

Dear Investor,

We hope that you are well, and that you have had a great summer. We appreciate that we have not provided any updates to you, our crowd investors since early Q2, which is not ideal. However, we would like to assure you that firstly we will going forward be providing more regular updates, and secondly that we have made good progress since our last update. We have been busy working through the final stages of commissioning over the past months, and now have some exciting news.

## 1. First Products



We are delighted to say that the plant at Grangemouth is now producing commercial quality products; the first ever green butanol and green acetone produced at scale from wastes and residues. This major milestone for the company is what we have been primarily focused on across the business for the last few years, and to have reached this point is a huge milestone for all involved with Celtic Renewables.

We have around 70 potential customers awaiting first product samples, which demonstrates the strong and increasing demand for our green chemical products. Those potential customers will receive samples by the end of October 2023, and we will commence sale of products soon thereafter. From the collective demand of those initial customers, we are many times over-subscribed for the Caledon Green plant's production capacity. It is therefore imperative that we now accelerate the development of larger scale plants through the strategic projects that we have been working on for some time.

## 2. Caledon Green Plant Progress

- The commissioning progress at Caledon Green has progressed well. We are now regularly completing successful full-scale fermentations and with our first saleable quality products being made, the focus is on steady-state operation of the plant. Whilst we are slightly behind the timetable we set at the beginning of the year; we are absolutely delighted to have achieved this pivotal milestone for the company.
- The remainder of the year and into 2024 will be focused on achieving steady state in the process and increasing the throughput at the plant to produce increasing volumes of these first products, to enable us to increase sales to customers in the remainder of the year.
- We have plans to extend the capabilities and agility of the plant later in the year by introducing molasses handling infrastructure and processes. This will both increase the agility of the plant as a production facility and increase its capability to deliver full-scale R&D testing for future feedstocks and further technology development.

### 3. Growth Strategy

- We have advanced our growth strategy significantly in recent months, with the second phase of commercial growth plan now underway, having reached the milestone of first products. The strategy has several parallel tracks, but the focus is on two primary goals: to commercialise our whisky feedstock-based technology through the development of multiple large-scale plants; and in parallel to broaden and deepen our technology beyond whisky feedstocks to exploit further commercial opportunities. We will be further strengthening the team to advance our capabilities to successfully achieve these goals, and our fundraising plan is aligned with this strategy.
- We are continuing to develop several next stage large-scale plant opportunities, focused on the existing technology based in Scotland and Ireland. The potential project in Speyside, Scotland, which we were initially focused on, has been put on hold, with the project partner there not in a position to continue with the project at the current time. Our focus has therefore transitioned onto the other opportunities we have been developing, and we will be prioritising our approach to these in the coming months.
- In that regard, we recently hosted high-level delegations from the Japanese Government and the Irish Government to discuss how they can support the deployment of the Celtic Renewables' technology in their countries.

### 4. Finance Update

- Annual Financial Statements – We filed the 2022 financial statements with Companies House in early May, with support from our auditors RSM, who we have re-appointed as auditors for the 2023 statements.
- Latest Financial Performance – The latest management accounts (August 2023) include a cash balance of £2.1m, £0.5m greater than budgeted. Whilst this favourable variance is expected to reverse during the remainder of 2023, we will continue to manage cash and cash runway carefully.
- 2023 funding round – The second tranche of the 2023 funding round was drawn down during September, when the final £2.5m of the £9m round will be called by the company. This will provide us with a funding runway to at least March 2024.
- Growth Fundraise – We have appointed corporate finance advisors for our Growth Fundraise, and expect the fundraising process to be six to nine months in duration with completion expected during the second half of 2024. The fundraise will finance the business' development strategy for 2–3-year period post-funding and provide finance for the development and construction of the next large-scale plants as outlined above. During the early stages of the Growth stage fundraise, we will raise a small proportion of the development funding to extend the cash runway from March 2024 to a point later in 2024 that will deliver risk reduction and agility for the main Growth Fundraise.

### 5. Brand Refresh

As we enter the growth stage for Celtic Renewables, we are working with a brand agency, Planet Shine (which works primarily with sustainability focused companies), to update our brand and messaging. We will share an update with you on this as soon as it is completed. Planet Shine will also work with Celtic Renewables on an on-going basis to support the company's strategic marketing and communications plan.

## 6. Celtic Renewables Team

Our team has now grown to 55 people, building our capability to deliver our planned growth. The key new roles include:

- Our new Head of People, Kerry Johnson, to focus on the retention, development, and well-being of our increasing team.
- Our new CFO, Donal Fullerton, joined the company in early May, replacing Claire Treacy, and has settled in well to this role.
- Our new COO, Jim Gibson, joined the company in September, and brings to Celtic Renewables deep international experience in establishing and operating manufacturing plants, and in technology development and licensing.
- Our new full-time Marketing and Communications Manager starts in mid-October, to lead the roll-out of our new brand and messaging, and to manage the strategic marketing and communications plan, including regular investor updates.

We thank you as ever for your support for Celtic Renewables. These are very exciting times at 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 five-year business plan and Growth Fundraise. We will of course continue to inform you of further progress in our subsequent updates.