



## **AquaBounty Issues Shareholder Letter and Provides Corporate Update**

January 11, 2022

MAYNARD, Mass., Jan. 11, 2022 (GLOBE NEWSWIRE) -- AquaBounty Technologies, Inc. (Nasdaq: AQB) ("AquaBounty" or the "Company"), a land-based aquaculture company utilizing technology to enhance productivity and sustainability, today issued a letter to shareholders from its Chief Executive Officer, Sylvia Wulf.

### **Dear Fellow Shareholders,**

Our mission at AquaBounty is to feed the world with land-based salmon farmed efficiently, sustainably and profitably. Over the last year, we've made significant strides toward achieving that mission, and now find ourselves transitioning to a commercial production enterprise with the continuous harvest and sale of our proprietary, genetically engineered ("GE") Atlantic salmon. Now that production is scaling at our Indiana facility, we have begun to position AquaBounty for its next phase of growth.

### **Why AquaBounty is Important**

Before I discuss the milestones AquaBounty achieved in 2021, I'd like to provide a reminder of the problem we are targeting and our mission to impact it. At its core, the problem is simple – with the growth in global population and the resulting demand for protein expected to double by 2050, we need creative solutions to feed the world. With over 90% of the world's fisheries fully fished or overfished, no further pressure can be placed on wild fisheries. Our solution is to improve salmon farming by growing our GE Atlantic salmon using land-based recirculating aquaculture systems. This allows us to accelerate production and produce our salmon more efficiently and sustainably. We can do this while using fewer inputs and avoiding many of the disease and environmental challenges often faced in traditional net pen farms. Our approach uniquely enables us to raise healthier salmon, free of antibiotics and other contaminants, while remaining good stewards of the planet and the natural resources entrusted to us.

### **Commercial Scale Harvests Underway**

We began 2021 with a world-class team in place and preparations to make this our breakthrough year. In the first quarter we completed a public offering of common stock with \$127.1 million in gross proceeds, fortifying our balance sheet and positioning us to deliver on our vision for our next farm – a 10,000 metric ton "farm of the future." To prove market acceptance for our GE salmon, we completed the setup of our commercial framework and prepared for our first commercial scale harvest. After successful sampling efforts with widely respected seafood distributors and other interested customers, we began the long-awaited first commercial sales of our GE salmon from both our Indiana and Prince Edward Island farms – receiving orders for the entire output from our first customers, all eager to introduce this locally produced salmon in their respective markets. Since that time, demand for our GE salmon has consistently grown – proving its market acceptance. We continued to scale production output in the third quarter, harvesting 84 tons of salmon from our two farms and commercial interest remains high. Harvests increased 8% in the fourth quarter compared to the third quarter, as we set the stage for continued operational momentum going into 2022, with a full staff and arrival of additional automation equipment.

### **Our Next-Generation 10,000 Metric Ton Facility will be Transformational**

To further grow our production, we moved forward with our plans to construct a 10,000 metric ton farm, which would have roughly eight times the output capacity of our Indiana farm. We selected Pioneer, Ohio as the location for the farm and we have made significant progress on finalizing site engineering designs and permitting, including the completion of key hydrology studies, which confirm that the quantity and quality of water available can meet the needs of both AquaBounty and the local community. As the final design for our Ohio farm progressed, we refined our expected project cost to be in the range of \$290 million to \$320 million, including a reserve for potential contingencies of \$30 million. Our plan for financing the farm project includes a significant debt component, supplemented by our equity contribution – leveraging our robust balance sheet, which included almost \$200 million in cash at the end of the third quarter.

We began the process for the placement of a mix of tax-exempt and taxable bonds through the Toledo-Lucas County Port Authority, whose board approved the issuance of up to \$300 million in bonds to support the financing of the project. We also engaged Wells Fargo Corporate and Investment Banking to underwrite and market the bond placement, which we expect to complete in the first quarter of 2022. While there is certainly still plenty of work to be done to close this transaction, we believe that this financing will be a major financial milestone for the Company.

During this past year, we have worked through the dual challenges of labor shortages that have affected the food service industry during the pandemic and our capacity constraints at our facilities, incorporating the insights gained from these learnings into the design of our highly automated large-scale farm in Ohio. In fact, some of the most concerning discoveries surrounding the pandemic were the global supply chain disruptions, which highlighted the need for technology-enabled, domestic supply chains. These events further serve to remind us of the need for a safe, sustainable and secure food supply.

### **Our Shared Future**

In 2021, we announced our firm commitment to sustainability and corporate responsibility, highlighted by the announcement of our Environmental, Social and Governance (ESG) reporting initiative and we will use the reporting standard of the Sustainability Accounting Standards Board (SASB). We believe that ESG reporting is critical to operational risk reduction, aligning well with our mission to contribute to global sustainability by conducting our business in an environmentally responsible manner. We look forward to sharing our first public ESG report in the new year.

### **Final Words**

We enter 2022 in a strong position – both operationally and financially – supported by the momentum from our successful commercial scale harvests and our robust balance sheet. We look forward to onboarding additional customers and increasing our weekly harvest volumes to fulfill the strong demand in the weeks and months to come. Our expansion plans are moving forward domestically with our Ohio farm and internationally with potential opportunities in Brazil, Israel and China.

As a company, we remain focused on our goals and we are poised to take the lead in bringing fresh, sustainable salmon to the markets we serve. We look forward to sharing our accomplishments in the coming year as we strive to create value for our customers, shareholders, employees and communities – and we thank all our stakeholders for their support of our mission.

Sincerely,

Sylvia Wulf  
President & CEO

**About AquaBounty:**

AquaBounty Technologies, Inc. (NASDAQ: AQB) is a leader in aquaculture leveraging decades of technology expertise to deliver game-changing solutions that solve global problems, while improving efficiency, sustainability and profitability. AquaBounty provides fresh Atlantic salmon to nearby markets by raising its fish in carefully monitored land-based fish farms through a safe, secure and sustainable process. The Company's land-based Recirculating Aquaculture System ("RAS") farms, located in Indiana, United States and Prince Edward Island, Canada, are close to key consumption markets and are designed to prevent disease and to include multiple levels of fish containment to protect wild fish populations. AquaBounty is raising nutritious salmon that is free of antibiotics and other contaminants and provides a solution resulting in a reduced carbon footprint and no risk of pollution to marine ecosystems as compared to traditional sea-cage farming. For more information on AquaBounty, please visit [www.aquabounty.com](http://www.aquabounty.com) or follow us on Facebook, Twitter, LinkedIn and Instagram.

**Forward Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, each as amended. All statements other than statements of historical fact contained in this release are forward-looking statements, including, but not limited to, statements regarding the location and anticipated capacity of our planned farm in Ohio; the timing and commencement of construction and commercial production; the expected demand for and output of our products; our harvesting schedule, purchase orders, and prospective agreements with customers; international expansion plans and the anticipated growth in market size; anticipated productivity, the expected benefits of AquAdvantage salmon and land-based production to consumers and the environment, including consistency of supply, disease- and antibiotic-free production, resource conservation, and reduced carbon footprint; and ESG reporting initiatives . Forward-looking statements may be identified with words such as "will," "may," "can," "expect," "plan," "anticipate," "upcoming," "believe," "estimate," or similar terminology, and the negative of these terms. Forward-looking statements are not promises or guarantees of future performance and are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Forward-looking statements speak only as of the date hereof, and, except as required by law, we undertake no obligation to update or revise these forward-looking statements. For additional information regarding these and other risks faced by us, please refer to our public filings with the Securities and Exchange Commission ("SEC"), available on the Investors section of [www.aquabounty.com](http://www.aquabounty.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov).

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