

# Company Presentation

**Circa Group**

**Changing Chemistry for Good™**

May 2024



This presentation and its appendices (collectively, the "Presentation") has been prepared by Circa Group AS (the "Company", and together with its subsidiaries the "Group") and is not an offer to sell or a solicitation of an offer to purchase securities of the Company or any other entity or to engage in any other transaction and does not include such information as would normally appear if it was an offer under any relevant securities laws and regulations. The Presentation does not purport to be all-inclusive and statements made herein are not investment, tax, accounting or legal advice.

This Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Group and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", "will", "should", "may", "continue" and similar expressions. The forward-looking statements contained in this Presentation, including opinions and views of the Company or cited from third party sources, are based on various assumptions. The forward-looking statements are solely opinions and forecasts, and are subject to risks and uncertainties which are difficult or impossible to predict and are beyond the Company's control. Forward-looking statements are not guarantees of future performance, and risks, uncertainties and other factors could cause the actual results of operations, financial condition and liquidity of the Group or the industry to differ materially from the expectations expressed or implied in this Presentation by such forward-looking statements. You are cautioned not to place any undue importance on any forward-looking statement.

The distribution of this Presentation may be restricted by law in certain jurisdictions and persons into whose possession this Presentation comes should inform themselves about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction. The Company has not authorized any offer to the public of securities or has undertaken any action to make an offer of securities to the public requiring the publication of an offering prospectus, in any member state of the European Economic Area.

This Presentation is updated as of the date hereof. The Company does not undertake any obligation to update this Presentation or any information. The information contained in this Presentation should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect developments that may occur after the date of this Presentation.

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdictions of Norwegian courts.



**Bertel Karlstedt**

**CEO**



**Tone Leivestad**

**CFO**



**Dr. Alessandro Napoli**

**VP Product Development**



**Philipp Morgenthaler**

**VP Manufacturing**

# Circa is pioneering sustainable specialty chemicals



- 1 Circa has fine-tuned and patented a scalable production platform for high value low-toxicity biochemicals made from wood (the world's only scalable LGO platform)
- 2 LGO (levoglucosenone) is a highly versatile platform chemical, while Cyrene™ is a solvent and is Circa's first commercially available LGO derivative
- 3 Global demand for sustainable materials and chemicals, backed by strong regulation, creates a large market for such sustainable alternatives
- 4 Current capacity reservations for Cyrene™ significantly exceed the 1,200t ReSolute™ nameplate capacity, while FC5 (~10t) is currently serving the market and new high-margin derivatives
- 5 Highly experienced senior management and board with industry background from large companies like Valmet, Huntsman, BASF and Solvay
- 6 Strong and growing network of technology partners, clients, and end users



# Current financing status and update to business plan



## Summary

- To enable continued operations, Circa is undertaking a capital raise of up to EUR 10m to address the funding situation. The company has ongoing dialogues with several players related to funding and expects better visibility on external financing during H2'24
- In the meantime, Circa is looking to raise up to EUR 10m
  - EUR 5m is expected to finance Circa through Q3'24, providing visibility on specific dialogues related to bank financing and soft financing of ReSolute™. While a EUR 8 -10m raise is expected to provide runway through FY'24 / Q1'25, respectively. Providing additional feedback on several strategic and commercial dialogues expected to result in increased revenues from FC5 and potential offtake agreements with blue-chip chemicals distributors.
- In response to the need for additional capital, management has made amendments to the business plan to support the success of the business
- The ReSolute™ project will be put on hold until the funding situation is resolved, and the environmental permit is secured
  - EUR ~4m of the funding to be raised will be applied towards ReSolute™ contracts already in place
  - Circa currently has equipment related to ReSolute™ in storage, purchased for EUR > 20m in total
- The product portfolio based on FC5 and Resolute™ output will also be recalibrated
  - Plant output will be rebalanced across LGO, Cyrene™, and other derivatives based on profitable and sustainable market potential. This will reduce the dependency on large volume transactions to deliver the necessary profitability to the business through increasing derivative sales
- **Underpinning this process over the next few months will be several key focus areas**
  - **Market:** Rigorously identify, qualify and accelerate sales opportunities with key customers
  - **Product development:** Identify and commercialize high-margin derivatives
  - **Customers:** Continue shipping samples to existing customers that are developing applications
  - **Volume:** Sensibly increase FC5 volumes through optimization
  - **Funding:** Secure alternative and non-dilutive sources of financing to progress ReSolute
  - **Environmental Permit:** Securing the ReSolute™ environmental permit

## Sources and uses under the updated business plan

Sources	EURm
Cash as of Q1'24	6.1
Grants received in April '24	4.1
New capital	5.0 – 10.0
<b>Total sources</b>	<b>~15 – 20</b>
Potential grants, subject to ReSolute progress	4.6
Uses	EURm
Capex Q2'24 – Q3'24	12.0
Opex Q2'24 – Q3'24	3.2
<b>Total uses</b>	<b>~15</b>



## Long-term ambition and value potential remains intact, as the market continues towards stricter regulation with demand for Circa's products

- ReSolute™ will be a game changer for Circa, enabling positive EBITDA. The project will continue when the funding situation is resolved, and the environmental permit is secured.
- On the current business plan and amended product mix, ReSolute™ is expected to generate EUR ~7m in EBITDA on a stand-alone basis in steady state
- Several clients are already using Cyrene™ from the FC5 plant in Australia in their development work, leading to several identified opportunities for Cyrene™ and other high-margin derivatives
- Circa has received ~5x the ReSolute™ capacity in reservations for Cyrene™, from Tier 1 counterparties, and more than 40 patents have been filed
- Once ReSolute™ is fully operational, Circa will have increased financial flexibility, and additional plants to be constructed based on future market development

## The adjusted business plan allows for significant value creation by extending the runway from minimized cash burn

- Total ReSolute™ project CAPEX is estimated to **EUR 73.0m**, of which **EUR 40.0m is already spent**. The Company has a remaining CAPEX funding need of EUR ~33.0 million, and has several ongoing funding initiatives (non-equity) pending to finance part of the funding requirement
- The Company has received indicative terms for a **EUR 20 million loan** from Finnvera, the Finnish Export Credit Rating Agency, subject to satisfactory third-party guarantee
- The Company is also in discussions with several French banks regarding additional financing, and expects feedback on key dialogues around summer 2024
- Further, Circa is also in discussions with several strategic players and sharing product samples from the FC5 facility, with the target to result in firm offtake agreements
- The Company also has several projects related to joint product development and distribution with blue-chip chemicals players globally
- By raising between EUR 5 – 10m, the Company expects to be able to deliver on several key milestones and get visibility on ongoing specific dialogues with banks and dialogues related to soft funding

## Circa “as is” should provide backing and comfort supporting shareholder values

- Since inception, more than EUR 60m has been invested into Circa Group, with the primary part of proceeds being invested after 2021
- Circa has paid for and received equipment related to ReSolute™ (all equipment is 100% owned) for a total of more than EUR 20m, and the equipment is currently in storage. The company currently has no long-term debt, and no lenders have pledge in the inventory
- Further, the Company has an existing facility in Tasmania (FC5), producing around ~10 tonnes of product per year
- The Company has a suite of patents related to their unique Furacell™ technology and their proprietary solvent, Cyrene™
- Circa further has a network of clients and partners built from more than 10 years of R&D

## **Green solvent applications**

- Specific dialogues with both direct customers and via chemical distributors related to Cyrene™
- Various applications, including cleaning, lubrication, and lens manufacturing
- Indicative discussions for ~25 tonnes per year from 2025, with volumes expected to grow
- Additional Cyrene™ discussions related to flavor & fragrance and specialty chemicals with volumes up to 55 tonnes p.a. and EUR ~1m of revenues p.a.

## **Intermediates for flavor and fragrance specialties**

- Specific customer discussion for up to 100 tonnes of LGO derivatives per year
- Can potentially generate EUR 3.2m of annual revenue

## **Intermediates for pharmaceutical active ingredients**

- Two specific customer discussions for a total of up to 8 tonnes of LGO derivatives per year, potentially generating EUR ~1m annual revenue

## **Intermediates for agrochemical active ingredients**

- Specific customer discussion for up to 100 tonnes LGO / LGO derivatives per year, potentially generating EUR ~2.2m of annual revenue

## **Other professional and consumer markets**

- Several additional high margin opportunities within various cleaning and home products

The image shows a large industrial complex. On the left, a tall, light-colored tower with a spiral staircase is visible. To the right, a modern building with large glass windows and a dark facade stands. In the foreground, there are various industrial tanks and structures, including one labeled 'LFO'. The Circa logo is visible on the tower and a truck in the bottom left. An orange square is in the top left corner.

# COMPANY INTRODUCTION

MARKET

MANUFACTURING

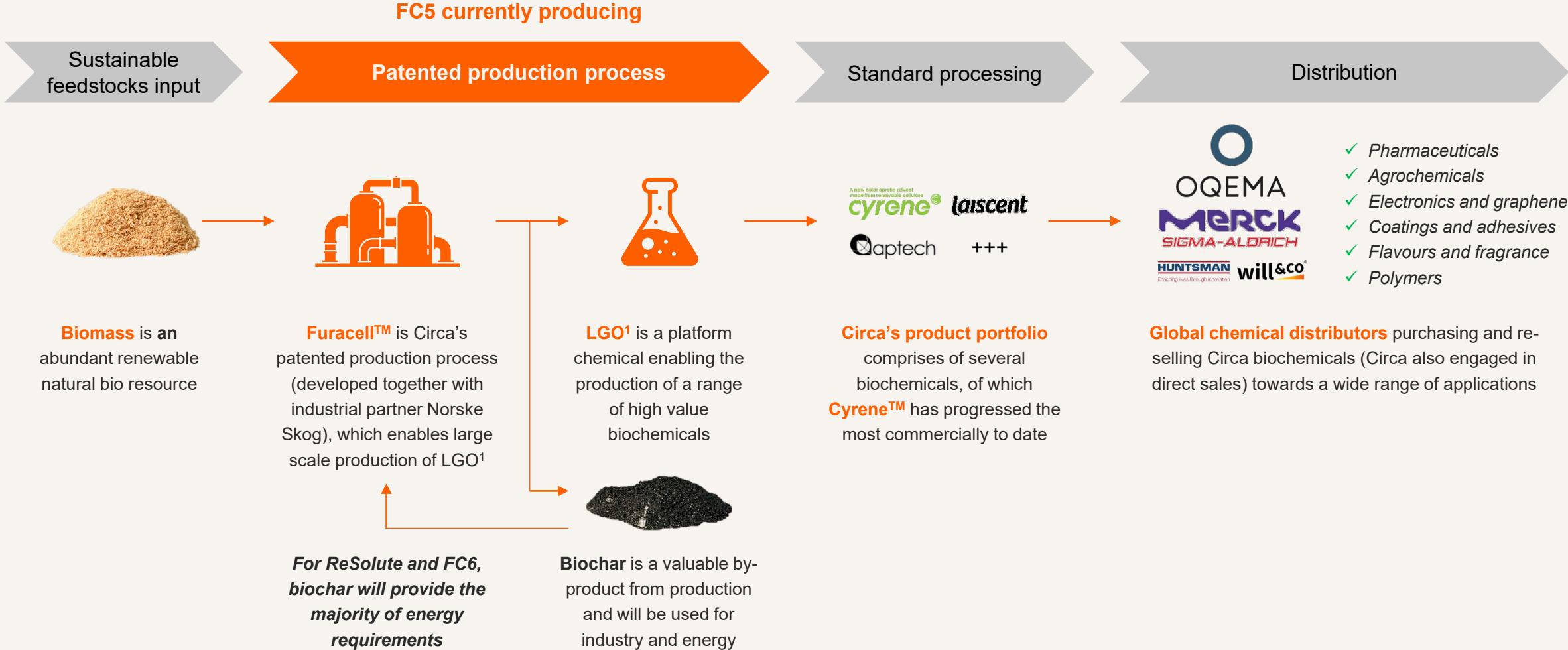
BUSINESS PLAN AND FINANCIALS

APPENDIX

RISK FACTORS



# Converting abundant biomass into high value biochemicals



Source: Company information. 1) LGO = Levoglucosenone.

# Circa has produced LGO and Cyrene™ for >10 years



Stable production for several years

## FC5 facility continues to produce LGO and Cyrene™

Start of operations	2017
Development partner	Norske Skog
Location	Norske Skog paper mill site in Boyer, Australia, Australia
Annual Cyrene™ output	8 – 15 tonnes



## Demonstrated production process and growing distribution network

- Chemicals sold to >1,500 industrials and researchers
- Currently supplying 1,000+ kg deliveries to European customers
- Optimisation activities and data provide valuable input for ReSolute plant development
- Largest supplier apart from Circa Group: ~20 kg per year LGO

## Circa is well positioned for commercial scaling

### Circa holds pole position with...



*Extensive research and development*



*Patented Furacell™ technology<sup>1</sup>*



*Leading process know-how*



*Major global technology partners*



*Head start in capital expenditure*



*Extensive commercial and market work*

# Significant interest from key market distributors and direct customers



Total reservation commitments for Cyrene™ volumes are over 5,000 tonnes per annum

## Cyrene™ capacity reservations

**1,600t**      **>5,000t**

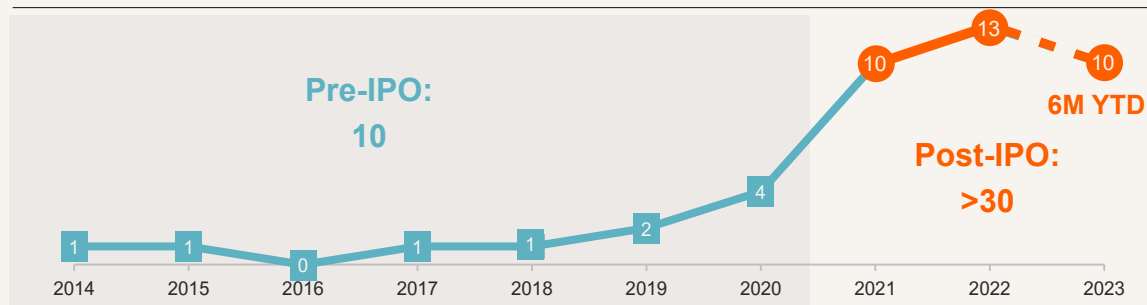
In 2021

Current

- Cyrene™ is produced in one step from LGO with applications across a wide range of markets
- Circa will produce approximately 1,200 tonnes per year at their first commercial scale plant (ReSolute)
- A number of multinational chemical distributors have provided LOIs equating to >5,000 tonnes of Cyrene™
- Circa is working with distribution partners to convert LOI commitments to firm orders



There has been a spike in patent filings since the IPO



Source: Company information.

Selection of firms filing for patent applications using Cyrene™



# Circa has ongoing projects across several large markets with high demand for more sustainable products



## Pharmaceuticals

Leukaemia drug candidate: MSD



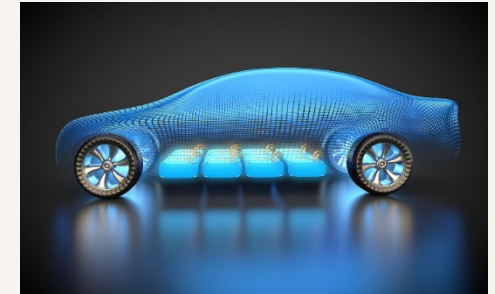
## Agrochemicals

Positive developments for Cyrene™ as agrochemical solvent: Large Euro company



## Graphene

Cyrene™ used as preferred solvent



## Electronics / Batteries

Cyrene™ used in recycling and development of cathodes



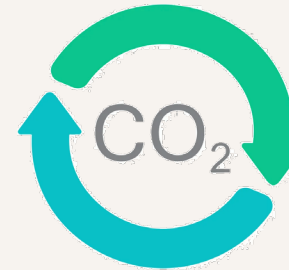
## Paints / Coatings

Two projects with global and Euro coatings companies



## Textile Recycling

Scale-up of ongoing commercial development with European textile recycling company



## CO<sub>2</sub> capture solvents

Two new patents for LGO-derived CO<sub>2</sub> capture solvents



## Polymers / Biopolymers

Cyrene™ in the manufacture of membranes  
LGO new bio-polymer derivative research underway

# Circa have scaled significantly since 2006



Modular approach enables rapid scale of additional production capacity

## R&D

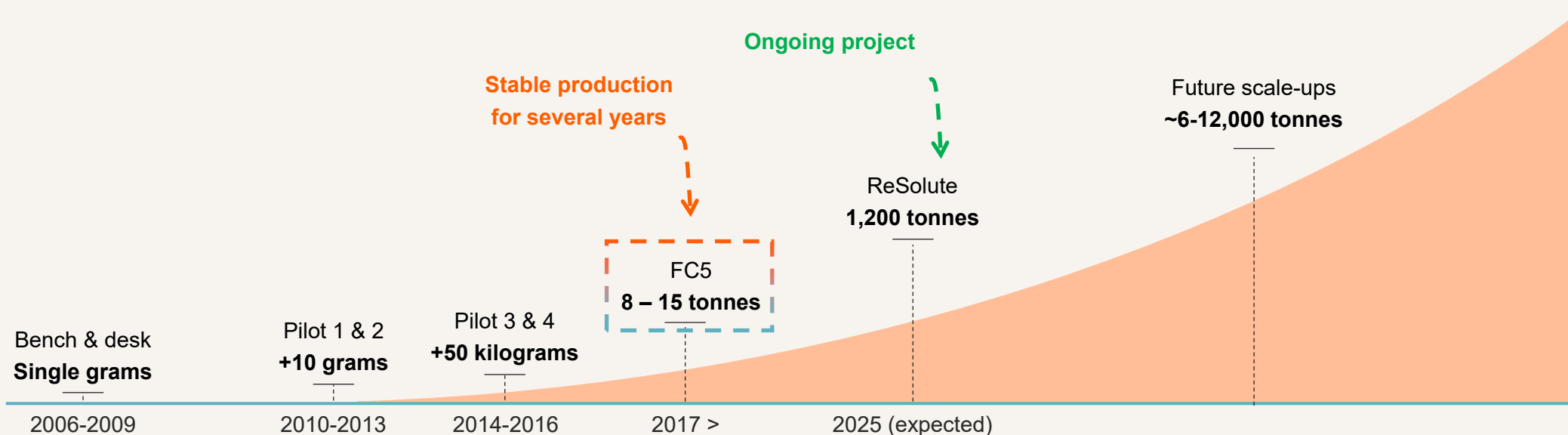
- Circa Group was founded in 2006
- Collaborations with universities and distributors
- Furacell™ process developed in 2009
- CRCI was launched in 2022 in collaboration of the University of York

## Pilots

- Five pilot plants (2010-2018)
- First Cyrene™ sales in 2016
- Pilot 5 (FC5) with ~8 – 12 tonnes yearly output today
- Potential to grow (FC5) up to 15 tonnes p.a. (current project)

## Commercial scale

- ReSolute plant designed for 1,200 tonnes capacity<sup>1</sup> has received grants of EUR ~20m in total<sup>2</sup>
- Partnerships with EU distribution companies, through LOIs covering more than 5,000 tonnes
- Market demand driven business plan with future plants targeting high margin products



Source: Company information. 1) Capacity refers to estimated Cyrene production per year. 2) To the full ReSolute project, not only Circa Group.



# Management team with extensive and proven capabilities



## **Bertel Karlstedt | Chief Executive Officer**

*Circa Group since January 2024 | 300,000 shares | 400,000 options*

- Engaged with Circa since late 2021 through Valmet Technologies
- 36 years experience in global business serving a wide variety of industries through executive positions in process technology and mining sectors
- P&L responsible positions since '96. Previous CEO in Metso Paper and Nordkalk



## **Dr. Alessandro Napoli | VP Product Development**

*Circa Group since September 2023 | 100,000 shares | 100,000 options*

- Held management roles with Huntsman Corporation in Europe, in product innovation and technology platform development
- 10 years research experience (with IP generation) in academic institutions
- PhD in Material Science/Bioengineering from ETH Zürich



## **Erik Berger | Incoming Chief Financial Officer**

*Circa Group from April 2024*

- Over 30 years' experience with business strategy, finance, company financing, both in operational roles and from the PE/VC side
- Extensive international experience with strong ties to France
- Engineering degree from Oslo and MBA from EM Lyon



## **Tone Leivestad | Chief Financial Officer – Leaving end of May 2024**

*Circa Group since 2021 | 70,000 shares | 200,000 options*

- Extensive experience in finance, consulting and industry
- Former Head of CFO Advisory at both KPMG Norway and Accenture Norway, in addition to Group CFO in Tier 1 organisations



## **Philipp Morgenthaler | VP Manufacturing**

*Circa Group since 2022 | 60,000 shares | 200,000 options*

- Nearly 20 years of global manufacturing experience
- Track record of developing greenfield factories and industrial-scale production facilities
- Led teams across Europe, USA, China and Brazil

# Supported by an experienced Board



## Martin Laudенbach | Chairperson

*Board member since 2022 | 60,000 shares | 50,000 options*

- Extensive experience in the international chemical industry
- Held senior positions at BASF and Solvay
- Professional advisor with various director positions, including in the chemical group CIECH S.A. listed on the Warsaw and Frankfurt Stock Exchange



## Elise Fahlen | Director

*Board member since 2022 | 50,000 options*

- Investor with extensive experience from venture capital and private equity, investing in Europe and the US
- Previous work experience from BCG and EQT
- Currently Investment Manager at the VC branch of the H&M Group



## Rune Sollie | Director

*Board member since 2020 | 152,890 shares | 100,000 options*

- Former CFO in Norske Skog
- Former Senior Director Financial Reporting & Compliance at Statoil Fuel & Retail AS
- Held various positions in UNIconsult AS, Yara International ASA and KPMG AS



## Trond Stangeby | Director

*Board member since 2021 | 50,000 options*

- Held several management and executive positions in Norsk Hydro and Yara International, in addition to Director position in Moelven Industrier
- Part of management team in the Norske Skog Group from 2011 to 2013



## Greg Court | Co-Founder & Director

*Board member since 2021 | 5,931,360 shares | 50,000 options*

- Director of Circa Limited since 2005
- 30+ years of experience within pulp and paper industry in the US and Australia
- Previous roles include Executive GM (Australian Paper), GM Functional Coatings (Amcor), and senior strategy roles (Amcor)



## Jim Henneberry | Director

*Board member since 2021 | 1,773,340 shares | 100,000 options*

- Chair of Circa Group Pty Ltd 2016-2020
- Held numerous CEO and director roles in operations, sales and R&D
- Business experience covers the Americas, ANZ, Asia, and Europe
- Chairs Timberland Pacific and is a trustee at Monash BioPria



## Lars Peder Sørvaag Sperre | Director

*Board member since 2020 | 253,552 shares | 300,000 options*

- Independent advisor with projects related to industrialization and director in various renewables and green tech companies
- Held various senior roles in Norske Skog, e.g., President and CEO,
- Previously Associate Lawyer in Wikborg Rein



COMPANY INTRODUCTION

**MARKET**

MANUFACTURING





BUSINESS PLAN AND FINANCIALS

APPENDIX

RISK FACTORS

# Large companies are using Cyrene™ in their development work which is leading to identified material opportunities for Cyrene™



Company	Patent Details	Market	Cyrene Application	Value added by Cyrene™ according to patent applicant
	WO2021213968A1 “Separating Hydrocarbons with Dihydrolevoglucosenone as a Solvent”, 2021	Oil & Gas	Separation of key fractions of crude oil	Cyrene performs better than the current solution. Shell quote: <u>“The use of Cyrene [...] reduces the energy costs”</u>
	WO2023097534 & WO2023099307 “Chemoenzymtic Degradation of Epoxy Composites” & “Method of Treatment of a Fiber Reinforced Composite”, 2023	Composite Materials	Recycling of carbon fibre reinforced epoxy composites	Cyrene enables the recycling process, hitherto not possible due to resilience of the materials. Solvay quote that Cyrene™: <u>“allowed [...] enzymatic degradation of the epoxy resin [...] without damaging carbon fibers”</u>
	WO/2023/110504 Water Emulsifiable Isocyanates: 2023	Coatings for Infrastructure/ transportation	Technical improvement of waterborne coatings for key industrial applications	BASF quotes that an advantage of the using Cyrene™ in the mixtures <u>“is that they give high gloss...[and] high resistance to chemicals”</u>
	WO2023119175 Polyurethane-based Terminated Elastomers for Tyres: 2023	Tyres	Manufacture of next-gen tyre materials	Low toxicity and bio-based route to reduced tyre weight for better fuel economy and driver safety. Pirelli also quote: <u>“Cyrene™ was selected... since it derives from cellulose, is non-toxic [and] biodegradable”</u>

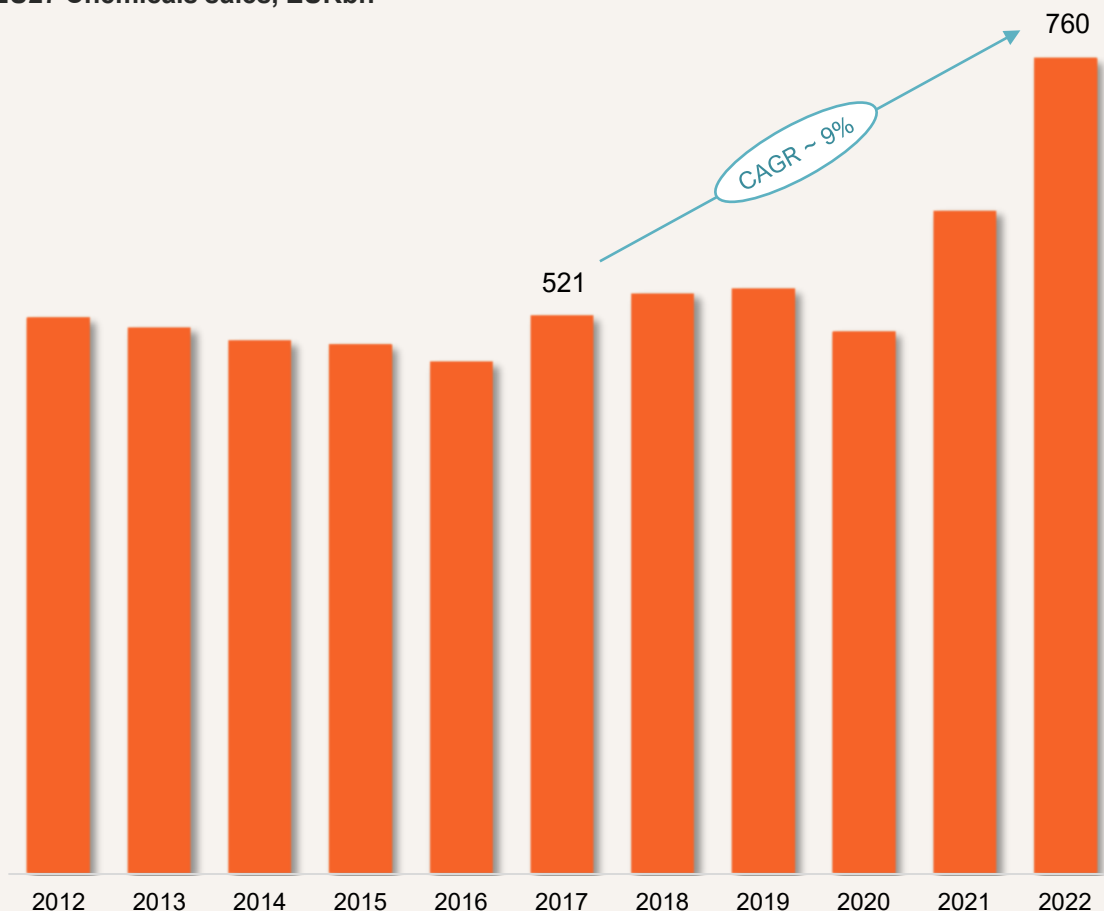


# Circa operates in a large chemicals market under growing regulatory pressure



Large and stable European chemicals market...

EU27 Chemicals sales, EURbn



... with both the EU and the US pushing for safe and sustainable chemicals

- The European chemicals market has grown at a CAGR of ~4.6% since 2012, and ~9% since 2017
  - The market hype in 2022 was the result of post-covid stocking due to major supply chain disruptions, higher demand and associated inflation
- The EU Green Deal and U.S IRA initiative are implementing chemicals strategies that aggressively prescribe a sustainable and circular economy by 2050
- Regulatory frameworks are driving safety standards globally, leading to the uptake of more sustainable chemicals
- Safe and sustainable chemicals will be essential to achieve the ambition of both the EU Green Deal and the U.S. IRA

**Circa manufactures a range of products from sustainable biomass, all supporting the growing global requirement to reduce industries' CO<sub>2</sub> footprint**

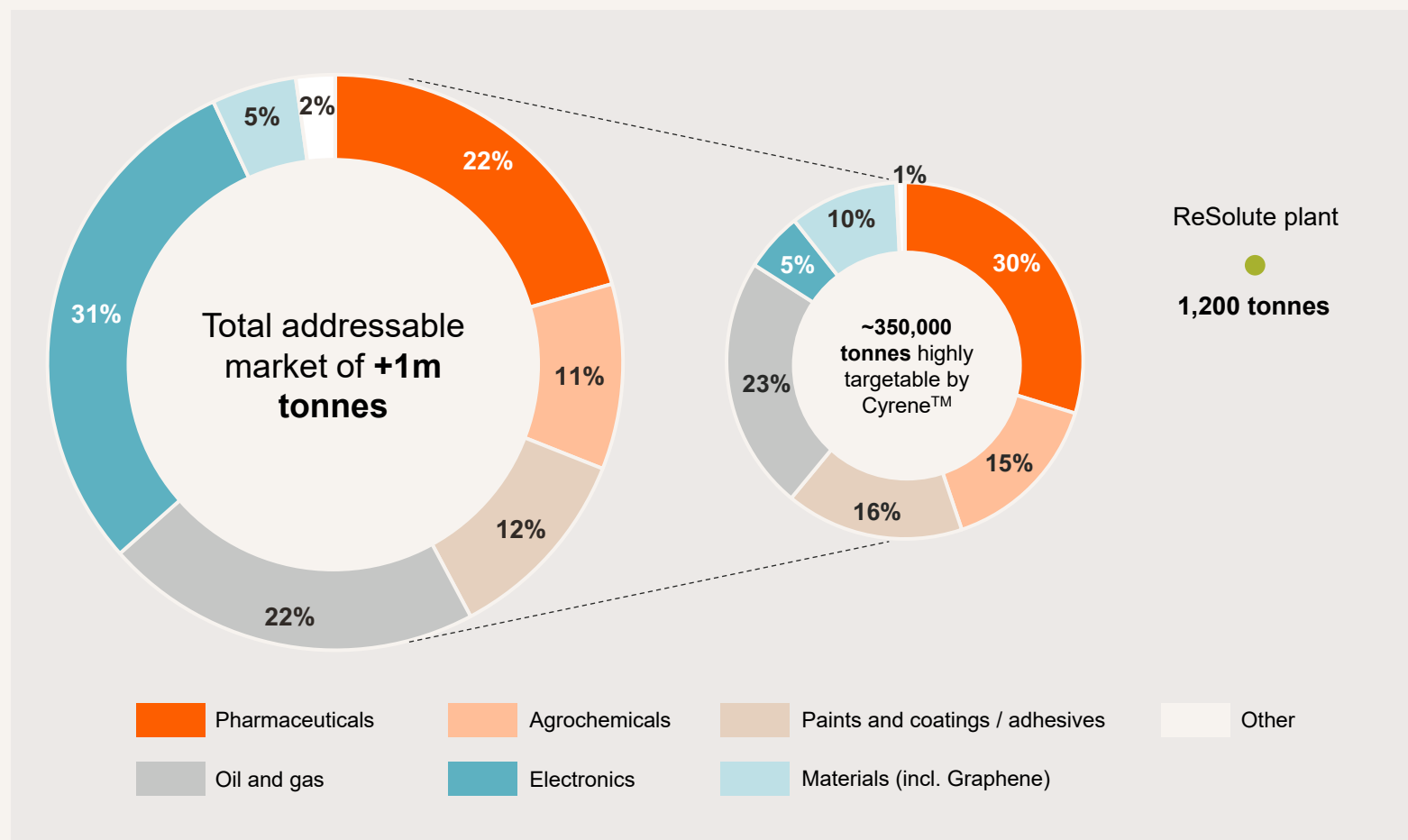


# 350,000 tonnes market directly addressable by Cyrene™



Cyrene™ is a sustainable, low-toxicity solvent ready for market

Total addressable dipolar aprotic solvent market



## Commentary

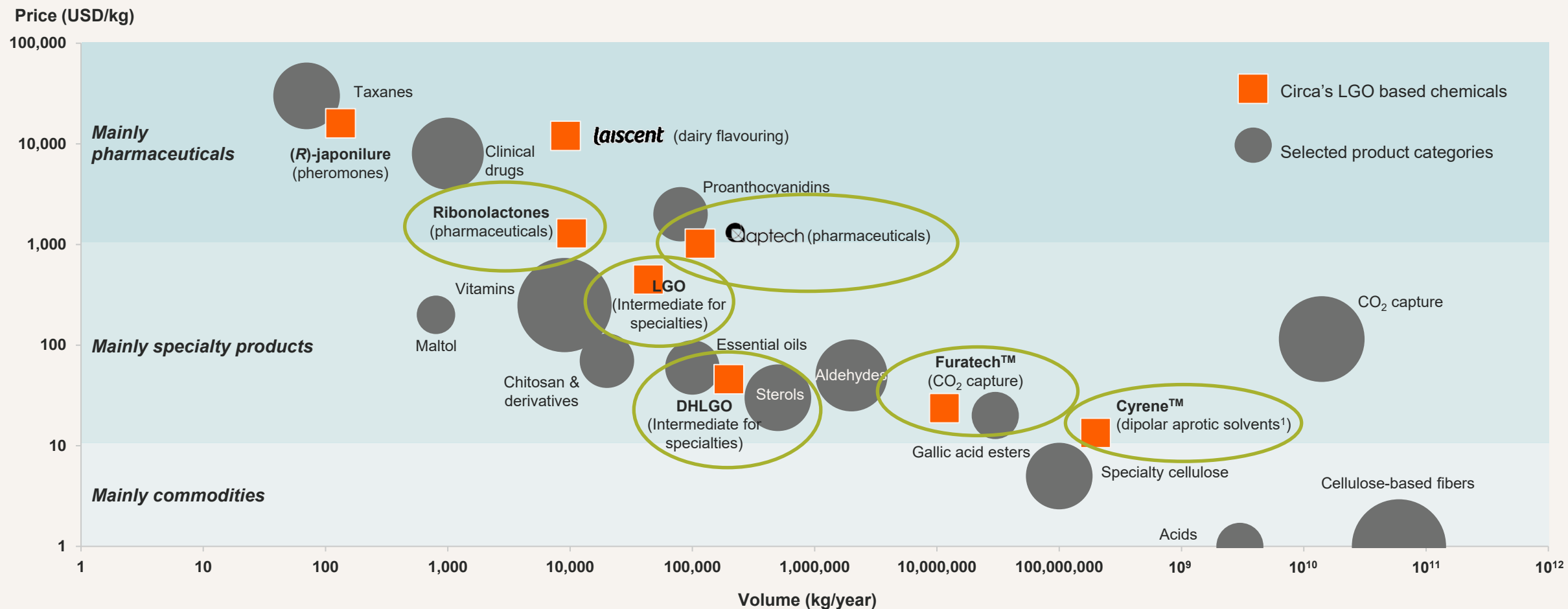
- The global dipolar aprotic solvent market estimated at +1m tonnes is currently supplied by toxic and fossil-based solvents such as NMP, DMF, DCM and DMSO
- Cyrene™ is widely acknowledged as one of the very few viable low-toxicity and sustainable alternatives<sup>1</sup>
- Cyrene™ outperforms traditional dipolar aprotic solvents in many higher-value applications
- Marketed on “outperform” results, not just relying on being a sustainable and safer alternative to existing solvents

Source Company information. 1) Cyrene™ is registered at REACH Annex IX – for the manufacture / import of up to 1,000 tonnes per year. REACH = Registration, Evaluation, Authorisation and Restriction of Chemicals.

# Circa's platform delivers both high-value and high-volume market opportunities



Volume and price positioning of selected chemicals produced from biomass



Source: Industry Canada. 1) Dipolar aprotic solvents are substances that, due to their inherent polarity, can dissolve something to become a solution, but unlike water does not use hydrogen bonding.

A large industrial facility with a tall white chimney and a building with a 'circa' logo. The scene is set against a clear sky. The building has a modern design with large windows and a prominent staircase on the side. The 'circa' logo is visible on the building's facade. The overall atmosphere is professional and industrial.

COMPANY INTRODUCTION

MARKET

**MANUFACTURING**

BUSINESS PLAN AND FINANCIALS

APPENDIX

RISK FACTORS

## Principal technology partners



- Valmet is a leading global developer and supplier of process technologies, automation and services for the pulp, paper and energy industries
- EKATO has developed into the world market leader in mixing technology and offers optimized mixing technologies for all process-oriented industries

## Partners/offtake



- Several multinational chemical distributors have provided LOIs equating to >5,000 tonnes of Cyrene™
- Merck Group is a multinational science and technology company with ~60,000 employees and presence in ~70 countries, headquartered in Germany
- OQEMA Group is one of the leading chemical distributors in the EU, operating at the interface between chemicals manufacturers and chemical-processing industries

## ReSolute partners



- The ReSolute project is a Flagship EU project focused on establishing a route for industrial scale production of a low-toxicity, high-performance solvent
- Cyrene™, has already been developed at scale for the first time by Circa by converting sawdust into LGO





# ReSolute™ plant is strongly supported by the EU and French Govt.



The 1,200 tonnes ReSolute™ plant is located in the North-East of France, nearby major industrial facilities, feedstocks and logistics



- The plant is able to scale up the current Cyrene™ production process to 1,200 tonnes of output per year
- Former coal fired power station, converted towards green industry
- Circa was awarded the EU Horizon 2020 Flagship grant of approx. MEUR 9.2 in 2019, the French Government “France Relance” grant of MEUR 8.2, and various local French grants, in total amounting to more than MEUR 20. The strong EU and French support confirms that ReSolute™ is seen a significant development
- Circa leads the ReSolute consortium, which brings together 11 large organisations from 6 European countries. The partners represent the entire value chain, from feedstock to market uptake
- LOIs that are currently in place exceed the ReSolute production volume

Source: Company information.

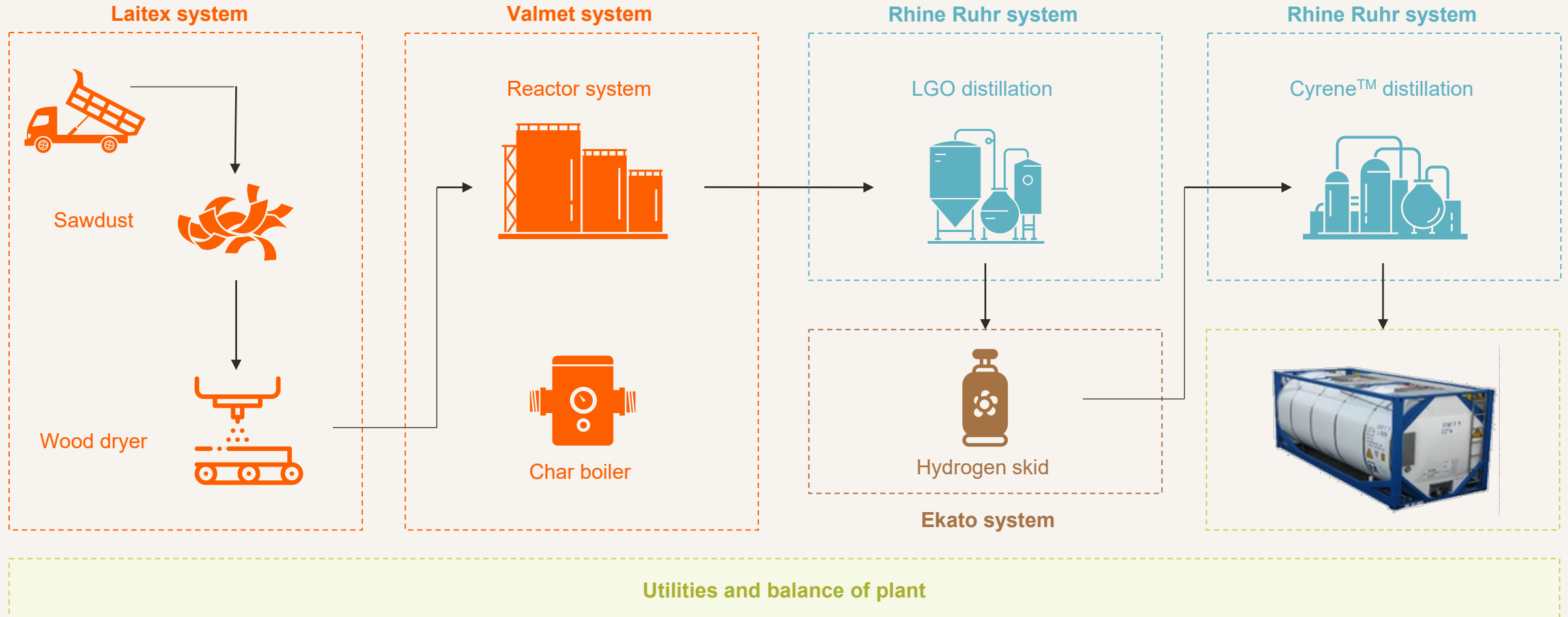




# Furacell™ process combines standard, off the shelf equipment with proprietary chemistry and know-how



Process design by engineering team involved in design, construction and operation of the FC 4 & 5 plants since 2014





COMPANY INTRODUCTION

MARKET

MANUFACTURING

**BUSINESS PLAN AND FINANCIALS**

APPENDIX

RISK FACTORS

# Spend remains in line with expectations – focus on cash remains critical



## Commentary

- Total ReSolute project CAPEX is estimated to EUR 73.0m, whereof EUR 40.0m is already spent. EUR 33.0m remaining capex as of Q1 2024
  - Out of the accumulated ReSolute CAPEX of EUR 40.0m, EUR 8.1m is offset by grants received
- Current cash balance is EUR 6.1m as per Q1 2024
  - Total announced grants of EUR 20.3m for ReSolute and EUR 11.5m are so far recognized in the accounts as received
  - The company received a grant payment for 'France Relance' of EUR 4.1 m in April, hence the remaining grant awarded, but not received amounts to EUR 4.6m. The remaining funds will be received based on progress related to ReSolute
- FC5 continues to provide product for Cyrene sales and trial products to customers
- Employee and other operational expenses continue to be in line with expectations
- The Company has ongoing discussions with industrial, strategic and financial partners to secure the funding of ReSolute until operation at scale and to enhance the longer-term liquidity of the Company
- With ReSolute is operational at scale, Circa can grow controlled by add-on-units at a pace the market allows
- Circa is evaluating the best strategic and financial options, including potential partnerships in relation to the Company's current project pipeline

## High level overview of P&L

EURm	Q1'24	YE'23
Operating revenue	0.1	1.7
Operating profit / loss	-1.9	-6.1
Net profit / loss before tax	-1.9	-6.0

## High level overview of balance sheet

EURm	Q1'24	YE'23
Fixed assets	32.0	23.3
Cash and cash equivalents	6.1	11.4
Total assets	40.7	37.0
Equity	28.5	30.1
Equity / Assets	70 %	81 %

# Steady state ReSolute plant economics



## High level plant economics in “steady state” (annualised)

	1,200t plant <sup>1</sup> (ReSolute)
<b>CAPEX</b>	EUR ~73m Brownfield
<b>Capacity</b>	1,200t
<b>Sales<sup>2</sup></b>	EUR ~22m
<b>Cost of Sales<sup>3</sup></b>	EUR ~11m
<b>OPEX<sup>4</sup></b>	EUR ~4m
<b>EBITDA<sup>5</sup></b>	EUR ~7m

## Assumptions

- Production and sales also include other higher-margin biochemicals derived from LGO
- Product mix and productivity improvements are expected over time due to continuous work on derivatives and yield improvements
- Biochar, a by-product of the Furacell™ process, will be utilized as energy for all plant sizes





COMPANY INTRODUCTION

MARKET

MANUFACTURING

BUSINESS PLAN AND FINANCIALS

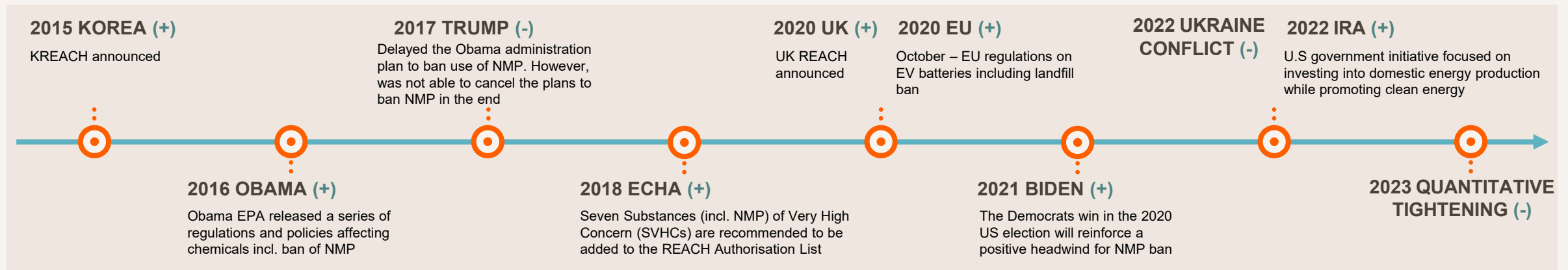
**APPENDIX**

RISK FACTORS

# Global regulatory pressure is driving customers to replace fossil fuel-based and toxic chemicals



Increasing regulatory restrictions with European Green Deal and Taxonomy likely to continue the trend



- New regulations are driving a once in a generation upheaval in the chemicals market
- Toxic chemicals are being driven out of global markets by regulation (REACH<sup>1</sup>) and pressure from consumers and brand owners (e.g. Nike, Amazon)
- Large volume, traditional solvents such as **NMP** and **DMF** are categorised as **Substances of Very High Concern (SVHC)** by the European Chemicals Agency (**ECHA**)
- Further regulation against NMP and DMF when Cyrene™ is available at scale is expected – “**Bans to be fully enacted once suitable alternatives become available**” – EU quote

**Cyrene™ can replace, in specific applications, fossil fuel-derived and toxic solvents such NMP, DCM and DMF, with a higher level of performance whilst delivering enhanced customer value**

# Significant progress since 2021 despite difficult market conditions



Poised to rapidly scale following recent developments

## Time of IPO

- **Cost estimates:** +/- 50%
- **EU grant funding:** EUR ~9m
- **Buying energy for plant operation considerations**
- **Customer LOIs:** 1,600t
- **Technology provider:** Ensyn
- **Cyrene focus**



## Now

- **Cost estimates:** +/- 10%
- **EU and Govt grant funding:** EUR ~20m
- **Generating energy for plant operation**
- **Customer LOIs:** >5,000t
- **Main technology provider:** Valmet
- **Beyond Cyrene:**
  - New Polymers
  - Acetic Acid
  - Fractionation giving rise to supplementary revenue streams (lignins / C5 sugars)
- **Contracts (CN) and Partnerships (P)**
  - Valmet (CN & P) – Boiler/Pyrolizer
  - Ekato (CN & P) – Hydrogenation
  - Gazel Energie (CN) – Site / Utilities / O+M
  - CRCI (P) – with UoY
  - OQEMA (CN) – Distribution
  - Textile Change (P)



## Significant de-risking over the last 2 years

- ✓ Finalised ReSolute plant technologies, timelines and costs
  - Modular engineering approach for future plant builds – minimising custom engineering
  - Furacell™ manufacturing strategy has identified new revenue streams, e.g. lignins, C5 sugars, acetic acid, furfural
  - Reducing exposure to energy costs with waste biomass boiler
- ✓ Key strategic vendor contracts signed for ReSolute
- ✓ Key corporate and operational staff in place
- ✓ Market demand has continued to increase since 2021
  - Increasing capacity reservations
  - Increasing Cyrene application patents

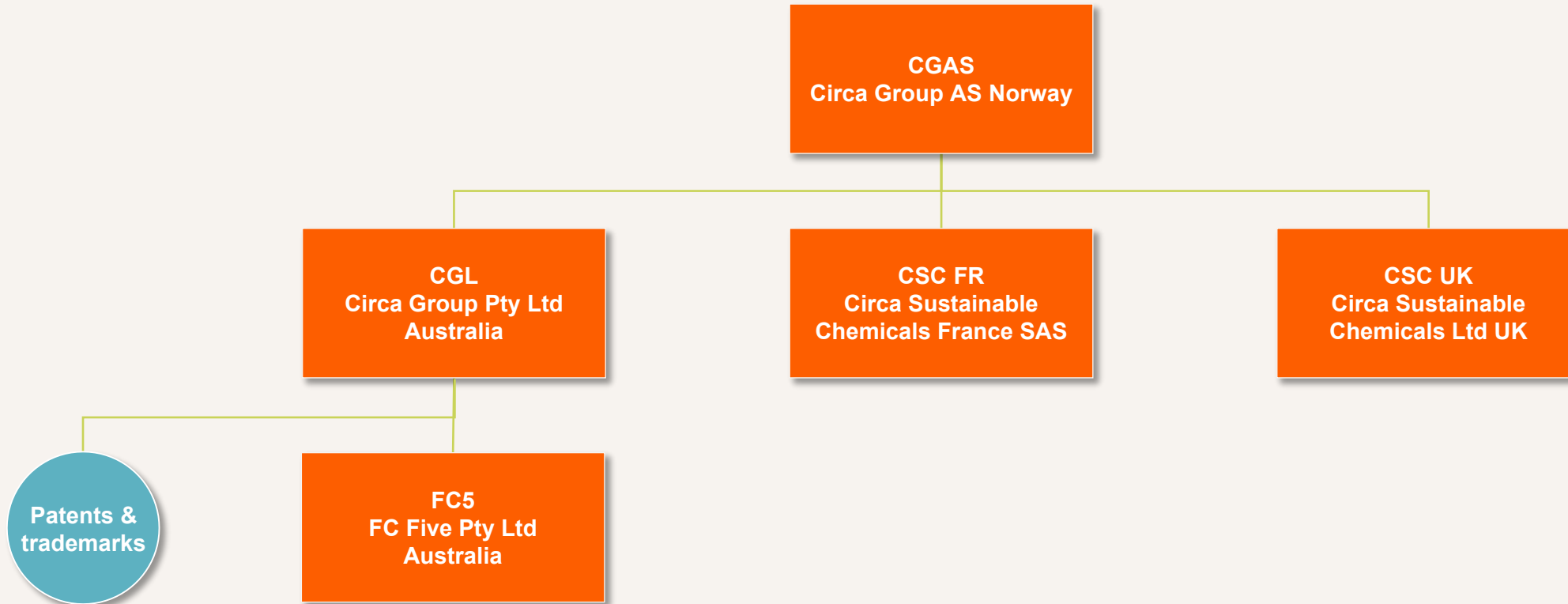
# Shareholder overview



#	Shareholder	Shares	Ownership %
1	Norske Skog Asa	31,654,274	25.92
2	Saxo Bank A/S	17,960,947	14.71
3	Citibank, N.A.	14,294,987	11.71
4	Circa Group As	6,471,380	5.30
5	Duncan Anthony James <sup>1</sup>	5,480,000	4.49
6	Lawrence Christopher Howard	4,042,136	3.31
7	Nordnet Livsforsikring As	2,481,998	2.03
8	J.P. Morgan SE	2,190,700	1.79
9	Team America Pty Ltd	1,773,340	1.45
10	Moata PTY LTD	1,200,000	0.98
11	Pershing LLC	1,059,370	0.87
12	Klaveness Marine Finance As	1,026,479	0.84
13	Svandal Magne Simon	665,000	0.54
14	Hellerud Tor	635,001	0.52
15	Interactive Brokers LLC	630,440	0.52
16	Carun Holding AS	626,177	0.51
17	Oslo & Follo Byggtjenester As	573,000	0.47
18	Jomani As	570,000	0.47
19	Dagusiki Holding As	505,000	0.41
20	Skandinaviska Enskilda Banken AB	500,000	0.41
	Other Shareholders	27,772,880	22.74
	<b>Total</b>	<b>122,113,109</b>	<b>100.00%</b>

Source: VPS as of 23.04.2024. 1) Holds shares in personal name as shown and additional 1,200,000 shares through Moata Pty Ltd investment company and related parties.







COMPANY INTRODUCTION

MARKET

MANUFACTURING

BUSINESS PLAN AND FINANCIALS

APPENDIX

**RISK FACTORS**

## RISK FACTORS

The risks and uncertainties described herein are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to the Shares. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Group's business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

### 1.1 Risks related to the Group and the industry in which it operates

#### 1.1.1 Risks associated with plant construction

There are numerous risks associated with plant construction, including risks of delay, risks of termination of the construction contracts by third parties, the risk of need for variation orders and amendments resulting in additional need for capital and the risk of failure by key suppliers to deliver necessary equipment. As an example, the Group has had to increase its estimated capital expenditures for the construction of the ReSolute Plant and cannot be certain that no further increases will occur. Should any of these circumstances occur it may affect the Group's financial performance or the loss of contracts and hence the Group's potential revenue.

Circa is currently constructing the ReSolute Plant in France, expected to start commissioning in 2024, aims to start construction of the FC6 plant during 2026 and plans to construct further plants in the future. However, no assurance can be given that no delays or unplanned costs will be incurred prior to commencement of production. The ReSolute Plant is the first of its kind, and future plants may be designed with first-in-kind technology. There is an inherent risk that first-in-kind plants may require improvements or adjustments which may delay or limit operation of the plant. Further, first-in-kind plants may prove to have functionality and performance that deviate materially from that assumed in the design and specifications of the plant. In construction processes, there is also an inherent risk that unforeseen events or circumstances occur, and such may occur for the Group, its partners and counterparties, which could materialise in a manner that negatively impact important conditions for the development, construction, commencement of production and operation of the Group's planned and future plants, including issues relating to the leased property the plant is constructed on and circumstances in the nearby environment, e.g. issues with the power plant operating on a property close by. Should any such circumstances occur, this may affect the operability, performance and profitability of the plant and could hence have an adverse effect on the Group's cash flows, financial condition and business in general.

#### 1.1.2 The terms of commercial agreements are subject to final agreement between the relevant parties

Circa has entered into, and will in the future enter into, various commercial agreements with respect to sale and offtake of its products. Detailed terms for such commercial agreements are subject to final agreement between the relevant parties. This may include elements such as price, volume and quality of the products. It is emphasised that the price achieved in commercial agreements for products may vary from contract to contract and will be exposed to pricing of raw materials. No assurance can be given that the price will ensure adequate profitability for the Group.

#### 1.1.3 Limited operating history

Circa has a limited commercial operating history and has of today only generated limited revenues. Since its inception, Circa has incurred significant losses, and to date, Circa has financed its operations through inter alia private placements of equity and grants. Circa expects to continue to incur significant expenses and losses until the ReSolute Plant is fully operational. Substantial parts of the Group's business are in their commercialisation phase relying to some extent on products and services under development. The Group's commercial success is inter alia dependent on the successful implementation of these products and services, and to become and remain profitable, the Group must succeed in commercialising its business and technologies such that they generate revenues. This will require the Group to be successful in a range of challenging activities, and the Group may never succeed in these activities and, even if it does, may never generate revenues that are significant enough to achieve profitability.

## 1.1.4 Limited number of employees

The Group has a limited number of employees and is therefore vulnerable to key employees leaving the Group, which may have a material adverse effect on the Group and its operations.

## 1.1.5 Dependency on raw materials for production

Upon commencement of production on the ReSolute Plant, and also upon commencement of any later plants, the Group's operations will be dependent on the supply of significant quantities of raw materials. The successful production on the ReSolute Plant and later plants is dependent on raw materials from suppliers being satisfactory in qualities and pricing, and are received in sufficient quantities at such delivery times agreed. Deviations, in particular with respect to availability and pricing, may have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and prospects.

## 1.1.6 Limited resources

Circa is a growth company, and as such has had limited resources to optimise its operations, rights and obligations. The contracts, rights and obligations of the Group are likely to carry a higher degree of uncertainty and risk than those of mature businesses.

## 1.1.7 Production is subject to operational hazard and risks

The Group is heavily reliant on complex machinery for its operations, which involves a significant degree of uncertainty and risk for the Group, both in terms of operational performance and costs. Production plants consist of large-scale machinery combining many components which are intended to run complex production processes. The plant components may suffer unexpected malfunctions from time to time and will be dependent on repairs and spare parts to resume operations, which may not be available in the short term. Unexpected malfunctions of the plant components may significantly affect the intended operational efficiency of the plant. Operational performance and costs can be difficult to predict and is often influenced by factors outside of the Group's control, such as scarcity of natural resources, environmental hazards and remediation, costs associated with decommissioning of machines, labour disputes and strikes, difficulty or delays in obtaining governmental permits, damages or defects in electronic systems, leaks from pipelines, industrial accidents, fire, and seismic activity and natural disasters.

Should any of these risks or other operational risks materialise, it may result in the death of, or personal injury to, plant workers, the loss of production equipment, damage to production facilities, the closure of mills, monetary losses, delays and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs and potential legal liabilities, all which could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition or prospects.

## 1.1.8 Dependency on intellectual property rights

The daily business and business strategy are tied to technology and know-how. The Group relies on a combination of patents, trade secrets, confidentiality procedures and contractual provisions to protect its intellectual property rights. The Group (through Circa Group Limited) has registered patents / patent applications and trademarks. The Group cannot give assurances that its measures for preserving the secrecy of its trade secrets and confidential information are sufficient to prevent others from obtaining such information. The Group may not have adequate remedies to preserve the trade secrets or to compensate the Group fully for its loss if its employees' or other contractor's breach their confidentiality agreements with the Group.

The Group cannot give assurances that its trade secrets will provide the Group with any competitive advantage, as it may become known to or be independently developed by the Group's competitors.

## 1.1.9 Risk of technological changes

The industry in which the Group operates, sees frequent changes and developments in technology. Such changes and developments can be driven by competitors of the Group with substantial greater resources than those of the Group. The Group's technology, such as its patented Furacell™ production process, and any further technology under development, may not prove to be viable or efficient, and efforts to respond to technological innovations may require significant financial investments and resources.

Failure by the Group to respond to changes in technology and innovations may render the Group's operations uncompetitive and may have a material, negative effect on the Group's results of operation, financial condition and future prospects.



## 1.1.10 Changes in economic conditions

The operating and financial performance of the Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets, and government fiscal, monetary and regulatory policies. Further, as shown in the recent year electricity prices may fluctuate significantly. Considering that a large portion of the costs related to the Group's plants will be electricity costs, such fluctuations may also significantly impact the economics of the plants. Changes in general economic conditions may result from many factors, including government policy, international economic conditions, significant acts of terrorism, hostilities or war, or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Group's operating and financial performance and financial position. The Group's future possible revenues and share prices can be affected by these factors, which are beyond the Company's control.

## 1.2 Risks related to laws, regulations and litigations

### 1.2.1 The Group is subject to a wide variety of laws and regulations

The Group is subject to a wide variety of laws and regulations, and is dependent on governmental licences and approvals to commence and continue its operations. The Group is subject to environmental laws and regulations, and compliance with or breach of environmental laws can be costly, expose the Group to liability and could limit its operations. The Group is further required to obtain certain permits, certifications and approvals, from governmental authorities for each of its plants and also in order to be able to sell its current and future products. The Group's dependence on such permits, certifications and approvals represents considerable inherent risk. Furthermore, the Group operations and products are exposed to changes in environmental laws and permissions granted thereunder.

No assurance can be given that the products produced at the Group's current or future plants will qualify as sustainable products under EU Regulations or local law going forward. As an example, Cyrene<sup>TM</sup> is REACH Annex VIII registered, meaning that up to 100 tonnes per year of Cyrene<sup>TM</sup> can be manufactured and sold in the EU. In order to be able to produce and sell up to 1,000 tonnes of Cyrene per year in the EU, Cyrene<sup>TM</sup> will have to become REACH Annex IX registered, which is an ongoing process and no guarantees or assurances can be made that this process will be successful. Also, the classification of the Group's plants or the products produced at such plants may have an implication on third party relationships, such as the ability for the Group to obtain financial support and loans from financial institutions.

### 1.2.2 Changes in tax laws

Changes in tax law (including value added taxes and stamp duties), or changes in the way taxation laws are interpreted by the courts or taxation authorities may impact the Company's tax liabilities or the tax treatment of a the Company's shareholder's investment or the disposal of those shares.

In addition, an investment in the Shares involves tax considerations which may differ for each shareholder. Each shareholder is encouraged to seek professional tax advice before making an investment.

## 1.3 Risks related to financing and market risk

### 1.3.1 Foreign exchange risk

The Group presents its consolidated financial statements in EUR. The Group is expected to have both costs and revenue in multiple currencies including NOK, EUR, USD, GBP and AUD. Any fluctuations in exchange rates between NOK, EUR, USD, GBP, AUD and potentially other currencies could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects. The Group does currently not have any currency hedging arrangements in place to limit the exposure to exchange rate fluctuations.

### 1.3.2 Financing risk

The Group is dependent on raising substantial amounts of new financing to fund its current and planned operations, working capital and capital expenditures beyond the planned use of the net proceeds from the Private Placement, in particular relating to construction of future plants. The Group cannot assure that it will be able to obtain any additional capital or financing or retain or renew its financing arrangements upon expiry on terms that are acceptable, or at all. The Group's ability to obtain capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results. If the

Group raises additional funds by issuing additional shares or other equity or equity-linked securities, it may result in a dilution of the holdings of existing shareholders. An increase in the Group's level of debt financing may increase financing costs and reduce the potential profitability.

If the Group becomes unable to service its debt when due, there may be a default under the terms of debt agreements, which could result in an acceleration of repayment of funds that have been borrowed and have a material adverse effect on the Group's results of operation, cash flow, financial condition and/or prospects and in worst case lead to an insolvency event. The Group's future financing arrangement may also include, operational, financial and "green" covenants related to its loans and other financial commitments, demanding a certain performance of the Group and setting restrictions on the Group's freedom to operate and manage the Group's business, including change of control clauses that may be triggered outside the control of the Group.

#### 1.3.3 Risk of repayment of governmental grants and contributions

The Group has been awarded and received funds under several governmental grants in Australia, France and from the EU. Although there are no indications that the grants constitute illegal governmental grants, or that the terms of such grants have not been complied with and will not be complied with in the future, no assurance can be given that repayment of funds will not be demanded. Further, no assurance can be given that the Group will be able to obtain grants in the future.

#### 1.4 Risks related to the Shares

##### 1.4.1 The value of the Shares may fluctuate in the future

The value of the Shares could fluctuate in response to a number of factors, both within and beyond the control of the Group, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Group, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions.

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of any Shares may therefore fluctuate based upon factors that have little or nothing to do with the Group, and these fluctuations may materially affect the price of the Shares.

##### 1.4.2 Future issuances of shares or other securities in the Group may dilute the holdings of shareholders and could materially affect the value of the Shares

It is possible that the Group may decide to offer new shares or other securities in order to finance its plants or make other investments in the future or in connection with unanticipated liabilities or expenses, or for any other purposes. Any such offering could materially reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share, and any offering by the Group could have a material adverse effect on the value or market price of the Shares. Depending on the structure of such future offering, certain existing shareholders may not have the ability to purchase additional equity securities.

##### 1.4.3 Norwegian law could limit shareholders' ability to bring an action against the Company

The shareholders' rights are governed by Norwegian law and by the Articles of Association. Such rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. Under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

The transfer of Shares is subject to restrictions under the securities laws of other jurisdictions: The Shares have not been registered in or under any jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of applicable securities laws.

#### 1.4.4 The value of the Shares could for foreign investors be adversely affected by exchange rate fluctuations

The Shares on Euronext Growth are priced in NOK, and any future payments of dividends on the Shares will be made in NOK. Investors registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant investor's currency will be the VPS Registrar's exchange rate on the payment date. Exchange rate movements of NOK therefore affects the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

#### 1.4.5 The Company has a major shareholder with significant voting power

Norske Skog ASA owns, and is expected to continue to own in the future, a significant shareholding in the Company.

A large concentration of ownership may amongst other things have the effect of delaying, deterring or preventing a change of control of the Company that could be economically beneficial to other shareholders. The interests of shareholders exerting a significant influence over the Company may further not in all matters be aligned with the interests of the Company and the other shareholders of the Company, which in turn may have a negative effect on the governance and operations of the Company.

## Contact Information

### **Bertel Karlstedt**

Chief Executive Officer | Circa Group

[bertel.karlstedt@circa-group.com](mailto:bertel.karlstedt@circa-group.com)

### **Tone Leivestad**

Chief Financial Officer | Circa Group

[tone.leivestad@circa-group.com](mailto:tone.leivestad@circa-group.com)

Website [www.circa-group.com](http://www.circa-group.com)

Twitter [@circagroup](https://twitter.com/circagroup)

LinkedIn <https://www.linkedin.com/company/1079603/admin/>

