AquaBounty

Aqua Bounty Tech Inc - Filing of Form 10 with the Securities and Exchange Commission and Conditional Equity Subscription from Intrexon

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("AquaBounty" or the "Company")

Filing of Form 10 with the Securities and Exchange Commission
and conditional equity subscription from Intrexon

AquaBounty Technologies, Inc. (AIM: ABTU; OTC: AQBT), a biotechnology company focused on enhancing productivity in aquaculture and a majority-owned subsidiary of Intrexon Corporation (NYSE: XON) ("Intrexon"), announces that it has filed a registration statement for its common shares ("Common Shares") in the United States and has agreed to a conditional equity subscription from Intrexon.

Registration Statement

Further to the Company's announcement of 12 October 2016 that it had voluntarily withdrawn its registration statement on Form 10, initially filed with the U.S. Securities and Exchange Commission ("SEC") on 25 April 2014, AquaBounty now announces that it has filed a new Form 10 (the "New Registration Statement") with the SEC to register its Common Shares pursuant to Section 12(b) of the Securities Exchange Act of 1934. A copy of the New Registration Statement is available on www.sec.gov and on the Company's website: www.aquabounty.com.

To help AquaBounty satisfy the initial listing requirements for listing its Common Shares on the NASDAQ exchange in the United States, the Company has agreed to an equity subscription from, and a conversion of the outstanding convertible debt held by, Intrexon. Additionally, Intrexon plans to distribute a share dividend to its shareholders of a portion of its holding of AquaBounty Common Shares, further details of which are set out below.

Equity Subscription

The Company executed a share purchase agreement ("Share Purchase

Agreement") with Intrexon today for the issuance and sale of 72,632,190 Common Shares (subject to adjustment to give effect to any share dividend, share split, combination, or other similar recapitalization, the "Subscription Shares") raising $25.0 million (approximately £20.3 million) before expenses (the "Fundraising"). This equity subscription is conditional, *inter alia*, on admission of the Subscription Shares to trading on AIM ("Admission") as well as the approval of the Company's listing on NASDAQ. This funding will help AquaBounty satisfy certain equity requirements for its listing on NASDAQ as well as provide funding for its ongoing working capital and investment requirements to progress its strategy, as detailed below. The issue price of the Subscription Shares is 28.0 pence ($0.3442, based on a conversion rate of £1:$1.2293) per share, which represents the closing price of the Company's Common Shares on AIM on 2 November 2016, which was the latest practical date for calculation prior to the approval of the transaction by AquaBounty's Independent Directors.

Debt Conversion and Share Distribution

In conjunction with the filing of the New Registration Statement and the Fundraising, Intrexon plans to convert the $10.0 million in principal, plus accrued interest, outstanding on its convertible loan with AquaBounty into approximately 36.7 million new Common Shares (the "Conversion Shares") at a price of 23 pence as per the terms of the convertible loan announced on 24 February 2016, conditional on these new Common Shares also being admitted to trading on AIM. The exact number of Conversion Shares will depend on the date of the conversion, which is expected before year end.

Intrexon has also expressed its intention to distribute a portion of its holdings of Common Shares of AquaBounty (the "Distribution Shares") via a share dividend to its shareholders. This distribution is intended to help AquaBounty satisfy certain listing requirements on NASDAQ for publicly held shares. The exact number of Distribution Shares will depend upon the number of Conversion Shares issued.

Background

As stated in the Company's interim results announcement of 28 July 2016, the Company had cash and cash equivalents of $1.9 million on 30 June 2016, with $5.0 million remaining on its convertible debt line with Intrexon. It also noted that these balances would be sufficient to fund its operations through Q1 2017.

Following advice from its advisors, it was determined that the Company's near-term need for funds and the legal and regulatory constraints associated with a public offering of securities to its shareholders made it impractical and costly to open the Fundraising to all existing shareholders.

Strategy

Management is evaluating several paths to revenue generation that follow different timelines, including production of AquAdvantageâ fish at the Company's existing farm in Panama, purchase of an existing production facility in North America, and construction of a new production facility in North America. The Fundraising should provide AquaBounty with sufficient resources to meet its operational needs for at least the next two years from

Admission as well as its investment requirements to progress its strategy.

Related party transaction

Two Directors of the Company, Jack Bobo and Rick Sterling, as employees of Intrexon (the "Intrexon Directors"), recused themselves from the vote by the Board to approve and authorize the Company to enter into the Share Purchase Agreement. The Directors other than the Intrexon Directors (the "Independent Directors"), along with the Company's officers, negotiated the terms of the Share Purchase Agreement on behalf of the Company.

As Intrexon is a "substantial shareholder" of the Company, its participation in the Fundraising constitutes a "related party transaction" under the AIM Rules. The Independent Directors determined, having consulted with the Company's nominated adviser, Stifel Nicolaus Europe Limited, that the terms on which Intrexon is participating in the Fundraising are fair and reasonable insofar as the Company's shareholders are concerned.

Admission

The Subscription Shares and Conversion Shares would be issued subject to Admission, and Intrexon can terminate the Subscription Agreement prior to completion under certain conditions. The Subscription Shares and Conversion Shares would be credited as fully paid and would rank *pari passu* in all respects with the existing Common Shares.

Intrexon currently holds 99,114,668 Common Shares (representing 62.92% of the outstanding Common Shares) and has agreed with the Company to subscribe for all 72,632,190 Subscription Shares in the Fundraising. Following completion of the Fundraising and the issue of the Subscription Shares and the Conversion Shares, Intrexon would have an interest in approximately 78% of the Company's enlarged share capital before distribution of the Distribution Shares. The Fundraising is expected to follow the distribution of the Distribution Shares such that Intrexon's holding never reaches this level. Intrexon intends to distribute a number of Distribution Shares sufficient to allow the Company to satisfy the NASDAQ listing requirements while maintaining an ownership level above 50% of the Company's enlarged share capital. Based on our expectations, following Admission of the Subscription Shares and Conversion Shares, and the distribution of the Distribution Shares, Intrexon would hold at least 133.7 million Common Shares in the Company, representing greater than 50% of the enlarged issued share capital. Application will be made for Admission of the Subscription Shares and Conversion Shares to trading on AIM, and it is expected that Admission would occur on or around 30 December 2016.

Existing shareholders that have not participated in the Fundraising will suffer a dilution following this issue of the Subscription Shares and the Convertible Shares of approximately 41%.

Reverse Share Split

In order to satisfy the NASDAQ listing requirements related to pricing of its Common Shares, the Company plans to effect a reverse share split of its Common Shares effective at the time the New Registration Statement is declared effective by the SEC. Consistent with past shareholder approvals, the Company intends to seek shareholder approval to effect a reverse share split at various ratios, with the ultimate ratio to be determined by the Company's Directors. Any such reverse split requires the approval of a majority of the Company's shareholders, and the Company plans to convene a general meeting (the "General Meeting") of its shareholders for that purpose, which is expected to be held on 28 November 2016. The circular in relation to the General Meeting will be circulated to all shareholders in due course and will contain further details on the timing of the reverse share split.

The Company expects that, following Admission of the Subscription Shares and Conversion Shares, the Company's issued share capital will be approximately 266.9 million Common Shares. The Company does not hold any Common Shares in treasury. These figures are before the impact of any reverse split, and the Company will provide further details on its expected capital structure at the time it posts the related circular to its shareholders.

Safe Harbour Statement

Some of the statements made in this press release are forward-looking statements. These forward-looking statements are based upon the Company's current expectations and projections about future events and generally relate to the Company's plans, objectives, and expectations for the development of the business, including the occurrence and timing of the Fundraising, the conversion of outstanding amounts under the Company's convertible loan, the Admission of the Subscription Shares and Conversion Shares, and the listing of Common Shares on NASDAQ, as well as the length of time the Fundraising will allow the Company to operate. Although management believes that the plans and objectives reflected in or suggested by these forward-looking statements are reasonable, all forward-looking statements involve risks and uncertainties and actual future results may be materially different from the plans, objectives, and expectations expressed in this press release.

This announcement contains inside information.

Enquiries:

AquaBounty
David Frank, Chief Financial Officer +1 978 648 6048

Stifel Nicolaus Europe Limited
Stewart Wallace +44 20 7710 7600

Luther Pendragon
Harry Chathli, Claire Norbury +44 20 7618 9100

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