest rate.

5. Definite lived intangible assets

The following is a summary of definite lived intangible assets:

	September 30, 2016	December 31, 2015
Patents, gross	**$ 217,370**	$ 211,705
Less accumulated amortization	**(15,335)**	(5,324)
Total definite lived intangible assets	**$ 202,035**	$ 206,381

Patent amortization expense was $10,011 and $nil for the nine months ended September 30, 2016 and 2015, respectively.

6. Prepaid expenses and other assets

Prepaid expenses and other assets include the following:

	September 30, 2016	December 31, 2015
Prepaid expenses:		
Prepaid insurance	**$ 50,724**	$ 30,031
Prepaid supplies	**11,419**	13,837
Prepaid professional services	**57,847**	32,086
Prepaid rent and lease deposits	**17,440**	17,841
Prepaid other	**1,409**	16,103
Total prepaid expenses	**$ 138,839**	$ 109,898
Other assets:		
Long term investment	**21,628**	21,628
Total other assets	**$ 21,628**	$ 21,628

Long-term investment consists of 216,281 shares of common stock of A/F Protein, Inc. (“AFP”), equating to a less than 1% ownership stake, with a cost basis of $21,628. AFP and the Company have certain shareholders in common.

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include the following:

	September 30, 2016	December 31, 2015
Accounts payable	**$ 195,341**	$ 157,272
Accrued payroll including vacation	**217,582**	263,851
Accrued professional fees	**193,752**	82,036
Accrued research and development costs	**107,721**	100,583
Accrued interest	**237,500**	—
Accrued other	**12,464**	18,167
Accounts payable and accrued liabilities	**$ 964,360**	$ 621,909

8. Debt

The current terms and conditions of debt outstanding are as follows:

	Interest rate	Monthly repayment	Maturity date	**September 30, 2016**	December 31, 2015
Royalty-based financing:					
ACOA AIF grant (C$2,871,919)	0%	Royalties	—	**$ 2,184,956**	$ 2,070,366
PEI Finance (C$717,093)	4%	C$4,333	July 2021	**543,699**	—
Intrexon convertible loan	10%		March 2017	**7,500,000**	—
Total debt				**$ 10,228,655**	$ 2,070,366
less: current portion				**7,518,158)**	—
Long-term debt				**$ 2,710,497**	$ 2,070,366

Atlantic Canada Opportunities Agency

ACOA is a Canadian government agency that provides funding to support the development of businesses and to promote employment in the Atlantic region of Canada.

In January 2009, the Canadian Subsidiary was awarded a grant from ACOA to provide a contribution towards the funding of a research and development project. The total amount claimed under the award over the five-year claim period was C$2,871,919 ($2,184,956). No further funds are available under this grant. Amounts claimed by the Canadian Subsidiary must be repaid in the form of a 10% royalty on any products that are commercialized out of this research project, until the loan is fully paid. No repayments have been made to date.

Finance PEI ("FPEI")

FPEI is a corporation of the Ministry of Economic Development and Tourism for Prince Edward Island, Canada and administers business financing programs for the provincial government. In August 2016, the Company's Canadian Subsidiary obtained a loan from FPEI in the amount of C$717,093 ($547,142) to partially finance the purchase of the assets of the former Atlantic Sea Smolt plant in Rollo Bay West on Prince Edward Island. The loan is being repaid through monthly payments of principal and interest with a balloon payment for the balance due in July 2021. The loan is collateralized by a mortgage executed by the Canadian Subsidiary which conveys a first security interest in all of its current and acquired assets. The loan is guaranteed by AquaBounty Technologies, Inc.

Intrexon

Intrexon is a public company specializing in next generation synthetic biology and the Company's majority shareholder. In February 2016, Intrexon agreed to provide the Company with a $10.0 million convertible debt facility. The unsecured loan can be drawn-down in increments of $2.5 million, carries an interest rate of 10%, and all principal and accrued interest matures on March 1, 2017. Upon the closing of an equity financing or upon written election by Intrexon, all funds borrowed, plus accrued interest, are convertible into common shares of the Company at a price of GBP0.23 per share. As of September 30, 2016, the Company had borrowed $7.5 million under this debt facility.

Included in accounts payable and accrued liabilities at September 30, 2016 is $237,500 of accrued interest on this outstanding debt.

The Company recognized interest expense of $238,931 and $nil for the nine months ended September 30, 2016 and 2015.

9. Stockholders' equity

The Company is presently authorized to issue up to 240 million shares of stock, of which 40 million are authorized as preferred stock and 200 million as common stock.

Common stock

The holders of the common shares are entitled to one vote for each share held at all meetings of stockholders. Dividends and distribution of assets of the Company in the event of liquidation are subject to the preferential rights of any outstanding preferred shares.

Restricted Stock

The Company grants restricted common stock to the Chairman of the Board of Directors as part of his compensation package. Generally, the shares are fully vested upon the third anniversary of the grant date. Unvested shares can be cancelled upon termination of the Chairman's services. In March 2016, the Company issued 86,956 shares of restricted common stock, which vest over three years, to the Chairman. The fair value of the common stock issued was $27,892.

A summary of the Company's unvested shares of restricted stock as of September 30, 2016 is as follows:

	Shares	Weighted average grant date fair value
Unvested at December 31, 2015	115,557	$ 0.19
Granted	86,956	0.32
Vested	(56,911)	0.23
Forfeited	—	—
Unvested at September 30, 2016	145,602	$ 0.25

During the nine months ended September 30, 2016 and 2015, the Company expensed $13,165 and $6,023 related to the Chairman's restricted stock awards. At September 30, 2016 the balance of unearned share-based compensation to be expensed in future periods related to the restricted stock awards is $37,099. The period over which the unearned share-based compensation is expected to be earned is approximately two years.

Stock options

In 2006, the Company established the 2006 Equity Incentive Plan (the "2006 Plan"). The 2006 Plan provided for the issuance of incentive stock options to employees of the Company and non-qualified stock options and awards of restricted and direct stock purchases to Directors, officers, employees and consultants of the Company. In accordance with its original terms, no further shares may be granted under the 2006 Plan subsequent to March 18, 2016. All outstanding awards under the 2006 Plan will continue until their individual termination dates.

On March 11, 2016, the Company's Board of Directors adopted the AquaBounty Technologies, Inc. 2016 Equity Incentive Plan (the "2016 Plan") to replace the 2006 Plan. The 2016 Plan provides for the issuance of incentive stock options, non-qualified stock options and awards of restricted and direct stock purchases to Directors, officers, employees and consultants of the Company. The aggregate number of shares of common stock that may be issued pursuant to awards granted under the 2016 Plan cannot exceed 13,500,000. The 2016 Plan was approved by the Company's shareholders at its Annual Meeting on April 26, 2016. As of September 30, 2016, no awards have been granted under the 2016 Plan.

The Company's option activity under the 2006 Plan is summarized as follows:

	Number of options	Weighted average exercise price
Outstanding at December 31, 2015	5,382,000	$ 0.26
Issued	225,000	0.32
Exercised	(32,500)	0.21
Expired	(7,500)	0.78
Outstanding at September 30, 2016	5,567,000	$ 0.26
Exercisable at September 30, 2016	5,321,598	$ 0.26

In September 2016, the Company issued 15,709 shares of common stock in a cashless exercise of 32,500 stock options by an employee.

Unless otherwise indicated, options issued to employees, members of the Board of Directors and non-employees are vested over one to three years and are exercisable for a term of ten years from the date of issuance.

The weighted average fair value of stock options granted during the nine months ended September 30, 2016 was $0.15. There were 32,500 options exercised in this period with an intrinsic value of $6,338. The total intrinsic value

of all options outstanding was $1,060,027 and $934,081 at September 30, 2016 and December 31, 2015, respectively. The total intrinsic value of exercisable options was $1,039,398 and $844,224 at September 30, 2016 and December 31, 2015, respectively.

The following table summarizes information about options outstanding and exercisable at September 30, 2016:

Weighted average exercise price of outstanding options	Number of options outstanding	Weighted average remaining estimated life (in years)	Number of options exercisable	Weighted average price of outstanding and exercisable options
$0.11	2,630,000	2.8	2,630,000	$ 0.11
$0.12	24,000	5.8	24,000	$ 0.12
$0.19	310,000	8.4	288,901	$ 0.19
$0.23	871,000	4.8	815,444	$ 0.23
$0.25	475,000	6.6	475,000	$ 0.25
$0.32	249,000	8.9	155,211	$ 0.32
$0.33	24,000	1.7	24,000	$ 0.33
$0.35	48,000	6.8	48,000	$ 0.35
$0.36	72,000	7.8	72,000	$ 0.36
$0.65	76,500	0.7	76,500	$ 0.65
$0.78	787,500	7.3	712,542	$ 0.78
$0.26	5,567,000		5,321,598	$ 0.26

The fair value of stock option grants to employees and members of the Board of Directors during the nine months ended September 30, 2016 and 2015 were measured on the date of grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	September 30, 2016	December 31, 2015
Expected volatility	**53%**	88%
Risk free interest rate	**1.31%**	1.54%
Expected dividend yield	**0.0%**	0.0%
Expected life (in years)	**5**	5

The risk-free interest rate is estimated using the Federal Funds interest rate for a period that is commensurate with the expected term of the awards. The expected dividend yield is zero because the Company has never paid a dividend and does not expect to do so for the foreseeable future. The expected life was based on a number of factors including historical experience, vesting provisions, exercise price relative to market price and expected volatility. The Company believes that all groups of award recipients demonstrate similar exercise and post-vesting termination behavior and, therefore, does not stratify award recipients into multiple groups. The expected volatility was estimated using the Company's historical price volatility over a period that is commensurate with the expected term of the awards.

Total share-based compensation on stock-option grants amounted to $153,313 and $172,245 for the nine months ended September 30, 2016 and 2015, respectively. At September 30, 2016 the balance of unearned share-based compensation to be expensed in future periods related to unvested share-based awards is $60,948. The period over which the unearned share-based compensation is expected to be earned is approximately two years.

10. Commitments and contingencies

The Company recognizes and discloses commitments when it enters into executed contractual obligations with other parties. The Company accrues contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

Lease commitments

In May 2016, the Company extended its lease for its Panama farm site. The lease has a term of two years, ending in May 2018, with total rent payments of $360,000.

In addition, the Company leases office space in Brazil and Maynard, Massachusetts on a month-to-month basis.

Total rent expense for the nine months ended September 30, 2016 and 2015 was $152,063 and $151,599, respectively.

Employment agreements
The Company has employment agreements with certain of its officers. The agreements provide for base pay and benefits, as defined. Under certain circumstances of termination, the Company must make severance payments.

11. Retirement plan

The Company has a savings and retirement plan for its US employees which qualifies under Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees and provides for voluntary contributions by participating employees up to the maximum contribution allowed under the Internal Revenue Code. Contributions by the Company can be made, as determined by the Board of Directors, provided the amount does not exceed the maximum permitted by the Internal Revenue Code. Company contributions made and expensed in operations in connection with the plan during the nine months ended September 30, 2016 and 2015 amounted to $29,144 and $23,748, respectively. The Company also has a Registered Retirement Savings Plan for its Canadian employees. Company contributions made and expensed in operations in connection with the plan during the nine months ended September 30, 2016 and 2015 amounted to $15,770 and $11,999, respectively.

12. Contract Research Agreements

In March 2012, the Company executed a contract research agreement with Tethys Aquaculture Canada Inc. (“TAC”), to provide AquaBounty with the resources required for its ongoing development needs. Under the terms of the extended agreement, TAC will provide services to the Company through September 30, 2016 and on a project-related basis thereafter. Total costs incurred under the terms of this agreement for the nine months ended September 30, 2016 and 2015 amounted to $103,208 and $229,445, respectively and is included as a component of research and development expense in the Consolidated Statements of Operations and Comprehensive Loss.

In February 2015, the Company executed a contract research agreement with the Center for Aquaculture Technologies, Inc. (“CAT”) to provide research services for a specific project. Under the terms of the extended agreement, CAT will provide services to the Company through December 31, 2016. Total costs incurred under the terms of this agreement for the nine months ended September 30, 2016 and 2015 amounted to $130,250 and $138,787, respectively and is included as a component of research and development expense in the Consolidated Statements of Operations and Comprehensive Loss.

13. Related Party Collaboration Agreement

In February 2013, the Company entered into an Exclusive Channel Collaboration agreement (“ECC”) with Intrexon Corporation, its majority shareholder, pursuant to which the Company will use Intrexon’s UltraVector® and other technology platforms to develop and commercialize additional genetically modified traits in finfish for human consumption. The ECC, which can be terminated by the Company upon 90 days’ written notice, grants the Company a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale and offer for sale of products involving DNA administered to finfish for human consumption. Such license is exclusive with respect to any clinical development, selling, offering for sale or other commercialization of developed products, and otherwise is non-exclusive.

Under the ECC and subject to certain exceptions, the Company is responsible for, among other things, the performance of the program, including development, commercialization and certain aspects of manufacturing developed products. Among other things, Intrexon is responsible for the costs of establishing manufacturing capabilities and facilities for the bulk manufacture of certain products developed under the program, certain other aspects of manufacturing, costs of discovery-stage research with respect to platform improvements and costs of filing, prosecution and maintenance of Intrexon’s patents.

The Company will pay Intrexon quarterly 16.66% of the gross profits calculated under the terms of the agreement for each developed product. The Company has likewise agreed to pay Intrexon 50% of quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, the Company will reimburse Intrexon for the costs of certain services provided by Intrexon. No royalties have been paid to Intrexon to date under the terms of this agreement.

Total Intrexon service costs incurred under the terms of this agreement for the nine months ended September 30, 2016 and 2015 amounted to $717,141 and $814,565, respectively and are included as a component of research and development expense in the Consolidated Statements of Operations and Comprehensive Loss. Included in accounts payable and accrued liabilities at September 30, 2016 and December 31, 2015 are amounts due to Intrexon under the ECC totalling $100,000 and $79,388, respectively.

14. Recently Issued Accounting Standards

In August 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2014-15 "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." The core principle of the guidance is that an entity's management should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. When management identifies conditions or events that raise substantial doubt about an entity's ability to continue as a going concern, management should consider whether its plans that are intended to mitigate those relevant conditions or events that will alleviate the substantial doubt are adequately disclosed in the footnotes to the financial statements. This guidance will be effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company is currently evaluating the impact of adopting this ASU on the financial statements.

In April 2015, the FASB issued ASU 2015-03, 'Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs". ASU 2015-03 is intended to simplify the presentation of debt issuance costs. These amendments require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. This new guidance is effective for fiscal years beginning after December 15, 2015 and interim periods within those fiscal years. This ASU did not have an impact on the Company's financial statements.

In November 2015, the FASB issued ASU 2015-17, "Balance Sheet Classification of Deferred Taxes" which requires that deferred tax liabilities and assets be classified as noncurrent on the balance sheet. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by this guidance. ASU 2015-17 is effective for annual and interim periods beginning after December 15, 2016 but early application is permitted and the guidance may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented.

In February 2016, the FASB issued ASU 2016-02, "Leases", which requires a lessee to recognize lease liabilities for the lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and right-of-use assets, representing the lessee's right to use, or control the use of, specified assets for the lease term. Additionally, the new guidance has simplified accounting for sale and leaseback transactions. Lessor accounting is largely unchanged. The ASU is effective for fiscal years beginning after December 15, 2018. Early application is permitted.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation – Stock Compensation". The areas for simplification in this update involve several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. For public entities, the amendments in this update are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted in any interim or annual period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The Company is currently evaluating the impact of adopting this ASU on the financial statements.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows", which provides specific guidance on eight cash flow classification issues. For public entities, the amendments in this update are effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. Early adoption is permitted in any interim or annual period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The Company is currently evaluating the impact of adopting this ASU on the financial statements.

Management does not expect any other recently issued, but not yet effective, accounting standards to have a material effect on its results of operations or financial condition.

15. Subsequent Events

There were no subsequent events requiring accrual or disclosure in these financial statements.

AquaBounty Technologies, Inc.

Consolidated financial statements

As of 31 December 2015 and 2014 and for each of the three years in the period ended 31 December 2015.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of AquaBounty Technologies, Inc.:

We have audited the accompanying consolidated balance sheets of AquaBounty Technologies, Inc. as of 31 December 2015 and 2014, and the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity (deficit), and cash flows for each of the three years in the period ended 31 December 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AquaBounty Technologies, Inc. as of 31 December 2015 and 2014, and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2015, in conformity with US generally accepted accounting principles.

Wolf & Company, P.C.
Boston, Massachusetts
23 February 2016

AquaBounty Technologies, Inc.

Consolidated balance sheets

As of 31 December	Note	2015	2014
ASSETS			
Current assets:			
Cash and cash equivalents		**$ 1,313,421**	$ 5,163,262
Certificate of deposit		**10,339**	12,353
Other receivables		**41,897**	26,717
Prepaid expenses and other assets	6	**109,898**	101,679
Total current assets		**1,475,555**	5,304,011
Property, plant and equipment, net	4	**741,340**	913,703
Definite lived intangible assets, net	5	**206,381**	177,119
Indefinite lived intangible assets		**191,800**	191,800
Other assets	6	**21,628**	21,628
Total assets		**$ 2,636,704**	$ 6,608,261
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Accounts payable and accrued liabilities	7	**$ 621,909**	$ 677,162
Total current liabilities		**621,909**	677,162
Long-term debt	8	**2,070,366**	2,421,720
Total liabilities		**2,692,275**	3,098,882
Commitments and contingencies	11		
Stockholders' equity (deficit):	9		
Common stock, $0.001 par value, 200,000,000 shares authorized; 157,425,309 (2014: 144,537,265) shares outstanding		**157,425**	144,537
Additional paid-in capital		**90,816,636**	87,591,702
Accumulated other comprehensive loss		**(226,432)**	(455,172)
Accumulated deficit		**(90,803,200)**	(83,771,688)
Total stockholders' equity (deficit)		**(55,571)**	3,509,379
Total liabilities and stockholders' equity (deficit)		**$ 2,636,704**	$ 6,608,261

See accompanying notes to the consolidated financial statements and report of the independent registered public accounting firm.

AquaBounty Technologies, Inc.

Consolidated statements of operations and comprehensive loss

Years ended 31 December	Note	2015	2014	2013
COSTS AND EXPENSES				
Sales and marketing		**$ 1,694,916**	$ 1,444,628	$ 678,153
Research and development		**2,635,289**	2,497,935	1,895,056
General and administrative		**2,696,369**	3,192,716	2,302,279
Total costs and expenses		**7,026,574**	7,135,279	4,875,488
OPERATING LOSS		**(7,026,574)**	(7,135,279)	(4,875,488)
OTHER INCOME (EXPENSE)				
Gain on royalty based financing instrument	8	**—**	—	186,980
Interest and other income (expense), net		**(4,938)**	7,904	(530)
Total other income (expense)		**(4,938)**	7,904	186,450
NET LOSS		**$ (7,031,512)**	$ (7,127,375)	$ (4,689,038)
OTHER COMPREHENSIVE INCOME				
Foreign currency translation gain		**228,740**	111,138	93,891
Total other comprehensive income		**228,740**	111,138	93,891
COMPREHENSIVE LOSS		**$ (6,802,772)**	$ (7,016,237)	$ (4,595,147)
Basic and diluted net loss per share		**$ (0.05)**	$ (0.05)	$ (0.04)
Weighted average number of common shares – basic and diluted		**151,122,602**	140,389,712	120,613,246

See accompanying notes to the consolidated financial statements and report of the independent registered public accounting firm.

AquaBounty Technologies, Inc.

Consolidated statements of changes in stockholders' equity (deficit)

	Common stock issued and outstanding	Par value	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total
Balance at 31 December 2012	102,255,688	$ 102,256	$ 71,733,509	$ (660,201)	$ (71,955,275)	$ (779,711)
Net loss					(4,689,038)	(4,689,038)
Other comprehensive income				93,891		93,891
Issuance of common stock, net of expenses	22,883,295	22,883	5,702,724			5,725,607
Exercise of options for common stock	29,500	29	3,971			4,000
Exercise of options for common stock – cashless	71,771	72	(72)			—
Share based compensation	65,217	65	142,078			142,143
Balance at 31 December 2013	125,305,471	$ 125,305	$ 77,582,210	$ (566,310)	$ (76,644,313)	$ 496,892
Net loss					(7,127,375)	(7,127,375)
Other comprehensive income				111,138		111,138
Issuance of common stock, net of expenses	19,040,366	19,041	9,724,445			9,743,486
Exercise of options for common stock	120,000	120	12,180			12,300
Share based compensation	71,428	71	272,867			272,938
Balance at 31 December 2014	144,537,265	$ 144,537	$ 87,591,702	$ (455,172)	$ (83,771,688)	$ 3,509,379
Net loss					**(7,031,512)**	**(7,031,512)**
Other comprehensive income				**228,740**		**228,740**
Issuance of common stock, net of expenses	**12,728,044**	**12,728**	**2,987,272**			**3,000,000**
Share based compensation	**160,000**	**160**	**237,662**			**237,822**
Balance at 31 December 2015	**157,425,309**	**$ 157,425**	**$ 90,816,636**	**$ (226,432)**	**$ (90,803,200)**	**$ (55,571)**

See accompanying notes to the consolidated financial statements and report of the independent registered public accounting firm.

AquaBounty Technologies, Inc.

Consolidated statements of cash flows

Years ended 31 December	2015	2014	2013
OPERATING ACTIVITIES			
Net loss	**$ (7,031,512)**	$ (7,127,375)	$ (4,689,038)
Adjustment to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	**105,952**	140,742	147,101
Share-based compensation	**237,822**	272,938	142,143
Gain on royalty based financing instrument	**—**	—	(186,980)
Gain on disposal of fixed asset	**(1,912)**	**—**	**—**
Changes in operating assets and liabilities:			
Other receivables	**(21,195)**	48,054	(57,264)
Prepaid expenses and other assets	**(12,421)**	117,876	(94,935)
Accounts payable and accrued liabilities	**(25,032)**	(13,135)	281,345
Net cash used in operating activities	**(6,748,298)**	(6,560,900)	(4,457,628)
INVESTING ACTIVITIES			
Purchases of equipment	**(74,113)**	(116,911)	(99,500)
Paid out (reinvested) interest on certificate of deposit	**—**	—	(6)
Payment of patent costs	**(30,372)**	(35,340)	(42,249)
Net cash used in investing activities	**(104,485)**	(152,251)	(141,755)
FINANCING ACTIVITIES			
Proceeds from issuance of bridge loan	**—**	—	300,000
Repayment of bridge loan	**—**	—	(500,000)
Proceeds from issuance of long-term debt	**44,004**	268,491	665,199
Repayment of other term debt	**—**	—	(68,327)
Proceeds from issuance of common stock, net	**3,000,000**	9,743,486	5,725,607
Proceeds from exercise of stock options	**—**	12,300	4,000
Net cash provided by financing activities	**3,044,004**	10,024,277	6,126,479
Effect of exchange rate changes on cash and cash equivalents	**(41,062)**	(23,613)	132
Net change in cash and cash equivalents	**(3,849,841)**	3,287,513	1,527,228
Cash and cash equivalents at beginning of year	**5,163,262**	1,875,749	348,521
Cash and cash equivalents at end of year	**$ 1,313,421**	$ 5,163,262	$ 1,875,749
SUPPLEMENTAL CASH FLOW INFORMATION			
Interest paid in cash	**$ 10**	$ 62	$ 4,223

See accompanying notes to the consolidated financial statements and report of the independent registered public accounting firm.

AquaBounty Technologies, Inc.

Notes to the consolidated financial statements

for the years ended 31 December 2015, 2014 and 2013

1. Nature of business and organization

Nature of business

AquaBounty Technologies, Inc. (the “Parent”) was incorporated in December 1991 in the State of Delaware for the purpose of conducting research and development of the commercial viability of a group of proteins commonly known as antifreeze proteins (AFPs). In 1996, the Parent obtained the exclusive licensing rights for a gene construct (transgene) used to create a breed of farm-raised Atlantic salmon that exhibit growth rates that are substantially faster than traditional salmon.

In 2015, the Parent obtained approval from the US Food and Drug Administration for the production, sale and consumption of its AquAdvantage® Salmon product in the United States.

AquaBounty Canada, Inc. (the “Canadian Subsidiary”) was incorporated in January 1994 in Canada for the purpose of establishing a commercial biotechnology laboratory to conduct research and development programs related to the Parent’s technologies.

AquaBounty Panama, S. de R.L. (the “Panama Subsidiary”) was incorporated in May 2008 in Panama for the purpose of conducting commercial trials of the Company’s AquAdvantage Salmon.

AquaBounty Farms, Inc. (the “US Subsidiary”) was incorporated in December 2014 in the State of Delaware for the purpose of conducting commercial trials of the Company’s AquAdvantage Salmon.

AquaBounty Brasil Participacoes Ltda. (the “Brazil Subsidiary”) was incorporated in May 2015 in Brazil for the purpose of conducting commercial trials of the Company’s AquAdvantage Salmon.

Basis of consolidation

The consolidated financial statements include the accounts of AquaBounty Technologies, Inc. and its wholly owned subsidiaries, AquaBounty Canada, Inc., AquaBounty Panama, S. de R.L., AquaBounty Farms, Inc. and AquaBounty Brasil Participacoes Ltda. The entities are collectively referred to herein as the “Company.” All inter-company transactions and balances have been eliminated upon consolidation.

Liquidity and Management’s Plan

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has experienced net losses and negative cash flows from operations since its inception and has cumulative losses attributable to common stockholders of $90.8 million and a total stockholders’ deficit of $0.1 million as of 31 December 2015. The Company has historically financed its operations through issuances of equity and the proceeds of debt instruments and will continue to do so until such time that the Company is able to achieve positive cash flows from operations. In June 2015, the Company closed on a fundraising resulting in net proceeds of $3.0 million.

The Company continues to actively pursue various funding options, including equity offerings, to obtain additional funds to continue the development of its products and bring them to commercial markets. Management continues to assess fundraising opportunities to ensure minimal dilution to its existing shareholder base and to obtain the best price for its securities. In February 2016, the Company agreed to a convertible debt facility with a maximum credit line of $10.0 million (Note 17). Absent further financing, this amount is expected to be sufficient to fund the Company to March 2017.

Management is optimistic based upon its ability to raise funds in prior years, through common stock offerings, that it will be able to raise additional funds in the future. If the Company is unable to raise additional capital as may be needed to meet its projections for operating expenses, it could have a material adverse effect on liquidity. These financial statements do not include any adjustments relating to the recoverability of recorded asset amounts that might be necessary as a result of the above uncertainty.

2. Summary of significant accounting policies

Use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Comprehensive loss
The Company displays comprehensive loss and its components as part of its consolidated financial statements. Comprehensive loss consists of net loss and other comprehensive income (loss). Other comprehensive income (loss) includes foreign currency translation adjustments.

Foreign currency translation
The functional currency of the Parent is the US Dollar. The functional currency of the Canadian Subsidiary is the Canadian Dollar (C$) and the functional currency of the Panama, US and Brazil Subsidiaries is the US Dollar. For the Canadian Subsidiary, assets and liabilities are translated at the exchange rates in effect at the balance sheet date, equity accounts are translated at the historical exchange rate and the income statement accounts are translated at the average rate for each period during the year. Net translation gains or losses are adjusted directly to a separate component of other comprehensive income (loss) within stockholders' equity (deficit).

Cash equivalents
The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash equivalents consist primarily of business savings accounts.

Certificate of deposit
The Company has a six-month certificate of deposit at December 31, 2015 and 2014 that currently bears interest at 0.45%. It is renewable semi-annually in January and July.

Intangible assets
Definite lived intangible assets include patents and licenses. Patent costs consist primarily of legal and filing fees incurred to file patents on proprietary technology developed by the Company. Patent costs are amortized on a straight-line basis over 20 years beginning with the filing date of the applicable patent. License fees are capitalized and expensed over the term of the licensing agreement.

Indefinite lived intangible assets include trademark costs, which are capitalized with no amortization as they have an indefinite life.

Property, plant and equipment
Property, plant and equipment are carried at cost, except for those owned by the Canadian Subsidiary, which records such assets net of any related Canadian government grants received. The Company depreciates all asset classes over their estimated useful lives.

Building	25 years
Equipment	7–10 years
Office furniture and equipment	3 years
Leasehold improvements	shorter of asset life or lease term
Vehicles	3 years

Impairment of long-lived assets
The Company reviews the carrying value of its long-lived tangible assets and definite lived intangible assets on an annual basis or more frequently if facts and circumstances suggest that they may be impaired. The carrying values of such assets are considered impaired when the anticipated identifiable undiscounted cash flows from such assets are less than their carrying values. An impairment loss, if any, is recognized in the amount of the difference between the carrying amount and fair value.

Indefinite lived intangible assets are subject to impairment testing annually or more frequently if impairment indicators arise. The Company's impairment testing utilizes a discounted cash flow analysis that requires

significant management judgment with respect to revenue and expense growth rates, changes in working capital and the selection and use of the appropriate discount rate. An impairment loss is recognized in the amount of the difference between the carrying amount and fair value.

Income taxes
The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recorded for the expected future tax consequences of temporary differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences reverse. A valuation allowance is established to reduce net deferred tax assets to the amount expected to be realized. The Company follows accounting guidance regarding the recognition, measurement, presentation and disclosure of uncertain tax positions in the financial statements. Tax positions taken or expected to be taken in the course of preparing the Company's tax returns are required to be evaluated to determine whether the tax positions are "more likely than not" to be upheld under regulatory review. The resulting tax impact of these tax positions is recognized in the financial statements based on the results of this evaluation. The Company did not recognize any tax liabilities associated with uncertain tax positions, nor has it recognized any interest or penalties related to unrecognized tax positions. Generally, the Company is no longer subject to federal and state tax examinations by tax authorities for years before 2012.

Royalty based financing instruments
From time to time the Company will enter into financing arrangements whereby the funds received will be repaid through future royalties from revenues at agreed-upon royalty rates. Amounts to be paid may be in excess of amounts borrowed. Additionally, in certain instances the repayment terms have expiration dates. The Company records outstanding borrowings under these arrangements as long-term debt liabilities and adjusts the balance based on the likelihood of future repayment, taking into consideration the terms of the individual arrangements.

Net loss per share
Basic and diluted net loss per share available to common stockholders has been calculated by dividing net loss by the weighted average number of common shares outstanding during the year. Basic net loss is based solely on the number of common shares outstanding during the year. Fully diluted net loss per share includes the number of shares of common stock issuable upon the exercise of warrants and options with an exercise price less than the fair value of the common stock. Since the Company is reporting a net loss for all periods presented, all potential common shares are considered anti-dilutive and are excluded from the calculation of diluted net loss per share.

Share-based compensation
The Company measures and recognizes all share-based payment awards, including stock options made to employees and Directors, based on estimated fair values. The fair value of a share-based payment award is estimated on the date of grant using an option pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service period in the Company's consolidated statement of operations. The Company uses the Black-Scholes option pricing model ("Black-Scholes") as its method of valuation. Non-employee stock-based compensation is accounted for using Black-Scholes to determine the fair value of warrants or options awarded to non-employees with the fair value of such issuances expensed over the period of service.

3. Risks and uncertainties

The Company is subject to risks and uncertainties common in the biotechnology and aquaculture industries. Such risks and uncertainties include, but are not limited to: (i) results from current and planned product development studies and trials; (ii) decisions made by the FDA or similar regulatory bodies in other countries with respect to approval and commercial sale of any of the Company's proposed products; (iii) the commercial acceptance of any products approved for sale and the Company's ability to manufacture, distribute and sell for a profit any products approved for sale; (iv) the Company's ability to obtain the necessary patents and proprietary rights to effectively protect its technologies; and (v) the outcome of any collaborations or alliances entered into by the Company.

Concentration of credit risk
Financial instruments that potentially subject the Company to credit risk consist principally of cash equivalents and marketable securities. This risk is minimized by the Company's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Company's cash balances may at times exceed insurance limitations.

Financial instruments

The carrying amounts reported in the consolidated balance sheets for other receivables and accounts payable approximate fair value based on the short-term maturity of these instruments. The carrying value of debt approximates its fair value since it provides for market terms and interest rates other than as disclosed in Note 8 related to royalty-based financing instruments. These royalty based financing instruments are adjusted at each reporting period to the amounts the Company expects to repay.

The Company groups its financial instruments measured at fair value, if any, in three levels, based on markets in which the instruments are traded and the reliability of the assumptions used to determine fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Financial instruments with readily available quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs derived principally from, or can be corroborated by, observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In certain cases, the input used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

4. Property, plant and equipment

Major classifications of property, plant and equipment are summarized as follows:

	2015	2014
Land	**$ 73,158**	$ 87,264
Building and improvements	**1,143,384**	1,356,463
Equipment	**553,231**	623,885
Office furniture and equipment	**77,697**	77,769
Vehicles	**26,367**	12,372
Total property and equipment	**1,873,837**	2,157,753
Less accumulated depreciation and amortization	**(1,132,497)**	(1,244,050)
Property, plant and equipment	**$ 741,340**	$ 913,703

Depreciation and amortization expense for 2015 on property, plant and equipment was $104,842 (2014: $140,742; 2013: $144,126).

5. Definite lived intangible assets

The following is a summary of definite lived intangible assets at 31 December 2015 and 2014:

	2015	2014
Patents, gross	**$ 211,705**	$ 181,333
Less accumulated amortization	**(5,324)**	(4,214)
Patents, net	**206,381**	177,119
Licenses, gross	**30,000**	30,000
Less accumulated amortization	**(30,000)**	(30,000)
Licenses, net	**—**	—
Total definite lived intangible assets	**$ 206,381**	$ 177,119

Patent amortization expense for 2015 was $1,110 (2014: $0; 2013: $2,975). Estimated amortization expense for each of the next four years is $13,320. Licenses were fully amortized as of December 31, 2012

6. Prepaid expenses and other assets

Prepaid expenses and other assets include the following at 31 December 2015 and 2014:

	2015	2014
Prepaid insurance	**$ 30,031**	$ 25,089
Prepaid supplies	**13,837**	17,629
Prepaid professional services	**32,086**	30,321
Prepaid rent and lease deposits, short-term (Note 11)	**17,841**	28,640
Prepaid other	**16,103**	—
Prepaid expenses and other assets	**$ 109,898**	$ 101,679
Long-term investment	**21,628**	21,628
Other assets	**$ 21,628**	$ 21,628

Long–term investment consists of 216,281 shares of common stock of A/F Protein, Inc. (AFP), equating to less than 1% ownership, with a cost basis of $21,628, which the Company believes to be the best estimate of market value. AFP and the Company have certain shareholders in common.

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include the following at 31 December 2015 and 2014:

	2015	2014
Accounts payable	**$ 157,272**	$ 137,625
Accrued payroll including vacation	**263,851**	237,543
Accrued professional fees	**82,036**	147,798
Accrued research and development costs	**100,583**	134,776
Accrued other	**18,167**	19,420
Accounts payable and accrued liabilities	**$ 621,909**	$ 677,162

8. Long-term debt

The current terms and conditions of long-term debt outstanding at 31 December 2015 and 2014 are as follows:

Loan source	Amount	Interest rate	Monthly payment/ repayment terms	Maturity date	2015	2014
Royalty-based financing:						
ACOA AIF grant	C$2,871,919	0%	Royalties	—	**$ 2,070,366**	$ 2,421,720
TPC funding	C$2,964,900	0%	Royalties	June 2014	**—**	—
Long-term debt					**$ 2,070,366**	$ 2,421,720

Atlantic Canada Opportunities Agency (ACOA)
ACOA is a Canadian government agency that provides funding to support the development of businesses and to promote employment in the Atlantic region of Canada.

In January 2009, the Canadian Subsidiary was awarded a grant from ACOA to provide a contribution towards the funding of a research and development project. The total amount available under the award was C$2,871,900 which could be claimed over a five-year period. All amounts claimed by the Canadian Subsidiary must be repaid in the form of a 10% royalty on any products that are commercialized out of this research project, until the loan is fully paid. During 2015, the Canadian Subsidiary submitted claims and received funds in the amount of C$55,638 (2014: C$292,318). No repayments have been made to date. Cumulative draws on this award aggregate C$2,871,919 and there are no funds remaining available under this award at 31 December 2015.

Technology Partnership Canada (TPC)
TPC is a Canadian government agency that provides funding to promote economic growth and create jobs in Canada.

In November 1999, TPC agreed to provide funding up to C$2,964,900 to support the Canadian Subsidiary's efforts to develop commercial applications of its transgenic growth-enhanced fin fish technology. Funding under the TPC funding agreement was completed in 2003. This amount was repayable to TPC in the form of a 5.2% royalty on revenues generated from the sale of transgenic growth-enhanced fin fish commercial products. However, the Canadian Subsidiary would have no further repayment obligations after 30 June 2014 even if the total amount had not been repaid as of such date. In 2013, management concluded that the probable amount owed would be C$nil as no revenue would be generated to pay back the outstanding balance prior to the loan termination date. As a result, the balance owed to TPC was adjusted to C$nil and the Company recognized a gain of C$200,000 in 2013 (US$186,980 after foreign exchange adjustment).

The Company recognized interest expense in 2015 of $nil (2014: $nil; 2013: $3,877) on their interest-bearing debt.

9. Stockholders' equity

The Company is presently authorized to issue up to 240 million shares of stock, of which 40 million are authorized as preferred stock and 200 million as common stock. At 31 December 2015 the Company had zero shares (2014: zero) of preferred stock and 157,425,309 shares (2014: 144,537,265) of common stock, issued and outstanding.

Common stock
The holders of the common stock are entitled to one vote for each share held at all meetings of stockholders. Dividends and distribution of assets of the Company in the event of liquidation are subject to the preferential rights of any outstanding preferred shares. At 31 December 2015 the Company had reserved 5,382,000 shares of common stock for the exercise of options.

Recent issuances
In June 2015 the Board approved a fundraising of $3.0 million by means of a subscription for new common shares by the Company's majority shareholder, Intrexon Corporation. The subscription price was $0.2357 (15.0 pence) per share, which represented the closing price of the Company's stock on 23 June 2015, and the aggregate number of common shares subscribed was 12,728,044. The transaction closed on 30 June 2015.

In February 2015 the Company issued 160,000 shares of restricted common stock, which vest over three years, as part of the compensation package for the Chairman of the Board of Directors. The fair value of the common stock issued was $30,976 and the Company recorded a compensation charge in 2015 of $8,604 in connection with the issuance. An expense of $22,372 will be amortized over the remaining vesting term. At 31 December 2015, 44,442 shares had vested.

In July 2014 the Company issued 71,428 shares of common stock as part of the compensation package for the Chairman of the Board of Directors. The Company recorded a compensation charge of $25,577 in connection with the issuance, which fully vested during 2014.

In January 2014 the Board approved a fundraising of $10.0 million before expenses by means of a subscription for new common shares by the Company's majority shareholder, Intrexon Corporation. The subscription price was $0.5252 (31.5 pence) per share, which represented the closing price of the Company's stock on 4 March 2014, and the aggregate number of common shares subscribed was 19,040,366. The transaction closed on 20 March 2014 with net proceeds to the Company of $9.74 million.

In July 2013 the Company issued 65,217 shares of common stock as part of the compensation package for the Chairman of the Board of Directors. The Company recorded a compensation charge of $22,812 in connection with the issuance, which fully vested during 2013.

In February 2013 the Board approved a fundraising of approximately £3.9 million (US$6.0 million) before expenses by means of a subscription for new common shares by certain existing shareholders. The subscription price was 16.89 pence per share ($0.2622) and the aggregate number of common shares subscribed was 22,883,295. The transaction closed on 15 March 2013 with net proceeds to the Company of $5.73 million.

Stock options

In 1998 the Company established a stock option plan. This plan was superseded by the 2006 Equity Incentive Plan (the "Plan"). The Plan provides for the issuance of incentive stock options to employees of the Company and non-qualified stock options and awards of restricted and direct stock purchases to Directors, officers, employees and consultants of the Company.

The Company's option activity under the Plan is summarized as follows:

	Number of options	Weighted average exercise price
Outstanding at 31 December 2012	7,202,000	$0.28
Issued	596,000	0.27
Exercised	(162,000)	0.12
Expired and forfeited	(1,012,000)	0.51
Outstanding at 31 December 2013	6,624,000	$0.25
Issued	872,000	0.75
Exercised	(120,000)	0.10
Expired and forfeited	(29,000)	0.33
Outstanding at 31 December 2014	7,347,000	$0.31
Issued	425,000	0.20
Expired and forfeited	(2,390,000)	0.40
Outstanding at 31 December 2015	5,382,000	$0.26
Exercisable at 31 December 2015	4,320,333	$0.21

The following table summarizes information about options outstanding and exercisable at 31 December 2015:

Weighted average price of outstanding options	Number of options outstanding	Weighted average remaining estimated life (in years)	Number of options exercisable	Weighted average price of exercisable options
$0.11	2,635,000	3.5	2,635,000	
$0.12	24,000	6.5	24,000	
$0.19	320,000	9.2	—	
$0.23	873,500	5.5	773,500	
$0.25	490,000	7.3	338,332	
$0.32	24,000	4.8	24,000	
$0.33	24,000	2.5	24,000	
$0.35	48,000	7.5	48,000	
$0.36	72,000	8.5	72,000	
$0.65	76,500	1.5	76,500	
$0.78	795,000	8.1	305,001	
	5,382,000		4,320,333	$ 0.21

Unless otherwise indicated, options issued to employees, members of the Board of Directors and non-employees are vested over one to three years and are exercisable for a term of ten years from the date of issuance.

The weighted average fair value of stock options granted in 2015 was $0.14 (2014: $0.58; 2013: $0.27). The total intrinsic value of options exercised in 2015 was $0 (2014: $40,428; 2013: $3,254). At 31 December 2015, the total intrinsic value of all options outstanding was $934,081 (2014: $442,475), the total intrinsic value of exercisable options was $844,224 (2014: $438,226), and the total number of shares available for grant under the Plan was 10,360,531 (2014: 9,481,727).

The fair values of stock option grants to employees and members of the Board of Directors during 2015, 2014 and 2013 were measured on the date of grant using Black-Scholes, with the following weighted average assumptions:

	2015	2014	2013
Expected volatility	**88%**	105%	160%
Risk-free interest rate	**1.54%**	1.67%	1.05%
Expected dividend yield	**0.0%**	0.0%	0.0%
Expected life (in years)	**5**	5	5

The risk-free interest rate is estimated using the Federal Funds interest rate for a period that is commensurate with the expected term of the awards. The expected dividend yield is zero because the Company has never paid a dividend and does not expect to do so for the foreseeable future. The expected life was based on a number of factors including historical experience, vesting provisions, exercise price relative to market price and expected volatility. The Company believes that all groups of employees demonstrate similar exercise and post-vesting termination behavior and, therefore, does not stratify employees into multiple groups. The expected volatility was estimated using the Company's historical price volatility over a period that is commensurate with the expected term of the awards.

Total share-based compensation on stock-option grants amounted to $229,218 in 2015 (2014: $247,361; 2013: $119,331). At 31 December 2015, the balance of unearned share-based compensation to be expensed in future periods related to unvested share-based awards is $180,808. The period over which the unearned share-based compensation is expected to be earned is approximately three years.

Share-based compensation

The following table summarizes share-based compensation costs recognized in the Company's Consolidated Statements of Operations and Comprehensive Loss for the years ended 31 December 2015, 2014 and 2013:

	2015	2014	2013
Research and development	**$ 6,699**	$ 29,910	$ 6,454
Sales and marketing	**75,843**	75,843	17,645
General and administrative	**155,280**	167,185	118,044
Total share-based compensation	**$ 237,822**	$ 272,938	$ 142,143

10. Income taxes

As at 31 December 2015, the Company has net domestic operating loss carryforwards of approximately $17.1 million to offset future federal taxable income, which expires at various times through the year 2033. The future utilization of the net operating loss and tax credit carryforwards, however, is subject to annual use limitations based on the change in stock ownership rules of Internal Revenue Code Sections 382 and 383. The Company experienced a change in ownership under these rules during 2012 and revised its calculation of net operating loss carryforwards based on annual limitation rules. The Company also has foreign net operating loss carryforwards in the amount of approximately $4.7 million and foreign research and development expenses and tax credits of approximately $8.4 million at 31 December 2015, which expire at various times commencing in 2018. Since the Company has incurred only losses from inception and there is uncertainty related to the ultimate use of the loss carryforwards and tax credits, a valuation allowance has been recognized to offset the Company's deferred tax assets and no benefit for income taxes has been recorded.

Significant components of the Company's deferred tax assets and liabilities are as follows:

	2015	2014
Deferred tax assets (liabilities):		
Net operating loss carryforwards	**$ 8,278,676**	$ 6,404,747
Foreign research and development expenses and tax credit carryforwards	**4,113,960**	2,890,390
Property and equipment	**374,253**	410,626
Accounts receivable and other	**400**	400
Stock options	**163,109**	711,149
Accrued vacation	**33,014**	28,944
Accrued compensation	**—**	46,289
Intangible assets	**(172,189)**	(157,959)
Total deferred tax assets	**12,791,223**	10,334,586
Valuation allowance	**(12,791,223)**	(10,334,586)
Net deferred tax assets	**$ —**	$ —

The valuation allowance increased by $2,456,637 during 2015 and increased by $1,678,114 during 2014. The increase in 2015 was due primarily to an increase in deferred tax assets for foreign tax credits, offset by a decrease in stock options. The increase in 2014 was due primarily to an increase in deferred tax assets for net operating loss carryforwards and stock options, offset by a decrease in foreign research and development tax credit carryforwards.

11. Commitments and contingencies

The Company recognizes and discloses commitments when it enters into executed contractual obligations with other parties. The Company accrues contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

Lease commitments

Panama
In 2008, the Company established a subsidiary in Panama for the purpose of conducting commercial field trials of one of its products. The Company entered into a land lease agreement for a term of five years commencing 1 October 2008. Lease extensions were executed in 2013, 2014 and 2015. The current extension has a term of one year with total rent payments of $180,000.

Headquarters
In February 2012, the Company signed a one-year lease for office space in Maynard, Massachusetts for its corporate headquarters for a total of $17,901. In March 2013, this lease was extended for an additional three years at a total cost of $59,670.

Total rent expense under non-cancelable operating leases in 2015 was $200,636 (2014: $349,641; 2013: $165,170). Future minimum commitments under the Company's operating leases are $110,221 all of which will be expensed in 2016.

License agreements
The Company was a party to a license agreement with Genesis Group, Inc. related to the Company's transgenic fish program. Under the terms of this agreement, the Company was required to make an annual royalty payment of $25,000 or revenue-based royalty payments equal to 5% of any gross revenues generated from products that utilize the technology covered under the license agreement.

No revenue-based royalty payments were ever made under the original agreement. In consideration for a worldwide, royalty-free, fully paid-up, sub-licensable, assignable, non-exclusive right and license to the transgenic fish technology, the Company agreed to pay to Genesis Group, Inc. a one-time payment of C$150,000 (US$140,235). This amount was included as a component of accounts payable and accrued liabilities at 31 December 2013 and was paid in full during 2014.

Royalty obligations
As discussed in Note 8, the Canadian Subsidiary was obligated to pay royalties to TPC in an amount equal to 5.2% of gross sales generated from the sale of any transgenic growth- enhanced fin fish commercial products. Such royalties were payable until the earlier of: (i) 30 June 2014; or (ii) until cumulative royalties of C$5,750,000 had been paid. No royalty payments were made and the agreement terminated on 30 June 2014.

As discussed in Note 8, the Canadian subsidiary is obligated to pay royalties to ACOA in an amount equal to 10% of gross sales generated from the sale of any new products that are developed through the research project that is being co-funded by ACOA. This royalty is for the repayment of the funds contributed by ACOA to the Canadian Subsidiary through the AIF grant. The first scheduled repayment was 30 June 2015 and subsequent repayments are due annually until the full balance of the contributed funds is paid. The Company did not generate any revenue from the sale of products related to this research during 2014 or 2015 and therefore did not make a royalty payment during 2015 and does not expect to make a royalty payment during 2016. The total amount outstanding at 31 December 2015 is C$2,871,919 (US$2,070,366).

Employment agreements
The Company has employment agreements with certain of its officers. The agreements provide for base pay and benefits, as defined. Under certain circumstances of termination, the Company must make severance payments.

Contracts
From time to time, the Company enters into agreements for the delivery of services necessary for its operations. These contracts are typically for a specific service to be performed for an agreed price in a specified timeframe.

12. Retirement plan

The Company has a savings and retirement plan for its US employees which qualifies under Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees and provides for voluntary contributions by participating employees up to the maximum contribution allowed under the Internal Revenue Code. Contributions by the Company can be made, as determined by the Board of Directors, provided the amount does not exceed the maximum permitted by the Internal Revenue Code. Company contributions made and expensed in operations in connection with the plan during the year ended 31 December 2015 amounted to $29,931 (2014: $24,018; 2013: $21,788).

The Company also has a Registered Retirement Savings Plan for its Canadian employees. Company contributions made and expensed in operations in connection with the plan during the year ended 31 December 2015 amounted to $16,274 (2014: $16,566; 2013: $14,312).

13. Government Assistance

From time to time, the Company receives government assistance in the form of research grants, which are recorded as a reduction of the related expenditures. During 2015, grants of $70,338 (2014: $192,773; 2013: $203,787) were recorded as a reduction of expenditures. There were no amounts due to the Company under research grants at 31 December 2015 and 2014. All government assistance is subject to periodic audit by the agency involved in the grant.

14. Contract Research Agreement

In March 2012, the Company executed a contract research agreement with Tethys Aquaculture Canada Inc. (“TAC”), to provide the Company with the resources required for its ongoing development needs. Under the terms of the extended agreement, TAC will provide services to the Company through 30 April 2016. Total costs incurred under the terms of this agreement amounted to $287,246 in 2015 (2014: $338,993; 2013: $386,806) and are included as a component of research and development expense in the Consolidated Statements of Operations and Comprehensive Loss.

In February 2015, the Company executed a contract research agreement with the Center for Aquaculture Technologies, Inc. (“CAT”) to provide research services for a specific project. Under the terms of the agreement, CAT provided services to the Company through 31 December 2015. Total costs incurred amounted to $185,426 and are included as a component of research and development expense in the Consolidated Statements of Operations and Comprehensive Loss. The contract with CAT has been extended for 2016.

15. Related Party Collaboration Agreement

In February 2013, the Company entered into an Exclusive Channel Collaboration agreement (“ECC”) with Intrexon Corporation, its majority shareholder, pursuant to which the Company will use Intrexon’s UltraVector® and other technology platforms to develop and commercialize additional genetically modified traits in fin fish for human consumption. The ECC, which can be terminated by the Company upon 90 days’ written notice, grants the Company a worldwide license to use specified patents and other intellectual property of Intrexon in connection with the research, development, use, importing, manufacture, sale and offer for sale of products involving DNA administered to fin fish for human consumption. Such license is exclusive with respect to any clinical development, selling, offering for sale or other commercialization of developed products, and otherwise is non-exclusive.

Under the ECC and subject to certain exceptions, the Company is responsible for, among other things, the performance of the program, including development, commercialization and certain aspects of manufacturing developed products. Among other things, Intrexon is responsible for the costs of establishing manufacturing capabilities and facilities for the bulk manufacture of certain products developed under the program, certain other aspects of manufacturing, costs of discovery-stage research with respect to platform improvements and costs of filing, prosecution and maintenance of Intrexon’s patents.

The Company will pay Intrexon quarterly 16.66% of the gross profits calculated under the terms of the agreement for each developed product. The Company has likewise agreed to pay Intrexon 50% of quarterly revenue obtained from a sublicensor in the event of a sublicensing arrangement. In addition, the Company will reimburse Intrexon for the costs of certain services provided by Intrexon. No royalties were paid to Intrexon in 2015 and the Company does not expect to pay royalties in 2016.

Total Intrexon service costs incurred under the terms of this agreement amounted to $1,186,404 in 2015 (2014: $1,091,021; 2013: $453,304), of which $79,388 is included in accounts payable and accrued liabilities at 31 December 2015 (2014: $134,776), and is included as a component of research and development expense in the Consolidated Statements of Operations and Comprehensive Loss.

16. Recently Issued Accounting Standards

The Financial Accounting Standards Board (the “FASB”) has issued Accounting Standards Update (“ASU”) No. 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern which will be in effect for the year ending 31 December 2016 and interim periods thereafter. The ASU requires that management evaluate for each annual and interim reporting period whether it is probable that the entity will not be able to meet its obligations as they become due within one year after the date that financial statements are issued. The standard provides principles and definitions for management that are intended to reduce diversity in the timing and content of disclosures provided in financial statement footnotes. The Company is currently in the process of evaluating the impact of the adoption of this ASU on the consolidated financial statements.

17. Subsequent events

The Company has evaluated subsequent events occurring through 23 February 2016, which is the date the financial statements were available to be issued.

In February 2016, the Board approved a debt funding of $10.0 million by the Company’s majority shareholder, Intrexon. The facility matures on 1 March 2017 maturity, bears an interest rate of 10% and is convertible into the common shares of the Company.