



AQUA BIO TECHNOLOGY ASA

Aqua Bio Technology ASA - Contemplated Private Placement - Financial and operational update

7.3.2025 18:17:18 CET | Aqua Bio Technology ASA | Inside information

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Aqua Bio Technology ASA ("**ABT**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**") hereby announces a contemplated conditional private placement of minimum 26 million and maximum 60 million new shares (together, the "**New Shares**") towards certain new investors and certain existing shareholders, at a fixed subscription price of NOK 0.50 per New Share (the "**Private Placement**"). The Company further contemplates to carry out a subsequent offering towards eligible shareholders.

The Private Placement is carried out in order to improve the Company's financial position. An update on the Company's financial position, including an update on certain operational matters, is given below.

Financial and operational update

The Company is in a challenging financial position, with a strained cash reserve, and limited possibilities of utilizing cash that may become available in the Group at the parent Company level, and where certain of the Group companies rely on additional funding for continuation and development of their operations. In addition, the Company has significant obligations under previous M&A transactions, in particular to the former shareholders of the JetCarrier group, such obligations currently being unfunded, but where the Company is in negotiations to defer the upcoming payments in the second and fourth quarter of 2025 by minimum three months respectively.

The conditional Private Placement announced herein provides the Company with additional working capital to be utilized for the purposes described below and strengthens the Company's balance sheet, but the financial position is expected to remain challenging going forward.

However, the Group's prospects in the short term include a number of significant opportunities for growth. Jetcarrier is in early-stage discussions for a freight contract of material value to the Group if concluded, and shall also execute on freight and customs cost savings initiatives across other Group companies during 2025. Further, 3D Innovation is in late-stage negotiations with the major German wholesaler referred to in the stock exchange notice from 18 December 2024, but no agreement has been concluded as of the date hereof.

The Private Placement

Through the Private Placement, the Company is offering New Shares for gross proceeds of minimum NOK 13 million and maximum NOK 30 million. The subscription price in the Private Placement is a fixed price of NOK 0.5 per New Share.

The Company has already received binding pre-commitments for subscriptions covering the minimum amount in the Private Placement from certain new investors and certain existing shareholders, including subscriptions from the below primary insiders and significant stakeholders:

- Board member Jan Pettersson, has pre-committed to subscribe for NOK 880,000 in cash
- Board member Terje Blytt with related partners, have pre-committed to subscribe for approximately NOK 230,000 in cash and NOK 1.05 million in conversion of debt
- Board observer Roger Sedal has pre-committed to subscribe for approximately NOK 165,000 in cash and approximately NOK 665,000 in conversion of debt
- Board member Lena Varming (through Varming Holding AS) has pre-committed to subscribe for NOK 2,000,000 in conversion of debt
- Roger Hofseth has through his investment companies pre-committed to subscribe for NOK 3,000,000 in cash and NOK 650,000 in conversion of debt

The application period for the Private Placement commences today at 18:30 CET and closes on 10 March 2025 at 08:30 CET. The Company may, in its own discretion, extend or shorten the application period at any time and for any reason.

Allocation of New Shares will be conditionally determined by the board of directors of the Company (the "**Board**"), in its sole discretion, shortly after the close of the application period. The Board will focus on criteria such as (but not limited to) current ownership in the Company, timeliness of the application, relative order size, sector knowledge, perceived investor quality and investment horizon.

The net proceeds from the Private Placement will be used to strengthen the Company's balance sheet and for general corporate purposes. This includes, but is not limited to, fulfilling the Company's obligations to file a prospectus, ensuring regulatory compliance, and enhancing financial flexibility. Additionally, the proceeds will provide the Company with increased strategic freedom to pursue and capitalize on business opportunities that may arise, supporting its long-term growth objectives. In addition, funds will be used to settle and repay outstanding debt.

The issuance of the New Shares at the subscription price of NOK 0.50 per New Share implies that the Company must carry out a share capital decrease in order to decrease the par value of each of the Company's shares to at least NOK 0.50 per share (the "**Share Capital Decrease**"). The Share Capital Decrease will be proposed resolved by an extraordinary general meeting expected to be held on or about 4 April 2025 (the "**EGM**"), and the completion of the Share Capital Decrease is expected to be subject to a creditor notification period of six weeks. The share capital increase pertaining to the issuance of the New Shares will be proposed resolved following completion of the share capital decrease.

The subscription amounts in the Private Placement will be settled partially with new liquidity and through conversion of existing debt. Due to the settlement structure described above, all new liquidity provided to the Company through the Private Placement will initially be provided as advance payments, which will thereafter be converted into new equity in connection with the formal issuance of the New Shares.

The issuance of the New Shares in the Private Placement is subject to; (i) all necessary corporate resolutions for consummating the Private Placement, including both the Share Capital Decrease and the share capital increase pertaining to the issuance of the New Shares, having been validly passed, (ii) the Share Capital Decrease being registered as completed in the Norwegian Register of Business Enterprises, (iii) valid subscription of the New Shares and due payment of the aggregate subscription amount for such New Shares, and (iv) registration of the share capital increase pertaining to the issuance of the New Shares in the Norwegian Register of Business Enterprises.

A notice for the EGM will be distributed in due course.

The New Shares will be delivered to the investors in the Private Placement as soon as practically possible after the Share Capital Increase has been registered with the Norwegian Register of Business Enterprises, which is expected to occur 7 – 8 weeks after the EGM has been held. The New Shares will initially be delivered on a separate ISIN as the listing of the New Shares requires the preparation and publication of a prospectus approved by the Norwegian Financial Supervisory Authority.

The Private Placement constitutes a deviation from the preferential right of the shareholders to subscribe for the New Shares. The Board, together with the Company's management, has considered various transaction alternatives to secure new financing. Based on an overall assessment, taking into account inter alia the Company's acute need for funding, execution risk and possible alternatives, the Board has on the basis of careful considerations decided that the Private Placement is the alternative that best protects the Company's and the shareholders' joint interests. Thus, the deviation of the preferential rights inherent in a share capital increase through issuance of New Shares is considered necessary. Further, the Board has considered that the Subsequent Offering (as defined below) will (if implemented) mitigate some of the dilutive effect on the shareholdings who did not participate in the Private Placement.

The Subsequent Offering

In order to reduce the dilution resulting from the issuance of the New Shares, the Company contemplates to launch a subsequent offering (the "**Subsequent Offering**") of new shares (the "**Offer Shares**") at a subscription price of NOK 0.5 per Offer Share (i.e. the same subscription price as for the New Shares). The Board will assess the need for a Subsequent Offering following expiry of the application period in the Private Placement and provide further information at such time.

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For further information, please contact Fredrik Henriksen, CEO, at telephone number +47 900 20 078.

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This information is considered to be inside information pursuant to the EU Market Abuse Regulation (MAR) and is subject to the disclosure requirements pursuant to MAR article 17 and section 5-12 of the Norwegian Securities Trading Act.

The stock exchange announcement was published by [CEO Fredrik Henriksen] on the time and date provided.

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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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About Aqua Bio Technology ASA

Aqua Bio Technology (ABT) is developing and commercializing sustainable biotechnology for use in skin care 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 skin care products developed by partners towards consumers and professional users. Aqua Bio Technology is listed on Euronext Expand.

Attachments

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