18 April 2013

AquaBounty Technologies
("AquaBounty" or "the Company")

Preliminary Results for the year ended 31 December 2012
and Notification of AGM

AquaBounty Technologies, Inc. (AIM: ABTX), a biotechnology company focused on enhancing productivity in the aquaculture market, announces the Company's preliminary financial results for the year ended 31 December 2012 and the date of its 2013 Annual General Meeting ("AGM").

Financial and operational summary

- US Food and Drug Administration ("FDA") released Draft Environmental Assessment and Preliminary Finding of No Significant Impact for AquAdvantage® Salmon ("AAS");
- Net loss increased to US$4.4 million (2011: US$2.7 million net loss), but operating spend was lower at US$4.4 million (2011: US$5.4 million);
- Net cash used during the year decreased to US$3.2 million (2011: US$4.6 million); and
- Secured a bridge loan of US$500,000 from Intrexon Corporation.

Post period-end activities

- Raised US$6.0 million via a placing of shares with existing shareholders; and
- Entered an Exclusive Channel Collaboration agreement with Intrexon Corporation.

Ron Stotish, Chief Executive Officer of AquaBounty, said: "We are pleased that the Environmental Assessment of our New Animal Drug Application for AquAdvantage® Salmon was published late in 2012, thereby commencing what we believe to be the final steps towards approval by the FDA. We are encouraged that since the public meetings in September 2010, there hasn't been a single new scientific or legal argument presented to the FDA against our application. This makes us hopeful that the strength of law, due process and science-based regulation will prevail, and approval will be granted later this year.

"AAS continues to attract interest from major companies in the aquaculture trade and this, together with the FDA panel of experts concluding that AAS is indistinguishable from other Atlantic salmon, is safe to eat and does not pose a threat to the environment under its conditions of use, reaffirms our belief that there will be a significant demand for our product. Additionally, as a result of the recent fundraising, we now have the necessary funds to begin the initial commercialization program once approval is granted. We look forward to receiving FDA approval and bringing our product to market."

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AGM Notification

AquaBounty will be holding its Annual General Meeting on 10 July 2013 at 08:30 a.m. (Eastern Daylight Time) at the Millennium Bostonian Hotel, 26 North Street, Boston, Massachusetts. Stockholders of record on 7 June 2013 shall be entitled to vote at the AGM.

Chairman's Statement

Throughout 2012, AquaBounty continued to press for the approval of its New Animal Drug Application ("NADA") for AquAdvantage® Salmon ("AAS") from the U.S. Food and Drug Administration ("FDA"). In December, we were encouraged by the release of the Environment Assessment ("EA") and draft Finding of No Significant Impact ("FONSI") by the FDA. We believe this to be a clear signal that the approval process is nearing completion.

FDA approval process

I reported last year that, following the Veterinary Medicine Advisory Committee meeting on AAS in September 2010, the FDA had been considering its responsibilities under the U.S. National Environmental Policy Act and preparing its EA for AAS. At the time of the publication of the report and accounts, we were led to believe the EA would be published within weeks. However, this did not occur until 26 December 2012. Despite the lapse in time, we are encouraged that it has been released and alongside it, the FDA issued a draft Finding of No Significant Impact, meaning that AAS is safe for the environment under its conditions of use. Both the EA and the FONSI are now subject to a period of open public comment that is scheduled to expire on 26 April 2013. We have not been informed that any new scientific or legal information has been brought forward and therefore we expect that the FDA will finalize the EA and FONSI once the comment period has concluded, which in turn should lead to the approval of the NADA for AquAdvantage Salmon.

Operations

AquaBounty began 2012 with US$1.6 million of cash. Given the uncertainty of the regulatory outlook, the Company decided to both raise a limited amount of additional funds as well as reduce operating costs in order to fund the Company's operations for another year. It was considered in the best interests of all shareholders to carry out a limited fundraising of US$2.0 million by means of an equity placing to certain existing shareholders, which was completed on 22 March 2012. In conjunction with this placement, the Company implemented a reorganization to reduce its operating costs by 30%, including the spin-off and sale of its research organization to Tethys Ocean, BV ("Tethys"), AquaBounty's largest individual shareholder at that time.

During the year, management continued its research and development programs through a Contract Research Agreement with the Center for Aquaculture Technologies, established by Tethys. AquaBounty also commenced a new commercial scale trial of our salmon in May 2012 in Panama. This new batch of fish are thriving and performing in line with the Company's expectations, once again clearly demonstrating the benefits of this product. The Company continues to receive enquiries from prospective producers, within the US and elsewhere, that are enthusiastic about the commercial prospects of the fish.

Operating expenses for the year amounted to US$4.4 million (2011: US$5.4 million). Net loss for the year, however, was higher at US$4.4 million (2011: US$2.7 million) due to an adjustment to a long-term, royalty-based financing instrument that was made in the previous year. Cash used for the year, net of new equity and bridge funding, was lower at US$3.2 million (2011: US$4.6 million).

Congressional Activity

AquaBounty was the target of congressional activity during the year. On 24 May 2012, the US Senate defeated an amendment that would have required the National Oceanic and Atmospheric Administration to conduct an additional study into the environmental and economic impact of

AAS before the FDA could grant approval. The Company believes the rejection of this amendment has demonstrated the Senate's support for the FDA's well-established process for dealing with applications.

Intrexon Corporation

Linnaeus Capital Partners, BV and its subsidiary Tethys Ocean BV (together "Linnaeus"), have been AquaBounty's largest shareholders since 2010. On 31 October 2012, Linnaeus agreed to sell their combined shareholdings to Intrexon Corporation ("Intrexon"), a privately held biotechnology company. Intrexon purchased 48,631,444 common shares (47.65% of the then current issued share capital of the Company), representing the entire shareholding of Linnaeus, for US$6.0 million or 12.3 cents (7.64 pence) per share. Upon the close of the transaction and per the Company's Certificate of Incorporation, Intrexon made an offer to all other shareholders at the same price per share for the issued and outstanding share capital of the Company not owned by them. This tender offer was conditional upon Intrexon receiving acceptances in respect of shares that, together with their holding, would result in their holding shares constituting more than 50% of the issued and outstanding shares of AquaBounty common stock. However, the acceptances received, combined with Intrexon's holding at that time, did not meet this threshold and the offer was not completed.

In December, Intrexon agreed to provide AquaBounty with a US$500,000 bridge loan to fund operations until a more substantial funding could be put in place. The loan, plus interest, was required to be repaid from the proceeds of Company's next fundraising.

Post period-end activities

In February, a fundraising was approved of US$6.0 million (approximately £3.9 million) before expenses by means of a subscription for new common shares by certain eligible 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 approximately $5.73 million.

At the same time, the Company entered into an Exclusive Channel Collaboration agreement ("ECC") with Intrexon, pursuant to which AquaBounty will have access to Intrexon's technology platforms to develop and commercialize additional traits in finfish. The ECC 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.

Outlook

The Board is hopeful that AquaBounty will receive approval of its NADA in 2013, following the EA comment period, although it cannot be certain of the exact timing. The Company will continue to maintain tight cost controls until it receives approval, following which, it intends to use the bulk of the approximately $5.73 million new funds raised to begin the initial commercialization program and to begin activities in collaboration with Intrexon to develop the product pipeline.

Looking ahead, the Board recognizes that the existing financial resources are only sufficient to implement the initial commercialization phase and will not be sufficient to enable the Company to reach profitability, but once AAS is approved for commercial development, appropriate plans will be finalized.

R J Clothier

Consolidated balance sheets

As of 31 December	**2012**	2011
ASSETS		
Current assets:		
Cash and cash equivalents	**$348,521**	$1,630,980
Certificate of deposit	**14,405**	14,085
Other receivables	**24,429**	115,057
Prepaid expenses and other assets	**127,104**	195,759
Total current assets	**514,459**	1,955,881
Property, plant and equipment, net	**1,131,214**	1,246,781
Definite lived intangible assets, net	**102,504**	68,811
Indefinite lived intangible assets	**191,800**	191,800
Other assets	**21,628**	73,638
Total assets	**$1,961,605**	$3,536,911
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued liabilities	**$435,849**	$499,797
Current debt	**270,560**	66,945
Total current liabilities	**706,409**	566,742
Long-term debt, net of current portion	**2,034,907**	1,392,656
Total liabilities	**2,741,316**	1,959,398
Commitments and contingencies		
Stockholders' equity (deficit):		
Common stock, $0.001 par value, 200,000,000 shares authorized; 102,255,688 (2011: 68,780,968) shares outstanding	**102,256**	68,781
Additional paid-in capital	**71,733,509**	69,700,198
Accumulated other comprehensive loss	**(660,201)**	(650,804)
Accumulated deficit	**(71,955,275)**	(67,540,662)
Total stockholders' equity (deficit)	**(779,711)**	1,577,513
Total liabilities and stockholders' equity (deficit)	**$1,961,605**	$3,536,911

Consolidated statements of operations and comprehensive loss

Years ended 31 December	**2012**	2011
COSTS AND EXPENSES		
Sales and marketing	**$581,954**	$673,306
Research and development	**1,628,593**	2,165,270
General and administrative	**2,101,260**	2,577,320
Restructuring charge	**93,780**	—
Total costs and expenses	**4,405,587**	5,415,896
OPERATING LOSS	**(4,405,587)**	(5,415,896)
OTHER INCOME (EXPENSE):		
Gain on royalty based financing instrument	—	2,709,602
Interest and other expense, net	**(9,026)**	(3,301)
Total other income (expense)	**(9,026)**	2,706,301
NET LOSS	**$(4,414,613)**	$(2,709,595)
OTHER COMPREHENSIVE INCOME (LOSS):		
Foreign currency translation gain (loss)	**(9,397)**	72,557
Unrealized losses on marketable securities	**—**	(77)
Total other comprehensive income (loss)	**(9,397)**	72,480
COMPREHENSIVE LOSS	**$(4,424,010)**	$(2,637,115)
Basic and diluted net loss per share	**$(0.05)**	$(0.04)
Weighted average number of common shares – basic and diluted	**94,701,028**	68,570,857

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 2010	68,167,109	$68,167	$69,447,376	$(723,284)	$(64,831,067)	$3,961,192
Net loss					(2,709,595)	(2,709,595)
Other comprehensive income				72,480		72,480
Exercise of options for common stock	387,273	387	3,486			3,873
Share based compensation – common stock	226,586	227	23,859			24,086
Share based compensation – options			225,477			225,477
Balance at 31 December 2011	68,780,968	$68,781	$69,700,198	$(650,804)	$(67,540,662)	$1,577,513
Net loss					**(4,414,613)**	**(4,414,613)**
Other comprehensive loss				**(9,397)**		**(9,397)**
Issuance of common stock, net of expenses	**33,277,870**	**33,278**	**1,709,200**			**1,742,478**
Share based compensation – common stock	**196,850**	**197**	**23,353**			**23,550**
Share based compensation – options			**300,758**			**300,758**
Balance at 31 December 2012	**102,255,688**	**$102,256**	**$71,733,509**	**$(660,201)**	**$(71,955,275)**	**$(779,711)**

Consolidated statements of cash flows

Years ended 31 December	**2012**	2011
OPERATING ACTIVITIES		
Net loss	**$(4,414,613)**	$(2,709,595)
Adjustment to reconcile net loss to net cash provided (used) in operating activities:		
Depreciation and amortization	**225,416**	211,684
Share-based compensation	**324,308**	249,563
Amortization (accretion) of discount (premium) on corporate bonds	**(326)**	69,948
Loss on disposed assets	**5,776**	—
Gain on royalty based financing instrument	**—**	(2,709,602)
Changes in operating assets and liabilities:		
Other receivables	**90,907**	(9,518)
Prepaid expenses and other assets	**121,481**	111,001
Accounts payable and accrued liabilities	**(68,404)**	(164,228)
Net cash provided (used) in operating activities	**(3,715,455)**	(4,950,747)
INVESTING ACTIVITIES		
Purchases of equipment	**(52,841)**	(68,615)
Purchases of marketable securities	**—**	(1,545,980)
Maturities of marketable securities	**—**	5,078,266
Paid out (reinvested) interest on certificate of deposit	**6**	(16)
Payment of patent costs	**(69,210)**	(14,173)
Net cash provided (used) in investing activities	**(122,045)**	3,449,482
FINANCING ACTIVITIES		
Repayment of long-term debt	**(68,575)**	(66,479)
Proceeds from issuance of debt	**878,657**	613,723
Proceeds from issuance of common stock, net	**1,742,478**	—
Proceeds from exercise of stock options	—	3,873
Net cash provided (used) in financing activities	**2,552,560**	551,117
Effect of exchange rate changes on cash and cash equivalents	**2,481**	3,939
Net increase (decrease) in cash and cash equivalents	**(1,282,459)**	(946,209)
Cash and cash equivalents at beginning of year	**1,630,980**	2,577,189
Cash and cash equivalents at end of year	**$348,521**	$1,630,980
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid in cash	**$4,414**	$7,115