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Aqua Bio Technology: Financial result affected by lawsuit

Aqua Bio Technology ASA (Oslo Axess: ABT) today announced the second quarter 2014 financial results. Revenues were in line with the previous quarters, while costs related to the legal dispute with the Company's US based partner Restorsea had an adverse affect on the financial results.

"The dispute with Restorsea has been a strain on ABT. The case was irrevocably settled in July. We are pleased that we now can move forward, and also strengthen our partnership with Restorsea," said CEO Arvid Lindberg.

Aqua Bio Technology had revenues of NOK 5.2 million in the second quarter, which is at par with the previous quarter, but down from the NOK 6.9 million revenue of last year's second quarter. Operating costs were extraordinarily high in the quarter, caused by costs related to the legal process. EBITDA ended at NOK -0.2 million, compared to NOK 2.8 million in the second quarter last year. ABT's net result for the quarter was NOK -1.7 million, against NOK 1.5 million last year.

For the first half of 2014, ABT had revenues of NOK10.6 million, while revenues in the first half last year were NOK 14.2 million. EBITDA came in at NOK 1.0 million for the first six months, against NOK 6.7 million last year. Net result for the first half was NOK -2.1 million, against NOK 4.2 million in the first half of 2013.

Aqua Bio Technology has adjusted its strategy. Going forward, the Company will pursue a three-track strategy: support its two exclusivity partners in the cosmetics industry, contributing to their commercial success. Secondly, in-license and commercialize third party technologies. The final and new element in the strategy is that ABT on the basis of its proprietary technology will explore opportunities for developing ingredients for medical use.

Existing contracts provide ABT with a transparent revenue picture going forward. As operating costs return to a normal level, the Company expects operations to be profitable again. Technology in-licensing and sales of ingredients for medical use hold income potentials in the longer term.

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Aqua Bio Technology (ABT) has launched several cosmetic ingredients used in skin care products globally. The ingredients are based on the Company's unique, marine technology with documented highly positive effects on the skin. 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 technologies/ingredients for partners, for use in novel skin care products. Aqua Bio Technology is listed on the Axess market of the Oslo Stock Exchange.