



AQUA BIO TECHNOLOGY ASA

Second Quarter and First Half 2014 Results Presentation

20 August 2014



Q2 2014 Highlights

- Dispute with Restorsea resolved
 - *Legal proceedings irrevocably settled*
 - *Partnership expanded to include two more ABT ingredients*

- Revenues in line with previous quarters

- Second quarter operating costs affected by Restorsea dispute

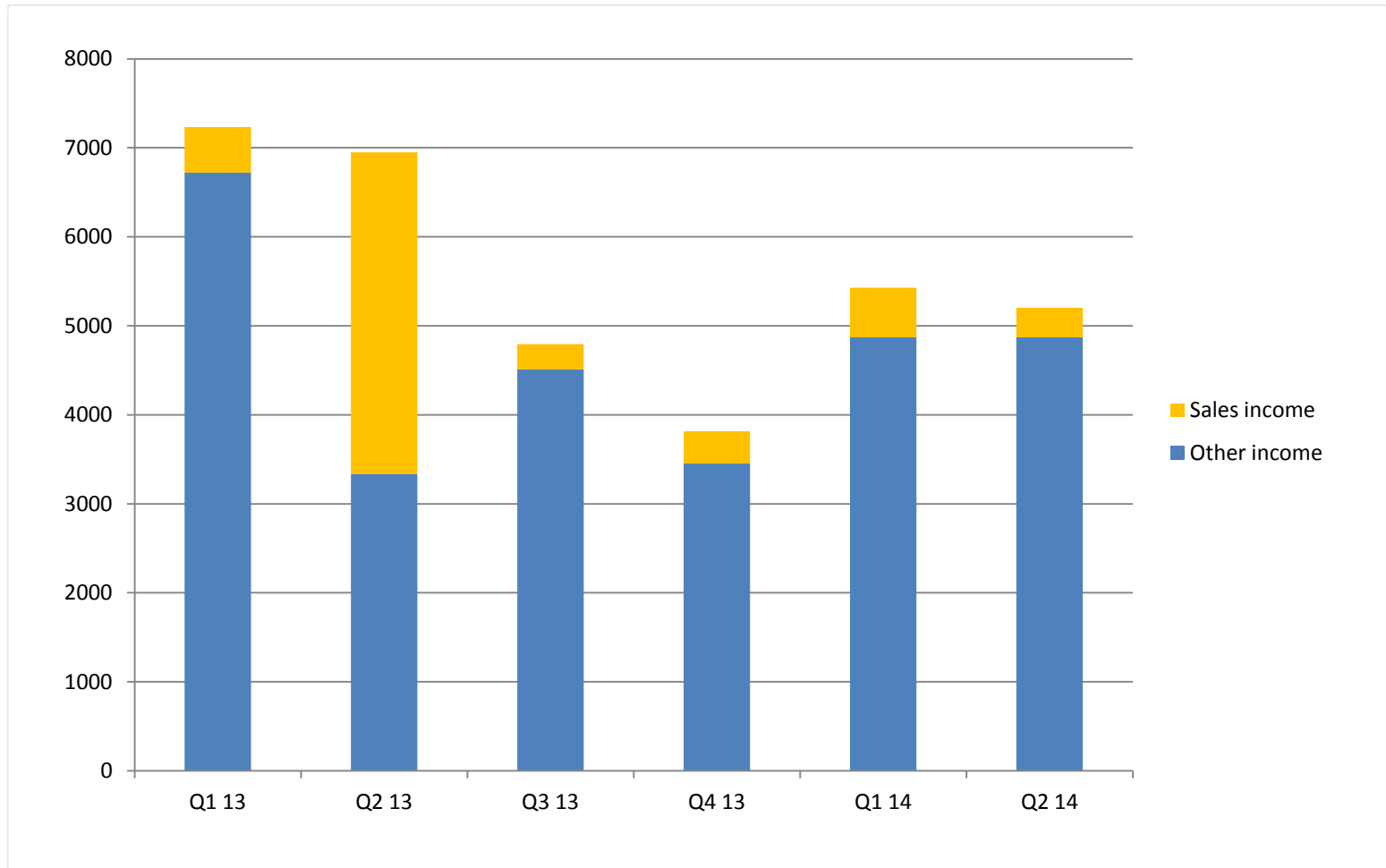
- ABT to explore opportunities for hatching fluid technology outside cosmetics industry

- Strong financial position maintained
 - *MNOK 27.1 cash reserve*

<i>NOK million</i>	<i>Q2 2014</i>	<i>Q2 2013</i>	<i>YTD 2014</i>	<i>YTD 2013</i>
Income	5.2	6.9	10.6	14.2
Operating costs	-5.4	-4.2	-9.6	-7.5
EBITDA	-0.2	2.8	1.0	6.7
EBIT	-1.8	1.4	-2.2	3.9
EBT	-1.7	1.5	-2.1	4.2
Net result	-1.7	1.5	-2.1	4.2
EBITDA margin	-3.3%	40.2%	9.5%	47.3%

- All royalty and exclusivity payments received according to contracts
- Revenues may fluctuate from quarter to quarter, due to ABT's early phase position and customer structure
- Operating costs in first half of 2014 significantly affected by Restorsea dispute

Income development last six quarters



Balance Sheet

<i>NOK million</i>	<i>30 Jun 2014</i>	<i>31 Dec 2013</i>	<i>30 Jun 2013</i>
Fixed assets	15.4	16.6	19.5
Current assets	61.1	60.2	56.3
- of which is cash	27.1	27.0	26.1
Total equity	63.9	65.9	66.5
Long term debt	7.6	9.0	9.4
Short term debt	4.9	3.4	3.7
Total balance	76.5	78.3	79.7
Equity ratio	83.5%	84.2%	83.4%

Cash flow

<i>NOK million (Year to date)</i>	2014	2013
Cash at beginning of period	27.0	21.0
From operations	3.5	5.5
From investments	-2.0	-0.4
From financing	-1.4	0.0
Cash at end of period	27.1	26.1
Cash change in period	0.1	5.1

Restorsea dispute resolved

- Exclusivity partner Restorsea filed complaint with a US court in February
 - *Claiming breach of exclusivity and demanding financial compensation*
- Case settled at beginning of third quarter
- New agreement expands ABT-Restorsea partnership
 - *Restorsea exclusivity now also includes Beauty Propelline and Dermaclarine*
 - *Financial terms unchanged from initial contract*
- New agreement may represent financial upside for ABT
 - *Royalty payments if Restorsea commercializes Beauty Propelline and Dermaclarine*
- ABT now able to focus on further developing the Company
 - *The dispute weighed heavily on ABT's financial and management resources*
- Significant one-off costs caused by the dispute

Addressing a broader market

- ABT ingredients for medical use to be investigated
- Research and trials over recent years suggest that ABTs hatching fluid technology holds potential for medical use
- Significant documentation of technology and efficacy already in place
- ABTs key personnel have experience from the pharmaceutical industry
- Natural and sustainable ingredients in demand also by medical products manufacturers

Adjusted strategy for ABT

1.	Support exclusivity partners Restorsea and Amway in their efforts to reach commercial success for skin care products based on ABT technology.	<i>Ongoing</i>
2.	Active in-licensing of relevant technology from partners; develop ABT as a powerhouse in commercializing third party technologies for skin care and other applications.	<i>Ongoing</i>
3.	Explore possible applications for ABT's hatching fluid technology for medical use.	<i>Initiated</i>

Outlook

- **Transparent revenue stream**
 - *2014-2017 contracted income stream substantial*
 - *Commercial success for exclusivity partners represent upside potential*
 - *Operating costs expected to normalize*
- **Adjusted strategy holds potential**
 - *In-licensing agreements expected in coming quarters*
 - *Medical market may offer attractive opportunities*
- **Robust financial position**
 - *Equity ratio well above 80 pst; strong cash position*

3rd Quarter 2014 Results
26 November 2014



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