



AQUA BIO TECHNOLOGY ASA

Market update Aqua Bio Technology (ABT)

8.11.2022 08:29:49 CET | Aqua Bio Technology ASA | Non-regulatory press releases

ABT in brief:

- Potential to create a high return on invested capital
- Straightforward, scalable, and soon profitable business model
- Protected position in the form of own brands, patents and control of the whole value chain
- Strong market knowledge both in the organization and the board
- Strong shareholder base with potential for further synergies

The acquisition of Cosmed Beauty AS and Ultrabody AB:

Reference is made to ABT's stock exchange notification on [28 July 2022](#). The collaboration within the ABT group is going very well and we see that we will obtain great synergies between ABT, Cosmed Beauty AS and Ultrabody AB (together, "Cosmed"). Following the consolidation of Cosmed into the group accounts as of 1 August this year, ABT's total gross income for 2022 is estimated to be the best since 2017.

Strategy going forward:

Further developing Cosmed, while establishing new agreements with third-party distributors in the Nordics and the global market. ABT will going forward also assess consolidation opportunities in the Nordic cosmetic market as further highlighted below.

Consolidation opportunities in the market:

Production and distribution of skincare products is a profitable industry, but there are also low entry barriers for new brands and skincare retailers. The Nordic cosmetic market is fragmented with many skincare retailers and pursuing consolidation opportunities for further growth may therefore be beneficial for ABT and its shareholders (e.g. Cosmed Beauty AS distributes its products to approx. 800-900 professional retailers, skincare clinics, spas and salons).

New products:

In 2017, Cosmed Beauty AS became the first distributor of the skincare brand Ekseption from Spain. Ekseption and Fusion are today distributed in 72 countries and are now one of the fastest growing skincare brands in the world. In 2021, Cosmed Beauty AS was given an award for being the best distributor per capita measured in sales amongst Ekseption's distributors worldwide. This commercial success is now indirectly included in ABT's commercial potential after the acquisition of Cosmed.

Professionalized the existing products:

After closing the acquisition of Moana Skincare in December 2020, the pandemic caused delays in bringing these products to the market. The manufacturing of the Moana Skincare products was previously done in New Zealand, but ABT decided for strategic reasons to move the production to its strategic partner in Canada, DCP Dermoscience. The main reason for the move was that New Zealand and this region had a later development of the pandemic which negatively affected the progression in professionalizing the manufacturing processes of these amazing products. ABT experiences that the relocation of the manufacturing of the products to DCP in Canada has been successful from both a risk and cost perspective and ABT is now working on the remaining steps to make the professionalized products ready for market. As part of this process, ABT has also chosen to renew the packaging for the Moana Skincare so that they will come with the same quality packaging as ABT's other brands, Seiðr, Seiðr clinique and B Natural. This is also an environmentally sound decision and in accordance with ABT's core values related to delivering natural and sustainable products to the cosmetic market.

Social media activities:

In June this year, ABT entered into an agreement with "[Hun Etablerer AS](#)". The company is owned by Ms. Donna Kastrati who has a proven track record of helping companies grow their social media presence as well as increase brand awareness. This move supports ABT's brands and builds a brand platform and brand awareness which distributors can use and further

build on in their sales-focused campaigns in local markets. Hun Etablerer AS is currently focusing on building brand awareness for Seiðr and Seiðr clinique and examples of the ongoing work can be seen here:

<https://www.instagram.com/seidr.official/>

https://www.instagram.com/seidr_clinique/

Since summer Hun Etablerer AS has successfully managed to create improved brand awareness and increase the number of followers, which is particularly impressive since the period over the summer typically are low activity months slow in the cosmetic sector. The increased brand awareness and number of followers will benefit the company in its commercial activities.

The brand awareness efforts are also benefitting ABT's in its work with distributors. ABT currently has ongoing discussions and processes that we expect will materialized into agreements.

For further information, please contact CEO Håvard Lindstrøm mobile phone +47 941 32 288.

Aqua Bio Technology (ABT) is developing and commercializing sustainable biotechnology for use in skincare products. ABT's cosmetics ingredients are highly effective and they provide the cosmetics industry with natural alternatives to traditional ingredients. ABT is also marketing and distributing natural skincare products developed by partners towards consumers and professional users. ABT's focus on commercialization and development of natural ingredients and natural skincare products has been, and will continue to be, an important part of the Company's strategy going forward. Aqua Bio Technology is listed on the Euronext Expand market of the Oslo Stock Exchange.

Disclosure regulation

This information is subject of the disclosure requirements pursuant to section of 5-12 of the Norwegian Securities Trading Act.

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Attachments

- [Download announcement as PDF.pdf](#)