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ABT expands business model

Aqua Bio Technology ASA has decided to expand the Company's business to also include marketing and sales of third party products to consumers and professional users. Until today, ABT's business has been limited to the development and sales of ingredients to the cosmetics industry.

The Company will continue its development and marketing of ingredients, while also establishing Aqua Bio Technology as a complete commercial center for sustainable technology aimed at skincare products and dietary supplements.

The change represents the third step in the development of Aqua Bio Technology. The first step was the commercialization of ABT's proprietary technology. In this initial step, a U.S. based skin care company was granted exclusivity to ABT's lead ingredient Aquabeautine XL™. In step 2, ABT evolved into a center for commercialization of third party ingredients to the cosmetics industry. The Company has established partnerships with several technology owners and is in the process of adapting and commercializing new ingredients for skin care products. Additional partnerships in this segment are expected, and the first ingredients will be launched in the market early 2017.

In the third step, ABT will, based on partnerships, market finished products directly to consumers and professional users. ABT's partners will be product owners and manufacturers already present in the market. ABT's contribution is to strengthen the commercial potential of these products in designated territories, mainly Europe and the Middle East.

"Going forward, ABT will operate in two business areas: ingredients and consumer products. The common denominators are sustainable biotechnology and the focus on skincare and dietary supplements," said ABT's CEO Arvid Lindberg.

Aqua Bio Technology sees a strong rationale for the expanded business model.

"It represents reduced risk through diversification and a stronger revenue potential through an expanded market footprint. We will control more of the value chain, and the expanded business model also enables economies of scale. Furthermore, the business model represents a better utilization of ABT's expertise and capabilities," Arvid Lindberg said.

ABT's business model remains mainly royalty based, in the sense that the Company's up-front payments are minimal, while partners receive royalty when products are being sold in the market. The Company's expansion of the business model does, therefore, not call for major investments.

Aqua Bio Technology has been negotiating with several brand owners and manufacturers over the last months, and expects to announce new partnerships shortly.

For further information, please call Arvid Lindberg, CEO, telephone +47 9824 5410

Aqua Bio Technology (ABT) has launched several cosmetic ingredients 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 from its own technology, ABT also commercializes novel technologies/ingredients for partners, for use in skin care products. Aqua Bio Technology is listed on the Axess market of the Oslo Stock Exchange.