



AQUA BIO TECHNOLOGY ASA

# Third Quarter 2013 Results Presentation

*27 November 2013*



**A unique technology.  
In the fastest growing segment  
of a rapidly growing industry.**

**Welcome to Aqua Bio Technology.**

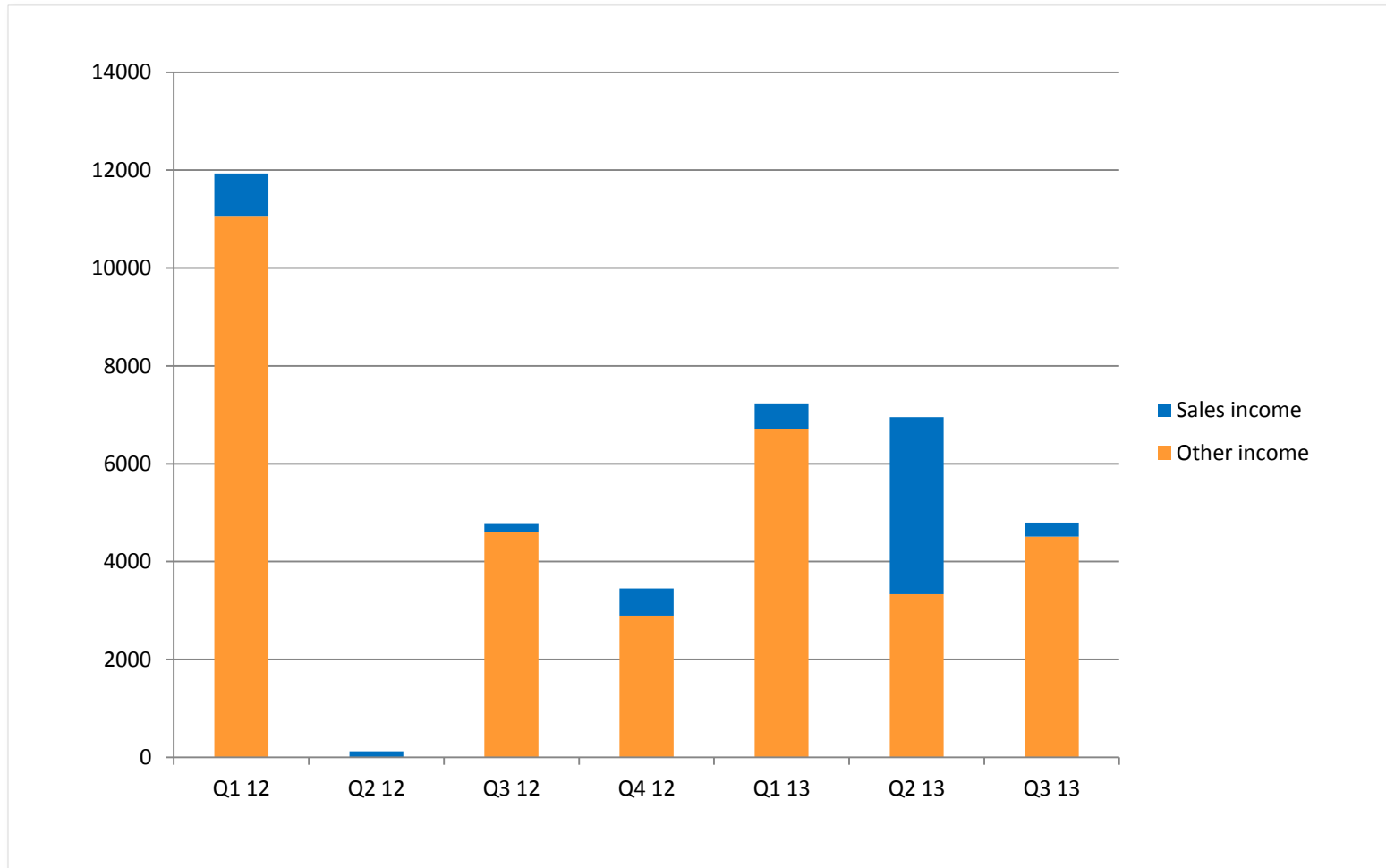
# Q3 2013 Highlights

- Several new Aquabeautine XL based products launched
- Distributor agreements for Dermaclarine™ established (post quarter)
- Attractive margins maintained
- Strong cash position

# 3rd Quarter 2013 Results

<i>NOK million</i>	<i>Q3 2013</i>	<i>Q3 2012</i>	<i>YTD 2013</i>	<i>YTD 2012</i>	<i>FY 2012</i>
Income	4.8	4.8	19.0	16.8	20.3
Operating costs	-3.0	-3.8	-10.5	-9.0	-12.3
EBITDA	1.8	1.0	8.5	7.8	8.0
EBIT	0.4	-0.3	4.3	3.8	2.4
Net result	0.6	-0.5	4.9	3.6	0.9
EBITDA margin	37.9%	21.4%	44.9%	46.3%	39.4%

# Income development 2012-2013



# Balance Sheet

<i>NOK million</i>	<i>30 Sep 2013</i>	<i>30 Sep 2012</i>	<i>31 Dec 2012</i>
Fixed assets	<b>18.2</b>	21.9	21.9
Current assets	<b>60.3</b>	52.9	56.3
- of which is cash	<b>26.0</b>	17.1	21.0
Total equity	<b>67.4</b>	57.9	62.0
Long term debt	<b>9.2</b>	7.1	9.8
Short term debt	<b>2.0</b>	9.9	6.3
Total balance	<b>78.6</b>	74.8	78.2
Equity ratio	<b>85.8%</b>	77.4%	79.3%

# Cash flow

<i>NOK million</i>	<i>YTD 2013</i>	<i>YTD 2012</i>
Cash at beginning of period	<b>21.0</b>	7.1
From operations	<b>5.8</b>	6.2
From investments	<b>-0.6</b>	-1.6
From financing	<b>-0.2</b>	5.4
Cash at end of period	<b>26.0</b>	17.1
Cash change in period	<b>5.0</b>	10.0

# Strategy: Rejuvenating the skin care industry

1. Further develop unique position in marine, sustainable ingredients
  - *Maintain strong IP protection of proprietary technology*
2. Multiple approach to marketing and distribution
  - *Visibility in industry meeting places*
  - *Direct dialogue with industry majors*
  - *Distributor network covering 80% of relevant world market established 2011*
  - *Partial or full exclusivity for selected ingredients in return for large, secure volumes*
3. Enhance industry reach by expanding product portfolio
  - *Three new products launched 2012; of which two based on ABT technology*
4. Become a competence centre for commercialization of new bio technology for the cosmetics industry through partnerships (in-licensing)
  - *Discussions with potential technology partners ongoing*

# ABT well adapted to industry growth trends

- Skin care is the largest and fastest growing product class globally
- Due to an increased demand for activity and efficacy, the specialty actives market is expected to grow faster than the personal care industry
- Specialty actives in personal care target a wide variety of performance benefits - although anti-aging functionality dominates and accounts for around 60% of specialty actives targeted functionality in Europe and the USA \*
- The majority of focus in the skin care product class is directed towards maintaining a youthful appearance
  - *Anti-aging and acne treatment products continue to be in vogue*
- Industry trend towards substituting petroleum based ingredients
  - *Sustainability issues*
  - *Health and safety/ side effect issues*

# Q3 operational update

## Aquabeautine XL

- Restorsea expanded its Aquabeautine XL based product line, now totaling 11 skin care products
- Amway had its in initial launch of Artistry skin care series, four products launched in 9 countries in Asia Pacific
- Limited ingredient volumes sold in quarter
- License and royalty payments progress as agreed

## Dermaclarine

- Three distributor agreements signed (post quarter)
- The new agreements cover markets with more than 300 million consumers
- The new distributor agreements supplement already existing distributors.
- Dermaclarine expected to become important contributor going forward

## Beauty Propelline

- Unique features of the ingredient recognized by the industry
- Significant market interest in establishing exclusivity agreement
- Considerations and discussions ongoing; the final commercial solution for BP not yet concluded

## In-licensing

- Several technology partners identified and advanced to firm discussions
- Objective is to launch new products based on in-licensing agreements

# Bright outlook

- **Attractive market outlook**
  - A unique technology, in the fastest growing segment of a rapidly growing industry
- **Growing revenues going forward**
  - Income stream 2013-2017 through exclusivity/ royalty agreements
  - Growing product-sales represent additional revenues
  - New products will add further revenues
- **Profits expected to remain strong**
  - Moderate cost increase as revenues continue to grow
- **Well adapted to industry requirements**
  - Natural, sustainable ingredients replacing traditional cosmetics components

**4th Quarter and Full Year 2013 Results**  
12 February 2014



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