

ANNOUNCEMENT OF APPLICATION FOR ADMISSION TO THE AQSE GROWTH MARKET

APPLICANT NAME:

OTAQ plc
("OTAQ", the "Company" or the "Group")

APPLICANT REGISTERED OFFICE, PRINCIPLE PLACE OF BUSINESS (IF DIFFERENT) AND TELEPHONE NUMBER:

Head Office: 8-3-4 Harpers Mill South Road
White Cross
Lancaster
LA1 4FX

Principle place of business is the UK.

Telephone number: +44 (0)1524 748080

DIRECTORS AND PROPOSED DIRECTORS (IF APPLICABLE):

Alexander (Alex) Robert Hambro	Non-Executive Chairman
Philip David Newby	Chief Executive Officer
Matthew Jonathan Enright	Chief Financial Officer and Company Secretary
William George Watt	Non-Executive Director
Sarah Emily Stoten	Non-Executive Director
Malcom David Foster Pye	Non-Executive Director
Proposed Directors	
Harald Volker Rotsch	Chief Technology Officer
Giles Timothy Clifford	Non-Executive Director

APPLICANT SECTOR:

Electronic & Electrical Equipment

DESCRIPTION OF THE APPLICANT AND ITS ACTIVITIES:

OTAQ is an innovative technology company with three divisions: Aquaculture, Geotracking Devices and Offshore which operate across various global markets

Building upon the Company's founding technology in the Aquaculture sector, through three recent strategic investments and additional multi-year supply agreements, OTAQ is developing adjacent technologies to take advantage of a number of growth initiatives that will significantly broaden the Group's current product portfolio in the global marine aquaculture sector and facilitate entry and growth into the geotracking devices sector.

Aquaculture

Shrimp Biomass

In conjunction with Minnowtech LLC ("**Minnowtech**"), OTAQ has completed the development of an innovative and custom-designed sonar technology that scans shrimp in ponds with the results being used to inform statistical predictive algorithms which in turn produce highly accurate pond count results for shrimp farmers. As far as the Company and Minnowtech are aware, this is the only system currently in development using this method which has been designed to estimate total shrimp count in each pond using an in situ measurement producing a critical data set for shrimp farmers that would otherwise rely on time-consuming

and error-prone methods. Trial results have been highly positive with count accuracy believed to be in excess of 90 per cent. on average meaning shrimp farmers have significantly better information relating to feed strategies and forecasting of future stock requirements.

To date, 117 prototype units have been sold to Minnowtech for trials with potential customers in shrimp ponds in key target markets.

Live Plankton Analysis

Through its collaboration with Blue Lion Labs Limited in Canada, the Group have developed AI software which monitors water quality by identifying phytoplankton which enables farmers to take immediate mitigating actions as required. Research and development has centred on accelerating the commercialisation of the phytoplankton detection technology with field trials now having commenced. Phytoplankton can lead to "harmful algal blooms", which is a growing issue and leads to major disease challenges for finfish farmers generally. It is estimated the global aquaculture industry suffers annual losses in the billions of dollars due to events such as harmful algal blooms. Early detection of this problem will not only allow farmers to deploy their defence systems earlier but also inform harvesting decisions to markedly reduce the losses and improve overall finfish welfare.

To date, 14 development systems have been deployed at customer sites in Scotland, Chile and Ireland with prototype versions expected to be installed in January 2023.

Water Quality Monitoring

Monitoring the quality of finfish cage water is an important factor in increasing yields and improving fish welfare. An additional key aquaculture product for the Group, the water quality monitoring solution has been designed and developed by a third party. OTAQ is close to finalising an exclusive supply agreement with the third party to white label the product and sell it into its target markets. This solution is designed to report and record oxygen levels, salinity and temperature through a dashboard interface helping finfish farmers monitor fish welfare and inform decisions around improving fish health. In some territories such as Chile it is a regulatory requirement.

Acoustic Device Deterrent

The Company's main aquaculture sales have historically been from its acoustic device deterrent ("ADD") product (branded as Sealfence), which uses acoustic technology to deter seal and sea lion predators from fish farming sites. OTAQ has delivered and installed over 1,300 ADD devices worldwide to date. However, in 2020, Marine Scotland announced a review of ADD use in connection with the operation of the European Protected Species ("EPS") regulations related to the use of ADDs within Scottish waters (the "**Marine Scotland Review**"). The Company previously announced that the trial programme for the Company's ADDs with Marine Scotland has concluded but the Board now believe it is unlikely that fish farmers will make applications for EPS licences required to use it ADDs. For this reason, the Group is not actively pursuing the ADD market in Scotland.

Nevertheless, there remains global opportunities in Chile, Australia, Canada and Norway, and the Group continues to make progress on these projects, including additional ADD deployment in Chile and ADD trials in Australia. The Board is aware that the regulatory position relating to use of ADDs in Chile is currently being assessed and are working with the Chilean regulator for fisheries and aquaculture, in assisting them in understanding the risk of ADD use to predators and marine mammals in the vicinity of fish farms.

The Group is now demonstrably fulfilling its previously stated intention to deploy a range of sophisticated products designed to overcome many production and environmental challenges in the aquaculture industry. The next phase of development for these solutions will be the creation of common databases and the development of management information reporting and dashboards to help improve customer communication and productivity.

Geotracking Devices

Following the acquisition of ROS Technology Limited's trade and assets in November 2020, the Group has developed highly accurate personnel and asset tracking products for use in sports tracking events and the railway industry.

Personnel safety

Through engagement with rail design and safety consultants, Track Tracker Limited, the Group have designed and developed a product that utilises Track Tracker Limited's integrated geofencing software to provide reliable, continuous and precise positional accuracy tracking of maintenance personnel and railway assets in use in busy, hazardous, and often complex on-track and trackside locations. The Company recently announced its first contract for the supply of an initial batch of 40 devices with further orders expected following successful on-site operations.

Sports trackers

OTAQ's high precision sports tracking technology was fully commercialised in 2021 and is viewed as more accessible and cost-effective due to it being deployable without the need for costly additional infrastructure compared to the alternatives on the market. The Group is continuing to broaden the applications for this technology through the development of prototypes and the completion of successful field trials where recently over 500 trackers were deployed for a major motorcycling event.

The technology is generating high interest and will have a wider roll out to similar racing events, providing increased visibility and live-streaming of competitor positioning.

The Board are also of the view that there are potential further applications and market opportunities for the technology within the seafood industry, particularly in relation to the fishing industry in Chile.

Offshore

The Group strategy also incorporates the development of new products for deployment in the energy support services sector. The development of new technologies in this division permits cross-deployment of skills and technologies into the aquaculture arena which the Group is now beginning to exploit. OTAQ is continuously developing and improving its products using its specialist mechanical, electronic and software engineers who have decades of experience in bringing underwater technology products to market. The Group produces a range of marine technology products for offshore industries, supplying customers around the world including subsea oil and gas, remotely operated vehicle operations, commercial diving and oceanographic research, with growth opportunities in the offshore renewables sector. OTAQ specialises in subsea leak and cement detection, laser measurement systems, underwater imagery and telemetry solutions, as well as subsea survey solutions. The Group has completed development and sale of two Lander products, intended for use with seabed geophysical surveys, and it is expected further Lander sales will be made.

The Company's Oceansense leak detection systems have a global reputation as the industry leading solution and have been deployed successfully on hundreds of contracts. OTAQ's Dragonfish laser measurement system is one of the most accurate underwater precision laser measurement systems of its type available. OTAQ also has significant experience in the design and manufacture of underwater connectors, penetrators and communication systems.

When completed, the reorientation process aims to be the route through which OTAQ would become a simplified, more profitable, and cash generative business. These are exciting times as the Group commences commercialisation of its strong pipeline of new products and opportunities by focusing on its core growth business activities, being the supply of the key hardware in Minnowtech's shrimp biomass solution, plankton detection, water quality monitoring and geotracking devices in order to accelerate the growth into these large and attractive markets.

NAME OF AQSE CORPORATE ADVISER:

Dowgate Capital Limited

NUMBER, CLASS AND PAR VALUE OF SECURITIES TO BE ADMITTED:

TBC ordinary shares of 1 penny each

SECURITIES IN PUBLIC HANDS AS A PERCENTAGE OF THE TOTAL NUMBER OF SECURITIES IN ISSUE (excluding securities held in treasury):

TBC%

SHAREHOLDERS HOLDING MORE THAN FIVE PER CENT OF THE APPLICANT'S SHARE CAPITAL OR VOTING RIGHTS PRE- AND POST-ADMISSION:

Name of Shareholder	Current Shareholding		Post Admission*	
	Shares	%	Shares	%
Nigel Wray	5,964,868	15.82%	TBC	TBC%
Elie Dangoor	2,360,005	6.26%	TBC	TBC%
Harald Rotsch	2,129,132	5.65%	TBC	TBC%

TIMETABLE FOR ANY OFFER OF TRANSFERABLE SECURITIES TO THE PUBLIC:

	2022
Placing and Open Offer announced	12 October
Last day for acceptances under Open Offer	27 October
Shareholder General Meeting	7 November
Admission to AQSE and settlement	9 November
Posting of share certificates	23 November

THE EXPECTED ADMISSION DATE:

9 November 2022

WEBSITE ADDRESS WHERE INVESTOR INFORMATION WILL BE AVAILABLE FOR INSPECTION:<https://www.otaq-ir.com/investors>

In respect of a fast-track applicant, the following information should also be included:

NAME OF MARKET ON WHICH THE APPLICANT'S SECURITIES ARE CURRENTLY TRADED:

Standard Segment of the Official List trading on the London Stock Exchange's Main Market

ARRANGEMENTS FOR THE SETTLEMENT OF TRANSACTIONS IN THE APPLICANT'S SECURITIES:

Each Shareholder may transfer all or any of their Ordinary Shares which are in certified form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each Shareholder may transfer all or any of their Ordinary Shares which are in uncertified form by means of a 'relevant system' (i.e. the CREST System) in such manner provided for, and subject as provided in, the Uncertified Securities Regulations 2001 (SI 2001 No. 3755)

DETAILS OF ANY LOCK-IN ARRANGEMENTS:

None

DETAILS OF THE LEGAL OR REGULATORY REQUIREMENTS IN THE APPLICANT'S HOME COUNTRY REGARDING THE CONDUCT OF TAKEOVERS AND THE ACQUISITION OF SIGNIFICANT VOTING RIGHTS TO WHICH THE APPLICANT IS SUBJECT:

The Company is subject to the Provisions of the City Code on Takeovers and Mergers

In respect of an update to a prior application announcement, the date of the original announcement should also be disclosed as follows:

UPDATE TO A PRIOR APPLICATION ANNOUNCEMENT RELEASED ON:

