

15 August 2014

**AquaBounty Technologies, Inc.  
("AquaBounty" or "the Company")**

**Interim results for the six months ended 30 June 2014**

AquaBounty Technologies, Inc. (ABTX), a biotechnology company focused on enhancing productivity in the aquaculture market, announces its interim results for the six months ended 30 June 2014.

**Financial and operational summary**

- Raised US\$10.0 million by a placing of shares with Intrexon Corporation ("Intrexon");
- Commenced registration of common shares with the U.S. Securities and Exchange Commission ("SEC") for a listing on NASDAQ;
- Net loss for first six months increased to US\$3.5 million (H1 2013: US\$2.1 million) due to increased spending on R&D, costs associated with preparation for listing on NASDAQ and commencement of preparations for commercialization of AquAdvantage<sup>®</sup> Salmon ("AAS") in expectation of FDA approval this year;
- Balance of cash and marketable securities at 30 June 2014 was US\$8.6 million (31 December 2013: US\$1.9 million).

**Ron Stotish, Chief Executive Officer of AquaBounty, commented:**

*"The Board knows of no scientific reason why the FDA has not given approval to AAS. It continues to believe that approval will be granted this year and has commenced preparations for commercialization of AAS."*

*"AquAdvantage<sup>®</sup> Salmon presents the opportunity for a new and sustainable fish farming business that will create American jobs and reduce US dependence upon imported Atlantic salmon. We look forward to making this possible."*

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## **Update on FDA approval process**

It has now been over 18 months since the Company reported that the U.S. Food and Drug Administration (“FDA”) had finally released its preliminary Environmental Assessment (“EA”) for AquaAdvantage<sup>®</sup> Salmon, along with a draft Finding of No Significant Impact (“FONSI”) on 26 December 2012. This was followed by a 120-day open public comment period which ended on 26 April 2013. Since that time, it has been the Company’s understanding that the FDA has been reviewing the comments that it received and that it is in the process of finalizing the EA and FONSI. The Company expects that this will in turn lead to an approval of its New Animal Drug Application (“NADA”) for AAS later this year.

## **NASDAQ listing**

The Company submitted a registration statement to the SEC on 25 April 2014 in preparation for a listing of its common shares on NASDAQ. Post period end, an amended statement was submitted on 22 July 2014 in response to SEC comments to the initial filing. The process is proceeding as expected and it is anticipated that the listing will become effective later in the year. The 1-for-10 reverse stock split that was approved by shareholders in March 2014 will be implemented immediately upon the effectiveness of the NASDAQ listing.

## **Financial review**

On 20 March 2014, AquaBounty completed a fundraising of US\$10.0 million by means of an equity placing to its majority shareholder, Intrexon. The net proceeds of US\$9.7 million will provide the Company with sufficient cash resources to continue operating through mid-2015 at its current rate of spending.

Operating expenses for the six month period ended 30 June 2014 increased to US\$3.5 million (H1 2013: US\$2.1 million), reflecting the Company’s expectation that FDA approval for AAS will be received before the end of the year and thus preparations for commercialization have commenced. Spending on research increased under its Exclusive Channel Collaboration agreement with Intrexon and costs were incurred for the preparation of registration and listing of its shares on NASDAQ. Cash used, net of new equity funding, in the first half of 2014 was higher than the comparable period in 2013 at US\$3.0 million (H1 2013: US\$2.1 million). Cash and equivalents at the end of the first half of 2014 was US\$8.6 million (31 December 2013: US\$1.9 million).

## **Outlook**

The Company continues to pursue the approval of its NADA for AAS, however, it has received no information on the status of FDA’s finalization of approval of the application. The Board is conscious of the Company’s limited cash resources and continues to maintain tight cost control whilst increasing operating activities in preparation for the approval. The Company is also in the process of renegotiating the lease for its farm site in Panama. It is expected that to fully implement the commercial phase, AquaBounty will require additional funding. The Board remains confident that the market potential for AquaAdvantage<sup>®</sup> Salmon is substantial.

**AquaBounty Technologies, Inc.****Consolidated balance sheets**

(unaudited)

	As of	
	June 30, 2014	December 31, 2013
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,625,642	\$ 1,875,749
Certificate of deposit	13,462	13,431
Other receivables	52,543	78,455
Prepaid expenses and other assets	206,783	220,888
Total current assets	8,898,430	2,188,523
Property, plant and equipment, net	996,540	1,016,843
Definite lived intangible assets, net	162,976	141,779
Indefinite lived intangible assets	191,800	191,800
Other assets	21,628	21,628
Total assets	\$ 10,271,374	\$ 3,560,573
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 728,120	\$ 704,028
Total current liabilities	728,120	704,028
Long-term debt, net of current portion	2,639,137	2,359,653
Total liabilities	3,367,257	3,063,681
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value, 200,000,000 shares authorized; 144,405,837 (2013: 125,305,471) shares outstanding	144,406	125,305
Additional paid-in capital	87,466,043	77,582,210
Accumulated other comprehensive loss	(584,960)	(566,310)
Accumulated deficit	(80,121,372)	(76,644,313)
Total stockholders' equity	6,904,117	496,892
Total liabilities and stockholders' equity	\$ 10,271,374	\$ 3,560,573

**AquaBounty Technologies, Inc.****Consolidated statements of operations and comprehensive loss**

(unaudited)

	Six Months Ended June 30,	
	2014	2013
<b>Costs and expenses:</b>		
Sales and marketing	\$ 674,740	\$ 302,372
Research and development	1,146,606	823,694
General and administrative	1,661,131	991,882
Total costs and expenses	3,482,477	2,117,948
<b>Operating loss</b>	(3,482,477)	(2,117,948)
<b>Other income (expense):</b>		
Interest income (expense), net	5,418	(1,484)
Total other income (expense)	5,418	(1,484)
<b>Net loss</b>	\$ (3,477,059)	\$ (2,119,432)
<b>Other comprehensive income:</b>		
Foreign currency translation gain (loss)	(18,650)	67,491
Total other comprehensive income (loss)	(18,650)	67,491
<b>Comprehensive loss</b>	\$ (3,495,709)	\$ (2,051,941)
Basic and diluted net loss per share	\$ (0.03)	\$ (0.02)
Weighted average number of common shares - basic and diluted	136,173,414	120,613,246

**AquaBounty Technologies, Inc.**  
**Consolidated statements of cash flows**  
(unaudited)

	Six Months Ended	
	June 30,	
	2014	2013
<b>Operating activities</b>		
Net loss	\$ (3,477,059)	\$ (2,119,432)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	75,881	73,338
Share-based compensation	153,448	32,770
Changes in operating assets and liabilities:		
Other receivables	25,089	(45,416)
Prepaid expenses and other assets	14,091	(208,316)
Accounts payable and accrued liabilities	24,059	81,156
Net cash used in operating activities	(3,184,491)	(2,185,900)
<b>Investing activities</b>		
Purchases of equipment	(47,740)	(43,370)
Paid out (reinvested) interest on certificate of deposit	-	(6)
Payment of patent costs	(21,197)	(16,953)
Net cash used in investing activities	(68,937)	(60,329)
<b>Financing activities</b>		
Proceeds from issuance of bridge loan	-	300,000
Repayment of bridge loan	-	(500,000)
Proceeds from issuance of long-term debt	268,492	342,820
Repayment of other term debt	-	(34,523)
Proceeds from the issuance of common stock, net	9,743,487	5,725,607
Proceeds from exercise of stock options	6,000	4,000
Net cash provided by financing activities	10,017,979	5,837,904
Effect of exchange rate changes on cash and cash equivalents	(14,658)	356
Net increase in cash and cash equivalents	6,749,893	3,592,031
Cash and cash equivalents at beginning of period	1,875,749	348,521
Cash and cash equivalents at end of period	\$ 8,625,642	\$ 3,940,552
<b>Supplemental cash flow information</b>		
Interest paid in cash	\$ 60	\$ 3,568