

16 September 2013

**AquaBounty Technologies, Inc.**  
**(“AquaBounty” or “the Company”)**

**Interim results for the six months ended 30 June 2013**

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 2013.

**Financial and operational summary**

- Raised \$6.0 million via a placing of shares with existing shareholders
- Signed an Exclusive Channel Collaboration (“ECC”) agreement with Intrexon Corporation (“Intrexon”)
- Net loss for first six months reduced to \$2.1 million (H1 2012: \$2.4 million)
- Cash and marketable securities at 30 June 2013 were \$4.0 million (31 December 2012: \$0.4 million)
- U.S. Food and Drug Administration (“FDA”) concluded its open public comment period on its Environmental Assessment (“EA”) of AquAdvantage<sup>®</sup> Salmon (“AAS”) and its draft Finding of No Significant Impact (“FONSI”)

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

*“We remain confident of receiving approval for our New Animal Drug Application for AquAdvantage<sup>®</sup> Salmon. The basis of our confidence is that, since the public meetings in September 2010, there hasn’t been a single new substantive 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.”*

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## **Update on FDA approval process**

In AquaBounty's preliminary results announcement of 18 April 2013, the Company reported that the FDA had finally released its preliminary EA for AAS, along with a draft FONSI on 26 December 2012. This was followed by a 60-day open public comment period, which was subsequently extended for an additional 60 days and ended on 26 April 2013. It is understood that the FDA is reviewing the comments that it received and that it will finalize the EA and FONSI later this year. The Company expects that this will in turn lead to an approval of its New Animal Drug Application ("NADA") for AAS shortly thereafter.

## **Operations**

The Company entered into an ECC agreement with Intrexon whereby AquaBounty will have access to Intrexon's technology platform to develop and commercialize additional traits in finfish. The two companies have since commenced work on their first joint ECC project.

## **Financial review**

On 15 March 2013, AquaBounty completed a fundraising of \$6.0 million by means of an equity placing to certain existing shareholders. The net proceeds of \$5.7 million will provide the Company with sufficient cash resources to continue operating through mid-2014.

Operating expenses for the six month period ended 30 June 2013 were lower at \$2.1 million (H1 2012: \$2.4 million), reflecting the Company's continued tight spending control. However, cash used in the first half of 2013 was higher than the comparable period in 2012 at \$2.1 million (H1 2012: \$1.8 million), due primarily to a deposit payment on the lease renewal of the Company's grow-out facility in Panama. After the repayment of the December 2012 bridge loan provided by Intrexon, AquaBounty ended the first half of 2013 with cash and marketable securities of \$4.0 million (31 December 2012: \$0.4 million).

## **Outlook**

The Company continues to pursue the approval of its NADA for AAS, and is encouraged by the FDA's release of the EA and FONSI. However, it has received no information on the status of FDA's finalization or approval of its application. The Board is conscious that the Company's cash resources, though adequate for present purposes, will need to be supplemented once FDA approval has been granted in order to commence the commercialization phase. The Board remains confident that the market potential for AAS and AquaBounty's other biotechnology-based solutions would be substantial.

**AquaBounty Technologies, Inc.**  
**CONSOLIDATED BALANCE SHEETS**

	As at	
	June 30, 2013	December 31, 2012
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,940,552	\$ 348,521
Marketable securities	13,648	14,405
Other receivables	68,655	24,429
Prepaid expenses and other assets	289,649	127,104
Total current assets	4,312,504	514,459
Property, plant and equipment	1,047,752	1,131,214
Definite lived intangible assets	116,483	102,504
Indefinite lived intangible assets	191,800	191,800
Other assets	66,628	21,628
Total assets	\$ 5,735,167	\$ 1,961,605
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 506,704	\$ 435,849
Current portion of long-term debt	223,385	270,560
Total current liabilities	730,089	706,409
Long-term debt, net of current portion	2,074,353	2,034,904
Total liabilities	2,804,442	2,741,316
Stockholders' equity:		
Common stock, \$0.001 par value, 200,000,000 shares authorized; 125,240,254 (2012 - 102,255,688) shares outstanding	125,240	102,256
Additional paid-in capital	77,472,902	71,733,509
Accumulated other comprehensive loss	(592,710)	(660,201)
Accumulated deficit	(74,074,707)	(71,955,275)
Total stockholders' equity	2,930,725	(779,711)
Total liabilities and stockholders' equity	\$ 5,735,167	\$ 1,961,605

**AquaBounty Technologies, Inc.****CONSOLIDATED STATEMENTS OF OPERATIONS**

	Six months ended June 30,	
	2013	2012
<b>Costs and expenses:</b>		
Sales and marketing	\$ 302,372	\$ 317,837
Research and development	823,694	924,706
General and administrative	991,882	1,032,438
Restructuring costs	-	93,780
Total costs and expenses	2,117,948	2,368,761
<b>Operating loss</b>	<b>(2,117,948)</b>	<b>(2,368,761)</b>
<b>Interest income (expense), net</b>	<b>(1,484)</b>	<b>(4,996)</b>
<b>Net loss</b>	<b>\$ (2,119,432)</b>	<b>\$ (2,373,757)</b>
<b>Other comprehensive income:</b>		
Foreign currency translation gain (loss)	67,491	7,020
Total other comprehensive income (loss)	67,491	7,020
<b>Comprehensive loss</b>	<b>\$ (2,051,941)</b>	<b>\$ (2,366,737)</b>
<b>Basic and diluted net loss per share</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares - basic and diluted</b>	<b>115,663,352</b>	<b>90,966,215</b>

**AquaBounty Technologies, Inc.****CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Six months ended June 30,	
	2013	2012
<b>Operating activities</b>		
Net loss	\$ (2,119,432)	\$ (2,373,757)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	73,338	132,782
Share-based compensation	32,770	112,247
Amortization of discount on marketable securities	-	(326)
Loss on write-off of laboratory assets	-	5,776
Changes in operating assets and liabilities:		
Other receivables	(45,416)	99,671
Prepaid expenses and other assets	(208,316)	22,827
Accounts payable and accrued liabilities	81,156	(58,927)
Net cash used in operating activities	(2,185,900)	(2,059,707)
<b>Investing activities</b>		
Purchases of equipment	(43,371)	(22,435)
Paid out (reinvested) interest on certificate of deposit	(6)	6
Payment of patent costs	(16,953)	(14,304)
Net cash used in investing activities	(60,330)	(36,733)
<b>Financing activities</b>		
Repayment of long-term debt	(34,523)	(33,849)
Proceeds from issuance of debt, net	142,820	329,208
Proceeds from the issuance of common stock, net	5,725,607	1,742,478
Proceeds from exercise of stock options	4,000	-
Net cash provided by financing activities	5,837,904	2,037,837
Effect of exchange rate changes on cash and cash equivalents	357	(1,114)
Net increase (decrease) in cash and cash equivalents	3,592,031	(59,717)
Cash and cash equivalents at beginning of year	348,521	1,630,980
Cash and cash equivalents at end of period	\$ 3,940,552	\$ 1,571,263