

Press release

Circa successfully completing a NOK 575 million private placement

Reference is made to the press release published on 17 February 2021 regarding a contemplated capital raise and listing of Circa Group AS, and the press release published today by Circa Group AS. Circa successfully completed a NOK 575 million private placement at a price of NOK 16.75 per share. Norske Skog ASA invested NOK 50 million in the private placement and holds 31,654,274 shares after the transaction, the shares are subject to a six months lock-up agreement. There will be 119,412,580 shares in Circa Group following the transaction (before any potential new shares from the over-allotment option). Shares are expected to begin trading on or about 2 March 2021 on the Euronext Growth in Oslo. The proceeds from the private placement will be used to fund the construction of the ReSolute plant in France, further market development, development of new products, corporate costs and current operations.

Norske Skog Australasia has worked closely with Circa since 2015 at its Boyer Mill in Tasmania, providing significant industrial and process competence to enable the scalability of Circa's unique and patented Furacell technology. The construction of the FC5 Large Scale Pilot Plant in 2016 and successful commissioning through 2017 is a result of this valuable partnership, and has enabled the important development work on both Circa's ReSolute project for a 1,000 tonne per annum industrial scale plant and Norske Skog's FC6 Investment Ready Main Study for a future 5,000 tonne per annum commercial scale plant.

- The close collaboration with Circa over the past five years has seen the Norske Skog organisation at the Boyer Mill and the FC5 Large Scale Pilot Plant achieve significant technical milestones in proving up this world first technology and moving it towards commercial development. It is incredibly rewarding to see this hard work receive global recognition. I would like to acknowledge and thank the Tasmanian and Federal Governments for their support in helping Norske Skog and Circa to advance our work and we look forward to continuing this collaboration on future opportunities in Tasmania as we leverage off the work that Circa will be doing in Europe with its ReSolute project. We see ReSolute as an exciting opportunity to help establish a commercial pathway for the technology we have helped to develop and it remains totally consistent with our aspiration to diversify the Boyer Mill's current paper making capacity into new areas including the production of biochemicals such as Cyrene, says Eric Luck, Regional President of Norske Skog Australasia.

The private placement carried out by Circa Group AS attracted strong support and interest from Norwegian and international high quality investors and was more than 15 times oversubscribed excluding shares pre-allocated to cornerstone investors. Certain Norske Skog employees also subscribed for more than NOK 4 million in the private placement.

- Norske Skog has a clear strategy of developing shareholder value from fibre and energy projects, and it is very pleasing to see that this effort is being recognised in the capital markets in light of the successful capital raise in Circa. The Norske Skog team in Australasia has been instrumental in our efforts to support Circa in scaling their technology and developing markets. Although the path has not always been straight, the ambition has remained clear; to deliver biochemicals at scale. We look forward to the next part of the Circa journey, both as a large shareholder and long-term partner, says Sven Ombudstvedt, CEO of Norske Skog.

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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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