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Aqua Bio Technology: Stable revenues, results affected by U.S. lawsuit

Aqua Bio Technology ASA posted strong revenues in the second quarter 2016, while the Company's financial results were adversely affected by non-recurring costs related to a lawsuit against ABT in the United States. A federal court in New York has stayed the case against the Company, and dismissed Access Business Group International LLC's demands for a Temporary Restraining Order as well as the demands for a Preliminary Injunction.

ABT had revenues of NOK 12.5 million in the second quarter, up from NOK 9.0 million in the corresponding quarter of last year. The first two quarters of 2016 saw the highest revenues in company history.

EBITDA for the second quarter ended at NOK 0.6 million, down from last year's NOK 4.7 million. Earnings before taxes came in at NOK -0.9 million against NOK 3.2 million last year. The reduced profits were caused by costs related to the lawsuit.

For the first half of 2016, ABT posted revenues of NOK 25.1 million, up from NOK 18.1 million last year. EBITDA ended at NOK 6.7 million against NOK 10.0 million for the first six months of 2015. Earnings before taxes for the first half were NOK 3.7 million against NOK 7.3 million last year.

The legal complaint against ABT was filed by a U.S. customer claiming breach of contract. The demand for action against ABT was in two instances rejected by the court, which referred the case to arbitration in London, as stipulated in the original contract. Arbitration has been initiated. The contract between the parties expired on 1 January 2016.

Aqua Bio Technology is currently preparing the launch of several new ingredients for skin care products based on third party technology. Safety and efficacy studies of the new products are expected to be completed in the third quarter, followed by market launches in the fourth quarter. ABT expects to see revenues from the new products in 2017.

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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.