

INVESTOR UPDATE

SPRING 2024

At Celtic Renewables, we have had a positive start to the year, and we are confident of making good and steady progress as a company this year.



Caledon Green, Grangemouth

Progress in Q4 2023 was somewhat hampered with issues relating to maintaining sterility in the plant, which is a critical element in achieving successful fermentations. However, we focused on systematically working through the various processes at the plant to eliminate these problems. This work was completed in January, and we are now operating with more consistency, with the focus now on the ramp-up of production. This will enable us to build up inventory of saleable products in the coming weeks, to generate first revenues.

Our new COO, Jim Gibson, has been central to this progress, with a parallel focus on the continuing training of our manufacturing team to master the running of the process at the Caledon Green plant.

Samples of butanol and acetone have now been sent to over 40 prospective customers, and the initial feedback has been positive. We are now receiving orders for products from customers, as we build-up inventory at Caledon Green.



Growth Strategy

1. Large-scale production plants

We plan to develop and build four plants in the next five years, which will be 8-10x the capacity of our first plant. The plants will be developed as “Build, Own, Operate” or Joint Venture business models, with the target to achieve revenues of over £120m by 2029.

2. Technology Development

We have completed a detailed and ambitious Technology Development Roadmap, which will broaden and deepen the IP portfolio at Celtic Renewables. This will enable the company to further optimise and enhance our base process technology and increase the application of the technology to a wider range of potential input feedstocks.

5. Business Development

With the immediately addressable markets in Acetone and Butanol being of a value in excess of US\$2Bn, there is the potential to develop over 100 large-scale plants globally. In parallel with developing the next four larger-scale plants, we will establish the commercial structures and partnerships to licence our process technology solution/s internationally.

Finance & Funding

The funding strategy is aligned to our growth strategy and has three components, each with a largely different target investor group:

- Interim funding round expected to complete in three tranches in March, April and June 2024 with a target raise of £6m. This raise along with disciplined cash management will extend the cash runway to December.
- Series-B funding round with a target raise of £25m is expected to complete in September / October 2024 which would fund the business (excluding construction of new bio-refineries) for at least the next two years.
- Project finance funding rounds to fund full-scale bio-refinery Asset-Cos, be that 100% subsidiaries or 50% JVs.

We have appointed Corporate Financial Advisors to support the fund raise activity.

Brand Refresh

We completed our Brand Refresh and the development of our clear and consistent Voice Framework for use in all Marketing and Communications. You can see the new approach to branding on our [website](#), including a recently produced video to support our fund raise activity.



Celtic Renewables Team

Our team has now grown to 60 people, building our capability to deliver the planned growth. Our focus this year is on the development and retention of our team. We had a full team away-day in early December (see photo to the left), and there were some great suggestions for initiatives that we will develop with the team.

One of those initiatives is to increase our outreach to schools in Scotland, with a strong focus on STEM subjects, and as a result we welcomed our first school visit recently to Caledon Green. We hope this will inspire young people to join our industry and broaden our home-grown talent pool for the future.

Thank you

We thank you as ever for your support for Celtic Renewables. These are very exciting times for the business, with first products being distributed from the Grangemouth plant and the expectation to achieve full operational capacity later this year. In parallel we will shortly be launching our Series B fund raise to support our five-year business plan for growth. We will of course continue to inform you of further progress in our subsequent updates.

