

# Second Quarter 2024

**Circa Group AS**

Changing chemistry for good™



## Introduction

Circa is a biotech company producing unique and highly valuable biochemicals. Using abundant and renewable non-food biomass such as sawdust, Circa makes Levoglucosenone (LGO) in its scalable and patented Furacell™ production process. LGO is a biomolecule platform used to produce multiple sustainable biochemicals that can replace toxic fossil-based chemicals widely used today in a wide range of high value applications.

The parent company, Circa Group AS (CGAS), is incorporated in Norway with its head office in Oslo. The company is listed on Euronext Growth Oslo with the ticker code CIRCA.

## Report of the Board of Directors for the Second Quarter of 2024

### Q2 2024 Highlights

#### **FC5**

The FC5 team in Tasmania continued to increase outputs, providing new and important learnings which will be incorporated into ReSolute™ operating procedures, and is answering to an increased market interest and product application development demand.

#### **ReSolute™**

The preparatory work at the site continued. The civil works have started at the beginning of the year and are approximately 50 % complete.

Capital equipment and construction contracts are well advanced with a growing inventory of equipment at suppliers ready for shipment to the Émile Huchet site, as well as a significant portion of the deliveries already delivered to site.

- Manufacturing of hydrogenation unit by Ekato is completed, with successful FAT at the end of March.
- Manufacturing of distillation equipment by Rhine Ruhr is completed, and the shipment has been received at the warehouse
- Approximately 95% of Valmet equipment for boiler and pyrolizer as well as steel structure is received at site and warehouse.

Circa and GazelEnergie are finalising a wide-ranging agreement which relates not only to the site agreement but also the long-term supply of utilities and services, plus an O&M contract. This has been a complex negotiation, and we are grateful for the support and goodwill from GazelEnergie regarding our development on the Émile Huchet site.

The effort to obtain the environmental permit progresses in line with the needed permitting process. The cooperation with the permitting authority DREAL and the office of the prefect is close and commences with mutual understanding and support for the set time schedule. The public inquiry will start at the end of August. The final permit is expected by the end of October.

#### **Market**

Market development continues. Product development activities have been focusing on customer technical support to accelerate adoption of Circa's products in high value applications. It is particularly important with distributors to engage with the right customers and applications where Circa's products can deliver them differentiated performance compared to existing materials.

Few existing customers have gone through scale up trials and some new potential customers have started trials following technical support advice.

Circa is continuing supply discussions with direct customers and distributors on LGO, LGO derivatives and Cyrene™. The focus is on high value applications and uses as intermediate.

#### **R&D**

Circa's R&D activities have been focusing on the existing EU (European Union) funded active projects: Transpharm and ReSolute and the activities ongoing in Australia.

The investigation of sustainable synthetic routes from LGO to intermediates of interest for the pharmaceutical industry is continuing under the support of the Transpharm project led by the University of Ghent in Belgium. Partnerships in this domain are being shaped to accelerate the development of viable manufacturing processes and to offer Circa's customers Kg-scale quantities.

Another interesting project in collaboration with the University of Twente is bringing more insights in the performance of Cyrene(TM) in blends for the dissolution of polymeric materials.

The REACH process is ongoing, with encouraging outcome of the two outstanding toxicity studies now completed. We expect the final audited reports to be available in Q3 2024. No major adverse effects have been observed.

CRCI activities continue to focus on longer-term themes and ad-hoc customer support requests.

#### **People & organisation**

In April, Erik Berger was hired as CFO, he joined Circa late April and took over as CFO in June. He is based in the Oslo corporate office. Erik comes with a senior background and is experienced in finance, fund raising, business strategy and performance. During the quarter, the new CFO was onboarded with visits to the French unit, key authorities and other stakeholders.

Short-term the organisation's main focus is on the needed funding solution and securing the environmental permit for the ReSolute™ project.

## **Profit & loss**

The main operational activity for the Group in the quarter has been related to funding and the ReSolute™ plant and restructuring of the cost base.

The spend in Q2 2024 was reduced with respect to the expected quarterly run rate.

#### **Revenues**

Circa does not expect any significant sales revenue prior to start of production for the ReSolute™ plant.

Revenue includes product sales from the FC5 plant in Tasmania. Other operating income includes grant income relating to compensation for expenses incurred during the current period.

#### **Expenses**

Expenses in the quarter are mainly related to expenses of the established global set-up within the Group, and preparatory cost for the industrial site in France. Savings actions have been implemented due to funding process uncertainty.

#### **Incentive plans**

A decrease in the fair value assessment for the long-term incentive plan is reflected in the second quarter. This has no cash-effect. Other employee expenses are in accordance with plan.

## **Balance sheet**

30 June 2024 Circa had cash and cash equivalents of EUR 2.4 million, total assets of EUR 39.5 million and equity of EUR 26.8 million.

Expenses capitalised 30 June 2024 is EUR 43 million, with EUR 2.9 million capitalised in the first quarter, 14.1 million year-to-date. Refer to note 8 Plant and equipment for further information. The increase in investments compared to previous quarters is following the progress of ReSolute™ and is in accordance with plan.

### Grants

In Q2 2024, Circa received grants of EUR 4.4m from BPI and BBI. Of announced grants of EUR 20 million, EUR 16 million are so far recognised as received.

## Cash flow

Cash outflow during the period is related to operating activities, including preparatory cost for the premises in France and capitalised expenses for ReSolute™.

Net cash flow from operating activities was EUR -5.2 million in the second quarter. Net cash flow from investment activities of EUR -2.9 million is related to ReSolute™.

Net cash flow from financing activities was EUR 4.4m related to proceeds from grants.

## Outlook

### Market

The markets for Circa's products continue to be positive. Our green chemicals create widespread interest, and we see increase inquiries and requests for volumes. We continue to work with a strong focus on high value applications and closely with our key partners for secured distribution and off-take agreements.

In Q2 Circa announced the finalisation of two important agreements. First, Circa announced the finalisation of an agreement with Merck for the supply of Cyrene™, Circa's sustainable, bio-derived industrial solvent. This was followed by an announcement of Circa and IXom Operations Pty Ltd, a market leader in water treatment and chemical distribution in Australia and New Zealand, entering into a collaboration agreement to develop the market for Cyrene™, Circa's sustainable, bio-derived industrial solvent, in the ANZ region. This collaboration aims at developing the business in the region through IXOM channels and ultimately to enter into a supply and distribution agreement.

During the latter part of the year, Circa expects to move into a supply and distribution agreement for the US region with a local distributor, and to finalise a global supply and distribution agreement for LGO with a major player. New set-ups are also being looked into with a major global distributor.

### ReSolute™

The efforts with loan guarantee institutes and banks, with the communities and regionally with the authorities will continue in order to ensure the required progress during this year. Focus is on the processes regarding funding and environmental permit.

The start of the public inquiry of the permitting process commenced during Q3 24. The expectation is that the environmental permit will be received early in Q4 24.

The support from French officials from state- through the local community representatives is impressive.

### R&D

The main focus of the R&D activities now is applications development and launch of products derived from LGO. It is a close cooperation between the Circa R&D (market driven) and the CRCI activity in York (science and research oriented). Valorisation of our offering is key in attracting interest and off-take commitments for future ReSolute™ products and volumes.

LGO and LGO derivatives activities remain a strong focus and an important part of the mid-term innovation strategy for Circa and we observe increased interest from R&D partners in different industries.

### **Financing of current capital requirements**

As noted in the Company's stock exchange notices, the Company has initiated processes to secure additional funding required for the Company to finalise the ReSolute™ plant. As market conditions have significantly shifted in favour of near-term profitability rather than rapid scaling at the expense of near-term profitability and cash flows, management and the BoD of Circa are taking measures to reflect this in the business plan and fund raising for ReSolute™.

Circa's business plan includes clear a shift in focus on high value applications, i.e. towards LGO and LGO derivatives in combination with Cyrene™, making it strong and market based.

The ReSolute™ project will continue when the funding situation is resolved, and the environmental permit is secured. 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.

Based on a revised Resolute project total cost estimation of EUR 95 million, and the current business plan, the Company will need additional funding of approximately EUR 60 million, to finance its operations up until end 2026, as announced on 21 July.

The Company has ongoing dialogues with several third parties related to funding and expects better visibility on external financing during Q3 24. The board of directors acknowledges that the company's liquidity situation is challenging. All possibilities including the sale of assets, are evaluated.

Circa's long-term ambition and value potential remains intact. The timing of additional capacity, post Resolute, is to be market demand driven. A stronger focus on high value applications has significantly affected the profitability potential of Circa's operations going forward.

Oslo, 21 August 2024

The Board of Directors of Circa Group AS

## Interim financial statements

### Consolidated income statement and statement of comprehensive income

<i>All amounts in EUR 1000</i>	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenues		9	8	29	45
Other operating income		127	590	250	727
<b>Total revenues and other operating income</b>	5	<b>136</b>	<b>598</b>	<b>279</b>	<b>772</b>
Cost of sales		-72	-112	-171	-142
Depreciation		-3	-3	-6	-6
Employee benefit expenses	6	-860	-862	-1 740	-1 692
Other operating expenses		-1 561	-795	-2 624	-1 457
<b>Total operating expenses</b>		<b>-2 496</b>	<b>-1 772</b>	<b>-4 541</b>	<b>-3 297</b>
<b>Operating result</b>		<b>-2 360</b>	<b>-1 174</b>	<b>-4 262</b>	<b>-2 525</b>
Interest income		8	155	90	269
Other financial income		42	24	52	45
<b>Total finance income</b>		<b>50</b>	<b>179</b>	<b>142</b>	<b>314</b>
Interest expenses		0	-1	-1	-1
Other financial expenses		230	-57	100	-433
<b>Total finance expenses</b>		<b>230</b>	<b>-58</b>	<b>99</b>	<b>-434</b>
<b>Net financial income / expenses</b>		<b>280</b>	<b>121</b>	<b>241</b>	<b>-120</b>
<b>Net profit (loss) before tax</b>		<b>-2 080</b>	<b>-1 054</b>	<b>-4 022</b>	<b>-2 647</b>
<b>Tax expenses</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Net profit (loss)</b>		<b>-2 080</b>	<b>-1 054</b>	<b>-4 022</b>	<b>-2 657</b>
Basic earnings per share		-0,02	-0,01	-0,03	-0,02
Diluted earnings per share		-0,02	-0,01	-0,03	-0,02
<b>Items that may be reclassified subsequently to income statement</b>					
Foreign exchange gains (losses)		352	6	768	163
<b>Other comprehensive income (loss) for the period</b>		<b>352</b>	<b>6</b>	<b>768</b>	<b>163</b>
<b>Total comprehensive profit (loss) for the period</b>		<b>-1 728</b>	<b>-1 048</b>	<b>-3 254</b>	<b>-2 494</b>

## Consolidated balance sheet

*All amounts in EUR 1000*

	Note	30.06.2024	30.06.2023	31.12.2023
<b>Assets</b>				
Intangible assets		18	24	21
Plant and equipment	8	34 321	14 429	23 257
Right-of-use assets		24	50	37
Financial assets		33	28	31
<b>Total non-current assets</b>		<b>34 396</b>	<b>14 531</b>	<b>23 347</b>
Inventory		91	50	77
Short term receivables		2 583	1 019	2 143
Cash and cash equivalent		2 438	27 483	11 386
<b>Total current assets</b>		<b>5 112</b>	<b>28 552</b>	<b>13 606</b>
<b>Total assets</b>		<b>39 508</b>	<b>43 083</b>	<b>36 953</b>
<b>Equity</b>				
Issued and paid in equity		56 960	56 960	56 960
Treasury shares		-80	-80	-80
Other equity		896	282	128
Retained earnings		-30 968	-23 627	-26 947
<b>Total equity</b>		<b>26 807</b>	<b>33 535</b>	<b>30 061</b>
<b>Liabilities</b>				
Deferred tax		56	0	56
Share-based compensation payable	6	1	21	23
Other non-current liabilities		12	38	12
<b>Total non-current liabilities</b>		<b>69</b>	<b>59</b>	<b>90</b>
Employees and related		169	181	412
Trade and other payables		5 858	5 104	2 981
Public duties and related		41	42	18
Other current liabilities		6 564	4 162	3 390
<b>Total current liabilities</b>		<b>12 632</b>	<b>9 489</b>	<b>6 801</b>
<b>Total equity and liabilities</b>		<b>39 508</b>	<b>43 083</b>	<b>36 953</b>

Oslo, 21 August 2024  
The Board of Directors of Circa Group AS

## Consolidated statement of changes in equity

<i>Amounts in EUR 1000</i>	<b>Share capital</b>	<b>Share premium</b>	<b>Treasury shares</b>	<b>Other equity</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance 1 January 2023</b>	<b>11 912</b>	<b>45 048</b>	<b>- 80</b>	<b>119</b>	<b>- 20 970</b>	<b>36 029</b>
Net profit/loss for the period	-	-	-	-	- 5 977	- 5 977
Other comprehensive income	-	-	-	8	-	8
<b>Balance 1 January 2024</b>	<b>11 912</b>	<b>45 048</b>	<b>- 80</b>	<b>128</b>	<b>- 26 947</b>	<b>30 061</b>
Net profit/loss for the period	-	-	-	-	- 4 022	- 4 022
Other comprehensive income	-	-	-	768	-	768
<b>Balance 30 June 2024</b>	<b>11 912</b>	<b>45 048</b>	<b>- 80</b>	<b>896</b>	<b>- 30 969</b>	<b>26 807</b>

<i>Amounts in EUR 1000</i>	<b>Share capital</b>	<b>Share premium</b>	<b>Treasury shares</b>	<b>Other equity</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance 1 January 2023</b>	<b>11 912</b>	<b>45 048</b>	<b>- 80</b>	<b>119</b>	<b>- 20 970</b>	<b>36 029</b>
Net profit/loss for the period	-	-	-	-	- 2 657	- 2 657
Other comprehensive income	-	-	-	163	-	163
<b>Balance 30 June 2023</b>	<b>11 912</b>	<b>45 048</b>	<b>- 80</b>	<b>282</b>	<b>- 23 627</b>	<b>33 535</b>



## Consolidated statement of cash flows

<i>Amounts in EUR 1000</i>	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Profit/ (loss) before income taxes		-2 080	-1 054	-4 022	-2 647
Depreciation and amortisation expenses		3	3	6	6
Changes in inventory		-44	50	-14	-100
Changes in accounts receivable		-3	17	11	5
Changes in accounts payable		-3 061	3 650	2 877	947
Changes in other accruals		3 464	-359	2 503	-1 353
Finance cost - net		-280	-121	-241	120
Interest received		8	155	90	269
Interest paid		-	-	-	-
Other adjustments for non-cash items		1 187	-70	3 932	2 975
Items classified as investing or financing activities		-4 384	-93	-5 909	-93
<b>Net cash flow from operating activities</b>		<b>-5 190</b>	<b>2 178</b>	<b>-767</b>	<b>129</b>
Payment for property, plant, equipment and intangible assets	8	-2 882	-6 724	-14 095	-7 449
<b>Cash flows from investing activities</b>		<b>-2 882</b>	<b>-6 724</b>	<b>-14 095</b>	<b>-7 449</b>
Proceeds from government grants		4 384	93	5 909	93
Repayments of lease liabilities		-6	-8	-11	-16
<b>Net cash flow from financing activities</b>		<b>4 378</b>	<b>85</b>	<b>5 898</b>	<b>77</b>
<b>Net change in cash and cash equivalents</b>		<b>-3 694</b>	<b>-4 461</b>	<b>-8 964</b>	<b>-7 243</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>6 120</b>	<b>31 992</b>	<b>11 386</b>	<b>34 769</b>
FX effects on bank deposits		2	-16	5	-15
Translation differences		10	-32	11	-27
<b>Cash and cash equivalents at end of period</b>		<b>2 438</b>	<b>27 483</b>	<b>2 438</b>	<b>27 483</b>

## Notes to the condensed consolidated interim financial statements

### 1. General information

Circa Group is a producer of unique and valuable biochemicals. Circa makes Levoglucosenone (LGO) in its scalable and patented Furacell™ production process. LGO is a biomolecule platform used to produce multiple sustainable biochemicals that can replace toxic fossil-based chemicals widely used today in a wide range of applications; pharmaceuticals, agrochemicals, flavours, fragrances, electronics, batteries, paints, graphene, polymers, and many other applications where bio-based alternatives to current industrial chemicals represent innovative, cost-effective solutions. Cyrene™ - Circa's first commercial product – is a solvent gaining considerable interest in a >1,000,000 tonne market as a safer, high performing replacement for toxic, petro-based products. The production of Cyrene™ is located at the plant in Tasmania, Australia.

The parent company Circa Group AS is incorporated in Norway and has its head office in Oslo. The company is listed on Euronext Growth with the code ticker CIRCA. Circa has 15 employees.

### 2. Accounting policies

The interim financial statements of Circa Group have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all information required for full consolidated financial statements and should be read in conjunction with the CGAS consolidated financial statements 31 December 2023. The interim consolidated financial statements are unaudited.

The accounting policies applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the CGAS consolidated financial statements 31 December 2023.

### 3. Estimates, judgements, and assumptions

Preparation of interim financial statements in accordance with IFRS™ implies use of estimates, which are based on judgements and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, revenues, and expenses. Actual amounts might differ from such estimates.

### 4. Operating segments

For management purposes, the group is organised into one operating segment, which is consolidated figures. No other segments are reported to the management or Board of Directors as of Q2 2024.

### 5. Total revenues and other operating income

The group is working with the ReSolute™ project in France to build a plant in Eastern France. Estimated start of production is late Q4 2025.

*All amounts in EUR 1000*

	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenues	9	8	29	45
Other government Research & Development tax income	0	0	42	7
Other grant income	127	590	208	719
<b>Total revenues and other operating income</b>	<b>136</b>	<b>598</b>	<b>279</b>	<b>772</b>

**Geographical segments**

Norway	67	65	171	163
France	60	525	36	553
United Kingdom	3	2	11	10
Australia	7	6	59	45
<b>Total revenues and other operating income</b>	<b>136</b>	<b>598</b>	<b>279</b>	<b>772</b>

## 6. Government Grants

A government grant is recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be received.

The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Government grants relating to assets are deducted from the asset's carrying amount. Grants not relating to specific assets are recognised as "other income". Where grants awarded are for eligible expenses incurred in previous accounting periods, the grant is recognised in the period in which it is awarded. See below for an overview of the amounts awarded under each grant, including amounts received and remaining to be received, and the accounting treatment of the grants.

Overview of grants per 30/06/2024:

<i>Amounts in 1000 EUR</i>	<b>Grant</b>		
<b>Donor</b>	<b>Max. grant</b>	<b>Payment</b>	<b>Remaining</b>
Bbi	9 243	- 7 343	1 900
France Relance	8 216	- 6 162	2 054
Coal fund	850	- 526	324
Region Grand Est	1 500	- 1 500	-
Casas	500	- 400	100
<b>Total</b>	<b>20 309</b>	<b>- 15 931</b>	<b>4 378</b>

Treatment of government grants:

<i>Amounts in 1000 EUR</i>	<b>Q2 2024</b>	<b>Q2 2023</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
Recognized as other income	127	590	208	716
Reduction of capitalized plant & equipment	560	- 216	3 027	901
<b>Total grants recognized</b>	<b>687</b>	<b>374</b>	<b>3 235</b>	<b>1 617</b>

## 7. Plant and equipment

Capitalised expenses and grants received relating to ReSolute™ and other operating assets:

<i>All amounts in EUR 1000</i>	<b>Capitalized expenses</b>	<b>Grant received*</b>	<b>Total ReSolute</b>	<b>Net other PPE</b>	<b>Total plant &amp; equipment</b>
<b>Balance 31 December 2023</b>	<b>28 822</b>	<b>-5 585</b>	<b>23 237</b>	<b>20</b>	<b>23 257</b>
Transactions during period	11 211	-2 466	8 746	-2	8 744
<b>Balance 31 March 2024</b>	<b>40 033</b>	<b>-8 051</b>	<b>31 982</b>	<b>19</b>	<b>32 002</b>
Transactions during period	2 832	-560	2 272	48	2 320
<b>Balance 30 June 2024</b>	<b>42 865</b>	<b>-8 612</b>	<b>34 253</b>	<b>67</b>	<b>34 321</b>

*All amounts in EUR 1000*

	Capitalized expenses	Grant received*	Total ReSolute	Net other PPE	Total plant & equipment
<b>Balance 31 December 2022</b>	<b>10 070</b>	<b>-3 106</b>	<b>6 964</b>	<b>11</b>	<b>6 976</b>
Transactions during period	1 096	-367	729	-1	728
<b>Balance 31 March 2023</b>	<b>11 166</b>	<b>-3 473</b>	<b>7 693</b>	<b>10</b>	<b>7 703</b>
Transactions during period	6 511	216	6 727	-2	6 725
<b>Balance 30 June 2023</b>	<b>17 677</b>	<b>-3 257</b>	<b>14 420</b>	<b>8</b>	<b>14 428</b>
Transactions during period	7 417	-2 194	5 223	0	5 223
<b>Balance 30 September 2023</b>	<b>25 094</b>	<b>-5 451</b>	<b>19 643</b>	<b>8</b>	<b>19 651</b>
Transactions during period	3 728	-134	3 594	13	3 607
<b>Balance 31 December 2023</b>	<b>28 822</b>	<b>-5 585</b>	<b>23 237</b>	<b>20</b>	<b>23 257</b>

Grant offsetting includes grants received from EU Horizon 2020, France Relance, Coal Fund, CASAS and Region Grand Est. The grants fund 47.87%, 10-50%, 3%, 100% and 10% of eligible costs respectively.

## 8. Principal shareholders

Shareholder	Number of shares	Owner ship %	Account type
Norske Skog ASA	31 654 274	25,92	
Saxo Bank A/S	17 888 293	14,65	NOM
Citibank, N.A.	14 269 947	11,69	NOM
Circa Group AS	6 471 380	5,30	
Anthony James Duncan	5 480 000	4,49	
Christopher Howard Lawrence	4 042 136	3,31	
Nordnet Livsforsikring AS	2 956 164	2,42	
J.P. Morgan SE	2 129 186	1,74	NOM
Team America Pty Ltd	1 773 340	1,45	
Moata Pty Ltd	1 200 000	0,98	
Pershing LLC	1 059 370	0,87	NOM
Bms Invest AS	1 000 204	0,82	
Halden Thorleif	650 000	0,53	
Lein Andreas Ludvigsen	634 150	0,52	
Interactive Brokers LLC	630 440	0,52	NOM
Hellerud Tor	603 350	0,49	
Skandinaviska Enskilda Banken AB	500 000	0,41	NOM
Nordnet Bank AB	481 600	0,39	NOM
Skihus AS	417 237	0,34	
TrivonAS	400 000	0,33	
Other shareholders	27 872 038	22,82	
<b>Total</b>	<b>122 113 109</b>	<b>100,00</b>	

The data is extracted from VPS 8 August 2024.

In the Euronext VPS registry, Circa Group AS is registered as the holder of 6 471 380 shares, of which 333 340 shares are owned and held in treasury by Circa Group AS. The remaining 6 138 040 shares are temporarily held by Circa Group AS on behalf of shareholders awaiting settlement to nominee or individual accounts. The majority of investors that have transferred shares into individual holding accounts have used a nominee account provided by Saxo Bank.

## 9. Equity

Share capital and share premium denominated in NOK is translated and presented in EUR at the historical rate of exchange in the financial statements. Please also see note 12 Subsequent events.

## 10. Related parties

Norske Skog ASA is the largest shareholder in Circa Group and holds approximately 25.92 % of the share capital in Circa Group AS.

## 11. Subsequent events after the balance sheet date

Going into the third quarter, costs were significantly reduced due to reduced activities in France and Australia.

On 14 August an Extraordinary General Meeting approved a reduction of the nominal value of the share from NOK 1 to NOK 0.01. In addition, the board of directors were given power of attorney to issue shares and convertible loans for one year within the limits of the Norwegian Companies Act. This should expand the company's ability to attract new investors at market terms.