



AQUA BIO TECHNOLOGY ASA

Fourth Quarter Results Presentation

12 February 2014



**A unique technology.
In the fastest growing segment
of a rapidly growing industry.**

Welcome to Aqua Bio Technology.

2013 Highlights

- Aquabeautine XL™ exclusivity partners
 - *Restorsea: extends its skincare line by launching new products*
 - *Amway: New skin care series launched in nine Asia Pacific markets*

- Dermaclarine™ market coverage improved
 - *New distributors secured in Q4 covering additional 16 countries with more than 300 million consumers*

- Best net result ever; attractive margins maintained

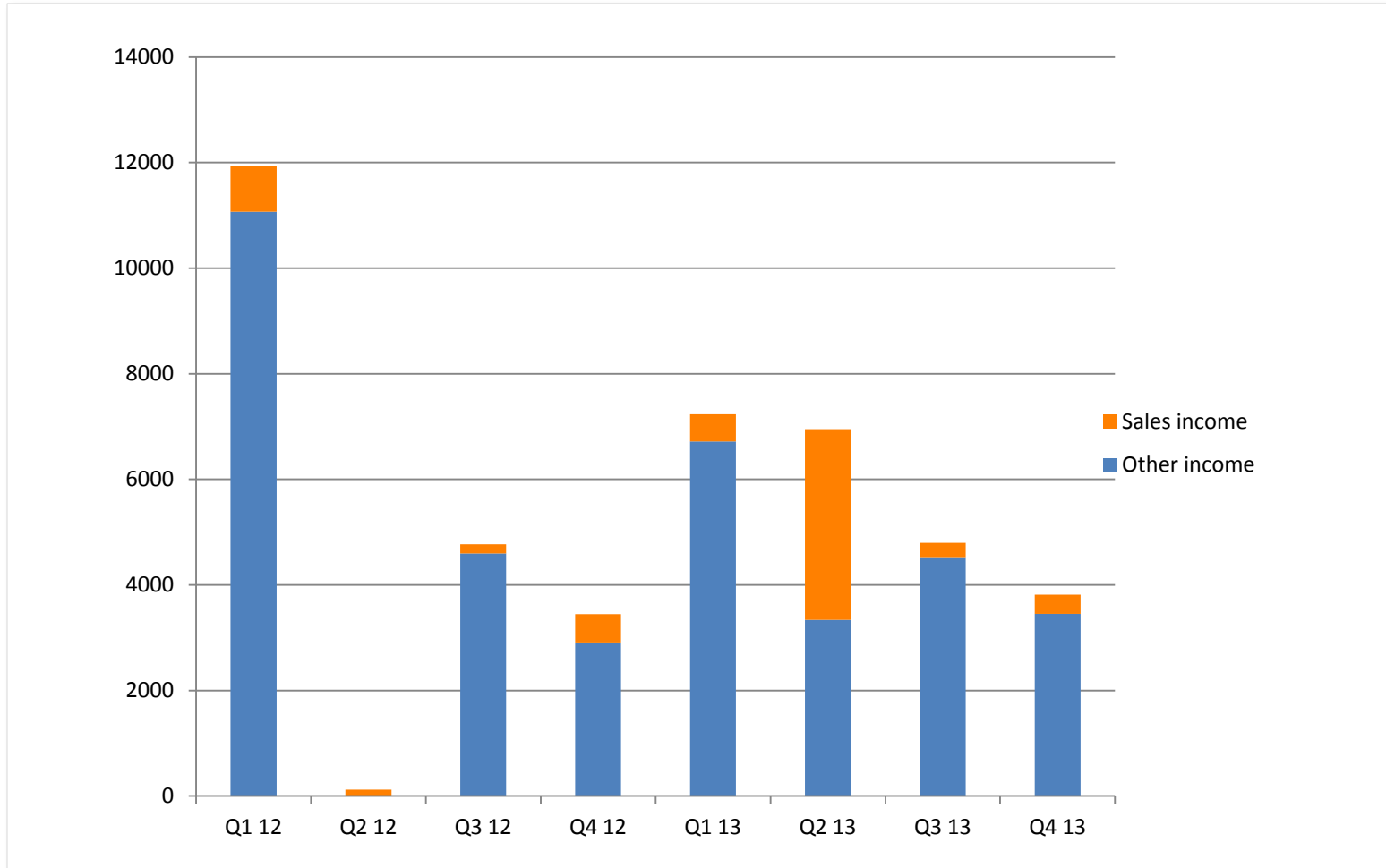
- Positive cash flow of MNOK 6; strong financial position

4th Quarter and Full Year 2013 Results

<i>NOK million</i>	<i>Q4 2013</i>	<i>Q4 2012</i>	<i>2013</i>	<i>2012</i>
Income	3.8	3.4	22.8	20.3
Operating costs	-4.5	-3.1	-15.0	-12.3
EBITDA	-0.7	0.2	7.8	8.0
EBIT	-2.5	-1.4	1.8	2.4
EBT	-2.1	-2.7	2.8	0.9
Net result	-2.1	-2.7	2.8	0.9
EBITDA margin	-18.4%	5.9%	34.2%	39.4%

- Revenues will fluctuate from quarter to quarter, due to ABT's early phase position and customer structure

Income development 2012-2013



Balance Sheet

<i>NOK million</i>	<i>31 Dec 2013</i>	<i>30 Sep 2012</i>	<i>31 Dec 2012</i>
Fixed assets	16.6	18.2	21.9
Current assets	61.7	60.3	56.3
- of which is cash	27.0	26.0	21.0
Total equity	65.9	67.4	62.0
Long term debt	9.0	9.2	9.8
Short term debt	3.4	2.0	6.3
Total balance	78.3	78.6	78.2
Equity ratio	84.2%	85.8%	79.3%

Cash flow

<i>NOK million</i>	2013	2012
Cash at beginning of period	21.0	7.1
From operations	6.1	5.7
From investments	-0.7	-3.1
From financing	0.6	11.3
Cash at end of period	27.0	21.0
Cash change in period	6.0	13.9

Strategy: Rejuvenating the skin care industry

1. Further develop unique position in marine, sustainable ingredients
 - *Maintain strong IP protection of proprietary technology*
2. Multiple approach to marketing and distribution
 - *Visibility in industry meeting places*
 - *Direct dialogue with industry majors*
 - *Distributor network covering more than 80% of relevant world market*
 - *Partial or full exclusivity for selected ingredients in return for large, secure volumes*
3. Enhance industry reach by expanding product portfolio
 - *Three products currently in the market, in various stages of commercialization*
 - *New products to be expected*
4. Become a competence centre for commercialization of new bio technology for the cosmetics industry through partnerships (in-licensing)
 - *Discussions with potential technology partners ongoing*

ABT well adapted to industry growth trends

- Skin care is the largest and fastest growing product class globally
- Due to an increased demand for activity and efficacy, the specialty actives market is expected to grow faster than the personal care industry
- Specialty actives in personal care target a wide variety of performance benefits - although anti-aging functionality dominates and accounts for around 60% of specialty actives targeted functionality in Europe and the USA *
- The majority of focus in the skin care product class is directed towards maintaining a youthful appearance
 - *Anti-aging and acne treatment products continue to be in vogue*
- Industry trend towards substituting petroleum based ingredients
 - *Sustainability issues*
 - *Health and safety/ side effect issues*

2013 operational update

Aquabeautine XL™

- Restorsea expanded its Aquabeautine XL™ based product line
- Initial launch of Amway's Artistry skin care series, four products launched in nine Asia Pacific markets
- Ingredient volumes picking up

Dermaclarine™

- Three new distributor agreements signed
- The additional agreements cover 16 markets with more than 300 million consumers
- The new distributor agreements supplement already existing distributors.
- Dermaclarine™ expected to become important contributor going forward

Beauty Propelline™

- Unique features of the ingredient recognized by the industry
- Significant market interest in establishing exclusivity agreement
- Considerations and discussions ongoing; the final commercial solution for Beauty Propelline not yet concluded

In-licensing

- Several technology partners identified and advanced to firm discussions
- Objective is to launch new products based on in-licensing agreements

Promising outlook

- **Attractive market outlook**
 - A unique technology, in the fastest growing segment of a rapidly growing industry
- **Growing revenues going forward**
 - 2014-2017 contracted income stream sufficient to generate profitability
 - Growing product sales represent additional revenues over time
 - New products expected to add further revenues
 - Q on Q top line development still expected to fluctuate for some time
- **Profits expected to remain strong**
 - Moderate cost increase as revenues continue to grow
- **Solid financial position**
 - Equity ratio well above 80 pst; positive cash flow to be maintained
- **Well adapted to industry requirements**
 - Natural, sustainable ingredients replacing traditional cosmetics components

1st Quarter 2014 Results

21 May 2014



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