



## **Aqua Bounty Tech Inc - Equity Subscription**

June 25, 2015

### **Equity Subscription**

AquaBounty Technologies, Inc. (AIM: ABTX, ABTU; OTC: AQBТ), a biotechnology company focused on enhancing productivity in the aquaculture market and a majority-owned subsidiary of Intrexon Corporation ("Intrexon"), is pleased to announce that yesterday it executed an Equity Subscription Agreement with Intrexon, to issue 12,728,044 new Common Shares (the "Subscription Shares") subject to Admission, raising US\$3.0 million (approximately £1.9 million) before expenses (the "Fundraising").

The issue price of the Subscription Shares is 15.0 pence (\$0.2357 based on a conversion rate of £1:\$1.5711) per share, which represents the closing price of the Company's shares on AIM on 23 June 2015 being the latest practical date prior to the signature of the Subscription Agreement.

### **Background**

As at the date of this announcement, the Company's New Animal Drug Application for AquAdvantage® Salmon has not yet received approval from the U.S. Food and Drug Administration ("FDA"). However, the Company continues to move forward with its commercialization efforts and research and development activities in preparation for an approval. As stated in the Company's full-year results announcement of 25 February 2015, the Company had cash and cash equivalents of \$5,163,262 on 31 December 2014. It also noted that a fundraise would likely be required during the first half of the year.

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 shareholders.

The funds raised will provide sufficient capital to allow the Company to operate at least to the end of 2015 with the minimum of dilution to existing shareholders.

### **Related party transaction**

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

Intrexon currently holds 86,386,624 Common Shares (representing 59.70 per cent of the Company's existing Common Shares) and has agreed with the Company to subscribe for all 12,728,044 Subscription Shares in the Fundraising. Following completion of its subscription, Intrexon would have an interest in 62.96 per cent of the Company's enlarged share capital.

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 consider, having consulted with the Company's nominated adviser, Stifel Nicolaus Europe, that the terms on which Intrexon is participating in the Fundraising are fair and reasonable insofar as the Company's shareholders are concerned.

### **Admission**

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