

## Press release

### Circa Group contemplating milestone capital raise and listing

**Circa Group AS ("Circa") today issued a press release on NewsWeb announcing a contemplated capital raise of up to NOK 500 million in addition to a NOK 75 million over-allotment option, with listing on Euronext Growth in Oslo on or about 2 March 2021. Norske Skog has pre-committed to invest NOK 50 million in the capital raise and has entered into a six months lock-up agreement for its shares. The pre-money equity value of Circa has been set to approximately NOK 1,500 million, and prior to the capital raise Norske Skog holds approximately 32% of Circa's share capital. The milestone capital raise will finance the construction of a 1,000 tonnes production facility in France, enable continued commercial entry and the development of new biochemicals. Norske Skog will remain a long-term and supportive shareholder and partner to Circa.**

Circa is a biotechnology company established in 2006 with the vision to produce and sell unique and highly valuable biochemicals at scale. Scientists and engineers have worked for more than 15 years and developed five pilot plants in order to fine-tune and patent what currently is the world's only scalable production process for these high-value biochemicals. Norske Skog has supported Circa since 2015, providing process industry and fibre competence to enable scaling of the production technology.

*- Norske Skog is very proud to have been a long-term partner to the Circa team in developing their unique biochemicals production technology, as well as a business that will have a significant positive impact on both human health and the environment. Chemicals are widespread in almost every aspect of everyday life, and most of the chemicals we use today are fossil-based. Developing safe and sustainable alternatives at scale is vital to support the industrial green shift, says Sven Ombudstvedt, CEO of Norske Skog.*

Circa's production process, Furacell, uses abundant and renewable biomass waste to produce the highly privileged biomolecule Levoglucosenone (LGO). The uniqueness of LGO stems from its versatility as a platform molecule to produce multiple high value biochemicals. Biochemicals produced from the LGO platform have shown strong commercial trial results within agrochemicals, flavours, fragrances, electronics, batteries, paints, graphene, polymers and more.

Cyrene is Circa's first commercialised biochemical, and it is a novel biobased solvent that can replace existing, toxic and fossil-based solvents like NMP, DMF, DMSO and DCM. There are currently no viable environmental alternatives available at large scale to replace these solvents. Global chemicals distribution giant, Merck KGaA, has already provided a Letter of Intent for 1,000 tonnes of Cyrene, and other chemical distribution companies have provided similar letters.

*- For more than 15 years, scientists and engineers have supported Circa in developing our patented production process and trademarked biochemicals. In recent years, we have experienced significant attention both from the industry and regulatory bodies in bringing our product to market. In 2019, Merck introduced Cyrene as a new and greener solvent in their product portfolio. In 2020, we received the EU Flagship Horizon 2020 Grant of EUR 11.6 million to support our construction of a 1,000 tonnes LGO and Cyrene production plant in France. In addition, the EU has granted Cyrene REACH accreditation, paving the way for commercial scale market introduction, says Tony Duncan, CEO of Circa.*

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## **About Norske Skog**

Norske Skog is a world leading producer of publication paper with strong market positions and customer relations in Europe and Australasia. The Norske Skog Group operates four mills in Europe, two of which will produce recycled containerboard following planned conversion projects. In addition, the Group operates two paper mills and a wood pellets plant in Australasia. Norske Skog aims to further diversify its operations and continue its transformation into a growing and high-margin business through a range of promising fibre projects. The Group has approximately 2,300 employees in five countries, is headquartered in Norway and listed on the Oslo Stock Exchange under the ticker code NSKOG.

Norske Skog  
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