

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 March 31, 2023

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 the registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

04-3156167

(I.R.S. Employer
Identification No.)

**2 Mill & Main Place, Suite 395
Maynard, Massachusetts 01754
(978) 648-6000**

(Address and telephone number of the registrant's principal executive offices)

Title of each class
Common Stock, par value \$0.001 per share

Trading Symbol(s)
AQB

Name of exchange on which registered
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 (the "Exchange Act") 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 of Regulation S-T during the preceding 12 months (or 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 May 3, 2023, the registrant had 71,345,649 shares of common stock, par value \$0.001 per share ("Common Shares") outstanding.

AquaBounty Technologies, Inc.
FORM 10-Q
For the Quarterly Period Ended March 31, 2023

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than present and historical facts and conditions contained in the Quarterly Report on Form 10-Q, are forward looking statements, including statements regarding the implementation and likelihood of achieving our business plan; statements regarding future capital requirements, revenue, expenses and operating results, as well as the impact of inflation; our plans for development of new farms and renovations to existing farms (including costs, timing, locations, third-party involvement and output therefrom); our cash position and ability to raise additional capital to finance our activities and the terms of such financing; and statements regarding compliance with the listing rules of Nasdaq. We sometimes use the words “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “intend,” “is designed to,” “may,” “might,” “plan,” “potential,” “predict,” “objective,” “should,” or the negative of these and similar expressions to identify 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. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: the potential for delays and increased costs related to construction of our new farms and renovations to existing farms; a failure to raise additional capital to finance our activities on acceptable terms; a failure to consummate the proposed bond financing on acceptable terms; an inability to produce and sell our products in sufficient volume and at acceptable cost and prices; any inability to protect our intellectual property and other proprietary rights and technologies; the effects of changes in applicable laws, regulations and policies; our ability to secure any necessary regulatory approvals; the degree of market acceptance of our products our failure to retain and recruit key personnel; the price and volatility of our common stock; and other risks identified in the section titled “Risk Factors” in our most recently filed annual report on 10-K, as updated by our subsequent filings with the SEC. New risks emerge from time to time, and it is not possible for us to predict all such risks. Given these risks and uncertainties, may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you are cautioned not to place undue reliance on such forward-looking statements.

These forward-looking statements are made only as of the date of this Quarterly Report on Form 10-Q. We do not undertake and specifically decline any obligation to update any such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments unless required by federal securities law.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

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

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 72,776,543	\$ 101,638,557
Inventory	2,376,207	2,276,592
Prepaid expenses and other current assets	2,290,836	2,133,583
Total current assets	77,443,586	106,048,732
Property, plant and equipment, net	127,357,662	106,286,186
Right of use assets, net	206,734	222,856
Intangible assets, net	214,713	218,139
Restricted cash	1,000,000	1,000,000
Other assets	65,162	64,859
Total assets	\$ 206,287,857	\$ 213,840,772
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 10,836,269	\$ 12,000,592
Accrued employee compensation	704,925	1,021,740
Current debt	2,377,781	2,387,231
Other current liabilities	4,631	20,830
Total current liabilities	13,923,606	15,430,393
Long-term lease obligations	202,103	203,227
Long-term debt, net	6,526,105	6,286,109
Total liabilities	20,651,814	21,919,729
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value, 150,000,000 shares authorized at March 31, 2023 and December 31, 2022; 71,338,938 and 71,110,713 shares outstanding at March 31, 2023 and December 31, 2022, respectively	71,339	71,111
Additional paid-in capital	385,585,097	385,388,684
Accumulated other comprehensive loss	(512,348)	(516,775)
Accumulated deficit	(199,508,045)	(193,021,977)
Total stockholders' equity	185,636,043	191,921,043
Total liabilities and stockholders' equity	\$ 206,287,857	\$ 213,840,772

See accompanying notes to these condensed interim consolidated financial statements.

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

	Three Months Ended March 31,	
	2023	2022
Revenues		
Product revenues	\$ 397,846	\$ 962,881
Costs and expenses		
Product costs	3,559,240	3,275,690
Sales and marketing	198,285	247,572
Research and development	122,917	167,189
General and administrative	3,000,482	2,376,236
Total costs and expenses	6,880,924	6,066,687
Operating loss	(6,483,078)	(5,103,806)
Other expense		
Interest expense	(66,274)	(75,288)
Other income, net	63,284	67,368
Total other expense	(2,990)	(7,920)
Net loss	\$ (6,486,068)	\$ (5,111,726)
Other comprehensive income (loss):		
Foreign currency translation gain	4,427	82,905
Unrealized loss on marketable securities	—	(114,065)
Total other comprehensive income (loss)	4,427	(31,160)
Comprehensive loss	\$ (6,481,641)	\$ (5,142,886)
Basic and diluted net loss per share		
Basic and diluted net loss per share	\$ (0.09)	\$ (0.07)
Weighted average number of Common Shares - basic and diluted		
Weighted average number of Common Shares - basic and diluted	71,169,277	71,004,454

See accompanying notes to these condensed interim consolidated financial statements.

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

	Common stock issued and outstanding	Par value	Additional paid- in capital	Accumulated other comprehensive loss	Accumulated deficit	Total
Balance at December 31, 2021	71,025,738	\$ 71,026	\$ 384,852,107	\$ (255,588)	\$ (170,864,782)	\$ 213,802,763
Net loss					(5,111,726)	(5,111,726)
Other comprehensive loss				(31,160)		(31,160)
Share based compensation	83,963	84	211,244			211,328
Balance at March 31, 2022	71,109,701	\$ 71,110	\$ 385,063,351	\$ (286,748)	\$ (175,976,508)	\$ 208,871,205

	Common stock issued and outstanding	Par value	Additional paid- in capital	Accumulated other comprehensive loss	Accumulated deficit	Total
Balance at December 31, 2022	71,110,713	\$ 71,111	\$ 385,388,684	\$ (516,775)	\$ (193,021,977)	\$ 191,921,043
Net loss					(6,486,068)	(6,486,068)
Other comprehensive income				4,427		4,427
Share based compensation	228,225	228	196,413			196,641
Balance at March 31, 2023	71,338,938	\$ 71,339	\$ 385,585,097	\$ (512,348)	\$ (199,508,045)	\$ 185,636,043

See accompanying notes to these condensed interim consolidated financial statements.

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

	Three Months Ended March 31,	
	2023	2022
Operating activities		
Net loss	\$ (6,486,068)	\$ (5,111,726)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	531,726	490,563
Share-based compensation	196,641	211,328
Other non-cash charge	3,834	4,251
Changes in operating assets and liabilities:		
Inventory	(99,936)	(411,794)
Prepaid expenses and other assets	(155,167)	(139,671)
Accounts payable and accrued liabilities	184,232	(6,949)
Accrued employee compensation	(316,815)	(362,416)
Net cash used in operating activities	(6,141,553)	(5,326,414)
Investing activities		
Purchases of and deposits on property, plant and equipment	(22,931,293)	(5,762,143)
Maturities of marketable securities	—	45,915,851
Purchases of marketable securities	—	(47,621,291)
Other investing activities	(3,959)	—
Net cash used in investing activities	(22,935,252)	(7,467,583)
Financing activities		
Proceeds from issuance of debt	394,156	—
Repayment of term debt	(179,392)	(159,304)
Net cash provided by (used in) financing activities	214,764	(159,304)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	27	8,106
Net change in cash, cash equivalents and restricted cash	(28,862,014)	(12,945,195)
Cash, cash equivalents and restricted cash at beginning of period	102,638,557	89,454,988
Cash, cash equivalents and restricted cash at end of period	\$ 73,776,543	\$ 76,509,793
Reconciliation of cash, cash equivalents and restricted cash reported in the consolidated balance sheet:		
Cash and cash equivalents	\$ 72,776,543	\$ 75,509,793
Restricted cash	1,000,000	1,000,000
Total cash, cash equivalents and restricted cash	\$ 73,776,543	\$ 76,509,793
Supplemental disclosure of cash flow information and non-cash transactions:		
Interest paid in cash	\$ 62,439	\$ 71,037
Property and equipment included in accounts payable and accrued liabilities	\$ 9,216,027	\$ 1,507,514

See accompanying notes to these condensed interim 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. In 2015, the Parent obtained regulatory approval from the U.S. Food and Drug Administration for the production and sale of its genetically engineered AquAdvantage salmon product (“GE Atlantic salmon”) in the United States and in 2016, the Parent obtained regulatory approval from Health Canada for the production and sale of its GE Atlantic salmon product in Canada. In 2021, the Parent obtained regulatory approval from the National Biosafety Technical Commission for the sale of its GE Atlantic salmon product in Brazil. In 2021, the Company began harvesting and selling its GE Atlantic salmon in the United States and Canada.

2. 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, 2022. 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 March 31, 2023, 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 U.S. Securities and Exchange Commission (“SEC”) rules and regulations; however, the Company believes that its disclosures are adequate to ensure that the information presented is not misleading.

Liquidity

The Company had \$73.8 million in cash and cash equivalents, and restricted cash as of March 31, 2023. The Company’s plans include the continued construction of a 10,000 metric ton salmon farm in Ohio at a total project cost that is estimated to be between \$375 million and \$395 million, of which \$99 million has been expended as of March 31, 2023. The Company plans to use cash-on-hand and debt financing to fund the remaining construction cost of the Ohio farm. While the Company has committed a significant amount of its current cash to fund a portion of the project, if necessary, management can utilize that cash for working capital purposes and therefore, management believes that it has sufficient cash to meet the Company’s requirements beyond the next twelve months from the filing date of these condensed consolidated financial statements. However, until such time as the Company reaches profitability, it will require additional financing to fund its operations and execute its business plan.

Inventories

Inventories are mainly comprised of feed, eggs, fry, fish in process and fish for sale. Fish in process inventory is a biological asset that is measured based on the estimated biomass of fish on hand. The Company has established a standard procedure to estimate the biomass of fish on hand using counting and sampling techniques. The Company measures inventory at the lower of cost or net realizable value (“NRV”), where NRV is defined as the estimated market price, less the estimated costs of processing, packaging and transportation. The Company considers fish that has been harvested and transported from its farm to be fish for sale.

Revenue recognition

The Company is comprised of one reporting segment and generates revenue from the sale of its products. Revenue is recognized when the customer takes physical control of the goods, in an amount that reflects the transaction price consideration that the Company expects to receive in exchange for the goods. Revenue excludes any sales tax collected and includes any estimate of future credits.

During the period ended March 31, 2023 and 2022, the Company recognized the following product revenue:

	Three Months Ended March 31, 2023		
	U.S.	Canada	Total
GE Atlantic salmon	\$ 392,428	\$ -	\$ 392,428
Non-GE Atlantic salmon eggs	-	730	730
Non-GE Atlantic salmon fry	-	730	730
Other revenue	-	3,958	3,958
Total Revenue	\$ 392,428	\$ 5,418	\$ 397,846

	Three Months Ended March 31, 2022		
	U.S.	Canada	Total
GE Atlantic salmon	\$ 788,977	\$ 131,860	\$ 920,837
Non-GE Atlantic salmon eggs	-	-	-
Non-GE Atlantic salmon fry	-	41,807	41,807
Other revenue	-	237	237
Total Revenue	\$ 788,977	\$ 173,904	\$ 962,881

During the period ended March 31, 2023 and 2022, the Company had the following customer concentration of revenue:

	Three Months Ended March 31	
	2023	2022
Customer A	54%	34%
Customer B	24%	21%
Customer C	15%	14%
All other	7%	31%
Total of all customers	100%	100%

Net loss per share

Basic and diluted net loss per share available to common stockholders has been calculated by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Basic net loss per share is based solely on the number of shares of common stock outstanding during the year. Fully diluted net loss per share includes the number of shares of common stock issuable upon the exercise or vesting of equity instruments 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 potentially dilutive securities have been excluded from the calculation of diluted net loss per share, as their effect is anti-dilutive:

Weighted Average Outstanding	Three Months Ended March 31,	
	2023	2022
Stock options	840,110	768,303
Warrants	209,221	418,441
Unvested stock awards	301,474	124,873

Accounting Pronouncements

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

3. Risks and uncertainties

The Company is subject to risks and uncertainties common in the biotechnology and aquaculture industries. Such risks and uncertainties include, but are not limited to: (i) results from current and planned product development studies and trials; (ii) decisions made by the FDA or similar regulatory bodies in other countries with respect to approval and commercial sale of any of the Company's proposed products; (iii) the commercial acceptance of any products approved for sale and the Company's ability to produce, distribute, and sell for a profit any products approved for sale; (iv) the Company's ability to obtain the necessary patents and proprietary rights to effectively protect its technologies; and (v) the outcome of any collaborations or alliances entered into by the Company.

Concentration of credit risk

Financial instruments that potentially subject the Company to credit risk consist principally of cash and cash equivalents. This risk is mitigated by the Company's policy of maintaining all balances with highly rated financial institutions and investing cash equivalents with maturities of less than 90 days. The Company's cash balances may at times exceed insurance limitations. The Company holds cash balances in bank accounts located in Canada to fund its local operations. These amounts are subject to foreign currency exchange risk, which is minimized by the Company's policy to limit the balances held in these accounts. Balances in Canadian bank accounts totaled \$488 thousand and \$518 thousand as of March 31, 2023 and December 31, 2022, respectively. The Company also holds cash equivalent investments in a highly liquid investment account at a major financial institution. As of March 31, 2023 and December 31, 2022 the cash equivalent investment balance was \$651 thousand and \$10.6 million, respectively.

4. Inventory

Major classifications of inventory are summarized as follows:

	March 31, 2023	December 31, 2022
Feed	\$ 282,620	366,957
Eggs and fry	106,250	22,140
Fish in process	1,932,745	1,869,387
Fish for sale	54,592	18,108
Inventory	\$ 2,376,207	2,276,592

5. Property, plant and equipment

Major classifications of property, plant and equipment are summarized as follows:

	March 31, 2023	December 31, 2022
Land	\$ 2,968,937	\$ 2,968,561
Building and improvements	15,605,291	15,535,904
Construction in process	100,226,546	78,806,762
Equipment	17,358,133	17,259,301
Office furniture and equipment	271,449	258,972
Vehicles	106,200	106,074
Total property and equipment	\$ 136,536,556	\$ 114,935,574
Less accumulated depreciation and amortization	(9,178,894)	(8,649,388)
Property, plant and equipment, net	\$ 127,357,662	\$ 106,286,186

Depreciation expense was \$525 thousand and \$484 thousand, for the three months ended March 31, 2023 and 2022, respectively.

As of March 31, 2023, construction in process included \$95.6 million, \$3.4 million, and \$1.2 million for construction related to the Ohio, Rollo Bay and Indiana farm sites, respectively. An additional \$36.5 million has been contractually committed for these farm sites as of March 31, 2023.

6. Debt

The current material terms and conditions of debt outstanding are as follows:

	Interest rate	Monthly repayment	Maturity date	March 31, 2023	December 31, 2022
ACOA AIF Grant	0%	Royalties	-	\$ 2,122,348	\$ 2,119,476
ACOA term loan #1	0%	C\$3,120	Feb 2027	108,397	115,158
ACOA term loan #2	0%	C\$4,630	Sep 2029	266,853	276,743
ACOA term loan #3	0%	C\$6,945	Dec 2025	169,353	184,500
Kubota Canada Ltd	0%	C\$1,142	Jan 2025	18,573	21,077
DFO term loan	0%	C\$16,865	Jan 2034	1,254,896	854,885
Finance PEI term loan	4%	C\$16,313	Nov 2023	1,736,008	1,752,547
First Farmers Bank & Trust term loan	5.375%	\$56,832	Oct 2028	3,275,690	3,401,019
Total debt				\$ 8,952,118	\$ 8,725,405
less: debt issuance costs				(48,232)	(52,065)
less: current portion				(2,377,781)	(2,387,231)
Long-term debt, net				\$ 6,526,105	\$ 6,286,109

Estimated principal payments remaining on debt outstanding are as follows:

	Total
2023 remaining	\$ 2,225,269
2024	732,763
2025	830,977
2026	800,284
2027	810,753
Thereafter	3,552,072
Total	\$ 8,952,118

In September 2020, the Canadian Subsidiary entered into a Contribution Agreement with the Department of Fisheries and Ocean's Atlantic Fisheries Fund, whereby it is eligible to receive up to C\$1.9 million (\$1.4 million) to finance new equipment for its Rollo Bay farm (the "DFO Term Loan"). On March 28, 2023, the Canadian Subsidiary borrowed an additional C\$539,718 (\$394,156) under the DFO Term Loan. Borrowings are interest free and monthly repayments commence in August 2024, with maturity in January 2034.

In August 2020, the Indiana Subsidiary entered into a term loan agreement with First Farmers Bank and Trust ("FFBT") in the amount of \$4 million, which is secured by the assets of the Indiana subsidiary and a corporate guarantee. The agreement contains certain financial and non-financial covenants, which if not met, could result in an event of default pursuant to the terms of the loan. At March 31, 2023, the Indiana subsidiary was in compliance with its loan covenants.

The Company recognized interest expense of \$66 thousand and \$75 thousand for the three months ended March 31, 2023 and 2022, respectively, on its interest-bearing debt.

7. Leases

Lease expense for the three months ended March 31, 2023 and 2022, amounted to \$22 thousand and \$21 thousand, respectively. The weighted average remaining lease term of the Company's operating leases was 26 years. Lease payments included in operating cash flows totaled \$26 thousand and \$25 thousand for the three months ended March 31, 2023 and 2022, respectively. The table below summarizes the outstanding lease liabilities at March 31, 2023 and December 31, 2022:

	Lease Liability	
	March 31, 2023	December 31, 2022
Total leases	\$ 206,734	\$ 224,058
Less: current portion	(4,631)	(20,831)
Long-term leases	\$ 202,103	\$ 203,227

Remaining payments under leases are as follows:

Year	Amount
2023 remaining	\$ 12,729
2024	17,481
2025	18,006
2026	18,546
2027	19,103
Thereafter	564,225
Total lease payments	650,090
Less: imputed interest	(443,356)
Total operational lease liabilities	\$ 206,734

8. Stockholders' equity

Warrants

At March 31, 2023 and December 31, 2022, there were zero and 418,441 warrants outstanding, respectively, which were issued in conjunction with a public equity offering in January 2018. All outstanding warrants expired on January 17, 2023.

Share-based compensation

At March 31, 2023, the Company has reserved 840,110 and 403,232 shares of common stock issuable upon the exercise of outstanding stock options and unvested stock awards, respectively under its 2006 and 2016 Equity Incentive Plans. An additional 533 shares of common stock are reserved for future equity awards under the 2016 Equity Incentive Plan.

Unvested Stock Awards

A summary of the Company's unvested stock awards for the three months ended March 31, 2023, is as follows:

	Shares	Weighted average grant date fair value
Unvested at December 31, 2022	199,454	\$ 1.86
Granted	452,087	0.65
Vested	(248,047)	1.28
Forfeited	—	—
Unvested at March 31, 2023	403,494	\$ 0.87

During the three months ended March 31, 2023 and 2022, the Company expensed \$155 thousand and \$168 thousand, respectively, related to the stock awards. At March 31, 2023, the balance of unearned share-based compensation to be expensed in future periods related to the stock awards is \$130 thousand. The period over which the unearned share-based compensation is expected to be earned is approximately 2 years.

Stock options

The Company's option activity is summarized as follows:

	Number of options	Weighted average exercise price
Outstanding at December 31, 2022	840,110	\$ 3.58
Issued	—	—
Exercised	—	—
Outstanding at March 31, 2023	840,110	\$ 3.58
Exercisable at March 31, 2023	705,942	\$ 3.90

Unless otherwise indicated, options issued to employees, members of the Board of Directors, and non-employees are vested daily over one to three years and are exercisable for a term of ten years from the date of issuance. There were no stock options granted during the three months ended March 31, 2023.

The total intrinsic value of all options outstanding was \$0 at March 31, 2023 and December 31, 2022. The total intrinsic value of exercisable options was \$0 at March 31, 2023 and December 31, 2022.

The following table summarizes information about options outstanding and exercisable at March 31, 2023:

Weighted average exercise price of outstanding options	Number of options outstanding	Weighted average remaining estimated life (in years)	Number of options exercisable
\$1.49 - \$2.50	715,985	6.9	591,820
\$5.44 - \$6.72	45,235	7.3	35,232
\$7.50 - \$10.80	12,303	0.7	12,303
\$14.20 - \$23.40	66,587	3.0	66,587
	840,110		705,942

Total share-based compensation on stock options amounted to \$41 thousand and \$43 thousand for the three months ended March 31, 2023 and 2022, respectively. At March 31, 2023, the balance of unearned share-based compensation to be expensed in future periods related to unvested share-based awards was \$192 thousand. The period over which the unearned share-based compensation is expected to be earned is approximately 2.2 years.

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 March 31, 2023, will not have a material adverse effect on the Company's financial position or results of operations.

10. Income Taxes

The Company estimates an annual effective tax rate of 0% for the year ending December 31, 2023 as the Company incurred losses for the three months ended March 31, 2023 and is forecasting additional losses through the remainder of the year ending December 31, 2023, resulting in an estimated net loss for both financial statement and tax purposes for the year ending December 31, 2023. 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 March 31, 2023, 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, 2022, which was filed on March 7, 2023.

Overview

We believe that we are a distinctive brand in the field of land-based aquaculture, leveraging decades of technology expertise to deliver innovative solutions that address food insecurity and climate change issues, while improving efficiency and sustainability. We provide fresh Atlantic salmon to nearby markets by raising our fish in carefully monitored land-based fish farms through a safe, secure and sustainable process. Our land-based Recirculating Aquaculture System farms, located in Indiana in the United States and Prince Edward Island in Canada, are close to key consumption markets and are designed to prevent disease and to include multiple levels of fish containment to protect wild fish populations. We are raising nutritious salmon that is free of antibiotics and other contaminants and provides a solution with a reduced carbon footprint without the risk of pollution to marine ecosystems as compared to traditional sea-cage farming. Our primary product is our GE Atlantic salmon, which received FDA approval in 2015 as the first genetically engineered animal available for sale for human consumption. We commenced commercial activities in 2021 with operations in the United States and Canada. We are actively engaged in genetic, genomic, fish health and fish nutrition research, which drive continuous improvement in our operations and may lead to new, disruptive technologies and products that could further expand our competitive offerings.

COVID-19

Although the COVID-19 pandemic has diminished in the United States and other parts of the world as vaccines have become more readily available, supply chain disruptions that began during the pandemic continue to impact pricing and material availability. We have experienced delays and cost increases in capital projects and continue to experience extended lead times on equipment purchases.

Inflation

Recently elevated global inflation rates continue to impact all areas of our business. We are experiencing higher costs for farming supplies, transportation costs, wage rates, and other direct operating expenses. Additionally, inflation has impacted the cost estimates for our Ohio farm project, which is expected to be in the range of \$375 million to \$395 million. We expect inflation to continue to negatively impact our results of operations for the near-term.

Revenue

We currently generate product revenue through the sales of our GE Atlantic salmon, conventional Atlantic salmon eggs and fry, and salmon byproducts. We measure our harvest volume of GE Atlantic salmon in terms of metric tons (“mt”) of live weight taken out of the water. We expect revenues to grow modestly in 2023. We believe that our future revenues will depend upon the number and capacity of grow-out farms we have in operation and the market acceptance we achieve.

Product Costs

Product costs include the labor and related costs to grow out our fish, including feed, oxygen, and other direct costs; overhead; and the cost to process and ship our products to customers. A portion of production costs is absorbed into inventory as fish in process to the extent that these costs do not exceed the net realizable value of the fish biomass. The costs that are not absorbed into inventory, as well as any net realizable value inventory adjustments, are classified as product costs. Our product costs also include the labor and related costs to maintain our salmon broodstock.

Sales and Marketing Expenses

Our sales and marketing expenses currently include salaries and related costs for our sales personnel and consulting fees for market-related activities. We expect our sales and marketing expenses to increase as our production output and revenues grow.

Research and Development Expenses

We recognize research and development expenses as they are incurred. Our research and development expenses consist primarily of:

- salaries and related overhead expenses for personnel in research and development functions;
- fees paid to contract research organizations and consultants who perform research for us;
- costs related to laboratory supplies used in our research and development efforts; and
- costs related to the operation of our field trials.

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, regulatory affairs, rent and utilities, insurance, and legal services.

Other Expense

Interest expense includes the interest on our outstanding loans and the amortization of debt issuance costs. Other income includes interest income, less bank charges, fees, miscellaneous gains or losses on asset disposals and realized gains or losses on investments.

Results of Operations

Comparison of the three months ended March 31, 2023, to the three months ended March 31, 2022

The following table summarizes our results of operations for the three months ended March 31, 2023 and 2022, together with the changes in those items in dollars and as a percentage (all dollar amounts in thousands):

	Three Months Ended March 31,		Dollar Change	% Change
	2023	2022		
	(unaudited)			
Product revenue	\$ 398	\$ 963	(565)	(59)%
Operating expenses:				
Product costs	3,559	3,276	283	9%
Sales and marketing	198	248	(50)	(20)%
Research and development	123	167	(44)	(26)%
General and administrative	3,001	2,376	625	26%
Operating loss	6,483	5,104	1,379	27%
Other expense	3	8	(5)	(63)%
Net loss	\$ 6,486	\$ 5,112	1,374	27%

Product Revenue

	Three Months Ended March 31,		Change	% Change
	2023	2022		
	(unaudited)			
Harvest of GE Atlantic salmon (mt)	66	133	(67)	(50)%
Product revenue				
GE Atlantic salmon revenue	\$ 392	\$ 921	(529)	(57)%
Non-GE Atlantic salmon revenue	2	42	(40)	(95)%
Other revenue	4	-	4	—%
Total product revenue	\$ 398	\$ 963	(565)	(59)%

The decrease in revenue during the current period was due primarily to a combination of a decrease in harvest volume at our Indiana farm, as we continue to make repairs to its processing building, and the transition of our Rollo Bay farm from production grow-out to broodstock maintenance. Additionally, sales of conventional eggs and fry from the Rollo Bay farm were lower in the current period due to the timing of shipments. We expect revenues for the remainder of 2023 to grow slowly as the Indiana farm repairs are completed, and to be impacted by normal seasonal demand and fluctuating market prices.

Product Costs

Product costs for the three months ended March 31, 2023, were up from the corresponding period in 2022, due to a higher level of biomass at the Indiana farm as a result of the current harvesting limitations. Total product costs were higher in the current period due to headcount additions, feed costs, repairs and other direct supplies.

Sales and Marketing Expenses

Sales and marketing expenses for the three months ended March 31, 2023, were down from the corresponding period in 2022 due to decreases in marketing programs.

Research and Development Expenses

Research and development expenses for the three months ended March 31, 2023, were down from the corresponding period in 2022 primarily due to the receipt of provincial government grant funds in support of local hiring. Gross research and development expenses for the current period, excluding the grant funds were \$219 thousand versus \$178 thousand in the corresponding period in 2022.

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2023, were up from the corresponding period in 2022 due to an increase in state excise tax liabilities, legal fees and personnel costs.

Total Other Expense

Total other expense is comprised of interest on debt and bank charges, less interest income for the three months ended March 31, 2023 and 2022.

Cash Flows

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

	Three Months Ended March 31,		Dollar Change	% Change
	2023	2022		
	(unaudited)			
Net cash (used in) provided by:				
Operating activities	\$ (6,142)	\$ (5,326)	(816)	15%
Investing activities	(22,935)	(7,468)	(15,467)	207%
Financing activities	215	(159)	374	(235)%
Effect of exchange rate changes on cash	-	8	(8)	(100)%
Net decrease in cash	\$ (28,862)	\$ (12,945)	(15,917)	123%

Cash Flows from Operating Activities

Net cash used in operating activities during the three months ended March 31, 2023 was primarily comprised of our \$6.5 million net loss, offset by non-cash depreciation and stock compensation charges of \$728 thousand and increased by working capital uses of \$388 thousand. Net cash used in operating activities during the three months ended March 31, 2022 was primarily comprised of our \$5.1 million net loss, offset by non-cash depreciation and stock compensation charges of \$702 thousand and increased by working capital uses of \$921 thousand.

Spending on operations increased in the current period due to increases in state excise tax liabilities, compensation costs and production activities at our Indiana farm site. Cash used by working capital increased in the current period due to increases in inventory and prepaid expenses and a decrease in accounts payable and accrued expenses.

Cash Flows from Investing Activities

During the three months ended March 31, 2023, we used \$22.9 million for construction activities at our farm sites and the purchase of equipment. During the same period in 2022, we used \$5.8 million for construction activities at our farm sites and the purchase of

equipment, and \$1.7 million on net marketable securities purchases. We expect expenditures on capital projects to increase in future periods as we continue construction of our Ohio farm.

Cash Flows from Financing Activities

During the three months ended March 31, 2023, we received \$394 thousand from new debt and made \$179 thousand in debt repayments. During the same period in 2022, we made a \$159 thousand in debt repayments.

Future Capital Requirements

We have \$73.8 million in cash and cash equivalents, and restricted cash as of March 31, 2023. Our plans include the continued construction of a 10,000 metric ton salmon farm in Ohio at a total project cost that is estimated to be between \$375 million and \$395 million, of which \$99 million has been expended as of March 31, 2023. We plan to use cash-on-hand and debt financing to fund the remaining construction of our Ohio farm. While we have committed a significant amount of our current cash to fund a portion of the project, if necessary, we can utilize that cash for working capital purposes, and therefore we believe we have sufficient cash to meet our requirements for at least the next twelve months from the filing date of these condensed consolidated financial statements.

In 2020, we entered into a term loan agreement with First Farmers Bank and Trust in the amount of \$4 million, which is secured by the assets of our Indiana subsidiary and a corporate guarantee. The agreement contains certain financial and non-financial covenants, which if not met, could result in an event of default pursuant to the terms of the loan. At March 31, 2023, the Indiana subsidiary was in compliance with its loan covenants.

Until such time, if ever, as we can generate positive operating cash flows, we may finance our cash needs through a combination of 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 raise additional funds through government or other third-party funding; marketing and distribution arrangements; or other collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs, or product candidates or to grant licenses on terms that may not be favorable to us.

If we are unable to generate additional funds in the future through financings, sales of our products, government grants, loans, or from other sources or transactions, 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 consolidated financial statements, which we have prepared in accordance with GAAP. The preparation of our 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 three months ended March 31, 2023. For a full discussion of these estimates and policies, see "Critical Accounting Policies and Estimates" within "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2022.

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 March 31, 2023, and December 31, 2022, we had \$5.0 million and \$5.1 million, respectively, in interest-bearing debt instruments on our consolidated balance sheet. All of our interest-bearing debt is at fixed rates, except for our loan with First Farmers' Bank and Trust which has a rate reset in July 2025.

Foreign Currency Exchange Risk

Our functional currency is the U.S. Dollar. The functional currency of our Canadian subsidiary is the Canadian Dollar, and the functional currency of our U.S. and Brazil subsidiaries is the U.S. Dollar. For the Canadian subsidiary, assets and liabilities are translated at the exchange rates in effect at the balance sheet date, equity accounts are translated at the historical exchange rate, and the income statement accounts are translated at the average rate for each period during the year. Net translation gains or losses are adjusted directly to a separate component of other comprehensive loss within shareholders' equity.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the quarter ended March 31, 2023, the Company's disclosure controls and procedures are effective in recording, processing, summarizing, and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

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 March 31, 2023, 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, 2022, which was filed on March 7, 2023, 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, 2022. 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 Securities and Exchange Commission. 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.

NASDAQ may delist our securities from quotation on its exchange which could limit investors’ ability to make transactions in our securities and subject us to additional trading restrictions.

Even though our common stock is traded on the Nasdaq Capital Market, 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 the Nasdaq Capital Market. If our common stock were no longer listed on the Nasdaq Capital Market, 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.

On October 31, 2022, we received a letter (the “Notice”) from The NASDAQ Stock Market LLC (“Nasdaq”) notifying us that, because the closing bid price for our common stock, par value \$0.001 per share, 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 the Nasdaq Capital Market. The Notice had no immediate effect on our listing on the Nasdaq Capital Market or on the trading of our Common Stock. The Notice provided us with a compliance period of 180 calendar days, or until May 1, 2023, to regain compliance. We were unable to regain compliance with the bid price requirement by May 1, 2023. However, on May 2, 2023, we received a notice from Nasdaq granting us an additional 180 calendar days, or until October 30, 2023, to regain compliance with the minimum \$1.00 bid price per share requirement for continued listing on the Nasdaq Capital Market. Nasdaq determined that we are eligible for the second compliance period due to us meeting the continued listing requirement for market value of publicly held shares and all other applicable requirements for initial listing on the Nasdaq Capital Market, with the exception of the bid price requirement, and our written notice of our intention to cure the deficiency during the second compliance period by effecting a reverse stock split, if necessary.

To regain compliance during the additional time period, the closing bid price of our common stock must be at least \$1.00 per share for a minimum of ten (10) consecutive business days. We intend to monitor the closing bid price of the common stock and may, if appropriate, evaluate various courses of action to regain compliance. If we fail to regain compliance during the second compliance period, our common stock will be subject to delisting by Nasdaq. At that time, we would have the ability to appeal the determination to a Hearings Panel. There can be no assurance that we will regain compliance or otherwise maintain compliance with the other listing requirements. If we fail in the future to comply with Nasdaq listing rules, it 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.

Adverse developments affecting the financial services industry, including events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect our business, financial condition or results of operations.

Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. Most recently, on March 10, 2023, Silicon Valley Bank was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (“FDIC”) as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp., and on May 1, First Republic, were each swept into receivership. Although we assess our banking and customer relationships as we believe necessary or appropriate, our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity

agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry.

In addition, investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our operating expenses, financial obligations or fulfill our other obligations, result in breaches of our contractual obligations or result in violations of federal or state wage and hour laws. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on our liquidity and our business, financial condition or results of operations.

We currently have cash and cash equivalents deposited in Citizens Bank representing 96% of our total amounts and significantly in excess of federally insured levels. If any of the financial institutions in which we have deposited funds ultimately fails, we may lose our uninsured deposits at such financial institutions, and/or we may be required to move our accounts to another financial institution, which could cause operational difficulties, such as delays in making payments to our partners and employees, which could have an adverse effect on our business and financial condition.

High customer concentration exposes us to various risks faced by our major customers and may subject us to significant fluctuations or declines in revenues.

A limited number of our major customers have contributed a significant portion to our revenues in the past. Our revenue from the top three largest customers accounted for approximately 68% and 78% of our total revenues in the fiscal years ended December 31, 2022 and 2021, respectively. Although we continually seek to diversify our customer base, we cannot assure you that the proportion of the revenue contribution from these customers to our total revenues will decrease in the near future. Dependence on a limited number of major customers will expose us to the risks of substantial losses and may increase our accounts receivable and extend its turn-over days if any of them reduces or ceases business with us. Any one of the following events, among others, may cause material fluctuations or declines in our revenues and have a material and adverse effect on our business, financial condition, results of operations and prospects:

- an overall decline in the business of one or more of our significant customers;
- the decision by one or more of our significant customers to switch to our competitors;
- the reduction in the prices for our products agreed by one or more of our significant customers; or
- the failure or inability of any of our significant customers to make timely payment to us.

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

None.

Item 6. Exhibits**EXHIBIT INDEX**

Exhibit Number	Exhibit Description
3.1*	Third Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Registration Statement on Form 10, filed on November 7, 2016).
3.2*	Certificate of Amendment of Third Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K, filed on January 6, 2017).
3.3*	Certificate of Amendment of Third Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc. (incorporated by reference to Exhibit 3.3 to the Registrant’s Registration Statement on Form S-1, filed on January 15, 2020).
3.4*	Certificate of Amendment of Third Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K, filed on November 19, 2020).
3.5*	Certificate of Amendment of Third Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K, filed on May 27, 2022).
3.6*	Certificate of Validation dated October 18, 2022 relating to Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of AquaBounty Technologies, Inc. dated May 27, 2022.
3.7*	Amended and Restated Bylaws of AquaBounty Technologies, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant’s Registration Statement on Form 10, filed on November 7, 2016).
10.1*	Agreement For Architectural/Engineering Services between AquaBounty Farms Ohio LLC and Clark, Richardson and Biskup Consulting Engineers, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K, filed March 3, 2023).
10.2†	Amended and Restated Employment Agreement, by and between David Frank and AquaBounty Technologies, Inc., dated March 29, 2023.
10.3†	Employment Agreement, by and between Angela Olsen and AquaBounty Technologies, Inc., dated November 1, 2019.
10.4†	Form of Restricted Stock Unit Agreement pursuant to AquaBounty Technologies, Inc. 2016 Equity Incentive Plan.
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the 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.

† Management contract or compensatory plan or arrangement.

+ The certification furnished in Exhibit 32.1 hereto is deemed to accompany this Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certification will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, 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.

May 4, 2023

AQUABOUTY TECHNOLOGIES, INC.

/s/ Sylvia Wulf

Sylvia Wulf
President, Chief Executive Officer, and Director
(Principal Executive Officer)

/s/ David A. Frank

David A. Frank
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal
Accounting Officer)

EXECUTIVE EMPLOYMENT AGREEMENT

This Employment Agreement (this “Agreement”) is entered into between David A. Frank (“Employee”) and AquaBounty Technologies, Inc., a Delaware corporation (“AquaBounty”), as of the Effective Date set forth on *Schedule A* hereto (the “Effective Date”). AquaBounty and Employee are at times herein referred to individually as a “Party” and collectively as the “Parties”. This Agreement replaces David Frank’s original employment agreement, dated October 1, 2007.

In consideration of the mutual obligations set forth herein, the parties hereto agree as follows:

1. Employment; Duties

a. AquaBounty hereby employs Employee, and Employee hereby accepts employment with AquaBounty, upon the terms and conditions set forth in this Agreement, regardless of length of employment or any change in Employee’s compensation, duties, role, reporting structure, or title.

b. During the period that Employee is employed by AquaBounty (the “Employment Period”), Employee will: (i) serve in the position set forth in *Schedule A* or in any other position that AquaBounty may from time to time assign to Employee; (ii) perform all duties associated with each such position, as set forth in each applicable job description, as well as such other duties as AquaBounty may from time to time assign to Employee, in each case in a timely and professional manner and in accordance with AquaBounty’s reasonable instructions; (iii) devote substantially all of his or her business time and effort to the performance of such duties; and (iv) comply with AquaBounty’s policies and procedures as in effect from time to time (including, but not limited to, those relating to conduct or legal compliance).

c. Employee warrants to AquaBounty that, except as disclosed on *Schedule A* hereto, Employee is not party to any agreement or understanding that would limit the ability of Employee to work in any capacity at AquaBounty (e.g., any non-compete, non-disclosure, or similar agreement).

2. Compensation

a. Employee’s compensation will be as set forth in the attached *Schedule A*.

b. Any grant of shares, or right to acquire shares, of AquaBounty’s stock set forth in *Schedule A* is a promise only to recommend such grant to AquaBounty’s Board of Directors and is therefore subject to (i) separate approval of the Board of Directors or its designee (which approval may be withheld for any or no reason), (ii) determination of any exercise price and vesting schedule by the Board of Directors, and (iii) the terms and conditions in AquaBounty’s equity incentive plan under which the grant is made and the applicable grant agreement form in effect at the time of approval. Regardless of any agreement to the contrary, any grant of a right to acquire shares of AquaBounty stock will be solely an incentive to potential future performance from the date of vesting forward, and Employee will have no right to exercise that right or to acquire such stock except as explicitly set forth in AquaBounty’s applicable equity incentive plan and agreement forms.

c. Section 409A Deferred Compensation Tax Savings Provision

i. Regardless of any provision of this Agreement to the contrary, to the extent that any payment or benefit under this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”), and such payment or benefit is payable upon Employee’s termination of employment, such payment or benefit shall only be payable upon Employee’s Separation from Service. “Separation from Service” means Employee’s separation from service from AquaBounty, an affiliate thereof, or a successor entity within the meaning set forth in Section 409A, determined in accordance with the presumptions in Treasury Regulation Section 1.409A-1(h).

ii. Regardless of any provision of this Agreement to the contrary, if at the time of Employee’s Separation from Service, AquaBounty determines that Employee is a “specified employee” within the meaning of

Section 409A, then, to the extent that any payment or benefit to which Employee becomes entitled under this Agreement on account of such Separation from Service would be considered deferred compensation subject to Section 409A, such payment or benefit shall not be payable or provided until the earlier of (A) six months and one day after Employee's Separation from Service or (B) Employee's death. Any such delayed payment shall earn interest at an annual rate equal to the applicable federal short-term rate published by the Internal Revenue Service for the month in which the Separation from Service occurs, from the date of Separation from Service until the payment is made.

iii. This Agreement shall be administered and interpreted in accordance and compliance with Section 409A. This Agreement may be amended at the reasonable request of either party as necessary to fully comply with Section 409A and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

iv. AquaBounty makes no representation or warranty and shall have no liability to Employee or any other person if any provision of this Agreement is determined to constitute deferred compensation subject to Section 409A but does not satisfy an exemption from, or the conditions of, that Section.

3. Expenses; Benefits

a. AquaBounty shall reimburse Employee, in accordance with AquaBounty's reimbursement policies as in effect from time to time, for reasonable expenses incurred by Employee in connection with the performance of Employee's duties for AquaBounty hereunder.

b. Employee will be entitled to vacation (which shall be no less than four weeks per year), sick leave, and leave of absence in accordance with AquaBounty's policies as in effect from time to time.

c. Employee will be entitled to participate in any health, life, disability, insurance plans, retirement, pension, profit-sharing or any other plans or programs as may be offered by AquaBounty to similarly situated employees from time to time, subject to the eligibility rules of each plan. Benefits under each plan are governed solely by that plan, and AquaBounty may in its sole discretion modify or eliminate any plan or benefits thereunder on a prospective basis by notice to Employee.

4. Term; Termination

a. At-Will Employment; Automatic Termination. Employee's employment is at-will, for no definite period of time, and Employee or AquaBounty may terminate Employee's employment at any time, with or without reason. Employee's employment shall automatically terminate on the death of Employee. If AquaBounty decides to terminate Employee's employment without Cause, AquaBounty and Employee will mutually agree upon a transition period during which Employee will remain employed at Employee's then current salary, unless Employee is terminated for Cause as described in Section 4(f)(i).

b. Termination of Employment; Settlement of Accounts.

(i) Upon any termination of Employee's employment, Employee will be entitled to receive any accrued but unpaid base salary, bonus or commission earned as of the date of termination, any accrued but unused vacation (each vacation day equaling 1/260th of Base Salary), outstanding expenses reimbursable under AquaBounty's then-effective policies, and any other benefits that may be owed through the date of termination, less amounts owed to AquaBounty for vacation taken that has not accrued, advances received that have not been earned, and loans received that have not been repaid.

(ii) In addition, upon a termination of Employee's employment by the Company without Cause or upon Employee's termination of her employment following (x) a 10% or greater reduction in Employee's Total Target Compensation (as defined in Section 4(f)(ii)), or (y) a material diminution of Employee's authority, duties, status, or title, or (z) the Company informing Employee that he will be required to relocate his residence in order to retain his employment with the Company, (A) Employee shall be entitled to receive (i) a severance payment equal to one (1) year continued

payment of Base Salary, payable over the period commencing on the Date of Termination and in equal monthly installments, subject to applicable withholdings, and ending on the one (1) year anniversary of the Date of Termination, and (ii) a portion of the Bonus, if any, that Employee would have otherwise received had Employee been employed on a full-time basis through the end of the fiscal year in which Employee ceases to be employed on a full-time basis (the “STUB FISCAL YEAR”), determined pro rata based upon the Company’s actual performance and the Bonus Plan for the Stub Fiscal Year, and the number of days in the Stub Fiscal Year that Employee was employed on a full-time basis, payable at such time as the other senior executive employees of the Company are paid a bonus for such fiscal year; and (iii) eligibility for coverage for Employee and his eligible dependents under the Company’s group health plans that he/she currently is enrolled in, for one year at a cost to Employee no greater than the cost of such coverage for active employees of the Company as of the date of Employee’s termination of employment and (B) Employee shall become vested on a pro rata basis in any restricted stock grants, stock options, or other equity-based awards then held by Employee that are then unvested in whole or in part. For the avoidance of doubt, Employee shall be entitled to the payments and benefits described in the preceding sentence regardless of whether and when Employee obtains other employment following the termination of Employee’s employment with the Company. Notwithstanding anything to the contrary herein, amounts payable to Employee pursuant to this Section 4 shall be (A) in lieu of any severance benefits or other compensation based payments by the Company to Employee, (B) subject to Employee’s timely execution and non-revocation of a release agreement in a form reasonably acceptable to Employee and the Company on or prior to the fifty-fifth (55th) day following the Date of Termination, (C) subject to Employee’s fulfillment of her continuing obligations hereunder. Upon and following termination, AquaBounty will have no liability or obligation to Employee other than as specifically set forth herein or as provided by law.

(iii) With regards to Section 4(b)(ii)(x) only, relating solely to the annual bonus target compensation, which is a component of the Total Compensation, as defined in Section 4(f)(ii), if at the Board’s discretion, the Board decides that no employee at the Company will receive an annual bonus compensation for that particular year, then Employee also will not receive an annual bonus compensation and Section 4(b)(ii)(x) will not apply as a trigger for Employee’s termination under Section 4(b)(ii) with regards to the annual bonus component. For the avoidance of doubt, all of the other provisions apply as triggers for Employee’s termination under Section 4(b)(ii), including Sections 4(b)(ii)(x), or 4(b)(ii)(y), or 4(b)(ii)(z).

c. Change of Control:

i. If a Change of Control, as such term is defined in Section 4(c)(ii) below, occurs and either (1) the Employee’s employment with the Company or its successor or any affiliate thereof (all of the foregoing, collectively, the “SUCCESSOR COMPANY”) is terminated by the Successor Company without Cause or (2) the Employee’s employment with the Successor Company is terminated by the Employee with Good Reason, in either case within twelve months after the effective time of the Change of Control, then, immediately prior to such termination, all unvested equity compensation that has been granted to the Employee, specifically including, but not limited to, the equity compensation described in *Schedule A* (collectively, the “UNVESTED EQUITY COMPENSATION”) shall immediately become fully vested immediately prior to the effectiveness of such resignation. For purposes of this paragraph, the term “Good Reason” shall mean (i) any material breach by the Company of its obligations under this Agreement, (ii) a material diminution in the Employee’s duties, (iii) a material diminution in the Employee’s Base Salary or target Bonus, (iv) a material diminution in Employee’s authority, duties or responsibilities or (v) a material diminution in the budget over which the Employee has authority; provided, however, that in each case, the Employee may not terminate his employment for Good Reason unless the Employee (A) provides the Company with thirty (30) days’ advanced written notice of his intent to resign for Good Reason, (B) such notice is given within thirty (30) days of the events or circumstances claimed to give rise to Good Reason, (C) the Company fails to cure such alleged violation within thirty (30) days after the Employee delivers such notice and (D) if the Company fails to cure such alleged violation, the Employee must terminate his employment within thirty (30) days following the end of the Company’s cure period.

ii. “CHANGE OF CONTROL” shall mean (1) any consolidation or merger of the Company with or into any corporation or other entity or person, or any other reorganization, other than any such consolidation, merger or reorganization in which the stockholders of the Company immediately prior to such consolidation, merger

or reorganization, continue to hold at least a majority of the voting power of the surviving entity in substantially the same proportions (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (2) any transaction or series of related transactions to which the Company is a Party in which in excess of 50% of the Company's voting power is transferred; provided, however, that a Change of Control shall not include any transaction or series of transactions principally for bona fide financing purposes in which cash is received by the Company or any indebtedness of the Company is cancelled or converted or a combination thereof; or (3) a sale of all or substantially all of the assets of the Company.

d. Return of Materials. Upon AquaBounty's request or the termination of Employee's employment, Employee will immediately return to AquaBounty all (i) documents, materials, records, files, notes, designs, drawings, notebooks, data, databases, and other information, in any media, related to the business of AquaBounty or any of its affiliates, including all copies; (ii) property (whether owned or leased) of AquaBounty or any of its affiliates that is in Employee's possession or control (including, but not limited to, badges, computer hardware, data storage devices, manuals, programs, printers, faxes, telephones, calling or credit cards, supplies, tools, and vehicles); and (iii) documents and other media containing any Confidential Information (as defined in Section 5). At such time, Employee shall also destroy any Confidential Information in Employee's possession or control that cannot be returned to AquaBounty (e.g., information that is in an electronic or magnetic format and not on equipment or media owned by AquaBounty). At AquaBounty's request, Employee will, to the extent within his or her control, provide AquaBounty or its designee with access to electronic devices that Employee used during the Employment Period so that AquaBounty can confirm that no AquaBounty information is on such equipment.

e. No Affiliation. Following termination of Employee's employment, Employment shall not represent that he or she is connected with AquaBounty or use AquaBounty's name for any commercial purpose.

f. Definitions

i. "Cause" means any of the following:

A. embezzlement, fraud, misappropriation of corporate funds, or any other material act of dishonesty or the admission or conviction of, or a plea of guilty or *nolo contendere* to, (I) any felony or (II) any lesser offense involving moral turpitude, dishonesty, embezzlement, or theft;

B. material violation of (I) any applicable statute, regulation, rule, or code relating to bribery (including, but not limited to, the Foreign Corrupt Practices Act of 1977, as amended from time to time) or equity securities (including, but not limited to, the Securities Act of 1933, the Securities Exchange Act of 1934, and the rules of any stock exchange on which AquaBounty's securities are traded, each as amended from time to time) or (II) any statutory, contractual, or common law duty or obligation owed to AquaBounty that causes demonstrable injury to AquaBounty;

C. a deliberate act of unlawful discrimination or harassment that causes demonstrable injury to AquaBounty;

D. any intentional wrongful act or omission by Employee that materially harms the business, prospects, or reputation of AquaBounty, excluding any actions taken or omitted by Employee in a good faith belief that the action taken or omission was in the best interest of AquaBounty;

E. material breach of this Agreement by Employee;

F. repeated failure by Employee, in the reasonable judgment of AquaBounty, to substantially perform Employee's duties or responsibilities after written notice from AquaBounty describing such failures in reasonable detail (including, but not limited to, willful disregard of written instructions, material noncompliance with policies or procedures, or significant and repeated failure to meet performance expectations); or

G. an inability to perform the essential functions of Employee's job due to a mental or physical disability for 84 consecutive days, or a total of 168 or more days in any twelve-month period, and failure

to perform such functions on a full-time basis within 30 days after AquaBounty has provided notice of pending termination and offered reasonable accommodation to perform such functions (unless such accommodation would involve undue hardship). If any disagreement in regard to disability exists, each party shall select a physician to collectively appoint a third physician to make any determination necessary; the parties shall share costs equally.

ii. “Total Compensation” is defined as the sum of Employee’s “Base Salary” and “Other Compensation,” as outlined in *Schedule A* (attached herein).

g. Survival. Sections 5 through 10 and Section 12 will remain in effect following termination of Employee’s employment with AquaBounty.

5. Confidential Information

a. “Confidential Information” means any and all information belonging to AquaBounty or any of its affiliates, or belonging to any third party (*e.g.*, any of AquaBounty’s clients or vendors) and held in confidence by AquaBounty, that: (i) is not generally known to the public, (ii) is designated or treated by AquaBounty, any of its affiliates, or such third party as confidential, or (iii) would be reasonably understood to be of a confidential nature for a company in AquaBounty’s industry. Confidential Information may be in any form and includes, but is not limited to, information consisting of or relating to: algorithms, formulas, methods, models, processes, and work flows; specifications; know-how, show-how, and trade secrets; Assigned Intellectual Property and Proprietary Rights (each as defined below); patent and trademark applications; research and development activities and test results; regulatory filings; contracts and arrangements; business records; customer and vendor lists and information; marketing plans, business plans, and financial information and projections; compensation arrangements and personnel files; tax arrangements and strategies; intercompany arrangements; costs, price lists, and pricing policies; and any existing or proposed acquisition, strategic alliance, or joint venture.

b. Confidential Information shall not include information that (i) is or becomes publicly available through no fault of Employee, (ii) is shown by written record to have been in the possession of or known to Employee prior to the Employment Period, (iii) is shown by written record to have been independently developed by Employee, or (iv) is made available without restriction to Employee by a third party outside AquaBounty without breach of any confidentiality obligation. Furthermore, this Section 5 will not apply to the extent that Employee is required to disclose any Confidential Information by applicable law or legal process, and, to the extent legally permissible, Employee promptly notifies AquaBounty of such requirement and cooperates with AquaBounty (at its expense) to contest or limit such disclosure.

c. During the Employment Period and at all times thereafter, Employee shall use best efforts to hold all Confidential Information in the strictest confidence, without disclosure (even to AquaBounty’s employees, consultants, and professional advisors) except as necessary to perform Employee’s duties to AquaBounty or as expressly authorized in advance by AquaBounty, and will use such information solely for the purpose of performing services for AquaBounty and not for Employee’s own benefit or that of any third party. Employee shall not (i) disclose or use more than the minimum amount of information necessary for the purpose of that disclosure or use; (ii) render any services to any third party to which or to whom Confidential Information has been, or is threatened to be, disclosed contrary to this Section 5; or (iii) use or disclose any information that is subject to confidentiality restrictions placed upon it by a third party and may not be disclosed to AquaBounty (AquaBounty expressly disclaims any request or requirement that Employee disclose or use any such information).

d. All Confidential Information and any media containing it are and shall remain the property solely of AquaBounty, its affiliate, or the third party that provided such information to AquaBounty, and Employee shall not obtain any right, title, or interest in or to any Confidential Information under this Agreement or by the performance of any obligations hereunder.

e. Maintenance of Third-Party Confidentiality. AquaBounty respects the confidentiality of third parties’ information, and Employee shall not provide any information that is confidential to a former employer to AquaBounty or use such information in the performance of Employee’s duties as an AquaBounty employee.

6. Intellectual Property

a. Definitions

i. “Assigned Intellectual Property” means any and all Intellectual Property that is in whole or in part authored, conceived, created, developed, discovered, invented, learned, made, originated, prepared, or reduced to practice by Employee, either alone or together with others, during or after the Employment Period and (A) arises out of, is based upon, or incorporates any Confidential Information; (B) is made through the use of equipment, facilities, supplies, funds, or other property of AquaBounty or any of its affiliates; or (C) arises out of or relates to work performed by Employee for AquaBounty.

ii. “Intellectual Property” means all concepts, creations, developments, discoveries, ideas, improvements, innovations, and inventions; designs, models, plans, and prototypes; methods, procedures, processes, shop practices, and techniques; genetic codes; genetically modified organisms; algorithms and formulas; data and databases; reports and test results; specifications; documentation, memoranda, notebooks, notes, papers, records, workbooks, and writings; drawings, expressions, graphics, illustrations, and photographs; dress, marks, and names; works of authorship; know-how, show-how, and trade secrets; and any improvements on or to, or derivative works from, any of the foregoing, whether or not reduced to writing, patented or patentable, or registered or registerable under copyright, trademark, or similar laws.

iii. “Proprietary Rights” means any and all right, title, and interest in, to, and under (A) patents, copyrights, trademarks, service marks, and trade names that constitute or relate to Assigned Intellectual Property; (B) applications to register any of the foregoing (including, but not limited to, any continuations, divisions, extensions, and reissues of any patent application); (C) trade secrets that constitute or relate to Assigned Intellectual Property; and (D) goodwill associated with any of such trademarks, service marks, or trade names.

b. Employee hereby acknowledges and agrees that any Assigned Intellectual Property that is an original work of authorship protectable by copyright is a “work made for hire,” as that term is defined in the United States Copyright Act of 1976, and will be automatically the property solely of AquaBounty. If the copyright to such Assigned Intellectual Property will not be AquaBounty’s property by operation of law, Employee hereby, without further consideration, assigns to AquaBounty all of Employee’s right, title, and interest in and to such copyright.

c. Employee hereby irrevocably and exclusively assigns to AquaBounty all right, title, and interest that Employee has, or at any time may come to have, in and to any and all Assigned Intellectual Property and Proprietary Rights. During the Employment Period and thereafter, Employee shall (i) keep and maintain adequate and current notes and other records of all Assigned Intellectual Property, (ii) provide such notes and records to AquaBounty from time to time upon AquaBounty’s request, and (iii) provide prompt written notice to AquaBounty of the development or creation of any Assigned Intellectual Property or Proprietary Right. Employee agrees to execute such instruments of assignment, confirmation, conveyance, or transfer and other documents as AquaBounty may reasonably request to confirm, evidence, or perfect the assignment of all of Employee’s right, title, and interest in and to any and all Assigned Intellectual Property and Proprietary Rights. Employee hereby waives and quitclaims to AquaBounty any and all claims of any nature whatsoever that Employee may now or hereafter have in any Assigned Intellectual Property or for infringement of any Proprietary Rights assigned hereunder.

d. At AquaBounty’s request and expense, Employee will assist AquaBounty in every proper way (including, without limitation, by executing patent applications) to obtain and enforce Proprietary Rights in any country. Employee’s obligation under this paragraph shall continue indefinitely after the Employment Period.

e. By this Agreement, Employee hereby irrevocably constitutes and appoints AquaBounty as Employee’s attorney-in-fact solely for the purpose of executing, in Employee’s name and on Employee’s behalf, (i) such instruments or other documents as may be necessary to evidence, confirm, or perfect any assignment pursuant to the provisions of this Section 6 and (ii) such applications, certificates, instruments, or documents as may be necessary to obtain or enforce any Proprietary Rights in any country of the world. This power of attorney is coupled with an interest on the part of AquaBounty and is irrevocable.

f. Employee's obligation to assign Assigned Intellectual Property and Proprietary Rights shall not apply to any Prior Invention disclosed on *Schedule A* hereto. Employee represents that *Schedule A* contains a complete list of all Prior Inventions and, if there is no *Schedule A* attached hereto, or if it is left blank, there are no Prior Inventions. If Employee incorporates into a product, service, process, or other Intellectual Property of AquaBounty a Prior Invention or any other Intellectual Property in which Employee has an interest, or if the manufacture, use, sale, or import of any product or service of AquaBounty or the practice of any process of AquaBounty would infringe any Prior Invention or any other Intellectual Property in which Employee has an interest, AquaBounty is hereby automatically granted a non-exclusive, royalty-free, fully paid, irrevocable, transferable, perpetual, world-wide license under such Prior Invention or other Intellectual Property to make, have made, modify, use, import, and sell such product or service or to practice such process, Prior Invention, or Intellectual Property.

g. The provisions of this Section 6 shall not apply to the extent that they are invalid under applicable law. For example, if Employee is a resident of the State of California, the assignment provisions of Section 6(c) shall apply only to Intellectual Property that meets any one of the following criteria: (i) at the time of conception or reduction to practice of that Intellectual Property, it relates to (A) the business, projects, or actual or demonstrably anticipated research or development of AquaBounty; (B) any product or service of AquaBounty; or (C) the manufacture or utilization of any of those products or services; (ii) it results from any work performed directly or indirectly by Employee for AquaBounty; or (iii) it results, at least in part, from Employee's use of AquaBounty's time, equipment, supplies, facilities, or trade secret information; provided, however, that Assigned Intellectual Property shall not include any Intellectual Property that is excluded under the provisions of California Labor Code Section 2870 (a copy of which is included on *Schedule A*).

h. Non-Solicitation. During the Employment Period and the twelve months immediately following, Employee shall not, directly or indirectly:

i. solicit or encourage any of the following to purchase or use products or services competitive with those offered by AquaBounty: (A) any client of AquaBounty or (B) any prospect of AquaBounty with which Employee had contact in connection with employment by AquaBounty;

ii. on behalf of Employee or any third party, (A) solicit or encourage any employee of AquaBounty or any of its affiliates to leave such employment or (B) hire or retain as an employee, consultant, or in any other capacity any person who has left the employment of AquaBounty or any of its affiliates within one year of such hiring or retention; or

iii. persuade or endeavor to persuade any vendor to cease doing business with AquaBounty or any of its affiliates.

i. Non-Disparagement. Employee shall not at any time make any misleading or derogatory statement regarding AquaBounty, its affiliates, its business, or any officer, director, shareholder, or employee thereof. AquaBounty will instruct its senior officer and directors not to make any misleading or derogatory statement regarding Employee.

j. Tolling. Except to the extent prohibited by applicable law, if Employee violates any obligation under this Section 6, the term of that obligation will be extended by a period equal to the duration of such violation.

7. Equitable Relief

Employee acknowledges and agrees that the rights and obligations set forth in Sections 5 and 6 of this Agreement are of a unique and special nature, that AquaBounty would be materially and irreparably damaged if Employee breached any of those Sections, that monetary damages or any other remedy at law would not adequately compensate AquaBounty for such injury, and that the provisions of those Sections are reasonable and necessary to preserve to AquaBounty valuable proprietary and confidential information that gives AquaBounty advantage over its competitors. Accordingly, in addition to any other rights and remedies it may have, AquaBounty will be entitled to (a) an injunction, specific performance, or other equitable relief (without the necessity of posting any bond or

other security or proving damages) in case of any breach or threatened breach by Employee of Sections 5 or 6 and (b) indemnification against any costs and expenses (including, but not limited to, actual attorneys' fees and court costs) incurred by AquaBounty in obtaining any relief under clause (a).

8. Indemnification.

The Company will indemnify Employee and hold Employee harmless to the fullest extent permitted by law for any action or inaction by Employee while serving as an officer and director of the Company (including in respect of Employee's actions or inactions taken or not taken in her personal or professional capacity on behalf of the Company) or, at the Company's request, as an officer or director of any other entity or as a fiduciary of any benefit plan. Employee shall be covered under the liability insurance policies maintained by AquaBounty for its directors, officers and employees, including any policies covering "directors or officers" or "management liability" risks and including coverage for Employee in her personal or professional capacity (collectively the "D&O policies"), on an annual basis and in accordance with and to the maximum extent of those D&O policies' terms and conditions. In the event of a claim against Employee, AquaBounty shall give prompt notice under the reporting provisions of the D&O policies, satisfy all conditions precedent and take all reasonable actions to pursue coverage, on behalf of Employee, for all loss resulting from such claim to the extent recoverable pursuant to the D&O policies' terms and conditions.

9. Notices

Notices and other communications required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given (a) when personally delivered; (b) on the third business day after deposit in the U.S. mail (certified or registered mail, return receipt requested, postage prepaid); or (c) on the next business day after timely delivery to an overnight courier; in each case addressed to the intended recipient at the applicable address set forth on *Schedule A* (or such other address as the intended recipient may specify from time to time by notice to the other party).

10. Mediation; Jurisdiction; Waiver of Jury Trial

Except with respect to remedies and rights set forth in Section 7, any dispute or controversy arising under or relating to this Agreement or concerning Employee's employment with or separation from AquaBounty will be referred to mediation administered by JAMS in accordance with its employment dispute resolution rules. The mediation shall be held in the state in which the office to which Employee reports is located, and AquaBounty shall pay the full costs thereof, excluding attorneys' expenses and fees. If the dispute or controversy is not resolved through mediation or direct negotiation, then any action relating to that dispute or controversy must be brought in a court of competent jurisdiction in the state in which the office to which Employee reports is located. Each party agrees that any such dispute shall be tried by a judge alone and hereby waive and forever renounce the right to a trial before a civil jury.

11. Legal Representation

Employee understands that this is a legally binding contract and acknowledges and agrees that he or she has had a reasonable opportunity to consult with legal counsel of his or her choice prior to signing this Agreement.

12. Miscellaneous

This Agreement may be executed in two or more counterparts, which together will be deemed one original. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may only be amended by a written agreement signed by both parties hereto. If any provision of this Agreement is held to be unenforceable or overly broad, such unenforceability shall not render any other provision unenforceable, and the court or tribunal making such determination shall modify such provision so that the provision will be enforceable to the broadest extent permitted by law. This Agreement will be binding upon and inure to the benefit of both parties and their respective successors and assigns; provided, however, that the obligations of Employee are personal and may not be assigned by him or her. No waiver by AquaBounty of any breach under this Agreement will be

considered valid unless in writing signed by AquaBounty, and no such waiver will be deemed a waiver of any subsequent breach. This Agreement, performance hereunder, and Employee's employment with or separation from AquaBounty shall be governed by the laws of the state in which the office to which Employee reports is located, without regard to conflict of laws principles; provided, however, that wage and hour matters shall be governed by the laws of the state in which Employee is domiciled.

In witness whereof, the parties hereto have executed this Agreement as of the Effective Date.

EMPLOYEE

AQUABOUNTY TECHNOLOGIES, INC.

/s/ David Frank

/s/ Sylvia Wulf

By:

[Signature]

[Signature]

Name David Frank

Title: Chief Financial Officer

Name: Sylvia Wulf

Title: President & CEO

SCHEDULE A TO EMPLOYMENT AGREEMENT

Effective Date: March 29, 2023

Position: Chief Financial Officer

Employee Name: David A. Frank

Employee Address: [Redacted]

AquaBounty Address: 2 Mill & Main Place, Suite 395, Maynard, MA 01754

Conflicting Agreements: The following is a complete list of all agreements may prohibit, restrict, or impair the ability of Employee to work in any capacity or position at AquaBounty:

- No such agreements
- The agreements listed below (attach a copy of each agreement)

Compensation: Employee’s initial base salary will be at an annual gross rate set forth below, which rate may be increased from time to time in AquaBounty’s sole discretion or decreased by written consent of the parties (the “Base Salary”). The Base Salary and all other cash compensation shall be payable in accordance with AquaBounty’s payroll practices, as in effect from time to time, and shall be subject to required federal, state, and local taxes and withholdings and authorized deductions. If qualified under AquaBounty’s bonus programs in effect at the time, Employee will be considered for a bonus and grant of equity compensation (e.g., a stock option grant) based on Employee’s and AquaBounty’s performance in regard to each calendar year during the Employment Period, provided that Employee was an employee of AquaBounty during the third quarter of the year in question, is not on an action plan at the time of the performance review, and remains an employee of AquaBounty at the time that the bonus is to be paid. Such bonus, if any, shall be determined by AquaBounty in its sole discretion, and shall be paid according to the schedule determined by AquaBounty. Any sales commissions or other performance-related payments for which Employee may be eligible are covered separately under AquaBounty’s sales incentive plans as in effect from time to time.

Initial Base Salary: \$	325,000
Other Compensation:	<ul style="list-style-type: none"> • An annual bonus with a value equal to 40% of base salary upon satisfactory completion of agreed-upon objectives, which bonus may be paid in cash or stock options (value to be determined using the Black-Scholes method) at the discretion of the Compensation Committee of AquaBounty’s Board of Directors.

Initials of Employee: ___DAF___

Prior Inventions: The following is a complete list of all Prior Inventions.

 X No Prior Inventions
 Prior Inventions described below (reference and attach additional, initialed sheets if
 necessary)

CALIFORNIA LABOR CODE SECTION 2870

2870. (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Initials of Employee: DAF

Schedule A – Page 2

EXECUTIVE EMPLOYMENT AGREEMENT

This Employment Agreement (this “Agreement”) is entered into between Angela Olsen (“Employee”) and AquaBounty Technologies, Inc., a Delaware corporation (“AquaBounty”), as of the Effective Date set forth on *Schedule A* hereto (the “Effective Date”). AquaBounty and Employee are at times herein referred to individually as a “Party” and collectively as the “Parties”.

In consideration of the mutual obligations set forth herein, the parties hereto agree as follows:

1. Employment; Duties

a. AquaBounty hereby employs Employee, and Employee hereby accepts employment with AquaBounty, upon the terms and conditions set forth in this Agreement, regardless of length of employment or any change in Employee’s compensation, duties, role, reporting structure, or title.

b. During the period that Employee is employed by AquaBounty (the “Employment Period”), Employee will: (i) serve in the position set forth in *Schedule A* or in any other position that AquaBounty may from time to time assign to Employee; (ii) perform all duties associated with each such position, as set forth in each applicable job description, as well as such other duties as AquaBounty may from time to time assign to Employee, in each case in a timely and professional manner and in accordance with AquaBounty’s reasonable instructions; (iii) devote substantially all of his or her business time and effort to the performance of such duties; and (iv) comply with AquaBounty’s policies and procedures as in effect from time to time (including, but not limited to, those relating to conduct or legal compliance).

c. Employee warrants to AquaBounty that, except as disclosed on *Schedule A* hereto, Employee is not party to any agreement or understanding that would limit the ability of Employee to work in any capacity at AquaBounty (e.g., any non-compete, non-disclosure, or similar agreement).

2. Compensation

a. Employee’s compensation will be as set forth in the attached *Schedule A*.

b. Any grant of shares, or right to acquire shares, of AquaBounty’s stock set forth in *Schedule A* is a promise only to recommend such grant to AquaBounty’s Board of Directors and is therefore subject to (i) separate approval of the Board of Directors or its designee (which approval may be withheld for any or no reason), (ii) determination of any exercise price and vesting schedule by the Board of Directors, and (iii) the terms and conditions in AquaBounty’s equity incentive plan under which the grant is made and the applicable grant agreement form in effect at the time of approval. Regardless of any agreement to the contrary, any grant of a right to acquire shares of AquaBounty stock will be solely an incentive to potential future performance from the date of vesting forward, and Employee will have no right to exercise that right or to acquire such stock except as explicitly set forth in AquaBounty’s applicable equity incentive plan and agreement forms.

c. Section 409A Deferred Compensation Tax Savings Provision

i. Regardless of any provision of this Agreement to the contrary, to the extent that any payment or benefit under this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”), and such payment or benefit is payable upon Employee’s termination of employment, such payment or benefit shall only be payable upon Employee’s Separation from Service. “Separation from Service” means Employee’s separation from service from AquaBounty, an affiliate thereof, or a successor entity within the meaning set forth in Section 409A, determined in accordance with the presumptions in Treasury Regulation Section 1.409A-1(h).

ii. Regardless of any provision of this Agreement to the contrary, if at the time of Employee’s Separation from Service, AquaBounty determines that Employee is a “specified employee” within the meaning of Section 409A, then, to the extent that any payment or benefit to which Employee becomes entitled under this

Agreement on account of such Separation from Service would be considered deferred compensation subject to Section 409A, such payment or benefit shall not be payable or provided until the earlier of (A) six months and one day after Employee's Separation from Service or (B) Employee's death. Any such delayed payment shall earn interest at an annual rate equal to the applicable federal short-term rate published by the Internal Revenue Service for the month in which the Separation from Service occurs, from the date of Separation from Service until the payment is made.

iii. This Agreement shall be administered and interpreted in accordance and compliance with Section 409A. This Agreement may be amended at the reasonable request of either party as necessary to fully comply with Section 409A and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

iv. AquaBounty makes no representation or warranty and shall have no liability to Employee or any other person if any provision of this Agreement is determined to constitute deferred compensation subject to Section 409A but does not satisfy an exemption from, or the conditions of, that Section.

3. Expenses; Benefits

a. AquaBounty shall reimburse Employee, in accordance with AquaBounty's reimbursement policies as in effect from time to time, for reasonable expenses incurred by Employee in connection with the performance of Employee's duties for AquaBounty hereunder, and also shall reimburse Employee for fees paid by Employee to state bar authorities to maintain her license to practice law in states in which Employee is licensed and for professional association (e.g., American Bar Association) dues.

b. Employee will be entitled to vacation (which shall be no less than four weeks per year), sick leave, and leave of absence in accordance with AquaBounty's policies as in effect from time to time.

c. Employee will be entitled to participate in any health, life, disability, insurance plans, retirement, pension, profit-sharing or any other plans or programs as may be offered by AquaBounty to similarly situated employees from time to time, subject to the eligibility rules of each plan. Benefits under each plan are governed solely by that plan, and AquaBounty may in its sole discretion modify or eliminate any plan or benefits thereunder on a prospective basis by notice to Employee.

4. Term; Termination

a. At-Will Employment; Automatic Termination. Employee's employment is at-will, for no definite period of time, and Employee or AquaBounty may terminate Employee's employment at any time, with or without reason. Employee's employment shall automatically terminate on the death of Employee. If AquaBounty decides to terminate Employee's employment without Cause, AquaBounty and Employee will mutually agree upon a transition period during which Employee will remain employed at Employee's then current salary, unless Employee is terminated for Cause as described in Section 4(f)(i).

b. Termination of Employment; Settlement of Accounts.

(i) Upon any termination of Employee's employment, Employee will be entitled to receive any accrued but unpaid base salary, bonus or commission earned as of the date of termination, any accrued but unused vacation (each vacation day equaling 1/260th of Base Salary), outstanding expenses reimbursable under AquaBounty's then-effective policies, and any other benefits that may be owed through the date of termination, less amounts owed to AquaBounty for vacation taken that has not accrued, advances received that have not been earned, and loans received that have not been repaid.

(ii) In addition, upon a termination of Employee's employment by the Company without Cause or upon Employee's termination of her employment following (x) a 10% or greater reduction in Employee's Total Target Compensation (as defined in Section 4(f)(ii)), or (y) a material diminution of Employee's authority, duties, status, or title, or (z)

the Company informing Employee that she will be required to relocate her residence in order to retain her employment with the Company, (A) Employee shall be entitled to receive (i) a severance payment equal to one (1) year continued payment of Base Salary, payable over the period commencing on the Date of Termination and in equal monthly installments, subject to applicable withholdings, and ending on the one (1) year anniversary of the Date of Termination, and (ii) a portion of the Bonus, if any, that Employee would have otherwise received had Employee been employed on a full-time basis through the end of the fiscal year in which Employee ceases to be employed on a full-time basis (the "STUB FISCAL YEAR"), determined pro rata based upon the Company's actual performance and the Bonus Plan for the Stub Fiscal Year, and the number of days in the Stub Fiscal Year that Employee was employed on a full-time basis, payable at such time as the other senior executive employees of the Company are paid a bonus for such fiscal year; and (iii) eligibility for coverage for Employee and her eligible dependents under the Company's group health plans for one year at a cost to Employee no greater than the cost of such coverage for active employees of the Company as of the date of Employee's termination of employment and (B) Employee shall become vested on a pro rata basis in any restricted stock grants, stock options, or other equity-based awards then held by Employee that are then unvested in whole or in part. For the avoidance of doubt, Employee shall be entitled to the payments and benefits described in the preceding sentence regardless of whether and when Employee obtains other employment following the termination of Employee's employment with the Company. Notwithstanding anything to the contrary herein, amounts payable to Employee pursuant to this Section 4 shall be (A) in lieu of any severance benefits or other compensation based payments by the Company to Employee, (B) subject to Employee's timely execution and non-revocation of a release agreement in a form reasonably acceptable to Employee and the Company on or prior to the fifty-fifth (55th) day following the Date of Termination, (C) subject to Employee's fulfillment of her continuing obligations hereunder. Upon and following termination, AquaBounty will have no liability or obligation to Employee other than as specifically set forth herein or as provided by law.

(iii) With regards to Section 4(b)(ii)(x) only, relating solely to the annual bonus target compensation, which is a component of the Total Compensation, as defined in Section 4(f)(ii), if at the Board's discretion, the Board decides that no employee at the Company will receive an annual bonus compensation for that particular year, then Employee also will not receive an annual bonus compensation and Section 4(b)(ii)(x) will not apply as a trigger for Employee's termination under Section 4(b)(ii) with regards to the annual bonus component. For the avoidance of doubt, all of the other provisions apply as triggers for Employee's termination under Section 4(b)(ii), including Sections 4(b)(ii)(x), or 4(b)(ii)(y), or 4(b)(ii)(z).

c. Change of Control:

i. If a Change of Control, as such term is defined in Section 4(c)(ii) below, occurs and either (1) the Employee's employment with the Company or its successor or any affiliate thereof (all of the foregoing, collectively, the "SUCCESSOR COMPANY") is terminated by the Successor Company without Cause or (2) the Employee's employment with the Successor Company is terminated by the Employee with Good Reason, in either case within twelve months after the effective time of the Change of Control, then, immediately prior to such termination, all unvested equity compensation that has been granted to the Employee, specifically including, but not limited to, the equity compensation described in *Schedule A* (collectively, the "UNVESTED EQUITY COMPENSATION") shall immediately become fully vested immediately prior to the effectiveness of such resignation. For purposes of this paragraph, the term "Good Reason" shall mean (i) any material breach by the Company of its obligations under this Agreement, (ii) a material diminution in the Employee's duties, (iii) a material diminution in the Employee's Base Salary or target Bonus, (iv) a material diminution in Employee's authority, duties or responsibilities or (v) a material diminution in the budget over which the Employee has authority; provided, however, that in each case, the Employee may not terminate her employment for Good Reason unless the Employee (A) provides the Company with thirty (30) days' advanced written notice of her intent to resign for Good Reason, (B) such notice is given within thirty (30) days of the events or circumstances claimed to give rise to Good Reason, (C) the Company fails to cure such alleged violation within thirty (30) days after the Employee delivers such notice and (D) if the Company fails to cure such alleged violation, the Employee must terminate her employment within thirty (30) days following the end of the Company's cure period.

ii. "CHANGE OF CONTROL" shall mean (1) any consolidation or merger of the Company with or into any corporation or other entity or person, or any other reorganization, other than any such consolidation, merger or reorganization in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, continue to hold at least a majority of the voting power of the surviving entity in substantially the same proportions (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (2) any transaction or series of related transactions to which the Company is a Party in which in excess of 50% of the Company's voting power is transferred; provided, however, that a Change of Control shall not include any transaction or series of transactions principally for bona fide financing purposes in which cash is received by the Company or any indebtedness of the Company is cancelled or converted or a combination thereof; or (3) a sale of all or substantially all of the assets of the Company.

d. Return of Materials. Upon AquaBounty's request or the termination of Employee's employment, Employee will immediately return to AquaBounty all (i) documents, materials, records, files, notes, designs, drawings, notebooks, data, databases, and other information, in any media, related to the business of AquaBounty or any of its affiliates, including all copies; (ii) property (whether owned or leased) of AquaBounty or any of its affiliates that is in Employee's possession or control (including, but not limited to, badges, computer hardware, data storage devices, manuals, programs, printers, faxes, telephones, calling or credit cards, supplies, tools, and vehicles); and (iii) documents and other media containing any Confidential Information (as defined in Section 5). At such time, Employee shall also destroy any Confidential Information in Employee's possession or control that cannot be returned to AquaBounty (e.g., information that is in an electronic or magnetic format and not on equipment or media owned by AquaBounty). At AquaBounty's request, Employee will, to the extent within his or her control, provide AquaBounty or its designee with access to electronic devices that Employee used during the Employment Period so that AquaBounty can confirm that no AquaBounty information is on such equipment.

e. No Affiliation. Following termination of Employee's employment, Employment shall not represent that he or she is connected with AquaBounty or use AquaBounty's name for any commercial purpose.

f. Definitions

i. "Cause" means any of the following:

A. embezzlement, fraud, misappropriation of corporate funds, or any other material act of dishonesty or the admission or conviction of, or a plea of guilty or *nolo contendere* to, (I) any felony or (II) any lesser offense involving moral turpitude, dishonesty, embezzlement, or theft;

B. material violation of (I) any applicable statute, regulation, rule, or code relating to bribery (including, but not limited to, the Foreign Corrupt Practices Act of 1977, as amended from time to time) or equity securities (including, but not limited to, the Securities Act of 1933, the Securities Exchange Act of 1934, and the rules of any stock exchange on which AquaBounty's securities are traded, each as amended from time to time) or (II) any statutory, contractual, or common law duty or obligation owed to AquaBounty that causes demonstrable injury to AquaBounty;

C. a deliberate act of unlawful discrimination or harassment that causes demonstrable injury to AquaBounty;

D. any intentional wrongful act or omission by Employee that materially harms the business, prospects, or reputation of AquaBounty, excluding any actions taken or omitted by Employee in a good faith belief that the action taken or omission was in the best interest of AquaBounty;

E. material breach of this Agreement by Employee;

F. repeated failure by Employee, in the reasonable judgment of AquaBounty, to substantially perform Employee's duties or responsibilities after written notice from AquaBounty describing such failures in reasonable detail (including, but not limited to, willful disregard of written instructions, material

noncompliance with policies or procedures, or significant and repeated failure to meet performance expectations); or

G. an inability to perform the essential functions of Employee's job due to a mental or physical disability for 84 consecutive days, or a total of 168 or more days in any twelve-month period, and failure to perform such functions on a full-time basis within 30 days after AquaBounty has provided notice of pending termination and offered reasonable accommodation to perform such functions (unless such accommodation would involve undue hardship). If any disagreement in regard to disability exists, each party shall select a physician to collectively appoint a third physician to make any determination necessary; the parties shall share costs equally.

ii. "Total Compensation" is defined as the sum of Employee's "Base Salary" and "Other Compensation," as outlined in *Schedule A* (attached herein).

g. Survival. Sections 5 through 10 and Section 12 will remain in effect following termination of Employee's employment with AquaBounty.

5. Confidential Information

a. "Confidential Information" means any and all information belonging to AquaBounty or any of its affiliates, or belonging to any third party (e.g., any of AquaBounty's clients or vendors) and held in confidence by AquaBounty, that: (i) is not generally known to the public, (ii) is designated or treated by AquaBounty, any of its affiliates, or such third party as confidential, or (iii) would be reasonably understood to be of a confidential nature for a company in AquaBounty's industry. Confidential Information may be in any form and includes, but is not limited to, information consisting of or relating to: algorithms, formulas, methods, models, processes, and work flows; specifications; know-how, show-how, and trade secrets; Assigned Intellectual Property and Proprietary Rights (each as defined below); patent and trademark applications; research and development activities and test results; regulatory filings; contracts and arrangements; business records; customer and vendor lists and information; marketing plans, business plans, and financial information and projections; compensation arrangements and personnel files; tax arrangements and strategies; intercompany arrangements; costs, price lists, and pricing policies; and any existing or proposed acquisition, strategic alliance, or joint venture.

b. Confidential Information shall not include information that (i) is or becomes publicly available through no fault of Employee, (ii) is shown by written record to have been in the possession of or known to Employee prior to the Employment Period, (iii) is shown by written record to have been independently developed by Employee, or (iv) is made available without restriction to Employee by a third party outside AquaBounty without breach of any confidentiality obligation. Furthermore, this Section 5 will not apply to the extent that Employee is required to disclose any Confidential Information by applicable law or legal process, and, to the extent legally permissible, Employee promptly notifies AquaBounty of such requirement and cooperates with AquaBounty (at its expense) to contest or limit such disclosure.

c. During the Employment Period and at all times thereafter, Employee shall use best efforts to hold all Confidential Information in the strictest confidence, without disclosure (even to AquaBounty's employees, consultants, and professional advisors) except as necessary to perform Employee's duties to AquaBounty or as expressly authorized in advance by AquaBounty, and will use such information solely for the purpose of performing services for AquaBounty and not for Employee's own benefit or that of any third party. Employee shall not (i) disclose or use more than the minimum amount of information necessary for the purpose of that disclosure or use; (ii) render any services to any third party to which or to whom Confidential Information has been, or is threatened to be, disclosed contrary to this Section 5; or (iii) use or disclose any information that is subject to confidentiality restrictions placed upon it by a third party and may not be disclosed to AquaBounty (AquaBounty expressly disclaims any request or requirement that Employee disclose or use any such information).

d. All Confidential Information and any media containing it are and shall remain the property solely of AquaBounty, its affiliate, or the third party that provided such information to AquaBounty, and Employee shall

not obtain any right, title, or interest in or to any Confidential Information under this Agreement or by the performance of any obligations hereunder.

e. Maintenance of Third-Party Confidentiality. AquaBounty respects the confidentiality of third parties' information, and Employee shall not provide any information that is confidential to a former employer to AquaBounty or use such information in the performance of Employee's duties as an AquaBounty employee.

6. Intellectual Property

a. Definitions

i. "Assigned Intellectual Property" means any and all Intellectual Property that is in whole or in part authored, conceived, created, developed, discovered, invented, learned, made, originated, prepared, or reduced to practice by Employee, either alone or together with others, during or after the Employment Period and (A) arises out of, is based upon, or incorporates any Confidential Information; (B) is made through the use of equipment, facilities, supplies, funds, or other property of AquaBounty or any of its affiliates; or (C) arises out of or relates to work performed by Employee for AquaBounty.

ii. "Intellectual Property" means all concepts, creations, developments, discoveries, ideas, improvements, innovations, and inventions; designs, models, plans, and prototypes; methods, procedures, processes, shop practices, and techniques; genetic codes; genetically modified organisms; algorithms and formulas; data and databases; reports and test results; specifications; documentation, memoranda, notebooks, notes, papers, records, workbooks, and writings; drawings, expressions, graphics, illustrations, and photographs; dress, marks, and names; works of authorship; know-how, show-how, and trade secrets; and any improvements on or to, or derivative works from, any of the foregoing, whether or not reduced to writing, patented or patentable, or registered or registerable under copyright, trademark, or similar laws.

iii. "Proprietary Rights" means any and all right, title, and interest in, to, and under (A) patents, copyrights, trademarks, service marks, and trade names that constitute or relate to Assigned Intellectual Property; (B) applications to register any of the foregoing (including, but not limited to, any continuations, divisions, extensions, and reissues of any patent application); (C) trade secrets that constitute or relate to Assigned Intellectual Property; and (D) goodwill associated with any of such trademarks, service marks, or trade names.

b. Employee hereby acknowledges and agrees that any Assigned Intellectual Property that is an original work of authorship protectable by copyright is a "work made for hire," as that term is defined in the United States Copyright Act of 1976, and will be automatically the property solely of AquaBounty. If the copyright to such Assigned Intellectual Property will not be AquaBounty's property by operation of law, Employee hereby, without further consideration, assigns to AquaBounty all of Employee's right, title, and interest in and to such copyright.

c. Employee hereby irrevocably and exclusively assigns to AquaBounty all right, title, and interest that Employee has, or at any time may come to have, in and to any and all Assigned Intellectual Property and Proprietary Rights. During the Employment Period and thereafter, Employee shall (i) keep and maintain adequate and current notes and other records of all Assigned Intellectual Property, (ii) provide such notes and records to AquaBounty from time to time upon AquaBounty's request, and (iii) provide prompt written notice to AquaBounty of the development or creation of any Assigned Intellectual Property or Proprietary Right. Employee agrees to execute such instruments of assignment, confirmation, conveyance, or transfer and other documents as AquaBounty may reasonably request to confirm, evidence, or perfect the assignment of all of Employee's right, title, and interest in and to any and all Assigned Intellectual Property and Proprietary Rights. Employee hereby waives and quitclaims to AquaBounty any and all claims of any nature whatsoever that Employee may now or hereafter have in any Assigned Intellectual Property or for infringement of any Proprietary Rights assigned hereunder.

d. At AquaBounty's request and expense, Employee will assist AquaBounty in every proper way (including, without limitation, by executing patent applications) to obtain and enforce Proprietary Rights in any country. Employee's obligation under this paragraph shall continue indefinitely after the Employment Period.

e. By this Agreement, Employee hereby irrevocably constitutes and appoints AquaBounty as Employee's attorney-in-fact solely for the purpose of executing, in Employee's name and on Employee's behalf, (i) such instruments or other documents as may be necessary to evidence, confirm, or perfect any assignment pursuant to the provisions of this Section 6 and (ii) such applications, certificates, instruments, or documents as may be necessary to obtain or enforce any Proprietary Rights in any country of the world. This power of attorney is coupled with an interest on the part of AquaBounty and is irrevocable.

f. Employee's obligation to assign Assigned Intellectual Property and Proprietary Rights shall not apply to any Prior Invention disclosed on *Schedule A* hereto. Employee represents that *Schedule A* contains a complete list of all Prior Inventions and, if there is no *Schedule A* attached hereto, or if it is left blank, there are no Prior Inventions. If Employee incorporates into a product, service, process, or other Intellectual Property of AquaBounty a Prior Invention or any other Intellectual Property in which Employee has an interest, or if the manufacture, use, sale, or import of any product or service of AquaBounty or the practice of any process of AquaBounty would infringe any Prior Invention or any other Intellectual Property in which Employee has an interest, AquaBounty is hereby automatically granted a non-exclusive, royalty-free, fully paid, irrevocable, transferable, perpetual, world-wide license under such Prior Invention or other Intellectual Property to make, have made, modify, use, import, and sell such product or service or to practice such process, Prior Invention, or Intellectual Property.

g. The provisions of this Section 6 shall not apply to the extent that they are invalid under applicable law. For example, if Employee is a resident of the State of California, the assignment provisions of Section 6(c) shall apply only to Intellectual Property that meets any one of the following criteria: (i) at the time of conception or reduction to practice of that Intellectual Property, it relates to (A) the business, projects, or actual or demonstrably anticipated research or development of AquaBounty; (B) any product or service of AquaBounty; or (C) the manufacture or utilization of any of those products or services; (ii) it results from any work performed directly or indirectly by Employee for AquaBounty; or (iii) it results, at least in part, from Employee's use of AquaBounty's time, equipment, supplies, facilities, or trade secret information; provided, however, that Assigned Intellectual Property shall not include any Intellectual Property that is excluded under the provisions of California Labor Code Section 2870 (a copy of which is included on *Schedule A*).

h. Non-Solicitation. During the Employment Period and the twelve months immediately following, Employee shall not, directly or indirectly:

i. solicit or encourage any of the following to purchase or use products or services competitive with those offered by AquaBounty: (A) any client of AquaBounty or (B) any prospect of AquaBounty with which Employee had contact in connection with employment by AquaBounty;

ii. on behalf of Employee or any third party, (A) solicit or encourage any employee of AquaBounty or any of its affiliates to leave such employment or (B) hire or retain as an employee, consultant, or in any other capacity any person who has left the employment of AquaBounty or any of its affiliates within one year of such hiring or retention; or

iii. persuade or endeavor to persuade any vendor to cease doing business with AquaBounty or any of its affiliates.

i. Non-Disparagement. Employee shall not at any time make any misleading or derogatory statement regarding AquaBounty, its affiliates, its business, or any officer, director, shareholder, or employee thereof. AquaBounty will instruct its senior officer and directors not to make any misleading or derogatory statement regarding Employee.

j. Tolling. Except to the extent prohibited by applicable law, if Employee violates any obligation under this Section 6, the term of that obligation will be extended by a period equal to the duration of such violation.

7. Equitable Relief

Employee acknowledges and agrees that the rights and obligations set forth in Sections 5 and 6 of this Agreement are of a unique and special nature, that AquaBounty would be materially and irreparably damaged if Employee breached any of those Sections, that monetary damages or any other remedy at law would not adequately compensate AquaBounty for such injury, and that the provisions of those Sections are reasonable and necessary to preserve to AquaBounty valuable proprietary and confidential information that gives AquaBounty advantage over its competitors. Accordingly, in addition to any other rights and remedies it may have, AquaBounty will be entitled to (a) an injunction, specific performance, or other equitable relief (without the necessity of posting any bond or other security or proving damages) in case of any breach or threatened breach by Employee of Sections 5 or 6 and (b) indemnification against any costs and expenses (including, but not limited to, actual attorneys' fees and court costs) incurred by AquaBounty in obtaining any relief under clause (a).

8. Indemnification.

The Company will indemnify Employee and hold Employee harmless to the fullest extent permitted by law for any action or inaction by Employee while serving as an officer and director of the Company (including in respect of Employee's actions or inactions taken or not taken in her personal or professional capacity on behalf of the Company) or, at the Company's request, as an officer or director of any other entity or as a fiduciary of any benefit plan. Employee shall be covered under the liability insurance policies maintained by AquaBounty for its directors, officers and employees, including any policies covering "directors or officers" or "management liability" risks and including coverage for Employee in her personal or professional capacity (collectively the "D&O policies"), on an annual basis and in accordance with and to the maximum extent of those D&O policies' terms and conditions. In the event of a claim against Employee, AquaBounty shall give prompt notice under the reporting provisions of the D&O policies, satisfy all conditions precedent and take all reasonable actions to pursue coverage, on behalf of Employee, for all loss resulting from such claim to the extent recoverable pursuant to the D&O policies' terms and conditions.

9. Notices

Notices and other communications required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given (a) when personally delivered; (b) on the third business day after deposit in the U.S. mail (certified or registered mail, return receipt requested, postage prepaid); or (c) on the next business day after timely delivery to an overnight courier; in each case addressed to the intended recipient at the applicable address set forth on *Schedule A* (or such other address as the intended recipient may specify from time to time by notice to the other party).

10. Mediation; Jurisdiction; Waiver of Jury Trial

Except with respect to remedies and rights set forth in Section 7, any dispute or controversy arising under or relating to this Agreement or concerning Employee's employment with or separation from AquaBounty will be referred to mediation administered by JAMS in accordance with its employment dispute resolution rules. The mediation shall be held in the state in which the office to which Employee reports is located, and AquaBounty shall pay the full costs thereof, excluding attorneys' expenses and fees. If the dispute or controversy is not resolved through mediation or direct negotiation, then any action relating to that dispute or controversy must be brought in a court of competent jurisdiction in the state in which the office to which Employee reports is located. Each party agrees that any such dispute shall be tried by a judge alone and hereby waive and forever renounce the right to a trial before a civil jury.

11. Legal Representation

Employee understands that this is a legally binding contract and acknowledges and agrees that he or she has had a reasonable opportunity to consult with legal counsel of his or her choice prior to signing this Agreement.

12. Miscellaneous

This Agreement may be executed in two or more counterparts, which together will be deemed one original. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may only be amended by a written agreement signed by both parties hereto. If any provision of this Agreement is held to be unenforceable or overly broad, such unenforceability shall not render any other provision unenforceable, and the court or tribunal making such determination shall modify such provision so that the provision will be enforceable to the broadest extent permitted by law. This Agreement will be binding upon and inure to the benefit of both parties and their respective successors and assigns; provided, however, that the obligations of Employee are personal and may not be assigned by him or her. No waiver by AquaBounty of any breach under this Agreement will be considered valid unless in writing signed by AquaBounty, and no such waiver will be deemed a waiver of any subsequent breach. This Agreement, performance hereunder, and Employee's employment with or separation from AquaBounty shall be governed by the laws of the state in which the office to which Employee reports is located, without regard to conflict of laws principles; provided, however, that wage and hour matters shall be governed by the laws of the state in which Employee is domiciled.

In witness whereof, the parties hereto have executed this Agreement as of the Effective Date.

EMPLOYEE

AQUABOUNTY TECHNOLOGIES, INC.

[Signature]

By:

Name: Sylvia Wulf
Title: President & CEO

Angela M Olsen

SCHEDULE A TO EMPLOYMENT AGREEMENT

Effective Date: November 1, 2019

Position: General Counsel, reporting to the Chief Executive Officer

Employee Name: Angela Marie Olsen

Employee Address: [Redacted]

AquaBounty Address: 2 Mill & Main Place, Suite 395, Maynard, MA 01754

Conflicting Agreements: The following is a complete list of all agreements may prohibit, restrict, or impair the ability of Employee to work in any capacity or position at AquaBounty:

- No such agreements
- The agreements listed below (attach a copy of each agreement)

Compensation: Employee’s initial base salary will be at an annual gross rate set forth below, which rate may be increased from time to time in AquaBounty’s sole discretion or decreased by written consent of the parties (the “Base Salary”). The Base Salary and all other cash compensation shall be payable in accordance with AquaBounty’s payroll practices, as in effect from time to time, and shall be subject to required federal, state, and local taxes and withholdings and authorized deductions. If qualified under AquaBounty’s bonus programs in effect at the time, Employee will be considered for a bonus and grant of equity compensation (e.g., a stock option grant) based on Employee’s and AquaBounty’s performance in regard to each calendar year during the Employment Period, provided that Employee was an employee of AquaBounty during the third quarter of the year in question, is not on an action plan at the time of the performance review, and remains an employee of AquaBounty at the time that the bonus is to be paid. Such bonus, if any, shall be determined by AquaBounty in its sole discretion, and shall be paid according to the schedule determined by AquaBounty. Any sales commissions or other performance-related payments for which Employee may be eligible are covered separately under AquaBounty’s sales incentive plans as in effect from time to time.

Initial Base Salary: \$ 285,000

Initials of Employee: _____

- Other Compensation: • A grant of restricted common stock in the amount of \$70,000 _____ with vesting commencing as of the Effective Date and running until the first anniversary of that date.
- A stock option exercisable for 35,000 _____ shares of AquaBounty common stock with vesting commencing as of the Effective Date and running until the first anniversary of that date
 - An annual bonus with a value equal to 40% of base salary upon satisfactory completion of agreed-upon objectives, which bonus may be paid in cash or stock options (value to be determined using the Black-Scholes method) at the discretion of the Compensation Committee of AquaBounty's Board of Directors.
 - A signing bonus of \$28,500 payable with the first payroll after November 1, 2019.

Prior Inventions: The following is a complete list of all Prior Inventions.

- X No Prior Inventions
 Prior Inventions described below (reference and attach additional, initialed sheets if necessary)

CALIFORNIA LABOR CODE SECTION 2870

2870. (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Initials of Employee: _____

AQUABOUNTY TECHNOLOGIES, INC.
2016 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (this “**Agreement**”) is made as of the Grant Date identified below (the “**Grant Date**”) by and between AquaBounty Technologies, Inc., a Delaware corporation (the “**Company**”), and the Grantee identified below (“**Grantee**”). Capitalized terms used in this Agreement, if not defined herein, have the meaning ascribed to them in the Company’s 2016 Equity Incentive Plan (the “**Plan**”).

Grantee: _____

Grant Date: _____

Number of Restricted Stock Units: _____

1. Grant of Restricted Stock Units. Pursuant to the Plan and this Agreement, the Company hereby grants to Grantee an award of the number of Restricted Stock Units identified above (the “**RSUs**”). Each RSU relates to one share of Common Stock.

2. Issuance of Shares of Common Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Common Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Section 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

3. Rights as a Stockholder. Subject to the terms and conditions of this Agreement, Grantee will exercise all rights and privileges of a shareholder of the Company only with respect to the shares of Common Stock issued to Grantee following vesting of any such RSUs.

4. Restrictions on Transfer. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Common Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Section 2 of this Agreement and (ii) shares of Common Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

5. Tax Consequences.

a. Grantee hereby agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes Grantee’s tax liabilities. Grantee will not make any claim against the Company, or any of its Officers, Directors, Employees, or Affiliates related to tax liabilities arising from this Agreement. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Board for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Common Stock to be issued to the Grantee a number of shares of Common Stock with an aggregate Fair Market Value that would satisfy the withholding amount due or (ii) withholding from proceeds of the sale of shares acquired upon vesting/settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on Grantee’s behalf pursuant to this authorization).

b. Grantee has reviewed with his or her own tax advisors the federal, state, local, and foreign tax consequences of this investment and the transactions contemplated by this Agreement. Grantee is relying solely on such advisors

and not on any statements or representations of the Company or any other person. Grantee understands that he or she (and not the Company or any other person) will be responsible for his or her own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

c. **Golden Parachute Taxes.** Grantee also agrees that if the benefits provided for under this Agreement and/or that are otherwise payable to Grantee by the Company or any successor thereto (i) constitute “parachute payments” within the meaning of Section 280G of the Code and (ii) would be subject to the “golden parachute” excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then Grantee’s benefits will be either (1) delivered in full or (2) delivered to such lesser extent as would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state, and local income taxes and the Excise Tax, results in the receipt by Grantee on an after-tax basis, of the greatest amount of benefits, despite that all or some of such benefits may be taxable under Section 4999 of the Code.

d. **Section 409A.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as “short-term deferrals” as described in Section 409A of the Code.

6. General Provisions.

a. **No Employment Rights.** Nothing in this Agreement will affect in any manner whatsoever the right or power of the Company, or a parent or subsidiary of the Company, to terminate Grantee’s service relationship, for any reason, with or without cause.

b. **Governing Plan Document.** This Agreement is subject to all the provisions of the Plan, the provisions of which are hereby made a part of this Agreement, and is further subject to all interpretations, amendments, rules, and regulations that may from time to time be promulgated and adopted pursuant to the Plan. In addition, this Award and any shares issued under this Agreement are subject to recoupment in accordance with The Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company, and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for “good reason” or for a “constructive termination” (or similar term) under any agreement with the Company.

c. **Entire Agreement.** This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof and supersedes all prior understandings and agreements, whether oral or written, between the parties with regard to the subject matter hereof, and may only be modified or amended in writing signed by both parties.

d. **Severability.** If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any provision of this Agreement (or part of such a provision) so declared to be unlawful or invalid will, if possible, be construed in a manner that will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

e. **Notices.** Any notices provided for in this Agreement or the Plan will be given in writing and will be deemed effectively given on receipt or, in the case of notices delivered by mail by the Company to Grantee, five days after deposit in the U.S. mail, postage prepaid, addressed to Grantee at the last address provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan by electronic means. By entering into this Agreement, Grantee consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

f. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Facsimile copies of signed signature pages will be binding originals.

g. **Effect on Other Employee Benefit Plans.** The value of the RSUs (and any shares issuable upon vesting of the RSUs) will not be included as compensation, earnings, salaries, or other similar terms used when calculating Grantee's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

h. **Further Documents.** Grantee agrees on request to execute any further documents or instruments necessary or reasonably desirable in the view of the Company to carry out the purposes or intent of this Agreement, including, without limitation, all exhibits and attachments to this Agreement.

i. **No Waiver.** No waiver of any breach or condition of this Agreement will be deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature.

j. **Successors.** The rights and benefits of this Agreement will inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Grantee under this Agreement may only be assigned with the prior written consent of the Company.

k. **Legal Representation.** Grantee has reviewed the provisions of this Agreement, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands and agrees to the provisions hereof.

In Witness Whereof, the parties have duly executed this Agreement as of the Grant Date.

AQUABOUNTY TECHNOLOGIES, INC.

By: _____

Name:

Title:

GRANTEE

(Signature)

Address: _____

Facsimile # _____

Email: _____

Signature Page to Restricted Stock Unit Agreement

Certification

I, Sylvia Wulf, 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 controls over financial reporting, or caused such internal controls 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: May 4, 2023

/s/ Sylvia Wulf
Sylvia Wulf
Chief Executive Officer
(Principal Executive Officer)

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 controls over financial reporting, or caused such internal controls 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: May 4, 2023

/s/ David A. Frank
David A. Frank
Chief Financial Officer
(Principal Financial Officer)

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), each of the undersigned hereby certifies, to his knowledge, that:

(i) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022, 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 March 31, 2023, fairly presents, in all material respects, the financial condition and results of operations of AquaBounty Technologies, Inc.

Dated as of this 4th day of May, 2023.

/s/ Sylvia Wulf

Sylvia Wulf
Chief Executive Officer
(Principal Executive Officer)

/s/ David A. Frank

David A. Frank
Chief Financial Officer
(Principal Financial Officer)
