

TERM SHEET DATED 29 JANUARY 2024 - PRIVATE PLACEMENT

<p>Issuer:</p>	<p>Aqua Bio Technology ASA ("ABT" or the "Company", and together with its consolidated subsidiaries, the "Group"), reg.no. 886 582 412.</p> <p>ABT is listed on Euronext Expand, under ticker "ABTEC" and with ISIN NO 0010307135.</p>
<p>About Aqua Bio Technology</p>	<p>The Group's business revolves around research and development (R&D) of beauty products and cosmetic ingredients, as well as business-to-business (B2B) and business-to-customer (B2C) sales of the Group's products/ brands, ingredients as well as third-party beauty products. ABT has recently enhanced its footprint in the Norwegian beauty industry through recent acquisitions and has a clear strategic ambition to become a fully integrated beauty company, with international ambitions. Examples of recent acquisitions are included below.</p> <p><u>Acquisition of Cosmed Beauty AS and Ultrabody AB</u></p> <p>On 28 July 2022, the Company completed the acquisition of Cosmed Beauty AS and Ultrabody AB (jointly, "Cosmed"). Cosmed is a skincare distribution specialist with own retail store in Lillestrøm and access to between 800-900 salons and spas to which it distributes various products in Norway. By combining ABT's position as a product supplier with Cosmed's capacity in distribution, the acquisition enabled ABT to control a profitable value chain from production, distribution, to both end users in Norway and Sweden.</p> <p><u>Acquisition of Skinteam Norge AS</u></p> <p>On 16 August 2023, the Company completed the acquisition of Skinteam Norge AS ("Skinteam"). Skinteam is today the largest player in Western Norway in skincare, and currently has 17 skin and hairdressing salons. Following the acquisition, ABT became the main supplier and producer of the entire value chain within Skinteam's skin and hairdressing salons. Skinteam was founded by the SATS founders Per Egil Borge and Bjørn Sigurd Johansen.</p> <p><u>Acquisition of Cover Brands AS</u></p> <p>On 22 December 2023, the Company acquired Cover Brands AS (the "Coverbrands"). Coverbrands is a leading Norwegian e-commerce player within the beauty segment, selling beauty products to customers through its web shop and has an e-commerce platform with over 140,000 customers. In addition to the e-commerce business, Coverbrands has successfully established B2B distribution channels to several retail channels in Norway and Sweden. Concurrently with the transaction, Jesper Dønnestad Brand, the co-founder of the store chain Normal Norge AS, and an associated, completed an investment of NOK 5 million to be used to strengthen Coverbrands equity and access to credit lines. For further information regarding the expected synergy effects relating to the acquisition of Coverbrands, reference is made to the stock exchange announcement on 19 December 2023.</p> <p>For further information on ABT and its activities, see the Company's stock exchange announcements on www.newsweb.no and https://aquabiotechnology.com/downloads/ and ABT's recent company presentation.</p>
<p>Shares outstanding</p>	<p>55,234,479 shares, each with a par value of NOK 2.50.</p>
<p>Pre-money market cap</p>	<p>Approximately NOK 276,172,395, based on the Offer Price.</p>
<p>Private Placement</p>	<p>Private placement of from 2 to 3 million new shares (the "New Shares") towards certain new investors and certain existing shareholders (the "Private Placement"). The Company's board of directors ("Board of Directors") may increase the number of New Shares and size of the Private Placement. The Private Placement will be carried out</p>

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	<p>pursuant to an authorization to increase the share capital held by the Board of Directors, and the number of New Shares to be issued are subject to the sole discretion of the Board of Directors.</p> <p>Settlement for New Shares in the Private Placement will be carried out through cash payment and debt conversion.</p>
Offer Price:	NOK 5 per New Share (the " Offer Price ").
Minimum subscription and allocation:	<p>NOK equivalent of EUR 100,000 per applicant.</p> <p><i>The Company may offer and allocate for amounts below EUR 100,000 in the Private Placement to the extent exemptions from prospectus requirements, pursuant to applicable regulations, including the Norwegian Securities Trading Act and ancillary regulations, such as Regulation (EU) 2017/1129, are available.</i></p>
Use of proceeds:	The net proceeds of the Private Placement will be used for general corporate purposes, including to fund the Company's growth and to further commercialize the Company's products.
Pre-commitment from existing shareholders	Existing shareholders (including, inter alia, Roger Hofseth, Jan Petterson and Thor Aage Pedersen) through their companies), have pre-committed to subscribe for Offer Shares in the Private Placement for approx. NOK 9.6 million.
Application Period and process	<p>Start of application period: 29 January 2024 at 20.00 CET.</p> <p>End of application period: 30 January 2024 at 08.00 CET.</p> <p>The Company may extend the Application Period.</p> <p>By applying for New Shares, each subscriber will be deemed to have granted each of CEO Håvard Lindstrøm and chairman of the Board of Directors Jon Olav Ødegård an irrevocable authorization to subscribe for the New Shares allocated to such subscriber.</p>
Settlement dates <i>(subject to change)</i>	<p>Corporate resolutions: On or around 30 January 2024. To be carried out simultaneously with consummation of the Transaction, and subject to completion of all formalities relating to the Private Placement.</p> <p>Notification of allocation: On or around 30 January 2024</p> <p>Payment date: 2 February 2024</p> <p>Registration of share capital increase: As soon as practicable after the Private Placement Conditions have been satisfied, including receipt of full payment from investors.</p>
Conditions for completion of the Share Capital Raises	<p>Completion of the Private Placement and the delivery of Offer Shares to investors are subject to: (i) all necessary corporate resolutions for consummating the Private Placement having been validly passed, (ii) the allocated New Shares having been fully paid, (iii) completion of the registration of the share capital increase pertaining to the Private Placement with the Norwegian Register of Business Enterprises and (iv) the approval of a listing prospectus by the Norwegian Financial Supervisory Authority (the "Private Placement Conditions").</p> <p>The Company reserves the right, at any time and for any reason, to cancel and/or modify the terms of the Private Placement without notice. The applicant acknowledges that the Private Placement will be cancelled if the Private Placement Conditions are not fulfilled. The Company will not be liable for any losses if the Private Placement is cancelled, irrespective of the reason for such cancellation.</p>
Documentation	The Private Placement documentation comprises this term sheet, the pre-commitment form, application forms, the company presentation and available public information.
Allocation criteria:	The allocation of New Shares shall be made at the sole discretion of the Company's Board of directors. The Board of Directors 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.
Selling Restrictions	The Private Placement is directed towards investors subject to applicable exemptions from relevant prospectus requirements, (i) outside the United States to non-US persons in reliance on Regulation S under the US Securities Act

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	of 1933 (the "US Securities Act") and (ii) in the United States to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the US Securities Act in transactions that are exempt for registration under the US Securities Act.
Potential subsequent repair offering	<p>The Company will consider proposing to carry out a subsequent share offering of new ordinary shares in the Company (the "Subsequent Offering") directed at eligible shareholders in the Company as of 29 January 2024, as registered in the Norwegian Central Securities Depository (Nw. Verdipapirsentralen) (the "VPS") as of 31 January 2024, who did not subscribe for Offer Shares in the Private Placement.</p> <p>Eligible shareholders will receive non-tradable subscription rights which will make them eligible to participate in the Subsequent Offering.</p>
Governing law	This term sheet, the Private Placement and all related transactions are governed by Norwegian law with Oslo District Court as exclusive legal venue.

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