

INFORMATION DOCUMENT



Circa Group AS

(A private limited liability company incorporated under the laws of Norway)

Admission to trading of shares on Euronext Growth Oslo

This information document (the "**Information Document**") has been prepared by Circa Group AS (the "**Company**" or "**Circa**") and, together with its wholly-owned subsidiaries, the "**Group**") solely for use in connection with the admission to trading (the "**Admission**") of all issued shares of the Company on Euronext Growth Oslo ("**Euronext Growth**").

As of the date of this Information Document, the Company's registered share capital is NOK 119,412,580, divided into 119,412,580 shares, each with a par value of NOK 1 (the "**Shares**").

The Shares have been approved for Admission on Euronext Growth and it is expected that the Shares will start trading at Euronext Growth on or about 2 March 2021 under the ticker code "CIRCA". The Shares are, and will continue to be, registered in the Norwegian Central Securities Registry (the "**VPS**") in book-entry form. All of the issued Shares rank pari passu with one another and each Share carries one vote.

Euronext Growth is a market operated by Euronext. Companies on Euronext Growth, a multilateral trading facility (MTF), are not subject to the same rules as companies on a Regulated Market (a main market). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth may therefore be higher than investing in a company on a Regulated Market. **Investors should take this into account when making investment decisions.**

THE PRESENT INFORMATION DOCUMENT DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 14 JUNE 2017 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET, AND REPEALING DIRECTIVE 2003/71.

THE PRESENT INFORMATION DOCUMENT HAS BEEN DRAWN UP UNDER THE RESPONSIBILITY OF THE ISSUER. IT HAS BEEN REVIEWED BY THE LISTING SPONSOR AND HAS BEEN SUBJECT TO AN APPROPRIATE REVIEW OF ITS COMPLETENESS, CONSISTENCY AND COMPREHENSIBILITY BY EURONEXT.

THIS INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

Investing in the Company involves a high degree of risk. Prospective investors should read the entire document and, in particular, Section 1 ("Risk Factors") and Section 3.3 ("Cautionary note regarding forward-looking statements") when considering an investment in the Company and its Shares.

Euronext Growth Advisors

Pareto Securities AS



Sparebank 1 Markets AS



The date of this Information Document is 1 March 2021

INFORMATION DOCUMENT

IMPORTANT INFORMATION

This Information Document has been prepared solely by the Company in connection with the Admission. The purpose of the Information Document is to provide information about the Company and its business. This Information Document has been prepared solely in the English language.

Euronext Growth is subject to the rules in the Norwegian Securities Trading Act of 29 June 2007 no 75 (as amended) (the "**Norwegian Securities Trading Act**") and the Norwegian Securities Trading Regulations of 29 June 2007 no 876 (as amended) (the "**Norwegian Securities Trading Regulation**") that apply to such marketplaces. These rules apply to companies admitted to trading on Euronext Growth, as do the marketplace's own rules, which are less comprehensive than the rules and regulations that apply to companies listed on Oslo Børs and Euronext Expand. Euronext Growth is not a regulated market.

For definitions of terms used throughout this Information Document, please refer to Section 14 ("Definitions and glossary of terms").

The Company has engaged Pareto Securities AS and Sparebank 1 Markets AS as its advisors in connection with its Admission to Euronext Growth (the "**Euronext Advisors**"). This Information Document has been prepared to comply with the Admission to Trading Rules for Euronext Growth (the "**Euronext Growth Admission Rules**") and the Content Requirements for Information Documents for Euronext Growth (the "**Euronext Growth Content Requirements**").

All inquiries relating to this Information Document should be directed to the Company or the Euronext Advisors. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Euronext Advisors in connection with the Admission, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Euronext Advisors.

The information contained herein is current as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Information Document and before the Admission will be published and announced promptly in accordance with the Euronext Growth regulations. Neither the delivery of this Information Document nor the completion of the Admission at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult with your stockbroker, bank manager, lawyer, accountant or other professional advisor.

The distribution of this Information Document in certain jurisdictions may be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw.: *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

Investing in the Company's Shares involves risks. Please refer to Section 1 ("Risk factors").

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no

INFORMATION DOCUMENT

guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a private limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States of America (the "**United States**"), and the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

Similar restrictions may apply in other jurisdictions.

TABLE OF CONTENTS

1	RISK FACTORS	3
1.1	Risks related to the Group and the industry in which it operates	3
1.2	Risks related to laws, regulations and litigations	5
1.3	Risks related to financing and market risk	6
1.4	Risks related to the Shares	6
2	RESPONSIBILITY FOR THE INFORMATION DOCUMENT	9
3	GENERAL INFORMATION	10
3.1	Other important investor information	10
3.2	Presentation of financial and other information	10
3.3	Cautionary note regarding forward-looking statements	11
4	REASONS FOR THE ADMISSION	12
5	DIVIDENDS AND DIVIDEND POLICY	13
5.1	Dividend policy	13
5.2	Legal and contractual constraints on the distribution of dividends	13
5.3	Manner of dividend payment	14
6	THE PRIVATE PLACEMENT	15
6.1	Details of the Private Placement	15
6.2	Price stabilisation	15
6.3	Shareholdings following the Private Placement	15
6.4	Use of proceeds	16
6.5	Dilution	16
6.6	Lock-up	16
7	BUSINESS OVERVIEW	17
7.1	Introduction	17
7.2	History and important events	18
7.3	Vision and strategy	18
7.4	The Group's business	19
7.5	Market overview	22
7.6	Key collaborating partners	24
7.7	Material contracts	24
7.8	Material intellectual property rights	25
7.9	Related party transactions	25
7.10	Legal and arbitration proceedings	25
8	SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION	26
8.1	Introduction and basis for preparation	26
8.2	Summary of accounting policies and principles	26
8.3	Selected statement of income	26
8.4	Selected statement of financial position	27
8.5	Selected statement of cash flows	28
8.6	Selected statement of changes in equity	29
8.7	Unaudited managements accounts	29
8.8	Significant transactions	31
8.9	Material borrowings	31
8.10	Working capital statement	32
9	THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND OTHER CONSULTANTS	33
9.1	Introduction	33
9.2	The Board of Directors	33
9.3	Management	34
9.4	Share incentive schemes and bonus payments	35
9.5	Employees and other consultants	35
9.6	Benefits upon termination	35

9.7	Corporate governance	36
9.8	Conflicts of interests etc.	36
10	SHARE CAPITAL AND SHAREHOLDER MATTERS.....	37
10.1	Corporate information	37
10.2	Legal structure	37
10.3	Share capital and share capital history	37
10.4	Ownership structure	38
10.5	Pre-Admission Reorganisation	39
10.6	Authorisations	39
10.7	Financial instruments	39
10.8	Shareholder rights	39
10.9	The Articles of Association.....	39
10.10	Certain aspects of Norwegian corporate law	40
10.11	Dividend policy	43
10.12	Takeover bids and forced transfers of shares.....	43
11	NORWEGIAN TAXATION	44
11.1	Norwegian shareholders.....	44
11.2	Non-Resident Shareholders	45
11.3	Transfer taxes etc. VAT	46
12	SELLING AND TRANSFER RESTRICTIONS	47
12.1	General	47
12.2	Selling restrictions	47
12.3	Transfer restrictions	48
13	ADDITIONAL INFORMATION	51
13.1	Admission to Euronext Growth.....	51
13.2	Information sourced from third parties and expert opinions.....	51
13.3	Independent auditor.....	51
13.4	Advisors	51
14	DEFINITIONS AND GLOSSARY OF TERMS	52
	APPENDIX A.....	54
	APPENDIX B.....	55
	APPENDIX C.....	56
	APPENDIX D	57
APPENDIX A	ARTICLES OF ASSOCIATION OF CIRCA GROUP AS	A1
APPENDIX B	AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CIRCA GROUP LIMITED FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020	B1
APPENDIX C	AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CIRCA GROUP LIMITED FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019	C1
APPENDIX D	AUDITED FINANCIAL STATEMENTS OF CIRCA GROUP AS FOR THE YEAR ENDED 31 DECEMBER 2020	D1

1 RISK FACTORS

Investing in the Shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Information Document, including the Financial Information and related notes. The risks and uncertainties described in this Section 1 ("Risk factors") 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 an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only risks the Group may face. 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.

The risk factors described in this Section 1 ("Risk factors") are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The risks that are assumed to be of the greatest significance are described first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, and the fact that a risk factor is not mentioned first in its category does not in any way suggest that the risk factor is less important when taking an informed investment decision. The risks mentioned herein could materialise individually or cumulatively.

The information in this Section 1 ("Risk factors") is as of the date of this Information Document.

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. 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 planning to construct the ReSolute Plant in France and may plan to construct further plants in the future. 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. 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 with 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. Circa expects to continue to incur significant expenses and losses until the ReSolute Plant is fully operational. Substantial parts of the Group's business is in its 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 will be newly established and Circa currently has a limited number of employees. The Group 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, the Group's operations will be dependent on the supply of significant quantum of raw materials. The successful production on the ReSolute Plant is dependent on that raw materials from suppliers being satisfactory in qualities and pricing, and are received in sufficient quantum at such delivery times agreed. Deviances 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 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. 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™ is REACH Annex VIII registered, meaning that up to 100 tonnes per year of Cyrene™ 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™ 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 will present its consolidated financial statements in NOK, EUR or other relevant currency. 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. 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

Circa has been awarded and received funds under several governmental grants in Australia 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 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 An active trading market for the Company's shares on Euronext Growth may not develop and the market price of the Shares may be volatile

The Company's Shares are not currently tradable on any stock exchange, other regulated marketplace or multilateral trading facility. No assurances can be given that an active trading market for the Shares will develop on Euronext Growth, nor sustain if an active trading market is developed. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following completion of the Admission.

An investment in the Shares involves risk of loss of capital, and securities markets in general have been volatile in the past. The trading volume and price of the Shares may fluctuate significantly in response to a number of factors beyond the Company's control, including adverse business developments and prospects, variations in revenue and operating results, changes in financial estimates, announcements by the Company or its competitors of new development or new circumstances within the industry, legal actions against the Group, unforeseen events and liabilities, changes in management, changes to the composition of shareholders, changes to the regulatory environment in which the Group will operate or general market conditions. The market value of the Shares could also be substantially affected by the extent to which a secondary market develops or sustains for the Shares.

1.4.3 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 the ReSolute Plant 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.

1.4.4 Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote in respect of their holding of Shares unless (a) their ownership is re-registered in their names with the VPS prior to the general meetings of the Company or (b) the registered nominee holder pursuant to the contractual relationship between the nominee and the beneficial owner makes the necessary arrangements to vote for such Shares.

Even though providers of nominee services customarily offer arrangements for beneficial shareholders to re-register shares on a temporary account in the VPS in the name of the beneficial owner in connection with general meetings, the Company cannot assure that beneficial owners of the Shares will receive the notice of a general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. Any persons that hold their Shares through a nominee arrangement should consult the nominee to ensure that any Shares beneficially held are voted for in the manner desired by such beneficial owner.

1.4.5 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.

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

The Shares on Euronext Growth will be 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 will therefore affect 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 will 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.

1.4.7 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.

2 RESPONSIBILITY FOR THE INFORMATION DOCUMENT

This Information Document has been prepared solely in connection with the Admission on Euronext Growth.

We declare that, to the best of our knowledge, the information provided in the Information Document is fair and accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document.

1 March 2021

The Board of Directors of Circa Group AS

Lars P.S. Sperre
(Chairperson)

Anthony Duncan
(Board Member)

James Alan Henneberry
(Board Member)

Rune Sollie
(Board Member)

3 GENERAL INFORMATION

3.1 Other important investor information

The Company has furnished the information in this Information Document. No representation or warranty, express or implied, is made by the Euronext Advisors as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Information Document is, or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The Euronext Advisors assumes no responsibility for the accuracy or completeness or the verification of this Information Document and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Information Document or any such statement.

Neither the Company nor the Euronext Advisors, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

3.2 Presentation of financial and other information

3.2.1 Financial information

The Company was incorporated on 9 November 2020 and consequently has only published unconsolidated audited financial statements for the period from its incorporation to and including 31 December 2020, attached hereto as Appendix D. However, the Company is a holding company which owns 100% of the shares in Circa Group Limited ("**Circa Limited**"), the former parent company of the Group, incorporated on 1 February 2005. The Company became the new parent company of the Group following completion of the Pre-Admission Reorganisation (as defined and described in Section 10.5 ("Pre-Admission Reorganisation")), completed on 9 February 2021.

As of the date of this Information Document, Circa Limited is the Company's only direct subsidiary, and the Company does not hold any other assets. Therefore, the financial statements presented herein are the audited consolidated financial statements of Circa Limited for the financial years ending 30 June 2020 and 30 June 2019 (the "**Financial Statements**"), attached hereto as Appendix B and C, and the presentation of, and any reference to, the Group's or the Company's historic financial information, or similar terms or references, shall be understood accordingly.

The Financial Statements have been prepared in accordance with Australian Accounting Standards ("**AUS-GAAP**") and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. AUS-GAAP is an equivalent to the International Financial Reporting Standards. The Financial Statements have been audited by William Buck Audit (Vic) Pty Ltd ("**William Buck**").

Circa Limited presents the Financial Statements in AUD (presentation currency). Reference is made to Section 8 ("Selected financial information and other information") for selected information from the Financial Statements. Going forward, the Group's consolidated financial statements will be presented in NOK or EUR.

In addition, Circa Limited has prepared consolidated unaudited management accounts for the six-month period ending on 31 December 2020. Selected information from the management accounts have been included in Section 8.7 ("Unaudited management accounts").

The Company expects to issue its Q1 2021 report on or around mid to end of May 2021.

3.2.2 Industry and market data

In this Information Document, the Company has used industry and market data obtained from independent industry publications, market research and other publicly available information. Although the industry and market data is inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has

not independently verified and cannot give any assurances as to the accuracy of market data contained in this Information Document that was extracted from industry publications or reports and reproduced herein.

Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Information Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 1 ("Risk factors") and elsewhere in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

3.3 Cautionary note regarding forward-looking statements

This Information Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. For a non-exhaustive overview of important factors that could cause those differences, please refer to Section 1 ("Risk factors").

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Information Document.

4 REASONS FOR THE ADMISSION

As of the date of this Information Document, the Company has 548 shareholders. The Company believes the Admission will:

- enhance the Group's profile with investors, business partners, suppliers and customers;
- allow for a trading platform and more liquid market for the Shares;
- facilitate for a more diversified shareholder base and enable additional investors to take part in the Group's future growth and value creation;
- provide better access to capital markets;
- further improve the ability of the Group to attract and retain key management and employees; and
- raise funds necessary for the realisation of the ReSolute Plant and development of further useful products derived by chemical processes from the platform chemical Levoglucosenone ("LGO derivatives") manufactured using the Group's proprietary technology.

5 DIVIDENDS AND DIVIDEND POLICY

5.1 Dividend policy

There can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy. The Company will strive to follow a dividend policy favourable to the shareholders. The amount of any dividend to be distributed will be dependent on, inter alia, the Company's investment requirements and rate of growth. As of the date of this Information Document, the Company is in a growth phase and is not in a position to pay any dividends.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in Section 5.2 ("Legal and contractual constraints on the distribution of dividends") below, as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

The Company did not pay any dividends during the financial year 2020 and Circa Limited did not pay any dividends during the financial years 2020 or 2019.

5.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (Nw.: *aksjeloven*) (as amended) (the "**Companies Act**"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.
- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 11 ("Norwegian taxation").

5.3 Manner of dividend payment

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS Registrar 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) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

6 THE PRIVATE PLACEMENT

6.1 Details of the Private Placement

On 18 February 2021, the Company completed a private placement (the "**Private Placement**"), consisting of a share capital increase for a total amount of approximately NOK 500 million, by issuing 29,850,000 Shares, with a nominal value of NOK 1 each, at a subscription price of NOK 16.75 per Share, and an over-allotment of 4,450,000 additional Shares (the "**Additional Shares**") by the Euronext Advisors.

In connection with the allocation of the Additional Shares, the Company's largest shareholder Norske Skog ASA granted Pareto Securities AS (the "**Stabilisation Manager**"), on behalf of the Euronext Advisors, an option to borrow a number of Shares equal to the number of Additional Shares in order to facilitate over-allotment (the "**Borrowing Option**") and delivery of the Additional Shares. The Stabilisation Manager, on behalf of the Euronext Advisors, has further been granted an option by the Company to purchase a number of new Shares equal to the number of Additional Shares at a price per Share equal to the Subscription Price (the "**Greenshoe Option**"), exercisable, in whole or in part, within a 30-day period commencing on the first day of trading of the Shares on Euronext Growth.

The bookbuilding period for the Private Placement took place from 17 February 2021 to 18 February 2021, notifications of allocation was issued on 19 February 2021 and payment is expected to take place on 2 March 2021. Delivery of the new Shares in the Private Placement is expected to be made through the facilities of the VPS on or around the date of this Information Document and will occur prior to trading of the Shares on Euronext Growth.

The New Shares were resolved issued by the Board of Directors on 18 February 2021 pursuant to an authorisation granted to the Board of Directors by the Company's general meeting on 9 February 2021. Any new Shares to be issued under the Greenshoe Option will be issued pursuant to the same authorisation.

6.2 Price stabilisation

The Stabilisation Manager may, upon exercise of the Borrowing Option, from the first day of trading of the Shares on Euronext Growth, effect transactions with a view to support the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Subscription Price. There is no obligation on the Stabilisation Manager to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the commencement of trading in the Shares on Euronext Growth (the "**Stabilisation Period**").

Any stabilisation activities will be conducted based on the principles set out in Commission Delegated Regulation (EU) 2016/1052 as implemented into Norwegian law by Section 3-1 (3) of the Norwegian Securities Trading Regulation regarding buy-back programs and stabilisation of financial instruments.

The Company and the Euronext Advisors have agreed that any net profit resulting from stabilisation activities conducted by the Stabilisation Manager, on behalf of the Euronext Advisors, will be for the account of the Company and Norske Skog ASA, in equal proportions.

Within one week after the expiry of the Stabilisation Period, the Stabilisation Manager will publish information as to whether or not price stabilisation activities were undertaken. If stabilisation activities were undertaken, the statement will also include information about: (i) the total amount of Shares sold and purchased; (ii) the dates on which the Stabilisation Period began and ended; (iii) the price range between which stabilisation was carried out, as well as the highest, lowest and average price paid during the Stabilisation Period; and (iv) the date at which stabilisation activities last occurred.

It should be noted that stabilisation activities might result in market prices that are higher than would otherwise prevail. Stabilisation may be undertaken, but there is no assurance that it will be undertaken and it may be stopped at any time.

6.3 Shareholdings following the Private Placement

Following completion of the Private Placement, the Company will have the shareholders set out in Section 10.4 ("Ownership structure").

6.4 Use of proceeds

The proceeds from the Private Placement will primarily be used to:

- deliver on the requirements set out in the EU Horizon2020 Flagship Grant;
- develop commercial-scale markets for chemical compounds derived from Levoglucosenone (LGO);
- continue operation of the FC5 operating demonstration plant; and
- fund core operations for approximately three years.

In addition to the above, the proceeds will be used to cover relevant transaction costs incurred in connection with the Private Placement and the listing of the Shares on Euronext Growth, estimated to be approximately NOK 34 million.

6.5 Dilution

For any existing shareholders not participating in the Private Placement, the issue of new Shares implied a dilution of 25%.

6.6 Lock-up

Pursuant to lock-up undertakings entered into in connection with the Private Placement, key shareholders of the Company, defined as board members, management, large shareholders (i.e. holders of more than 5% of the Company's shares) and key employees have undertaken that they will not, without the prior written consent of the Euronext Advisors, during the period up to and including the date falling 12 months from the Admission, sell, lend or in any other way transfer the right of ownership of their Shares in Company for Shares held at the time of Admission, Shares subscribed for in the Private Placement, and any Shares acquired during the lock-up period. The lock-up undertakings are subject to customary exemptions.

Three existing shareholders who are not primary insiders have also entered into lock-up undertakings, but has retained a right to sell up to 15% of their respective Shares after 6 months from the Admission, and an additional 15% after 9 months from the Admission.

7 BUSINESS OVERVIEW

This section provides an overview of the Company's business as of the date of this Information Document. The following discussion contains forward-looking statements that reflect the Company's plans and estimates, see Section 3.3 ("Cautionary note regarding forward-looking statements") above, and should be read in conjunction with other parts of this Information Document, in particular Section 1 ("Risk factors").

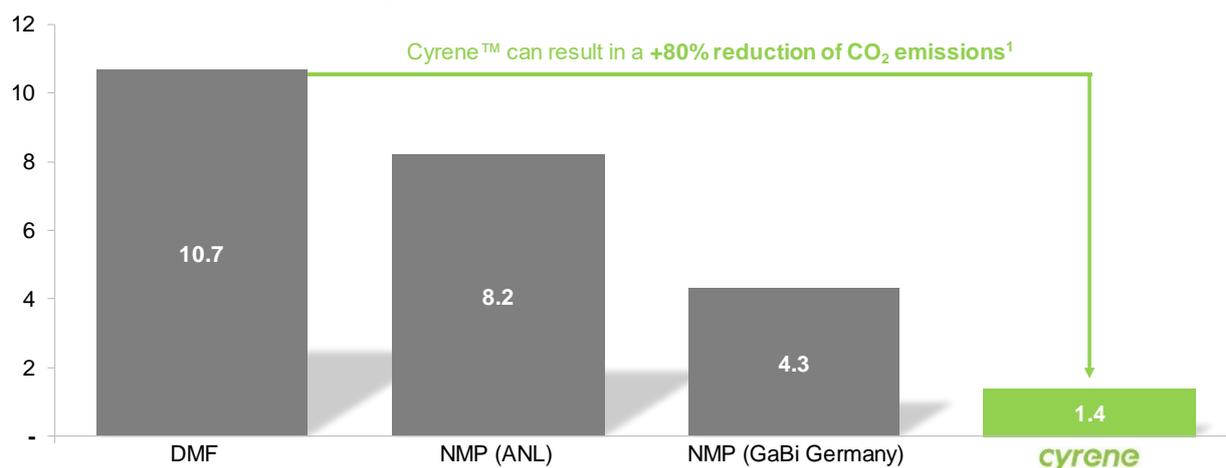
7.1 Introduction

The Group's business is to develop biomolecules at scale from waste biomass for industrial applications. The Group has developed and patented the world's first commercial process for the manufacture of an important and highly flexible C6 molecule, Levoglucosenone ("**LGO**"), from waste biomass. LGO is a platform molecule on which Circa is building a portfolio of biochemical products and licensable intellectual property across a number of growing specialty chemical market sectors: solvents, surfactants, flavours, agrochemicals and biopolymers.

After 15 years of R&D and five pilot plants, Circa is generating significant global commercial and academic interest with an initial market offering, Cyrene™, a bio-solvent aimed at a more than 1,000,000 tonne market¹ where four of the top five traditional products are under increasing regulatory pressure due to their toxicity. Cyrene™ is both a safer and environmentally friendly alternative to these traditional products, see figure below illustrating the Global Warming Potential of Cyrene™ compared to traditional products.

Cyrene™ offers substantially lower CO₂ emissions

Global Warming Potential (GWP) (CO₂ equivalent/kg)



Source: IPCC 2013 Impact Assessment Method. 1) Does not include disposal where Cyrene™ also has an advantage in some processes

The Group's fifth pilot plant (the "**FC5 Plant**") is a large-scale prototype plant was developed in a joint venture with the Norske Skog Group. The Norske Skog Group refers to Norske Skog ASA, a major shareholder of Circa (see Section 1.4.7), and its subsidiaries ("**Norske Skog Group**"). The FC5 Plant is built at the Norske Skog Group's Boyer mill in Tasmania. Following successful commissioning in 2018, products produced at the FC5 Plant are now being used by researchers and companies across Europe, the US, China and Australia. In 2020, the Group successfully lead a consortium to be awarded approximately EUR 11.6 million from the EU Horizon 2020 Flagship Grant to build a 1,000-tonne production plant (the "**Resolute Plant**"). The ReSolute Plant will be built on a repurposed refinery site owned by the oil and petrochemicals company Total, near Carling in Eastern France.

In parallel with the development of the ReSolute Plant, Circa is moving forward with a focused number of projects to produce and commercialise additional biomolecules from LGO for markets where specific opportunities have been identified related to both increased performance and market supply constraints.

¹ NNFCC – The Bioeconomy Consultants

7.2 History and important events

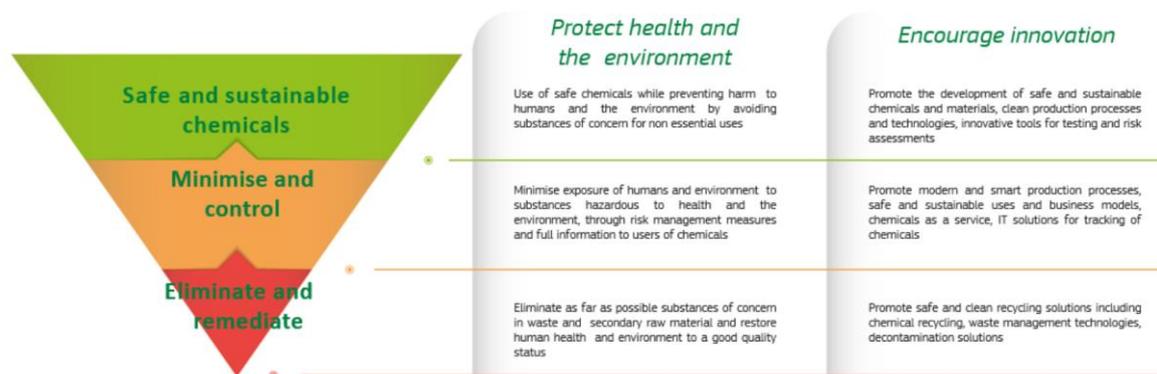
The table below shows the Group's key milestones from its inception and to the date of this Information Document.

Year	Event
2005-2015	<ul style="list-style-type: none"> • Circa Limited established on 1 February 2005 as a private Australian Company. • Initial patent 1 July 2009: "Method for converting lignocellulosic materials into useful chemicals". • Circa Limited designs and commissions four prototype Furacell™ plants (FC1-FC4).
2016	<ul style="list-style-type: none"> • Joint Venture Agreement with Norske Skog Group.
2017	<ul style="list-style-type: none"> • Construction and commissioning of the FC5 Plant in Boyer, Tasmania.
2018	<ul style="list-style-type: none"> • Conversion to Australian unlisted public company 5 July 2018. • Patent filing 24 August 2018: "Thermochemical Treatment of Cellulosic Materials".
2020	<ul style="list-style-type: none"> • The consortium for the construction of the ReSolute Plant, led by the Group, was granted approximately EUR 11.6 million from the EU Horizon 2020 Flagship Grant for further development of Cyrene™ at a larger scale in Europe.
2021	<ul style="list-style-type: none"> • Circa Group AS formed in Norway at the end of 2020 and in 2021 successfully acquired all shares in Circa Limited in a share-for-share transaction, becoming the ultimate parent of the Group, to prepare for a capital raise.

7.3 Vision and strategy

The Group's vision is to be a leader in the sustainable production of biomolecules and biochemicals for industrial applications. The Group's vision is supported by two major trends seen in several markets; i) demand for safer and more sustainable chemicals, driven by consumers and governments, and ii) a continuous need for novel products and processes to improve performance and reduce waste.

The toxic-free hierarchy – a new hierarchy in chemicals management



Source: European Commission "Chemicals Strategy for Sustainability Towards a Toxic-Free Environment" Brussels 14.10.2020

The Group's strategy is to employ its proprietary and patented production process, Furacell™, to produce the biomolecule platform LGO from waste biomass, and to derive a range of highly valuable biochemicals from the aforementioned LGO platform. The chemicals Circa aim to replace are often supply constrained or produced from fossil-based feedstocks.

7.4 The Group's business

7.4.1 Introduction

Since the filing of its initial patent application in 2009, the Group has been proving its patented Furacell™ production process, while simultaneously validating its biochemicals with pharmaceutical and specialty-chemical companies across Europe, North America and Asia.

The Group's patented Furacell™ technology is currently the world's only scalable production process for the highly functional biomolecule LGO. LGO can then be converted, through standard chemical processes, to a wide range of downstream biochemicals for pharmaceuticals, agrichemicals, and specialty materials. The process can use a range of waste biomass as feedstock, including sawdust, wood chip, bagasse, straw, and almost any other biomass containing cellulose. The Furacell™ process produces biocoal as a by-product to the LGO production. Biocoal is a valuable product in itself and can be used for heating and industry.

The Group's focus on the platform chemical LGO began in 2005. In collaboration with the University of York in the United Kingdom, Circa recognised the commercial potential of a particular derivative of LGO, Cyrene™, a bio-solvent produced through a standard hydrogenation process from LGO. Cyrene™ is a trademarked product of the Group. Cyrene™ is a renewable, non-toxic and LGO-based bio-solvent holding similar properties as traditional and fossil-based dipolar aprotic solvents. Such solvents are currently used in thousands of manufacturing processes, and are used by the industry in excess of 1,000,000² tonnes per year in aggregate. The four most traditional dipolar aprotic solvents are i) N-Methylpyrrolidone (NMP), ii) dichloromethane (DCM), iii) dimethylformide (DMF), and iv) dimethylacetamide (DMAc). All are considered toxic substances by the EU

Traditional dipolar aprotic solvents are under strong regulatory pressure due to their toxicity, harmfulness and negative environmental impact. This trend has been especially strong in Europe, where the European Parliament has enacted regulations for Registration, Authorisation and Restriction of Chemicals ("REACH"). Similar regulations are either in place or developing in most jurisdictions around the world.

REACH regulations indicate that the traditional dipolar aprotic solvents will be banned once suitable non-toxic alternatives become available in commercial quantities, of which Cyrene™ is one of very few viable alternatives.³ In October 2020 the European Commission adopted the EU Chemicals Strategy for Sustainability stating that "the transition to chemicals that are safe and sustainable by design is not only a societal urgency but a great economic opportunity as well as a key component of the EU's recovery from COVID-19 crisis"⁴.

In a joint venture with the Norske Skog Group, the FC5 Plant (the fifth scale-up prototype plant) was developed at Norske Skog Group's Boyer mill in Tasmania. The FC5 Plant has supplied more than 1,000 Cyrene™ trials to over 500 academic and industrial customers in Europe, North America, China, Russia, Japan, Korea, India and elsewhere.

The Group plans to build and operate LGO and Cyrene™ production plants, as well as generate revenues through future patent license agreements and royalty agreements for the production of LGO-based biochemicals globally.

The Group's products comprise several LGO-based biochemicals, most notably Cyrene™ as described above. The Group plans to either support companies seeking the use of such biochemicals through either a licensing agreement or a toll manufacturing agreement. The Group is developing biochemicals that may be used by among others:

- i) food manufacturers, including as an example a 'dairy'-flavour biochemical;
- ii) pharmaceutical manufacturers, including intermediates that can be used in the production of pharmaceutical products for the therapeutic treatment of corona viruses;
- iii) electronics manufacturers, including as a solvent in graphene-based printing inks used in organic electronic devices;

² NNFCC – The Bioeconomy Consultants

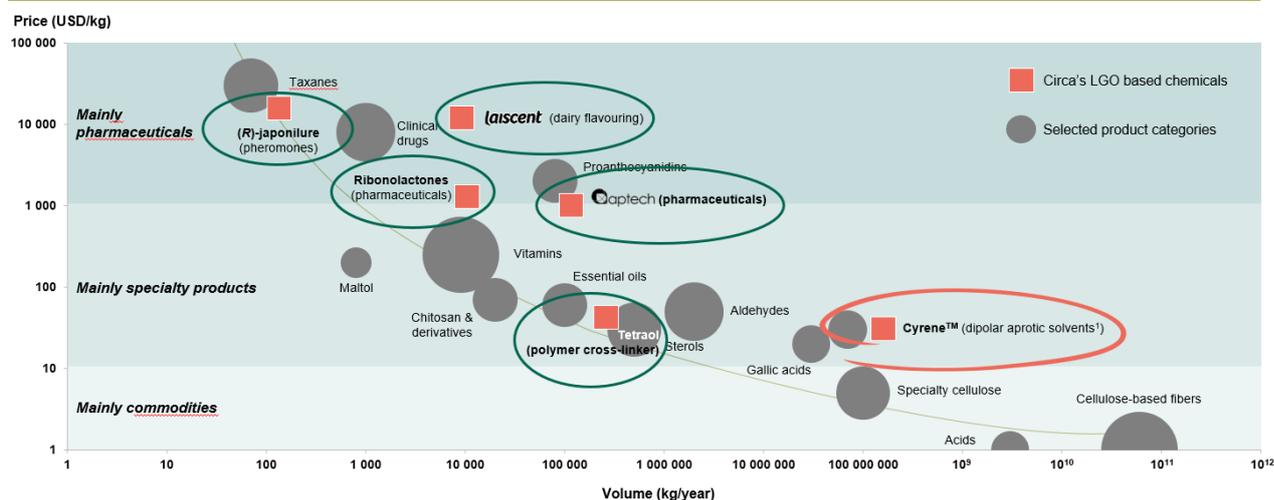
³ RECIEL 23 (2) 2014

⁴ EU Commission COMM/2020/667/final, dated 14 October 2020

- iv) recycling companies, including the recycling of lithium-ion battery components; and
- v) manufacturers of paints and coatings, including wire coatings.

Below is an overview of some of the product categories targeted by Circa, with Circa's LGO-based biochemical opportunities highlighted.

Volume and price positioning of selected chemicals produced from biomass



1 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
2) Additions in orange and associated products added by the company

7.4.2 The Group's current and future projects

7.4.2.1 FC5 Plant

The Group entered into joint venture agreement with the Norske Skog Group for the design, construction and operation of the FC5 Plant in Tasmania. The FC5 Plant is a wholly owned subsidiary of the Group. In 2019, the Group launched its product Cyrene™ with Merck KGaA ("Merck"). Cyrene™ is sold through distributors Merck and Will & Co BV ("Will&Co") to academic and industry participants in Europe, Asia and the United States, in order to undertake product research and process trials validate the use of Cyrene™ and other biochemicals. Will&Co is appointed as the exclusive distributor to sell the products in the Netherlands, Belgium and Luxembourg, subject to certain exceptions, such as customers with a revenue above EUR 500 million.

7.4.2.2 ReSolute Plant

The ReSolute Plant aims to pave the way for the production, at full industrial scale, of both i) the novel, non-toxic and high performing bio-solvent, Cyrene™, and ii) other LGO-based biochemicals.

In 2020, the Group successfully applied to the EU Horizon 2020 Flagship Grant of approximately EUR 11.6 million, through its leadership position of a consortium to construct the ReSolute Plant and develop new biochemicals. The grant will be directed towards the construction of the ReSolute Plant, a 1,000-tonne per annum LGO and Cyrene™ plant in France, and for further development of biochemical products. The capex for the ReSolute Plant is estimated to approximately EUR 32 million, of which approximately EUR 4-5 million will be financed from the grant amount described above.

The ReSolute Plant will be built on Total's Carling Site in Northeast France. Several waste biomass suppliers have been identified, including Norske Skog Golbey (part of the Norske Skog Group), in order to provide long-term feedstock access. The ReSolute plant is expected to be predominantly fed with sawdust.

To realise the successful construction of the ReSolute Plant, the Group will make full use of its experience and know-how gained over the last 15 years via its five pilots, including the FC5 Plant (see Section 7.4.2.1) to bring large scale LGO and Cyrene™ production to the market.

In addition, the Group will be supported by the other eleven partners in the ReSolute consortium, please see an overview below. These partners have experience across the entire value chain from feedstock to market uptake.

The ReSolute partners



As a measure of the confidence in Cyrene™, the Group has already received Letters of Intent, from Merck and Will&Co, to purchase output from the ReSolute Plant that exceeds the plant capacity. The Group is in process of negotiating offtake agreements based on these Letters of Intent. Similarly, the Group has received full offtake for the biocoal by-product from the ReSolute Plant with CPL Ltd (the UK's largest coal and firewood merchant).

7.4.2.3 FC6 Feasibility Study

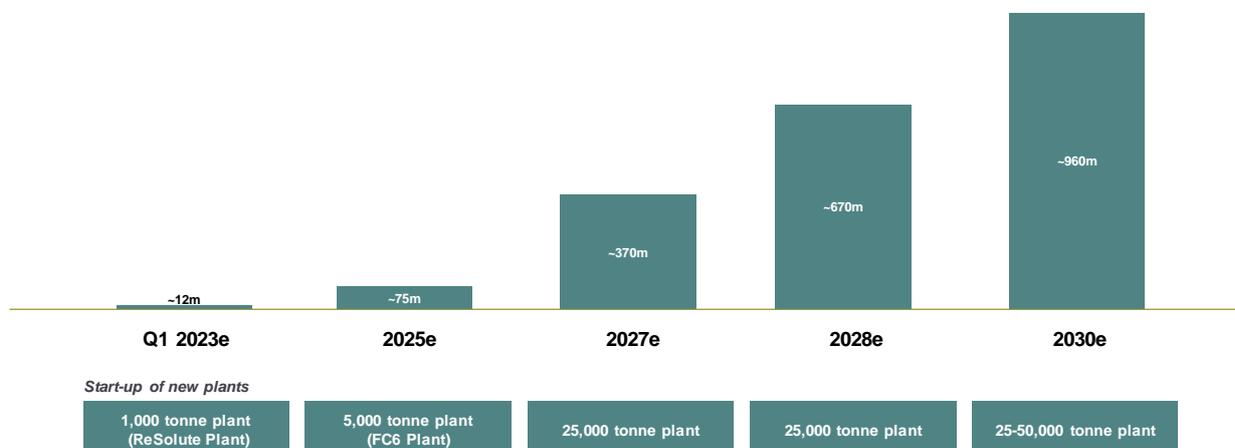
The FC6 Feasibility Study has been jointly funded by the Australian Government and the Norske Skog Group (total of approximately AUD 3 million) for the purpose of developing a 5,000 tonnes per annum LGO and Cyrene™ production plant (the "**FC6 Plant**"). The Group is providing technical support and contacts to the Norske Skog Group, and the results of the FC6 Feasibility Study are made available to the Group.

7.4.2.4 The Group's revenue targets

Based on the work executed under the ReSolute Plant project and the FC6 Feasibility Study, the Group has estimated and developed the revenue targets and scale-up plan illustrated below.

Revenue and plant start-up targets (EURm)

Revenue target, EURm



The business plan is based on the estimated plant economics outlined below.

High level plant economics (annualised)

	1,000 tonne plant (ReSolute Plant)	5,000 tonne plant (FC6 Plant)	25,000 tonne plant
CAPEX	EUR ~32m Brownfield	EUR ~80m Brownfield	EUR ~280m ² Greenfield
Revenue	EUR ~14.5m	EUR ~84m	EUR ~300m
EBITDA	EUR ~5.5m	EUR ~37m	EUR ~161m

7.5 Market overview

7.5.1 Introduction

The chemical industry is the fourth largest industry in the EU and global chemicals production is expected to double by 2030. Chemicals are essential for well-being, high living standards and modern comforts, and are used in many sectors, including health, energy, mobility and housing. The European chemical industry continues to innovate, with significant annual investment, and the industry is essential in building a sustainable and digital economy. However, many chemicals today are recognised to have hazardous properties harming the environment and human health.⁵

Circa utilises biomass waste in an almost energy-neutral production process that generates high-value sustainable products, with the biocoal by-product itself being a valuable and renewable product that can replace coal in many uses and may also be used as an improver to soil for agricultural or horticultural purposes. The Group has developed an innovative, clean and safe production process that delivers better and purer alternatives to harmful and fossil-based chemicals. Thus, the Group is well aligned with the current trends and dynamics seen the chemical industry.

Below is an overview of the entire European chemical market. Circa will initially target the dipolar aprotic solvent market, as further detailed in Section 7.5.2, but is also developed new biochemicals to target other segments of the chemical industry.

Large and stable European chemicals market

Chemical sales, EUR bn



Source: CEFIC "2020 Facts & Figures of the European chemical industry"

⁵ EU Commission COMM/2020/667/final, dated 14 October 2020.

7.5.2 Total addressable market for Cyrene™

Solvents are a key ingredient in the production of most pharmaceuticals, agrochemicals, and almost all products where chemical reactions are required to produce a new product. The solvent provides a medium for reactions to take place and often allows a reaction to take place in a more controlled environment. The choice of a particular solvent is performance based, and is dependent on properties such as polarity, boiling points, molecular reaction yields, reaction conditions (i.e. temperature and pressure), ability to separate and recycle, environmental impact of disposal, and toxicity.

Solvents are a high profile 'chemical' when it comes to environmental and health concerns. They are used in many industrial processes and consumer goods. As such, companies have developed sophisticated products for highly specialized needs. Examples include photoresist stripping and de-fluxing in the electronics industry, and chemical reaction media in the manufacture of pharmaceuticals.

Cyrene™ belongs to a greater than 1,000,000 tonnes per annum solvent family of dipolar aprotic solvents with clearly identifiable chemistry characteristics⁶. This market is estimated to be growing at 3% per annum and almost 80% of this market is made up of solvents labelled by the EU as SVHC's (Substances of Very High Concern) and being regulated out of the market as alternatives (like Cyrene™) become available. Examples are NMP, DMF and DMAc

Over 1,000 trials have been completed, indicating that in a growing number of applications, Cyrene™ is safer and outperforms in processes where traditional dipolar aprotic solvents are used.

Cyrene™ is acknowledged as one of very few viable non-toxic and sustainable alternatives, and offers dramatic reduction in greenhouse gas emissions both during production and at end-of-life as it is produced from waste biomass, and contains no nitrogen or sulphur molecules which are often released as NOX and SOX emissions at end of life disposal. Cyrene™ trials are showing it outperforms traditional dipolar aprotic solvents in higher value applications, representing 20-30% of the total market (approximately 200,000-300,000 tonnes per annum). Cyrene™ is marketed by the Group on "outperform" results and does not rely on just being a sustainable and non-toxic alternative to existing solvents.

7.5.3 Other markets under consideration

Existing molecules currently produced from petrochemicals-, such as butyrolactones, HBO, 1,6-hexanediol and many others can be made from LGO. Circa's work with major pharmaceutical, agrochemical and polymer manufacturers in Europe and North America has confirmed opportunities for LGO in specialty materials and active ingredients. One key opportunity relates to a high potency dairy flavoring, Laiscent™.

Laiscent™ is a bio-identical high potency food flavoring (cas 18679-18-0, FEMA 3780). It is a nature-identical molecule (found naturally in dairy products) and has a sweet dairy taste that can be identified even when present in very small quantities. Currently it is only available from current manufacturers in kilogram quantities. The opportunity is to provide food and drink manufacturers with new opportunities to develop novel products and maintain dairy flavors where consumer health demands require a limited use of dairy products, or environmental demands limit the availability of milk products.

Apart from food flavorings, opportunities for LGO derivatives range across several industry sectors from specialty materials through to pharmaceutical intermediates exists, amongst other:

- HBO (a precursor of flavors, drugs and antiviral agents)
- Ribonolactone (a precursor for over 20 coronavirus therapeutics).
- 2HHBO (a polymer precursor for coatings)
- THFDM (a polymer precursor similar to existing diols in the market)

⁶ NNFCC – The Bioeconomy Consultants

- PT139 (a new broad leafed herbicide)

7.6 Key collaborating partners

Circa Limited (part of the Group) has over the past years had several joint ventures with Norske Skog Group, including the fifth scale-up prototype plant (FC5 Plant) in Tasmania. On 3 June 2020 Norske Skog (Australia) No 2 Pty Limited ("**Norske Skog Australia**") and Circa Limited entered into a relationship agreement (the "**Relationship Agreement**"), which superseded previous joint venture arrangements between the parties. The key elements of the Relationship Agreement include:

- (i) During the second half of 2020, Norske Skog Australia increased its shareholding in Circa Limited in three tranches from approximately 10% to approximately 27.7%.
- (ii) In exchange for the Circa Limited shares, Norske Skog Australia has among other:
 - Reduced the balance of the loan from Norske Skog Australia to FC Five Pty Ltd. ("**FC Five**"), please note that FC Five is part of the Group. Please see Section 8.9 for a description of the Group's material borrowings;
 - Relinquished its right of first refusal to build commercial scale plants to produce LGO and Cyrene™;
 - Transferred all of its shares in FC Five to Circa Limited, giving the Circa Limited 100% control of the entity, including transfer of all intellectual property of FC Five to Circa Limited;
 - Granted Circa Limited access to a perpetual, irrevocable, royalty-free right to the FC6 Feasibility Study for the establishment of a 5,000-tonnes per annum commercial scale plant;
 - Relinquished its right to a share of third-party license and royalty fees payable to Circa Limited from third parties outside of New Zealand and Australia, and reduced its royalty share from third-parties in New Zealand and Australia if different technology elements are used compared to the FC5 Plant or specified in the FC6 Feasibility study; and
 - Retained the right to build LGO and Cyrene™ production facilities in Australia and New Zealand in connection with the FC6 Feasibility Study and to sell Cyrene™.

The Relationship Agreement was reviewed by PricewaterhouseCoopers and the Relationship Agreement was approved by Circa Limited's shareholders at a General Meeting held on 25 June 2020.

Please note that the Group also collaborates with eleven partners as part of its leadership position in the ReSolute consortium to construct the ReSolute Plant, as further described in Section 7.4.2.2 "ReSolute Plant".

7.7 Material contracts

The Group's material contracts are:

- The Relationship Agreement, as further described in Section 7.6 "Key collaborating partners";
- The Operating Maintenance and Services Agreement between FC Five and Norske Skog Australasia for the ongoing operation of the FC5 Plant (annex to the Relationship Agreement);
- Agreement between Norske Skog ASA and Circa Group AS relating to project execution and management services provided by Norske Skog ASA to Circa Group AS with an initial term until November 2021;
- Royalty agreement with University of York, pursuant to which the Group pays 4% of the net sales price of Cyrene™ for all sales up to 1,000 tonnes each contract year and 2% of the net sales of Cyrene for all sales above 1,000 tonnes each contract year (currently being renegotiated);
- Distribution agreement with Will&Co;

- ReSolute consortium agreement; and
- EU Horizon 2020 Flagship Grant agreement.

The Group has not entered into any other contracts which are outside the ordinary course of business that contains any provision under which any member of the Group has any obligation or entitlement that is material to the Group as of the date of this Information Document.

7.8 Material intellectual property rights

The Group's material intellectual property rights are:

- Granted Patent "Method for converting lignocellulosic materials into useful chemicals" – WO2011/000030 (PCT/AU/2010/000811) (the "Furacell™ patent");
- Granted Patent "Methods for Synthesizing a precursor of a single dairy-lactone isomer" WO2016/162646 (PCT/FR/2016/050813) Jointly owned with AgroParisTech, France (the "Dairy Lactone Patent");
- "Thermochemical Treatment of Cellulosic Materials" Patent Application WO2020/037351 (PCT/AU/2019/000096 (the "Fluidised Bed Patent");
- The Laiscent™, Cyrene™, Cygnet™, Let's GO™, Furacell™, Furafuel™ and Resolute™ – registered trademarks and trademark applications;
- Rights to licences of third-party patents under option agreements with research partners; and
- Related proprietary knowhow and confidential information.

Except for the above, the Group's existing business is not dependent on any patents, licences or other intellectual property.

7.9 Related party transactions

Below is a summary of the Group's current related party transactions:

- The Relationship Agreement, as further described in section 7.6 "Key collaborating partners";
- The Operating Maintenance and Services Agreement between FC Five Pty Ltd and Norske Skog (Australasia) Pty Limited for the ongoing operation of the FC5 plant forming an annex to the relationship agreement; and
- Executive management service agreements between Circa Group AS and Circa Limited and Circa Sustainable Chemicals Limited, respectively.
- The Pre-Admission Reorganisation as described in section 10.5 "Pre-Admission Reorganisation".

For further information on related party transactions of the Group, included related party transactions for the periods covered by the Financial Statements, please refer to the Financial Statements (note 11 and 22), included in this Information Document as Appendix B and Appendix C, respectively

7.10 Legal and arbitration proceedings

From time to time, the Group may become involved in litigation, disputes and other legal proceedings arising in the course of its business. As an example, the Group was previously involved in a patent dispute with Monash University. However, this dispute is no longer active and the dispute has not had any consequences for the Group. Apart from this, neither the Company nor any other company in the Group, is, nor has been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

8 SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

8.1 Introduction and basis for preparation

Reference is made to Section 3.2.1 "Financial information", where it is noted that Circa Group AS (the Company) was incorporated on 9 November 2020 and consequently has only published unconsolidated audited financial statements for the period from its incorporation to and including 31 December 2020, attached hereto as Appendix D. However, the Company is a holding company which owns 100% of the shares in Circa Group Limited (Circa Limited), the former parent company of the Group, incorporated on 1 February 2005. The Company became the new parent company of the Group following completion of the Pre-Admission Reorganisation (as defined and described in Section 10.5 "Pre-Admission Reorganisation"), completed on 9 February 2021.

As of the date of this Information Document, Circa Limited is the Company's only direct subsidiary, and the Company does not hold any other assets. Therefore, the financial statements presented herein are the audited consolidated financial statements of Circa Limited for the financial years ending 30 June 2020 and 30 June 2019 (the "Financial Statements"), attached hereto as Appendix B and C, and the presentation of, and any reference to, the Group's or the Company's historic financial information, or similar terms or references, shall be understood accordingly.

The Financial Statements are presented in AUD (presentation currency). Going forward, the Group's consolidated financial statements will be presented in NOK or EUR.

The Financial Statements have been audited by the Circa Limited's independent auditor, William Buck, as set forth in the auditor's report, which is included in the Financial Statements (see Appendix B and Appendix C). The auditor's reports do not include any qualifications.

The selected financial information presented in Section 8.2 to Section 8.6 below has been derived from the Financial Information and should be read in connection with, and is qualified in its entirety by reference to, the Financial Information included herein as Appendix B and Appendix C.

In addition, Circa Limited has prepared consolidated unaudited management accounts for the six-month period ending on 31 December 2020, included in Section 8.7.

The Company has prepared audited financial statement for the Company for the year ended 31 December 2020, attached hereto as Appendix D.

8.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please see note 1 in each of the Financial Statements, incorporated herein as Appendix B and Appendix C.

8.3 Selected statement of income

The table below sets out selected data from Circa Limited's audited consolidated income statement for the financial year ended 30 June 2020, with comparable figures for the financial year ended 30 June 2019.

<i>(In AUD)</i>	Year ended 30 June	
	2020 <i>(consolidated)</i>	2019 <i>(consolidated)</i>
Revenue		
Income	681,800	6,253,767
Expenses		
Advertising and promotion	(22,038)	(11,770)
Depreciation	(3,439)	(8,249)
Commercial costs	(864,949)	(861,515)
Finance costs	(337,393)	(590,626)
Employee benefits expenses	(2,726,509)	(2,260,830)

Year ended 30 June

<i>(In AUD)</i>	2020 <i>(consolidated)</i>	2019 <i>(consolidated)</i>
Pilot plant development expenditure – FC5.....	(4,640,857)	(5,325,543)
Occupancy costs	(31,892)	(18,537)
Travel costs	(175,218)	(232,455)
Other expenses	(38,138)	(30,052)
Exchange differences.....	(20,590)	(40,338)
Loss before income tax expense	(8,138,043)	(3,126,148)
Income tax expense.....	-	-
Loss after income tax expense for the year	(8,138,043)	(3,126,148)
Other comprehensive income/ (loss)		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	11,133	(16,042)
Other comprehensive income / (loss) for the year, net of tax	11,133	(16,042)
Total comprehensive income / (loss) for the year.....	(8,126,910)	(3,142,190)

8.4 Selected statement of financial position

The table below sets out selected data from Circa Limited's audited consolidated balance sheet for the financial year ended 30 June 2020, with comparable figures for the financial year ended 30 June 2019.

<i>(In AUD)</i>	2020 <i>(consolidated)</i>	2019 <i>(consolidated)</i>
Assets		
Current assets		
Cash and cash equivalents	290,364	543,297
Trade and other receivables.....	232,265	202,935
Inventories	39,644	168,788
Total current assets.....	562,273	915,020
Non-current assets		
Property, plant and equipment.....	3,866	6,483
Total non-current assets.....	3,866	6,483
Total assets	566,139	921,503
Liabilities		
Current liabilities		
Trade and other payables.....	116,227	197,047
Short-term provisions	140,001	99,641
Financial liabilities	2,667,913	906,007
Total current liabilities	2,924,141	1,202,695

Year ended 30 June

(In AUD)

	2020 <i>(consolidated)</i>	2019 <i>(consolidated)</i>
Non-current liabilities		
Short-term provisions	4,308	38,378
Financial liabilities	-	9,000,000
Total non-current liabilities	4,308	9,038,378
Total liabilities	2,928,449	10,241,073
Net liabilities	(2,362,310)	(9,319,570)
Equity		
Contributed equity	23,980,223	8,002,378
Reserves	317,294	(19,464)
Accumulated losses	(25,018,096)	(14,886,415)
Deficiency in equity attributable to the owners of Circa Group Limited	(720,579)	(6,903,501)
Non-controlling interest	(1,641,731)	(2,416,069)
Total deficiency in equity	(2,362,310)	(9,319,570)

8.5 Selected statement of cash flows

The table below sets out selected data from Circa Limited's audited consolidated statement of cash flows for the financial year ended 30 June 2020, with comparable figures for the financial year ended 30 June 2019.

	2020 <i>(consolidated)</i>	2019 <i>(consolidated)</i>
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	34,613	130,875
Payments to suppliers and employees (inclusive of GST)	(8,060,404)	(8,187,468)
Proceeds from grant income	621,710	3,037,031
Interest and other finance costs paid	(7,404,081)	(5,019,562)
Net cash used in operating activities	(336,387)	(589,502)
Cash flows from investing activities	(7,740,468)	(5,609,064)
Payments for plant and equipment	(822)	(50)
Net cash used in investing activities	(822)	(50)
Cash flows from financing activities	(822)	(50)
Proceeds from issue of shares	1,014,128	1,031,557
Net proceeds from borrowings	6,474,229	4,000,000
Net cash from financing activities	7,488,357	5,031,557
Net decrease in cash and cash equivalents	(252,933)	(577,557)
Cash and cash equivalents at the beginning of the financial year	543,297	1,120,854

Year ended 30 June

(In AUD)

	2020 <i>(consolidated)</i>	2019 <i>(consolidated)</i>
Cash and cash equivalents at the end of the financial year	290,364	543,297

8.6 Selected statement of changes in equity

The table below sets out changes in equity for the financial year ending on 30 June 2020 with comparable figures for the financial year ending on 30 June 2019 is included below. All figures are audited.

(In AUD)

Equity for the year ended 30 June 2020

	Issued capital	Reserves	Retained losses	Non-controlling interest	Total deficiency in equity
Consolidated					
Balance at 1 July 2018	6,970,821	(2,422)	(12,152,809)	(2,024,527)	(7,208,937)
Loss after income tax expense for the year	-	-	(2,734,606)	(391,542)	(3,126,148)
Other comprehensive income / (loss) for the year, net of tax	-	(16,042)	-	-	(16,042)
Total comprehensive income / (loss) for the year	-	(16,042)	(2,734,606)	(391,542)	(3,142,190)
Issuance of shares	2,046,205	-	-	-	2,046,205
Share reserve	(1,014,648)	-	-	-	(1,014,648)
Balance at 30 June 2019	8,002,378	(18,464)	(14,887,415)	(2,416,069)	(9,319,570)
Consolidated					
Balance at 1 July 2019	8,002,378	(18,464)	(14,887,415)	(2,416,069)	(9,319,570)
Loss after income tax expense for the year	-	-	(6,496,312)	(1,641,731)	(8,138,043)
Other comprehensive income for the year, net of tax	-	11,133	-	-	11,133
Total comprehensive income / (loss) for the year	-	11,133	(6,496,312)	(1,641,731)	(8,126,910)
Issuance of shares	15,977,845	-	(1,218,300)	-	14,759,545
Transfer of NCI on ownership of 100%	-	-	(4,057,800)	4,057,800	-
Share-based payments	-	324,625	-	-	324,625
Balance at 30 June 2020	23,980,223	317,294	(26,659,827)	-	(2,362,310)

8.7 Unaudited managements accounts

The table below sets out selected data from Circa Limited's unaudited consolidated income statement for six-month period ended 31 December 2020.

AUD thousands	2020
Sales	107
R&D Grant	282
Other Grants	14,835
Interest Income	0
Other Income	4,492
Total revenue	19,716
Cost of goods sold	
Direct Costs	603
Total cost of goods sold	603
Gross profit	19,113
Operating expenses	-
General Expenses	666
Research & Development Expenses	166
Foreign Exchange Expenses	53
Occupancy Expenses	14
Remuneration Expenses	529
Total operating expenses	1,428
Income tax expense	-
Net profit	17,685

Please note that part of the amount Other Grants, recognised as Total revenue, may not be recognised as part of Total revenue in audited accounts. A change would affect revenue recognized, net result, equity and liabilities in Circa Limited by the amount currently recognized.

The table below sets out selected data from Circa Limited's unaudited consolidated balance sheet for the period ended 31 December 2020.

AUD thousands	2020
Current assets	
Cash Assets	7,597
Trade Debtors	9,809
Stock on Hand	80
Shares in Subsidiaries	2
Total current assets	17,489
Non-current assets	
Fixed Assets	4
Work in Progress	537
Related Party Loans	- 2,315
Total non-current assets	- 1,773
Total assets	15,715
Current liabilities	
Trade Creditors	194
GST	- 58
ATO Liabilities	63
Other Liabilities	169
Total current liabilities	367
Non-current liabilities	
Trade Finance	-
Finance Loans	-
Total non-current liabilities	-
Total liabilities	367
Equities	
Retained Earnings	- 14,114
Share Capital	11,777
Current Year Earnings	17,685
Total equities	15,348

8.8 Significant transactions

Other than i) the Private Placement, ii) the approximately EUR 4.1 million received by Circa Sustainable Chemicals BV (part of the Group) as advanced funding to contribute to the ReSolute project, as further described in Section 7.4.2.2 ("ReSolute Plant"), and iii) the Pre-Admission Reorganisation as described in Section 10.5 "Pre-Admission Reorganisation", the Group has not carried out any transactions after the last audited accounts that represent a change of more than 25% in its total assets, revenue or profit or loss.

8.9 Material borrowings

Other than the loan arrangements with Norske Skog Group for the funding of FC5 Plant operations, see Section 7.7 "Material contracts", amounting to approximately AUD 1,380,000 as of 31 December 2020, and some adjusted loan balances also owed to the Norske Skog Group, the Group did not have any material borrowings as of 31 December 2020.

Note that the Group repaid these and other outstanding loans totalling AUD 1,492,131 to the Norske Skog Group on 9 February 2021. Following this repayment, the Group does not have any material borrowings. Future capital commitments towards the Norske Skog Group relating to the FC5 Plant operations will be paid as part of operations and not as instalments, please see section 7.7 "Material contracts" for a reference to the agreement.

Note that the Group has certain internal loan positions, most notably between Circa Group AS and Circa Limited. These loan positions are reflected in the statements provided under Section 8.4 and 8.7, and in the financial statement for the Company attached hereto as Appendix D.

As of 31 December 2020, the Group has received the first instalment of approximately EUR 4.1 million from the EU Horizon 2020 Flagship Grant. In total, the Group will receive approximately EUR 9 million under the EU Horizon 2020 Flagship Grant. The remaining grant amount (total grant of approximately EUR 11.6 million) will be paid to the other

partners of the ReSolute consortium, as described in Section 7.4.2.2 "ReSolute Plant". Please note that capital provided under the grant is subject to restrictions under the EU Flagship Horizon 2020 Grant agreement, see Section 7.7 "Material contracts".

8.10 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering at least 12 months from the date of this Information Document.

9 THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND OTHER CONSULTANTS

9.1 Introduction

The General Meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings and to table draft resolutions for items to be included on the agenda for a General Meeting. The date of the first annual general meeting following the application for the Admission has not been set, but is expected to be on or around June 2021.

The overall management of the Company is vested with its Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's Chief Executive Officer (the "CEO"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

9.2 The Board of Directors

9.2.1 General

The Articles of Association provide that the Board of Directors shall comprise between three and seven board members, as elected by the Company's shareholders in an ordinary or extraordinary general meeting (as applicable).

9.2.2 The composition of the Board of Directors

The names and positions of the members of the Board of Directors will, as of the date of the Admission, be as set out in the table below.

Name	Function	Served since	Term expires	Shares
Lars P.S. Sperre	Chairperson	2020	2022	164,000 ¹
Rune Sollie	Director	2020	2022	123,040 ¹
James Alan Henneberry	Director	2021	2022	1,773,340 ²
Gregory Ross Court	Director	2021	2022	5,931,360 ³
Trond Stangeby	Director	2021	2022	0

1 Mr. Sperre and Mr. Sollie are both representatives of the Company's largest shareholders, Norske Skog ASA, which owns 28,669,200 Shares. In addition, Mr. Sperre and Mr. Sollie have been granted 300,000 and 100,000 options, respectively.

2 Mr. Henneberry owns 1,773,340 Shares through his wholly-owned company Team America Pty Ltd. In addition, Mr. Henneberry has been granted 100,000 options.

3 Mr. Court owns 5,931,360 shares through his wholly-owned company Vestcourt Pty Ltd.

9.2.3 Brief biographies of the Board Members

Set out below are brief biographies of members of the Board of Directors, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside of the Company.

Lars Sperre, Chairperson

Mr. Sperre has been the Senior Vice President Corporate Strategy of Norske Skog ASA since 1 December 2018. Before this Mr. Sperre functioned as Norske Skog ASA's President and Chief Executive Officer for an interim period of approximately one and a half years. From 2006 to 2014, Mr. Sperre was part of the Norske Skog Group's Legal Counsel and was Vice President Legal from 2007 to 2014. Before this, Mr. Sperre worked as an associate lawyer at the Norwegian law Firm Wikborg Rein Advokatfirma AS. Mr. Sperre graduated from the University of Bergen with a Cand. Jur. Degree in 2002 and obtained his practising certificate in 2005.

Rune Sollie, Director

Mr. Sollie has been the Chief Financial Officer of Norske Skog ASA since 20 January 2014. Prior to joining Norske Skog ASA, Mr. Sollie, from 2011 to 2013 was the senior financial reporting & compliance director at Statoil Fuel & Retail AS. Before this, Mr. Sollie was a Partner at Uniconsult AS and held various positions at Yara International ASA and KPMG AS. Mr. Sollie holds a bachelor of science in accounting and auditing from Oslo University College (Norway) and is a state authorised public accountant from the Norwegian School of Economics (NHH) (Norway).

James (Jim) Alan Henneberry, Director

Mr. Henneberry currently chairs Timberland Pacific and is a trustee at Monash BioPria. He was formally CEO/MD of Australia Paper and served on the board of Forest and Wood Products Australia. Jim has had numerous CEO and director roles in operations, sales and R&D. His business experience covers the Americas, ANZ, Asia and Europe.

Gregory Ross Court, Director

Mr. Court is one of the founders of Circa Limited and has been a director of Circa Limited since 2005. He has over 30 years-experience in the pulp and paper industry in Australia and the US. Previous roles include Executive General Manager Australian Paper, General Manager Functional Coatings (Amcor), and senior strategy roles within Amcor.

Trond Stangeby, Director

Mr. Stangeby has previously held several management and executive positions in Norsk Hydro and Yara International. He has also been part of the management team in the Norske Skog Group from 2011 to 2013. Furthermore he has also held a Director position in Moelven Industrier up until recently.

9.3 Management

9.3.1 General

As of the date of this Information Document, the Group's management team consists of five individuals. Please note that the individuals are employed by various companies within the Group, and to a certain extent covered by executive management service agreements, see Section 7.9 "Related party transactions". The names of the members of the management and their respective positions are presented in the table below.

Name	Position	Employed since¹	Shares	Options held
Anthony James Duncan	Chief Executive Officer	February 2000	5,908,840 ⁴	3,451,160 ⁶
Peter Robert Gome	Chief Financial Officer	September 2019	1,325,800	0
Dr. Mark Williams	General Counsel	June 2006 ²	760,000 ⁵	0
Dr. Ebbe Dommissie	Chief Operating Officer	August 2014 ³	0	600,000
Dr. Jason Camp	Chief Technology Officer	September 2020	0	600,000

1 Please note that this column refers to the date when the individual was employed by the Group.

2 The services of Dr. Mark Williams' firm has been retained since June 2006

3 The employment of Dr. Ebbe Dommissie has not been continuous since August 2014

4 Mr. Duncan owns 5,480,000 shares personally, 280,000 shares through associates, and 148,840 shares through his wholly owned company Moata Pty Ltd.

5 Dr. Williams shareholding is held indirectly through a superannuation fund administered by Nora's Investments Pty Ltd.

6 The options were issued in Circa Group AS on 9 February 2021 to replace a legacy programme in Circa Limited, see Section 9.4.

9.3.2 Brief biographies of the management

Anthony James Duncan, Chief Executive Officer

Mr. Duncan (Tony) is the CEO of the Group and one of the founders of Circa Limited in 2005. He is the MD of Circa Sustainable Chemicals Ltd (UK), Chair of FC5 Pty Ltd, MD of Circa Sustainable Chemicals BV. He has had over 25 years experience in the paper industry in Australia and New Zealand. Previous roles include National Marketing Manager, The Paper House and General Manager, R&D and Technical Services, Australian Paper.

Peter Robert Gome, Chief Financial Officer

Mr. Gome is an experienced CFO who has held several senior executive and advisory roles over more than 20 years, including international experience from listed, private, not-for-profit and family-owned businesses. He has worked within professional services, retail, marketing, oil and gas, transport and manufacturing.

Dr. Mark Williams, General Counsel

Dr. Williams is an Australian lawyer with over thirty years experience in intellectual property law and world-wide research and development capture and commercialisation. His firm has advised the Group since 2006.

Dr. Ebbe Dommissie, Chief Operating Officer

Dr.Dommissie is an experienced executive in manufacturing and innovation management. Ebbe has degrees in chemical engineering and business (PBL, MBA). Ebbe did his PhD in biochemical wood processing. Ebbe joined the Group in August 2014 and has been responsible for the technical development of FC4 (pilot plant), the design and improvement of FC5 Plant, and the process development and design of the ReSolute Plant and the FC6 Plant.

Dr. Jason Camp, Chief Technology Officer

Dr. Camp received his Bachelor of Science degree in Biochemistry from the University of California, Davis and completed his PhD at The Pennsylvania State University before undertaking postdoctoral research at Imperial College London. Jason joined Circa at the beginning of 2020 and is responsible for product development, major research projects and technical support of Circa's customers around the world.

9.4 Share incentive schemes and bonus payments

Following the Pre-Admission Reorganisation, see Section 10.5 ("Pre-Admission Reorganisation"), the Board of Directors resolved to replicate the previous options programme of Circa Limited in the Company, resulting in the issuance of 2,251,160 options, of which 1,851,160 options were granted to Anthony Duncan and remaining to certain employees of the Group.

In addition, the Board of Directors has approved the key principles for an additional long-term incentive programme, limited up to a maximum of 5,800,000 options, of which 3,700,000 options have already been issued.

Certain key members of management and other key resources are entitled to a cash bonus upon successful completion of the Private Placement, amounting to approximately NOK 9.6 million payable in two instalments, one in July 2021 and one in January 2022.

9.5 Employees and other consultants

As of the date of this Information Document, the Group has 5 employees. The table below shows the development in the numbers of full-time employees over the last two years:

	Financial year ended 30 June	
	2020	2019
Number of employees ¹	5 (and one consultant)	4 (and one consultant)

¹ Number of employees stated as the number of employees at the end of each financial year.

9.6 Benefits upon termination

Other than mandatory benefits upon termination pursuant to mandatory local law of the relevant employment contracts, no employee, including any member of the Company's senior management team, has entered into employment agreements which provide for any special benefits upon termination. None of the members of the Board of Directors will be entitled to any benefits upon termination, but agreements on directorship have been entered into, setting out the members' duties, remuneration and termination of the directorship.

9.7 Corporate governance

The Company is not subject to the Corporate Governance Code, but the Company intends over time to implement the recommendations of the Corporate Governance Code and adopt a corporate governance policy.

9.8 Conflicts of interests etc.

No member of the Board of Directors or Management has, or has had, as applicable, during the last five years preceding the date of the Information Document:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and members of the Management, including any family relationships between such persons.

10 SHARE CAPITAL AND SHAREHOLDER MATTERS

10.1 Corporate information

The Company's legal name is Circa Group AS and the Company's commercial name is Circa. The Company is a private limited liability company (Nw.: *aksjeselskap*), validly incorporated and existing under the laws of Norway and in accordance with the Companies Act. The Company is registered in the Norwegian Register of Business Enterprises with company registration number 926 168 061. The Company was incorporated on 9 November 2020.

The Company's registered business address is c/o Norske Skog ASA, Sjølyst Plass 2, 0278 Oslo, Norway. The Group's principal place of business is at 30 Flemington Road, Parkville, VIC 3052, Australia. The telephone number to the Company's principal offices is +47 47 68 42 44 and its website is "<https://www.circa-group.com/>".

The Shares are registered in book-entry form with VPS under ISIN NO 0010917594. The Company's register of shareholders in VPS is administrated by the VPS Registrar, DNB Markets, Dronning Eufemias gate 30, Oslo, Norway. The Company's LEI-code is 549300TYMT7PQV920R92.

10.2 Legal structure

The Company is the parent company of the following subsidiaries.

Company name	Registered office	Activity	Owner	Ownership interest
Circa Group Limited.....	c/o Keating & Company L10, 379 Collins Street, Melbourne, Victoria 3000, Australia	Australian holding company	Circa Group AS	100%
Circa Sustainable Chemicals Pty Ltd	c/o Keating & Company L10, 379 Collins Street, Melbourne, Victoria 3000, Australia	Specialist sales and marketing	Circa Group Ltd	100%
FC5 Pty Ltd	c/o Keating & Company L10, 379 Collins Street, Melbourne, Victoria 3000, Australia	Australian operating company – FC5 Pilot Plant	Circa Sustainable Chemicals Pty Ltd	100%
Circa Sustainable Chemicals Limited.....	1 Hassacar Close, Chessingham Park, Dunnington, York, YO19 5SN, United Kingdom	UK/Europe R&D/Marketing	Circa Group Ltd	100%
Circa Sustainable Chemicals BV	De Keyserlei 58-60 Box 19, Antwerp, 2018 Belgium, Belgium	Operating company – EU Manufacturing operations	Circa Group Ltd	100%

10.3 Share capital and share capital history

10.3.1 Overview

As of the date of this Information Document, the Company's registered share capital is NOK 119,412,580 divided into 119,412,580 Shares, each with a par value of NOK 1. All of the Company's shares have been issued under the Companies Act, and are validly issued and fully paid.

The Company has one class of shares, and accordingly there are no differences in the voting rights among the Shares. The Company's shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Articles of Association, the Company's shares shall be registered in VPS.

10.3.2 Share capital history

The table below shows the development in the Company's share capital for the period covered by the Financial Statements to the date of the Information Document. There have not been any other capital increases in the Company other than as set out in the table below, neither by way of contribution in cash nor in kind for the period covered by the Financial Statements until the date of this Information Document.

Date of registration	Type of change	Change in share capital (NOK)	New share capital (NOK)	Nominal value (NOK)	New number of total issued shares	Subscription price per share (NOK)
9 November 2020	Incorporation	30,000	30,000	1,000	30	1,000
18 December 2020	Share capital decrease	-30,000	-	1,000	-30	-
18 December 2020	Share capital increase	2,060,000	2,060,000	20	103,000	48.75
20 January 2021	Share capital increase	4,266,600	6,326,600	20	316,330	48.75
9 February 2021	Share capital increase	23,039,880	29,366,480	20	1,151,994	48.75
9 February 2021	Share capital increase	60,196,100	89,562,580	20	3,009,805	48.75
9 February 2021	Share split	-	89,562,580	1	-	-
25 February 2021	Share capital increase	29,850,000	119,412,580	1	29,850,000	16.75

10.4 Ownership structure

As of 26 February 2021, being the last practical date prior to the date of this Information Document, the Company's twenty largest shareholders were:

#	Shareholder	Number of Shares	Per cent of share capital
1	Norske Skog ASA	31,654,274	26.51%
2	Paton Smythe Pty Ltd ATF Maneroo Superannuation Fund	8,230,000	6.89%
3	Manifex Pty Ltd	6,660,000	5.58%
4	Lawrence, Christopher Howard	6,156,060	5.16%
5	Vestcourt Pty Ltd ATF Court Family Superannuation Fund	5,931,360	4.97%
6	Duncan, Anthony James	5,480,000	4.59%
7	Thirty Eighth Sepelda Pty Ltd ATF Finch Superannuation Fund	3,860,000	3.23%
8	BNP Paribas Asset Management	2,985,074	2.50%
9	Delphi Fondsforvaltning	2,985,074	2.50%
10	DNB Asset Management AS	2,985,074	2.50%
11	Handelsbanken Fonder AB	2,985,074	2.50%
12	Chris Roberts Enterprises Pty Ltd ATF The Nason Superannuation Fund	2,100,000	1.76%
13	Paper Science Pty Ltd ATF W D Raverty Superannuation Fund	2,080,000	1.74%
14	Fjärde AP-Fonden	1,791,044	1.50%
15	Robeco Institutional Asset Management	1,791,044	1.50%
16	Margaret Street Pty Ltd ATF Concongella Superannuation Fund	1,780,000	1.49%
17	Team America Pty Ltd	1,773,340	1.49%
18	Mighty Verdict P/L ATF Burger Super Fund	1,342,720	1.12%
19	Peter Robert Gome ATF Peter Gome Superannuation Fund	1,325,800	1.11%
20	Court, Terrence John	1,000,000	0.84%
Total top 20		94,895,938	79.47%
Others.....		24,516,642	20.53%
Total		119,412,580	100.00%

As of the date of this Information Document, no shareholder other than Norske Skog ASA (26.51%), Paton Smythe Pty Ltd ATF Maneroo Superannuation Fund (6.89%), Manifex Pty Ltd (5.58%) and Christopher Howard Lawrence (5.16%) holds more than 5% of the issued Shares.

As of the date of this Information Document, the Company holds 333,340 treasury shares.

There are no arrangements known to the Company that may lead to a change of control in the Company.

10.5 Pre-Admission Reorganisation

Circa Limited was the former parent company of the Group. In a bidder's statement dated 6 January 2021, the Company made an offer to acquire all shares in Circa Limited in a share for share transaction. The offer date was 7 January 2021 and closed on 9 February 2021. The offer was accepted by the required majority of the shareholders of Circa Limited.

On 9 February 2021, the Company carried out a capital increase directed at the shareholders of Circa Limited, where the shares in Circa Limited was contributed to the Company by way of a contribution in kind in return for shares in the Company on a 1:1 basis (the "**Pre-Admission Reorganisation**").

In addition, the Pre-Admission Reorganisation included:

- The establishment and initial capitalisation of Circa Group AS.
- Contribution in kind of certain receivables on Circa Limited and FC Five, by Norske Skog ASA into Circa Group AS in return for shares in Circa Group AS.
- Sale of Circa Limited shares held by the Norske Skog Group to Circa Group AS, compensated by the same number of shares being issued from Circa Group AS to Norske Skog ASA.

Following the completion of the Pre-Admission Reorganisation as described above, the Company has become the ultimate parent company of the Group. As of the date of this Information Document, Circa Limited is the Company's only direct subsidiary.

10.6 Authorisations

10.6.1 Authorisation to increase the share capital

As at the date of this Information Document, the Board of Directors holds authorisations to increase the share capital by up to NOK 14,931,290, following the issue of the shares in the Private Placement. The authorisation is valid until 30 June 2022.

10.6.2 Authorisation to acquire treasury shares

As at the date of this Information Document, the Board of Directors holds an authorisation to acquire Shares in the Company with a nominal value of up to NOK 8,956,258. The minimum and maximum acquisition price is NOK 1 and NOK 100, respectively. The authorisation is valid until 30 June 2022.

10.7 Financial instruments

Other than as set out in Section 8.9 and Section 9.4 above, neither the Company nor any of the Company's subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries.

10.8 Shareholder rights

The Company has one class of shares in issue and all Shares provide equal rights in the Company, including the rights to any dividends. Each of the Company's shares carries one vote. The rights attached to the Shares are further described in Section 10.9 ("The Articles of Association") and Section 10.10 ("Certain aspects of Norwegian corporate law").

10.9 The Articles of Association

The Articles of Association are enclosed in Appendix A to the Information Document. Below is a summary of the provisions of the Articles of Association as of 18 February 2021.

10.9.1 Objective of the Company

Pursuant to section 3, the Company's business objective is to invest in companies and shares, and all activities relating thereto, including raise of external loans and to conduct group financing arrangements.

10.9.2 Share capital and par value

Pursuant to section 4, the Company's share capital is NOK 119,412,580 divided into 119,412,580 shares, each with a nominal value of NOK 1.

The Shares shall be registered with a central securities depository (the Norwegian Central Securities Depository (VPS)).

10.9.3 The board of directors

Pursuant to section 5, the Board of Directors shall consist of between one and seven members.

10.9.4 Restrictions on transfer of Shares

The Shares are freely transferable, which means that the rules in the private limited companies act on right of first refusal and approval of share transfers shall not apply.

10.9.5 Signatory right

The signatory right lies with each Board Member, solely. The Board may register powers of procuration.

10.9.6 General meetings

Documents relating to matters to be dealt with by the Company's general meeting, including documents which pursuant to law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the general meeting are sent to him/her.

The annual general meeting shall deal with and decide the following matters:

- Approval of the annual accounts and the annual report, including distribution of dividend; and
- Any other matters, which according to the law or the articles of association fall within the responsibility of the general meeting.

10.10 Certain aspects of Norwegian corporate law

10.10.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders with a known address no later than fourteen days before the annual general meeting of a Norwegian private limited liability company shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy (the proxy holder is appointed at their own discretion). Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the shareholders' register kept and maintained with VPS as of the date of the general meeting, or who otherwise have reported and documented ownership of shares in the Company, are entitled to participate at general meetings, without any requirement of pre-registration.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders shall also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands such in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings.

10.10.2 Voting rights – amendments to the articles of association

Each Share carries one vote. In general, decisions shareholders are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who receive(s) the greatest number of votes cast is elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe for shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the articles of association, to authorize an increase or reduction of the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the articles of association.

In general, only a shareholder registered in VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the general meetings.

10.10.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the articles of association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. The preferential rights may be deviated from by a resolution in the general meeting passed with the same vote required to amend the articles of association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States and other jurisdictions upon the exercise of preferential rights may require the Company to file a registration statement or prospectus in the United States under United States securities laws or in such other jurisdictions under the laws of such jurisdictions. Should the Company in such a situation decide not to file a registration statement or prospectus, the Company's U.S. shareholders and shareholders in such other jurisdictions may not be able to exercise their preferential rights. To the extent that shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

10.10.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Board of Directors convenes an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

10.10.5 Rights of redemption and repurchase of shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the general meeting of the Company's shareholders cannot be granted for a period exceeding two years.

10.10.6 Shareholder vote on certain reorganizations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the articles of association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

10.10.7 Liability of board members

Board Members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the articles of association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

10.10.8 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

10.10.9 Distribution of assets on liquidation

10.10.9.1 Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

10.11 Dividend policy

Pursuant to the Companies Act, dividends may only be declared to the extent that the Company has distributable funds and the Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. Apart from this, there are no formal restrictions on the distribution of dividends. However, as the Company's ability to pay dividends is dependent on the availability of distributable reserves, it is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest. See Section 5 ("Dividends and dividend policy") for more information on the Company's dividend policy.

10.12 Takeover bids and forced transfers of shares

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise.

The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

11 NORWEGIAN TAXATION

*This section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes ("**Norwegian Shareholders**") and to shareholders who are not resident in Norway for tax purposes ("**Non-Resident Shareholders**"). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Information Document and are subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Non-Resident Shareholders refers to the tax residency rather than the nationality of the shareholder. Please also note that the tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.*

11.1 Norwegian shareholders

11.1.1 Taxation of dividends

Shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are comprised by the Norwegian participation exemption. Under the exemption, only 3% of dividend income received from Norwegian limited liability companies are subject to tax as ordinary income. The income is taxed at a flat rate of 22% (as of 2021), implying that dividends received effectively are taxed at a rate of 0.66%. For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax the effective rate of taxation for dividends is 0.75%.

Dividends distributed to Norwegian shareholders other than Norwegian Corporate Shareholders ("**Norwegian Individual Shareholders**") are grossed up with a factor of 1.44 before taxed as ordinary income (22% flat rate, resulting in an effective tax rate of 31.68%) to the extent the dividend exceeds a tax-free allowance.

The tax-free allowance is calculated on a share-by-share basis for each individual shareholder on the basis of the cost price of each of the Shares multiplied by a risk-free interest rate. The risk-free interest rate is based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The tax-free allowance is calculated for each calendar year and is allocated solely to Norwegian Individual Shareholders holding Shares at the expiration of the relevant calendar year. Norwegian Individual Shareholders who transfer Shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the Share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realization of, see below) the same Share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same Share the following year.

The Shares will not qualify for Norwegian share saving accounts (Nw.: *aksjesparekonto*) for Norwegian Individual Shareholders as the shares are listed on Euronext Growth (and not Oslo Børs or Euronext Expand).

11.1.2 Taxation of capital gains

Sale, redemption or other disposal of Shares is considered as a realization for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realization of shares in Norwegian limited liability companies, such as the Company, are comprised by the Norwegian participation exemption and therefore tax exempt. Net losses from realization of Shares and costs incurred in connection with the purchase and realization of such Shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains derived from realization of Shares, and have a corresponding right to deduct losses. This applies irrespective of how long the Shares have been owned by the individual shareholder and irrespective of how many Shares that are realized. Gains are taxable as ordinary income in the year of realization and losses can be deducted from ordinary income in the year of realization. Any gain or loss is grossed up with a factor of 1.44 before taxed at a rate of 22% (resulting in an effective tax rate of 31.68%). Under current tax rules, gain or loss is calculated per Share, as the difference between the consideration received for the Share and the Norwegian Individual Shareholder's cost price for the Share, including costs incurred

in connection with the acquisition or realization of the Share. Any unused tax-free allowance connected to a Share may be deducted from a capital gain on the same Share, but may not create or increase a deductible loss. Further, unused tax-free allowance related to a Share cannot be set off against gains from realization of other Shares.

If a Norwegian shareholder realizes Shares acquired at different points in time, the Shares that were first acquired will be deemed as first sold (the "first in first out"-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of Shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

11.1.3 Net wealth tax

The value of Shares is taken into account for net wealth tax purposes in Norway. The marginal net wealth tax rate is currently 0.85% of the value assessed. For assessment purposes the Shares are valued to 55% of the total tax value of the Company as of 1 January of the year before the tax assessment year. However, if the share capital in the Company has been increased or reduced by payment from or to shareholders in the year before the tax assessment year, the Shares are valued to 55% of the total tax value of the Company as of 1 January of the tax assessment year. The value of debt allocated to the Shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 55%).

Norwegian limited liability companies and similar entities are exempted from net wealth tax.

11.2 Non-Resident Shareholders

11.2.1 Taxation of dividends

Dividends paid from a Norwegian limited liability company to shareholders who are not resident in Norway for tax purposes ("**Non-Resident Shareholders**") are generally subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. The shareholder's country of residence may give credit for the Norwegian withholding tax imposed on the dividend.

If a Non-Resident Shareholder is carrying on business activities in Norway and the Shares are effectively connected with such activities, the Non-Resident Shareholder will be subject to the same taxation of dividend as a Norwegian Shareholder, as described above.

Non-Resident Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities) ("**Foreign Corporate Shareholders**") resident within the EEA are exempt from Norwegian withholding tax pursuant to the Norwegian participation exemption provided that the Foreign Corporate Shareholder is genuinely established and carries out genuine economic activities within the EEA.

Dividends paid to Non-Resident Shareholders that are individual shareholders (i.e. shareholders who are natural persons) ("**Foreign Individual Shareholders**") are as the main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, see Section 11.1.1 ("Taxation of dividends"). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Foreign Corporate and Individual Shareholders must document their entitlement to a reduced withholding tax rate by (i) obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, which cannot be older than three years, and (ii) providing a confirmation from the shareholder that the shareholder is the beneficial owner of the dividend. In addition, Foreign Corporate Shareholders must also present either (i) an approved withholding tax refund application or (ii) an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate or a withholding tax exemption. Such documentation must be provided to either

the nominee or the account operator (VPS). Dividends paid to Non-Resident Shareholders in respect of nominee registered shares are not eligible for reduced treaty withholding tax rate at the time of payment unless the nominee, by agreeing to provide certain information regarding the beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Norwegian tax authorities. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Foreign Individual and Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Foreign Corporate Shareholders that have suffered withholding tax although qualifying for the Norwegian participation exemption.

Non-Resident Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments.

11.2.2 Taxation of capital gains

Gains from realization of Shares by Non-Resident Shareholders will not be subject to tax in Norway unless the Non-Resident Shareholders are holding the Shares in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

11.2.3 Net wealth tax

Non-Resident Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

11.3 Transfer taxes etc. VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

12 SELLING AND TRANSFER RESTRICTIONS

12.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares admitted to trading on Euronext Growth.

The Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Information Document does not constitute an offer and this Information Document is for information only and should not be copied or redistributed. If an investor receives a copy of this Information Document, the investor may not treat this Information Document as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Information Document, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

12.2 Selling restrictions

12.2.1 United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Euronext Advisors has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Shares as part of its allocation at any time other than (i) within the United States to QIBs in accordance with Rule 144A or (ii) outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Shares will be restricted and each purchaser of the Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 12.3.1 ("United States").

12.2.2 United Kingdom

No Shares have been offered or will be offered pursuant to an offering to the public in the United Kingdom, except that the Shares may be offered to the public in the United Kingdom at any time in reliance on the following exemptions under the UK Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Euronext Advisor for any such offer; or
- c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 ("**FSMA**").

provided that no such offer of the Shares shall result in a requirement for the Company or Euronext Advisor to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Euronext Advisors has represented, warranted and agreed that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section

21 of the FSMA in connection with the issue or sale of any Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

- b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom.

12.2.3 European Economic Area

In no member state (each a "**Relevant Member State**") of the European Economic Area (the "**EEA**") have Shares been offered and in no Relevant Member State other than Norway will Shares be offered to the public pursuant to an offering, except that Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- a) to persons who are "qualified investors" within the meaning of Article 2(e) in the EU Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Euronext Advisors for any such offer; or
- c) in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation;

provided that no such offer of Shares shall result in a requirement for the Company or Euronext Advisors to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

This EEA selling restriction is in addition to any other selling restrictions set out in this Information Document.

12.2.3.2 Other jurisdictions

The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Switzerland, Japan, Canada, Australia or any other jurisdiction in which it would not be permissible to offer the Shares.

In jurisdictions outside the United States and the EEA where an offering would be permissible, the Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

12.3 Transfer restrictions

12.3.1 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Information Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities, regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Information Document.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company, the Euronext Advisors and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Information Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective

registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Euronext Advisors and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

12.3.2 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Information Document will be deemed to have represented, warranted and agreed to and with the Euronext Advisors and the Company that:

- a) it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and
- b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Euronext Advisors has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

13 ADDITIONAL INFORMATION

13.1 Admission to Euronext Growth

On 16 February 2021, the Company applied for Admission to Euronext Growth. The first day of trading on Euronext Growth is expected to be on or about 2 March 2021.

Neither the Company nor any other entity of the Group have securities listed on any stock exchange or other regulated market place.

13.2 Information sourced from third parties and expert opinions

In this Information Document, certain information has been sourced from third parties. The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

The Company confirms that no statement or report attributed to a person as an expert is included in this Information Document.

13.3 Independent auditor

The Company's independent auditor is BDO AS (business registration number 993 606 650 and registered business address at Munkedamsveien 45A, 0250 Oslo, Norway). The partners of BDO AS are members of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*). BDO AS has been the Group's independent auditor since its incorporation on 9 November 2020.

BDO AS has not audited, reviewed or produced any report on any other information in this Information Document.

13.4 Advisors

The Company has engaged Pareto Securities AS (business registration number 956 632 374 and registered business address at Dronning Mauds gate 3, 0250 Oslo, Norway) and Sparebank 1 Markets AS (business registration number 992 999 101 and registered business address at Olav Vs gate, 0161 Oslo, Norway) as its Euronext Advisors.

Advokatfirmaet Thommessen AS (business registration number 957 423 248, and registered business address at Haakon VIIIs gate 10, N-0116 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

14 DEFINITIONS AND GLOSSARY OF TERMS

When used in this Information Document, the following defined terms shall have the following meaning:

Additional Shares	The 4,450,000 Shares over-allotted in the Private Placement.
Admission	The admission to trading of the Company's shares on Euronext Growth.
Information Document	This Information Document, dated 1 March 2021.
Appropriate Channels for Distribution	Has the meaning ascribed to such term under "Important Information".
Articles of Association	Articles of Association of the Company as of 18 February 2021.
AUD	Australian dollar, the currency of Australia
Board of Directors	The board of directors of the Company.
Board Members	The members of the Board of Directors.
Borrowing Option	The option, on behalf of the Euronext Advisors, to borrow a number of Shares equal to the number of Additional Shares in order to facilitate over-allotment.
CEO	Chief Executive Officer.
Circa	Circa Group AS
Circa Limited	Circa Group Limited
Companies Act	The Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (Nw.: <i>aksjeloven</i>).
Company	Circa Group AS.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance last updated 30 October 2014.
Cyrene™	Circa's proprietary trade name for (-)-dihydrolevoglucosenone (1S,5R)-6,8-Dioxabicyclo[3.2.1]octan-4-one; CAS Reg. No. 53716-82-8.
EEA	European Economic Area.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Euronext Advisors	Pareto Securities AS and Sparebank 1 Markets AS.
Euronext Growth	The multilateral trading facility for equity instruments operated by Oslo Børs ASA.
Euronext Growth Admission Rules	Admission to trading rules for Euronext Growth as of December 2017.
Euronext Growth Content Requirements	Content requirements for Information Documents for Euronext Growth as of January 2017.
FC Five	FC Five Pty Ltd.
FC5 Plant	The fifth scale-up prototype plant.
FC6 Plant	As defined in 7.4.2.3.
Financial Information	The Financial Statements.
Financial Statements	The audited financial statements of Circa AS for the years ending 31 December 2019 and 31 December 2018.
Foreign Corporate Shareholders	Non-Resident Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities).
Foreign Individual Shareholders	Non-Resident Shareholders that are individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders).
FSMA	Financial Services and Markets Act 2000.
Greenshoe Option	The option to purchase a number of new Shares equal to the number of Additional Shares at a price per Share equal to the Subscription Price.
Group	The Company together with its subsidiaries.
HSEQ	Health, safety, environment and quality.
IFRS	International Financing Reporting Standards.
LEI	Legal Entity Identifier.
Investments	Changes in customer expenditures.
LGO	Levoglucosenone - 1,6-Anhydro-3,4-dideoxy-a-D-glycero-hex-3-enopyranose-2-ulose/(1S,5R)-6,8Dioxobicyclo[3.2.1]oct-2-en-4-one CAS Reg No. - 37112-31-5.
LGO Derivatives	Useful products derived by chemical processes from the platform chemical LGO.
Management	The members of the Group's senior management.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
Negative Target Market	Has the meaning ascribed to such term under "Important Information".
NGAAP	Norwegian Generally Accepted Accounting Principles.
NIBOR	Norwegian Interbank Offered Rate.
NOK	Norwegian kroner, the currency of the Kingdom of Norway.

Non-Resident Shareholders	Shareholders who are not resident in Norway for tax purposes.
Norske Skog Australia	Norske Skog (Australasia) Pty Limited
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes.
Norwegian Individual Shareholders	Norwegian Shareholders other than Norwegian Corporate Shareholders.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended) (<i>Nw.: verdipapirhandelloven</i>).
Norwegian Securities Trading Regulation	The Norwegian Securities Trading Regulation of 29 June 2007 no 876 (as amended) (<i>Nw.: verdipapirforskriften</i>).
Norwegian Shareholders	Shareholders who are resident in Norway for tax purposes.
Oslo Børs (or OSE)	Oslo Børs ASA.
Positive Target Market	Has the meaning ascribed to such term under "Important Information".
Private Placement	The private placement consisting of a share capital increase for a total amount of approximately NOK 500 million, by issuing 29,850,000 Shares, with a nominal value of NOK 1 each, at a subscription price of NOK 16.75 per Share and an over-allotment of 4,450,000 additional Shares (the "Additional Shares") by the Euronext Advisors.
REACH	EU regulations for Registration, Authorisation and Restriction of Chemicals.
Relationship Agreement	Agreement dated 3 June between the Group and Norske Skog Australia.
Relevant Member State	Each Member State of the European Economic Area which has implemented the EU Prospectus Directive.
Shares (or Share)	Shares in the capital of the Company, each with a nominal value of NOK 1, or any one of them.
Stabilisation Manager	Pareto Securities AS.
Stabilisation Period	The 30 calendar days period from commencement of trading in the Shares on Euronext Growth Oslo.
Target Market Assessment	Negative Target Market together with the Positive Target Market.
USD	United States Dollars, the currency of the United States.
United States (or US)	The United States of America.
US Securities Act	US Securities Act of 1993.
VPS	The Norwegian Central Securities Depository (<i>Nw.: Verdipapirsentralen</i>).
VPS Registrar	DNB Markets, a part of DNB Bank ASA.

APPENDIX A
ARTICLES OF ASSOCIATION

OFFICE TRANSLATION

**VEDTEKTER
FOR
CIRCA GROUP AS
(ORG. NR. 926 168 061)**

§ 1 – Foretaksnavn

Selskapets navn er Circa Group AS.

§ 3 – Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

§ 5 – Formål

Selskapets formål er investering i selskaper og aksjer, samt det som naturlig står i forbindelse med dette, herunder kan selskapet ta opp eksterne lån og foreta konsernfinansiering.

§ 7 – Aksjekapital

Aksjekapitalen er NOK 119 412 580, fordelt på 119 412 580 aksjer, hver pålydende NOK 1. Selskapets aksjer skal være registrert i Verdipapirregisteret (VPS).

Aksjene er fritt omsettelige, det vil si at aksjelovens regler om forkjøpsrett og samtykke ved eierskifte ikke skal gjelde.

§ 5 – Styre

Selskapets styre skal ha mellom ett og syv medlemmer. Styrets medlemmer velges for to år om gangen om ikke generalforsamlingen fastsetter en annen periode i forbindelse med valget.

**ARTICLES OF ASSOCIATION
FOR
CIRCA GROUP AS
(ORG. NR. 926 168 061)**

§ 2 – Name

The company's name is Circa Group AS.

§ 4 – Registered office

The company's registered office is in Oslo municipality.

§ 6 – Objective

The objective of the company is to invest in other companies and shares, and any other related activities, including external debt financing and group financing.

§ 8 – Share Capital

The Company's share capital is NOK 119,412,580 divided into 119,412,580 shares, each with a nominal value of NOK 1. The Company's shares shall be registered in the central securities depository (VPS).

The shares are freely transferrable, which means that the rules in the private limited companies act on right of first refusal and approval of share transfers shall not apply.

§ 5 – Board of directors

The board of directors of the company shall consist of between one and seven members. The board of directors are elected for a term of two years unless decided otherwise by the general meeting at the time of the election.

§ 6 – Signatur

Selskapet tegnes av ett styremedlem alene. Styret kan meddele prokura.

§ 7 – Generalforsamling

Dokumenter som gjelder saker som skal behandles på selskapets generalforsamling, herunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjonærene dersom dokumentene er tilgjengelig på selskapets hjemmeside. En aksjonær kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

På den ordinære generalforsamlingen skal følgende spørsmål behandles og avgjøres:

- Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
- Andre saker som etter lov eller vedtektene hører under generalforsamlingen.

Aksjonærene kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik forhåndsstemming. Det skal fremgå av innkallingen til generalforsamlingen hvilke retningslinjer som er fastsatt.

Retten til å delta og stemme på generalforsamlingen kan bare utøves når ervervet er innført i aksjeeierregisteret den femte virkedagen før generalforsamlingen.

Styret kan beslutte at aksjonærer som vil delta på generalforsamlingen, må melde dette til selskapet innen en bestemt frist som ikke kan utløpe tidligere enn tre dager før generalforsamlingen.

§ 8 – Andre forhold

For øvrig henvises det til den til enhver tid gjeldende aksjelovgivning

§ 6 – Authority to sign for the company

Each board member may sign on behalf of the company, solely. The board may grant power of procuration.

§ 7 – General meeting

Documents relating to matters to be dealt with by the company's annual general meeting, including documents which pursuant to law shall be included in or attached to the notice, are not required to be sent to the shareholders if the documents are available on the company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the company's annual general meeting are sent to him/her.

The annual general meeting shall resolve on the following matters:

- Approval of the annual report and accounts, including dividends distribution.
- Any other matters which are referred to the annual general meeting pursuant to law or the articles of association.

Shareholders are able to vote in writing, including through electronic communication, for a period before the general meeting. The board of directors may decide on the process for advance voting. The notice for the general meeting should include the details on the process which has been decided.

The right to participate and vote at the general meeting may only be exercised if the share ownership is included in the shareholder register no later than five business days prior to the general meeting.

The board of directors may decide that shareholders who wish to attend the general meeting must notify the company within a specific deadline prior to the meeting. Under no circumstances may the deadline be less than three days prior to the general meeting.

§ 8 – Other matters

For all other matters reference is made to the current Norwegian companies legislation.

APPENDIX B
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CIRCA GROUP LIMITED FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2020

Circa Group Limited

ABN 70 112 735 485

Financial Statements - 30 June 2020

Company secretary	Rob Craigie
Registered office	c/- Keating & Co 379 Collins Street Melbourne Victoria 3000 Australia
Principal place of business	Bio21 Molecular Science & Biotechnology Institute 30 Flemington Road Parkville Victoria 3010 Australia
Auditor	William Buck Level 20, 181 William Street Melbourne Victoria 3000 Australia
Solicitors	Dr Mark Williams Barrister & Solicitor Williams Solicitors Level 8, 575 Bourke Street Melbourne Victoria 3000 Australia
Bankers	Westpac Banking Corporation 114 William St Melbourne Victoria 3000 Australia
Website	www.circagroup.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Circa Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The following persons were directors of Circa Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Jim Henneberry
Tony Duncan
Greg Court
John Pettigrew
Iain Ralph
Chris Lawrence
Rod Bender (appointed 22nd November 2019)
Eric Luck (resigned 22nd November 2019)
Rob Finch (resigned 7th November 2019)

The Company Secretary is Rob Craigie.

Principal activities

Circa Group has developed the world's first continuous process for the manufacture of an important and highly flexible molecule, Levoglucosenone (LGO), from waste cellulose. From this platform molecule, Circa is building a portfolio of derivative products and licensable intellectual property across a number of growing market specialty chemical sectors: bio-solvents, flavours, agrochemicals, bio-polymers and intermediates for a variety of pharmaceutical and other industrial applications.

Cyrene™ is Circa's first commercial LGO product derivative - a bio-solvent in a sector where most competitors are becoming more and more heavily regulated due to toxicity concerns. In partnership with Norske Skog, the company's fifth scale-up prototype plant (FC5) has been operating in Tasmania for the past 18 months.

LGO offers a pathway to a large portfolio of product derivatives. The company's strategy includes a focus on selected LGO product derivatives and end use applications. As an example, in addition to Cyrene™, LGO is recognised as a platform molecule to access high margin products such as pharmaceutical precursors e.g. for production of Ribonolactone, an important intermediate for several proposed Coronavirus treatments.

Review of operations

A review of the operations of the Group during the financial year and the results of those operations found that during the year, the Group continued to engage in its principal activities, the results of which are disclosed in the attached financial statements.

For the year ended 30 June 2020 the Group incurred a consolidated net loss of \$8,126,910 (2019: \$3,142,190). The net cash outflows used in operations for the year were higher at \$7,740,468 (2019: \$5,609,064) due to the delayed receipt of the FC Five 2019 R&D tax rebate. The Group had a net working capital deficit of \$2,361,868 (2019: \$287,675) at year end due to current financial loan liabilities of \$2,652,000 (refer to "FC Five's residual financial liabilities" on page 4 and Note 11. Financial liabilities).

Income of \$681,800 (2019: \$6,253,767) was lower than the prior year due to the delayed payment of the FC Five 2019 R&D tax rebate (\$1,713,590 received after 30 June 2020) and other income of \$3,150,000 recognised in 2019.

Consolidated expenses comprise costs associated with FC5 plant and costs directly attributable to Circa Group Ltd's ongoing business (i.e. non FC5 expenditures), which have been kept in line with previous years.

Circa Group continues to be funded substantially from equity raisings and R&D tax rebates.

Relationship Agreement between Circa Group and Norske Skog

Circa Group Ltd and Norske Skog (Australasia) Pty Limited entered into a Relationship Agreement dated 3 June 2020 which supersedes previous joint venture arrangements that had been in place between Circa Group and Norske Skog since 2015. The key elements of the Agreement include that:

1. Norske Skog will increase its shareholding in Circa Group in three tranches from approximately 10% to approximately 27.5%.
2. In exchange for the Circa shares, Norske Skog will:
 - Reduce the balance of the loan from Norske Skog (Australia) No 2 Pty Limited to FC Five Pty Ltd. The reduction of the Norske Skog Loan for the year ending 30 June 2020 is \$13,712,323;
 - Relinquish its right of first refusal to build commercial scale plants for the production of LGO and Cyrene™;
 - Transfer all of its shares in FC Five to Circa, giving Circa 100% control of the entity, including transfer of all intellectual property of FC Five;
 - Grant Circa access to a perpetual, irrevocable, royalty-free right to the FC6 Investment Ready Main Study for the establishment of a 5ktpa commercial scale plant.

The Agreement required that the issue of the Third Tranche Subscription Shares be subject to:

- Amendment of the Circa's Constitution by special resolution at a General Meeting of Circa shareholders;
 - Approval of the Third Tranche Subscription Shares by ordinary resolution at a General Meeting of shareholders;
- and
- Clause 5.2 of the Agreement requiring approval before 31 December 2020 by the Foreign Investment Review Board (FIRB).

PwC provided an Independent Expert Report. The Proposed Transaction was overwhelmingly approved by Circa shareholders at a General Meeting held on 25 June 2020.

At the date of this report, completion of the Third Tranche remains subject to approval before 31 December 2020 by the FIRB.

After completion of the Third Tranche, if any special resolution is put to the vote of members of Circa, Norske Skog will limit the voting of its shares to 19.99% of its holding except in the circumstances described in clause 6(b) of the Agreement.

Accounting treatment of Norske Skog Loan to FC Five

The reduction in the Norske Skog loan to FC Five Pty Ltd of \$13,712,323 is accounted for as an increase in Circa share capital. The contribution is accounted for as an increase in the Circa capital reserve account .

Issued capital increased by \$15,977,845 due largely to the reduction in the Norske Skog loan.

The shares issued to Norske Skog under the Relationship Agreement were for repayment of debt and other commercial considerations as detailed above.

Relationship Agreement – Norske Skog Subscription Shares

The shares issued on 30 June 2020 comprised:

1. **First Tranche Subscription Shares** (total: 235,294) issued at a 15% discount to the \$7.50 per share – \$6.375 per share. Following the close of the equity raising and the First Tranche Subscription, Norske Skog's shareholding in Circa Group Ltd was ~16.28%.
2. **Second Tranche Subscription Shares** (total: 162,440) issued at \$7.50 per share resulting in a Norske Skog shareholding of 19.90% in Circa Group Ltd.
3. **Third Tranche Subscription Shares** remain subject to FIRB Clearance. On this basis, the Norske Skog shareholding in Circa Group Ltd would increase to 27.68%.

FC Five's residual financial liabilities

The residual Norske Skog loan amount as at 30 June 2020 is \$2,652,000 and comprises:

- a. \$1,272,000 being the interest accrued on loans to 31 December 2019. This amount was subsequently repaid to Norske Skog on 7 August 2020; and
- b. \$1,380,000 being the amount for operating costs for FC5 at \$230,000 per month for six months The end date of the loan is 31 December 2020 (or other such date as the parties may agree in writing).

ReSolute® Project

- The ReSolute® EU Flagship grant of €12m awarded to the ReSolute® Consortium in December 2019 is to be used to build a semi-commercial scale plant with output of approximately 1,000 tonne per year of Levoglucosenone / Cyrene™ at a Total ex refinery site hosting biotech companies near Carling in Eastern France.
- Circa is leading the project with a group of ten other companies, Universities and organisations.
- All output from the plant is covered under Letters of Intent from Merck KGaA and Will & Co for Cyrene output, and with CPL Ltd (UK) to take the char by-product to replace coal as a solid fuel and activated carbon.
- ReSolute® will be run through a Belgium based company, Circa Sustainable Chemicals BV, a 100% owned subsidiary of Circa Group Ltd.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year

Matters subsequent to the end of the financial year

ReSolute® Project – Signing of the EU General Agreement

Circa was notified of approvals and signing of the final EU agreement for the ReSolute® Project on 24 September 2020. Circa will receive an initial tranche payment in October as part of the €12m EU Flagship grant to the ReSolute® consortium.

The Project officially commenced on 1 October 2020 with a planned commissioning in Q4 FY2022.

Patent application by Monash University lapses

Monash University has notified Circa that they have let lapse its patent application to manufacture levoglucosenone (LGO) using fluidised bed technology. This was in competition with a Circa patent and, we believed, in contravention of an agreement between Circa and Monash University when Circa Group initiated a project with Monash around five years ago.

COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had a significant financial impact for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name: Jim Henneberry
Title: Chair
Experience and expertise: Jim currently chairs Timberland Pacific, is a director of Forest and Wood Products Australia and is a trustee at Monash BioPria. He was formally CEO/MD of Australia Paper and served on the board of Forest and Wood Products Australia. Jim has had numerous CEO and director roles in operations, sales and R&D. His business experience covers the Americas, ANZ, Asia and Europe

Name: Tony Duncan
Title: Chief Executive Officer and Director
Experience and expertise: CEO Circa Group Ltd, MD Circa Sustainable Chemicals Ltd (UK), Chair FC5 Pty Ltd – 25 years experience in the paper industry in Australia and New Zealand. Previous roles include National Marketing Manager, The Paper House and General Manager, R&D and Technical Services, Australian Paper.

Name: Greg Court
Title: Non-executive director
Experience and expertise: 30+ years experience in the pulp and paper industry in Australia and US. Previous roles include Executive General Manager Australian Paper, General Manager Functional Coatings (Amcor), and senior strategy roles within Amcor.

Name: Rod Bender
Title: Non-executive director
Experience and expertise: Vice President, Renewables & Business Development for Norske Skog Australasia with 30+ years' experience in the pulp and paper industry in Australia and New Zealand. A background in Mechanical Engineering. Senior roles in Paper Mill Maintenance, Engineering and Operations, preceded 11 years as General Manager of Norske Skog's Boyer Mill in Tasmania to 2016. More recently have held Strategic and Business Development roles, including responsibility for all operations 'outside pulp and paper' for Norske Skog's Australasian Region. This has included direct responsibility for the development, commissioning and operation of the FC5 Plant. Non-executive Director of Natures Flame Ltd (New Zealand).

Name: John Pettigrew
 Title: Non-executive director
 Experience and expertise: John Pettigrew is a retired horticulturist and farmer based near Shepparton with extensive knowledge in primary production, business and environmental management. John, is a past Director of SPC Ltd, Goulburn Murray Water and the Goulburn-Broken Catchment Management Authority, and is presently involved in renewable energy as a Director of GV Community Energy.

Name: Iain Ralph
 Title: Non-executive director
 Experience and expertise: Iain has a career spanning design and development, project management, general management, management consulting (business processes) and investment management in the engineering and advanced materials and biotechnology sectors. He has managed tech start-ups and served on the board of Cytomatrix Limited. Has MBA (Tech Management) Deakin University and BE(Mech) University of Melbourne.

Name: Chris Lawrence
 Title: Non-executive director
 Experience and expertise: Original background in Applied Chemistry with BP in the UK. Chris has a number of business interests in Australia, Europe and Asia in environmental and recycling industries and is also a Senior Captain with Cathay Pacific Airways

Company secretary

Rob Craigie B. Sc. (Hons) (Melb), M. App. Sc. (Melb), F Fin, GAICD

Appointed CFO of Circa Group Ltd on 8 January 2020. Company Secretary for Circa Group Ltd since 28 June 2018. Member of Circa Group's Audit and Risk Committee. Non-executive Director of Aura Energy Ltd. Career has included 20 years as an equities analyst (research and corporate roles, including pre-IPO marketing, equity raisings, corporate advice and funding strategy) with Baillieu Holst, FW Holst & Co, ANZ Securities and ANZ McCaughan. Prior to stockbroking, a 16-year industry career with the Shell Group (and its metals business, Billiton) spanning senior technical, planning and strategy roles.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Jim Henneberry	12	12
Tony Duncan	12	12
Greg Court	9	12
Chris Lawrence	9	12
John Pettigrew	10	12
Iain Ralph	9	12
Eric Luck	3	4
Robert Finch	4	4
Rod Bender	7	8

Held: represents the number of meetings held during the time the director held office.

Audit and Risk Committee

The Committee to November 2019 comprised: Robert Finch, Eric Luck and Iain Ralph.

The Committee from 16 December 2019 has comprised: Rob Craigie, John Pettigrew and Iain Ralph.

Shares under option

Options were issued to Anthony Duncan prior to the subdivision of ordinary shares in the company effective 6 April 2018 when each ordinary share was subdivided into one thousand ordinary shares.

Anthony Duncan

100 options (issued prior to the subdivision of ordinary shares) exercisable at \$3,000 per share were due to expire on 30 June 2021. The Board resolved on 15 June 2020 to split the then 100,000 options (with a strike price of \$3 per share) into two parcels:

1. 50,000 options to expire on 30 June 2021; and
2. 50,000 options to expire on 30 June 2022.

Of the options expiring on 30 June 2021, 7,442 of the options were exercised, leaving a balance of 42,558 options (plus the 50,000 options expiring 30 June 2022).

Other employees

A total balance of 40,000 options exercisable at \$7.50 per share were issued on the 13 August 2019, vesting immediately. These options expire on the 13 August 2022. Of these options, 20,000 were forfeited during the year ended 30 June 2020.

Shares issued on the exercise of options

The following ordinary shares of Circa Group Limited were issued during the year ended 30 June 2020 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
Anthony Duncan - 15 June 2020	\$3.00	7,442

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report:

Directors	Number of redeemable preference shares	Number of fully paid ordinary shares
Jim Henneberry	-	88,667
Tony Duncan	-	281,442
Greg Court	-	296,568
Chris Lawrence	-	307,803
John Pettigrew	-	414,833
Iain Ralph	-	340,000
Rod Bender	-	747,754
Totals	-	2,477,067

At the date of the report, the Company had 3,757,559 issued fully paid ordinary shares following the issue of First and Second Tranche Subscription Shares to Norske Skog (as per clauses 2 and 4 in the Relationship Agreement).

Redemption of Circa Preference Shares

The Board resolved on 23 January 2020 to redeem the total of 143,473 redeemable preference shares - K Class – at par by issuing Ordinary shares at the most recent issue price of \$7.50 per share (a total of 19,130 new ordinary shares). The redeemable preference shares - K Class – were cancelled and the ordinary shares issued on 7 February 2020.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

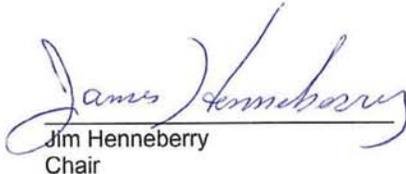
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink that reads "James Henneberry".

Jim Henneberry
Chair

20 October 2020

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
CIRCA GROUP LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'William Buck'.

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

A handwritten signature in blue ink that reads 'J.C. Luckins'.

J.C. Luckins

Director

Dated this 20th day of October, 2020

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

Statement of profit or loss and other comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15
Directors' declaration	32
Independent auditor's report to the members of Circa Group Limited	33

General information

The financial statements cover Circa Group Limited as a consolidated entity consisting of Circa Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Circa Group Limited's functional and presentation currency.

Circa Group Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

c/- Keating & Co
379 Collins Street
Melbourne Victoria 3000
Australia

Principal place of business

Bio21 Molecular Science & Biotechnology Institute
30 Flemington Road
Parkville Victoria 3010
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on ____ October 2020. The directors have the power to amend and reissue the financial statements.

Circa Group Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020



	Note	Consolidated 2020 \$	2019 \$
Revenue			
Income	3	681,800	6,253,767
Expenses			
Advertising and promotion		(22,038)	(11,770)
Depreciation		(3,439)	(8,249)
Commercial costs		(864,949)	(861,515)
Finance costs		(337,393)	(590,626)
Employee benefits expenses		(2,726,509)	(2,260,830)
Pilot plant development expenditure - FC5		(4,640,857)	(5,325,543)
Occupancy costs		(31,892)	(18,537)
Travel costs		(175,218)	(232,455)
Other expenses		(38,138)	(30,052)
Exchange differences		20,590	(40,338)
Loss before income tax expense		(8,138,043)	(3,126,148)
Income tax expense		-	-
Loss after income tax expense for the year		(8,138,043)	(3,126,148)
Other comprehensive income / (loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		11,133	(16,042)
Other comprehensive income / (loss) for the year, net of tax		11,133	(16,042)
Total comprehensive income / (loss) for the year		<u>(8,126,910)</u>	<u>(3,142,190)</u>
Loss for the year is attributable to:			
Non-controlling interest		(1,641,731)	(391,542)
Owners of Circa Group Limited		(6,496,312)	(2,734,606)
		<u>(8,138,043)</u>	<u>(3,126,148)</u>
Total comprehensive income / (loss) for the year is attributable to:			
Non-controlling interest		(1,641,731)	(391,542)
Owners of Circa Group Limited		(6,485,179)	(2,750,648)
		<u>(8,126,910)</u>	<u>(3,142,190)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Circa Group Limited
Statement of financial position
As at 30 June 2020



	Note	Consolidated 2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5	290,364	543,297
Trade and other receivables	6	232,265	202,935
Inventories	7	39,644	168,788
Total current assets		<u>562,273</u>	<u>915,020</u>
Non-current assets			
Property, plant and equipment	8	3,866	6,483
Total non-current assets		<u>3,866</u>	<u>6,483</u>
Total assets		<u>566,139</u>	<u>921,503</u>
Liabilities			
Current liabilities			
Trade and other payables	9	116,227	197,047
Short-term provisions	10	140,001	99,641
Financial liabilities	11	2,667,913	906,007
Total current liabilities		<u>2,924,141</u>	<u>1,202,695</u>
Non-current liabilities			
Short-term provisions	10	4,308	38,378
Financial liabilities	11	-	9,000,000
Total non-current liabilities		<u>4,308</u>	<u>9,038,378</u>
Total liabilities		<u>2,928,449</u>	<u>10,241,073</u>
Net liabilities		<u>(2,362,310)</u>	<u>(9,319,570)</u>
Equity			
Contributed equity	12	23,980,223	8,002,378
Reserves	13	317,294	(19,464)
Accumulated losses		<u>(25,018,096)</u>	<u>(14,886,415)</u>
Deficiency in equity attributable to the owners of Circa Group Limited		(720,579)	(6,903,501)
Non-controlling interest	14	<u>(1,641,731)</u>	<u>(2,416,069)</u>
Total deficiency in equity		<u>(2,362,310)</u>	<u>(9,319,570)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Circa Group Limited
Statement of changes in equity
For the year ended 30 June 2020



	Issued capital	Reserves	Retained losses	Non-controlling interest	Total deficiency in equity
	\$	\$	\$	\$	\$
Consolidated					
Balance at 1 July 2018	6,970,821	(2,422)	(12,152,809)	(2,024,527)	(7,208,937)
Loss after income tax expense for the year	-	-	(2,734,606)	(391,542)	(3,126,148)
Other comprehensive income / (loss) for the year, net of tax	-	(16,042)	-	-	(16,042)
Total comprehensive income / (loss) for the year	-	(16,042)	(2,734,606)	(391,542)	(3,142,190)
Issuance of shares	2,046,205	-	-	-	2,046,205
Share reserve	(1,014,648)	-	-	-	(1,014,648)
Balance at 30 June 2019	<u>8,002,378</u>	<u>(18,464)</u>	<u>(14,887,415)</u>	<u>(2,416,069)</u>	<u>(9,319,570)</u>
Consolidated	Issued capital	Reserves	Retained losses	Non-controlling interest	Total deficiency in equity
	\$	\$	\$	\$	\$
Balance at 1 July 2019	8,002,378	(18,464)	(14,887,415)	(2,416,069)	(9,319,570)
Loss after income tax expense for the year	-	-	(6,496,312)	(1,641,731)	(8,138,043)
Other comprehensive income for the year, net of tax	-	11,133	-	-	11,133
Total comprehensive income / (loss) for the year	-	11,133	(6,496,312)	(1,641,731)	(8,126,910)
Issuance of shares	15,977,845	-	(1,218,300)	-	14,759,545
Transfer of NCI on ownership of 100%	-	-	(4,057,800)	4,057,800	-
Share-based payments	-	324,625	-	-	324,625
Balance at 30 June 2020	<u>23,980,223</u>	<u>317,294</u>	<u>(26,659,827)</u>	<u>-</u>	<u>(2,362,310)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Circa Group Limited
Statement of cash flows
For the year ended 30 June 2020



	Note	Consolidated	
		2020	2019
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		34,613	130,875
Payments to suppliers and employees (inclusive of GST)		(8,060,404)	(8,187,468)
Proceeds from grant income		621,710	3,037,031
		<u>(7,404,081)</u>	<u>(5,019,562)</u>
Interest and other finance costs paid		<u>(336,387)</u>	<u>(589,502)</u>
Net cash used in operating activities	26	<u>(7,740,468)</u>	<u>(5,609,064)</u>
Cash flows from investing activities			
Payments for plant and equipment	8	<u>(822)</u>	<u>(50)</u>
Net cash used in investing activities		<u>(822)</u>	<u>(50)</u>
Cash flows from financing activities			
Proceeds from issue of shares		1,014,128	1,031,557
Net proceeds from borrowings		6,474,229	4,000,000
Net cash from financing activities		<u>7,488,357</u>	<u>5,031,557</u>
Net decrease in cash and cash equivalents		<u>(252,933)</u>	<u>(577,557)</u>
Cash and cash equivalents at the beginning of the financial year		<u>543,297</u>	<u>1,120,854</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>290,364</u></u>	<u><u>543,297</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern

The financial statements have been prepared on a going concern basis, which assumes the company will be able to realise its assets and discharge its liabilities in the normal course of business.

For the year ended 30 June 2020 the Group incurred a consolidated net loss of \$8,126,910 (2019: \$3,142,190). The net cash outflows used in operations for the year were \$7,740,468 (2019: \$5,609,064), and also the Group had a net working capital deficit of \$2,361,868 (2019: \$287,675) at year end.

In accordance with the requirements of generally accepted accounting practice, the directors have assessed the going concern assumption as the appropriate basis for preparing the financial statements.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Circa Group Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Circa Group Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Note 1. Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Circa Group Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Note 1. Significant accounting policies (continued)

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 1. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment	3-5 years
---------------------	-----------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 1. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. For the year ended 30 June 2020, the certainty of recovery cannot be reliably determined at this stage of the Group's development.

R&D Expenditure

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Management has decided that costs relating to the development of the FC4 and FC5 pilot plants will be expensed rather than assessing costs for the above conditions have not yet been met.

Note 3. Income

	Consolidated	
	2020	2019
	\$	\$
Government Research & Development tax incentive	431,078	2,860,149
Income received from Norske Skog	-	3,150,000
Other grant income	107,477	176,882
Sales	59,964	17,253
Interest	126	2,315
Other income	83,155	47,168
Income	<u>681,800</u>	<u>6,253,767</u>

Note 4. Income tax expense

	Consolidated	
	2020	2019
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	<u>(8,138,043)</u>	<u>(3,126,148)</u>
Tax at the statutory tax rate of 27.5%	(2,237,962)	(859,691)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-taxable dividends	-	(4,973)
Current year tax losses not recognised	<u>2,237,962</u>	<u>864,664</u>
Income tax expense	<u>-</u>	<u>-</u>

Note 4. Income tax expense (continued)

There was no income tax expense or other tax balances for the period ended 30 June 2020 due to the loss from operations (2019: nil).

At 30 June 2020, the Group reviewed the quantum of its unrecognised carry forward tax losses. As at that date it is estimated that the Company has unrecognised carry forward tax losses of \$4,195,274 (2019: \$3,579,805) potentially available to offset against future years' taxable income. No calculation has been made as to the carry forward tax losses available to controlled entities. The balance of future income tax benefit arising from current year tax losses and timing differences has not been recognised as an asset because recovery is not regarded as probable.

The future income tax benefit, which has not been recognised as an asset, will only be obtained if:

- (i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) the company continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in tax legislation adversely affect the company realising the benefit.

Note 5. Cash and cash equivalents

	Consolidated	
	2020	2019
	\$	\$
<i>Current assets</i>		
Cash on hand	235	235
Westpac Business One	159,196	246,244
Westpac Cash Reserve	53,247	187,753
HSBC UK Business Account	6,691	91,749
FC5 Bank Account	70,995	17,316
	<u>290,364</u>	<u>543,297</u>

Note 6. Trade and other receivables

	Consolidated	
	2020	2019
	\$	\$
<i>Current assets</i>		
Trade Debtors	169,619	47,764
Input Tax Credits	62,646	155,171
	<u>232,265</u>	<u>202,935</u>

Note 7. Inventories

	Consolidated	
	2020	2019
	\$	\$
<i>Current assets</i>		
Raw materials - FC5	39,644	168,788
	<u>39,644</u>	<u>168,788</u>

Note 8. Property, plant and equipment

	Consolidated	
	2020	2019
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	29,796	29,796
Less: Accumulated depreciation	<u>(26,841)</u>	<u>(23,837)</u>
	2,955	5,959
Computer equipment - at cost	63,567	60,543
Less: Accumulated depreciation	<u>(62,656)</u>	<u>(60,019)</u>
	911	524
Office equipment - at cost	1,454	1,454
Less: Accumulated depreciation	<u>(1,454)</u>	<u>(1,454)</u>
	-	-
	<u>3,866</u>	<u>6,483</u>

Note 9. Trade and other payables

	Consolidated	
	2020	2019
	\$	\$
<i>Current liabilities</i>		
Trade creditors	56,741	153,613
Sundry and other payables	36,460	26,910
Superannuation payable	<u>23,026</u>	<u>16,524</u>
	<u>116,227</u>	<u>197,047</u>

Refer to note 16 for further information on financial instruments.

Note 10. Short-term provisions

	Consolidated	
	2020	2019
	\$	\$
<i>Current liabilities</i>		
Annual leave	79,786	99,641
Long service leave	<u>60,215</u>	<u>-</u>
	140,001	99,641
<i>Non-current liabilities</i>		
Long service leave	<u>4,308</u>	<u>38,378</u>
	<u>144,309</u>	<u>138,019</u>

Note 11. Financial liabilities

	Consolidated	
	2020	2019
	\$	\$
<i>Current liabilities</i>		
Due to Norske Skog	15,913	906,007
Loan from Norske Skog	2,652,000	-
	<u>2,667,913</u>	<u>906,007</u>
<i>Non-current liabilities</i>		
Loan from Norske Skog	-	9,000,000
	<u>2,667,913</u>	<u>9,906,007</u>

Circa Group Ltd and Norske Skog (Australasia) Pty Limited entered into a Relationship Agreement dated 3 June 2020 which supersedes previous joint venture arrangements that had been in place between Circa Group and Norske Skog since 2015. The key elements of the Agreement include that:

1. Norske Skog will increase its shareholding in Circa Group in three tranches from approximately 10% to approximately 27.5%.
2. In exchange for the Circa shares, Norske Skog will:
 - Reduce the balance of the loan from Norske Skog (Australia) No 2 Pty Limited to FC Five Pty Ltd. The reduction of the Norske Skog Loan for the year ending 30 June 2020 is \$13,712,323;
 - Relinquish its right of first refusal ("ROFR") to build commercial scale plants for the production of LGO and Cyrene™;
 - Transfer all of its shares in FC Five to Circa, giving Circa 100% control of the entity, including transfer of all intellectual property of FC Five;
 - Grant Circa access to a perpetual, irrevocable, royalty-free right to the FC6 Investment Ready Main Study for the establishment of a 5ktpa commercial scale plant.

The residual Norske Skog loan amount as at 30 June 2020 is \$2,652,000 and comprises:

- a. \$1,272,000 being the interest accrued on loans to 31 December 2019. This amount was subsequently repaid to Norske Skog on 7 August 2020; and
- b. \$1,380,000 being the amount for operating costs for FC5 at \$230,000 per month for six months. The end date of the loan is 31 December 2020 (or other such date as the parties may agree in writing).

Note 12. Contributed equity

	Consolidated	
	2020	2019
	\$	\$
3,757,559 Ordinary shares - Fully paid (2019: 3,168,013)	23,980,223	7,611,405
Nil redeemable preference shares - K Class (2019: 143,473)	-	143,473
Nil share reserve (2019: 33,000)	-	247,500
	<u>23,980,223</u>	<u>8,002,378</u>

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. At a general meeting of members held on 6 April 2018, a subdivision of ordinary shares in the company was agreed, whereby each ordinary share was subdivided into one thousand ordinary shares. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 12. Contributed equity (continued)

Redemption of Circa Preference Shares

The Board resolved on 23 January 2020 to redeem the total of 143,473 redeemable preference shares - K Class – at par by issuing Ordinary shares at the most recent issue price of \$7.50 per share (a total of 19,130 new ordinary shares). The redeemable preference shares - K Class – were cancelled and the ordinary shares issued on 7 February 2020.

Capital Management

When managing capital, management's objective is to ensure the group continues as a going concern, complies with Corporations Law requirements and maintains optimal returns to shareholders and benefits of other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

Note 13. Reserves

	Consolidated	
	2020 \$	2019 \$
Foreign currency reserve	(7,331)	(19,464)
Share-based payments reserve	324,625	-
	<u>317,294</u>	<u>(19,464)</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 14. Non-controlling interest

Set out below is aggregated financial information for the non-controlling interests that are material to the group. The summarised information represents amounts before intragroup eliminations for FC Five Pty Ltd.

	2020 \$	2019 \$	Change \$	Change %
Current assets	-	340,994	(340,994)	(100%)
Current liabilities	-	(1,003,689)	1,003,689	(100%)
Net current assets/(liabilities)	-	(662,695)	662,695	(100%)
Non-current liabilities	-	(9,000,000)	9,000,000	(100%)
Non-current net assets/(liabilities)	-	(9,000,000)	9,000,000	(100%)
Net assets/(liabilities)	-	(9,662,695)	9,662,695	(100%)
Accumulated NCI	-	(2,416,069)	2,416,069	(100%)
	2020 \$	2019 \$	Change \$	Change %
Loss for the period	-	(1,566,170)	1,566,170	(100%)
Total comprehensive income	-	(1,566,170)	1,566,170	(100%)
Loss attributable to non-controlling interest	-	(1,566,170)	1,566,170	(100%)

Note 14. Non-controlling interest (continued)

	2020 \$	2019 \$	Change \$	Change %
Net cash outflow from operating activities	-	(850,765)	850,765	(100%)
Net cash flow from financing activities	-	850,000	(850,000)	(100%)
Net increase/(decrease) in cash and cash equivalents	-	(765)	765	
			Consolidated	
			2020	2019
			\$	\$
Accumulated losses			<u>(1,641,731)</u>	<u>(2,416,069)</u>

Note 15. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 16. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk to determine market risk.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The Group also has exposure to foreign exchange risk due to the currency cash reserves and other balances denominated in foreign currencies. The Group does not actively manage foreign currency risk and does not make use of derivative financial instruments.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Price risk

The consolidated entity is not exposed to any significant price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The Group is not exposed to any significant credit risk, as the key components of income pertain to the Research and Development tax incentives provided by the Australian Government.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 16. Financial instruments (continued)

For further commentary on the Group's liquidity risk profile, refer to the Going Concern disclosure in Note 1 of these financial statements.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Maturity analysis

	Less than 6 months \$	6 - 12 months \$	1 - 5 years \$	>5 years \$	Total \$
Consolidated - 2020					
Loan from Norske Skog	2,652,000	-	-	-	2,652,000
Trade and other payables	132,140	-	-	-	132,140
	<u>2,784,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,784,140</u>
Consolidated - 2019					
	Less than 6 months \$	6 - 12 months \$	1 - 5 years \$	> 5 years \$	Total \$
Loan from Norske Skog	906,007	-	-	9,000,000	9,906,007
Trade and other payables	197,047	-	-	-	197,047
	<u>1,103,054</u>	<u>-</u>	<u>-</u>	<u>9,000,000</u>	<u>10,103,054</u>

Note 17. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2020	2019
	\$	\$
Short-term employee benefits	277,899	496,524
Post-employment benefits	-	58,677
Share-based payments	338,465	-
	<u>616,364</u>	<u>555,201</u>

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for audit services provided by William Buck, the auditor of the company:

	Consolidated	
	2020	2019
	\$	\$
<i>Audit services - William Buck</i>		
Audit or review of the financial statements	28,500	20,000
	<u>28,500</u>	<u>20,000</u>

Note 19. Contingent assets

There are no contingent assets noted for the year ending 30 June 2020 (2019: nil)

Note 20. Contingent liabilities

There are no contingent liabilities noted for the year ending 30 June 2020 (2019: nil)

Note 21. Commitments

FC Five Pty Ltd has a commitment to related party Norske Skog Industries Australia Limited for the month-to-month commercial lease of premises at 1279 Boyer Road Tasmania at normal commercial rates for the purpose of developing the FC5 commercial production plant.

Note 22. Related party transactions

Parent entity

Circa Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 24.

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties

During the year there were transactions with the related entities of the consolidated group and with Norske Skog who is a shareholder of Circa Group Limited. These terms were at arms length on commercial terms. Refer to Note 11 for additional commentary relating to the loan repayment during the year ended 30 June 2020.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

Refer to Note 12.

Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2020	2019
	\$	\$
Loss after income tax	<u>(1,464,609)</u>	<u>(1,474,433)</u>
Total comprehensive income / (loss)	<u>(1,464,609)</u>	<u>(1,474,433)</u>

Note 23. Parent entity information (continued)

Statement of financial position

	Parent	
	2020	2019
	\$	\$
Total current assets	15,918,632	1,060,246
Total assets	15,921,587	1,066,205
Total current liabilities	229,537	196,354
Total liabilities	233,845	234,732
Equity		
Contributed equity	23,980,223	8,001,983
Share-based payments reserve	324,625	-
Accumulated losses	(8,617,106)	(7,170,510)
Total equity	<u>15,687,742</u>	<u>831,473</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
FC Five Pty Ltd	Australia	100.00%	75.00%
Circa Sustainable Chemicals Pty Ltd	Australia	100.00%	100.00%
Circa Sustainable Chemicals Limited	United Kingdom	100.00%	100.00%
Circa Sustainable Chemicals BV	Belgium	100.00%	-

Note 25. Events after the reporting period

ReSolute® Project – Signing of the EU General Agreement

Circa was notified of approvals and signing of the final EU agreement for the ReSolute® Project on 24 September 2020. Circa will receive an initial tranche payment in October as part of the €12m EU Flagship grant to the ReSolute® consortium.

The Project officially commenced on 1 October 2020 with a planned commissioning in Q4 FY2022.

Patent application by Monash University lapses

Monash University has notified Circa that they have let lapse its patent application to manufacture levoglucosenone (LGO) using fluidised bed technology. This was in competition with a Circa patent and, we believed, in contravention of an agreement between Circa and Monash University when Circa Group initiated a project with Monash around five years ago.

COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had a significant financial impact for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 26. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2020	2019
	\$	\$
Loss after income tax expense for the year	(8,138,043)	(3,126,148)
Adjustments for:		
Depreciation and amortisation	3,439	8,249
Foreign exchange differences	11,133	40,338
Other non cash flows	351,312	(3,206,379)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(29,330)	(12,611)
Decrease in inventories	129,144	81,734
Increase/(decrease) in trade and other payables	(80,820)	584,391
Increase in other provisions	12,697	21,362
Net cash used in operating activities	<u>(7,740,468)</u>	<u>(5,609,064)</u>

Note 27. Share-based payments

A share option plan has been established by the consolidated entity, whereby the consolidated entity may, at the discretion of the Directors, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity.

Note 27. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

	Number of options 2020	Weighted average exercise price 2020	Number of options 2019	Weighted average exercise price 2019
Outstanding at the beginning of the financial year	-	\$0.00	-	\$0.00
Granted - Tony Duncan	50,000	\$3.00	-	\$0.00
Granted - Tony Duncan	50,000	\$3.00	-	\$0.00
Granted - Employees	20,000	\$7.50	-	\$0.00
Exercised - Tony Duncan	<u>(7,442)</u>	\$3.00	<u>-</u>	\$0.00
Outstanding at the end of the financial year	<u>112,558</u>	\$3.80	<u>-</u>	\$0.00

For the options granted during the current financial year, the Black Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

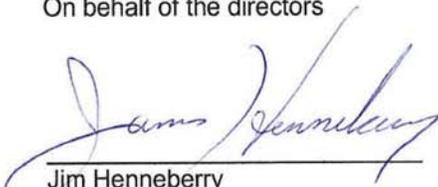
Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
15/06/2020	30/06/2021	\$7.50	\$3.00	25.00%	-	0.26%	\$3.381
15/06/2020	30/06/2022	\$7.50	\$3.00	25.00%	-	0.26%	\$3.389
18/07/2019	18/07/2022	\$7.50	\$7.50	25.00%	-	0.26%	\$0.982

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read "Jim Henneberry", is written over a horizontal line.

Jim Henneberry
Chair

20 October 2020

Circa Group Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Circa Group Limited (the Company) and its controlled entities (the Group), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which describes that during the year ended 30 June 2020 the Group incurred a consolidated net loss of \$8,126,910 (2019: \$3,142,190) and had net cash outflows used in operations for the year of \$7,740,468 (2019: \$5,609,064). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.



William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136



J. C. Luckins

Director

Dated this 20th day of October 2020

APPENDIX C
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CIRCA GROUP LIMITED FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2019



Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Financial Statements

For the Year Ended 30 June 2019

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Contents

For the Year Ended 30 June 2019

	<i>Page</i>
Director's Report	3
Auditor's Independence Declaration	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15
Directors' Declaration	33
Independent Auditor's Report	34

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Directors' Report

30 June 2019

Your directors present their report of Circa Group Limited (the "Company") and its controlled entities (the "Group") for the year ended 30 June 2019.

Directors

The names of Directors in office at any time during or since the end of the year are:

- Jim Henneberry (Chair)
- Tony Duncan (CEO)
- Greg Court
- Chris Lawrence
- John Pettigrew
- Iain Ralph
- Eric Luck
- Robert Finch

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. The Company Secretary is Rob Craigie.

Principal activities

Circa Group Ltd's business is the research, development and commercialisation of bio-chemicals from waste cellulose. Circa's Furacell™ process is a proprietary technology for production of Levoglucosenone (LGO), which provides opportunities to be exploited in many markets including pharmaceuticals, flavourings, agrichemicals, and specialty polymer sectors. Cyrene™ is Circa's first commercial LGO product derivative - a bio-solvent in a sector where most competitors are becoming more and more heavily regulated due to toxicity concerns. In a joint venture with Norske Skog, our fifth scale-up prototype plant (FC5) in Tasmania has supplied Cyrene™ trials to over 500 customers in Europe, North America, China, India and elsewhere.

There were no significant changes in the nature of these activities during the year.

Review of results and operations

A review of the operations of the Group during the financial year and the results of those operations found that during the year, the Group continued to engage in its principal activities, the results of which are disclosed in the attached financial statements.

The comprehensive loss of the Group for the year after providing for income tax amounted to \$3,110,106 (2018: \$7,589,777). This primarily relates to the costs associated with FC5 - refer Note 14b Non-Controlling Interest's Financial Statements. Costs directly attributable to Circa Group Ltd's ongoing business (i.e. non FC5 expenditure) have been kept in line with earlier years.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Directors' Report

30 June 2019

Market and business development progress

Market opportunities for Cyrene™ are rapidly expanding as Merck supplies trial orders globally. Cyrene™ is increasingly seen as a potentially viable alternative to the more toxic competitor solvents such as NMP, DMF, DMAC and DMSO. Major successes have been reported in use of Cyrene™ in production of graphene and derivatives as an example. Merck launched Cyrene™ in March 2019, and feedback from the market was well in excess of their expectations - one of the most successful launches they have seen. This has resulted in Cyrene™ being supplied to over 500 customers (approximately 50:50 industry and Universities) around the world. We continue to support Cyrene™ in conjunction with the University of York Green Chemistry Centre of Excellence scientists - a partnership that remains important as we further establish the brand.

FC6 Feasibility Study progress

The Feasibility Study for a 5,000 tonne per annum commercial scale plant (FC6), jointly funded by the Australian Commonwealth Government and Norske Skog (total A\$3.0m), remains on schedule (overall) for completion in June 2020. The study is showing good progress, with a number of initiatives underway utilising work and contacts initiated by Circa - and now being taken to the next level by Norske Skog.

Patent dispute with Monash University

Monash has continued with its patent application to manufacture levoglucosenone (LGO) using fluidised bed technology. This is in competition with a Circa patent and, we believe, in contravention of an agreement between Circa and Monash University when we initiated a project with Monash around four years ago. All our advice indicates that our position is strong - reinforced by a recent written opinion by the Australian Patent Office indicating serious concerns regarding the novelty with specific reference to the initial Circa patent. However, this issue is not resolved.

Significant changes in the state of affairs

There were no significant changes to the state of affairs during the year.

Dividends paid or recommended

No dividends were declared or paid during the year.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Directors' Report

30 June 2019

Information on directors – qualifications and experience

Jim Henneberry	Chairman
Experience:	Jim currently chairs Timberland Pacific, is a director of Forest and Wood Products Australia and is a trustee at Monash BioPria. He was formally CEO/MD of Australia Paper and served on the board of Forest and Wood Products Australia. Jim has had numerous CEO and director roles in operations, sales and R&D. His business experience covers the Americas, ANZ, Asia and Europe.
<hr/>	
Tony Duncan	Chief Executive Officer and Director
Experience	CEO Circa Group Pty Ltd, MD Circa Sustainable Chemicals Ltd (UK), Chair FC5 Pty Ltd – 25 years' experience in the paper industry in Australia and New Zealand. Previous roles include National Marketing Manager, The Paper House and General Manger, R&D and Technical Services, Australian Paper.s.
<hr/>	
Greg Court	Non-Executive Director
Experience	30+ years experience in the pulp and paper industry in Australia and US. Previous roles include Executive General Manager Australian Paper, General Manager Functional Coatings (Amcor), and senior strategy roles within Amcor.
<hr/>	
Eric Luck	Non-executive Director
Experience:	Regional President of Norske Skog Australasia with 25+ years of experience in the paper industry in Australia, New Zealand and Europe. A Chartered Accountant who has held senior roles in finance, business analysis and strategy. Currently Director and Company Secretary of Norske Skog Industries Australia Limited and Company Secretary of FC Five Pty Ltd, the joint venture company formed between Circa and Norske Skog to conduct research and development using the Furacell technology for the production of Cyrene.
<hr/>	
Chris Lawrence	Non-Executive Director
Experience	Original background in Applied Chemistry with BP in the UK. Chris has a number of business interests in Australia, Europe and Asia in environmental and recycling industries and is also a Senior Captain with Cathay Pacific Airways

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Directors' Report

30 June 2019

Information on directors – qualifications and experience *(Continued)*

John Pettigrew	Non-Executive Director
Experience	John Pettigrew is a retired horticulturist and farmer based near Shepparton with extensive knowledge in primary production, business and environmental management. John, is a past Director of SPC Ltd, Goulburn Murray Water and the Goulburn-Broken Catchment Management Authority, and is presently involved in renewable energy as a Director of GV Community Energy.
Iain Ralph	Non-Executive Director
Experience	Iain is Managing Director of Manifex - an Australian investor in early stage technology companies. Iain has 25 years' experience across a variety of industry and consulting roles.
Robert Finch	Non-Executive Director
Experience	Robert has a background in bulky goods retailing with senior management roles in procurement, logistics and marketing. Owned and operated a number of large format appliance retail businesses in Melbourne over the past 20 years.

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report:

Directors	Number of redeemable preference shares	Number of fully paid ordinary shares
Jim Henneberry	-	86,000
Tony Duncan	-	274,000
Greg Court	24,145	291,000
Chris Lawrence	17,938	301,000
John Pettigrew	-	411,500
Iain Ralph	-	340,000
Eric Luck	-	321,986
Robert Finch	-	193,000
Totals	42,083	2,218,486

At the date of the report, the Company had 3,201,013 fully paid ordinary shares (3,168,013 issued fully paid ordinary shares and 33,000 fully paid ordinary shares in Share Reserve), plus 143,473 redeemable preference shares.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Directors' Report

30 June 2019

Interests in the shares and options of the Company and related bodies corporate *(Continued)*

Options were issued to Warwick Raverty and Anthony Duncan prior to the subdivision of ordinary shares in the company effective 6 April 2018 when each ordinary share was subdivided into one thousand ordinary shares.

Options issued at report date are as follows:

Warwick Raverty

25 options over ordinary shares in the Company exercisable at \$3,900 per share within two years of their issue date of 25 February 2018.

Anthony Duncan

100 options exercisable at \$3,000 per share were extended by Board resolution for a further two years and now expire on 30 June 2021. A further 100 options are exercisable at \$3,900 per share (with vesting at a time when "a transparent \$40 million market capital valuation is achieved).

Other employees

A total of 40,000 options exercisable at \$7.50 per share were issued on the 13th August 2019, vesting immediately. These options expire on the 13th August 2022.

After balance date events

Capital Raising

From July 2019, a capital raising commenced, aiming to raise \$500,000 at \$7.50 per share. As of the date of this report, 44,906 shares had been issued, with cash of \$336,795 received.

Application for H2020 Flagship Funding

The decision was taken by the company in late July 2019 to apply for European funding to build a 1,000 tonne per annum Cyrene™ plant. The final application for €12m H2020 Flagship funding was submitted under the EU's Horizon2020 Flagship program on 8 September 2019. The outcome of the application will be known by end 2019CY.

Aside from the capital raising and the application for European H2020 Funding, there has been no matter of circumstance that has arisen since 30 June 2019 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

Likely developments

The Group expects to maintain the present status and level of operations.

Environmental regulation and performance

The Group's operations are not subject to any significant environmental regulations under Commonwealth, State or Territory legislation.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Directors' Report

30 June 2019

Meetings of directors

Directors	Directors' Meetings	
	Number eligible to attend	Number attended
Jim Henneberry	7	7
Tony Duncan	7	7
Greg Court	7	7
Chris Lawrence	7	6
John Pettigrew	7	7
Iain Ralph	7	5
Eric Luck	7	6
Robert Finch	7	5

Options

Options were issued over shares or interests in the Company during or since the end of the financial year and options are outstanding at the date of this report as referred to above.

Indemnification of directors and officers

During or since the end of the year, the Group has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premium as follows:

Officers indemnified include the Company Secretary, all Directors and all Executive Officers participating in the management of the Company and its controlled entities.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Non-audit service provided for the year ended 30 June 2019 were in relation to taxation compliance as described in the accompanying financial statements.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Directors' Report

30 June 2019

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this Directors' Report.

Signed in accordance with a resolution of the Board of Directors of Circa Group Limited



Tony Duncan
Managing Director

Dated in Melbourne this 1st day of November 2019

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
CIRCA GROUP LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2019 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'William Buck'.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A handwritten signature in blue ink that reads 'J.C. Luckins'.

J.C. Luckins
Director

Dated this 1st day of November, 2019

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Statement of Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Income	2	6,253,767	1,343,192
Advertising and promotion		11,770	60,814
Depreciation		8,249	25,023
Commercial costs		862,638	1,125,989
Finance costs		589,502	342,907
Employee benefits expenses		2,260,830	2,241,546
Pilot plant development expenditure – FC5	4	5,325,543	4,729,110
Occupancy costs		18,537	62,253
Travel costs		232,455	291,250
Other expenses		30,053	35,964
Exchange differences		40,338	18,113
Total expenses		9,379,915	8,931,969
Loss before income tax		3,126,148	7,589,777
Income tax expense	3	-	-
Loss after income tax		3,126,148	7,589,777
Loss attributable to:			
Shareholders of the Company		2,734,606	6,184,015
Non-controlling interest		391,542	1,405,762
		3,126,148	7,589,777
Net loss for the year		3,126,148	7,589,777
Other comprehensive income that may be subsequently reclassified to the profit or loss:			
Foreign currency translation		(16,042)	-
Comprehensive loss for the year		3,110,106	7,589,777
Comprehensive loss attributable to:			
Shareholders of the Company		2,718,564	6,184,015
Non-controlling interest		391,542	1,405,762
		3,110,106	7,589,777

The accompanying notes form part of these financial statements

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Statement of Financial Position

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	543,297	1,120,855
Trade and other receivables	6	202,935	190,324
Inventories	7	168,788	250,522
TOTAL CURRENT ASSETS		915,020	1,561,701
NON-CURRENT ASSETS			
Plant and equipment	8	6,483	14,682
TOTAL NON-CURRENT ASSETS		6,483	14,682
TOTAL ASSETS		921,503	1,576,383
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	197,047	172,005
Short-term provisions	10	99,641	78,324
Financial liabilities	11	906,007	346,658
TOTAL CURRENT LIABILITIES		1,202,695	596,987
NON-CURRENT LIABILITIES			
Long-term provisions	10	38,378	38,333
Financial Liabilities	11	9,000,000	8,150,000
TOTAL NON-CURRENT LIABILITIES		9,038,378	8,188,333
TOTAL LIABILITIES		10,241,073	8,785,320
NET ASSETS		(9,319,570)	(7,208,937)
EQUITY			
Contributed equity	12	8,002,378	6,970,821
Foreign currency translation reserve		(18,464)	(2,422)
Non-controlling interests	14	(2,416,069)	(2,024,527)
Accumulated losses		(14,887,415)	(12,152,809)
TOTAL EQUITY		(9,319,570)	(7,208,937)

The accompanying notes form part of these financial statements

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Statement of Changes in Equity

For the Year Ended 30 June 2019

	Issued Capital \$	Foreign Currency Reserves \$	Accumulated Losses \$	Non-Controlling Interest \$	Total Equity \$
2018					
Balance at 1 July 2017	5,434,673	(2,422)	(5,969,794)	(617,765)	(1,155,308)
Issuance of shares	273,000	-	-	-	273,000
Share Reserve	1,263,148	-	-	-	1,263,148
Profit/(loss) after income tax expense for the year	-	-	(6,184,015)	(1,405,762)	(7,589,777)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Equity as at 30 June 2018	6,970,821	(2,422)	(12,152,809)	(2,024,527)	(7,208,937)
2019					
Balance at 1 July 2018	6,970,821	(2,422)	(12,152,809)	(2,024,527)	(7,208,937)
Issuance of shares	2,046,205	-	-	-	2,046,205
Share Reserve	(1,014,648)	-	-	-	(1,014,648)
Profit/(loss) after income tax expense for the year	-	-	(2,734,606)	(391,542)	(3,126,148)
Other comprehensive income for the year, net of tax	-	(16,042)	-	-	(16,042)
Equity as at 30 June 2019	8,002,378	(18,464)	(14,887,415)	(2,416,069)	(9,319,570)

The accompanying notes form part of these financial statements

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Cash from operating activities:			
Receipts from customers (inclusive of GST)		128,560	385,402
Proceeds from grant income		3,037,031	1,072,470
Payments to suppliers and employees (inclusive of GST)		(8,186,469)	(8,308,509)
Interest received		2,315	4,167
Interest paid		(589,502)	(342,907)
Net cash used in operating activities	13	(5,608,065)	(7,189,376)
Cash flows from investing activities:			
Payments for plant and equipment		(50)	(5,314)
Net cash used in (provided by) investing activities		(50)	(5,314)
Cash flows from financing activities:			
Proceeds from issuance of shares		1,031,557	1,536,148
Proceeds from borrowings		4,000,000	5,219,239
Net cash provided by financing activities		5,031,557	6,755,387
Net increase in cash held		(577,558)	(439,303)
Cash at beginning of financial year		1,120,855	1,560,158
Cash at end of financial year	5	543,297	1,120,855

The accompanying notes form part of these financial statements

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

1 Statement of Significant Accounting Policies

Basis of Preparation

The financial statements include the consolidated financial statements and notes of Circa Group Limited ("the Company") and controlled entities ("the Group").

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes the company will be able to realise its assets and discharge its liabilities in the normal course of business.

For the year ended 30 June 2019 the consolidated net loss was \$3,126,148 (2018: \$7,589,777). The net cash outflows used in operations for the year were \$5,608,065 (2018: \$7,189,376), and also the Group had a net working capital deficit of \$287,675 (2018: \$964,714 surplus) at year end.

In accordance with the requirements of generally accepted accounting practice, the directors have assessed the going concern assumption as the appropriate basis for preparing the financial statements. If necessary, the Group has additional capacity to meet its financial commitments through the following:

- Under joint venture agreements in place between the company and Norske Skog Industries Australia Limited, debts of the company's controlled entity FC Five Pty Ltd owing under the loan agreements with Norske Skog will either be:
 - o repaid in full on 13 June 2027 or be carried forward into any future FC6 joint venture (whichever is the earlier); or
 - o written down to \$1,500,000 (or conversion to equity in the company at the discretion of the company) in the event that the FC6 joint venture does not proceed; or
 - o at the discretion of the company, settling the net loan account capped at \$1.5m with a mixture of equity and interest-only loan in the company or any subsidiary of the company.
- Raising of new share capital
- Scaling back administrative and corporate costs, if required

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

1 Statement of Significant Accounting Policies *(continued)*

Principals of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Circa Group Limited & Controlled Entities (Circa Group) at the end of the reporting period. A controlled entity is any entity over which Circa Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern. If for any reason the company is unable to continue as a going concern it would impact on the company's ability to realise assets at their recognised values and to extinguish liabilities at the amounts stated in the financial statements.

Where controlled entities have entered or left the group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 13 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Accounting Policies

(a) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on an average cost basis.

(b) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight-line basis over the asset's useful life to the group commencing from the time the asset is held ready for use.

Class of Fixed Asset	Depreciation Rate	Depreciation Basis
Pilot Plant & Test Equipment	20%	Straight-Line
Office Equipment	20%	Straight-Line
Office Equipment	33%	Straight-Line

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

1 Statement of Significant Accounting Policies *(continued)*

(j) Foreign Currency Translation

The financial statements are presented in Australian dollars, which is Circa Group Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

1 Statement of Significant Accounting Policies *(continued)*

(k) Significant judgements and estimates

Key Judgement - R&D Expenditure

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources; and intent to complete the development and its costs can be measured reliably.

Management has decided that costs relating to the development of the FC4 and FC5 pilot plants will be expensed rather than assessing costs for the above conditions have not yet been met.

Key Estimate – Tax

Potential future tax benefits arising from past losses have not been brought into account for the year ended 30 June 2019 as the certainty of recovery cannot yet be reliably determined at this stage of the Group's development.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

1 Statement of Significant Accounting Policies *(continued)*

Pilot Plant was previously depreciated on the diminishing value basis. As the Pilot Plant is no longer being depreciated, the depreciation basis for the group is straight-line.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Impairment of Assets

At each reporting date, the Directors of the group review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the Directors of the group estimate the recoverable amount of the cash-generating unit to which the asset belongs. For the current and comparative periods there were no impairment indicators of assets.

(d) Employee Benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. Refer to Note 8 for superannuation payable at report date and Note 9 for annual and long service leave provisions at report date.

(e) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

1 Statement of Significant Accounting Policies *(continued)*

(g) Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity, and specific criteria related to the type of revenue, as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts, and rebates.

Sale of goods

Revenue from the sale of goods is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest revenue is recognized using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

(g) Revenue and Other Income *(continued)*

Rendering of Services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

1 Statement of Significant Accounting Policies *(continued)*

(m) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ending 30 June 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The Group does not currently generate any revenue from contracts with customers. Therefore, the Standard did not have a material impact on the transactions and balances recognised in the financial statements when it was adopted on 1 July 2019.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

1 Statement of Significant Accounting Policies *(continued)*

(m) New, revised or amending Accounting Standards and Interpretations adopted *(continued)*

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The Group will adopt this standard from 1 July 2019. The Group does not currently have in place any continuing lease agreements. Therefore, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

The financial statements were authorised for issue on the date of the signing of the Directors' Declaration by the Chairman of Directors.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

	2019	2018
	\$	\$
2 Income		
Government Research & Development tax incentive	2,860,149	908,065
Income received from Norske Skog	3,150,000	-
Other grant income	176,882	427,045
Sales	17,253	3,915
Interest	2,315	4,167
Other income	47,168	-
Total income	6,253,767	1,343,192

3 Income tax expense

The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:

Loss before income tax expense	(3,126,148)	(7,589,777)
Prima facie tax payable on loss from ordinary activities before income tax at 27.50% (2018: 27.50%)	(859,691)	(2,087,189)
Add tax effect of:		
Non- deductible expenses / (deductible tax adjustments)	4,973	9,673
Tax benefits not recognised during the year	864,664	2,077,515
Income tax expense for the year	-	-

There was no income tax expense or other tax balances created for the 12 months ended 30 June 2019 due to the loss from operations (2018: nil). At 30 June 2019, the Group reviewed the quantum of its unrecognised carry forward tax losses. As at that date it is estimated that the Company has unrecognised carry forward tax losses of \$3,818,598 (2018: \$3,342,022) potentially available to offset against future years' taxable income. No calculation has been made as to the carry forward tax losses available to controlled entities. The balance of future income tax benefit arising from current year tax losses and timing differences has not been recognised as an asset because recovery is not regarded as probable.

The future income tax benefit, which has not been recognised as an asset, will only be obtained if:

- (i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) the company continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in tax legislation adversely affect the company realising the benefit.

4 Pilot Plant Development Expenditure

Pilot plant direct costs - FC5	5,325,543	4,729,110
Total Pilot Plant Development Expenditure	5,325,543	4,729,110

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

	2019	2018
	\$	\$
5 Cash and Cash Equivalents		
Cash on Hand	235	235
Westpac Business One	246,244	953,059
Westpac Cash Reserve	187,753	143,640
HSBC UK Business Account	91,749	5,840
FC5 Bank Account	17,316	18,081
Total Cash and Cash Equivalents	543,297	1,120,855

6 Trade and Other Receivables

Current

Trade Debtors	47,764	2,777
Input Tax Credits	155,171	187,547
Total Receivables	202,935	190,324

7 Inventories

Raw Materials – FC5	168,788	250,522
Total Inventories	168,788	250,522

8 Property, Plant and Equipment

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

2019

	Plant & Equipment \$	Computer Equipment \$	Total \$
Cost			
Opening	29,796	61,060	90,856
Additions	-	-	-
Disposals	-	-	-
Exchange	-	(517)	- 517
Closing	29,796	60,543	90,339
Accumulated Depreciation			
Opening	(18,150)	(58,024)	(76,174)
Depreciation for year	(5,687)	(2,562)	(8,249)
Disposals	-	-	-
Exchange	-	567	567
Closing	(23,837)	(60,019)	- (83,856)
Net opening written-down value	11,646	3,036	14,682
Net closing written-down value	5,959	524	6,483

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

8 Property, Plant and Equipment (cont.)

2018

	Plant & Equipment \$	Computer Equipment \$	Total \$
Cost			
Opening	25,325	59,518	84,843
Additions	4,471	-	4,471
Disposals	-	-	-
Exchange	-	1,542	1,542
Closing	29,796	61,060	90,856
Accumulated Depreciation			
Opening	(13,085)	(38,066)	(51,151)
Depreciation for year	(5,065)	(19,958)	(25,023)
Disposals	-	-	-
Exchange	-	-	-
Closing	(18,150)	(58,024)	(76,174)
Net opening written-down value	12,240	21,452	33,692
Net closing written-down value	11,646	3,036	14,682

9 Trade and Other Payables

	2019 \$	2018 \$
Current		
Trade Creditors	154,613	140,301
Sundry & Other Payables	25,910	23,460
Superannuation payable	16,524	8,244
Total Trade and Other Payables	197,047	172,005

10 Provisions

Current		
Annual Leave	99,641	78,324
Total Current Provisions	99,641	78,324
Non-current		
Long Service Leave	38,378	38,333
Total Non-Current Provisions	38,378	38,333

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

11 Financial Liabilities

	2019	2018
	\$	\$
Current		
Due to Norske Skog	906,007	346,658
Total Current Financial Liabilities	906,007	346,658
Non-current		
Loan from Norske Skog*	9,000,000	8,150,000
Total Non-Current Financial liabilities	9,000,000	8,150,000

* The Loan amount of \$9,000,000 at report date (2018: \$8,150,000) is a liability of the controlled entity FC Five Pty Ltd (see note 14). The loan is unsecured. It bears interest at the Westpac Small Business Overdraft Rate (6.46% as at 30 June 2019), accruing according to the terms of loan agreements in place. Repayment is due in full on 13 June 2027 or is to be carried forward into any future FC6 joint venture (whichever is the earlier). In the event that the FC6 joint venture does not proceed under the terms of the joint venture agreement and supplemental agreements between the company and Norske Skog Industries Australia Limited, the net loan account will be settled at Circa's discretion by either:

(a) Issuing to NSPMA up to AU\$1.5 million of the net loan account in the SPV as further equity in Circa at a 15% discount to the prevailing 'market price' for Circa shares. The share price for conversion will be determined by reference to the issue price contained in the last share subscription notice issued prior to the conversion, which is of materially significant subscription value/volume, or

(b) writing off the loan balance in the SPV over \$1.5 million and retaining the net account balance in the SPV as an interest-only loan to (interest rate being the Westpac Small Business Overdraft Rate fixed on the date of the conversion and annually thereafter) be repayable in five years; or

(c) settling the net loan account with a mixture of equity and interest-only loan in Circa or any subsidiary of Circa.

12 Equity – Issued Capital

3,168,013 Ordinary shares – Fully paid (2018: 2,847,000)	7,611,405	5,564,200
143,473 Redeemable preference shares – K Class (2018: 143,473)	143,473	143,473
Share reserve	247,500	1,263,148
	8,002,378	6,970,821

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. At a general meeting of members held on 6 April 2018, a subdivision of ordinary shares in the company was agreed, whereby each ordinary share was subdivided into one thousand ordinary shares. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

	2019	2018
	\$	\$
12 Equity – Issued Capital		
<p>K Class Preference shares entitle the holders to receive notice of and to attend any meeting of the Company's Members but shall not confer any right to vote at such meetings. They confer to the holders the right to receive from the profits of the Company a non-cumulative preferential dividend at the greater of the rate of 10% per annum (or the 180 Day Bank Bill Swap Reference Rate plus 4%) on the capital for the time being paid up thereon in priority to the payment of any dividend on any other share in the Company.</p>		
<p><i>Capital Management</i></p> <p>When managing capital, management's objective is to ensure the group continues as a going concern, complies with Corporations Law requirements and maintains optimal returns to shareholders and benefits of other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.</p>		
13 Reconciliation of profit/ (loss) for the year to net cash from operating activities		
Profit/(loss) after income tax	(3,126,148)	(7,589,777)
<i>Cash flows excluded from profit attributable to operating activities:</i>		
Depreciation	8,249	25,023
Other non-cash flows	(55,380)	(18,813)
Foreign currency gains/(loss)	40,338	18,133
<i>Changes in operating assets and liabilities:</i>		
(Increase)/decrease in receivables	(12,611)	(14,065)
(Increase)/decrease in inventories	81,734	(43,768)
Increase/(decrease) in trade payables and accruals	584,391	398,737
Increase/(decrease) in provisions	21,362	35,174
Net Cash Flow from Operating Activities	<u>(2,458,065)</u>	<u>(7,189,376)</u>

14 Controlled Entities

(a) Controlled entities consolidated

The consolidated financial statements incorporate the results of the following controlled entities in accordance with the accounting policy described in Note 1.

	Country of Incorporation	Percentage Owned (%)	
		2019	2018
Subsidiaries of Circa Group Pty Ltd:			
FC Five Pty Ltd	Australia	75	75
Circa Sustainable Chemicals Pty Ltd	Australia	100	100
Circa Sustainable Chemicals Limited	UK	100	100

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

14 Controlled Entities (Continued)

(a) Non-controlling interests

Set out below is aggregated financial information for the non-controlling interests that are material to the group. The summarised information represents amounts before intragroup eliminations for FC Five Pty Ltd.

Summarised Statement of Financial Position	2019	2018
	\$	\$
Current assets	340,994	428,888
Current liabilities	1,003,689	375,413
Net current assets/(liabilities)	(662,695)	53,475
Non-current assets		-
Non-current liabilities	(9,000,000)	(8,150,000)
Non-current net assets/(liabilities)	(9,000,000)	(8,150,000)
Net assets/(liabilities)	(9,662,695)	(8,096,525)
Accumulated NCI	(2,415,069)	(2,023,527)
Summarised Statement of Comprehensive Income		
Loss for the period	(1,566,170)	(5,623,047)
Other comprehensive income	-	-
Total comprehensive income	(1,566,170)	(5,623,047)
Loss attributable to non-controlling interest	(391,542)	(1,405,762)
Summarised Cash Flow Information		
Net cash outflow from operating activities	(850,765)	(5,717,163)
Net cash flow from financing activities	850,000	5,650,000
Net increase/(decrease) in cash and cash equivalents	(765)	(67,163)

15 Contingent liabilities, commitments and litigation

At the date of this report the Group believes it has no capital commitments and there were no known unrecognised contingent liabilities as at 30 June 2019 (2018: nil).

FC Five Pty Ltd has a commitment to related party Norske Skog Industries Australia Limited for the month-to-month commercial lease of premises at 1279 Boyer Road Tasmania at normal commercial rates for the purpose of developing the FC5 commercial production plant.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

16 Segment reporting

The Group's business is the research and development to discover and develop solutions to current health and environmental concerns. Circa's strategy to become a leader in the conversion of non-food cellulose into advanced, high performance chemicals. The Company is developing an emerging portfolio of sustainable products such as bio-solvents, flavours and bio-polymers, for pharmaceutical, agrichemical, new materials and clean technology companies. The Group has operations predominantly in Australia and some minor activities in the United Kingdom. The Group is in the process of establishing its business and accordingly all operations are reported as a single segment.

17 Subsequent events

No matter of circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

18 Financial Risk Management Policies

The Group's financial instruments consist of deposits with banks, trade payables, loans to related party and trade and other receivables.

(i) Treasury Risk Management

The Board of Directors analyses financial risk exposure and evaluates treasury management strategies in the context of the most recent economic conditions and forecasts as and when required. The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

(ii) Financial Risk Management

The main risk the Group is exposed to through its financial instruments is liquidity risk and foreign exchange risk.

Credit risk

The Group is not exposed to any significant credit risk as surplus cash is deposited with major institutions in Australia and the United Kingdom and the Directors are satisfied that the Group's trading and other counterparties have the capacity to meet their financial obligations.

Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debt or otherwise meeting its obligations related to financial liabilities. The Group manages liquidity risk by monitoring forecast cash flows and only investing surplus cash with major institutions. For further commentary on the Group's liquidity risk profile refer to the Going Concern paragraph in Note 1.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

18 Financial Risk Management Policies (Continued)

Maturity analysis:

Consolidated Group 2019	<6 months \$	6-12 months \$	1-5 years \$	>5 years \$	Total \$
Financial liabilities					
Loan from Norske Skog	906,007	-	-	9,000,000	9,906,007
Trade and other payables	197,047	-	-	-	197,047
	<u>1,103,054</u>	<u>-</u>	<u>-</u>	<u>9,000,000</u>	<u>10,103,054</u>
Consolidated Group 2018	<6 months \$	6-12 months \$	1-5 years \$	>5 years \$	Total \$
Financial liabilities					
Loan from Norske Skog	346,658	-	-	8,150,000	8,496,658
Trade and other payables	172,005	-	-	-	172,005
	<u>518,663</u>	<u>-</u>	<u>-</u>	<u>8,150,000</u>	<u>8,668,663</u>

Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The Group also has exposure to foreign exchange risk due to the currency cash reserves and other balances denominated in foreign currencies. The Group does not actively manage foreign currency risk and does not make use of derivative financial instruments. The risk is measured using sensitivity analysis and cash flow forecasting.

Sensitivity is based on the foreign currency risk exposures in existence at the reporting date. At 30 June 2019, had the Australian Dollar/UK Pound exchange rate moved by either +5% or -5% with all other variables held constant, post-tax profit, other comprehensive income and equity would have not been materially affected because there is very minimal exposure to UK operations and foreign currency movements. At report the foreign currency translational reserve was only \$18,464 (FY2018: \$2,422).

The Directors believe that the reporting date risk exposures are representative of the risk exposure inherent in the financial instruments and there is no material impact of the financial statements for the Group.

(b) Net Fair Values

The net fair values of the assets and liabilities approximate their carrying values due to their short-term nature.

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

19 Parent entity disclosures

The following information is the disclosure pertaining to the parent entity:

Financial Position	2019	2018
	\$	\$
Assets		
Current assets	1,107,446	1,498,932
Non-current assets	6,961	12,648
Total assets	1,114,407	1,511,580
Liabilities		
Current liabilities	234,733	209,737
Non-current liabilities	-	-
Total liabilities	234,733	209,737
Net Assets	879,674	1,301,843
Equity		
Issued capital	7,754,483	5,707,673
Reserves	247,500	1,262,148
Accumulated losses	(7,122,309)	(5,667,978)
Total equity	879,674	1,301,843
Financial Performance		
Loss for the year	(1,474,436)	(1,620,258)
Other comprehensive income	-	-
Total comprehensive income	(1,474,436)	(1,620,258)

20 Auditor's Remuneration

Remuneration of auditor for

- auditing or reviewing the financial statements

20,000	20,000
20,000	20,000

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

21 Dividends	2019	2018
	\$	\$
Dividend declared during the year	-	-
<i>Dividend declared after the reporting period and not recognised</i>		
Since the end of the reporting period no dividends have been declared	-	-
Balance of franking account on a tax paid basis at financial year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent years:	-	-

22 Key Management Personnel and Related party disclosures

The following information is the disclosure pertaining to the parent entity:

The directors who have held the office during the year are

- Jim Henneberry (Chair)
- Tony Duncan (CEO)
- Greg Court
- Chris Lawrence
- John Pettigrew
- Iain Ralph
- Eric Luck
- Robert Finch

Remuneration of Directors and Officers

Remuneration of Key Management Personnel

Short-term employee benefits	496,524	389,470
Post-employment benefits	58,677	32,170
	555,201	421,640

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Notes to the Financial Statements

30 June 2019

22 Key Management Personnel and Related party disclosures

Other Related Party Transactions

The following related party transactions (other than remuneration of Directors disclosed in Note 3 above) occurred during the year on normal commercial terms and conditions:

- 75% controlled subsidiary FC Five Pty Ltd is operated from the premises of Norske Skog in Tasmania, which holds the remaining 25% financial interest in FC Five Pty Ltd. Leasing costs are at arm's length.
- The Loan amount of \$9,000,000 at report date (2018: \$8,150,000) is a liability of the controlled entity FC Five Pty Ltd (see note 14). The loan is unsecured. It bears interest at the Westpac Small Business Overdraft Rate (6.46% as at 30 June 2019), accruing according to the terms of loan agreements in place. Repayment is due in full on 13 June 2027 or is to be carried forward into any future FC6 joint venture (whichever is the earlier). In the event that the FC6 joint venture does not proceed under the terms of the joint venture agreement and supplemental agreements between the company and Norske Skog Industries Australia Limited, the net loan account will be settled at Circa's discretion by either:
 - (a) Issuing to NSPMA up to AU\$1.5 million of the net loan account in the SPV as further equity in Circa at a 15% discount to the prevailing 'market price' for Circa shares. The share price for conversion will be determined by reference to the issue price contained in the last share subscription notice issued prior to the conversion, which is of materially significant subscription value/volume, or
 - (b) writing off the loan balance in the SPV over \$1.5 million and retaining the net account balance in the SPV as an interest-only loan to (interest rate being the Westpac Small Business Overdraft Rate fixed on the date of the conversion and annually thereafter) be repayable in five years; or
 - (c) settling the net loan account with a mixture of equity and interest-only loan in Circa or any subsidiary of Circa.
- FC Five Pty Ltd has a commitment to related party Norske Skog Industries Australia Limited for the commercial lease of premises at 1279 Boyer Road Tasmania at normal commercial rates for the purpose of developing the FC5 commercial production plant. Payment terms are based on usage of the facilities.

23 Company Details

The registered office of the company is:

c/- Keating & Co
379 Collins Street
Melbourne Victoria 3000
Australia

The principal place of business is:

Bio21 Molecular Science
& Biotechnology Institute
30 Flemington Road
Parkville Victoria 3010
Australia

Circa Group Limited & Controlled Entities

ABN 70 112 735 485

Directors' Declaration

For the Year Ended 30 June 2019

This declaration is made in accordance with a resolution of the Board of Directors.

1. The Directors declare that the financial statements and notes set out on pages 11 to 32 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards, the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Group and the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Tony Duncan
Managing Director

Dated in Melbourne this 1st day of November 2019

Circa Group Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Circa Group Limited (the Company) and its controlled entities (the Group), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which describes that during the year ended 30 June 2019 the Group incurred a consolidated net loss of \$3,110,106 (2018: \$7,589,777) and had net cash outflows used in operations for the year of \$5,608,065 (2018: \$7,189,376). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

A handwritten signature in blue ink that reads 'William Buck'.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A handwritten signature in blue ink that reads 'J. C. Luckins'.

J. C. Luckins
Director

Melbourne, 1st November, 2019

APPENDIX D
AUDITED FINANCIAL STATEMENTS OF CIRCA GROUP AS FOR THE YEAR ENDED 31
DECEMBER 2020

ÅRSBERETNING OG ÅRSREGNSKAP

2020

CIRCA GROUP AS

CIRCA GROUP AS

Styrets årsberetning for 2020

Selskapet ble stiftet 9. november 2020 og regnskapet omfatter perioden 9. november til 31. desember 2020.

Selskapet har forretningsadresse i Oslo.

Selskapet har ingen ansatte, men skulle det få det vil det ta likestilling, diskriminering og det å ha et godt arbeidsmiljø på alvor. Selskapet har ingen aktivitet som forurensar det ytre miljø.

Selskapet har ved årskiftet ingen virksomhet og selskapet er etablert for å være morselskap for Circa Group Ltd. Etter overføring av aksjene i Circa Group Ltd (se note 6) tar selskapet sikte på en notering på Euronext Growth i begynnelsen av 2021. Circa har mottatt EU støtte under Horizon 2020 for å bygge en 1000 tonn fabrikk for produksjon av Cyrene™ som er utviklet av Circa Group Ltd.

Resultatet i perioden er ført som udekket tap. Årsregnskapet er basert på fortsatt drift og det bekrefte at forutsetningen er tilstede.

Oslo, 14. februar 2021


Lars Peder Sørvaag Sperre
Styrets leder


Rune Sollie
Styremedlem

Anthony Duncan
Styremedlem


James Alan Henneberry
Styremedlem

CIRCA GROUP AS

Styrets årsberetning for 2020

Selskapet ble stiftet 9. november 2020 og regnskapet omfatter perioden 9. november til 31. desember 2020.

Selskapet har forretningsadresse i Oslo.

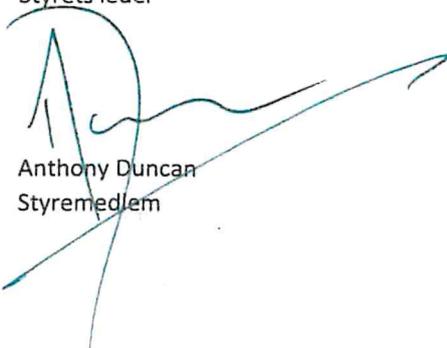
Selskapet har ingen ansatte, men skulle det få det vil det ta likestilling, diskriminering og det å ha et godt arbeidsmiljø på alvor. Selskapet har ingen aktivitet som forurensar det ytre miljø.

Selskapet har ved årskiftet ingen virksomhet og selskapet er etablert for å være morselskap for Circa Group Ltd. Etter overføring av aksjene i Circa Group Ltd (se note 6) tar selskapet sikte på en notering på Euronext Growth i begynnelsen av 2021. Circa har mottatt EU støtte under Horizon 2020 for å bygge en 1000 tonn fabrikk for produksjon av Cyrene™ som er utviklet av Circa Group Ltd.

Resultatet i perioden er ført som udekket tap. Årsregnskapet er basert på fortsatt drift og det bekreftes at forutsetningen er tilstede.

Oslo, 14. februar 2021

Lars Peder Sørvaag Sperre
Styrets leder


Anthony Duncan
Styremedlem

Rune Sollie
Styremedlem

James Alan Henneberry
Styremedlem

CIRCA GROUP AS

Resultatregnskap	Note	9.11 -31.12.2020
Driftsinntekter og -kostnader		
Driftsinntekter		811 827
Driftskostnader	3,4	-2 901 047
<hr/>		
<i>Driftsresultat</i>		<i>-2 089 220</i>
Finaninntekter og -kostnader		
Rente- og finansinntekter		126
Rente - og finanskostnader		-
<hr/>		
Finansresultat		126
<hr/>		
<i>Resultat før skatt</i>		<i>-2 089 094</i>
<hr/>		
Skattekostnad		-
<hr/>		
Resultat etter skatt		-2 089 094
<hr/>		
Disponering		
Overført til udekket tap		2 089 094
<hr/>		
Sum disponering		2 089 094
<hr/>		

CIRCA GROUP AS

Balanse **31.12.2020**

Eiendeler

Bankinnskudd		5 051 376
Andre eiendeler		2 711 463
Sum eiendeler		7 762 839

Egenkapital og gjeld

Aksjekapital		2 060 000
Overkursfond		2 937 680
Udekket tap		-2 089 094
Sum egenkapital	2,5,6	2 908 586
Leverandørgjeld	3	4 444 326
Annen kortsiktig gjeld		409 927
Sum kortsiktig gjeld		4 854 253
Sum egenkapital og gjeld		7 762 839

Oslo, 14. februar 2021


Lars Peder Sørvaag Sperre
Styrets leder


Rune Sollie
Styremedlem

Anthony Duncan
Styremedlem


James Alan Henneberry
Styremedlem

CIRCA GROUP AS

Balanse **31.12.2020**

Eiendeler

Bankinnskudd		5 051 376
Andre eiendeler		2 711 463
Sum eiendeler		7 762 839

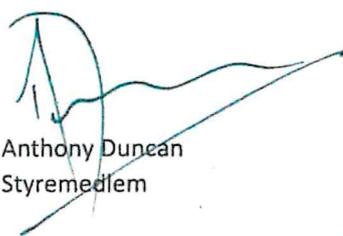
Egenkapital og gjeld

Aksjekapital		2 060 000
Overkursfond		2 937 680
Udekket tap		-2 089 094
Sum egenkapital	2,5,6	2 908 586
Leverandørgjeld	3	4 444 326
Annen kortsiktig gjeld		409 927
Sum kortsiktig gjeld		4 854 253
Sum egenkapital og gjeld		7 762 839

Oslo, 14. februar 2021

Lars Peder Sørvaag Sperre
Styrets leder

Rune Sollie
Styremedlem


Anthony Duncan
Styremedlem

James Alan Henneberry
Styremedlem

CIRCA GROUP AS

Note 1 Regnskapsprinsipper

Regnskapet er utarbeidet basert på regnskapslovens bestemmelser for småselskaper og er utarbeidet i norske kroner.

Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og antatt virkelig verdi.

Inntekter relaterer seg primært til tjenester levet til andre selskaper. Inntekter for tjenester regnskapsføres etter hvert som de leveres.

Selskapet ble stiftet 9. november 2020 og har forretningsadresse i Sjølyst Plass 2 i Oslo.

Note 2 Aksjeeiere

Majoritetseier i selskapet Norske Skog ASA. Aksjekapitalen er 2 060 000. Ved årskiftet var det utstedt 103 000 aksjer pålydende kr 20. Selskapet har følgende aksjeeiere pr. 31. desember 2020. Se også note 6.

Aksjonær	Antall aksjer	%
Norske Skog ASA	68 136	66 %
Sven Ombudstvedt	8 200	8 %
Lars P. S. Sperre	8 200	8 %
Rune Sollie	6 152	6 %
Einar Blaauw	4 104	4 %
Wenche B. Riiser	4 104	4 %
Even Lund	4 104	4 %
Sum	103 000	100 %

Note 3 Antall ansatte og godtgjørelse.

Det er ingen ansatte og det er ikke betalt godtgjørelse til styret.

Kostnadsført godtgjørelse til revisor	2020
Revisjon	10 000
Andre tjenester	59 648
Sum godtgjørelse til revisor	69 648

Note 4 Transaksjoner med nærstående

Selskapet har kjøpt tjenester fra hovedaksjonær Norske Skog ASA for 2 500 000 i 2020. Tjenestene vedrører bistand med å gjennomføre et oppkjøp av det australske selskapet Circa Group Ltd og reorganisering av Norske Skogs eierskap i Circa Group Ltd for å tilrettelegge for en notering på Euronext Growth i 2021.

Note 5 Egenkapital

	Aksje- kapital	Overkurs	Sum
Egenkapital 9.11.2020	30 000	0	30 000
Sletting av aksjer	-30 000	0	-30 000
Nyemisjon	2 060 000	2 937 680	4 997 680
Udekket tap	0	0	-2 089 094
Egenkapital 31.12.2020	2 060 000	2 937 680	2 908 586

Stiftelses- og emisjonskostnader er ført direkte mot egenkapitalen.

Note 6 Hendelser etter balansedagen

Den 20. januar 2021 ble det gjennomført en kapitalforhøyelse ved tingsinnskudd fra Norske Skog ASA. Tingsinnskudd på NOK 10 399 838 ble oppgjort ved at det ble utstedt 213 330 nye aksjer pålydende NOK kr 20 per aksje. Aksjekapitalen ble økt med NOK 4 266 600 fra NOK 2 060 000 til NOK 6 326 600. Tegningskurs var NOK 48,75 per aksje og NOK 28,75 per aksje ble tillagt overkursfondet.

Den 9. februar 2021 ble det gjennomført en kapitalendring i form av gjeldskonvertering av gjeld til Norske Skog ASA. Gjelden på NOK 56 159 708, ble konvertert til 1 151 994 aksjer hver pålydende NOK 20. Aksjekapitalen ble økt med NOK 23 039 880 fra NOK 6 326 600 til NOK 29 366 480. Tegningskurs var NOK 48,75 per aksje og NOK 28,75 per aksje ble tillagt overkursfondet.

Den 9. februar 2021 ble det gjennomført en kapitalforhøyelse ved tingsinnskudd i form av aksjer i Circa Group Ltd. Tingsinnskudd på NOK 146 727 994 ble oppgjort ved at det ble utstedt 3 009 805 nye aksjer pålydende NOK kr 20 per aksje. Aksjekapitalen ble økt med NOK 60 196 100 fra NOK 29 266 480 til NOK 89 562 580. Tegningskurs var NOK 48,75 per aksje og NOK 28,75 per aksje ble tillagt overkursfondet.

I ekstraordinær generalforsamling den 9. februar ble det også besluttet å gjennomføre en aksjesplit hvor en aksje splittes i 20. Etter aksjesplitten har selskapet 89 562 580 aksjer hver pålydende NOK 1 per aksje.

I ekstraordinær generalforsamling den 9. februar ble det besluttet å utstede 2 251 160 tegningsretter. Tegningsrettene kan utøves i fire transjer i perioden 30. juni 2021 til 13. august 2022.

Etter transaksjonene er Norske Skog ASA største eier i selskapet med en eierandel på 32 %. Selskapet har etter kapitalvidelsene i februar 2021 76 aksjonærer.

Uavhengig revisors beretning

Til generalforsamlingen i Circa Group AS

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert årsregnskapet til Circa Group AS.

<p>Årsregnskapet består av:</p> <ul style="list-style-type: none">• Balanse per 31. desember 2020• Resultatregnskap for 2020• Noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.	<p>Etter vår mening:</p> <p>Er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2020 og av dets resultater for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.</p>
---	---

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Annen informasjon

Ledelsen er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke annen informasjon, og vi attesterer ikke den andre informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon identifisert ovenfor med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi, på bakgrunn av arbeidet vi har utført, konkluderer med at disse andre opplysningene inneholder vesentlig feilinformasjon, er vi pålagt å uttale oss om dette. Vi har ingenting å rapportere i så henseende.

Styrets ansvar for årsregnskapet

Styret (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig

for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:

<https://revisorforeningen.no/revisjonsberetninger>

Uttalelse om andre lovmessige forhold

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

BDO AS

Børre Skisland
statsautorisert revisor
(elektronisk signert)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Børre Skisland

Partner

På vegne av: BDO AS

Serienummer: 9578-5998-4-872903

IP: 188.95.xxx.xxx

2021-02-16 08:51:38Z



Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service** <penneo@penneo.com>. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>