

6 March 2014

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

Proposed Fundraising and General Meeting

AquaBounty Technologies, Inc. (AIM: ABTX), a biotechnology company focused on enhancing productivity in the aquaculture market and a majority owned subsidiary of Intrexon Corporation (NYSE: XON), is pleased to announce that it has entered into an Equity Subscription Agreement with Intrexon Corporation (“Intrexon”), to issue 19,040,366 new Common Shares, raising \$10.0 million (approximately £6.0 million) before expenses.

The price of the new Common Shares is 31.5 pence (\$0.5252 based on a conversion rate of £1:\$1.6673) per share, which represents the closing price of the Company's shares on AIM on 4 March 2014. Following the Subscription, Intrexon would hold a total of 86,386,624 Common Shares in the Company representing 59.85% of the issued share capital. The total issued share capital of the Company following this issue would be 144,345,837 Common Shares.

The Subscription is subject, inter alia, to the approval of Shareholders at a General Meeting, which will be held on 20 March 2014 at 10:00 a.m. at AquaBounty Technologies, Inc., Two Clock Tower Place, Suite 395, Maynard, MA 01754, USA. The circular relating to the fundraising by the Company (“the Circular”) has been posted to shareholders and will be available on the Company’s website at: www.aquabounty.com.

The Company is also seeking shareholder approval for its Second Amended and Restated Certificate of Incorporation, which includes the implementation of a 1-for-10 reverse stock split, along with certain changes to its corporate governance procedures and voting thresholds, in preparation for the registration of the Company’s Common Shares on NASDAQ.

Richard Clothier, Chairman of AquaBounty, said: “The Board is delighted to continue to receive the backing of its majority shareholder, Intrexon. It is an affirmation of AquaBounty’s proposition and our belief that when the FDA approval is granted, the Company will be able to fulfill its vision of using its technology to enable efficient, large scale aquaculture capable of environmentally sustainable production of high quality seafood. The Board continues to believe that FDA approval for the sale and consumption of AquAdvantage[®] Salmon will be forthcoming.”

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Proposed Fundraising and Notice of General Meeting

The Company is pleased to announce a proposed fundraising of \$10.0 million (approximately £6.0 million) before expenses by means of a subscription by Intrexon Corporation. Pursuant to the fundraising, the Company will issue 19,040,366 Common Shares at 52.52 cents (31.5 pence) per Subscription Share. The Subscription price represents the closing share price of the Company's Common Shares on AIM on 4 March 2014 being the last practical date prior to the signature of the Subscription Agreement. The Subscription is conditional on the Company obtaining appropriate shareholder approvals at a General Meeting to issue the new shares.

Background to the Fundraising

The Company regularly monitors its capital position and cash balance and the Board regularly reviews and evaluates the Company's business strategy and strategic alternatives. On 15 March 2013, the Company completed a fundraising of \$6.0 million by means of a private placement of Common Shares to certain existing Shareholders. The Company previously indicated in connection with the announcement of its interim results for the six months ended 30 June 2013 that the amount raised would provide the Company with sufficient cash resources to continue operating through mid-2014.

The FDA has not yet approved the Company's New Animal Drug Application for AAS. Given that the period for public comment on the FDA's environmental assessment and Finding of No Significant Impact ("FONSI") with respect to the Company's New Animal Drug Application expired on 26 April 2013, the Company had hoped that the FDA would approve the New Animal Drug Application for AAS in 2013. In light of the Company's need to raise additional funds to continue operations, the Company's substantial shareholder, Intrexon, indicated to the Board that it would agree to invest further in the Company in the Subscription. Following advice from the Company's advisors, it was determined that the Company's urgent 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 Subscription to all Shareholders. On that basis, the Company approached Intrexon, as well as a small group of institutional investors, to subscribe for the full amount of the Subscription.

The Board believes that, based on all the relevant circumstances, the terms of the Subscription and the Subscription Agreement with Intrexon are in the best interests of the Company and its existing Shareholders.

Terms of the Subscription

The fundraising is by way of a Subscription by Intrexon for new Common Shares in the Company at a price of \$0.5252 (31.5 pence) per share. The aggregate number of Common Shares being subscribed for is 19,040,366, raising \$10.0 million (approximately £6.0 million). The Subscription Price represents the closing share price of the Company's Common Shares on AIM on 4 March 2014 being the latest practical date prior to the signature of the Subscription Agreement. Completion of the Subscription is conditional on Shareholder approval of the Resolutions contemplated by this Proposal.

As of the date of this document, Intrexon owns 67,346,258 Common Shares, representing 53.75% of the Existing Common Shares, and is subscribing for all 19,040,366 Subscription Shares which, following completion of the Subscription, would allow Intrexon to increase its percentage ownership of the Common Shares to 59.85%.

The Subscription Shares are to be credited as fully paid and are to rank pari passu in all respects with the Existing Common Shares. Shareholders should note that Intrexon can terminate the Subscription Agreement if the Company has given inaccurate warranties or fails to perform its obligations under the Subscription Agreement.

Use of Proceeds

The Board believes that the net proceeds raised in the Subscription would permit the Company to not only fund working capital until expected FDA approval of the New Animal Drug Application for AAS but also to start the acceleration of its commercialization plans. The Board also believes the net proceeds would allow for increased development of new products through the Exclusive Channel Collaboration agreement (“ECC”) with Intrexon. However, the Company does not expect significant sales until 2016 and anticipates that it will need to raise further funds prior to that time. In addition, the Board believes that the amounts raised in the Subscription would allow the Company to satisfy certain balance sheet tests under the NASDAQ initial listing standards.

Second Amended and Restated Certificate of Incorporation and Reverse Stock Split

The Company intends to seek to list the Common Shares on NASDAQ. The Board believes that the Reverse Stock Split would allow the Company to meet certain initial listing standards for listing its Common Shares on NASDAQ. The Board also recognizes that currently certain provisions of the Certificate of Incorporation are tailored to meet the market conventions for shares trading on AIM. The Board is proposing to make certain changes to its corporate governance procedures and voting thresholds in the Certificate of Incorporation as set forth in the Restated Certificate of Incorporation. The Board believes that these changes would provide the Company with a charter that is more suitable for a NASDAQ-listed company and is appropriate to meet the expectations of an increased U.S. shareholder base. The Restated Certificate of Incorporation also conforms to the listing standards of NASDAQ.

In conjunction with the Reverse Stock Split, the Company will seek the advice of its legal advisers regarding the removal of the legends printed on the certificates of most of the Common Shares which set out the restrictions on transfer of those shares under the Securities Act. The Company will also seek to put in place provisions to allow the Common Shares to be dematerialised and traded in CREST, a paperless settlement system.

Update on FDA Approval

The Company submitted a New Animal Drug Application for AAS to the FDA in 1995. By 2010, the Company had completed all of the technical submission requirements for approval. In September 2010, the FDA held a public meeting of its Veterinary Medicine Advisory Committee to review its initial findings regarding AAS. The FDA’s panel of experts concluded that AAS is indistinguishable from other farmed Atlantic salmon, is safe to eat and does not pose a threat to the environment under the conditions in which it would live and be harvested.

On 26 December 2012, the FDA published its draft environmental assessment for AAS, along with its preliminary FONSI, confirming that an approval of the pending New Animal Drug Application would not have an adverse effect on the environment. The FDA opened up a 60-day period for public comment on the environmental assessment and FONSI. On 13 February 2013, the FDA extended the period for public comment by an additional 60 days and the period expired on 26 April 2013.

The Company is awaiting a final decision from the FDA on the New Animal Drug Application for AAS. While the Company does not expect the FDA to require the Company to complete other field trials or environmental assessments, or meet any other requirements prior to approval, the FDA has not provided the Company with an indication of its current or proposed process or the associated timing for approval.

Clearance to Produce AAS Eggs in Canada for Commercial Purposes

On 25 November 2013, Environment Canada, the agency of the Government of Canada with responsibility for regulating environmental policies and issues, concluded that AAS is not harmful to the environment or human health when produced in contained facilities. This ruling, which is currently subject to court challenge by certain environmental groups on administrative procedural grounds, recognizes that the Company's hatchery, which produces sterile, all-female eggs, is no longer solely a research facility but can produce eggs on a commercial scale without harm to the environment or human health. The Company continues to seek Environment Canada's approval for the sale of AAS in Canada for human consumption.

License Agreement with Genesis Group

On 5 March 2014, AquaBounty entered into an agreement with Genesis Group Inc. and HSC Research and Development Partnership (collectively, "Genesis") related to the technology and patents underlying AAS. In return for a lump sum payment of C\$150,000, Genesis granted AquaBounty a worldwide, royalty-free license to the technology and patents underlying AAS. In addition, both AquaBounty and Genesis agreed to release each other from any future related actions or claims.

Outlook and Strategy

The Board is encouraged that, after the initial extension of the public comment period with respect to the environmental assessment and FONSI, the FDA closed the comment period and no new issues have been raised. However, disappointingly the FDA has not outlined any further process or timetable for approval of the New Animal Drug Application for AAS. While no assurances can be made, the Board remains confident that the Company will ultimately receive approval from the FDA for AAS but cannot predict when that may occur.

Upon receipt of that approval, the Company plans to begin the process of preparing for and implementing AAS production on a commercial scale. If FDA approval is received before the end of 2014, the Company believes eggs could be supplied to field trials in January 2015. If the outcome of these trials is successful, the Company expects that sales and shipments of eggs could increase over the following two years. If FDA approval is received, the Company expects to focus on those significant fish farming markets where it believes it will have success in gaining regulatory approval and consumer acceptance. The Company currently expects to market AAS in the United States, Canada, Argentina, Chile and China following receipt of required regulatory approvals in the applicable jurisdiction.

Initially the Company expects the cost of production for each egg will be higher than the industry norm, but will fall significantly once volume production increases. While no pricing structure has been set by the Company, on the basis of the considerable savings available to producers, the directors expect AAS eggs to sell at a premium to standard salmon eggs.

The Company is also exploring the potential economic and strategic benefits of expanding vertically into the grow-out of AAS or other developed fish, which it believes could provide an opportunity to enhance the margin of the product and provide access to a potentially sizable market. The Company is also planning to establish a second broodstock hatchery to reduce operating risk and increase its capacity. The Company believes the cost of constructing and equipping a second hatchery would be approximately \$4 million.

Share Capital

The issued Common Share capital of the Company as at the date of this announcement and following the Subscription is as follows:

Share capital	As at the date of this document <i>Number of Common Shares</i>	Immediately following Admission <i>Number of Common Shares</i>
	125,305,471	144,345,837

The holdings of Common Shares of Shareholders other than Intrexon will therefore be diluted by the Subscription by 15 per cent.

Directors and Interests in Shares

As at the date of this announcement, the interests of the Directors of the Company and their immediate families (all of which are beneficial) in the issued share capital of the Company and, so far as is known to the directors of the Company or could with reasonable diligence be ascertained by them, persons connected with them which, if the connected person were a director of the Company, would otherwise be disclosed pursuant to this paragraph are, or are expected to be, as follows:

Director	As of the Date of this Document		Immediately Following Subscription(1)	
	<i>Number of Common Shares</i>	<i>Percentage of Existing Common Shares</i>	<i>Number of Common Shares</i>	<i>Percentage of Enlarged Share Capital</i>
R. Clothier	791,559	0.63	791,559	0.55
R. Stotish	-	-	-	-
R. Huber	639,321	0.51	639,321	0.44
T. Barton	-	-	-	-
J. Turk Jr.	-	-	-	-
R. Sterling	-	-	-	-
T. Kasser	-	-	-	-
Total	1,430,880	1.14	1,430,880	0.99

As at the date of this announcement, and save for the interests of the Directors of the Company disclosed above, the Company is aware of the following persons who are or will hold, directly or indirectly, voting rights representing 3 per cent or more of the issued share capital of the Company to which voting rights are attached:

Major Shareholders	As of the Date of this Document		Immediately Following Subscription(1)	
	Number of Common Shares	Percentage of Existing Common Shares	Number of Common Shares	Percentage of Enlarged Share Capital
Intrexon Corporation	67,346,258	53.75%	86,386,624	59.85%
Alejandro Weinstein (2)	22,130,040	17.66%	22,130,040	15.33%
Total	89,476,298	71.41%	108,516,664	75.18%

1. Assuming that Intrexon subscribes in full

2. Percentage includes shares held by Western Pharmaceuticals and CFR International, SPA. Mr. Weinstein is a controlling shareholder of both companies.

Related Party Transaction

Intrexon currently holds 67,346,258 Common Shares (representing 53.75% of the Company's Existing Common Shares) and has agreed with the Company to subscribe for all 19,040,366 Subscription Shares in the Subscription, which, following completion of the Subscription, would allow Intrexon to increase its percentage ownership of the Common Shares to 59.85%.

As Intrexon is a "substantial shareholder" of the Company, its participation in the Subscription constitutes a "related party transaction" under the AIM Rules.

The Independent Directors consider, having consulted with the Company's nominated adviser, Oriel Securities, that the terms on which Intrexon is participating in the Subscription are fair and reasonable insofar as the Company's Shareholders are concerned.

General Meeting

The Subscription is subject, inter alia, to the approval of Shareholders at the General Meeting.

The General Meeting is to be held on 20 March 2014 at 10:00 a.m. at AquaBounty Technologies, Inc., Two Clock Tower Place, Suite 395, Maynard, MA 01754, USA, at which the following resolutions will be proposed:

Resolution 1 authorising the Company to disapply Section 4(d) of the Certificate of Incorporation
The Board recognizes that the provisions of Section 4(d) of the Certificate of Incorporation would apply to the proposed issuance of the Subscription Shares to the Subscribing Investors pursuant to the Subscription. Section 4(d) restricts the Company from issuing, redeeming, or repurchasing any Common Shares, save for the issuance of Common Shares pursuant to the Company's share option or incentive plans, without first obtaining the affirmative vote of the holders of 65 per cent of the Common Shares represented at a meeting of the Shareholders.

In accordance with the Certificate of Incorporation, this Resolution will be passed with the affirmative vote of 65 per cent of those Shareholders present in person or represented by proxy.

The Board recommends a vote "FOR" the approval of Resolution 1.

Resolution 2 to disapply pre-emption rights

The Board recognizes that the provisions of Section 4(c) of the Certificate of Incorporation would apply to the proposed issuance of the Subscription Shares to the Subscribing Investors pursuant to the Subscription. Section 4(c) requires the Company, before selling Common Shares to a person for cash, to offer to its Shareholders the right to purchase a proportional amount of Common

Shares on terms that are at least as favorable as those for which said person would purchase the Common Shares. Following advice from the Company's advisors, it was confirmed that the urgency for funds and the legal and regulatory constraints made it impractical and prohibitively costly to open the Subscription to all Shareholders. As the Subscription is conditional on this Resolution being passed, the Board has determined that the application of Section 4(c) of the Certificate of Incorporation in relation to the Subscription is not in the best interests of the Company or its Shareholders.

In accordance with Section 4(c) of the Certificate of Incorporation, this Resolution will be passed with the affirmative vote of 75 per cent of those Shareholders present in person or represented by proxy.

The Board recommends a vote "FOR" the approval of Resolution 2.

Resolution 3: To approve the proposed Restated Certificate of Incorporation, to effect a 1-for-10 Reverse Stock Split and make certain changes to corporate governance procedures and voting thresholds in the Certificate of incorporation.

In accordance with Section 8(b) of the Certificate of Incorporation, and because the Restated Certificate of Incorporation amends Sections 4(a) and 5(c) of the Certificate of Incorporation, approval of this Resolution requires the affirmative vote of holders of at least 65% of the then-outstanding Common Shares.

The Board recommends a vote "FOR" the approval of Resolution 3.

Actions to be Taken

A Form of Proxy for use at the General Meeting has been sent to Shareholders. Whether or not Shareholders intend to be present at the General Meeting, they are asked to complete the Form of Proxy in accordance with the instructions thereon and to return it by post to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, so as to be received as soon as possible and, in any event, not later than 10.00 a.m. EDT on 18 March 2014.

A Shareholder may revoke their proxy by notifying the Company Secretary in writing before the General Meeting that they have revoked their proxy or voting in person at the General Meeting. Proxies solicited by the Board will be voted "FOR" each of the Resolutions to be proposed at the General Meeting, unless a different vote is specified. A quorum of Shareholders is necessary to hold a valid meeting. The presence, in person or represented by proxy, at the General Meeting of holders of Common Shares representing a majority of the votes of the Common Shares entitled to vote constitutes a quorum.

Importance of vote

As completion of the Subscription is conditional, inter alia, upon the approval by Shareholders of the Resolutions at the General Meeting, Shareholders should be aware that, if the Resolutions are not passed and the Subscription does not take place, funds will not be received by the Company. In this event, the Company expects that it will require additional working capital before the end of the first half of 2014.

Recommendation

The Board believes that, based on all the relevant circumstances, the terms of the Subscription and the Subscription Agreement with Intrexon are in the best interests of the Company and its existing Shareholders as a whole. The Board further believes that the amendment and restatement of the Certificate of Incorporation is in the best interests of the Company and its existing Shareholders as a whole. The Board recommends that Shareholders vote in favour of all of the Resolutions to be proposed at the General Meeting, as those directors of the Company who are also Shareholders intend to do so in respect of their own beneficial holdings of Common Shares, which amount, in aggregate, to 1,430,880 Common Shares, representing approximately 1.14% of the Existing Common Shares.