



Circa Group AS announces update on financing and key financial Q1 figures

OSLO, NORWAY - 30th April 2024 – Circa Group AS (stock symbol: CIRCA) (the "Company") today provides an update on its key financial Q1 figures and announces an update on the financing process. Investor calls will be held on Thursday 2 May 2024 at 08.30 CET and 15:00 CET (details below).

Financing of current capital requirements

As noted in the Company's stock exchange notice on 15th February 2024, the Company has initiated a process to secure additional funding required for the Company to finalise the Resolute™ Plant according to its previously communicated business plan. 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 that change in the business plan and fund raising for Resolute™.

Circa's updated business plan includes a shift in focus from large scale production of Cyrene towards other high-margin, low volume products in the near term, with the intent of reaching profitability with the finalisation of Resolute™. This planned change includes a delay in ReSolute™ to secure agreements on the back of shipments from existing production at the FC5 facility. This approach will significantly extend the runway and allowing for market driven commercialisation.

The ReSolute™ project will continue when the funding situation is resolved, and the environmental permit is secured. The product portfolio based on FC5 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.

Based on the updated business plan, the Company will need additional funding of approximately EUR 5 – 10m, where new equity seems most likely.

The adjusted business plan allows for significant value creation by extending runway

A capital raise of EUR 5m is expected to finance Circa through Q3'24, providing potential visibility on ongoing specific dialogues with banks and dialogues related to soft funding, which could materialise in fully financing the ReSolute™ plant. A capital raise of EUR 8 or 10m is expected to finance Circa all the way through FY'24 / Q1'25, respectively. The latter is expected to provide time for Circa to deliver significant agreements and additional commercial traction with several blue-chip chemicals distributors and end customers related to offtake, based on shipments from FC5.

The Company has ongoing dialogues with several third parties related to funding and expects better visibility on external financing during Q3'24.

As previously communicated, Circa has also received indicative terms for a EUR 20m loan from the Finnish Export Credit Rating Agency, subject to securing a satisfactory third-party guarantee. This could still materially support Circa's business plan.

**Circa's 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 once fully financed. On the current business plan and amended product mix, ReSolute™ is expected to generate EUR ~7m in EBITDA on a stand-alone basis.

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 for a total of more than EUR 20m, and the equipment is currently in storage. The company currently has no interest-bearing debt. 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™.

The Company is considering whether to launch a process to raise the capital required to fulfil the revised business plan through a share issue. The timing, structure and size of any such share issue is subject to, inter alia, prevailing market conditions and required corporate resolutions, but will need to occur during Q2 2024 on the updated business plan.

Please see the attached company presentation describing the amended business plan for more information. More information about the potential share issue will be published in due course and no assurance can be given that the Company will carry out any share issue. If a share issue is proposed and the existing board authorization is not sufficient to cover the amount of shares proposed to be issued, the Company may consider to call for an extraordinary general meeting with the minimum notice time of two weeks. Shareholders are therefore encouraged to follow the Company's public communications in the upcoming period.

Pareto Securities AS and Clarksons Securities AS are engaged as advisors in the process.

Update on key financial Q1 figures, ReSolute™ CAPEX and cash balances

Operating revenue in Q1 2024 EUR 140k, and net loss before tax of EUR -1.9m. Spend was in line with the expected quarterly run rate for Q1'24.

Total ReSolute™ project CAPEX is estimated to EUR 73.0m, of which EUR 40.0m is already spent. EUR 33.0m remaining capex as of Q1 2024.

Current cash balance is EUR 6.1m. Out of the EUR 20.3m in grants announced for ReSolute™, EUR 11.5m have been received as of Q1'24. In addition, the Company received a grant payment for 'France Relance' of EUR 4.1m in April. The remaining funds are subject to progress related to ReSolute™.

Investor calls

To join the Company Investor calls on 2 May 2024, please copy and paste the link below into your web browser:

Link to Investor call 1 at 8:30 CET:

https://teams.microsoft.com/join/19%3ameeting_MDMwMDZiMDMtODcyMy00MDYzLWE1NDItZGMwOWI5YjkyNmU4%40thread.v2/0?context=%7b%22Tid%22%3a%227fe83212-6533-49bf-96c7-1c50525cb252%22%2c%22Oid%22%3a%22b5d8e996-8850-4133-9fce-bf140a9a7209%22%7d



Link to Investor call 2 at 15:00 CET:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NDkwYmM2YmUtODlhZC00MTQ3LTkxOTMtMWNiZGUxZjg3ZDNI%40thread.v2/0?context=%7b%22Tid%22%3a%227fe83212-6533-49bf-96c7-1c50525cb252%22%2c%22Oid%22%3a%22b5d8e996-8850-4133-9fce-bf140a9a7209%22%7d

About Circa

Established in 2006, Circa Group converts sustainable, non-food biomass into advanced bio-based chemicals with its proprietary Furacell™ process. Its developing product portfolio includes flavours, biopolymers, and bio-solvents including Cyrene™. By creating renewable chemicals from cellulose, Circa is extracting value from non-food biomass and addressing a gap in the market by providing bio-based, less carbon intensive alternatives, contributing to a more circular economy. Circa's ambition is to be Changing Chemistry for Good™.

<https://circa-group.com>

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This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act.

This stock exchange announcement was published by Tone Leivestad, CFO at Circa Group AS, on 30 April 2024 at 8:00 CET.