



abt

AQUA BIO TECHNOLOGY ASA

Business presentation

Rejuvenating the skin care industry

3 December, 2018

Technology by nature

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Risk factors (1/2)

Investing in the shares issued by Aqua Bio Technology involves inherent risks. An investor should consider carefully all of the information set forth in this Presentation, and in particular, the specific risk factors set out below. An investment in the shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. If any of the risks described below materialize, individually or together with other circumstances, they may have a material adverse effect on ABT's business, financial condition, results of operations and cash flow, which may cause a decline in the value and trading price of the shares that could result in a loss of all or part of any investment in the shares. The risks and uncertainties described below are not the only ones faced by ABT. Additional risks and uncertainties that ABT currently believes are immaterial, or that are not presently known to ABT, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

Risks relating to the Company and the industry in which it operates which could have a material adverse effect on the Company's business, operating results or financial conditions:

- Although the products produced, marketed and commercialized by ABT are in accordance with regulatory requirements and are considered safe for use in consumer products, it is an inherent risk that the products may be used by persons with special health conditions or that the products in other ways cause harm to persons and lead to product liability claims, negative media attention and public concern.
- ABT's business and prospects depend, to a significant extent, on the continued services of its key personnel. The loss of any of the members of its management or other key personnel or the inability to attract sufficient qualified personnel could have a material adverse effect on the Company's business, its financial position and/or cash flows.
- The Company may not be successful in entering and opening new markets due to high competitiveness within the cosmetic market/skincare market/personal care market and/or the entry of new competitors.
- The Company's products are newly introduced to the market and sells at a high price compared to traditional products/competition. There is no guarantee that the Company will be able to obtain the sales at these prices, and a change in the market conditions/competition could lead to lower sales prices or volumes.
- ABT's commercialization strategy involves, *inter alia*, the granting of licenses for its proprietary ingredients or in-licensed products and entering into distribution, marketing and sales agreements with third parties, often on an exclusive basis, in each of the Company's markets of operation, for the purpose of obtaining regulatory approval for marketing and selling ABT's products.
- ABT's sales strategy depends on the cooperation of its partners and the level of resources they commit to the marketing and sales activities of ABT's products in each of the Company's markets of operation and, in part, on ABT's ability to establish, maintain and productively manage these relationships, both in terms of sales and distribution.

- The Company in-licenses parts of its product portfolio from third parties/partners and receive exclusive rights to commercialize its products in defined markets of operation. The Company's business and prospects depend on its partners' ability to maintain and productively manage the manufacturing and supply of their products to the Company.
- Third parties may illegally copy the Company's products or violate its intellectual property.
- The Company faces risks of claims for intellectual property infringement from third parties.

Financial risk that could have a material adverse effect on the Company's business, operating results or financial conditions:

- The Company may require additional capital in the future pursuant to its business plan due to unforeseen liabilities or in order for it to take advantage of opportunities that may be presented to it.
- Fluctuations in currency exchange rates may impact the Company's operational income.
- Delivery of in-licensed products and other critical factors and services pertaining to the Company's own products are dependent on the Company's ability to pay its accounts payable on time.

Risk relating to production and manufacturing which could have a material adverse effect on the Company's business, operating results or financial conditions:

- ABT produces its proprietary technology and products from natural sources and the Company needs sufficient access to raw material of a consistent and high quality. Even though the Company has a sound stock level of raw material today, no guarantees can be made regarding the future quality of the raw material or the continued access to raw material from the expected sources.
- ABT is dependent on its partners' ability to uphold their manufacturing capacity and supply of products to the Company. The Company's commercialization efforts has previously become delayed due to manufacturing errors with the Company's partners and there can be no assurance that such delays will not occur in the future. Any delay or error in the manufacturing of the Company's products could have a material adverse effect on the Company's business, its financial position and/ or cash flows.
- The Company enters into agreements with a number of third parties when carrying out its business, and the future success of the Company will depend on the terms of such agreements and the performance thereunder. If the Company is required to change its third party suppliers, it may incur increased costs and production delays as well as resources related locating and entering into new agreement with third party suppliers.

Risk factors (2/2)

Risk relating to potential legal disputes which could have a material adverse effect on the Company's business, operating results or financial conditions:

- The Company operates in a sector that is dependent on intellectual property, and the Company faces the risks of third parties illegally copying its products and of third parties claiming that the Company infringes intellectual property rights. Further, the Company faces the risks of legal disputes if its contract parties or the Company itself does not perform in accordance with agreements entered into. Any legal dispute or litigation may imply substantial costs in defending or pursuing claims. Specifically, the Company has in the past years and is currently involved in disputes with contract parties. For further information, please refer to slide 44 that describe the below disputes and discussions in more detail.
- Zona Nordic AB, a Swedish company, has filed a complaint against the Company in the Helsingborg District Court, claiming that ABT has not fulfilled its obligations under a settlement agreement from 2009. Although the Company rejects that there is a basis for any claim against the Company, no guarantee can be made of a successful outcome of the dispute.
- Aquazyme AS has claimed that ABT owes royalties under the existing licensing agreement between the companies and also claims that Aquazyme AS' debt to ABT no longer is valid and is time barred. ABT rejects that there is a basis for a claim for additional royalties and the objections against Aquazyme AS' debt to ABT. Aquazyme AS. The parties are in ongoing discussions to see whether a joint understanding can be found. No guarantee can be made of a successful outcome of the discussions or a future dispute.
- A former part time (20%) employee of ABT claims that the Company's termination of his engagement is invalid and that he is entitled to damages and the right to stay in the position. Although the Company rejects that the termination is invalid, no guarantee can be made of a successful outcome if the claim is brought before the court.

Risks relating to intellectual property rights which may have a material adverse effect on the Company's business, financial condition and results of operations:

- ABT relies upon certain proprietary confidential information, trademarks, unpatented know-how, unpatented trade secrets and improvements and continuing technological innovation to develop and maintain its competitive position. On the date of this Presentation, the Company has patents and pending patent applications in 7 patent families consisting of 104 granted patents and 31 pending patent applications. There can be no assurance that any of the patents applied for by the Company will be granted. Patent protection may not, in any event, prevent competitors from developing alternative technological solutions. If ABT is unable to adequately protect its intellectual property, technology, trade secrets or proprietary knowhow, or enforce its existing or future patents, this might have a material adverse effect on its business, results of operations and financial condition. The Company's business may also be dependent on utilization of patented or otherwise proprietary technology of third parties, to which ABT will have or seek right of use as further regulated in license agreements and arrangements and no assurances can be given that such license rights will be renewed and upheld in the future.
- ABT may be unable to adequately protect its intellectual property, technology, trade secrets or proprietary knowhow, or enforce its existing or future patents.

- The use of technology in a competitive business where patents and other intellectual property rights exist involves a general risk of alleged infringement of third party rights. Although freedom to operate analysis have been performed by ABT, there can be no assurance that such analysis is complete or has considered relevant future scenarios. Competitors may claim that one or more of ABT's products infringe upon their patents or other intellectual property rights. Resolving a potential patent or other intellectual property infringement claim, can be costly and time consuming and may require ABT to enter into royalty or license agreements. If this should become necessary, there is no assurance to obtain royalty or license agreements on commercially acceptable terms. A successful claim of patent or other intellectual property infringement could cause ABT to be liable for significant damages or an injunction preventing manufacture, sale or use of the Company's affected products or otherwise limit its freedom to operate.

Risks relating to the Shares which may have a material adverse effect on the Company's business, operating results or financial conditions:

- The trading price for the Shares may fluctuate significantly and may not always reflect the underlying asset value of the Company.
- In the case of low liquidity of the Shares, or limited liquidity among the Company's shareholders, the share price can be negatively affected and may not reflect the underlying asset value of the Company.
- All securities investments involve the risk of loss of capital. Investment in the Company involves significant economic risks.
- ABT's ability to pay dividends is dependent on the availability of distributable reserves.
- Future share issues may have a material adverse effect on the market price of the Shares.
- Shareholders will be diluted if they are unable or unwilling to participate in future share issuances.
- Beneficial owners of Shares that are registered in a nominee account (e.g. through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (VPS) prior to the Company's general meetings.
- Certain transfer and selling restrictions may limit shareholders' ability to sell or otherwise transfer their Shares.
- It may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce on such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.
- Norwegian law may limit the shareholders' ability to bring an action against the Company.
- Each potential investor in the Shares must determine the suitability of that investment in light of its own circumstances.

Transaction overview

The offering:

- A private placement ("**Private Placement**") of minimum NOK 10.5 million and maximum NOK 15 million with a subscription price of NOK 2.50 per each new share, issuing minimum 4,200,000 and maximum 6,000,000 new shares (the "**New Shares**").
- As the proposed subscription price is lower than the par value of the Company's shares, ABT will carry out a share capital decrease to reduce the par value of the Company's shares in connection with the Private Placement (subject to approval by the EGM).
- For each New Share subscribed in the Private Placement, the subscriber get the right to subscribe for one New Share for the same subscription price during the period between 30 June 2019 - 1 September 2019 (the "**Warrant**"). The Company will seek to list the Warrants on Oslo Axess.
- The Company will seek to enter into pre-commitment agreements with shareholders securing commitments for subscriptions and voting undertakings for the EGM. Pre-commitment agreements are already entered into with shareholders subscribing for NOK 10.5 million / 4,200,000 New Shares.
- Shareholders that have pre-committed to subscribe for shares for NOK 10.5 million, will on a pro rata basis (based on their subscription commitment) have a preferential right to subscribe for New Shares that are not subscribed for in the Private Placement and in the subsequent Repair Issue.
- Please refer to the Term Sheet for additional information.

Use of proceeds and Background for Private Placement:

- The proceeds will be used for general purposes and working capital related to the commercialization of the Company's products in its markets of operation as further detailed on slide 12 and forward.

Documentation:

- This Presentation
- Term Sheet
- Publicly available information

Investors:

- The Company's 140 largest existing shareholders and certain new Norwegian investors (board members and key management)

Timeline:

- **Allocation:** On or about 9 January 2019.
- Extraordinary General Meeting ("**EGM**") to resolve the Private Placement: On or about 7 January 2019.
- **Payment and delivery of shares:** Payment 2 trading days after the EGM. Delivery on or about 5 trading days after payment.
- The New Shares will be issued on a temporary ISIN pending the approval of a listing prospectus (expected to be approved February 2019).
- The New Shares will be converted to the Company's ordinary ISIN and made tradable on Oslo Axess upon publication of the listing prospectus.
- **Repair Issue:** After approval of the prospectus.

Allocation:

- Allocation at the sole discretion of the Board of Aqua Bio Technology, taking into account factors such as pro rata ownership, perceived investor quality and ownership horizon.

Conditions:

- The Company's EGM resolving the share capital decrease to reduce the par value of the Company's shares and resolving the share capital increase pertaining to the Private Placement.

About Aqua Bio Technology

1997	2000	2008	2012	2013	2017	Future
Discovery of unique proteins in <i>salmon hatching water</i>	ABT established	Listed on Oslo Stock Exchange (Oslo Axess)	Commercial breakthrough. Launch of two new ingredients from ABT's own technology	In-licensing of ingredients	Commercialization of third-party consumer products through exclusive distributor agreements in Europe, Middle East and Africa	Continue to commercialize third-party ingredients and consumer products

Aqua Bio Technology has launched several cosmetic ingredients being used in skin care products globally. Skin care is the fastest growing segment in the cosmetics industry, where ABT's ingredients have established a foothold. In addition to ingredients, ABT also commercializes new technologies/skin care products through in-licensing agreements with third parties, providing the Company with products series such as Moana and Cuvget. Aqua Bio Technology is listed on Oslo Axess.

Our Vision

Natural and sustainable skincare with
documented cosmetic benefits that meet
consumer needs and demands

Technology by Nature. From the Arctic to the South Pacific



● ABT offices (rented office space)

A natural and sustainable business model



Business model rationale

- Building on ABT's proven expertise and market reach
- ABT's high-end ingredient profile provides credibility in end-user markets
- Larger market footprint with the addition of consumer goods (primo 2017)
- Faster access to cash flow:
 - *Development cycle for new ingredient is typically 1-3 years*
 - *Establishing foothold in end-user markets typically takes 6-12 months*
- The combined business model offers a better risk diversification
 - *Ingredients is in general a low volume – high margin business*
 - *Consumer goods offer larger volumes – cash flow at more moderate margins*

INGREDIENT PARTNERS



- AlgoSource (*France*)
- Green and red algae technology
- Ingredients launched late 2017



- Banco Español de Algas (*Spain*)
- Micro algae and cyanobacteria technology
- ABT develops marine beta-glucane
- Aiming for IP protection of ABT applications
- Ingredient expected to be launched 2019-2020



- Zembra Group (*UK*)
- Derivatives from olive mass
- Ingredient launched in 2018 – on hold pending manufacturing cost assessment with licensor

PRODUCT PARTNERS



- Moana Skincare (*New Zealand*)
- Based on plants and seaweed from NZ
- ABT holds EMEA marketing rights
- Launched 1H-2017



- ScandiDerma (*Norway*); Cuvget
- Based on chaga (fungus) from Arctic birch trees, a powerful anti-oxidant
- ABT holds EMEA marketing rights
- Launched 1H-2017

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

Private Placement rationale – need for additional working capital (1/6)

- ABT needs additional working capital until anticipated revenue generation is coming from its new business model
- The delayed turnover and growth of the Company's commercial activities and need for additional working capital, is mainly due to product quality issues related to the product packaging:
 - These issues have been addressed with both licensors
 - The ABT's key personnel has assisted both licensors in correcting these issues through its competence and network of vendors and contacts, facilitating a thorough, cost-efficient and fast process
- To secure a timely delivery of new and re-designed packaging of high quality, the Company has recently also secured necessary financing to the licensors

Private Placement rationale - Moana Skincare (2/6)

- Moana Skincare - History
 - Since launch in 2017, the Company has worked extensively to sign distributors through its markets in Europe, Middle East and Africa (EMEA)
 - New packaging addresses quality issues with the products launched in the first phase
 - No identified issues with the product formulations
 - Upon the delivery of products with new packaging (Jan/Feb 2019), the Company will re-engage distributors throughout EMEA to target the previously expected sales estimates
- Signed distribution agreements
 - Kuwait
 - Germany, Austria and Switzerland
- Future commercial activities
 - Moana continues to receive great feedback throughout ABT's territory (Europe, Middle East, Africa (EMEA))
 - ABT has ongoing discussions/negotiations with several distribution leads throughout EMEA
 - When new packaging in place, leads are expected to turn into sales via distributor agreements
 - Expected significant growth in commercial activities from primo 2019 after re-launch in new packaging
 - Sales expectations 2019 in the range of NOK 4.785 mill - NOK 11.8 mill

Private Placement rationale - Cuvget (3/6)

- Cuvget – History
 - Since the test launch in 2017, ABT worked extensively to achieve sales in individual clinics in the Nordic countries and Portugal
 - The licensor resolved the packaging issues experienced during these tests and launched a new key product in Q3-2018
 - ABT's primary distribution strategy for Cuvget is large retail chain distribution, cf. below
- Signed distribution agreements
 - Germany, Austria, Switzerland (currently on hold, pending distribution opportunity in one of the big pan-European chains)
 - United Arab Emirates
- Future commercial activities
 - Experience that customer satisfaction and brand approval amongst customers is high
 - With product quality issues resolved and availability of new key products, the Company has re-engaged its primary strategy for Cuvget which is to target pan-European retail chain distribution (e.g. Douglas, Marionnaud, Sephora) within its territory (Europe, Middle East, Africa (EMEA))
 - Go/No decision expected by May 2019 and other distributor leads are put on hold pending such decisions
 - Several distributor leads ready to be engaged in case a "no go-decision" in May 2019
 - ABT is in final negotiations with distributors in certain markets not covered by Company's main strategy
 - Expected sales 2019: NOK 3.8 million – NOK 9.05 million

Private Placement rationale – Restorsea and Spirulysat® (4/6)

- Restorsea
 - Royalty from partner's net sales of ingredients and consumer products
 - Future renewal fees expected for extension of exclusivity in 2022 (USD 2.5M) and 2027 (USD 2.5M)
 - The Company has a substantial volume of raw material in storage, i.e. input factor for the manufacture of Aquabeautine XL®
- Spirulysat®
 - ABT seeks to utilize existing distributor network for commercialization
 - ABT also promotes Spirulysat direct to brand owners / contract manufacturers / new distributor leads
 - Spirulysat meets consumer demands and trends in a crowded cosmetic ingredient market
 - ABT believes revenue will be generated during 2019 (estimate NOK 0.1 million – NOK 1.0 million)

Private Placement rationale – BEA and Zand (5/6)

- Banco Español de Algas (BEA)
 - ABT entered into a development project with BEA to discover new marine betaglucans for cosmetic use
 - Marine betaglucans meet consumer demands and trends in a crowded cosmetic ingredient market
 - Product candidates are identified – revenues from sales not expected before 2020
- Zand
 - Zand™ represents and meets consumer demands for a natural exfoliator within the cosmetic field
 - The licensors manufacturing costs are, today, high and this limits market access
 - ABT is working with the licensor to assess if an improved cost-benefit ratio is possible to achieve
 - ABT does not believe Zand will generate revenue in 2019

Private Placement rationale (6/6)

- The net proceeds of the Private Placement will be used for general purposes and working capital related to the Company's products in its markets of operation
- Proceeds expected to be sufficient working capital for Company to significant revenue generation and break even month-on-month by 2020

Business growth drivers / Critical success factors

- Increase distribution through signing new distributors and expansion of existing agreements
- Successful sales training and distributor assistance in local market launches (retail and @-tail)
- Continued follow-up with distributors and customers to contribute to local market growth
- Continued local market overview, optimizing business performance
- Successful line extensions to existing consumer brands, achieving further market growth
- Successful in-licensing of new additional ingredients to Company's portfolio
- Assist licensors in avoiding set back in product packaging quality issues / avoid future product packaging quality issues

Resource allocation - focus on sales, marketing and network

- The Company has amended its compensation model related to sales and marketing, aligning risk and rewards with shareholders:
 - Optimizing commercial focus and activities, with 100% focus on sales and marketing
 - Introducing a significant element of performance-based compensation related to the sales and marketing
- Reducing time-consuming administrative tasks to allow for increased focus on the commercial activities
- Key personnel will be working closely with the large distributors throughout EMEA

Product portfolio summary

AQUABEAUTINE XL®



ČUVGET

SPIRULYSAT®

Banco Español de Algas

ZAND™

CATEGORY	REGION	STATUS	SALES EXPECTATIONS (2019; in NOK 1000)
Ingredient	Outlicensed exclusively to US Partner		200 - 400
Consumer Products	Europe, Middle East, Africa (EMEA)	On market	4 750 - 11 800
Consumer Products	EMEA	On market	3 800 - 9 050
Ingredient	GLOBAL	On market	100 - 1 000
Ingredient	GLOBAL	Development	No sales expected 2019
Ingredient	GLOBAL	On hold	No sales expected 2019

Intellectual Property Rights (1/2)

- **Choriolysin L/VAPs – Key patents in the Restorsea Agreement**
 - This family contains 14 granted patents and 7 pending applications. Notably, 2 of the pending applications are accepted and will be granted in due course. One of the accepted applications is a European application which will result in a number of granted patents based on the countries in which the patent is validated.
- **Aquabeautine L – Key patents in the Restorsea Agreement**
 - This family contains 27 granted patents and 5 pending applications. Notably, 1 of the pending applications is accepted and will be granted in due course.
 - The number of granted patents includes all of the countries in which the European patent was validated.
- **Aquabeautine XL – Key patents in the Restorsea Agreement**
 - This family contains 27 granted patents and 5 pending applications. Notably, 2 of the pending applications are accepted and will be granted in due course.
 - The number of granted patents includes all of the countries in which the European patent was validated.
- **Zonase – Key patents in the Restorsea Agreement**
 - This family contains 25 granted patents. These are set to expire on 11 December 2018.

Intellectual Property Rights (2/2)

- **Aquabeautine X**
 - This family contains 3 granted patents and 8 pending applications. Notably, the European application has been accepted and will result in a number of granted patents based on the countries in which the patent is validated.
- **Alternative sources of Aquabeautine XL**
 - This family contains 8 granted patents and 5 pending applications.
The number of granted patents includes all of the countries in which the European patent was validated.
- **Cosmetic compositions comprising Chaga extracts**
 - This family contains 1 pending PCT application. The number of pending applications will increase if you decide to file national phase applications in June 2019.



Aquabeautine XL[®]

• Hatching fluid technology
fully licensed to US Partner

abt

Hatching water: A unique protein solution

When salmon eggs hatch, various proteins are released in the surrounding water:

Zonase

Protease secreted by specific cells of the fish larva. Helps the delicate baby fish getting out of its eggshell by digesting this tough, fibrous protein structure, but without harming it.



Polypeptides

Secreted by specific cells of the fish larva. Help to protect the baby fish against the harsh environment once it is born.

Egg shell proteins

Proteins from the egg shell hydrolyzed by the proteases secreted by the fish larva.

Clinical trial results

Efficacy: Significant improvement over 12 weeks of use of Aquabeautine XL® for all 6 efficacy parameters vs. the control.

Tolerability: No irritation observed while 2 parameters (Dryness/Scaling and Tight/Dry feeling) had significant improvement.

Aquabeautine XL® proven to:

- Brighten dullness,
- Smooth skin surface and soften rough texture,
- Minimize fine lines,
- Reduce wrinkles,
- Firm sagging skin,
- Fade discolorations,
- Hydrate dryness

⇒ Ultra mild active ingredient that refinishes the complexion:
Skin becomes smooth and even with a youthful glow.

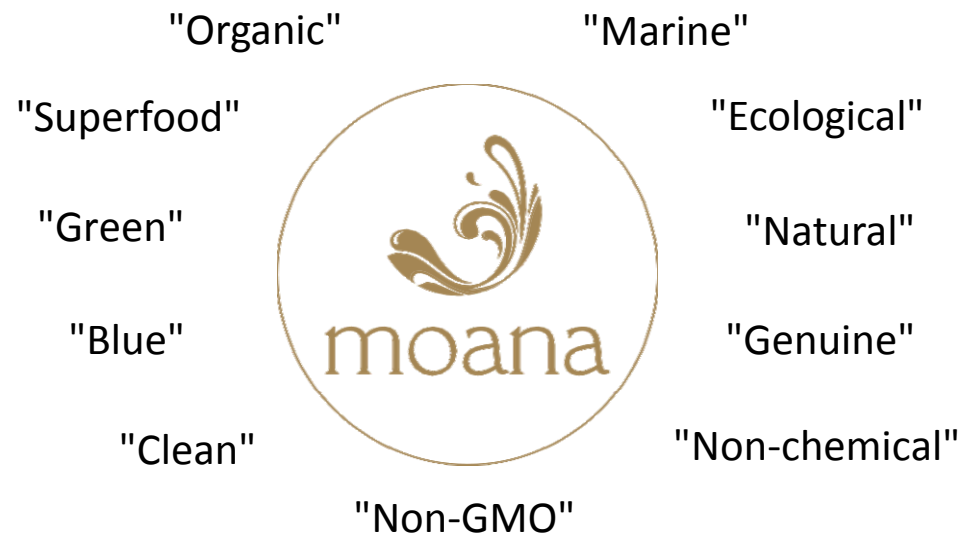


ORGANIC SKINCARE
FROM
NEW ZEALAND



Moana meets trends/consumer demands

- Consumer demands: Efficacy => Moana delivers uncompromising effects
- Consumer demands: Natural alternatives => Moana delivers certified organic as unique selling point
- Consumer focus on effects through advanced glycobiology – Moana delivers effects and helps your skin to help itself

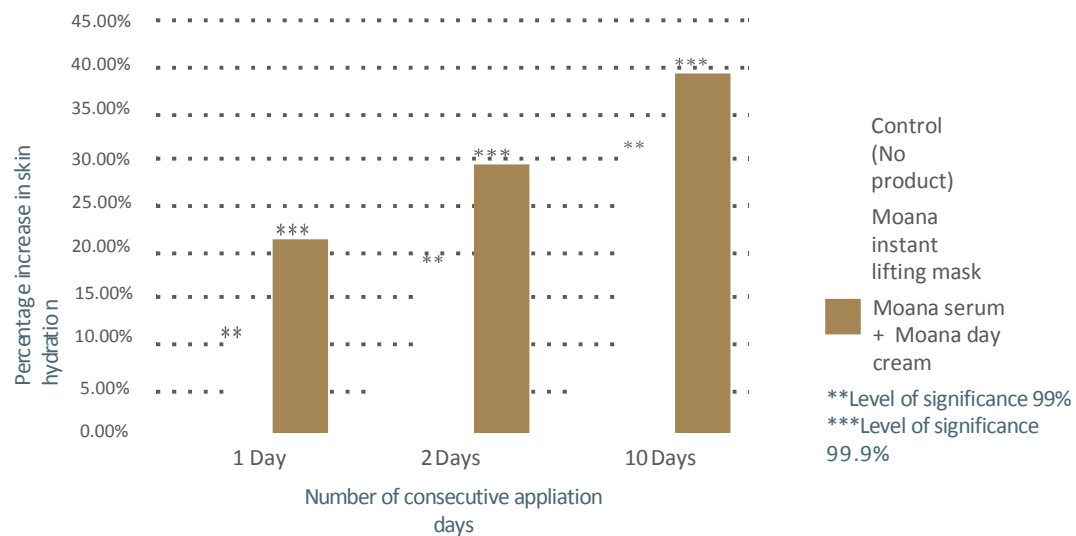


The science behind Moana

The marine polyglucans in Glycoplus®, extracted from a unique seaweed only found in New Zealand, are able to penetrate deep into your skin with extreme antioxidant effect, representing a truly "superfood" for your skin.

A 14-day clinical study showed that Moana skincare provided 60-hour hydration of the skin an effect, 8 to 10 times higher than traditional cosmetics. Skin hydration and antioxidant effect is key for multiple skin benefits, supporting the skin's free-radical defence and importance for anti-ageing properties, improving the skin barrier function though boosted nutrient reservoirs in the skin, promoting a flawless skin appearance.

Percentage increase in skin hydration on application of Moana skin care products



The magnitude of Certified Organic from New Zealand

New Zealand is one of the most pristine countries in the World and its government goes far and beyond to protect its oceans and nature. The strict rules and regulations put in place by the government also apply to their definition and certification process of organic products.

The Moana Skincare brand has obtained a Certified Organic status through its AsureQuality, the New Zealand Government's body for governing these processes and definitions.



Moana Skincare Product lineup



The Norwegian arctic region has one of the coldest and harshest climatic conditions in the world, yet remains one of the most beautiful and purest places on earth.

Arctic species have through natural evolution, acquired a unique ability to survive both the extreme cold and darkness of winter, and the exposure of the blazing summer sun.

from
EVOLUTION
to REVOLUTION



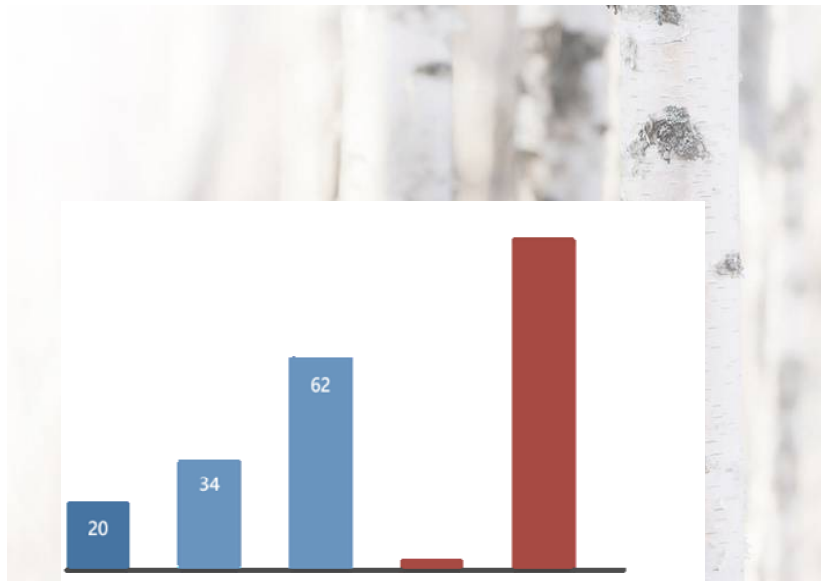
ČUVGET

from
EVOLUTION
to REVOLUTION

When nature reveals its secrets, its insights, and its wisdom, the indigenous people of the north call it by a certain name. They call it ČUVGET.

Years of uncompromising research has enabled ČUVGET to utilize some of the most potent properties from arctic species to create what we call: a skin care revolution.

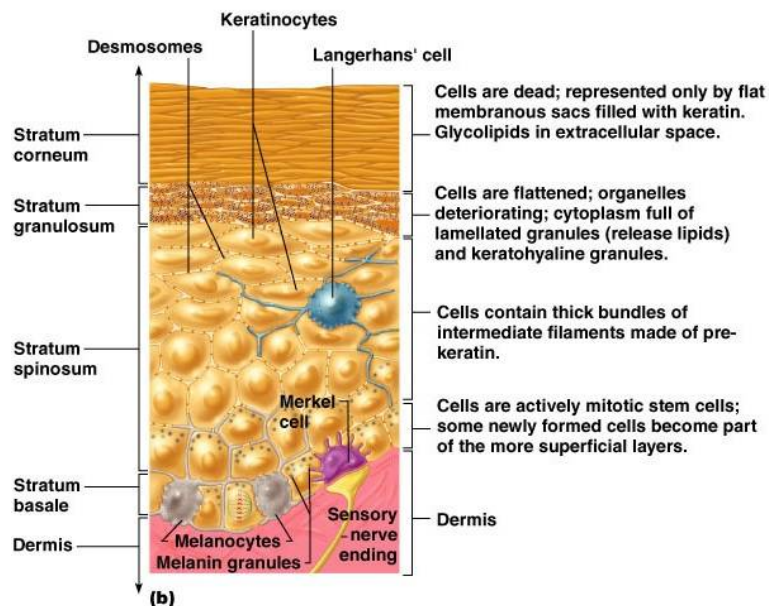
Cuvjet – a result of innovation



- Arctic Čaga™ extract - reducing **cell oxidative damage within 60 minutes**
- Cellular Antioxidant Activity (CAA) Assay - In-vitro model shows:
80% reduction of oxidative damage within one hour

- Arctic Čaga™ extract - origin from a rare species of fungus growing on the bark of birch trees in the Northern hemisphere
 - Historically used in **folk medicine** to aid the immune system (suppress infections)
 - Contains extremely potent **polyphenols** (combat effects of intrinsic and extrinsic ageing)
 - Contains **beta-glucans** that boost the skin's own cells (production centres)
- Unique source of **antioxidants/vitamins**
- State-of-the art formulation
- Scientific results are indisputable and show:
 - reduction of signs of ageing
 - rejuvenation

Arctic Čaga™ - boosting skin rejuvenation



- The Arctic Čaga™ extract contains a significant amount of beta-glucans with the following properties to the skin
 - Activation of Langerhans' cell
 - Release substances that affects other cells
 - Increased protection against infections
 - Down-regulating over-active immune system
 - Optimizing the activity of other skin cells
- ⇒ Reduced appearance of fine lines & wrinkles
- ⇒ Improved sun protection
- ⇒ Skin rejuvenation

Cuvget product line



SPIRULYSAT®

An antioxidant- and vitamin-boosted
spirulina revolution for cosmetic use
that you have never encountered before



Spirulysat® - overview

- ABT holds a global license from Algosource within cosmetics
- A novel and unique antioxidant- and vitamin-boosted spirulina revolution for cosmetic use
- Combines the unique effects of commodities like spirulina and phycocyanin into a state-of-the-art cosmetic ingredient
- Is provided as an aqueous form in order to provide ease of use for cosmetic formulators
- Odor/smell eliminated
- A perfect blue color
- 100% natural
- This unique combination of actives gives manufacturers and brand owners a potent and effective cosmetic ingredient

Spirulysat® - Benefits

- At only 1% concentration:
 - **provides a moisturizing effect:** significant increase in the cutaneous hydration rate
 - **provides a redensifying effect:** significant decrease in the non-echogenic surface
- At 3% concentration:
 - **provides a significant smoothing effect of the skin**
 - **provides a significant anti-wrinkle effect**
 - **provides a moisturizing effect:** significant increase in the cutaneous hydration rate
 - **provides a redensifying effect:** significant decrease in the non-echogenic surface
- Non-irritating
- Non-sensitizing
- Non-cytotoxic to human keratinocytes
- Non-mutagenic and non-promutagenic

Banco Español de Algas (BEA)

- ABT entered into a development project with BEA to discover new marine betaglucans for cosmetic use
- Marine betaglucans meet consumer demands and trends in a crowded cosmetic ingredient market
- Product candidates identified
- Product testing to be performed during 2019-2020
- Testing of pilot scale production during 2019-2020

ZAND™ EXFOLIATOR

An environmentally-friendly exfoliator sourced from olive kernels for cosmetic use with additional cosmetic benefits



ZAND EXFOLIATOR

- An environmentally-friendly exfoliator sourced from olive kernels for cosmetic use with additional cosmetic benefits
- Combines unique exfoliation properties with additional antioxidant benefits from tannins
- Is provided as a powder of various sizes, highly customizable and ease of use for cosmetic formulators
- No odor/no smell
- 100% natural
- ZAND EXFOLIATOR represents a unique combination of exfoliation and antioxidant benefits and gives manufacturers and brand owners an environmental-friendly and effective cosmetic ingredient

ABT 20 largest shareholders

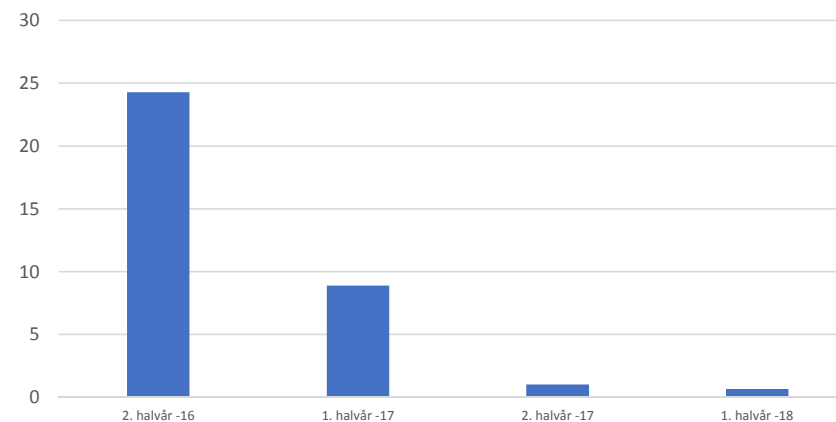
	Shareholders		Share%
1	INITIA AB	SVE	10,66%
2	FINNVIK EIENDOM AS	NOR	9,89%
3	SWELANDIA INTERNATIONAL AB	NOR	8,35%
4	HAAV HOLDING	NOR	6,05%
5	MP PENSJON	NOR	4,70%
6	PACIFIC ANDES INT. HOLDINGS LTD	HKG	4,56%
7	DAHL	NOR	4,46%
8	BOLAKS	NOR	3,48%
9	TANNLEGE PER HAGEN AS	NOR	2,23%
10	STAVERN HELSE OG FORVALTNING AS	NOR	2,14%
11	SAXO BANK A/S	DK	1,94%
12	NOR MARINE INVEST AS	NOR	1,67%
13	TENVIK DIAGNOSTIKK OG FORVALT. AS	NOR	1,67%
14	SKARET INVEST AS	NOR	1,66%
15	VIKSE	NOR	1,60%
16	ALBERTSEN	NOR	1,58%
17	KJEVEORTOPED ESPEN DAHL AS	NOR	1,27%
18	BØNI	NOR	1,25%
19	TOSKA	NOR	1,15%
20	SKANDINAVISKA ENSKILDA BANKEN AB	NOR	0,95%

Updated 15.11.2018

ABT P&L Q2/2018

(figures in NOK)	Q2 2018	Q2 2017	2017
Sales revenue	595 340	371 538	1 213 815
Other operating revenue	51 996	8 536 855	8 666 626
Gross operating revenue	647 336	8 908 393	9 880 441
Cost of sales	765 553	141 504	1 352 893
Salaries and other payroll costs	2 070 960	2 097 421	4 974 252
Other operating expenses	6 382 293	10 012 898	17 493 895
EBITDA	-8 571 469	-3 343 431	-13 940 599
Depreciation and write-down	476 772	254 979	937 190
Operating profit/loss (EBIT)	-9 048 242	-3 598 410	-14 877 789
Financial income	107 790	12 695	416 054
Financial expenses	58 024	177 930	349 748
Net financial items	49 766	-165 235	66 306
Profit/loss before taxes	-8 998 475	-3 763 645	-14 811 483
Tax expense	0	-903 275	1 247 369
Profit/loss for the period	-8 998 475	-2 860 370	-16 058 852
Other comprehensive income/expenses that will not be reclassified to profit/loss after taxes	0	0	0
Other comprehensive income/expenses that will be reclassified to profit/loss after taxes	0	0	0
Total	-8 998 475	-2 860 370	-16 058 852
Earnings per share	-1,30	-0,41	-2,31

- Revenues strongly affected by packaging problems through latter parts of 2017 and 2018
- Packaging problems resolved and improved revenues expected through 2019 – both on consumer brands and ingredient sales



Sales revenues previous 2 years (MNOK)

ABT Balance sheet H1/2018

	Q2 2018	Q2 2017	2017
ASSETS			
Non-current assets			
Deferred tax	0	2 631 393	0
Financial fixed assets	558 036	656 397	617 926
Intangible assets	3 935 330	4 215 918	4 124 358
Total non-current assets	4 493 367	7 503 708	4 742 284
Current assets			
Inventories	17 014 150	17 829 481	17 337 643
Trade and other receivables	4 842 655	4 682 789	5 194 045
Cash and cash equivalents	12 403 690	29 551 408	21 815 082
Total current assets	34 260 494	52 063 678	44 346 770
TOTAL ASSETS	38 753 861	59 567 387	49 089 054
EQUITY AND LIABILITIES			
EQUITY			
Share capital	27 775 992	27 775 992	27 775 992
Share premium	1 675 565	24 132 521	10 804 039
Treasury shares	-51 120	-51 120	-51 120
Total equity	29 400 437	51 857 393	38 528 912
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	500 000	1 000 000	666 666
Total non-current liabilities interest bearing	500 000	1 000 000	666 666
Current liabilities			
Accounts payable	801 093	1 073 799	1 273 551
Dividends payable	1 169 417	1 168 942	1 169 417
Other current liabilities	6 882 915	4 467 253	7 450 510
Total current liabilities	8 853 424	6 709 993	9 893 478
Total liabilities	9 353 424	7 709 993	10 560 144
TOTAL EQUITY AND LIABILITIES	38 753 861	59 567 387	49 089 054

Legal disputes

- Zona Nordic AB (ZN), a Swedish company, has filed a complaint against the Company in the Helsingborg District Court, claiming that ABT has not fulfilled its obligations under a settlement agreement from 2009. The claim is for damages valued at NOK 12 180 000 with the addition of interest, and has been calculated based on the assumed market value of the alleged remaining delivery obligation of ABT. The settlement agreement stated that ABT had to pay MNOK 3 and supply ingredients for one of ZN's product lines as needed until 2017. ABT has paid any and all amounts due and fulfilled all orders from ZN during the term of this agreement. The complaint appears to come as a result of ABT rejecting an offer to buy ZN's product line for a material cash payment. The purchase of the ZN product line was set as a condition by ZN, otherwise ZN would place a historically large order at the end of the term of the agreement. From a commercial perspective, ABT did not consider the product line to be interesting, and since ZN could not document their need for the ingredient, ABT chose to end the negotiations. ZN's complaint is based on the fact that ZN placed an order, at the very end of the term, that corresponded to more than 8 times the accumulated volume during the 8-year term of the agreement. This order was placed at the same time as ABT delivered a volume of the ingredient equal to the accumulated orders over the past 8 years, while the ingredient's shelf life is only 2 years. ABT rejects that there is a basis for any claim against the company. The case is expected to come up before Helsingborg District Court in Autumn 2019.
- Aquazyme AS has claimed that ABT owes royalties in an amount of NOK 8 million under the existing license agreement between the companies, thereby calculating royalty payments on the exclusivity payments in addition to royalties on ABT's income from sales of product's covered by the license agreement. ABT rejects that there is a basis for such an understanding of the license agreement, which is not in line with the wording of the agreement and how the parties have practiced practiced and understood the agreement for several year. Aquazyme AS' new understanding of its agreement came in conjunction with parties' discussion on how to solve ABT's outstanding claim of NOK 2.5 million for advance delivery of Zonase to Aquazyme AS. Aquazyme AS currently claim that ABT's claim is invalid and has been time-barred. The parties are in ongoing discussions to see whether a joint understanding can be found. No guarantee can be made of a successful outcome of the discussions or a future dispute which would be subject to arbitration.
- A former part time (20%) employee of ABT claims that the Company's termination of his engagement is invalid and that he therefore is entitled to damages and the right to stay in the position. Although the Company rejects that the termination is invalid and there is basis for a claim for damages, no guarantee can be made of a successful outcome if the claim is brought before the court.



abt

AQUA BIO TECHNOLOGY ASA

Rejuvenating the skin care industry

Technology by nature