
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

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

For the fiscal year ended December 31, 2025

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

For the transition period from _____ to _____
Commission file number: 001-36426

AquaBounty Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-3156167
(I.R.S. Employer
Identification No.)

**233 Ayer Road, Suite 4
Harvard, Massachusetts 01451
(978) 648-6000**

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

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

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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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

Yes No

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

Yes No

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

At June 30, 2025, the aggregate market value of the 3,838,910 shares of common stock held by non-affiliates of the registrant was approximately \$2.8 million. At March 27, 2026, the registrant had 5,147,204 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its Annual Meeting of Stockholders to be held on June 16, 2026 (the "2026 Proxy Statement"), are incorporated by reference into Part III of this Annual Report on Form 10-K.

ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K of AquaBounty Technologies, Inc. (“AquaBounty,” the “Company,” “we,” “us” or “our”), particularly the sections titled “Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” contains forward-looking statements. All statements other than present and historical facts and conditions contained in this Annual Report on Form 10-K, including statements regarding our future results of operations and financial position, business strategy, plans, and our objectives for future operations, are forward-looking statements. When used in this Annual Report on Form 10-K, 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 identify forward-looking statements. These forward-looking statements include statements that are not historical facts, including statements regarding management’s expectations for future financial and operational performance and operating expenditures, expected growth, and business outlook; the nature of and progress toward our commercialization plan; the future introduction of our products to consumers; the countries in which we may obtain regulatory approval and the progress toward such approvals; the volume of eggs or fish we may be able to produce; the timeline for our production of saleable fish; the expected advantages of land-based systems over sea-cage production; the validity and impact of legal actions; the completion of renovations at our farms; and the establishment of a larger-scale grow-out facility.

We have based these forward-looking statements on our current expectations, assumptions, estimates, and projections. While we believe these expectations, assumptions, estimates, and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks, uncertainties, and other factors, many of which are outside of our control, which could cause our actual results, performance, or achievements to differ materially from any results, performance, or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to:

- our history of net losses and the likelihood of future net losses;
- our ability to continue as a going concern;
- our ability to raise additional funds, including from the sale of non-current assets, in sufficient amounts on a timely basis, on acceptable terms, or at all;
- our ability to obtain and maintain approvals and permits for our Ohio Farm Project (as defined below) without delay;
- risks related to potential strategic acquisitions, dispositions, mergers, joint ventures and other strategic transactions;
- security breaches, cyber-attacks and other disruptions could compromise our information, or expose us to fraud or liability, or interrupt our operations;
- any further write-downs of the value of our assets;
- business, political, or economic disruptions or global health concerns;
- adverse developments affecting the financial services industry;
- our ability to use net operating losses and other tax attributes, which may be subject to certain limitations;
- volatility in the price of our shares of common stock;
- our ability to maintain our listing on the Nasdaq Stock Market LLC (“Nasdaq”);
- an active trading market for our common stock may not be sustained;
- our status as a “smaller reporting company” and a “non-accelerated filer” may cause our shares of common stock to be less attractive to investors;
- any issuance of preferred stock with terms that could dilute the voting power or reduce the value of our common stock;
- provisions in our corporate documents and Delaware law could have the effect of delaying, deferring, or preventing a change in control of us;
- our expectation of not paying cash dividends in the foreseeable future;
- the composition of our Board of Directors (“Board”) may change from time to time under our governing documents, including through the filling of vacancies, which may result in a change the Company’s strategic plan; and
- other risks and uncertainties referenced under “Risk Factors” below and in any documents incorporated by reference herein.

We caution you that the foregoing list may not contain all of the risks to which the forward-looking statements made in this Annual Report on Form 10-K are subject. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ

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materially from the plans, intentions, and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements, particularly in the section titled “Risk Factors,” that could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments that we may make.

Given these risks and uncertainties, 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 Annual Report on Form 10-K. 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. New risks emerge from time to time, and it is not possible for us to predict all such risks.

SUMMARY OF THE MATERIAL RISKS ASSOCIATED WITH OUR BUSINESS

Our business is subject to numerous risks and uncertainties that you should be aware of in evaluating our business, including those described in the “Risk Factors” section in Part I, Item 1A. of this Annual Report on Form 10-K. These risks and uncertainties include, but are not limited to, the following:

- We have a history of net losses and we expect to incur future losses, and there is substantial doubt about our ability to continue as a going concern.
- There can be no assurance that substantial additional capital will be available on a timely basis, on acceptable terms, or at all, or that such funds, if raised, would be sufficient to enable us to continue to implement our business strategy.
- We require approvals and permits for our Ohio Farm Project, and any delay or denial of those approvals or permits could potentially impact the value of those assets and limit our strategic options.
- We may pursue strategic acquisitions, dispositions, mergers or joint ventures and other strategic transactions that could have an adverse impact on our business if they are unsuccessful.
- Security breaches, cyber-attacks and other disruptions could compromise our information, or expose us to fraud or liability, or interrupt our operations, which would cause our business and reputation to suffer.
- We may be required to further write-down the value of our assets at the end of a reporting period.
- Business, political, or economic disruptions or global health concerns could seriously harm our current or planned business and increase our costs and expenses.
- 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.
- Our ability to use net operating losses and other tax attributes to offset future taxable income may be subject to certain limitations.
- The price of our shares of common stock is likely to be volatile, and an active trading market for our common stock may not be sustained.
- We may not be able to maintain our listing on Nasdaq which could limit investors’ ability or willingness to make transactions in our securities and subject us to additional trading restrictions.
- We are a “smaller reporting company” and a “non-accelerated filer” and we cannot be certain if applicable scaled disclosure requirements will make our shares of common stock less attractive to investors.
- We may issue preferred stock with terms that could dilute the voting power or reduce the value of our common stock.
- Provisions in our corporate documents and Delaware law could have the effect of delaying, deferring, or preventing a change in control of us, even if that change may be considered beneficial by some of our stockholders.
- We do not anticipate paying cash dividends in the foreseeable future.
- The composition of our Board may change from time to time under our governing documents, including through the filling of vacancies, which may result in a change in the Company’s strategic plan.

The summary risk factors described above should be read together with the text of the full risk factors below, in the section entitled “Risk Factors” and in the other information set forth in this Annual Report on Form 10-K, including our financial statements and the related notes, as well as in other documents that we file with the U.S. Securities and Exchange Commission, or the SEC.

Where You Can Find More Information

We file with the Securities and Exchange Commission (the “SEC”) periodic reports and other information, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The SEC maintains an internet site at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file, as we do, electronically with the SEC.

All of these documents are available free of charge on our website, www.aquabounty.com, and will be provided free of charge to stockholders requesting a copy by writing to: Corporate Secretary, AquaBounty Technologies, Inc., 233 Ayer Road, Suite 4, Harvard, Massachusetts 01451, Telephone: (978) 648-6000. We use our website as a channel for routine distribution of important information, including news releases, analyst presentations, and financial information. In addition, our website allows investors and other interested persons to sign up to automatically receive e-mail alerts when we post news releases and financial information on our website. The

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information contained on, or accessible from, our website or in any other report or document we file with or furnish to the SEC is intended to be inactive textual references only, and is not incorporated by reference into this Annual Report on Form 10-K.

Part I

Item 1. Business

Overview

Company Update

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

Discontinued Operations

As noted above, we sold our Indiana Farm in July 2024, our Canadian Farms in March 2025, and have been selling Ohio Equipment Assets to generate liquidity. In conjunction with the work that our investment bank has done to help us realize the value of our Ohio Farm Project, we received a non-binding Letter of Interest to purchase our Ohio subsidiary. Though this offer is currently being considered by the Company, we determined the actions in 2025 that contributed to receiving the non-binding Letter of Interest to be a triggering event for revaluing these assets and we designated the Ohio Farm Project as a discontinued operation, along with the Indiana Farm and the Canadian Farms in our consolidated financial statements for the years ended December 31, 2025 and 2024 in this Form 10-K (see Note 4 to our consolidated financial statements for additional information).

Impairment Charges

During the second quarter of 2024, we began to market our Indiana Farm for sale. The sale was completed in July and included certain Ohio Equipment Assets that had been purchased for the Ohio Farm Project. Based on the net sale price, we recorded an impairment charge against the Indiana Farm of \$22.5 million. We then conducted an impairment analysis of the remaining Ohio Equipment Assets, resulting in an impairment charge of \$26.3 million. At that time, we made the decision to continue to sell certain of our Ohio Equipment Assets in order to generate cash for liquidity, and therefore we reclassified our Ohio Equipment Assets as Assets Held for Sale on our consolidated balance sheet.

We continued to sell Ohio Equipment Assets during the remainder of 2024, and based on these additional transactions, we conducted an impairment analysis at year-end on the remaining Ohio Equipment Assets that were held for sale, along with the Ohio Farm Site. As a result of this analysis, we recorded impairment charges of \$18.2 million and \$57.3 million against the Ohio Equipment Assets and the Ohio Farm Site, respectively.

In December of 2024, we entered into a Letter of Intent with a buyer to purchase the Canadian Farms. The transaction closed in March 2025 and included all of our Corporate IP. Based on the net sale price, we recorded impairment charges of \$5.4 million and \$0.2 million against the Canadian Farms and Corporate IP, respectively.

During 2025, we continued to sell Ohio Equipment Assets to generate liquidity and at December 31, 2025, we reassessed the value of the Ohio Farm Project. Based on the potential net sale value of the assets, we recorded an impairment charge of \$14.4 million and reclassified the Ohio Farm Project assets as Assets Held for Sale on our consolidated balance sheet.

The table below depicts the impairment charges recorded during 2025 and 2024 by asset group totaling \$14.4 million and \$129.8 million, respectively.

Impairment Item	Impairment Charges	
	2025	2024
Ohio Equipment Assets	\$ 1,292	\$ 44,467
Ohio Farm Site	13,148	57,257
Indiana Farm		22,468
Canadian Farms		5,443
Total Discontinued Operations	\$ 14,440	\$ 129,635
Corporate IP	-	191
Total	\$ 14,440	\$ 129,826

Corporate History

AquaBounty 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, we obtained the exclusive licensing rights for a gene construct (transgene) used to create a breed of farm-raised Atlantic salmon that exhibits growth rates that are substantially faster than conventional salmon.

We have striven to be a leader in the field of land-based aquaculture and the use of technology for improving its productivity and sustainability, and our objective has been to ensure the availability of high-quality seafood to meet growing global consumer demand, while addressing critical production constraints in one of the most popular farmed species. Our strategy has been based on our four core competencies: our proprietary GE Atlantic salmon, our experience operating land-based farms, our vertical integration, and our expertise in biotechnology.

We do not currently operate any salmon farms, as we have sold our Indiana Farm and our Canadian Farms. We have also sold the intellectual property for our GE Atlantic salmon, included in our Corporate IP. Our primary asset is our Ohio Farm Project, which consists of the land and the construction in process for a commercial scale recirculating aquaculture production facility, for which we have received a non-binding Letter of Interest purchase offer, which is under consideration by the Company.

Aquaculture Industry

Aquaculture is the farming of aquatic organisms such as fish, shellfish, crustaceans, and aquatic plants. It involves cultivating freshwater or saltwater species under controlled conditions, as an alternative to the commercial harvesting of wild species of aquatic organisms. According to the Food and Agriculture Organization of the United Nations (“FAO”), aquaculture was a \$296 billion industry in 2022, with salmon farming accounting for \$22 billion.

Market Drivers

Population Growth Drives Demand for Food Protein

According to FAO, global population is projected to reach 9.7 billion people by 2050, or roughly 20% growth over the next 24 years. In addition to the increased demand for food from the rising population, increased incomes and urbanization from a growing middle class will drive increased demand for protein food sources. According to FAO, global fish consumption has been growing faster than all other animal protein foods.

Traditional Fisheries Cannot Meet the Demand

The increased demand for fish protein cannot be satisfied from traditional capture fisheries. FAO research indicates that 25% of all major marine fisheries are subjected to severe overfishing, while an additional 52% are fully exploited. Total production from global capture fisheries has been relatively stable since the late-1980s, with catches generally fluctuating between 86 million metric tons and 96 million metric tons per year, with 91 million metric tons recorded in 2022, the last year for which data is available from FAO. In contrast, over the same period, aquaculture fish production has grown from 14 million metric tons to a level of 94 million metric tons in 2022 and now accounts for 51% of global fish production. Feeding the growing population and meeting the demand for fish protein will require aquaculture production to nearly double by 2050.

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Land-Based RAS Production

Closed, contained, land-based production systems using RAS technology can be used for the grow-out of fish and are less susceptible to disease-related pressures of conventional salmon farming, because this type of culture system is isolated from the environment. RAS facilities employ sophisticated water treatment technology, including the use of ozone, salt treatment and ultraviolet radiation to kill potential bacterial, fungal, or viral pathogens which might enter the system. In addition, incoming water is similarly filtered and treated prior to entering the system, and water quality is regularly measured as part of the standard procedures. The fish in RAS facilities are generally not vaccinated against typical fish diseases, and no antibiotics, pesticides, or pharmacological agents are typically required. RAS facilities employ effective biosecurity to prevent disease by reducing or eliminating the introduction of pathogens and continuously treating the water to assure optimal fish health. RAS production allows fish to be raised in optimized conditions with total control of the water coming in and going out of the system, while recirculating greater than 95% of the water used.

In addition to biosecurity measures to optimize fish health, RAS farms feature multiple layers of containment designed to prevent escapes. The multiple layers of containment provide a much-needed solution to raising fresh, healthy seafood in a manner that prevents harming native fish populations. This method of land-based fish farming has been promoted by many environmental non-governmental organizations (“NGOs”), and it does not pose a threat to wild salmon populations.

Ohio Farm Project

Current Status

We commenced construction on the Ohio Farm Site and began ordering Ohio Equipment Assets (together, the “Ohio Farm Project”) in the first quarter of 2022 and spent roughly \$145 million on the project before construction was halted in June 2023, due to increases in costs from inflation and other factors. At the time of the construction stoppage, roughly 30 percent of the facility had been completed.



Source: AquaBounty

Cost to Complete

Preparing cost and timing estimates for complex RAS farms is inherently difficult and subject to change based on a number of factors, including design changes, elevated inflationary pressure on costs of materials and labor, the impact of health epidemics, construction delays, dependence on contractors, the impact of increasing interest rates on financing costs, customer requirements and unexpected complications. At the time that we halted construction on the Ohio Farm Site, our estimate for the total cost for the Ohio Farm Project, including construction, land, equipment, insurance and ancillary costs was in the range of \$485 million to \$495 million, substantially above our previous estimates, and significantly higher than what we could finance.

Plan for Completion

We have been working with our investment bank on strategic alternatives for the Ohio Farm Site. We believe that funding of roughly \$400 million would be required to complete the construction according to its original design and replace the Ohio Equipment Assets that have been sold. Given the magnitude of this figure, we are considering alternatives, including a potential sale of the Ohio Farm Project.

Human Capital Resources

As of March 27, 2026, our total headcount was 3, all of whom have corporate roles.

Item 1A. Risk Factors

The following are certain risk factors that could affect our business, financial condition, and results of operations. You should carefully consider the risks described below, together with the other information contained in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes. 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 Annual Report on Form 10-K 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 and elsewhere in this Annual Report on Form 10-K. See “Cautionary Note Regarding Forward-Looking Statements” for information relating to these forward-looking statements.

Risks Relating to our Business and Future Plans

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

In the period from incorporation to December 31, 2025, we have incurred cumulative net losses of approximately \$388 million, and we expect to incur additional net losses in future periods. These losses are related to our personnel, research and development, production and marketing costs. As of December 31, 2025, we had \$501 thousand in cash and cash equivalents.

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

There can be no assurance that substantial additional capital will be available on a timely basis, on acceptable terms, or at all, or that such funds, if raised, would be sufficient to enable us to continue to implement our business strategy.

We require new financing to provide liquidity for working capital and to fund our evolving strategic plan. To meet this need, we have engaged an investment bank to pursue a range of funding and strategic alternatives, including potential joint venture partnerships or other strategic transactions. There is no guarantee that additional funds will be available on a timely basis, on acceptable terms, or at all, or that such funds, if raised, would be sufficient to enable us to continue to implement our business strategy. 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, or strategic alliances with third parties, we may have to relinquish valuable rights to our future revenue streams on terms that may not be favorable to us.

We require approvals and permits for our Ohio Farm Project, and any delay or denial of those approvals or permits could potentially impact the value of those assets and limit our strategic options.

We may not be able to obtain the approvals and permits that will be necessary to maintain the value of the Ohio Farm Project. We will need to maintain a number of required permits in connection with the hydrology, construction and operation of our Ohio Farm Project, which is often a time-consuming process. If we are unable to maintain the required approvals and permits for our Ohio Farm Project, we will be limited in our strategic options for these assets.

We may pursue strategic acquisitions, dispositions, mergers or joint ventures or other strategic transactions that could have an adverse impact on our business if they are unsuccessful.

If appropriate opportunities become available, we may acquire, invest in or merge with businesses, assets, technologies, or products to enhance our business in the future. In connection with any future acquisitions, investments or mergers, we could:

- issue additional equity securities, which would dilute the ownership interest and voting power of our current stockholders;
- incur substantial debt to fund the acquisitions; or
- assume significant liabilities.

Acquisitions, investments or mergers involve numerous risks, including:

- difficulties integrating the purchased operations, technologies, or products;
- unanticipated costs and other liabilities;
- diversion of management's attention from our core business;
- adverse effects on existing business relationships with current and/or prospective customers and/or suppliers;
- risks associated with entering markets in which we have no or limited prior experience; and
- potential loss of key employees.

We do not have extensive experience in managing the integration process, and we may not be able to successfully integrate any businesses, assets, products, technologies, or personnel that we might acquire in the future without a significant expenditure of operating, financial, and management resources. The integration process could divert management time from focusing on operating our business, result in a decline in employee morale, or cause retention issues to arise from changes in compensation, reporting relationships, future prospects, or the direction of the business. Certain transactions may require us to record periodic impairment charges, incur amortization expenses related to certain intangible assets, and incur large and immediate write-offs and restructuring and other related expenses, all of which could harm our operating results and financial condition. In addition, we may acquire companies that have insufficient internal financial controls, which could impair our ability to integrate the acquired company and adversely impact our financial reporting. If we fail in our integration efforts with respect to any of our acquisitions and are unable to efficiently operate as a combined organization, our business and financial condition may be adversely affected.

Risks Relating to Our Business

Security breaches, cyber-attacks and other disruptions could compromise our information, or expose us to fraud or liability, which would cause our business and reputation to suffer.

In the ordinary course of our business, we use third-party, cloud-based servers and networks to store sensitive data, including our proprietary business and financial information; general business information regarding our customers, suppliers, and business partners; and personally identifiable information of employees. The security of our network and the storage and maintenance of sensitive information is critical to our business. Despite our security measures, our and our third-party providers' information technology and infrastructure are subject and vulnerable to cyber-attacks by hackers, such as social engineering/phishing, malware (including ransomware), malfeasance by insiders, human or technological error, and as a result of bugs, misconfigurations or exploited vulnerabilities in software or hardware. A breach of our or our third parties' security could compromise our and/or their networks, and the information stored could be accessed, manipulated, publicly disclosed, lost, or stolen. Any such access, manipulation, disclosure, or loss of information could result in errors in our records, fraudulent use of our financial information or theft of assets, legal claims or proceedings (such as class actions), regulatory investigations and enforcement actions, liability under laws that protect the privacy of personal information (including fines and penalties), theft of our intellectual property, damage to our reputation and/or significant system restoration or remediation and future compliance costs. In addition, our systems could be the subject of denial of service or other interference, which could disrupt our business. There can also be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information.

We may be required to further write down the value of our assets at the end of a reporting period.

Any adjustments to the carrying value of our assets are reported as an impairment charge on our income statement. Such adjustments may be material in any given period and could adversely affect our financial condition and results of operations.

Risks Relating to the Industry and Macro Environment

Business, political, or economic disruptions or global health concerns could seriously harm our current or planned business and increase our costs and expenses.

Broad-based business or economic disruptions, political instability, or global health concerns could adversely affect our current or planned production, sale, distribution, research and development, and expansion. For example, the COVID-19 pandemic and its related adverse public health developments, including orders to shelter-in-place, travel restrictions, and mandated business closures adversely affected workforces, organizations, customers, economies, and financial markets globally, leading to an economic downturn and increased market volatility. It also disrupted the normal operations of many businesses, including ours.

Global health concerns like the COVID-19 pandemic could result in social, economic, and labor instability in the countries in which we or the third parties with whom we engage operate. Impacts related to global health events have included, and in the future may include, shortages of packaging workers and transportation suppliers, slower and more expensive harvests and increased culling activity, supply chain disruptions, facility and production suspensions, and decreased demand for other goods and services, including salmon in the institutional sales chain.

We cannot predict the scope and severity of business, political or economic disruptions or global health concerns. If we or any of the third parties with whom we engage, including suppliers, distributors, service providers, regulators, and overseas business partners, experience shutdowns or other disruptions again in the future, our ability to conduct our business in the manner and on the timelines presently planned could be materially and negatively impacted, our anticipated revenues could decrease, and our costs and expenses could continue to rise as a result of our efforts to address such disruptions.

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, now a division of the First Citizens 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 8, 2023, Silvergate Capital Corp. announced its decision to voluntarily liquidate its assets and wind down its operations. 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 elevated 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 or 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, 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, N.A. representing 100% of our total amounts. 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.

Our ability to use net operating losses and other tax attributes to offset future taxable income may be subject to certain limitations.

In general, under Sections 382 and 383 of the U.S. Tax Code (the “Code”), a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its pre-change net operating losses (“NOLs”), tax credits, or other tax attributes to offset future taxable income or taxes. For these purposes, an ownership change generally occurs where the aggregate stock ownership of one or more stockholders or groups of stockholders who owns at least 5% of a corporation’s stock increases its ownership by more than 50 percentage points over its lowest ownership percentage within a specified testing period. In addition to limitations imposed by the 2017 Tax Cuts and Jobs Act, a portion of our NOLs are subject to substantial limitations arising from previous ownership changes, and, if we undergo another ownership change, our ability to utilize NOLs could be further limited by Sections 382 and 383 of the Code. In addition, future changes in our stock ownership, many of which are outside of our control, could result in an ownership change under Sections 382 and 383 of the Code. Our NOLs may also be impaired under state law. Accordingly, we may not be able to utilize a material portion of our NOLs. Furthermore, our ability to utilize our NOLs is conditioned upon our attaining profitability and generating U.S. federal and state taxable income.

Risks Relating to our Common Stock

The price of our shares of common stock is likely to be volatile.

The share price of publicly traded emerging companies can be highly volatile and subject to wide fluctuations. The prices at which our common stock is quoted and the prices which investors may realize will be influenced by a large number of factors, some specific to our company and operations and some that may affect the quoted land-based fish farming industry, the biotechnology sector, or quoted companies generally. These factors could include variations in our operating results, publicity regarding the process of obtaining regulatory approval to commercialize our products, divergence in financial results from analysts’ expectations, changes in earnings estimates by stock market analysts, overall market or sector sentiment, legislative changes in our sector, the performance of our research and development programs, large purchases or sales of our common stock, currency fluctuations, legislative changes in the bioengineering environment, future sales of our common stock or the perception that such sales could occur and general economic conditions. Certain of these events and factors are outside of our control. Stock markets have from time to time experienced severe price and volume fluctuations, which, if recurring, could adversely affect the market prices for our common stock.

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

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

- a limited availability of market quotations for our securities;
- a limited amount of news and analyst coverage for us; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Nasdaq has recently proposed a rule change to (i) adopt Listing Rules 5450(a)(3) and 5550(a)(6) to require issuers listed on the Nasdaq Global and Capital Markets, respectively, to maintain a minimum Market Value of Listed Securities (“MVLS”) of at least \$5 million for a period of thirty (30) consecutive business days, and (ii) amend Rule 5810 to suspend trading and immediately delist from Nasdaq securities of issuers that do not satisfy the proposed new requirements, and Rule 5815 to set forth the procedures for requesting a hearing before a Hearings Panel and the scope of the Panel’s discretion (collectively, the “Proposed \$5 Million MVLS Rule”). As of March 27, 2026, the market value of our listed securities was less than \$5 million. If the Proposed \$5 Million MVLS Rule is adopted and becomes effective, and we are unable to satisfy the applicable continued listing requirements, we could become subject to suspension and delisting from Nasdaq.

We have also experienced periods of negative stockholders’ equity, including as set forth in our financial statements as of December 31, 2025 included at Item 8 of this Annual Report on Form 10-K, and any failure to maintain positive stockholders’ equity could further increase the risk that our common stock fails to meet Nasdaq’s continued listing standards, which could result in our suspension and delisting from Nasdaq.

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

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

An active trading market for our common stock may not be sustained.

Although our common stock is currently listed and traded on Nasdaq, an active trading market for our common stock may not be maintained. If an active market for our common stock is not maintained, it may be difficult for stockholders to sell shares of our common stock. An inactive trading market may impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

We are a “smaller reporting company” and a “non-accelerated filer” and we cannot be certain if applicable scaled disclosure requirements will make our shares of common stock less attractive to investors.

As a “smaller reporting company,” we elected to comply with scaled disclosure requirements relative to companies that are not smaller reporting companies, including but not limited to, reduced disclosure obligations regarding executive compensation in our filings with the SEC. Under current SEC rules, we will continue to qualify as a “smaller reporting company” for so long as (i) we have a public float (i.e., the aggregate market value of common equity held by non-affiliates) of less than \$250 million or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and the aggregate market value of our common stock held by non-affiliates is less than \$700 million. In addition, under current SEC rules, we are not an “accelerated filer” and, therefore, are not required to include an auditor attestation of the effectiveness of our internal control over financial reporting in this Annual Report on Form 10-K.

We cannot predict if investors will find our shares of common stock to be less attractive because we rely and may in the future continue to rely on these exemptions. If some investors find our shares of common stock less attractive as a result, there may be a less active trading market for our shares of common stock, and our share price may be more volatile.

We may issue preferred stock with terms that could dilute the voting power or reduce the value of our common stock.

While we have no specific plan to issue preferred stock, our certificate of incorporation authorizes us to issue, without the approval of our stockholders, one or more series of preferred stock having such designation, relative powers, preferences (including preferences over our common stock respecting dividends and distributions), voting rights, terms of conversion or redemption, and other relative, participating, optional, or other special rights, if any, of the shares of each such series of preferred stock and any qualifications, limitations, or restrictions thereof, as our Board of Directors may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred stock could affect the residual value of the common stock.

Provisions in our corporate documents and Delaware law could have the effect of delaying, deferring, or preventing a change in control of us, even if that change may be considered beneficial by some of our stockholders.

The existence of some provisions of our certificate of incorporation or our bylaws or Delaware law could have the effect of delaying, deferring, or preventing a change in control of us that a stockholder may consider favorable. These provisions include:

- establishing advance notice requirements for nominations of candidates for election to our Board of Directors or for proposing matters that can be acted on by stockholders at stockholder meetings; and
- authorizing the issuance of “blank check” preferred stock, which could be issued by our Board of Directors to issue securities with voting rights and thwart a takeover attempt.

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As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the General Corporation Law of the State of Delaware. Section 203 prevents some stockholders holding more than 15% of our voting stock from engaging in certain business combinations unless the business combination or the transaction that resulted in the stockholder becoming an interested stockholder was approved in advance by our Board of Directors, results in the stockholder holding more than 85% of our voting stock (subject to certain restrictions), or is approved at an annual or special meeting of stockholders by the holders of at least 66 2/3% of our voting stock not held by the stockholder engaging in the transaction. Any provision of our certificate of incorporation or our bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and affect the price that some investors are willing to pay for our common stock.

We do not anticipate paying cash dividends in the foreseeable future, and, accordingly, stockholders must rely on stock appreciation for any return on their investment.

We have never declared or paid cash dividends on our common stock. We do not anticipate paying cash dividends in the foreseeable future and intend to retain all of our future earnings, if any, to finance the operations, development, and growth of our business. There can be no assurance that we will have sufficient surplus under Delaware law to be able to pay any dividends at any time in the future. As a result, absent payment of dividends, only appreciation of the price of our common stock, which may never occur, will provide a return to stockholders. You may also have to sell some or all of your shares of our common stock in order to generate cash flow from your investment in us.

The composition of our Board may change from time to time under our governing documents, including through the filling of vacancies, which may result in a change in the Company's strategic plan.

On October 28, 2025, we entered into Note Purchase Agreements with certain investors providing for the issuance and sale of senior notes ("Agreements") in an aggregate principal amount of \$4.0 million in a private placement transaction. The Agreements required certain resignations from and appointments to the Board. Per the Agreements, all four of our then current directors were required to submit resignations from our Board, with two of the resignations becoming effective at the time of the transaction closing date and two becoming effective upon the satisfaction of certain events and criteria. The latter two resignations have not yet become effective. Two new directors were appointed to the Board at the time of the transaction closing date pursuant to the arrangement with the investors, in accordance with the Agreements. When the remaining two resignations become effective, two additional new directors will be appointed to the Board to fill their vacancies.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework (“NIST CSF”). This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes, but is not limited to, the following key elements:

- risk assessments designed to help identify material cybersecurity risks to our critical systems and information;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security processes;
- cybersecurity awareness training of our employees, incident response personnel, and senior management; and
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations or financial condition. We face risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations or financial condition. There were no material cybersecurity breaches during 2025. See “Risk Factors – Security breaches, cyber-attacks and other disruptions could compromise our information, expose us to fraud or liability, or interrupt our operations, which would cause our business and reputation to suffer.”

Cybersecurity Governance

Our Board of Directors considers cybersecurity risk as part of its risk oversight function and oversees management’s implementation of our cybersecurity risk management program. The Board of Directors receives periodic reports from management on our cybersecurity risks and management updates the Board of Directors, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential. The Board of Directors also receives briefings from management on our cybersecurity risk management program and presentations on cybersecurity topics from external experts as part of the Board of Directors’ continuing education on topics that impact public companies.

Our management team, including our Chief Financial Officer, is responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity risk management program and supervises both our external cybersecurity personnel and our retained external cybersecurity consultants. Our Chief Financial Officer has been managing our information technology resources for over 17 years and has overseen our cybersecurity risk assessment and the implementation of our cybersecurity risk management program since its inception.

Our management team stays informed about and monitors efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from external security personnel, threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us, and alerts and reports produced by security tools deployed in the information technology environment.

Item 2. Properties

Our corporate headquarters is located in Harvard, Massachusetts and consists of approximately 2,000 square feet of office space under a three-year lease. In 2022, we purchased a parcel of land in Pioneer, Ohio on which we commenced construction of a 479,000 square foot production grow-out farm. However, in July 2023, we announced a pause on the construction, which is still in effect. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Item 3. Legal Proceedings

On February 28, 2025, a complaint was filed by Gilbane Building Company (“Gilbane”) against AquaBounty Farms Ohio, LLC, (“AFO”) in the Court of Common Pleas, Williams County, Ohio. The complaint alleges that Gilbane and AFO entered into a contract pursuant to which Gilbane furnished certain materials, services, equipment, and labor for altering, constructing, and improving certain land, buildings, and structures at the Ohio Farm Project and that AFO failed to pay outstanding amounts owed under such contract. The complaint also notes that Gilbane filed a mechanic’s lien on the Ohio Farm Site on September 11, 2024, in the amount of \$1.5 million. Gilbane alleges various causes of action, including breach of contract, and is seeking monetary damages and foreclosure of the mechanic’s lien. On October 31, 2025, AFO and Gilbane executed a settlement and release agreement (“Gilbane Settlement”) to resolve all matters and disputes between them. As part of the Gilbane Settlement, AFO agreed to pay Gilbane \$1.3 million and Gilbane agreed to release and discharge all claims against AFO and to dismiss the legal action it filed.

On June 25, 2025, a complaint was filed by Buckeye Power Sales Co. Inc. (“Buckeye”) against AFO in the Court of Common Pleas, Franklin County, Ohio. The complaint alleged that AFO ordered a switch gear from Buckeye in 2024 and entered into a credit contract with Buckeye. Buckeye claimed that AFO owed Buckeye \$930 thousand plus interest at the rate of 1.5% per month from January 22, 2025, and costs, including attorney fees. On August 27, 2025, AFO and Buckeye executed a settlement and release agreement (“Buckeye Settlement”) to resolve all matters and disputes between them. As part of the Buckeye Settlement, AFO agreed to pay Buckeye \$550 thousand and Buckeye agreed to release and discharge all claims against AFO and to dismiss the legal action it filed.

Other than as disclosed above, 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 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is currently traded on the Nasdaq Capital Market under the symbol “AQB.” As of March 27, 2026, 5,147,204 shares of our common stock were issued and outstanding.

As of March 27, 2026, there were approximately 222 holders of record of our common stock. The actual number of stockholders is greater than this number and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. The transfer agent for our common stock is Computershare Trust Company, N.A.

Dividends

We have never declared or paid any cash dividends on our common stock. We currently intend to retain earnings, if any, to finance the growth and development of our business. We do not expect to pay any cash dividends on our common stock in the foreseeable future. Payment of future dividends, if any, will be at the discretion of our Board of Directors and will depend on our financial

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condition, results of operations, capital requirements, restrictions contained in current or future financing instruments, provisions of applicable law, and other factors the Board of Directors deems relevant.

Item 6. Reserved

Not Applicable.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes that appear elsewhere in this Annual Report on Form 10-K. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in “Risk Factors.”

Company Update

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

Discontinued Operations

As noted above, we sold our Indiana Farm in July 2024, our Canadian Farms in March 2025, and have been selling Ohio Equipment Assets to generate liquidity. In conjunction with the work that our investment bank has done to help us realize the value of our Ohio Farm Project, we received a non-binding Letter of Interest to purchase our Ohio subsidiary. Though this offer is currently being considered by the Company, we determined the actions in 2025 that contributed to receiving the non-binding Letter of Interest to be a triggering event for revaluing these assets and we designated the Ohio Farm Project as a discontinued operation, along with the Indiana Farm and the Canadian Farms in our consolidated financial statements for the years ended December 31, 2025 and 2024 in this Form 10-K (see Note 4 to our consolidated financial statements for additional information).

Impairment Charges on Discontinued Operations

During the second quarter of 2024, we began to market our Indiana Farm for sale. The sale was completed in July and included certain Ohio Equipment Assets that had been purchased for the Ohio Farm Project. Based on the net sale price, we recorded an impairment charge against the Indiana Farm of \$22.5 million. We then conducted an impairment analysis of the remaining Ohio Equipment Assets, resulting in an impairment charge of \$26.3 million. At that time, we made the decision to continue to sell certain of our Ohio Equipment Assets in order to generate cash for liquidity, and therefore we reclassified our Ohio Equipment Assets as Assets Held for Sale on our consolidated balance sheet.

We continued to sell Ohio Equipment Assets during the remainder of 2024, and based on these additional transactions, we conducted an impairment analysis at year-end on the remaining Ohio Equipment Assets that were held for sale, along with the Ohio Farm Site. As a result of this analysis, we recorded impairment charges of \$18.2 million and \$57.3 million against the Ohio Equipment Assets and the Ohio Farm Site, respectively.

In December of 2024, we entered into a Letter of Intent with a buyer to purchase the Canadian Farms. The transaction closed in March 2025 and we recorded an impairment charge of \$5.4 million based on the net sale price.

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During 2025, we continued to sell Ohio Equipment Assets to generate liquidity and at December 31, 2025, we reassessed the value of the Ohio Farm Project. Based on the potential net sale value of the assets, we recorded an impairment charge of \$14.4 million and reclassified the Ohio Farm Project assets as Assets Held for Sale on our consolidated balance sheet.

The table below depicts the impairments charges recorded for our discontinued operations during 2025 and 2024 by asset group totaling \$14.4 million and \$129.6 million, respectively.

Impairment Item	Impairment Charges	
	2025	2024
Ohio Equipment Assets	\$ 1,292	\$ 44,467
Ohio Farm Site	13,148	57,257
Indiana Farm	—	22,468
Canadian Farms	—	5,443
Total Discontinued Operations	\$ 14,440	\$ 129,635

Financial Overview

With the exit from our fish rearing operations, we have significantly reduced our headcount and on-going operating costs. We maintain a small core group of corporate individuals to oversee our strategic options, our asset sale transactions and our books and records. As of December 31, 2025, we had an accumulated deficit of \$388 million and \$501 thousand in cash on our consolidated balance sheet. We require new funding to provide liquidity for working capital and to fund our evolving strategic plan. Consequently, our ability to continue as a going concern is dependent upon our ability to raise additional capital, and there can be no assurance that such capital will be available in sufficient amounts, on a timely basis, on acceptable terms, or at all.

Sales and Marketing Expenses

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

Research and Development Expenses

With the sale of our Canadian Farms and the corresponding cessation of our salmon rearing activities in March 2025, we no longer have research and development operations.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs for employees in executive, corporate, and finance functions. Other significant general and administrative expenses include corporate governance and public company costs, rent and utilities, insurance, and legal services. We had three and five employees in our general and administrative group at December 31, 2025 and 2024, respectively. We expect our general and administrative expenses to remain stable until a new strategic direction of the Company is selected.

Asset Impairment

Asset impairment includes the non-cash charges recorded for the sale of our Corporate IP.

Other Income (Expense), Net

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

Loss from Discontinued Operations

Loss from Discontinued Operations includes all operating costs for our Ohio Farm Project, our Indiana Farm and our Canadian Farms, including fish and egg production costs, sales and marketing, research and development, general and administrative expenses, non-cash long-lived asset impairment charges, a net realizable value adjustment of inventory, interest expense and banking fees.

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. While our significant accounting policies are more fully described in Note 2 to our audited consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K, we believe that the following accounting policies and estimates are the most critical for fully understanding and evaluating our financial condition and results of operations.

Valuation of Long-Lived Assets

We evaluate long-lived assets to be held and used, which include property, plant and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner an asset is used, or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. Our decision in 2024 to sell certain Ohio Equipment Assets and the Canadian Farms to provide additional liquidity indicated the carrying amount of all Ohio Farm Project property, plant and equipment may not be recoverable. We compared future anticipated undiscounted cash flows for the different Ohio Farm Project asset groups to the carrying value of such asset groups, noting that the carrying value of these assets exceeded the cash flows. Therefore, we proceeded to engage a third-party valuation consultant to assist in the calculation of the fair values of these different asset groups.

Fair value of the Ohio Equipment Assets as of December 31, 2024 was determined based upon our actual experience of similar sales for these assets in 2024 and early 2025. The fair value of the Ohio Farm Site land and construction in process was primarily determined based on the income approach. The income approach is a valuation technique in which fair value is based on forecasted future cash flows, discounted at the appropriate rate of return commensurate with the risk, as well as current rates of return for equity and debt capital as of the valuation date. The forecast used in our estimation of fair value was developed by management based on various established business models, incorporating adjustments to reflect management's planned changes in operations and market considerations. The discount rate utilizes a risk adjusted weighted average cost of capital. To assess the reasonableness of the calculated fair value, we compared the ratio of fair value to carrying value prior to the recording of any impairment to the ratio of net realizable values to the carrying value prior to impairment to our transactions involving the Indiana Farm, Canadian Farms and Ohio Equipment Asset sales.

Fair value of the Ohio Farm Project as of December 31, 2025 was determined based on information derived from our asset sales activities and the non-binding Letter of Interest we received to purchase our Ohio subsidiary. This purchase offer is currently being considered by the Company, as part of our deliberations on our strategic shift. The Ohio Farm Project was classified as a discontinued operation and its assets and liabilities were reclassified as current assets held for sale and current liabilities held for sale, respectively based on the potential sale. The value recorded in our consolidated financial statements under current assets held for sale is the expected net proceeds from the possible sale of \$9.6 million.

During the years ended December 31, 2025 and 2024, we recorded \$14.4 million and \$129.8 million, respectively of impairment charges to write down the carrying value of long-lived assets. See additional discussion regarding this impairment in "Note 4 – Discontinued Operations and Assets Held for Sale" of the notes to the consolidated financial statements contained within this Annual Report on Form 10-K.

Recent Accounting Pronouncements

For a discussion of these items, see "Note 2 – Recently Issued Accounting Standards" of the notes to the consolidated financial statements contained within this Annual Report on Form 10-K.

Results of Operations

Comparison of the year ended December 31, 2025 to the year ended December 31, 2024.

The following table summarizes our results of operations for the years ended December 31, 2025 and 2024, together with the changes in those items in dollars (in thousands) and as a percentage:

	Years Ended December 31,		Dollar Change	% Change
	2025	2024		
Costs and expenses				
Sales and marketing	\$ 6	\$ 191	(185)	(97)%
Research and development	—	203	(203)	(100)%
General and administrative	4,012	9,042	(5,030)	(56)%
Asset impairment, net	-	191	(191)	(100)%
Operating loss	(4,018)	(9,627)	5,609	(58)%
Other income (expense)	1,789	(1,752)	3,541	(202)%
Loss from continuing operations	(2,229)	(11,379)	9,150	(80)%
Loss from discontinued operations	(16,261)	(137,814)	121,553	(88)%
Net loss	\$ (18,490)	\$ (149,193)	130,703	(88)%

Sales and Marketing Expenses

Sales and marketing expenses for the year ended December 31, 2025 decreased by \$185 thousand from the year ended December 31, 2024 due to decreases in personnel costs and program spending related to the sale of our Indiana Farm and Canadian Farms. We are no longer incurring sales and marketing expenses.

Research and Development Expenses

There were no research and development expenses for the year ended December 31, 2025, as we no longer have research and development operations after the sale of our Canadian Farms and the corresponding cessation of our salmon rearing activities.

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2025 decreased \$5.0 million from the year ended December 31, 2024, primarily due to reductions in personnel costs, legal fees, state excise tax liabilities, share-based compensation costs, professional fees, audit fees, and travel, partly offset by legal settlement expenses.

Asset Impairment

There were no asset impairment charges for continuing operations for the year ended December 31, 2025. For the year ended December 31, 2024, we recorded a non-cash impairment charge of \$191 thousand against Corporate IP.

Other Income (Expense)

Other expense for 2025 and 2024 is comprised of interest income, interest on debt, and bank charges. Other income for 2025 is related to the forgiveness of an outstanding loan.

Loss from Discontinued Operations

The loss from discontinued operations for the year ended December 31, 2025 was significantly lower than for the year ended December 31, 2024, as the Indiana Farm and the Canadian Farms were sold in July 2024 and March 2025, respectively. The loss in 2025 is primarily due to a non-cash asset impairment charge of \$14.4 million recorded against the Ohio Farm Project in conjunction with its potential sale.

Liquidity and Capital Resources

Sources of Liquidity

We have incurred losses from operations since our inception in 1991, and, as of December 31, 2025, we had an accumulated deficit of \$388 million. We expect to continue to experience significant losses for the foreseeable future, and we will require additional cash to provide liquidity for working capital and to fund our evolving strategic plan. Liquidity has primarily come from equity financings, supplemented by debt transactions and asset sales.

During 2025 and 2024, we received \$3.3 million and \$6.9 million, respectively, in debt proceeds. During 2025 and 2024, we sold \$7.1 million and \$10.5 million, respectively of assets. In the future, we expect to use a combination of asset sales and debt and equity issuances to fund our continuing operations.

As of December 31, 2025, we had \$501 thousand in cash balances.

Our principal contractual commitments include repayments of debt and related interest and payments under operating leases. Refer to the notes in our consolidated financial statements for further information about our capital expenditure commitments (Note 6), debt (Note 7), and lease payment obligations (Note 10).

Cash Flows

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

	Years Ended		Dollar	%
	December 31,			
	2025	2024	Change	Change
Net cash (used in) provided by:				
Operating activities	\$ (8,740)	\$ (13,863)	5,123	(37)%
Investing activities	7,130	7,563	(433)	(6)%
Financing activities	1,872	(2,664)	4,536	(170)%
Effect of exchange rate changes on cash	9	(10)	19	(190)%
Net change in cash	\$ 271	\$ (8,974)	9,245	(103)%

Cash Flows from Operating Activities

Net cash used in operating activities during the year ended December 31, 2025, was primarily due to our \$18.5 million net loss, offset by non-cash share-based compensation charges of \$71 thousand and long-lived asset impairment charges of \$14.4 million, and increased by loan forgiveness and other non-cash gains of \$2.4 million and working capital uses of \$2.4 million. Spending on both continuing and discontinued operations decreased in the current year, due to the sales of the Indiana Farm and the Canadian Farms, and the associated reductions in personnel, marketing programs, outside research projects, professional services, and share-based compensation. The decrease in cash related to working capital uses was primarily due to reductions in accounts payable and accrued liabilities and increases in prepaid and other assets.

Net cash used in operating activities during the year ended December 31, 2024, was primarily due to our \$149.2 million net loss, partially offset by non-cash depreciation and share-based compensation charges of \$1.2 million, long-lived asset impairment charges of \$129.8 million, and working capital sources of \$4.3 million. Spending on both continuing and discontinued operations decreased in 2024 as compared to 2023, before the recording of non-cash impairment charges, due to the sale of the Indiana Farm, and reductions in personnel, marketing programs, outside research projects, professional services, and share-based compensation. The increase in cash provided by working capital sources was due to reductions in inventory and other current assets, along with increases in accounts payable and accrued expenses.

Cash Flows from Investing Activities

Net cash provided by investing activities was \$7.1 million during the year ended December 31, 2025, compared to \$7.6 million during the year ended December 31, 2024. During 2025, we received \$7.1 million from the sale of our Canadian Farms and certain Ohio Equipment Assets. During 2024, we used \$2.9 million for the purchase of property, plant and equipment at our farm sites, and we received \$10.5 million from the sale of our Indiana Farm and certain Ohio Equipment Assets.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$1.9 million during the year ended December 31, 2025, compared to net cash used in financing activities of \$2.7 million during the year ended December 31, 2024. During 2025, we received \$3.3 million in proceeds from new debt, and we repaid \$1.4 million of outstanding debt. During 2024, we received \$6.9 million in proceeds from new debt, and we repaid \$9.6 million of outstanding debt.

Future Capital Requirements

Since inception, we have incurred cumulative net losses and negative cash flows from operating activities, and we expect this to continue for the foreseeable future. As of December 31, 2025, we had \$501 thousand in cash balances. Our ability to continue as a going concern is dependent upon our ability to raise additional capital, and there can be no assurance that such capital will be available in sufficient amounts, on a timely basis, on terms acceptable to us, or at all. This raises substantial doubt about our ability to continue as a going concern within one year after the date that the accompanying consolidated financial statements are issued.

In April 2024, we entered into a Loan Agreement with JMB Capital Partners Lending, LLC to fund working capital through a secured term loan of up to \$10 million that was scheduled to mature on July 31, 2024 or, if earlier, upon the sale of certain collateral or upon an Event of Default (as defined in the Loan Agreement). Of the total loan amount, \$5 million was advanced in April 2024 and \$1.5 million was advanced in July 2024. The loan bore interest at a rate of 15% on its outstanding principal balance and was subject to a commitment fee equal to 5% and an exit fee equal to 8%. Of the initial loan advancement, approximately \$2.8 million was used to pay the remaining outstanding balance of our term loan with First Farmers Bank & Trust, upon which the \$1 million of restricted cash held by us as of December 31, 2023 was no longer deemed to be restricted. The outstanding loan balance of \$6.5 million was repaid on July 26, 2024 from the net proceeds of the Indiana farm sale.

During 2024, we completed the sale of our Indiana Farm, along with certain Ohio Equipment Assets for net proceeds of \$9.2 million. During 2025, we completed multiple sales of certain Ohio Equipment Assets for cumulative gross proceeds of \$5.0 million and we completed the sale of our Canadian Farms for gross proceeds of \$2.1 million. In October 2025, we completed an issuance of senior notes for net proceeds of \$3.3 million. We plan to continue to sell assets, or to issue equity or debt securities to increase our cash liquidity and fund our evolving strategic plan.

Until such time, if ever, as we can generate positive cash flows from operating activities, we may finance our cash needs through a combination of sales of non-core assets, equity offerings, debt financings, government or other third-party funding, strategic alliances, and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of holders of our common stock will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of our common stock. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If we 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 a timely manner, we will exhaust our resources and will be unable to maintain our currently planned operations. If we cannot continue as a going concern, our stockholders would likely lose most or all of their investment in us.

Item 7A. 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 December 31, 2025 and December 31, 2024, we had \$3.5 million and \$1.3 million, respectively, in interest-bearing debt instruments for our continuing operations, and \$7.4 million and \$1.6 million, respectively, in interest-bearing debt for our discontinued operations on our consolidated balance sheet. All of our interest-bearing debt is at fixed rates.

Foreign Currency Exchange Risk

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

Item 8. Financial Statements and Supplementary Data

The financial statements required by this Item are located beginning on page F-1 of this Annual Report.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is: (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure. As of December 31, 2025 (the "Evaluation Date"), our management, with the participation of our Interim Chief Executive Officer, who is also our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our Interim Chief Executive Officer has concluded based upon the evaluation described above that, as of the Evaluation Date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our Company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Exchange Act, as a process designed by, or under the supervision of, our Interim Chief Executive Officer and effected by our Board of Directors, management, and other personnel 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 and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles;
- provide reasonable assurance that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

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Our management, including our Interim Chief Executive Officer, has conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025. In conducting this evaluation, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013).

Based upon this evaluation and those criteria, management believes that, as of December 31, 2025, our internal control over financial reporting was effective.

This Annual Report on Form 10-K does not include an auditor's attestation of management's assessment of internal control over financial reporting as of December 31, 2025, as we are not an "accelerated filer" under SEC rules.

Changes in Internal Control

There have been no changes in our internal control over financial reporting for the three months ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is set forth in our 2026 Proxy Statement to be filed with the SEC within 120 days of December 31, 2025, and is incorporated by reference into this Annual Report on Form 10-K.

We have adopted an Insider Trading Policy, that governs the purchase, sale and/or other dispositions of our securities by directors, officers and employees that is reasonably designed to promote compliance with insider trading laws, rules and regulations and NASDAQ listing standards. A copy of our Insider Trading Policy is filed as exhibit 19.1 to this Annual Report of Form 10-K.

Item 11. Executive Compensation

The information required by this Item is set forth in our 2026 Proxy Statement to be filed with the SEC within 120 days of December 31, 2025, and is incorporated by reference into this Annual Report on Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is set forth in our 2026 Proxy Statement to be filed with the SEC within 120 days of December 31, 2025, and is incorporated by reference into this Annual Report on Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is set forth in our 2026 Proxy Statement to be filed with the SEC within 120 days of December 31, 2025, and is incorporated by reference into this Annual Report on Form 10-K.

Item 14. Principal Accountant Fees and Services

The information required by this Item is set forth in our 2026 Proxy Statement to be filed with the SEC within 120 days of December 31, 2025, and is incorporated by reference into this Annual Report on Form 10-K, for Deloitte & Touche LLP (PCAOB ID No. 34).

Part IV

Item 15. Exhibit and Financial Statement Schedules

List of Documents Filed as Part of this Report

1. Consolidated Financial Statements

The following consolidated financial statements are filed herewith in accordance with Item 8 of Part II above:

- (i) Report of Independent Registered Public Accounting Firm
- (ii) [Consolidated Balance Sheets](#)
- (iii) [Consolidated Statements of Operations and Comprehensive Loss](#)
- (iv) [Consolidated Statements of Changes in Stockholders' Equity](#)
- (v) [Consolidated Statements of Cash Flows](#)
- (vi) [Notes to Consolidated Financial Statements](#)

2. Schedules

Schedules not listed are omitted because the required information is inapplicable or is presented in the consolidated financial statements.

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3. Exhibits

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 (incorporated by reference to Exhibit 3.5 to the Registrant's Quarterly Report on Form 10-Q, filed on November 8, 2022).
3.7*	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 October 13, 2023).
3.8*	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).
4.1*	Specimen Certificate of Common Stock (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form 10, filed on November 7, 2016).
4.2*	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 8-K, filed on February 12, 2026).
4.3	Description of Registrant's securities.
10.1*†	AquaBounty Technologies, Inc. 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form 10, filed on November 7, 2016).
10.2*†	Amendment No. 1 to AquaBounty Technologies, Inc. 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed on May 2, 2019).
10.3*†	Amendment No. 2 to AquaBounty Technologies, Inc. 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed on April 29, 2020).
10.4*†	Form of Stock Option Agreement pursuant to AquaBounty Technologies, Inc. 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.22 to the Registrant's Registration Statement on Form 10, filed on December 12, 2016).
10.5*†	Form of Restricted Stock Unit Agreement pursuant to AquaBounty Technologies, Inc. 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q, filed on May 4, 2023).
10.6*†	Amendment No. 3 to AquaBounty Technologies, Inc. 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on May 26, 2023).

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10.7†	Employment Agreement, by and between Alejandro Rojas and AquaBounty Technologies, Inc., dated September 1, 2023
10.8*†	Amended and Restated Employment Agreement, by and between David Frank and AquaBounty Technologies, Inc., dated March 29, 2023 (incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q, filed on May 4, 2023).
10.9*	Placement Agency Agreement between the Company and Univest Securities, LLC. (incorporated by reference to Exhibit 10.2 to the Registrant’s Report on Form 8-K, filed on October 28, 2025).
10.11	AquaBounty Farms Ohio LLC Secured Promissory Note dated June 11, 2025
19.1*	Insider Trading Policy (incorporated by reference to Exhibit 19.1 to the Registrant’s Annual Report on Form 10-K, filed on March 27, 2025).
21.1	List of Subsidiaries of AquaBounty Technologies, Inc.
23.1	Consent of Deloitte & Touche LLP
31.1	Certification of the Chief Executive 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.
97.1*	Compensation Recovery Policy, Adopted November 1, 2023 (incorporated by reference to Exhibit 97.1 to the Registrant’s Annual Report on Form 10-K, filed on April 1, 2024).
101.INS	Inline XBRL instance document-the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL taxonomy extension schema document.
101.CAL	Inline XBRL taxonomy extension calculation linkbase document.
101.DEF	Inline XBRL taxonomy extension definition linkbase document.
101.LAB	Inline XBRL taxonomy label linkbase document.
101.PRE	Inline XBRL taxonomy extension presentation linkbase document.
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in exhibit 101).

*Incorporated herein by reference as indicated.

†Management contract or compensatory plan or arrangement.

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

The registrant hereby undertakes to file with the Securities and Exchange Commission, upon request, copies of any constituent instruments defining the rights of holders of long-term debt of the registrant or its subsidiaries that have not been filed herewith because the amounts represented thereby are less than 10% of the total assets of the registrant and its subsidiaries on a consolidated basis.

Item 16. Form 10-K Summary

Not applicable.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AQUABOUNTY TECHNOLOGIES, INC.

By: /s/ David A. Frank
David A. Frank
Interim Chief Executive Officer, Chief Financial
Officer and Treasurer

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints David A. Frank and Angela M. Olsen, as his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendment to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated below.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Sylvia A. Wulf</u> Sylvia A. Wulf	Board Chair	March 31, 2026
<u>/s/ David A. Frank</u> David A. Frank	Interim Chief Executive Officer, Chief Financial Officer and Treasurer (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)	March 31, 2026
<u>/s/ Graydon Bensler</u> Graydon Bensler	Director	March 31, 2026
<u>/s/ Braeden Lichti</u> Braeden Lichti	Director	March 31, 2026
<u>/s/ Rick Sterling</u> Rick Sterling	Director	March 31, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of AquaBounty Technologies, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AquaBounty Technologies, Inc. and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, changes in stockholders' (deficit) equity, and cash flows, for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has limited operating assets and incurred cumulative net losses that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter, in any way, our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of Long-Lived Assets – Refer to Notes 2 and 4 to the financial statements

Critical Audit Matter Description

The Company reviews the carrying value of its long-lived assets when facts and circumstances suggest that they may be impaired. The carrying values of such assets are considered impaired when the estimated undiscounted cash flow from such assets is less than the carrying value. An impairment loss is recognized in the amount of the difference between the carrying value and the fair value of such assets.

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In 2025, the Company proceeded with negotiations to sell its Ohio Farm Project and received a non-binding Letter of Interest from a third party. The actions and decisions leading up to the receipt of the non-binding Letter of Interest caused the Company to evaluate the Ohio Farm Project for impairment, resulting in a non-cash impairment charge of \$14.4 million for the year ended December 31, 2025.

We identified the impairment of the Ohio Farm Project as a critical audit matter due to the significant estimates and assumptions made by management, including those related to costs to prepare the asset for transfer to a third party and complete the sale. This required a high degree of auditor judgment and subjectivity to evaluate the reasonableness of management's estimates and assumptions related to future cash flow.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the impairment of the Ohio Farm Project included the following, among others:

- Obtained an understanding of the design of controls associated with management's process for recording impairment charges.
- Tested for the appropriate application of accounting guidance related to the impairment of long-lived assets, including judgments made by management related to the asset group subject to impairment.
- Evaluated the reasonableness of the methodology used by management and the assumptions used in the estimation of costs to prepare the asset for transfer to a third party and complete the sale.
- Verified the impairment calculations were mathematically accurate.
- Inspected documents distributed between the Company and a third party regarding the intended sale of the Ohio Farm Project and confirmed key terms with a third party.
- Evaluated the Company's disclosures related to the impairment of long-lived assets to assess conformity with the applicable accounting standards.

/s/ Deloitte & Touche LLP

Baltimore, Maryland
March 31, 2026

We have served as the Company's auditor since 2021.

AquaBounty Technologies, Inc.

Consolidated Balance Sheets

	As of December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 501,295	\$ 230,362
Prepaid expenses and other current assets	266,862	292,018
Current assets held for sale	9,552,454	10,819,909
Total current assets	10,320,611	11,342,289
Right of use assets, net	22,982	51,509
Non-current assets held for sale	—	22,668,000
Total assets	\$ 10,343,593	\$ 34,061,798
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 337,038	\$ 893,034
Accrued employee compensation	912,103	977,088
Current debt	—	1,261,039
Other current liabilities	22,982	28,527
Current liabilities held for sale	7,476,254	13,041,860
Total current liabilities	8,748,377	16,201,548
Long-term lease obligations	—	22,982
Long-term debt, net	3,486,141	1,996,558
Total liabilities	12,234,518	18,221,088
Commitments and contingencies (Note 9)		
Stockholders' (deficit) equity:		
Common stock, \$0.001 par value, 75,000,000 shares authorized; 3,877,695 and 3,865,778 shares issued and outstanding at December 31, 2025 and 2024, respectively	3,878	3,866
Additional paid-in capital	386,368,222	386,297,611
Accumulated other comprehensive loss	—	(688,229)
Accumulated deficit	(388,263,025)	(369,772,538)
Total stockholders' (deficit) equity	(1,890,925)	15,840,710
Total liabilities and stockholders' (deficit) equity	\$ 10,343,593	\$ 34,061,798

See accompanying notes to the consolidated financial statements.

AquaBounty Technologies, Inc.

Consolidated Statements of Operations and Comprehensive Loss

	Years ended	
	2025	2024
Costs and expenses		
Sales and marketing	\$ 6,613	\$ 191,299
Research and development	—	203,296
General and administrative	4,011,679	9,041,470
Asset impairment, net	—	190,732
Total costs and expenses	4,018,292	9,626,797
Operating loss	(4,018,292)	(9,626,797)
Other income (expense)		
Interest expense	(206,052)	(1,735,303)
Loan forgiveness	2,008,046	—
Other expense, net	(13,388)	(17,078)
Total other income (expense)	1,788,606	(1,752,381)
Loss from continuing operations	(2,229,686)	(11,379,178)
Loss from discontinued operations	(16,260,801)	(137,813,482)
Net loss	\$ (18,490,487)	\$ (149,192,660)
Other comprehensive income (loss)		
Foreign currency gain (loss)	688,229	(282,765)
Comprehensive loss	\$ (17,802,258)	\$ (149,475,425)
Basic and diluted net loss per share		
from continuing operations	\$ (0.57)	\$ (2.95)
from discontinued operations	(4.20)	(35.70)
Total basic and diluted net loss per share	\$ (4.77)	\$ (38.65)
Weighted average number of common shares - basic and diluted	3,873,797	3,860,454

See accompanying notes to the consolidated financial statements.

AquaBounty Technologies, Inc.

Consolidated Statements of Changes in Stockholders' (Deficit) Equity

	Common stock issued and outstanding	Par value	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total
Balance at December 31, 2023	3,847,022	\$ 3,847	\$ 385,998,213	\$ (405,464)	\$ (220,579,878)	\$ 165,016,718
Net loss					(149,192,660)	(149,192,660)
Other comprehensive loss				(282,765)		(282,765)
Share-based compensation	18,756	19	299,398			299,417
Balance at December 31, 2024	3,865,778	\$ 3,866	\$ 386,297,611	\$ (688,229)	\$ (369,772,538)	\$ 15,840,710
Balance at December 31, 2024	3,865,778	\$ 3,866	\$ 386,297,611	\$ (688,229)	\$ (369,772,538)	\$ 15,840,710
Net loss					(18,490,487)	(18,490,487)
Other comprehensive income				688,229		688,229
Share-based compensation	11,917	12	70,611			70,623
Balance at December 31, 2025	3,877,695	\$ 3,878	\$ 386,368,222	\$ —	\$ (388,263,025)	\$ (1,890,925)

See accompanying notes to the consolidated financial statements.

AquaBounty Technologies, Inc.
Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2025	2024
Operating activities		
Net loss	\$ (18,490,487)	\$ (149,192,660)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	—	904,136
Share-based compensation	70,623	299,417
Long-lived asset impairment	14,440,413	129,826,403
Loan forgiveness	(2,008,046)	—
Other non-cash items	(374,011)	43,393
Changes in operating assets and liabilities:		
Inventory	—	1,723,559
Prepaid expenses and other assets	(141,612)	1,277,535
Accounts payable and accrued liabilities	(2,171,551)	614,562
Accrued employee compensation	(64,985)	640,679
Net cash used in operating activities	(8,739,656)	(13,862,976)
Investing activities		
Purchases of and deposits on property, plant and equipment	—	(2,929,908)
Proceeds from asset sales	7,129,884	10,493,222
Net cash provided by investing activities	7,129,884	7,563,314
Financing activities		
Proceeds from issuance of debt	3,280,089	6,934,832
Repayment of term debt	(1,408,153)	(9,598,544)
Net cash provided by (used in) financing activities	1,871,936	(2,663,712)
Effect of exchange rate changes on cash and cash equivalents	8,769	(10,133)
Net change in cash and cash equivalents	270,933	(8,973,507)
Cash and cash equivalents at beginning of period	230,362	9,203,869
Cash and cash equivalents at end of period	\$ 501,295	\$ 230,362
Supplemental disclosure of cash flow information and non-cash transactions:		
Interest paid in cash from continuing operations	\$ —	\$ 1,698,066
Interest paid in cash from discontinued operations	\$ 18,716	\$ 566,389
Non-cash conversion of accounts payable to current debt	\$ 7,386,235	\$ —
Property and equipment included in accounts payable and accrued liabilities	\$ —	\$ 9,205,819

See accompanying notes to the consolidated financial statements.

AquaBounty Technologies, Inc.
Notes to the Consolidated Financial Statements
for the years ended December 31, 2025 and 2024

1. Nature of business and organization

Nature of business

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

The Company has historically pursued a growth strategy that included the construction of large-scale recirculating aquaculture system (“RAS”) farms for producing its genetically engineered Atlantic salmon (“GE Atlantic salmon”). The Company had commenced construction of a 10,000 metric ton farm in Pioneer, Ohio (“Ohio Farm Project”), but paused the construction in June 2023, as the cost estimate to complete the farm continued to substantially increase due to inflation and other factors. Further, these cost increases impaired the Company’s ability to pursue municipal bond financing, which was a necessary component of its funding strategy. The Company subsequently engaged an investment bank to pursue a range of funding and strategic alternatives and to assist management in the prioritization of the Company’s core assets. These efforts resulted in the sale of the Company’s grow-out farm in Indiana (“Indiana Farm”) in July 2024, recurring sales throughout 2024 and 2025 of selected equipment originally intended for the Ohio Farm Project (“Ohio Equipment Assets”), and the sale of the Company’s Canadian subsidiary, including the broodstock farms owned by the Canadian subsidiary in Prince Edward Island, Canada (“Canadian Farms”) and its intellectual property for GE Atlantic salmon, along with trademarks and patents (“Corporate IP”) in March 2025. After completion of these transactions, the Company’s primary remaining asset as of December 31, 2025 is its investment in the Ohio Farm Project, consisting of the remaining Ohio Equipment Assets and the land and construction in process (“Ohio Farm Site”). The Company continues to work with an investment bank to identify the optimal path forward for realizing the potential of this asset.

Going Concern Uncertainty

Since inception, the Company has incurred cumulative net losses of \$388 million and expects that this will continue for the foreseeable future. As of December 31, 2025, the Company had \$501 thousand in cash on its consolidated balance sheet.

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

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

During 2025, the Company completed multiple sales of certain Ohio Equipment Assets for cumulative gross proceeds of \$5.0 million and the sale of the Canadian Subsidiary for gross proceeds of \$2.1 million. On October 28, 2025, the Company completed an issuance of \$4.0 million in senior notes. The net proceeds of \$3.3 million were used for working capital and for the payment of certain outstanding liabilities.

Basis of presentation

The consolidated financial statements include the accounts of the Parent and its wholly owned subsidiaries. The entities are collectively referred to herein as the “Company.” All inter-company transactions and balances have been eliminated upon consolidation.

AquaBounty Technologies, Inc.
Notes to the Consolidated Financial Statements
for the years ended December 31, 2025 and 2024

2. Summary of significant accounting policies

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Comprehensive loss

The Company displays comprehensive loss and its components as part of its consolidated financial statements. Comprehensive loss consists of net loss and other comprehensive income (loss). Other comprehensive income (loss) includes foreign currency translation adjustments.

Foreign currency translation

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

Cash equivalents

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash equivalents consist primarily of business savings accounts, certificates of deposit and money market accounts.

Fair Value of Financial instruments

The Company groups its financial instruments measured at fair value, if any, in three levels based on the markets in which the instruments are traded and the reliability of the assumptions used to determine fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments with readily available quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value. The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs derived principally from, or that can be corroborated by, observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgement or estimation.

The carrying amounts reported in the consolidated balance sheets for prepaid expenses and other current assets and accounts payable approximate fair value based on the short-term maturity of these instruments. All of the Company's interest-bearing debt is at fixed rates. See Notes 4 and 6 for discussion of Level 3 non-recurring measurements used for long-lived assets.

Intangible assets

Definite lived intangible assets include patents and licenses. Patent costs consist primarily of legal and filing fees incurred to file patents on proprietary technology developed by the Company. Patent costs are amortized on a straight-line basis over 20 years beginning with the filing date of the applicable patent. License fees are capitalized and expensed over the term of the licensing agreement.

In March 2025, all of the Company's intangible assets were sold in conjunction with the sale of the Canadian Subsidiary.

AquaBounty Technologies, Inc.
Notes to the Consolidated Financial Statements
for the years ended December 31, 2025 and 2024

Property, plant and equipment

Property, plant and equipment are recorded at cost. The Company depreciates all asset classes over their estimated useful lives, as follows:

Building	20 - 25 years
Equipment	5 - 20 years
Office furniture and equipment	3 years
Leasehold improvements	shorter of asset life or lease term
Vehicles	3 years

The Company commences depreciation on an asset when it is placed into service.

Impairment of long-lived assets

The Company reviews the carrying value of its long-lived assets, definite lived intangible assets, and property, plant and equipment when facts and circumstances suggest that they may be impaired. The carrying values of such assets are considered impaired when the estimated undiscounted cash flows from such assets are less than their carrying values. An impairment loss, if any, is recognized in the amount of the difference between the carrying amount and the fair value of such assets.

Leases

The Company leases certain facilities, property, and equipment under noncancelable operating leases. A determination is made if an arrangement is a lease at its inception, and leases with an initial term of 12 months or less are not recorded on the consolidated balance sheet. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. For operating leases, expense is recognized on a straight-line basis over the lease term.

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recorded for the expected future tax consequences of temporary differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences reverse. A valuation allowance is established to reduce net deferred tax assets to the amount expected to be realized. The Company follows accounting guidance regarding the recognition, measurement, presentation and disclosure of uncertain tax positions in the financial statements. Tax positions taken or expected to be taken in the course of preparing the Company's tax returns are required to be evaluated to determine whether the tax positions are "more likely than not" to be upheld under regulatory review. The resulting tax impact of these tax positions is recognized in the financial statements based on the results of this evaluation. The Company did not recognize any tax liabilities associated with uncertain tax positions, nor has it recognized any interest or penalties related to unrecognized tax positions. The Company is not currently under exam and is no longer subject to federal and state tax examinations by tax authorities for years before 2022.

Net loss per share

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

The following potentially dilutive securities have been excluded from the calculation of diluted net loss per share, as their effect is anti-dilutive:

	Years Ended December 31,	
	2025	2024
Weighted Average Outstanding		
Stock options	48,896	72,337
Unvested stock awards	3,986	20,147

AquaBounty Technologies, Inc.
Notes to the Consolidated Financial Statements
for the years ended December 31, 2025 and 2024

Share-based compensation

The Company measures and recognizes all share-based payment awards, including stock options and restricted share units made to employees and directors, based on estimated fair values. The fair value of a share-based payment award is estimated on the date of grant using an option pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service period in the Company's consolidated statement of operations. The Company uses the Black-Scholes option pricing model ("Black-Scholes") as its method of valuation. Non-employee share-based compensation is accounted for using Black-Scholes to determine the fair value of warrants or options awarded to non-employees with the fair value of such issuances expensed over the period of service.

Recently Issued Accounting Standards

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, Disaggregation of Income Statement Expenses, to enhance the transparency of certain expense disclosures. The update requires disclosure of specific expense categories in the notes to the financial statements at interim and annual reporting periods. The update requires disaggregated information about certain prescribed expense categories underlying any relevant income statement expense caption. The amendments in this update are effective for public entities for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. The amendments may be adopted either prospectively or retrospectively. Early adoption is permitted. The Company is currently evaluating the impacts of this update and plans to adopt these amendments for annual disclosures in the year ended December 31, 2027 and interim disclosures in the year ended December 31, 2028.

3. Risks and uncertainties

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

Concentration of credit risk

Financial instruments that potentially subject the Company to credit risk consist principally of cash and cash equivalents. This risk is mitigated by the Company's policy of maintaining all balances with highly rated financial institutions and investing in cash equivalents with maturities of less than 90 days. The Company's cash balances may at times exceed insurance limitations. The Company did hold cash balances in bank accounts located in Canada, prior to the sale of the Canadian Subsidiary in March 2025. These amounts were subject to foreign currency exchange risk, which was minimized by the Company's policy to limit the balances held in these accounts. Balances in Canadian bank accounts at December 31, 2025 and 2024 totaled \$0 and \$166 thousand, respectively.

AquaBounty Technologies, Inc.
Notes to the Consolidated Financial Statements
for the years ended December 31, 2025 and 2024

4. Discontinued Operations and Assets Held for Sale

In July 2024, the Company sold its Indiana Farm for a sale price of \$9.5 million less transaction expenses of \$305 thousand, which included certain Ohio Equipment Assets with a carrying value of \$13.0 million that had been purchased for the Company's Ohio Farm Project. In December 2024, the Company announced the winddown of its Canadian fish rearing operations and sold its Canadian Farms in March 2025 for a sale price of \$5.2 million, including the assumption of \$3.2 million in outstanding loans, less transaction expenses of \$216 thousand. These decisions by the Company represented a strategic shift that has had a major effect on the Company's operations and financial results. Consequently, each of these farms have been designated as discontinued operations in the consolidated financial statements for the years ended December 31, 2025 and 2024.

The Company has been working with its investment bank to identify the optimal path forward for realizing the potential of its assets, including a possible sale of the Ohio Farm Project. The Company received a non-binding Letter of Interest to purchase the Ohio subsidiary. Though this offer is currently under consideration, the Company has determined that the actions and decisions that occurred leading up to receiving this offer constituted a triggering event for revaluing these assets and has included the Ohio Farm Project in discontinued operations in the consolidated financial statements for the years ended December 31, 2025 and 2024.

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

	December 31, 2025	December 31, 2024
Current Assets		
Prepaid and other current assets	\$ 32,454	\$ 65,030
Property, plant and equipment, net	9,520,000	10,754,879
Total current assets held for sale	\$ 9,552,454	\$ 10,819,909
Non-Current Assets		
Property, plant and equipment, net	-	22,668,000
Total non-current assets held for sale	\$ -	\$ 22,668,000
Current Liabilities		
Accounts payable and accrued expenses	\$ 90,019	\$ 9,318,409
Accrued employee compensation	—	54,583
Current debt	7,386,235	3,260,005
Other current liabilities	-	408,863
Total current liabilities held for sale	\$ 7,476,254	\$ 13,041,860

	Years ended December 31,	
	2025	2024
Adjustments to reconcile net loss to net cash used in		
Depreciation and amortization	\$ —	\$ 890,433
Long-lived asset impairment	14,440,413	129,635,671
Other non-cash items	(456,063)	9,678
Changes in working capital	(1,496,488)	2,572,418
Cash flows from investing activities		
Purchases of and deposits on property, plant and equipment	—	(2,929,908)
Proceeds from asset sales	4,993,688	993,222
Cash flows from financing activities		
Proceeds from issuance of debt	—	434,832
Repayment of term debt	(32,194)	(206,781)

AquaBounty Technologies, Inc.
Notes to the Consolidated Financial Statements
for the years ended December 31, 2025 and 2024

	Years ended December 31,	
	2025	2024
Revenue	\$ —	\$ 788,701
Costs and expenses		
Product costs	—	7,327,403
Sales and marketing	—	330
Research and development	—	27,015
General and administrative	1,526,852	951,935
Long-lived impairment	14,440,413	129,635,671
Operating income (loss)	(15,967,265)	(137,153,653)
Other expense	(293,536)	(659,829)
Loss from discontinued ops	\$ (16,260,801)	\$ (137,813,482)

5. Prepaid and other current assets

Major classifications of prepaid and current assets are summarized as follows for December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Prepaid insurance	\$ 172,032	\$ 203,999
Prepaid other	94,830	88,019
Total prepaid expenses and other current assets	\$ 266,862	\$ 292,018

6. Debt

The current terms and conditions of long-term debt outstanding as of December 31, 2025 and 2024 for continuing operations, are as follows:

	Interest rate	Monthly repayment	Maturity date	December 31, 2025	December 31, 2024
ACOA AIF Grant	0%	Royalties		\$ —	\$ 1,996,558
Senior Notes	18%	—	Apr 2027	4,124,000	—
Term Note	0%	200,000	Dec 2025	—	1,261,039
Total debt				\$ 4,124,000	\$ 3,257,597
less: loan origination costs				(637,859)	—
less: current portion				—	(1,261,039)
Long-term debt, net				\$ 3,486,141	\$ 1,996,558

Principal payments due on the long-term debt are as follows:

	Total
2026	\$ —
2027	4,124,000
Thereafter	—
Total	\$ 4,124,000

ACOA Atlantic Innovation Fund Grant

In January 2009, the Canadian Subsidiary was awarded an Atlantic Innovation Fund (“AIF”) grant from the Atlantic Canada Opportunities Agency (“ACOA”) to provide a contribution towards the funding of a research and development project. Contributions under the grant were made through 2014 and were to be repaid in the form of a 10% royalty on any products that were commercialized out of this research project until the loan was fully repaid.

AquaBounty Technologies, Inc.
Notes to the Consolidated Financial Statements
for the years ended December 31, 2025 and 2024

On February 14, 2025, ACOA terminated the outstanding loan with the Company's Canadian Subsidiary and forgave the outstanding balance of C\$2.9 million (\$2.0 million).

Senior Notes

On October 28, 2025, the Company entered into Note Purchase Agreements with certain investors providing for the issuance and sale of senior notes ("Senior Notes") in an aggregate principal amount of \$4.0 million in a private placement transaction. The Senior Notes have the following characteristics and terms: (i) unsecured, (ii) nonconvertible, (iii) bear interest at 18% per annum, (iv) scheduled maturity date of 18 months from closing, and (v) principal and interest payable at maturity, or earlier if accelerated pursuant to an event of default. The Senior Notes provide for certain restrictive covenants of the Company, as well as events of default including, but not limited to, (a) non-payment, (b) breach of covenants, (c) insolvency, (d) unauthorized changes to board composition, (e) failure to maintain Nasdaq listing compliance, (f) delayed SEC filings, and (g) financial restatements with material adverse effect. The Company anticipates it will receive a notice from Nasdaq in early 2026 regarding the Company's deficiency in Nasdaq's minimum book equity compliance, which could result in an event of default if the deficiency is not cured. Among other remedies, the Senior Notes provide the Investors the right to nominate an additional director to the Board upon the occurrence of an event of default, subject to certain conditions. The Agreements required certain resignations from and appointments to the Board at the time of the transaction closing date and upon the occurrence of certain events and criteria.

The net proceeds from the issuance of the Senior Notes are to be used for general corporate purposes, including working capital and operational funding, as well as the repayment of certain debts.

Term Note

In October 2024, the Company entered into a secured promissory note ("Term Note") for \$1.3 million with a vendor for services provided during 2024. The Term Note was secured by the assets of the Company's Ohio Farm Project and was due in full on December 31, 2025, with two intermediate scheduled payments. On March 18, 2025, an amendment to the Term Note was executed to alter the amount and timing of the intermediate payments. The Term Note carried no interest, except in the event of a default, in which case any amount due for payment would be assessed accrued interest at 3% per annum. On July 22, 2025, the Term Note was again amended to alter the timing of the remaining payments. The Company completed its scheduled payments on the Term Note on December 18, 2025.

Vendor Note

On June 11, 2025, the Company converted \$7.4 million of outstanding accounts payable with a vendor into a secured promissory note ("Vendor Note"). The Vendor Note is secured by the assets of the Company's Ohio Farm Site, has a 12-month term and carries an 8% interest rate, with the first six-months interest free. This Vendor Note has been reclassified within Current Liabilities Held for Sale for discontinued operations at December 31, 2025 (see Note 4).

7. Stockholders' equity

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

Common stock

The holders of the common stock are entitled to one vote for each share held at all meetings of stockholders. Dividends and distribution of assets of the Company in the event of liquidation are subject to the preferential rights of any outstanding preferred shares.

Share-based compensation

In 2006, the Company established the 2006 Equity Incentive Plan (as amended, the "2006 Plan"). The 2006 Plan provided for the issuance of incentive stock options to employees of the Company and non-qualified stock options and awards of restricted stock to directors, officers, employees, and consultants of the Company. In accordance with its original terms, the 2006 Plan terminated on March 18, 2016. All outstanding awards under the 2006 Plan will continue until their individual termination dates.

In March 2016, the Company's Board of Directors adopted the AquaBounty Technologies, Inc. 2016 Equity Incentive Plan (as amended, the "2016 Plan") to replace the 2006 Plan. The 2016 Plan provides for the issuance of incentive stock options, non-qualified stock options, and awards of restricted and direct stock purchases to directors, officers, employees, and consultants of the Company.

AquaBounty Technologies, Inc.
Notes to the Consolidated Financial Statements
for the years ended December 31, 2025 and 2024

Total common shares authorized under the 2016 Plan are 215,000, of which 107,704 shares are reserved for future issuance as of December 31, 2025.

Restricted stock

The Company's restricted stock activity under the 2016 Plan is summarized as follows:

	Shares	Weighted average grant date fair value
Unvested at December 31, 2024	12,567	\$ 9.18
Vested	(11,917)	8.96
Forfeited	(650)	13.05
Unvested at December 31, 2025	—	\$ —

During 2025 and 2024, the Company expensed \$33 thousand and \$168 thousand, respectively, related to restricted stock awards. At December 31, 2025, the balance of unearned share-based compensation to be expensed in future periods related to the restricted stock awards is \$0.

Stock options

The Company's stock option activity under the 2006 Plan and the 2016 Plan is summarized as follows:

	Number of options	Weighted average exercise price
Outstanding at December 31, 2024	64,905	\$ 38.57
Forfeited	(19,125)	31.69
Expired	(6,861)	32.88
Outstanding at December 31, 2025	38,919	\$ 42.95
Exercisable at December 31, 2025	36,950	\$ 44.85

Stock options issued to employees, members of the Board, and non-employees generally vest over a period of one year to three years and are exercisable for a term of 10 years from the date of issuance.

There were no stock options granted in 2025 or 2024 and there were no stock options exercised in 2025 or 2024. As of December 31, 2025 and 2024, the total intrinsic value of exercisable and outstanding stock options was \$0.

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2024:

Weighted average exercise price of outstanding options	Number of options outstanding	Weighted average remaining estimated life (in years)	Number of options exercisable
< \$10.00	13,923	7.5	11,954
\$20.00 - \$50.00	22,065	3.8	22,065
\$100.00 - \$200.00	1,256	4.8	1,256
\$200.00 - \$300.00	1,675	1.3	1,675
	38,919		36,950

Total share-based compensation on stock option grants amounted to \$38 thousand and \$132 thousand for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, the balance of unearned share-based compensation to be expensed in future periods related to unvested share-based awards is \$5 thousand. The period over which the unearned share-based compensation is expected to be earned is 0.2 years.

AquaBounty Technologies, Inc.
Notes to the Consolidated Financial Statements
for the years ended December 31, 2025 and 2024

Share-based compensation

The following table summarizes share-based compensation costs recognized in the Company's Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2025 and 2024:

	2025		2024
Sales and marketing	\$	—	\$ —
General and administrative		70,623	299,417
Total share-based compensation	\$	70,623	\$ 299,417

8. Income taxes

The components of loss from continuing operations before income taxes for the years ended December 31, 2025 and 2024 are presented below:

	2025		2024
Domestic	\$	(2,229,686)	\$ (11,364,882)
Foreign		—	(14,296)
Loss before income taxes	\$	(2,229,686)	\$ (11,379,178)

Income taxes computed using the federal statutory income tax rate differ from the Company's effective tax rate for the years ended December 31, 2025 and 2024 primarily due to the following:

	2025		2024
Income tax benefit	\$	(468,234)	\$ (2,389,627)
State and provincial income tax		(121,110)	(617,306)
Permanent differences		(387,981)	28,125
Other, net		(1,325,356)	(3,728,681)
	\$	(2,302,681)	\$ (6,707,489)
Change in valuation allowance		2,302,681	6,707,489
Total income tax	\$	—	\$ —

As of December 31, 2025, the Company had domestic net operating loss carryforwards of approximately \$278 million, after consideration of limitations pursuant to section 382, to offset future federal taxable income, which begin to expire in 2034. Of this amount, the Company had domestic net operating loss carryforwards of approximately \$250 million, which can be carried forward indefinitely. The future utilization of certain historic net operating loss and tax credit carryforwards, however, is subject to annual use limitations based on the change in stock ownership rules of Internal Revenue Code Sections 382 and 383. The Company experienced a change in ownership under these rules during 2012 and revised its calculation of net operating loss carryforwards based on annual limitation rules. Since the Company has incurred only losses from inception and there is uncertainty related to the ultimate use of the loss carryforwards and tax credits, a valuation allowance has been recognized to offset the Company's deferred tax assets, and no benefit for income taxes has been recorded.

The IRS released guidance which modified the procedures for taxpayers that incur specified research or experimental (R&E) expenditures to change their method of accounting to comply with the new capitalization and amortization rules provided in Section 174, as revised by the Tax Cuts and Jobs Act. The Section 174 rules require taxpayers to capitalize and amortize specified R&E expenditures over a period of five years (for domestic research) or 15 years (for foreign research), beginning with the midpoint of the taxable year in which the expenses are paid or incurred. The impact defers the tax benefit of R&E expenditures.

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Significant components of the Company's deferred tax assets and liabilities are as follows:

	2025		2024
Deferred tax assets:			
Net operating loss carryforwards	\$ 38,977,895	\$	36,533,697
Property and equipment	1,566,849		(1,062,124)
Intangibles	—		2,172,310
R&D costs	—		837,054
Other	532,532		293,658
Total deferred tax assets	\$ 41,077,276	\$	38,774,595
Valuation allowance	(41,077,276)		(38,774,595)
Net deferred tax assets	\$ —	\$	—

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 December 31, 2025, will not have a material adverse effect on the Company's financial position or results of operations.

Lease commitments

The Company's lease right of use assets and obligations as of December 31, 2025 and 2024 were \$23 thousand and \$52 thousand, respectively and there was 0.8 years remaining on its lease commitment. Operating lease expenses for the years ended December 31, 2025 and 2024 were \$32 thousand and \$41 thousand, respectively.

10. Retirement plan

The Company has a savings and retirement plan for its US employees that qualifies under Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees and provides for voluntary contributions by participating employees up to the maximum contribution allowed under the Internal Revenue Code. Contributions by the Company can be made, as determined by the Board of Directors, provided the amount does not exceed the maximum permitted by the Internal Revenue Code. Company contributions made and expensed in operations in connection with the plan during the years ended December 31, 2025 and 2024, amounted to \$29 thousand and \$70 thousand, respectively.

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11. Segment Reporting

The Company adopted ASU 2023-07 effective for the annual period beginning January 1, 2024. The enhanced segment disclosure requirements were applied retrospectively to all prior periods presented in the financial statements, and prior period disclosures were based on the significant segment expense categories identified and disclosed in the period of adoption.

The financial information presented to and reviewed by the Company's chief operating decision maker, who is the interim chief executive officer, chief financial officer and treasurer, is not prepared in accordance with GAAP, therefore, certain accounting policies of the Company's single operating and reportable segment differ significantly from those described in Note 2 - Summary of Significant Accounting Policies. The significant difference between how management prepares financial information for internal purposes and GAAP is that internal information is focused on overall cash expenditures.

Management monitors the financial results for internal purposes under a cash expenditure approach rather than GAAP, because management believes such results more closely align to how the business is currently managed with consideration of the Company's overall focus on liquidity.

Management has identified net cash expenditures as the key performance measure that is used for evaluating the business. The chief operating decision maker uses this measure on a monthly basis when assessing performance and when making decisions about how to allocate operating resources, such as payments to vendors.

The Company believes that net cash expenditures, which is a non-GAAP measure, is the most directly comparable measure to GAAP. As such, the required disclosures of reportable segment expenses and segment loss in the tables below are prepared in accordance with the financial information presented to management and reviewed by the Company's chief operating decision maker on a regular basis.

\$ thousands	Years Ended December 31,	
	2025	2024
Corporate	\$ 5,942	\$ 7,273
Indiana farm	196	3,340
Ohio farm	3,213	3,112
Canadian operations	272	3,869
Net cash expenditures	\$ 9,623	\$ 17,594
Reconciliation of net cash expenditures		
to consolidated net loss:		
Depreciation and amortization	—	904
Share-based compensation	71	299
Long-lived asset impairment	14,440	129,826
Loan forgiveness and other non-cash items	(2,382)	—
Capitalized expenditures	—	(2,930)
Net realizable value adjustments	—	1,093
Working capital changes	(3,261)	2,406
Consolidated net loss:	\$ 18,490	\$ 149,193

12. Subsequent events

On February 11, 2026, the Company completed a public offering of 1,269,509 Common Shares and 67,706 warrants for Common Shares for net proceeds of approximately \$1.0 million.