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AQUA BIO TECHNOLOGY ASA

Results Presentation
Fourth Quarter and Full Year 2016

15 February, 2017

Technology by nature

Fourth quarter highlights

- Fourth quarter revenues increased by 20 per cent from corresponding quarter 2015
- Year-end result affected by one-off costs and third quarter write-down
- Additional dividend payment of NOK 1,- per share in the fourth quarter
- New skin care ingredients prepared for market launch
- Business model expanded post quarter
 - *Now including skin care products for consumers and professional users*
 - *Two new partnerships established*

Technology by nature. From the Arctic to the South Pacific



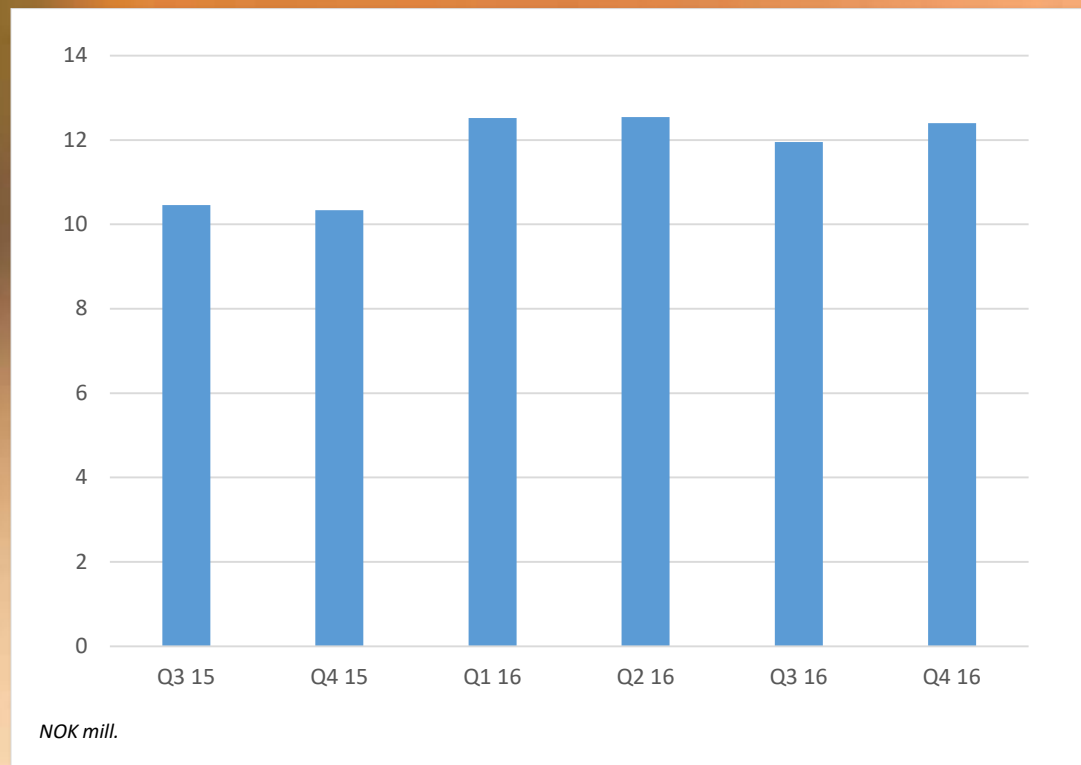
Income statement

<i>NOK million</i>	<i>Q4 2016</i>	<i>Q4 2015</i>	<i>2016</i>	<i>2015</i>
Income	12.4	10.3	49.4	38.9
Operating costs ¹⁾	-6.2	-4.0	-29.6	-17.7
EBITDA	6.2	6.3	19.8	21.3
EBIT ²⁾	5.8	5.4	2.9	15.4
EBT	5.6	4.7	2.2	15.0
Net result	4.0	7.2	1.5	17.4
EBITDA margin	49.7%	61.0%	40.1%	54.6%

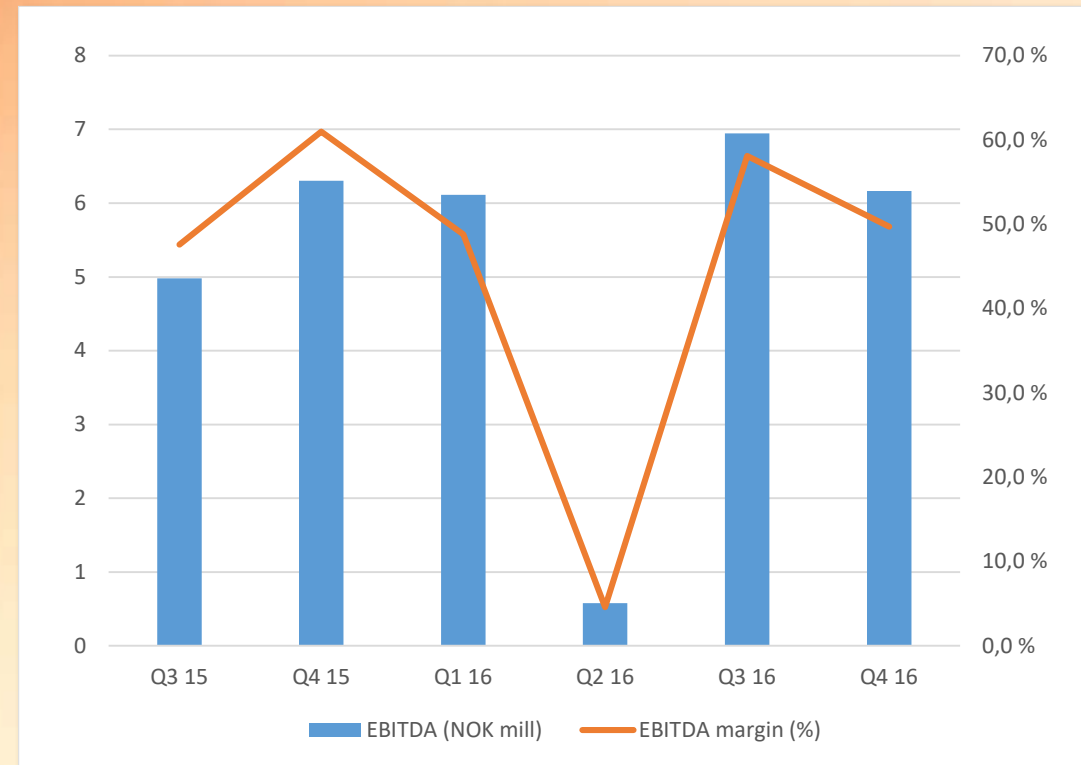
1) Operating costs include non-recurring costs related to US legal dispute

2) Full year EBIT includes NOK 12.7 million inventory write-down in Q3

Revenue and profitability development



Revenues



EBITDA

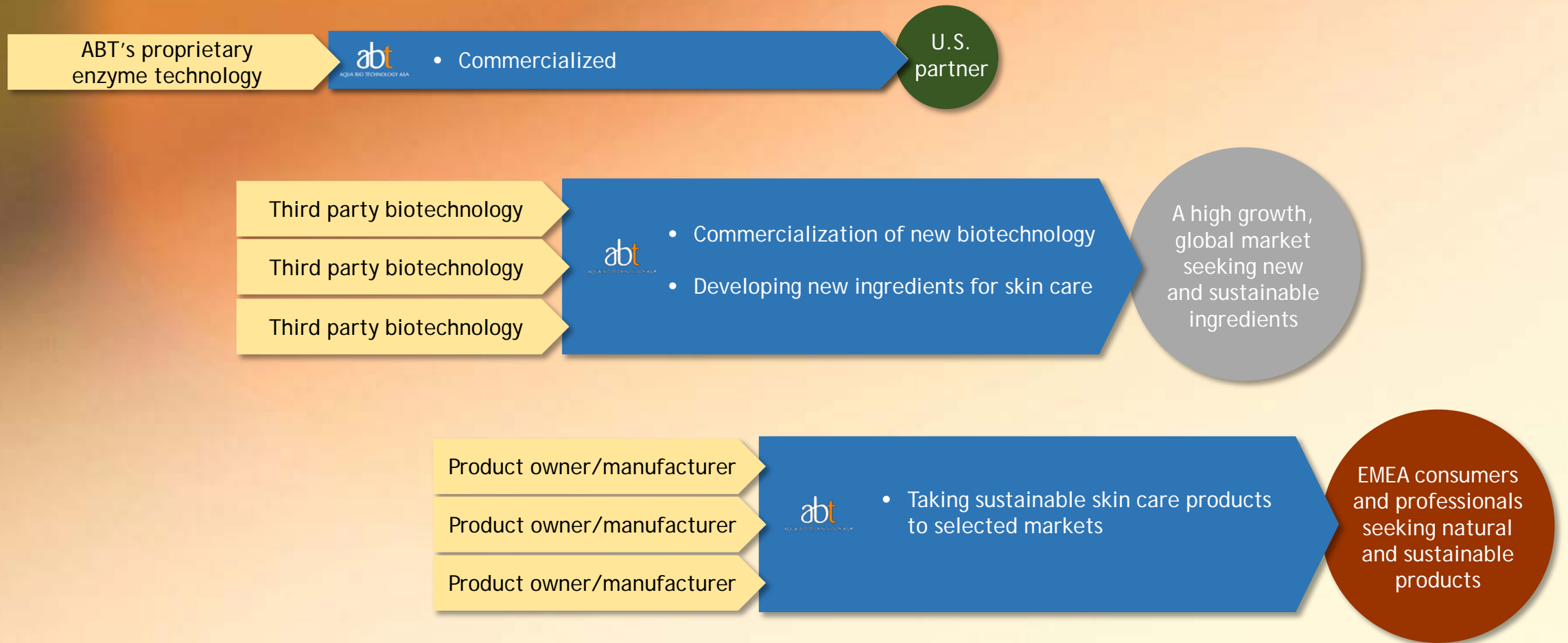
Balance sheet

<i>NOK million</i>	<i>31 Dec 2016</i>	<i>30 Sep 2016</i>	<i>31 Dec 2015</i>
Fixed assets	6.5	7.9	11.1
Current assets	64.5	65.4	75.0
- of which is cash	46.2	45.8	42.0
Total equity	61.8	65.0	76.7
Long term debt	4.3	5.3	5.0
Short term debt	4.9	3.1	4.3
Total balance	71.0	73.4	86.1
Equity ratio	87.0%	88.5%	89.1%

Cash flow

<i>NOK million</i>	<i>2016</i>	<i>2015</i>
Cash at beginning of period	42.0	29.2
From operations	22.3	21.9
From investments	-0.4	-1.9
From financing	-17.0	-6.4
Currency effects	-0.7	-0.7
Cash at end of period	46.2	42.0
Cash change in period	4.2	13.5

Expanded business model



Rationale - business model expansion

- Broader market reach
- Building on ABT's expertise
- Faster to cash flow
 - *Development cycle for new ingredient is 1-3 years*
 - *Establishing foothold in end-user markets takes 6-12 months*
- Combined business model is robust
 - *Ingredients is in general a low volume - high margin business*
 - *Consumer goods offer volumes and cash flow at more moderate margins*
- ABT's high-end ingredient profile provides credibility in end-user markets

INGREDIENT PARTNERS



- AlgoSource (France)
- Green and red algae technology
- Ingredients to be launched in 2017



- Zembra Group (UK)
- Derivatives from olive mass
- Ingredients to be launched in 2018



- Banco Español de Algas (Spain)
- Micro algae and cyanobacteria technology
- ABT develops marine beta-glucane
- Aiming for IP protection of ABT applications
- Ingredients to be launched 2018

PRODUCT PARTNERS



- Moana Skincare (New Zealand)
- Based on plants and seaweed from NZ
- ABT holds EMEA marketing rights
- Being rolled out in Scandinavia



- ScandiDerma (Norway); Cuvget
- Based on chaga (fungus)fungus from Arctic birch trees, a powerful anti-oxidant
- ABT holds EMEA marketing rights
- Already in the market, short term focus on Scandinavia and Portugal

EXCLUSIVE PARTNER AQUABEAUTINE XL



- Restorsea (USA)
- Skin care products based on ABT's proprietary technology
- Restorsea granted exclusivity
- Distributed in North America
- In the market since 2013

Marketing strategy - skin care products

- Short term focus on available European markets
 - *Moana: High-end retail/clinics, key opinion leaders in Europe*
 - *Cuvget: Retail/clinics, Norway, Sweden, Portugal*
- Next step is establishing foothold in the large and attractive Middle East markets
- Strategic positioning of Moana and Cuvget in relevant market segments
- «Low cost - high impact» marketing strategy

Dispute with U.S. customer moved to arbitration

- The contract between the parties expired on 1 January, 2016; has not been renewed
- Customer's legal complaint rejected by U.S. federal court in Q2 2016
- Case referred to arbitration in London, as stipulated in original contract
- Arbitration scheduled for September 2017

Agreement with Restorsea extended

- Agreement extended for new five-year period, on terms stipulated in original contract
- USD 1 million payment received in Q1 2017
- Going forward, income from Restorsea will be purely sales-based royalty payments and purchase of Aquabeautine XL.

Outlook

- Revenue stream from Aquabeautine XL significantly reduced
- First revenues from product sales in Q2, expected to increase during second half 2017
- Revenues from AlgoSource ingredient expected in second half 2017
- Moderately increased opex due to marketing initiatives in both business areas

Welcome back

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Results Presentation
First Quarter 2017

16 May, 2017

Technology by nature