



AQUA BIO TECHNOLOGY ASA

Results Presentation
Second Quarter and First Half 2016

17 August 2016

Technology by nature

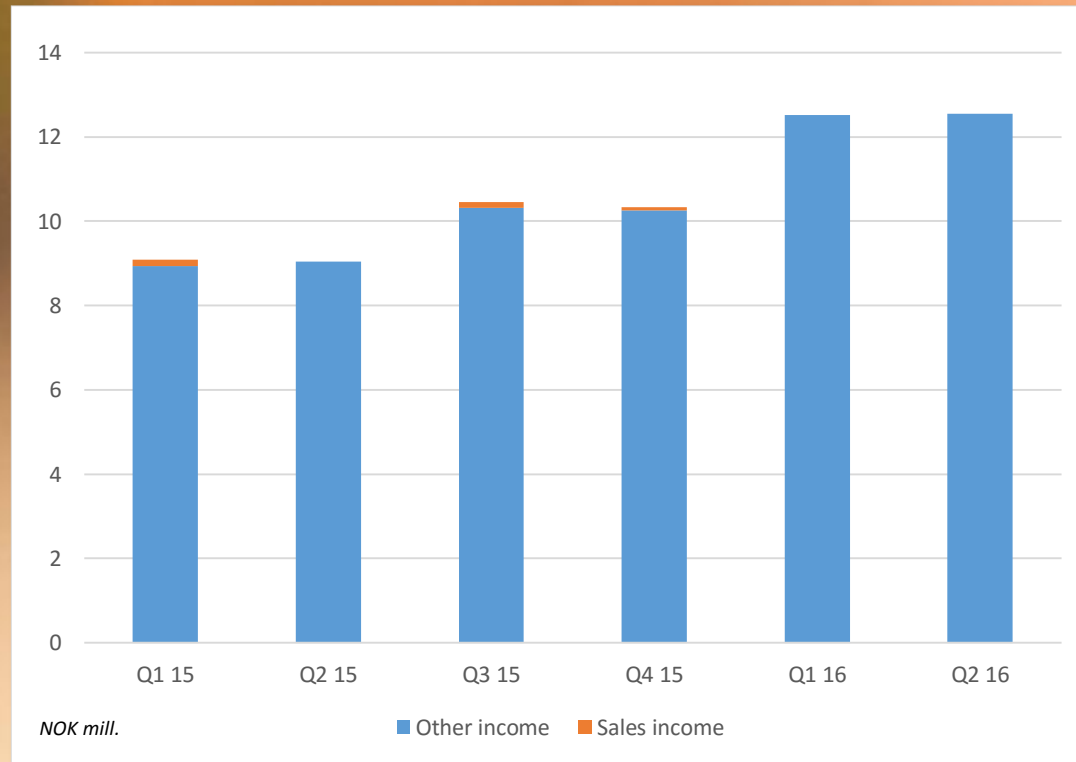
Second quarter highlights

- Revenue development in line with expectations and agreements
 - *Record levels in first and second quarter*
- Financial results adversely affected by U.S. lawsuit
 - *High non-recurring costs*
 - *Lawsuit against ABT stayed by federal court*
- New technology development progressing as planned
 - *Safety tests for three new substances concluded, efficacy tests ongoing*
 - *Market launch of three new products scheduled for Q4*

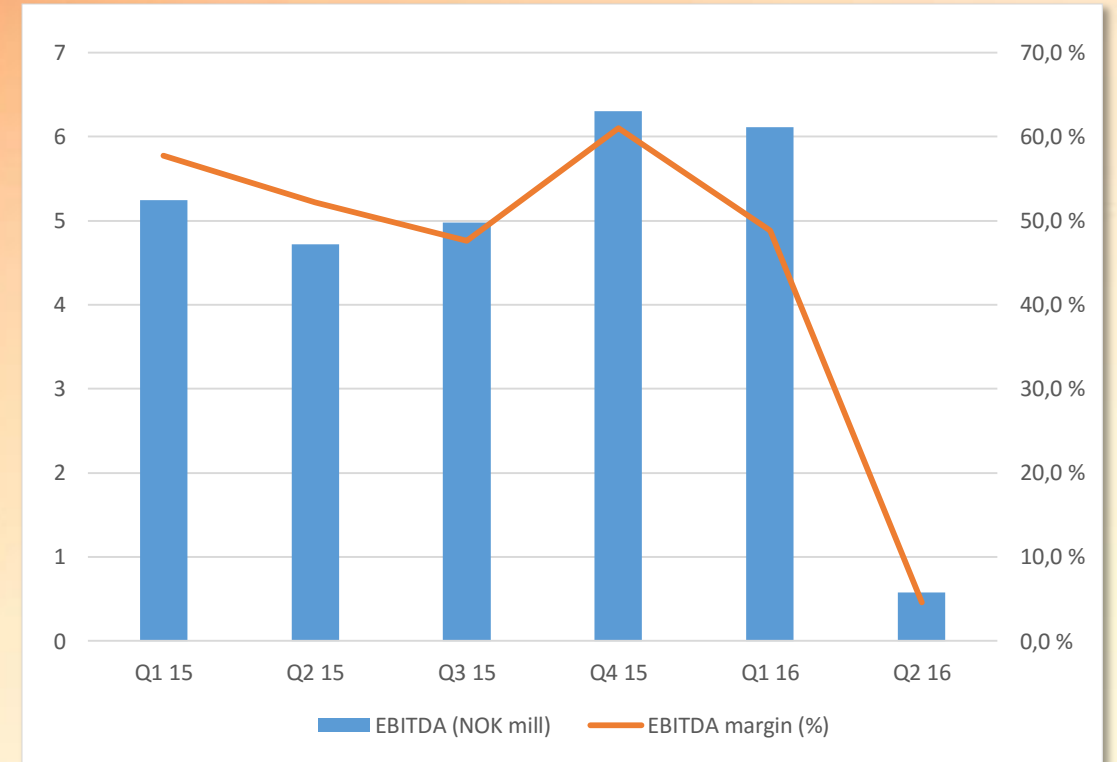
Income statement

<i>NOK million</i>	<i>Q2 2016</i>	<i>Q2 2015</i>	<i>YTD 2016</i>	<i>YTD 2015</i>
Income	12.5	9.0	25.1	18.1
Operating costs	-11.9	-4.3	-18.4	-8.1
EBITDA	0.6	4.7	6.7	10.0
EBIT	-0.9	3.1	3.8	6.7
EBT	-0.9	3.2	3.7	7.3
Net result	-0.7	3.2	2.8	7.3
EBITDA margin	4.6%	52.2%	26.7%	55.0%

Revenue and profitability development

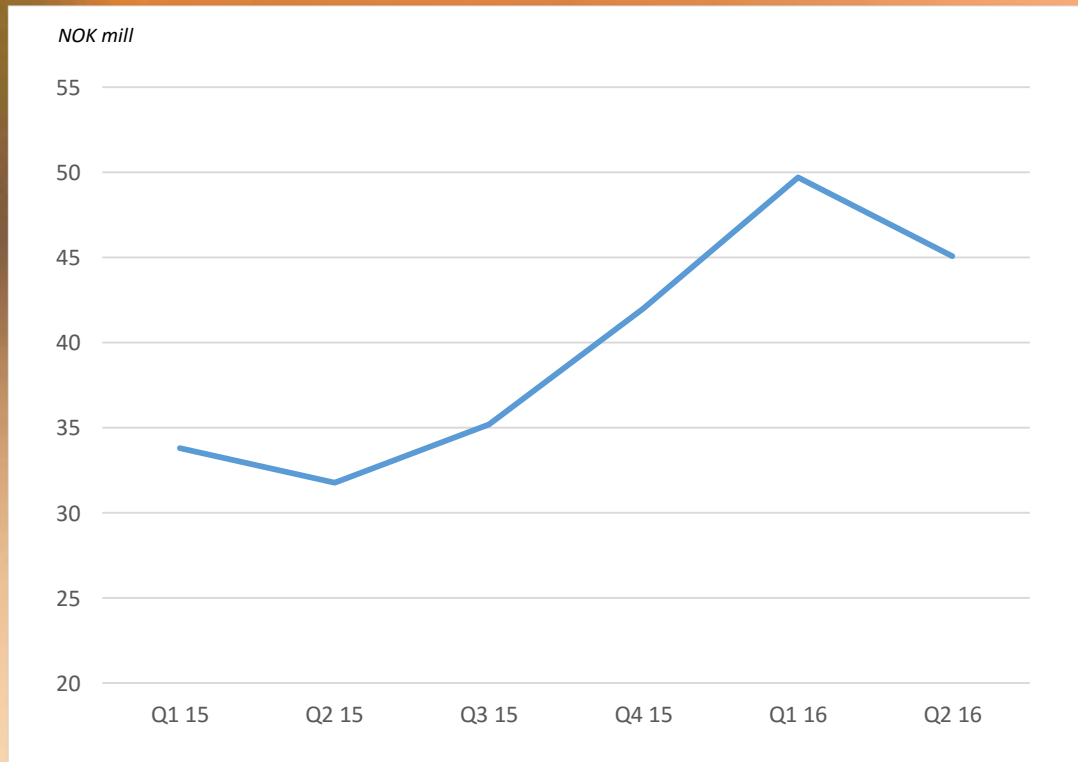


Revenues



EBITDA

Cash development



- NOK 45.1 million cash holding per 30 June 2016
- Cash holding increased by 42 per cent from Q2 2015
- Q2 2016: Dividend payment of NOK 10.3 million

Balance sheet

<i>NOK million</i>	<i>30 June 2016</i>	<i>31 Dec 2015</i>	<i>30 June 2015</i>
Fixed assets	7.2	11.1	10.3
Current assets	78.5	75.0	65.7
- of which is cash	45.1	42.0	31.8
Total equity	69.4	76.7	66.6
Long term debt	5.3	5.0	5.3
Short term debt	11.1	4.3	4.0
Total balance	85.7	86.1	76.0
Equity ratio	80.9%	89.1%	87.8%


Cash flow

<i>NOK million (year to date)</i>	2016	2015
Cash at beginning of period	42.0	29.2
From operations	12.2	10.0
From investments	0.0	-1.1
From financing	-8.9	-7.0
Currency effects	-0.2	0.7
Cash at end of period	45.1	31.8
Cash change in period	3.3	2.6

A strategy for growth



New technologies progressing as planned

	Spirulsat® Green algae technology	Contracted Q1	Safety study completed	Efficacy study in Q3	Market launch in Q4
	Red algae technology	Contracted Q1	Safety study completed	Efficacy study in Q3	Market launch in 2017
	Olive mass technology	Contracted Q1	Safety study completed	Efficacy study in Q3	Market launch in Q4

- No initial payments, development costs carried by ABT, royalty payments based on sales
- Additional 1-2 technology partners will be added in 2016
- Focus on commercialization and building revenue in 2017

U.S. lawsuit stayed

- Legal complaint by Access Business Group International rejected by federal court
- Case referred to arbitration in London, as stipulated in original contract
- The contract between ABT and Access expired on 1 January, 2016 and has not been renewed
- ABT's and its legal counsel maintains its position that the company has a strong case in these legal proceedings
- ABT and its legal counsel believe there may be reason to believe that there has been a breach of contract by Access during the term of the above mentioned agreement, and options are under consideration.
- The lawsuit caused ABT non-recurring costs of NOK 10 million in first half of 2016

Outlook

- Revenue stream from Aquabeautine XL will remain steady in 2016
- Limited license and royalty payments for Aquabeautine XL in 2017
- Near term opex will return to normal levels
- Full arbitration process will put cost level up also in 3rd quarter
- Testing and documentation of new products expected to be completed in Q3, market launch in Q4
- 1-2 additional in-licensing agreements to be expected in second half of 2016
- Focus on commercialization of new products going forward
- Revenues from new products expected in 2017

Welcome back

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Third Quarter 2016

17 November 2016

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