

21 May 2014

Sideways first quarter for Aqua Bio Technology

Aqua Bio Technology ASA (Oslo Axess: ABT) today announced the first quarter 2014 financial results. Revenues were in line with the previous two quarters, but weaker than the record high beginning of last year.

Aqua Bio Technology had revenues of NOK 5.4 million in the first quarter, down from NOK 7.2 million in the corresponding quarter last year. The EBITDA was NOK 1.2 million, corresponding to an EBITDA margin of 22 per cent. Last year's first quarter EBITDA was NOK 3.9 million. The net result ended at NOK -0.4 million for the quarter, against NOK 2.7 million the previous year.

"Revenues from ABT's main product Aquabeautine XL™ were in line with expectations and previously agreed contractual payments. However, we are still in an early phase of our commercial development, and revenues will therefore fluctuate from quarter to quarter," said CEO Arvid Lindberg.

Market interest in Dermaclarine™ continued to grow in the first quarter, and the number of cosmetic manufacturers testing the ingredient for potential inclusion in new skin care products reached a new high. Revenues from Dermaclarine™ also saw a slight increase in the first quarter.

Over the recent months ABT has been growing its global network of distributors, expanding the Company's reach towards cosmetics manufacturers around the world. The network is now nearly complete, counting ten distributors with a combined access to well above 80 per cent of the world's relevant manufacturers of skin care products.

In the first quarter, ABT's exclusivity partner Restorsea filed a complaint against the company with a New York court. Restorsea claims a breach of contract on ABT's part, and has announced a monetary claim against the Company. Aqua Bio Technology deems the claim substantively as well as procedurally deficient, and has requested the court to dismiss the case. After learning of the lawsuit, ABT has initiated a dialogue with Restorsea and has also provided additional technical documentation. The legal process is currently on hold, pending the outcome of a supervised mediation.

"A legal process represents uncertainty. The process requires management attention as well as resources, taking priority over tasks we much rather would spend our time on," Arvid Lindberg said.

Still, ABT predicts a continued positive development for the Company. Contractual payments and a growing interest in Dermaclarine™ give cause for optimism. ABT has a strong financial platform, with limited debt and a good cash position.

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

Aqua Bio Technology ASA (ABT) develops, produces and markets patented ingredients and technologies to the international cosmetic and skin care industry. ABT's ingredients Aquabeautine XL™, Dermaclarine™ and Beauty Propelline™ are marine solutions with distinctly individual and unique properties, derived from the hatching fluid of salmon. ABT is listed on the Oslo Stock Exchange's Axess market.