

Q2 2021 presentation

26 August 2021



Delivering on the promise of biochemicals at scale

Agenda

1. Highlights Q2 2021

2. Business update

- The opportunity
- ReSolute build
- New product development update

3. Financials

4. Outlook

Highlights Q2 2021 (and updates)

- 1st complete quarter on Euronext Oslo
 - Formalities, compliance and admin complete for organisation and key people
- Rapid price increases in the price of chemicals has slowed discussions with Merck on finalising offtake agreement
- Ongoing progress with the ReSolute project in France
 - Basic engineering moving to detailed engineering phase
 - Supply chain lead-times and pricing pressure recognised on capex and utilities
- Appointment of new Oslo based CFO
- Move to exploit Circa's low carbon advantage to support brand owners circular economy / zero emission targets
 - Sportswear, Print, Paints & Coatings Tier 1 engagement
- Internal new product development project complete, prioritised and moving to next phase
- Implementation of "Cirrus" project management software to support ReSolute and new product development

Agenda

1. Highlights Q2 2021

2. Business update

- The opportunity
- ReSolute build
- New product development update

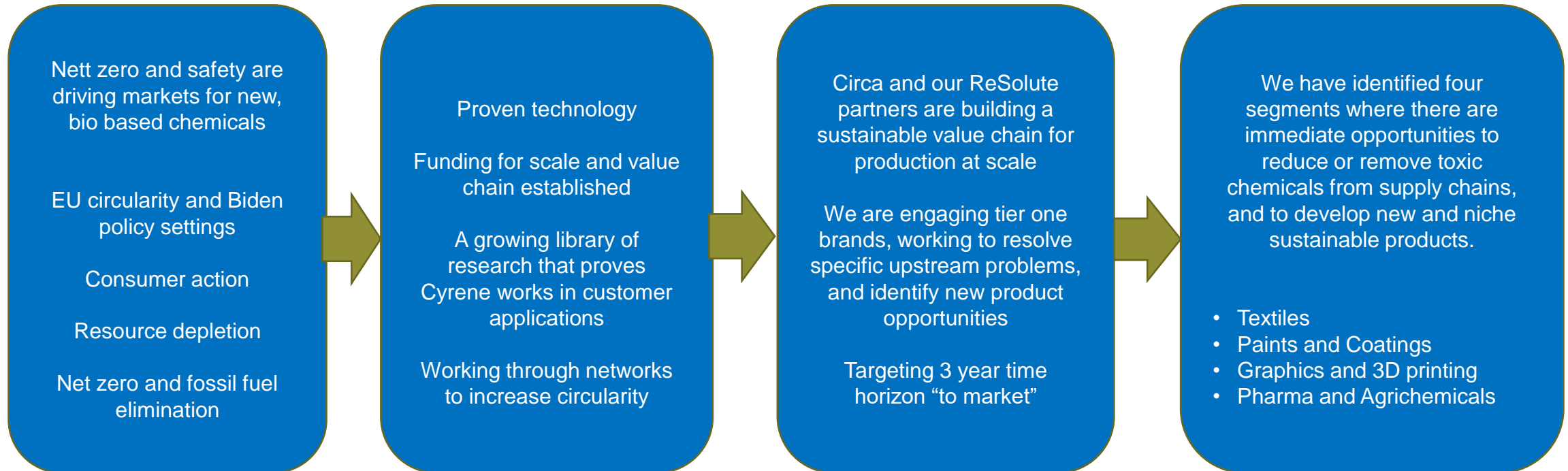
3. Financials

4. Outlook

The opportunity

- Policy and market drivers are playing out in patterns of sustainable consumption and production that favour Circa
- Consumer demand for sustainable products has mobilised tier one brand organisations ahead of regulation
- In some segments, the response to the market opportunity is amplified by increasing resource constraints and activist scrutiny of social and environmental risks
- Progressive brand organisations see that changing product chemistry can both mitigate risk and grow markets
- Major organisations have ESG targets cascaded from the board into senior management, which have opened strategic conversations with Circa regarding how our products can provide a bridge to more sustainable outcomes
- The progress of these commercial opportunities validates the demand for Circa products and a highly responsive customer base for Cyrene

Nett zero by 2050 equates to only 1-2 technology cycles for industry



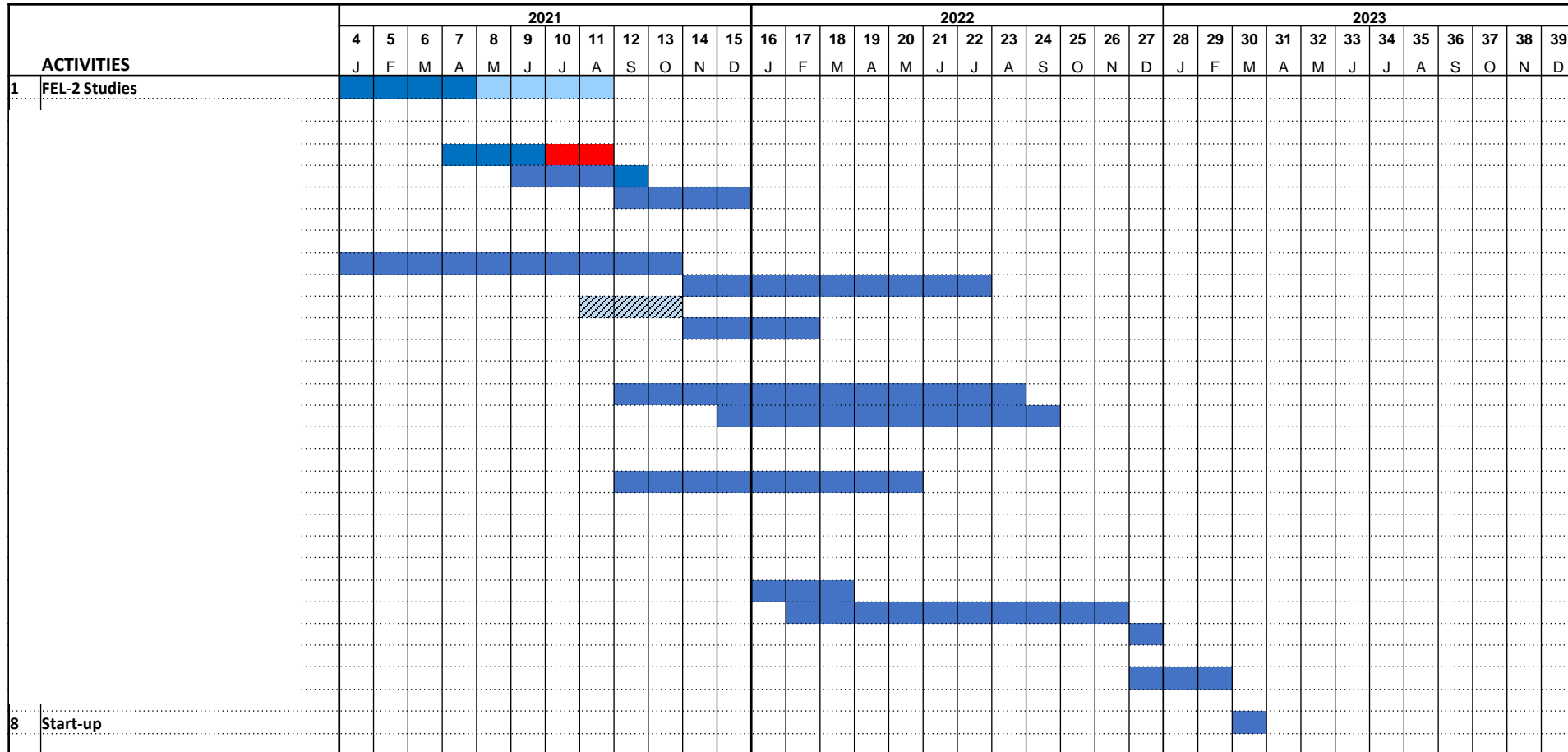
Circa is in a key position, able to deliver new, lower carbon chemistry to industry within 2-5 years

ReSolute



- Gazel Energie site in Eastern France
- Strategically located close to main transport links to Europe
- Re-purposing buildings from a closed power station
- Supporting site owner vision for clean power site – biomass power and Green Hydrogen plans
- Grand Est region focus for French Government manufacturing support
- Region home to key Circa University researchers

Design and construction: progressing satisfactorily



Impact of current supply chain disruptions

Covid has driven cost increases and delays across many raw material and logistics supply chains. Circa recognises possible impacts and is taking steps to limit impacts:

- Employment of a purchasing expert (ex oil & gas construction industry) to work through options with vendors - alternative manufacturing locations etc
- Re-viewing current specs and offers - and unbundling where there is a cost down opportunity - ideally where there is limited impact on the supplier
- Changing some negotiations to “open book”.
- Utilising our financial position to offer early payments to guarantee our place in the manufacturing “queue”
- Bringing forward long lead time items. E.g. rather than waiting to Q1 2022, we will place orders earlier.
 - This also gives an option to be flexible on shipping timetables where advantageous.
- Discussing with local Governments available support packages (underway and initial feedback is positive)

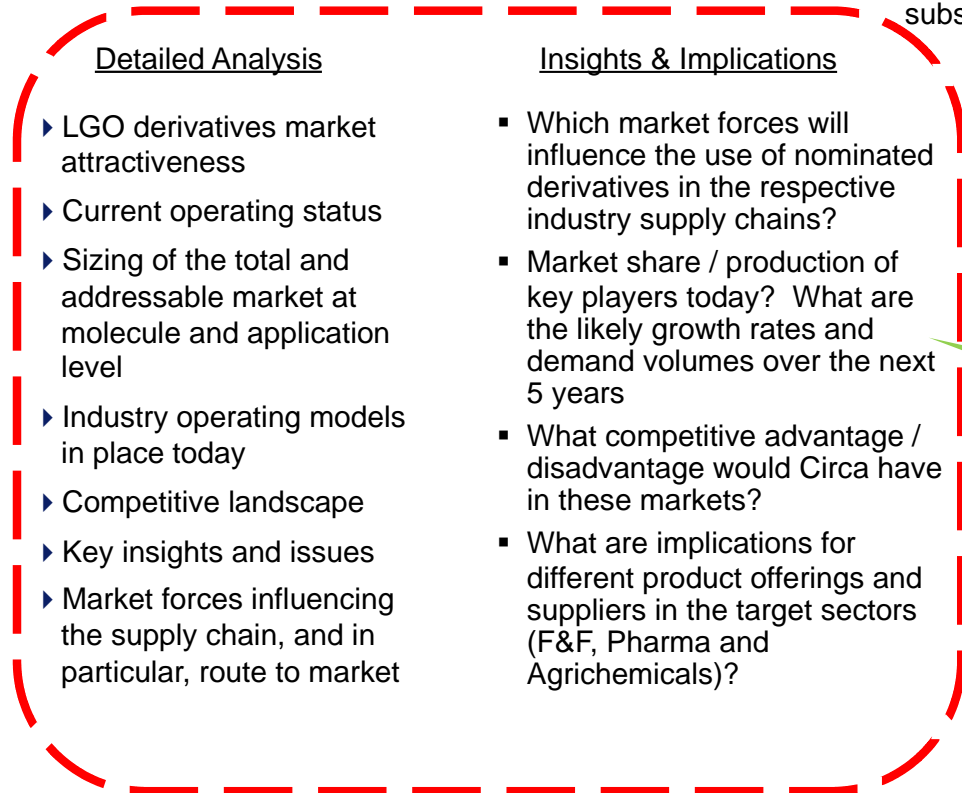
Circa is reasonably confident it will be able to mitigate many cost increases without a large impact to timetable.

New product development remains a high priority workstream and is being undertaken within a disciplined framework



➤ Identified, and commercially viable growth pathways that will underpin subsequent growth initiatives

➤ Identified, and commercially viable growth paths in the first year that will underpin subsequent growth initiatives



Focused Key Initiatives

- ▶ Determine what Circa has to implement in order to deliver against the identified strategy and position for the future.

PHASE 3 (36+ months)

- ▶ Execute against key initiatives

The growth strategy options are sequenced

Focus is on identifying short to medium term opportunities in parallel, that, in the first instance, will lay the foundation for the medium to longer term growth strategy

The growth strategy framework will identify new paths forward, and realign the business commensurate with market demand, capabilities and required resourcing

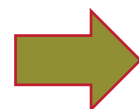
Circa has identified specific products as opportunities.
These are now passing into phase 1a:- optimizing synthesis pathways.



- Identified, and commercially viable growth pathways that will underpin subsequent growth initiatives

New products identified:

- Flavours
- Pharma intermediates
- Pheromones
- Solvent



Phase 1a – commercial synthesis optimisation

Agenda

1. Highlights Q2 2021
2. Business update
 - The opportunity
 - ReSolute build
 - New product development update
- 3. Financials**
4. Outlook

Q221 Income Statement

(EUR)	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Product sales	11 835	1 334	16 423	13 169	17 461
Other revenue	31 049	4 066	78 113	35 115	492 013
Total revenue	42 884	5 400	94 537	48 284	509 474
Cost of sales	75 014	63 355	95 830	138 369	180 063
Employee benefit expenses	601 844	1 643 870	172 510	2 245 714	277 769
Other operating expenses	802 622	1 535 643	2 788 910	2 338 266	3 299 285
Total operating expenses	1 479 480	3 242 869	3 057 251	4 722 349	3 757 118
Operating result	-1 436 596	-3 237 469	-2 962 714	-4 674 065	-3 247 644
Net financial income/ expenses	-114 954	-206 817	-1 522	-321 771	-4 706
Net profit/ loss before tax	-1 551 550	-3 444 286	-2 964 237	-4 995 836	-3 252 350
Tax expenses	0	0	0	0	0
Net profit/ loss	-1 551 550	-3 444 286	-2 964 237	-4 995 836	-3 252 350
Other comprehensive income:					
Foreign exchange gains/(losses)	22 707	-21 511	0	1 196	0
Total comprehensive profit/ loss for the period	-1 528 843	-3 465 797	-2 964 237	-4 994 640	-3 252 350

- Revenue continues to be derived from minor FC5 Cyrene/ LGO derivatives sales
- FC5 represent cost of sales
- Q121 employee and other operating expenses included restructuring costs and LTI/STI costs
- Q221 employee and other operation expenses is more indicative of the quarterly run rate
- Other income of €31,000 is related to grant in CSC UK
- Financial expenses is mainly related to unrealized FX (EUR account in Circa Group AS) and negative interests related to same account

Q221 Assets

(EUR)	30.06.2021	31.03.2021	31.12.2020	30.06.2020
ASSETS				
Tangible assets	571 281	264 029	55 219	2 439
Total non-current assets	571 281	264 028	55 219	2 439
Inventory	33 748	24 230	50 217	25 008
Short term receivables	408 500	91 313	1 689 749	146 513
Cash and cash equivalent	49 717 972	49 265 086	4 779 478	183 161
Total current assets	50 160 220	49 380 628	6 519 444	354 682
Total assets	50 731 501	49 644 656	6 574 664	357 121

- Resolute capex is EUR 573k (gross) in Q221. Total capex is offset by the BBI contribution of EUR 264k.
- Increase in short term receivables are mainly due to VAT. Circa Group AS has been registered for VAT and retroactive VAT treatment is granted.
- Cash has increased EUR 0.4 mill:
 - Proceeds from issuance of shares EUR 2.5 million which includes stabilization period and exercise of warrants
 - Less ReSolute capex payments of EUR 0.6 mill
 - Less operational expenses EUR 1.4 mill

Q221 Equity and Liability

	30.06.2021	31.03.2021	31.12.2020	30.06.2020
<i>EQUITY</i>				
Issued and paid in equity	56 808 253	54 247 412	7 142 044	15 126 705
Other equity	-12 882 966	-11 571 836	-7 489 767	-15 581 245
Non-controlling interests	0	0	0	-1 035 603
Total equity	43 925 288	42 675 576	-347 723	-1 490 143
<i>LIABILITIES</i>				
Employee benefits	550 482	419 044	0	0
Other non-current liabilities	0	0	1 945 224	1 682 917
Total non-current liabilities	550 482	419 044	1 945 224	1 682 917
Employees and related	989 966	1 030 899	32 615	0
Trade and other payables	803 112	652 344	247 891	35 792
Public duties and related	47 754	32 579	-29 670	0
Other current liabilities	4 414 900	4 834 214	4 726 326	128 555
Total current liabilities	6 255 732	6 550 036	4 977 162	164 347
Total liabilities	6 806 213	6 969 080	6 922 386	1 847 264
Total equity and liabilities	50 731 501	49 644 656	6 574 664	357 121

- Reduction in shares and other equity in 4Q2020 is a result of the restructuring process
- Employees and related expenses are reduced as some of the STI was paid
- Other current liabilities reflects the BBI obligation which reduces as capex is spent

Circa is delivering on a clear growth strategy

Strong demand and regulatory tailwinds

Patented and sustainable process for production of LGO

Strong commercial foundation for LGO-derivative Cyrene™, provides commercial foundation for scale-up

Clear scale-up plan with ReSolute project underway, and study and dialogues for further scale-up

High margin opportunities relating to other LGO-derivatives being commercialised as LGO production is scaled up

Sustainability

Agenda

1. Highlights Q2 2021
2. Business update
 - The opportunity
 - ReSolute build
 - New product development update
3. Financials
4. Outlook

Outlook / focus for Q3 and forward

- Manage ReSolute project on time and budget
 - Major items orders placed
 - Q3 market update on capex pricing position
- Finalise chemical distributors sales agreements
- Continue dialogue and exploration of site opportunities for future plants
- Appoint Head of Manufacturing executive position
- Engage with 5-10 tier 1 brands on projects to support their sustainability targets
 - Two projects currently being finalised (1x sportswear, 1x paints and coatings)
- Release new Levoglucosenone derivative

Circa is scaling sustainable chemistry



Environment

- Valorising cellulose, a sustainable resource, and displacing dependence on fossil fuel-based alternatives
- Commitment to near carbon neutral production process, already 80% less carbon intense than the alternative NMP
- Finding opportunities for circularity in our by-products and enabling circularity of our customer's end-product

Social

- Cyrene™ is a non-toxic product replacing and out-performing recognised (ECHA) harmful solvents
- ReSolute repurposes existing brownfield infrastructure, expediting the build phase with a lighter footprint
- Potential to regenerate regional communities through direct and indirect employment

Economic

- At full scale ReSolute and follow-on plants will attract €1B external investment and >200 jobs over 10 years
- Growing advanced manufacturing capability and retaining manufacturing jobs in regional areas
- Establishing a sustainable value chain for the production of sustainable chemicals with net positive impact



Circa Group AS

Sjølyst plass 2
0278 Oslo
Norway

Contact

CEO – Tony Duncan
Tony.Duncan@circagroup.com.au

This presentation contains statements regarding the future in connection with Circa Group's growth initiatives, profit figures, outlook, strategies and objectives. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Follow us on [LinkedIn](#) and [Twitter](#), and visit our website at www.circa-group.com

Let's GO

Reachable market sectors are large, growing and diverse.

	Flavors & Fragrances	Agrichemicals	Pharmaceuticals (API's)
Market Growth Rates	\$61B (41B, 4.3% Flavors/ 20B, 4.5% Fragrances),	\$60B, 3.8%	\$140B, 5.1%
Key Industry Trends	<ul style="list-style-type: none"> Significant move towards natural ingredients Must be on the approved ingredient list(s) Highly "reactionary" development process Consumer demand for more natural ingredients Consumer concerns over chemical hazards 	<ul style="list-style-type: none"> Growing concern in the residual activity and effects of herbicides on environment Bioherbicides are environmentally friendly and non-toxic Organic farming increasing due to lack of herbicide residue 	<ul style="list-style-type: none"> Continued growth in heart disease, diabetes, cancer, etc. continue to drive demand for new APIs Financial pressure on major firms forcing changes in drug development and commercialization processes
Applicable Technology	<ul style="list-style-type: none"> Precursors and Some Targeted Final Products (YYY, ZZZZ) Primarily Cyrene 	<ul style="list-style-type: none"> Precursors to Active Ingredients Pheromones 	Precursors to Active Ingredients
Addressable Areas by Circa (Application Area, Application Size, Application Growth Rate)	<ul style="list-style-type: none"> \$8.9 B for Dairy (CAGR 3.9%) and Convenience Foods (CAGR 5.5%) Lactones are a small portion of this space. Most are readily available at relatively low price points, \$5-\$20/kg \$9.4B (Cosmetics / Fragrances) are approximately 48% of the market Hair Care, Skin Care, Makeup, Shower & Bath, Fragrance and Shaving 	<ul style="list-style-type: none"> Herbicides account for 42% of total crop protection market U.S (Maize -33%), Canola (Canada- 28%), Wheat (China 17%) Pheromones are approximately \$2.6B, 16% CAGR 	<p>\$140B (CAGR of 5.1%)</p> <p>Drug discovery continuously searching for new API materials.</p> <p>(S)-XXX well aligned with a variety of anti-viral and cancer drugs.</p>
Recommendations	<ul style="list-style-type: none"> Sample specific precursors as requested. Focus on specific niche flavors that are supply constrained and Circa has unique pathway (i.e. NNNN lactone) Cyrene™ opportunities 	<ul style="list-style-type: none"> Focus on DDDDD based pheromones which are well suited and prevalent in the application. Investigate partnership or acquisitions that could facilitate route to market and commercialization Sample precursors as requested to traditional AgChem active development projects 	<ul style="list-style-type: none"> Develop 2-3 precursor offerings with known routes to targeted areas, starting with (S)-XXX