

# Q4 2021 Results *Presentation*

**2 March 2022**



## AGENDA

### INTRODUCTION Tony Duncan

FINANCE  
Tone Leivestad

RESOLUTE  
Jim Henneberry

PRODUCT DEVELOPMENT  
Jason Camp

MARKETING  
Amanda Keogh

Q&A



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# Circa is enabling the transition to lower carbon and sustainable production of advanced bio-based materials



**The world demands change from toxic fossil-based chemicals to a better alternative. Circa is part of the answer.**

- Circa converts waste biomass into a platform molecule that enables the production of high value bio-based chemicals. Our patented technology equips industries to innovate safer, more sustainable and better chemical products.
- We plan to grow our manufacturing capacity to 80,000 tonnes per year (tpa) by 2030, refining our technology and optimising our cost base and yield as we scale.
- In parallel we develop markets for Cyrene™ a bio-based solvent that often out-performs and is up to 80% less carbon intense than NMP and DMF:- both substances of very high concern identified by the European Chemicals Agency (ECHA).
- Cyrene™ is a levoglucosenone (LGO) derivative, a platform molecule that has the potential for many more derivatives to be commercialised in high-margin applications, such as drug discovery and production of biopolymers.

*Today we report on our Q4 progress building an industrial scale plant and developing markets for its novel products.*

- Cashflow remains at expected levels
- Continuing work on cost down and capex options for ReSolute producing results
- ReSolute funding support with France Relance grant (€8.2m), and further grants in negotiation
- Discussions with major equipment manufacturers have been very supportive and positive, major vendor appointments announcements on target for April
- Oqema Cyrene distribution agreement, including offtakes, near finalisation
- Largest Cyrene delivery to date supplied to Merck (1.5 tonnes)
- Further textile opportunity underway with major EU based global brand (replacement of toxic solvent in artificial leather production)
- Oslo Corporate office staffing appointments (legal and financial)
- Circa Renewable Chemistry Institute, based at University of York
  - Focus on solvent development and applications
- New branding identity and website revamp on target for end Q1
- Price increase for Levoglucosenone by 25%, and the Cyrene™ product portfolio in all markets by 15%, effective 1 March 2022, or as contracts allow

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# Spend remains in line with expected quarterly run rate



(EUR)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Product sales	2,254	13,004	18,711	70,195
Other revenue	904,386	1,899,680	941,230	1,660,707
<b>Total revenue</b>	<b>906,640</b>	<b>1,912,684</b>	<b>959,941</b>	<b>1,730,902</b>
Cost of sales	151,731	20,887	363,139	222,010
Employee benefit expenses	109	188,667	2,850,082	411,494
Other operating expenses	1,226,473	415,508	4,274,130	3,962,130
<b>Total operating expenses</b>	<b>1,378,313</b>	<b>625,062</b>	<b>7,487,351</b>	<b>4,595,635</b>
<b>Operating result</b>	<b>-471,673</b>	<b>1,287,622</b>	<b>-6,527,410</b>	<b>-2,864,733</b>
<b>Net financial income/ expenses</b>	<b>56,922</b>	<b>-33,886</b>	<b>-473,171</b>	<b>-33,917</b>
<b>Net profit/ loss before tax</b>	<b>-414,750</b>	<b>1,253,736</b>	<b>-7,000,582</b>	<b>-2,898,650</b>
<b>Tax expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net profit/ loss</b>	<b>-414,750</b>	<b>1,253,736</b>	<b>-7,000,582</b>	<b>-2,898,650</b>
<b>Other comprehensive income:</b>				
Foreign exchange gains/(losses)	-95,159	0	-71,095	0
<b>Total comprehensive profit/ loss for the period</b>	<b>-509,909</b>	<b>1,253,736</b>	<b>-7,071,678</b>	<b>-2,898,650</b>

- FC5 continues to provide product for Cyrene sales and trial product to customers. Low sale in Q4 is related to timing of deliveries of Cyrene in Q122
- R&D income for 2021 in the Australian entities has been included as “Other revenue” in Q421
- Fair value for the long-term incentive plan is reduced with approx. EUR 0.4 million in the fourth quarter
- Q421 employee and other operational expenses continue to be in line with the quarterly run rate
- Financial income is mainly related to unrealized FX

# Focus on cash remains critical



(EUR)	31-12-21	30-09-21	31-12-20
<b>ASSETS</b>			
Tangible assets	1,244,589	874,964	53,196
<b>Total non-current assets</b>	<b>1,244,589</b>	<b>874,964</b>	<b>53,196</b>
Inventory		44,306	49,899
Short term receivables	1,600,307	262,578	1,708,519
Cash and cash equivalent	44,422,071	46,849,307	4,724,408
<b>Total current assets</b>	<b>46,022,378</b>	<b>47,156,191</b>	<b>6,482,826</b>
<b>Total assets</b>	<b>47,266,967</b>	<b>48,031,155</b>	<b>6,536,022</b>

- ReSolute™ capex is EUR 0.6 million gross in Q421. Total capex is offset by the BBI contribution of EUR 0.3 million.
- Increase in in short term receivables is mainly due to R&D income in Australia.
- Cash balance at year-end is EUR 44.4 million. Cash in Q4 used on:
  - EUR 1.6 millions related to operational activities in the quarter
  - ReSolute™ payments EUR 0.7 millions
- Cash does not reflect announced grants not yet recognized in the accounts

# Circa remains well-funded



(EUR)	31-12-21	30-09-21	31-12-20
<b>EQUITY</b>			
Issued and paid in equity	56,809,130	54,013,611	7,335,180
Other equity	-15,067,139	-11,695,589	-7,685,095
<b>Total equity</b>	<b>41,741,990</b>	<b>42,318,023</b>	<b>-349,915</b>
<b>LIABILITIES</b>			
Employee benefits	263,288	639,647	0
Other non-current liabilities	11,539	0	562,590
<b>Total non-current liabilities</b>	<b>274,827</b>	<b>639,647</b>	<b>562,590</b>
Employees and related	541,374	646,830	32,408
Trade and other payables	706,260	248,019	179,363
Public duties and related	0	40,334	0
Other current liabilities	4,002,515	4,138,303	6,111,576
<b>Total current liabilities</b>	<b>5,250,149</b>	<b>5,073,486</b>	<b>6,323,347</b>
<b>Total liabilities</b>	<b>5,524,976</b>	<b>5,713,133</b>	<b>6,885,937</b>
<b>Total equity and liabilities</b>	<b>47,266,967</b>	<b>48,031,155</b>	<b>6,536,022</b>

- Total Equity is EUR 41.7 million as of Q421
- Reduction in Employee benefits is due to the change in fair value for the long-term incentive plan of EUR 0.4 million
- Decrease in Other current liabilities are mainly due to utilization of the Horizon 2020-grant of EUR 0.3 million in Q421

# Activities following capex announcement Oct 14<sup>th</sup> are building confidence in the estimate and funding



- Activities to reduce capex as well as various financing options is building confidence, and opportunities for non dilutionary financing. The cash forecast is updated with grants recently announced, and the work is ongoing.
- Circa Group's available cash balance as per Q421 is approximately €44.4m.
- Available cash in the two-year period includes outgoing cash balance as per Q421, BBI grant of €5m (55 %), France Relance of €8.2m, further French commitments and R&D funding.
- Cash spending on ReSolute plant is given as a range from €50-55m.
- Circa has a well funded and long financial runway. The company is working with various financing options, such as exploring grants and vendor financing opportunities.

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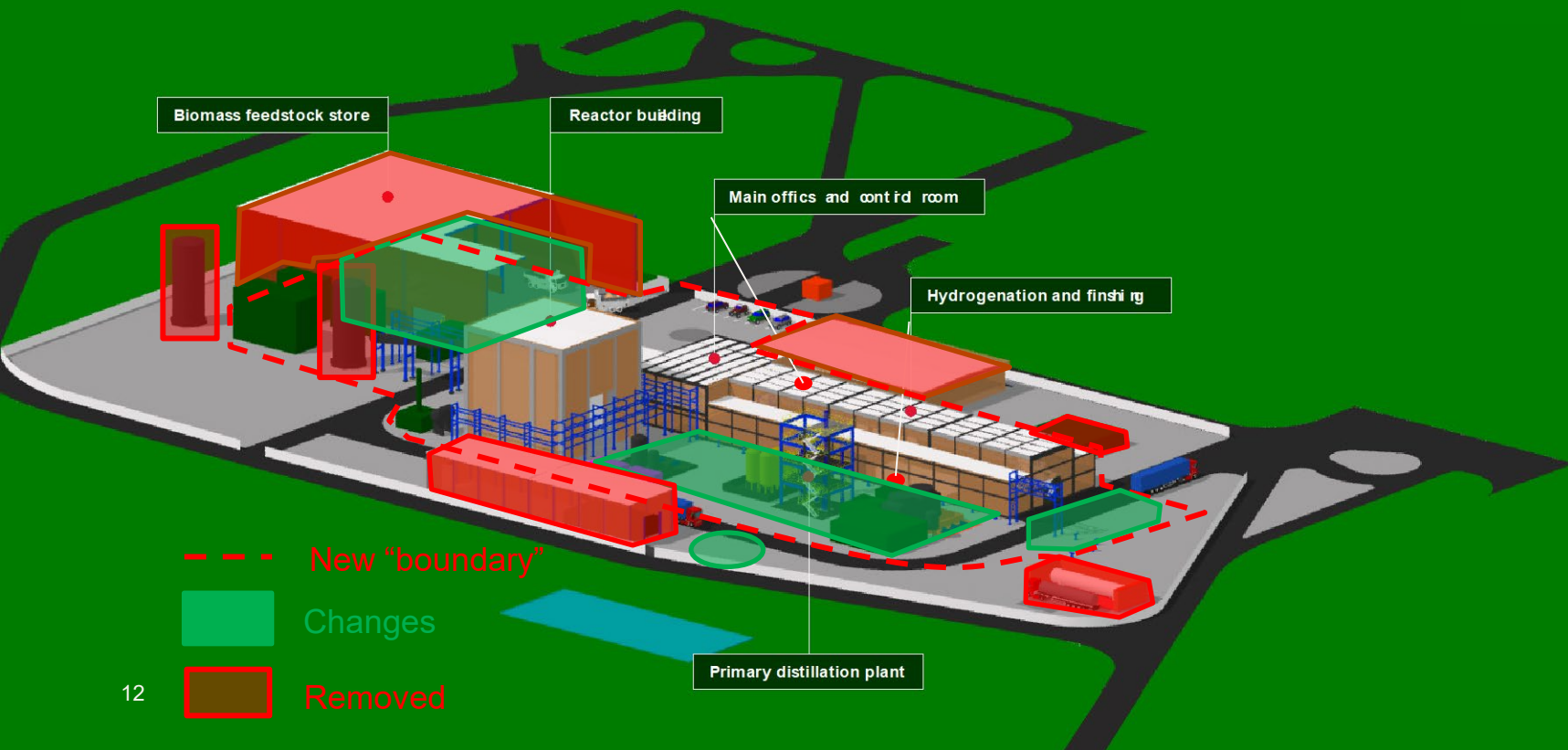
Jason Camp

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# ReSolute plant site optimisation continues...





Reactor building  
refurbishment underway  
and on time



15/02/2022 15:45



17/02/2022 12:08

- Significant savings opportunities being studied / negotiated include:
  - Trials for site conversion of char to energy have been successfully completed (>€2m opex/year).
  - Internalise waste water treatment (€1m capex savings)
  - Approx. 15-20% capacity increase based on successful work at FC5 included in design.
  - Reduced site footprint.
  - EPs (Engineering and Procurement) + CMs (Construction Management) strategy with major equipment suppliers responsible for their design, manufacturing and delivery managed by Circa.
- Working on sustainable pre-reactor fractionation.
  - Not anticipated for start-up, but upside is ~25-30% capacity uplift.

**Ongoing optimisation work is lowering capex risk for FC6 (10 000+ tonnes) large scale plant.**

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# LGO Derivatives: Focused on 4 target markets



## We plan to

- Grow the LGO Platform in niche applications that are high value and high growth
- Provide unique solutions that offer value in the end market applications:
  - Sustainability
  - Simplified synthetic pathways
  - Scalability
  - Secure Supply

### Health Science & Pharmaceuticals

- \$140B (CAGR 5.1%)
- Targeting derivatives that are well aligned with known intermediates used in API and genomics applications

### Agrichemicals – Integrated Pest Management

- \$2.6B (CAGR 16%)
- Focus on sustainable production of unique and difficult to obtain molecules well suited and prevalent in the application.

### Flavors & Fragrances

- \$8.9B Dairy (CAGR 3.9%) Convenience Foods (CAGR 5.5%)
- Development of useful precursors and targeted end-use products.

### Bio-Polymers

- \$26.1B (CAGR 7.3%)
- Investigating synthesis of unique bio-based monomers for use in production of novel polyester and polyacrylate polymer systems.

# We will demonstrate commercially viable production capability at scale and build foundations for future growth



## We are progressing synthetic initiatives in 3 primary areas of focus:

1. Evaluating full-scale production of **dairy lactone** from LGO
  - Under-served product in the F&F market we believe has high value and growth opportunities
  - Scale-up of this synthetic route involves several key process steps and enables the potential synthesis of a range of similar molecules
2. Developing synthetic sequences targeting non-natural substituted ribose structures for the **pharmaceutical and genomics** markets
  - ✓ Both high growth and high value segments of the market
  - ✓ Few suppliers can produce materials at the scale Circa will be capable of providing
3. Our **biopolymer** collaborations have produced a range of acrylate and amine functional monomers
  - ✓ As the industry strives for sustainability, we are positioned to provide solutions based on LGO
  - ✓ Our chemistry toolkit is enabling Circa to explore applications beyond biopolymers e.g. CO<sub>2</sub> capture

# Leveraging long term relationships to build core technical competencies for Cyrene™ and levoglucosenone



- Actively building our **Core R&D** capabilities to be the experts in LGO production and the synthesis of LGO derivatives
- Agreement with the University of York to establish the **Circa Renewable Chemistry Institute** within the University's Green Chemistry Centre of Excellence.
  - Our objective is to build on the University's established strengths with Cyrene and green polymer chemistry.
- Expanding our expertise by:
  - Funding small molecule research with the **University of New England** in Australia, leveraging work underway in flavours and pharmaceuticals.
  - Working with **AgroParisTech** to develop capability in enzymatic derivatization of levoglucosenone.
- Developing **key commercial research relationships** in order to bring new molecules and processes to market at scale.



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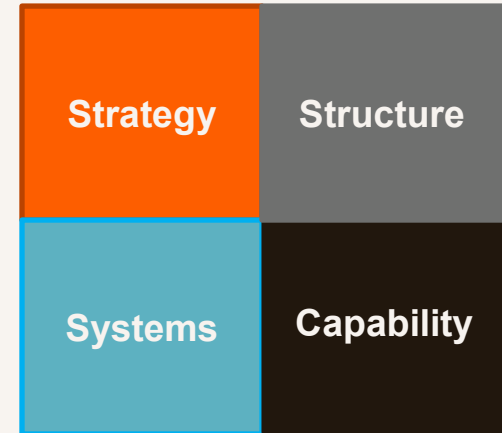
## Leadership and organisation development provides the coherent framework for strategic initiatives to be delivered and measured

**People management capability**

**Structure and role definition  
including levels and ways of working**

**Values clarification and alignment**

**Courage  
Initiative  
Respect  
Community  
Accountability**



- Delivery of strategy contingent on three enablers; structure, systems and the capability of people.
- These enablers and framework for people management is necessary for sustainability initiatives, accountabilities and capabilities to be cascaded across the organisation.

**In order to more clearly communicate our story, our product and the benefits of Circa, we've updated our brand, in both how it looks and what it stands for.**

You will see this brand rolling out across all of our communications, most notably in our new website.

You will see:

- A new purpose tagline
- New corporate and product logos
- New imagery, reflecting the utility of our products
- Clearer communications for investors and decision-makers in customer organisations

In a world demanding real change to limit the climate crisis, we are still miles away from replacing the toxic and harmful chemicals used everywhere in everyday life.

**Until now.** Circa is one of the very few businesses that can successfully produce a sustainable alternative at scale:  
A natural platform chemical distilled from abundant waste biomass...

...with the capability of replacing and improving chemicals used in pharmaceuticals, agriculture, graphene, batteries, paints, flavors, fragrance, biopolymers and more.

## **We are changing chemistry for good**

By enabling our customers to make better products from sustainable chemical alternatives, we will change the chemistry of the world for good.

# Our logo

Our logo is a standout in the sector,  
designed to reflect our purpose and products

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Our symbol is a manifestation  
of change, as if in constant motion.  
Its organic forms suggest circularity  
and our biochemistry. Our colours  
are bright and optimistic

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Our logotype is contemporary and  
unique to use, using approachable  
and open characters

Our purpose

Changing chemistry for good™

Thank you

Takk

Merci