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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________________ to ____________________

Commission File Number: 001-36426

AquaBounty Technologies, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**04-3156167**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

233 Ayer Road, Suite 4
Harvard, Massachusetts 01451
(978) 648-6000
(Address and telephone number of the registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	**AQB**	**The NASDAQ Stock Market LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 (§232.405 of this chapter) of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☒	Smaller reporting company	☒
						Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

At August 4, 2026, the registrant had 5,147,204 shares of common stock, par value $0.001 per share ("Common Shares") outstanding.

AquaBounty Technologies, Inc.

FORM 10-Q

For the Quarterly Period Ended June 30, 2026

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q of AquaBounty Technologies, Inc. ("AquaBounty," the "Company," "we," "us" or "our") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, that involve significant risks and uncertainties about AquaBounty. All statements other than statements of historical fact are forward-looking statements, and AquaBounty may use words such as "expect," "anticipate," "project," "intend," "plan," "aim," "believe," "seek," "estimate," "can," "focus," "will," and "may," similar expressions and the negative forms of such expressions to identify such forward-looking statements. We have based these forward-looking statements on our current expectations, assumptions, estimates, and projections. While we believe these expectations, assumptions, estimates, and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks, uncertainties, and other factors, many of which are outside of our control, which could cause our actual results, performance, or achievements to differ materially from any results, performance, or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: our history of net losses and the likelihood of future net losses; our ability to continue as a going concern; our ability to raise additional funds, including from the sale of non-current assets, in sufficient amounts on a timely basis, on acceptable terms, or at all; our ability to obtain and maintain approvals and permits for our Ohio Farm (as defined below) without delays; risks related to potential strategic acquisitions, dispositions, mergers, joint ventures and other strategic transactions; security breaches, cyber-attacks and other disruptions could compromise our information, or expose us to fraud or liability, or interrupt our operations; any further write-downs of the value of our assets; business, political, or economic disruptions or global health concerns; adverse developments affecting the financial services industry; our ability to use net operating losses and other tax attributes, which may be subject to certain limitations; volatility in the price of our shares of common stock; our ability to maintain our listing on the Nasdaq Stock Market LLC ("Nasdaq"); an active trading market for our common stock may not be sustained; our status as a "smaller reporting company" and a "non-accelerated filer" may cause our shares of common stock to be less attractive to investors; any issuance of preferred stock with terms that could dilute the voting power or reduce the value of our common stock; provisions in our corporate documents and Delaware law could have the effect of delaying, deferring, or preventing a change in control of us; our expectation of not paying cash dividends in the foreseeable future; the composition of our Board of Directors ("Board") may change from time to time under our governing documents, including through the filling of vacancies, which may result in a change the Company's strategic plan; and other risks and uncertainties discussed in the Company's filings with the Securities and Exchange Commission ("SEC").

For additional disclosure regarding these and other risks faced by AquaBounty, see disclosures contained in AquaBounty's public filings with the SEC, including the "Risk Factors" in the Company's Annual Report on Form 10-K and this Quarterly Report on Form 10-Q. You should consider these factors in evaluating the forward-looking statements included in this Quarterly Report on Form 10-Q and not place undue reliance on such statements. The forward-looking statements are made as of the date hereof, and AquaBounty undertakes no obligation to update such statements as a result of new information, except as required by law.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AquaBounty Technologies, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	As of	
	June 30, 2026	**December 31, 2025**
Assets		
Current assets:		
Cash	$ **1,889,291**	$ 501,295
Prepaid expenses and other current assets	**208,661**	266,862
Current assets held for sale	**9,603,157**	9,552,454
Total current assets	**11,701,109**	10,320,611
Right of use assets, net	**7,820**	22,982
Total assets	$ **11,708,929**	$ 10,343,593
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ **523,782**	$ 337,038
Accrued employee compensation	**939,716**	912,103
Other current liabilities	**7,820**	22,982
Current liabilities held for sale	**1,277,934**	7,476,254
Total current liabilities	**2,749,252**	8,748,377
Non-current liabilities held for sale	**6,148,134**	—
Long-term debt	**—**	3,486,141
Total liabilities	**8,897,386**	12,234,518
Commitments and contingencies (Note 9)		
Stockholders' equity (deficit):		
Preferred stock, $0.01 par value, 5,000,000 shares authorized; 372,976 and nil shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	**3,730**	—
Common stock, $0.001 par value, 75,000,000 shares authorized; 5,147,204 and 3,877,695 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	**5,147**	3,878
Additional paid-in capital	**393,896,728**	386,368,222
Accumulated deficit	**(391,094,062)**	(388,263,025)
Total stockholders' equity (deficit)	**2,811,543**	(1,890,925)
Total liabilities and stockholders' equity (deficit)	$ **11,708,929**	$ 10,343,593

See accompanying notes to these condensed consolidated financial statements.

AquaBounty Technologies, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Costs and expenses				
Sales and marketing	**$ —**	$ —	**$ —**	$ 6,613
General and administrative	**799,258**	1,196,841	**1,420,824**	2,355,908
Total costs and expenses	**799,258**	1,196,841	**1,420,824**	2,362,521
Operating loss	**(799,258)**	(1,196,841)	**(1,420,824)**	(2,362,521)
Other (expense) income				
Interest expense	**(529,491)**	—	**(829,476)**	—
Loan forgiveness	**—**	—	**—**	2,008,046
Other expense, net	**(3,716)**	(2,979)	**(6,966)**	(7,413)
Total other (expense) income	**(533,207)**	(2,979)	**(836,442)**	2,000,633
Loss from continuing operations	**(1,332,465)**	(1,199,820)	**(2,257,266)**	(361,888)
Loss from discontinued operations	**(298,502)**	(2,173,217)	**(573,771)**	(2,610,014)
Net loss	**$ (1,630,967)**	$ (3,373,037)	**$ (2,831,037)**	$ (2,971,902)
Other comprehensive income				
Foreign currency translation gain	**—**	—	**—**	688,229
Comprehensive loss	**$ (1,630,967)**	$ (3,373,037)	**$ (2,831,037)**	$ (2,283,673)
Basic and diluted net loss per share				
from continuing operations	**$ (0.26)**	$ (0.31)	**$ (0.46)**	$ (0.10)
from discontinued operations	**(0.06)**	(0.56)	**(0.12)**	(0.67)
Total basic and diluted net loss per share	**$ (0.32)**	$ (0.87)	**$ (0.58)**	$ (0.77)
Weighted average number of common shares - basic and diluted	**5,147,204**	3,872,587	**4,858,210**	3,869,708

See accompanying notes to these condensed consolidated financial statements.

AquaBounty Technologies, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)
(Unaudited)

	Preferred stock issued and outstanding	Par value	Common stock issued and outstanding	Par value	Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total
Balance at December 31, 2024	—	$ —	3,865,778	$ 3,866	$ 386,297,611	$ (688,229)	$ (369,772,538)	$ 15,840,710
Net income							401,135	401,135
Other comprehensive income						688,229		688,229
Share-based compensation			3,583	3	40,158			40,161
Balance at March 31, 2025	—	$ —	3,869,361	$ 3,869	$ 386,337,769	$ —	$ (369,371,403)	$ 16,970,235
Net loss							(3,373,037)	(3,373,037)
Share-based compensation			8,334	9	16,718			16,727
Balance at June 30, 2025	—	$ —	3,877,695	$ 3,878	$ 386,354,487	$ —	$ (372,744,440)	$ 13,613,925

	Preferred stock issued and outstanding	Par value	Common stock issued and outstanding	Par value	Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total
Balance at December 31, 2025	**—**	**$ —**	**3,877,695**	**$ 3,878**	**$ 386,368,222**	**$ —**	**$ (388,263,025)**	**$ (1,890,925)**
Net loss							**(1,200,070)**	**(1,200,070)**
Issuance of common stock and warrants			**1,269,509**	**1,269**	**958,281**			**959,550**
Share-based compensation					**5,014**			**5,014**
Balance at March 31, 2026	**—**	**$ —**	**5,147,204**	**$ 5,147**	**$ 387,331,517**	**$ —**	**$ (389,463,095)**	**$ (2,126,431)**
Net loss							**(1,630,967)**	**(1,630,967)**
Issuance of preferred stock	**372,976**	**3,730**			**6,770,244**			**6,773,974**
Dividends on preferred stock					**(205,033)**			**(205,033)**
Balance at June 30, 2026	**372,976**	**$ 3,730**	**5,147,204**	**$ 5,147**	**$ 393,896,728**	**$ —**	**$ (391,094,062)**	**$ 2,811,543**

See accompanying notes to these condensed consolidated financial statements.

AquaBounty Technologies, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Operating activities		
Net loss	**$ (2,831,037)**	$ (2,971,902)
Adjustment to reconcile net loss to net cash used in operating activities:		
Share-based compensation	**5,014**	56,888
Long-lived asset impairment	**—**	1,218,866
Loan forgiveness	**—**	(2,008,046)
Other non-cash expense	**513,859**	—
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	**22,660**	(501,960)
Accounts payable and accrued liabilities	**(83,637)**	308,580
Accrued employee compensation	**27,613**	(12,473)
Net cash used in operating activities	**(2,345,528)**	(3,910,047)
Investing activities		
Proceeds from asset sales	**—**	4,632,679
Net cash provided by investing activities	**—**	4,632,679
Financing activities		
Repayment of term debt	**—**	(232,194)
Proceeds from issuance of common stock and warrants, net	**959,550**	—
Proceeds from issuance of preferred stock, net	**2,773,974**	—
Net cash provided by (used in) financing activities	**3,733,524**	(232,194)
Effect of exchange rate changes on cash and cash equivalents	**—**	8,769
Net change in cash	**1,387,996**	499,207
Cash at beginning of period	**501,295**	230,362
Cash at end of period	**$ 1,889,291**	$ 729,569
Supplemental disclosure of cash flow information and non-cash transactions:		
Interest paid in cash from discontinued operations	**$ 293,021**	$ 16,903
Non-cash conversion of notes and accrued interest to preferred stock	**$ 4,315,616**	$ —
Non-cash conversion of accounts payable to current debt	**$ —**	$ 1,847,602

See accompanying notes to these condensed consolidated financial statements.

AquaBounty Technologies, Inc.
Notes to the condensed consolidated financial statements
(unaudited)

1. Nature of Business and Organization

AquaBounty Technologies, Inc. (the "Parent" and, together with its wholly owned subsidiaries, the "Company") was incorporated in December 1991 in the State of Delaware for the purpose of conducting research and development of the commercial viability of a group of proteins commonly known as antifreeze proteins. In 1996, the Parent obtained the exclusive licensing rights for a gene construct (transgene) used to create a breed of farm-raised Atlantic salmon that exhibit growth rates that are substantially faster than conventional Atlantic salmon.

The Company has historically pursued a growth strategy that included the construction of large-scale recirculating aquaculture system ("RAS") farms for producing its genetically engineered Atlantic salmon ("GE Atlantic salmon"). The Company had commenced construction of a 10,000 metric ton farm in Pioneer, Ohio ("Ohio Farm Project"), but paused the construction in June 2023, as the cost estimate to complete the farm continued to substantially increase due to inflation and other factors. Further, these cost increases impaired the Company's ability to pursue municipal bond financing, which was a necessary component of its funding strategy. The Company subsequently engaged an investment bank to pursue a range of funding and strategic alternatives and to assist management in the prioritization of the Company's core assets. These efforts resulted in the sale of the Company's grow-out farm in Indiana ("Indiana Farm") in July 2024, recurring sales throughout 2024 and 2025 of selected equipment originally intended for the Ohio Farm Project ("Ohio Equipment Assets"), and the sale of the Company's Canadian subsidiary, including the broodstock farms owned by the Canadian subsidiary in Prince Edward Island, Canada ("Canadian Farms") and its intellectual property for GE Atlantic salmon, along with trademarks and patents ("Corporate IP") in March 2025. After completion of these transactions, the Company's primary remaining asset as of June 30, 2026 is its investment in the Ohio Farm Project, consisting of the remaining Ohio Equipment Assets and the land and construction in process ("Ohio Farm Site"). The Company continues to work with its investment bank to identify the optimal path forward for realizing the potential of this asset.

2. Going Concern Uncertainty

Since inception, the Company has incurred cumulative net losses of $391 million and expects that this will continue for the foreseeable future. As of June 30, 2026, the Company had $1.9 million in cash on its condensed consolidated balance sheet.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional capital, including its ability to sell assets to generate liquidity to fund ongoing operations, and there can be no assurance that such capital will be available in sufficient amounts, on a timely basis, or on terms acceptable to the Company, or at all. Limited operating assets, dependency on capital raising activities and cumulative net losses raises substantial doubt about the Company's ability to continue as a going concern within one year after the date that the accompanying condensed consolidated financial statements are issued. The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and do not include any adjustments that might result from the outcome of this uncertainty.

During the year ended December 31, 2025, the Company's management continued to sell assets to generate cash for working capital, while exploring strategic alternatives to raise funds with the goal of maximizing stockholder value. Potential alternatives that were evaluated included, but were not limited to, equity or debt financing, a merger, and the sale of all or part of the Company.

On February 11, 2026, the Company completed an equity transaction with certain investors, pursuant to which the Company sold an aggregate of 1,269,509 shares of its common stock, par value $0.001 ("Common Stock") and pre-funded warrants to purchase an aggregate of 67,706 shares of Common Stock for gross proceeds of $1.15 million.

On April 7, 2026, the Company entered into securities exchange agreements in a private placement with the holders of the Company's outstanding Senior Notes, pursuant to which an aggregate of $4.0 million of principal and $316 thousand of accrued and unpaid interest was exchanged for an aggregate of 236,367 shares of the Company's Series A Convertible preferred stock, par value $0.01 per share ("Series A PS"). The transaction also included the issuance of 27,386 shares of Series A PS to a certain investor for gross proceeds of $500 thousand. The Series A PS issued in the transaction are convertible into up to 5,275,060 shares of the Company's Common Stock at the option of the holders.

On June 25, 2026, the Company entered into securities purchase agreements with certain purchasers, pursuant to which the Company issued and sold 109,223 shares of the Company's Series B Convertible Preferred Stock, par value $0.01 per share

("Series B PS") for gross proceeds of $2.25 million. The Series B PS are convertible into up to 2,184,460 shares of the Company's Common Stock at the option of the holders.

3. Basis of Presentation

The unaudited interim condensed consolidated financial statements include the accounts of AquaBounty Technologies, Inc. and its wholly owned direct subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

The unaudited interim condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States ("GAAP") consistent with those applied in, and should be read in conjunction with, the Company's audited financial statements and related notes for the year ended December 31, 2025. The unaudited interim condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the Company's financial position as of June 30, 2026, results of operations and cash flows for the interim periods presented and are not necessarily indicative of results for subsequent interim periods or for the full year. The unaudited interim condensed consolidated financial statements do not include all of the information and notes required by GAAP for complete financial statements, as allowed by the relevant SEC rules and regulations; however, the Company believes that its disclosures are adequate to ensure that the information presented is not misleading.

Discontinued Operations

As noted above, the Company sold its Indiana Farm in July 2024 and its Canadian Farms in March 2025. At December 31, 2025, the Company determined that its actions and decisions during 2025 regarding its Ohio Farm Project constituted a triggering event for revaluing these assets. These farms have been designated as discontinued operations in these interim condensed consolidated financial statements for all periods presented (see Note 5).

Net Loss Per Share

Basic and diluted net loss per share available to common stockholders have been calculated by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Basic net loss per share is based solely on the number of shares of common stock outstanding during the period. Fully diluted net loss per share includes the number of shares of common stock issuable upon the exercise of warrants or options with an exercise price less than the fair value of the common stock. Since the Company is reporting a net loss for all periods presented, all potential shares of common stock are considered anti-dilutive and are excluded from the calculation of diluted net loss per share.

The following table contains the Company's potentially dilutive securities:

	Three Months Ended June 30,	
Weighted Average Outstanding	**2026**	**2025**
Stock options	**37,594**	47,178
Prefunded warrants	**67,706**	—
Convertible preferred stock	**5,071,284**	—
Unvested stock awards	—	4,945

	Six Months Ended June 30,	
Weighted Average Outstanding	**2026**	**2025**
Stock options	**37,777**	53,895
Prefunded warrants	**51,995**	—
Convertible preferred stock	**2,549,651**	—
Unvested stock awards	—	8,039

The table does not include the potential dilutive shares that could be issued from preferred stock dividends.

Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2024-03, Disaggregation of Income Statement Expenses, to enhance the transparency of certain expense disclosures. The update requires disclosure of specific expense categories in the notes to the financial statements at interim and annual reporting periods. The update requires disaggregated information about certain prescribed expense categories underlying any relevant income statement expense caption. The amendments in this update are effective for public entities for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. The amendments may be adopted either prospectively or retrospectively. Early adoption is permitted. The Company is currently evaluating the impacts of this update and plans to adopt these amendments for annual disclosures for the year ended December 31, 2027, and interim disclosures in the year ended December 31, 2028.

Management does not expect any other recently issued, but not yet effective, accounting standards to have a material effect on its results of operations or financial condition.

4. Risks and Uncertainties

The Company is subject to risks and uncertainties associated with its current operations. Such risks and uncertainties include, but are not limited to: (i) timing of securing additional sources of cash; (ii) realization of asset values different than those recorded on the Company's consolidated balance sheet; and (iii) stockholder approval of any plans made by the Company's management and board of directors that require stockholder approval.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist principally of cash balances. This risk is mitigated by the Company's policy of maintaining all balances with highly rated financial institutions. The Company's cash balances may at times exceed insurance limitations.

5. Discontinued Operations and Assets Held for Sale

In July 2024, the Company sold its Indiana Farm for a sale price of $9.5 million less transaction expenses of $305 thousand, which included certain Ohio Equipment Assets with a carrying value of $13.0 million that had been purchased for the Company's Ohio Farm Project. In December 2024, the Company announced the winddown of its Canadian fish rearing operations and sold its Canadian Farms in March 2025 for a sale price of $5.2 million, including the assumption of $3.2 million in outstanding loans, less transaction expenses of $216 thousand. These decisions by the Company represented a strategic shift that has had a major effect on the Company's operations and financial results. Consequently, each of these farms has been designated as discontinued operations in the condensed consolidated financial statements for the periods presented.

Additionally, the Company has been working with its investment bank to identify the optimal path forward for realizing the potential of its assets, including the possible sale of the Ohio Farm Project. The Company received a non-binding Letter of Interest to purchase the Ohio subsidiary, and consequently the Company determined that the actions and decisions that occurred leading up to receiving this offer constituted a triggering event for revaluing these assets and has included the Ohio Farm Project in discontinued operations in the condensed consolidated financial statements for the periods presented.

Provided below are the major areas of the financial statements that constitute discontinued operations.

		June 30, 2026		December 31, 2025
Assets				
Prepaid and other current assets	**$**	**83,157**	$	32,454
Property, plant and equipment		**9,520,000**		9,520,000
Total assets held for sale	**$**	**9,603,157**	$	9,552,454
Liabilities				
Accounts payable and accrued expenses	**$**	**39,833**	$	90,019
Current debt		**1,238,101**		7,386,235
Non-current debt		**6,148,134**		—
Total Liabilities held for sale	**$**	**7,426,068**	$	7,476,254

	Six months ended June 30,			
		2026		2025
Cash flows from operating activities				
Long-lived asset impairment	$	—	$	1,218,866
Changes in working capital		**(100,889)**		426,224
Cash flows from investing activities				
Proceeds from asset sales		—		3,019,688
Cash flows from financing activities				
Repayment of term debt		—		(32,194)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Costs and expenses				
General and administrative	**$ 151,182**	556,880	**$ 280,750**	$ 1,149,610
Long-lived impairment, net	**—**	1,525,752	**—**	1,218,866
Operating income (loss)	**(151,182)**	(2,082,632)	**(280,750)**	(2,368,476)
Other expense	**(147,320)**	(90,585)	**(293,021)**	(241,538)
Loss from discontinued ops	**$ (298,502)**	$ (2,173,217)	**$ (573,771)**	$ (2,610,014)

6. Prepaid and Other Current Assets

Major classifications of prepaid and other current assets are summarized as follows:

	June 30, 2026	December 31, 2025
Receivables	$ **100,000**	$ —
Prepaid insurance	**30,432**	172,032
Prepaid Other	**78,229**	94,830
Total prepaid expenses and other current assets	**$ 208,661**	$ 266,862

7. Debt

	Interest rate	Monthly repayment	Maturity date	June 30, 2026	December 31, 2025
Senior Notes	18%	—	Apr 2027	**$ —**	$ 4,124,000
less: loan origination costs				**—**	(637,859)
less: current portion				**—**	—
Long-term debt, net				**$ —**	$ 3,486,141

Senior Notes

On October 28, 2025, the Company entered into Note Purchase Agreements with certain investors providing for the issuance and sale of senior notes ("Senior Notes") in an aggregate principal amount of $4.0 million in a private placement transaction. The Senior Notes were unsecured, nonconvertible, bore interest at 18% per annum, and were scheduled to mature 18 months from closing.

On April 7, 2026, the Company entered into securities exchange agreements in a private placement with the holders of the Company's outstanding Senior Notes, pursuant to which an aggregate of $4.0 million of principal and $316 thousand of accrued and unpaid interest was exchanged for an aggregate of 236,367 shares of the Company's Series A Convertible preferred stock, par value $0.01 per share, which are convertible into up to 4,727,340 shares of the Company's Common Stock at the option of the holder.

The Company recognized interest expense of $829 thousand and $0 for the six months ended June 30, 2026 and 2025, respectively, on its interest-bearing debt.

8. Stockholders' Equity

The Company's stockholders have authorized 80 million shares of stock, of which 5 million are authorized as preferred stock and 75 million as common stock.

Recent Issuances of Preferred Stock, Common Stock, and Warrants

On February 11, 2026, the Company completed an equity transaction with certain investors, pursuant to which the Company sold an aggregate of 1,269,509 shares of its Common Stock and pre-funded warrants to purchase an aggregate of 67,706 shares of Common Stock for gross proceeds of $1.15 million. The warrants can be converted to Common Stock at the option of the holder and there is no expiration date.

On April 7, 2026, the Company entered into securities exchange agreements in a private placement with the holders of the Company's outstanding Senior Notes, pursuant to which an aggregate of $4.0 million of principal and $316 thousand of accrued and unpaid interest was exchanged for an aggregate of 236,367 shares of the Company's Series A Convertible preferred stock, par value $0.01 per share ("Series A PS"). The transaction also included the issuance of 27,386 shares of Series A PS to a certain investor for gross proceeds of $500 thousand. The Series A PS issued in the transaction are convertible into up to 5,275,060 shares of the Company's Common Stock at the option of the holders.

On June 25, 2026, the Company entered into securities purchase agreements with certain purchasers, pursuant to which the Company issued and sold 109,223 shares of the Company's Series B Convertible Preferred Stock, par value $0.01 per share ("Series B PS) for gross proceeds of $2.25 million. The Series B PS are convertible into up to 2,184,460 shares of the Company's Common Stock, at the option of the holders.

Preferred Stock

There are a total of 5,000,000 shares of preferred stock authorized, with 400,000 shares designated as Series A Convertible Preferred Stock and 200,000 shares designated as Series B Convertible Preferred Stock. The shares of both series of preferred stock rank senior to the Company's Common Stock and have the additional characteristics set below.

Dividends – Dividends accrue on each share of preferred stock at the rate of 18.0% per annum on a quarterly basis in arrears, calculated on the liquidation value. Dividends are payable in cash when declared on a bi-annual schedule and the Company's Board of Directors ("Board") may permit dividends to accumulate rather than be paid out.

Conversion – Each share of preferred stock is convertible at any time at the holder's election into shares of Common Stock based on the applicable conversion price, as adjusted, which conversion price is determined based on the liquidation value. In addition, subject to compliance with applicable exchange rules, the Board may elect to convert accrued and unpaid dividends into shares of Common Stock.

Liquidation Preference – Upon any liquidation, dissolution or winding up, preferred stockholders are entitled to receive, before any distribution to junior securities, at the holder's election, either cash or non-cash consideration valued at fair market value as determined by the Board in good faith, in each case equal to the aggregate liquidation value plus all unpaid accrued and accumulating dividends.

Voting – Each share of preferred stock votes together with the Common Stock as a single class on all matters submitted to stockholders, with each share having a number of votes equal to the number of shares of Common Stock into which it is then convertible.

At June 30, 2026, the Company's outstanding preferred stock consists of the following:

	Shares Authorized	Shares Outstanding	Conversion Price	Common Stock Equivalent	Liquidation Value	Accrued Dividends
Series A Preferred Stock	400,000	263,753	$ 0.9129	5,275,060	$ 4,815,616	$ 199,485
Series B Preferred Stock	200,000	109,223	$ 1.0300	2,184,460	$ 2,250,000	$ 5,548
Total at June 30, 2026	600,000	372,976		7,459,520	$ 7,065,616	$ 205,033

Share-based compensation

At June 30, 2026, the Company has reserved 37,594 and 0 shares of common stock issuable upon the exercise of outstanding stock options and unvested stock awards, respectively, under its 2016 Equity Incentive Plan. No shares of Common Stock are reserved for future equity awards under the 2016 Equity Incentive Plan.

Unvested Stock Awards

During the six months ended June 30, 2026 and 2025, the Company expensed $0 and $33 thousand, respectively, related to the stock awards.

Stock options

The Company's option activity is summarized as follows:

	Number of options		Weighted average exercise price
Outstanding at December 31, 2025	38,919	$	42.95
Expired	(1,325)		83.08
Outstanding at June 30, 2026	37,594	$	41.53
Exercisable at June 30, 2026	37,594	$	41.53

Unless otherwise indicated, options issued to employees, members of the Board, and non-employees generally vest over a period of one year to three years and are exercisable for a term of 10 years from the date of issuance. There were no stock options granted during the six months ended June 30, 2026.

There was no intrinsic value for options outstanding or exercisable at June 30, 2026 and December 31, 2025.

The following table summarizes information about options outstanding and exercisable at June 30, 2026:

Weighted average exercise price of outstanding options	Number of options outstanding	Weighted average remaining estimated life (in years)	Number of options exercisable
< $10.00	13,673	7.0	13,673
$20.00 - $50.00	21,440	3.3	21,440
$100.00 - $200.00	931	4.7	931
$200.00 - $300.00	1,550	0.8	1,550
	37,594		37,594

Total share-based compensation on stock-option grants amounted to $5 thousand and $24 thousand for the six months ended June 30, 2026 and 2025, respectively. At June 30, 2026, the balance of unearned share-based compensation to be expensed in future periods related to unvested share-based awards was $0.

9. Commitments and Contingencies

The Company recognizes and discloses commitments when it enters into executed contractual obligations with other parties. The Company accrues contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

The Company is subject to legal proceedings and claims arising in the normal course of business. Management believes that final disposition of any such matters existing at June 30, 2026, will not have a material adverse effect on the Company's financial position or results of operations.

Lease commitments

The Company's lease right of use assets and obligations as of June 30, 2026 and 2025 were $8 thousand and $38 thousand, respectively and there was 0.25 years remaining on its lease commitment. Operating lease expenses for the six months ended June 30, 2026 and 2025 were $16 thousand each.

10. Segment Reporting

The Company adopted ASU 2023-07 effective for the annual period beginning January 1, 2024.

The financial information presented to and reviewed by the Company's chief operating decision maker, who is the interim chief executive officer, chief financial officer and treasurer, is not prepared in accordance with GAAP, therefore certain accounting policies of the Company's single operating and reportable segment differ significantly from those described in the Company's 2025 Annual Report on Form 10-K, which was filed on March 31, 2026. Since the Company operates as one operating segment, all required significant financial segment information can be found in the condensed consolidated financial statements. There are no other significant segment expenses that would require disclosure. The measure of segment assets is reported on the condensed consolidated balance sheets as total consolidated assets.

Management monitors the financial results for internal purposes using consolidated net loss (income) and net cash expenditures, as these are the key performance measures used for evaluating the business. The chief operating decision maker uses these measures on a monthly basis when assessing performance and when making decisions about how to allocate operating resources, such as payments to vendors.

11. Income Taxes

The Company reported a net loss for the six months ended June 30, 2026, and is forecasting losses through the remainder of the year, resulting in an estimated net loss for both financial statement and tax purposes for the year ending December 31, 2026. Therefore, no federal or state income taxes are expected and none have been recorded at this time. Income taxes have been accounted for using the liability method.

Due to the Company's history of losses since inception, there is not enough evidence at this time to support that the Company will generate future income of a sufficient amount and nature to utilize the benefits of its net deferred tax assets. Accordingly, the deferred tax assets have been reduced by a full valuation allowance, since the Company does not currently believe that realization of its deferred tax assets is more likely than not.

As of June 30, 2026, the Company had no unrecognized income tax benefits that would reduce the Company's effective tax rate if recognized.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the unaudited financial information and the notes thereto included in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed on March 31, 2026.

Overview

AquaBounty has historically pursued a growth strategy that included the construction of large-scale RAS farms for producing our GE Atlantic salmon. We had commenced construction of our 10,000 metric ton Ohio Farm Project, but paused the construction in June 2023, as the cost estimate to complete the farm continued to substantially increase due to inflation and other factors. Further, these cost increases impaired our ability to pursue municipal bond financing, which was a necessary component of our funding strategy. We subsequently engaged an investment bank to pursue a range of funding and strategic alternatives and to assist management in the prioritization of our core assets. These efforts resulted in the sale of our Indiana Farm in July 2024, recurring sales throughout 2024 and 2025 of selected Ohio Equipment Assets originally intended for the Ohio Farm Project, and the sale of our Canadian Farms, and our Corporate IP in March 2025. After completion of these transactions, our primary remaining asset is our investment in the Ohio Farm Project, consisting of the remaining Ohio Equipment Assets and the Ohio Farm Site.

We have been engaged in efforts to monetize the Ohio Farm Project through discussions with parties in the aquaculture industry. While those discussions remain ongoing, evolving market conditions have led us to broaden our evaluation of strategic alternatives to maximize shareholder value. The Ohio Farm Site possesses a unique combination of infrastructure assets that we believe may be attractive to participants in the rapidly expanding power generation and digital infrastructure sectors. As part of an expanded strategic review, we intend to engage with developers, utilities, independent power producers, infrastructure investors, and other strategic partners regarding a range of potential transactions. These may include an outright sale of the property, joint development arrangements, long-term leasing opportunities, or other structures that could realize the value of the Ohio Farm Site's infrastructure assets. We will also evaluate opportunities to participate more directly in infrastructure or energy development where doing so could enhance long-term shareholder value.

Discontinued Operations

As noted above, we sold our Indiana Farm in July 2024, our Canadian Farms in March 2025, and in 2024 and 2025 we sold Ohio Equipment Assets to generate liquidity. In conjunction with the work that our investment bank has done to help us realize the value of our Ohio Farm Project, we received a non-binding Letter of Interest to purchase our Ohio subsidiary. Though this offer is currently being considered by the Company, we determined the actions in 2025 that contributed to receiving the non-binding Letter of Interest to be a triggering event for revaluing these assets and we designated the Ohio Farm Project as a discontinued operation, along with the Indiana Farm and the Canadian Farms in our condensed consolidated financial statements for the periods included in this Form 10-Q (see Note 5 to our condensed consolidated financial statements for additional information).

Financial Overview

With the exit from our fish rearing operations, we have significantly reduced our headcount and on-going operating costs. We maintain a small core group of corporate individuals to oversee our strategic options, our asset sale transactions and our books and records. As of June 30, 2026, we had an accumulated deficit of $391 million and $1.9 million in cash on our condensed consolidated balance sheet. We require new funding to provide liquidity for working capital and to fund our evolving strategic plan. Consequently, our ability to continue as a going concern is dependent upon our ability to raise additional capital, and there can be no assurance that such capital will be available in sufficient amounts, on a timely basis, on acceptable terms, or at all.

On February 11, 2026, we completed an equity transaction with certain investors, pursuant to which we sold an aggregate of 1,269,509 shares of our Common Stock and pre-funded warrants to purchase an aggregate of 67,706 shares of Common Stock for gross proceeds of $1.15 million.

On April 7, 2026, we entered into securities exchange agreements in a private placement with the holders of our outstanding Senior Notes, pursuant to which an aggregate of $4.0 million of principal and $316 thousand of accrued and unpaid interest was exchanged for an aggregate of 236,367 shares of our Series A Convertible preferred stock, par value $0.01 per share ("Series A PS"). The transaction also included the issuance of 27,386 shares of Preferred Stock to a certain investor for gross proceeds of $500 thousand. The Series A PS issued in the transaction are convertible into up to 5,275,060 shares of our Common Stock at the option of the holders

On June 25, 2026, we entered into securities purchase agreements with certain purchasers, pursuant to which we issued and sold 109,223 shares of our Series B Convertible Preferred Stock, par value $0.01 per share ("Series B PS") for gross proceeds of $2.25 million. The Series B PS are convertible into up to 2,184,460 shares of our Common Stock at the option of the holders.

Sales and Marketing Expenses

Our sales and marketing expenses have historically included agency fees for investor-related activities. With the sale of our Canadian Farms and the corresponding cessation of our salmon rearing activities in March 2025, we no longer have sales and marketing expenses.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs for employees in executive, corporate, and finance functions. Other significant general and administrative expenses include corporate governance and public company costs, rent and utilities, insurance, and legal services. We expect our general and administrative expenses to remain stable until a new strategic direction of the Company is selected.

Other Income (Expense), Net

Interest expense includes the interest on our loans for our continuing operations. Loan forgiveness relates to the termination of an outstanding loan. Other expense, net includes bank charges, fees, and interest income.

Loss from Discontinued Operations

Loss from Discontinued Operations includes all remaining operating costs for our Ohio Farm Project, our Indiana Farm and our Canadian Farms, including general and administrative expenses, non-cash long-lived asset impairment charges, and interest expense and banking fees.

Results of Operations

Comparison of the three months ended June 30, 2026, to the three months ended June 30, 2025

The following table summarizes our results of operations for the three months ended June 30, 2026 and 2025, together with the changes in those items in dollars and as a percentage (all dollar amounts in thousands):

	Three Months Ended June 30,		Dollar Change	% Change
	2026	**2025**		
	(unaudited)			
Costs and expenses				
Sales and marketing	**$ —**	$ —	—	—%
General and administrative	**799**	1,197	(398)	(33)%
Operating loss	**(799)**	(1,197)	398	(33)%
Other expense	**(533)**	(3)	(530)	17,667%
Loss from continuing operations	**(1,332)**	(1,200)	(132)	11%
Loss from discontinued operations	**(299)**	(2,173)	1,874	(86)%
Net loss	**$ (1,631)**	$ (3,373)	1,742	(52)%

Sales and Marketing Expenses

There were no sales and marketing expenses for the three months ended June 30, 2026 or 2025, due to the sale of our Indiana Farm and Canadian Farms.

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2026, were down from the corresponding period in 2025, primarily due to reductions in personnel costs, legal fees, insurance fees, professional fees, state excise tax liabilities, share-based compensation costs, and Board compensation fees.

Other (Expense) Income

Other expense for the three months ended June 30, 2026, is comprised of interest expense and bank charges. Other income for the three months ended June 30, 2025 is comprised of bank charges.

Loss from Discontinued Operations

The loss from discontinued operations for the three months ended June 30, 2026, was comprised of general administrative expenses and interest expense. The loss from discontinued operations for the three months ended June 30, 2025 was comprised of a long-lived asset impairment, general and administrative expenses and interest expense and banking fees related to the Ohio Farm.

Comparison of the six months ended June 30, 2026, to the six months ended June 30, 2025

The following table summarizes our results of operations for the six months ended June 30, 2026 and 2025, together with the changes in those items in dollars and as a percentage (all dollar amounts in thousands):

	Six Months Ended June 30,		Dollar Change	% Change
	2026	**2025**		
	(unaudited)			
Costs and expenses				
Sales and marketing	**$ —**	$ 7	(7)	(100)%
General and administrative	**1,421**	2,356	(935)	(40)%
Operating loss	**(1,421)**	(2,363)	942	(40)%
Other (expense) income	**(836)**	2,001	(2,837)	(142)%
Loss from continuing operations	**(2,257)**	(362)	(1,895)	523%
Loss from discontinued operations	**(574)**	(2,610)	2,036	(78)%
Net loss	**$ (2,831)**	$ (2,972)	141	(5)%

Sales and Marketing Expenses

There were no sales and marketing expenses for the six months ended June 30, 2026, due to the sale of our Indiana Farm and Canadian Farms.

General and Administrative Expenses

General and administrative expenses for the six months ended June 30, 2026, were down from the corresponding period in 2025, primarily due to reductions in personnel costs, audit fees, legal fees, insurance fees, professional fees, state excise tax liabilities, share-based compensation costs, and Board compensation fees.

Other (Expense) Income

Other expense for the six months ended June 30, 2026, is comprised of interest expense and bank charges. Other income for the six months ended June 30, 2025 is comprised of the forgiveness of an outstanding loan and interest income, less interest expense and bank charges.

Loss from Discontinued Operations

The loss from discontinued operations for the six months ended June 30, 2026, was comprised of general administrative expenses and interest expense. The loss from discontinued operations for the six months ended June 30, 2025, was comprised of a long-lived asset impairment, general and administrative expenses and interest expense and banking fees related to the Ohio farm.

Cash Flows

The following table sets forth the significant sources and uses of cash for the periods set forth below (in thousands):

	Six Months Ended June 30,		Dollar	%
	2026	**2025**	**Change**	**Change**
	(unaudited)			
Net cash (used in) provided by:				
Operating activities	**$ (2,346)**	$ (3,910)	1,564	(40)%
Investing activities	**—**	4,632	(4,632)	(100)%
Financing activities	**3,734**	(232)	3,966	(1,709)%
Effect of exchange rate changes on cash	**—**	9	(9)	(100)%
Net change in cash	**$ 1,388**	$ 499	889	178%

Cash Flows from Operating Activities

Net cash used in operating activities during the six months ended June 30, 2026, was primarily comprised of our $2.8 million net loss, which included $514 thousand in non-cash loan amortization costs, non-cash share-based compensation charges of $5 thousand and working capital uses of $33 thousand. Net cash used in operating activities during the six months ended June 30, 2025, was primarily comprised of our $3.0 million net loss, which included a $2.0 million non-cash gain on the forgiveness of an outstanding loan, non-cash share-based compensation charges of $57 thousand and an asset impairment charge of $1.2 million, and working capital uses of $206 thousand.

Spending decreased in the current period due to reductions in personnel and other general administrative costs, such as, audit fees, legal fees, insurance fees, state excise tax liabilities, share-based compensation costs, and Board compensation fees. Uses of cash from changes in working capital were due to decreases in accounts payable and accrued expenses and an increase in prepaid expenses and other assets.

Cash Flows from Investing Activities

During the six months ended June 30, 2026, there were no investing activities, and during the six months ended June 30, 2025, we received $4.6 million from the sale of assets.

Cash Flows from Financing Activities

During the six months ended June 30, 2026, we received $7.7 million in proceeds from the issuance of preferred stock, common stock and warrants and we made $4.0 million in debt repayment. During the six months ended June 30, 2025, we made $232 thousand in debt repayments.

Future Capital Requirements

Since inception, we have incurred cumulative net losses and negative cash flows from operating activities, and we expect this to continue for the foreseeable future. As of June 30, 2026, we had $1.9 million in cash balances. Our ability to continue as a going concern is dependent upon our ability to raise additional capital, and there can be no assurance that such capital will be available in sufficient amounts, on a timely basis, on terms acceptable to us, or at all. This raises substantial doubt about our ability to continue as a going concern within one year after the date that the accompanying consolidated financial statements are issued.

During 2025, we completed multiple sales of certain Ohio Equipment Assets for cumulative gross proceeds of $5.0 million and we completed the sale of our Canadian Farms for gross proceeds of $2.1 million. In October 2025, we completed an issuance of senior notes for net proceeds of $3.3 million.

On February 11, 2026, we completed an equity transaction with certain investors, pursuant to which we sold an aggregate of 1,269,509 shares of our Common Stock and pre-funded warrants to purchase an aggregate of 67,706 shares of Common Stock for gross proceeds of $1.15 million.

On April 7, 2026, we entered into securities exchange agreements in a private placement with the holders of our outstanding Senior Notes, pursuant to which an aggregate of $4.0 million of principal and $316 thousand of accrued and unpaid interest was exchanged for an aggregate of 236,367 shares of our Series A Convertible preferred stock. The transaction also included the issuance of 27,386 shares of Series A Convertible preferred stock to a certain investor for gross proceeds of $500 thousand.

On June 25, 2026, we entered into securities purchase agreements with certain purchasers, pursuant to which we issued and sold 109,223 shares of our Series B Convertible preferred stock for gross proceeds of $2.25 million.

We plan to continue to sell assets, or to issue equity or debt securities to increase our cash liquidity and fund our evolving strategic plan.

Until such time, if ever, as we can generate positive cash flows from operating activities, we may finance our cash needs through a combination of sales of assets, equity offerings, debt financings, government or other third-party funding, strategic alliances, and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of holders of our common stock will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of our common stock. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends.

If we are unable to generate additional funds in a timely manner, we will exhaust our resources and will be unable to maintain our currently planned operations. If we cannot continue as a going concern, our stockholders would likely lose most or all of their investment in us.

Critical Accounting Policies and Estimates

This Management's Discussion and Analysis of Financial Condition and Results of Operations is based on our condensed consolidated financial statements, which we have prepared in accordance with GAAP. The preparation of our condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. We evaluate these estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes to these estimates, or the policies related to them, during the six months ended June 30, 2026. For a full discussion of these estimates and policies, see "Critical Accounting Policies and Estimates" within "Management's Discussion and Analysis of Financial Results of Operations" in our 2025 Annual Report on Form 10-K.

Smaller Reporting Company Status

We are a "smaller reporting company," meaning that the market value of our stock held by non-affiliates is less than $700 million and our annual revenue was less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700 million.

As a smaller reporting company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and smaller reporting companies have reduced disclosure obligations regarding executive compensation.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The following sections provide quantitative information on our exposure to interest rate risk and foreign currency exchange risk. We make use of sensitivity analyses, which are inherently limited in estimating actual losses in fair value that can occur from changes in market conditions.

Interest Rate Risk

Our primary exposure to market risk is interest rate risk associated with debt financing that we utilize from time to time to fund operations or specific projects. The interest on this debt is usually determined based on a fixed rate and is contractually set in advance. As of June 30, 2026 and December 31, 2025, we had nil and $3.5 million, respectively, in interest-bearing debt instruments for our continuing operations and we had $7.4 million in interest-bearing debt instruments for our discontinued operations at both June 30, 2026 and December 31, 2025.

Foreign Currency Exchange Risk

Our functional currency is the U.S. Dollar and the functional currency of our U.S. subsidiaries is the U.S. Dollar. The functional currency of our Canadian subsidiary was the Canadian Dollar. For the Canadian subsidiary, assets and liabilities were translated at the exchange rates in effect at the balance sheet date, equity accounts were translated at the historical exchange rate, and the income statement accounts were translated at the average rate for each period during the year. Net translation gains or losses were adjusted directly to a separate component of other comprehensive income (loss) within stockholders' equity. With the sale of our Canadian subsidiary in March 2025, we do not expect to incur foreign translation gains or losses in the future.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is: (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. As of June 30, 2026 (the "Evaluation Date"), our management, with the participation of our Interim Chief Executive Officer, who is also our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our Interim Chief Executive Officer & Chief Financial Officer has concluded based upon the evaluation described above that, as of the Evaluation Date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) for the quarter ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are not party to any legal proceedings the outcome of which, we believe, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our future business, consolidated results of operations, cash flows, or financial position. We may, from time to time, be subject to legal proceedings and claims arising from the normal course of business activities.

Item 1A. Risk Factors

As disclosed in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed on March 31, 2026, there are a number of risk factors that could affect our business, financial condition, and results of operations. The following risk factors are either new or have changed materially from those set forth in our Annual Report on Form 10-K for the year ended December 31, 2025. In evaluating our business, you should carefully review the risks described in our Annual Report on Form 10-K, including our consolidated financial statements and related notes, and in other reports we file with the SEC. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have a material and adverse impact on our business, results of operations, financial condition, or prospects. If that were to happen, the trading price of our common stock could decline, and you could lose all or part of your investment.

This Quarterly Report on Form 10-Q also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below, elsewhere in this Quarterly Report on Form 10-Q, and in our Annual Report on Form 10-K. See "Cautionary Note Regarding Forward-Looking Statements" for information relating to these forward-looking statements.

We have a history of net losses and expect to incur future losses, and there is substantial doubt about our ability to continue as a going concern.

In the period from incorporation to June 30, 2026, we have incurred cumulative net losses of approximately $391 million, and we expect to incur additional net losses in future periods. These losses were related to our personnel, research and development, production and marketing costs. As of June 30, 2026, we had $1.9 million in cash and cash equivalents.

Our ability to continue as a going concern is dependent upon our ability to raise additional capital, and there can be no assurance that such capital will be available in sufficient amounts, on a timely basis, on acceptable terms, or at all. This raises substantial doubt about our ability to continue as a going concern within one year after the date hereof. The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and do not include any adjustments that might result from the outcome of this uncertainty. If we cannot continue as a going concern, our stockholders would likely lose most or all of their investment in us.

The issuance of convertible preferred stock may adversely affect our liquidity, governance, and the rights of holders of our common stock.

On April 7, 2026, we issued shares of Series A Convertible Preferred Stock in a private placement, including in exchange for outstanding indebtedness. On June 25, 2026, we issued shares of Series B Convertible Preferred Stock in a private placement. Both series of preferred stock have rights senior to our Common Stock, including cumulative dividends, a senior liquidation preference, redemption rights in certain circumstances, and conversion rights into Common Stock. Dividends accrue cumulatively at a high rate and are payable only if declared by our Board of Directors out of legally available funds, and unpaid dividends continue to accrue, increasing our obligations and potentially exacerbating our liquidity constraints.

The conversion of the Series A Convertible Preferred Stock or Series B Preferred Stock could result in significant dilution to holders of our Common Stock and may adversely affect the trading price of shares of our Common Stock. In addition, both series of preferred stock include protective provisions requiring preferred stockholder approval for certain corporate actions, which may limit our operational and financing flexibility. In a liquidation, insolvency, or change of control, holders of shares of Common Stock may receive little or no value after satisfaction of creditor claims and the preferred stock liquidation preference.

Our expansion of the strategic review to include power infrastructure and energy development opportunities may not result in any transaction, and any such transaction or business would expose us to significant execution, regulatory, and financing risks.

We have historically operated as an aquaculture company and have no operating history in the power generation, energy development, or digital infrastructure sectors. In July 2026, we expanded our strategic review of the Pioneer, Ohio property to evaluate opportunities that may include a sale, lease, joint development arrangement, or other transactions involving power infrastructure, energy development, or related uses. There can be no assurance that this process will result in any transaction, or that any transaction, if pursued, will be completed on favorable terms or at all. The process may require significant management attention and could divert resources from other efforts to preserve and maximize stockholder value.

Any redevelopment or repurposing of the Pioneer site would be subject to significant risks, including market conditions, financing availability, and the ability to obtain required governmental approvals, permits, interconnection rights, and other regulatory authorizations. We also currently lack the capital necessary to pursue large-scale infrastructure or energy projects and may be unable to raise additional funds on acceptable terms, if at all. If the strategic review does not result in a completed transaction, or if any transaction or new business initiative is delayed, more costly than expected, or fails to generate anticipated value, our business, financial condition, results of operations, prospects, and stock price could be materially adversely affected.

We may not be able to maintain our listing on Nasdaq, which could limit investors' ability or willingness to make transactions in our securities and subject us to additional trading restrictions.

Even though our common stock is traded on Nasdaq, we cannot assure you that we will be able to comply with standards necessary to maintain such listing, which may result in our common stock being delisted from Nasdaq. If our common stock were no longer listed on Nasdaq, investors would experience impaired liquidity for our common stock, not only in the number of shares that could be bought and sold at a given price, which might be depressed by the relative illiquidity, but also through delays in the timing of transactions and reduction in media coverage. For example, investors might only be able to trade on one of the over-the-counter markets. In addition, we could face significant material adverse consequences, including: a limited availability of market quotations for our securities; a limited amount of news and analyst coverage for us; and a decreased ability to issue additional securities or obtain additional financing in the future.

Nasdaq has adopted Listing Rules 5450(a)(3) and 5550(a)(6), which would require issuers to maintain a minimum Market Value of Listed Securities ("MVLS") of at least $5 million (the "MVLS Requirement"). On July 22, 2026, the staff of the Securities and Exchange Commission's Division of Trading and Markets, acting pursuant to delegated authority, approved the Nasdaq rule change. Under the rule as approved, an issuer whose MVLS remains below $5 million for 30 consecutive business days would be subject to immediate suspension and delisting without a cure or compliance period, and a request for review by a Nasdaq Hearings Panel would not stay the suspension of trading.

However, on July 29, 2026, the Securities and Exchange Commission received notices of intention to petition for review of the delegated action and, pursuant to Rule 431(e) of the Commission's Rules of Practice, the July 22, 2026 approval order was automatically stayed pending review by the full Commission. As a result, the MVLS Requirement and the related immediate suspension and delisting provisions are not currently in effect and will remain stayed unless and until the Commission orders otherwise. The Commission may ultimately affirm, modify or set aside the delegated action, and there can be no assurance as to the outcome or timing of the Commission's review or whether the MVLS Requirement will take effect in its current form, a modified form or at all.

As of August 4, 2026, the market value of our listed securities was less than $5 million. If the MVLS Requirement becomes effective and we are unable to maintain compliance with that requirement or other applicable Nasdaq continued listing standards, we could become subject to suspension of trading and delisting from Nasdaq.

We have also experienced periods of negative stockholders' equity, as reflected in our financial statements included in this Quarterly Report on Form 10-Q, and any failure to maintain positive stockholders' equity could further increase the risk that our common stock fails to meet Nasdaq's continued listing standards, which could result in our suspension and delisting from Nasdaq.

On January 15, 2025, we received a letter (the "2025 Notice") from Nasdaq notifying us that, because the closing bid price for our common stock had been below $1.00 per share for the previous 30 consecutive business days, it no longer complied with the minimum bid price requirement for continued listing on Nasdaq. The 2025 Notice had no immediate effect on our listing or on the trading of our common stock. The 2025 Notice provided us with a compliance period of 180 calendar days, or until July 15, 2025, to regain compliance. We were subsequently granted an additional 180 calendar days, or until January 12, 2026, to regain compliance. On September 15, 2025 we received a notice from Nasdaq confirming that we had regained compliance with the minimum bid price requirement for continued listing on Nasdaq.

There can be no assurance that we will be able to maintain compliance with the Nasdaq minimum bid price requirement, the MVLS Requirement, or any other applicable Nasdaq continued listing standards. Any failure to comply with Nasdaq listing rules could lead to the delisting of our common stock from Nasdaq and our common stock trading, if at all, only on the over-the-counter markets, which would likely have less liquidity and more price volatility than experienced on Nasdaq. Stockholders may not be able to sell their shares of our common stock on any such substitute market in the quantities, at the times, or at the prices that could potentially be available on a more liquid trading market. As a result of these factors, if our common stock is delisted from Nasdaq, the value and liquidity of our common stock would likely be significantly adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the six months ended June 30, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Exhibit Description
3.1*	Certificate of Designations of Series A Convertible Preferred Stock of AquaBounty Technologies, Inc., as corrected by the Certificate of Correction dated April 16, 2026 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K/A, filed on April 17, 2026).
3.2*	Certificate of Designations of Series B Convertible Preferred Stock(incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on June 30, 2026).
10.1*	Form of Securities Exchange Agreement dated April 7, 2026 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on April 8, 2026).
10.2*	Form of Preferred Stock Purchase Agreement dated April 7, 2026 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed on April 8, 2026).
10.3*	Placement Agency Agreement, dated April 7, 2026, between the Company and Univest Securities, LLC (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed on April 8, 2026).
10.4*	Form of Preferred Stock Purchase Agreement dated June 25, 2026 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on June 30, 2026).
10.5*	Placement Agency Agreement, dated June 25, 2026, between the Company and Univest Securities, LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed on June 30, 2026).
31.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL instance document.
101.SCH	XBRL taxonomy extension schema document.
101.CAL	XBRL taxonomy extension calculation linkbase document.
101.LAB	XBRL taxonomy label linkbase document.
101.PRE	XBRL taxonomy extension presentation linkbase document.
101.DEF	XBRL taxonomy extension definition linkbase document.
104	Cover Page Interactive Data File-the cover page interactive data file does not appear in the Interactive Data File because the XBRL tags are embedded within the Inline XBRL document.

* Incorporated herein by reference as indicated.

\+ The certification furnished in Exhibit 32.1 is deemed to be furnished and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AQUABOUNTY TECHNOLOGIES, INC.

August 6, 2026

/s/ David A. Frank

David A. Frank
Interim Chief Executive Officer, Chief Financial Officer and Treasurer (principal executive, financial and accounting officer and duly authorized officer)

EXHIBIT 31.1

Certification

I, David A. Frank, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AquaBounty Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2026

/s/ David A. Frank
David A. Frank
Interim Chief Executive Officer, Chief Financial Officer and Treasurer
(Principal Executive Officer and Principal Financial Officer)

EXHIBIT 32.1

The following certification is being made to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350). This certification is not to be deemed a part of the Report, nor is it deemed to be "filed" for any purpose whatsoever.

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 USC 1350), the undersigned hereby certifies, to his knowledge, that:

(i) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026, which this statement accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026, fairly presents, in all material respects, the financial condition and results of operations of AquaBounty Technologies, Inc.

Dated as of this 6th day of August, 2026.

/s/ David A. Frank

David A. Frank
Interim Chief Executive Officer, Chief Financial Officer and Treasurer
(Principal Executive Officer and Principal Financial Officer)