Final results

For the year ending 31 December 2022

Ceres Power Holdings plc

24 March 2023

Leading solid oxide technology for **power and green hydrogen**

Unique IP, >100 patent families

High-margin, **licensing business model**

We **collaborate with world-leading companies** to deliver clean energy technology…

….at **scale and pace**

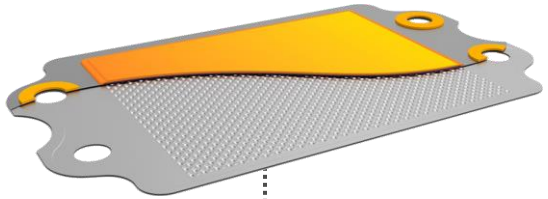
Another year of progress

With strategic investment to deliver on our strategy

- Doosan factory construction underway in Korea
- Bosch's €500m investment plan in place
- Weichai's SOFC power system using Ceres' technology has achieved EU CE certification with TÜV SÜD
- First 100kW solid oxide electrolyser ("SOEC") module is on test demonstrating class-leading efficiency
- Demonstrator programmes for green hydrogen underway with Shell, and a new collaboration signed with Bosch and Linde Engineering
- Fuel cell and electrolysis test facility at Horiba Mira's UK site, is now open and supporting Ceres' core technology and system development

Platform technology to address decarbonisation

Ceres technology enables high efficiency energy conversion at low cost



Stack

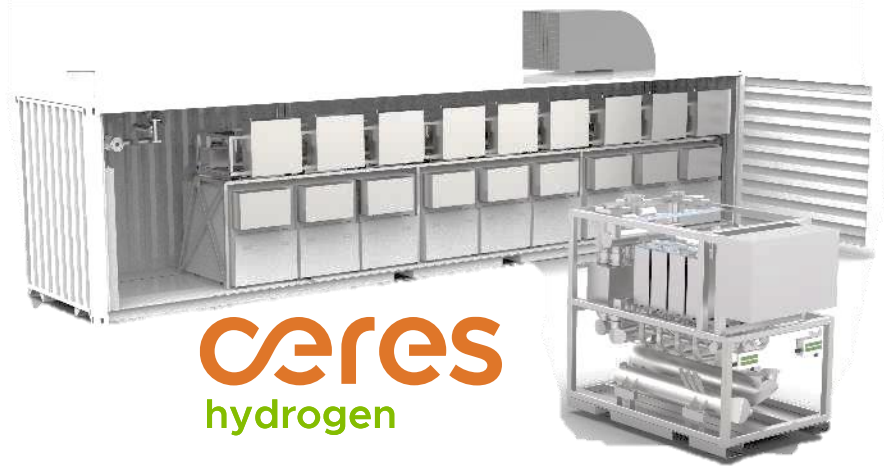
ceres power

MIURA

BOSCH

DOOSAN

WEICHAI

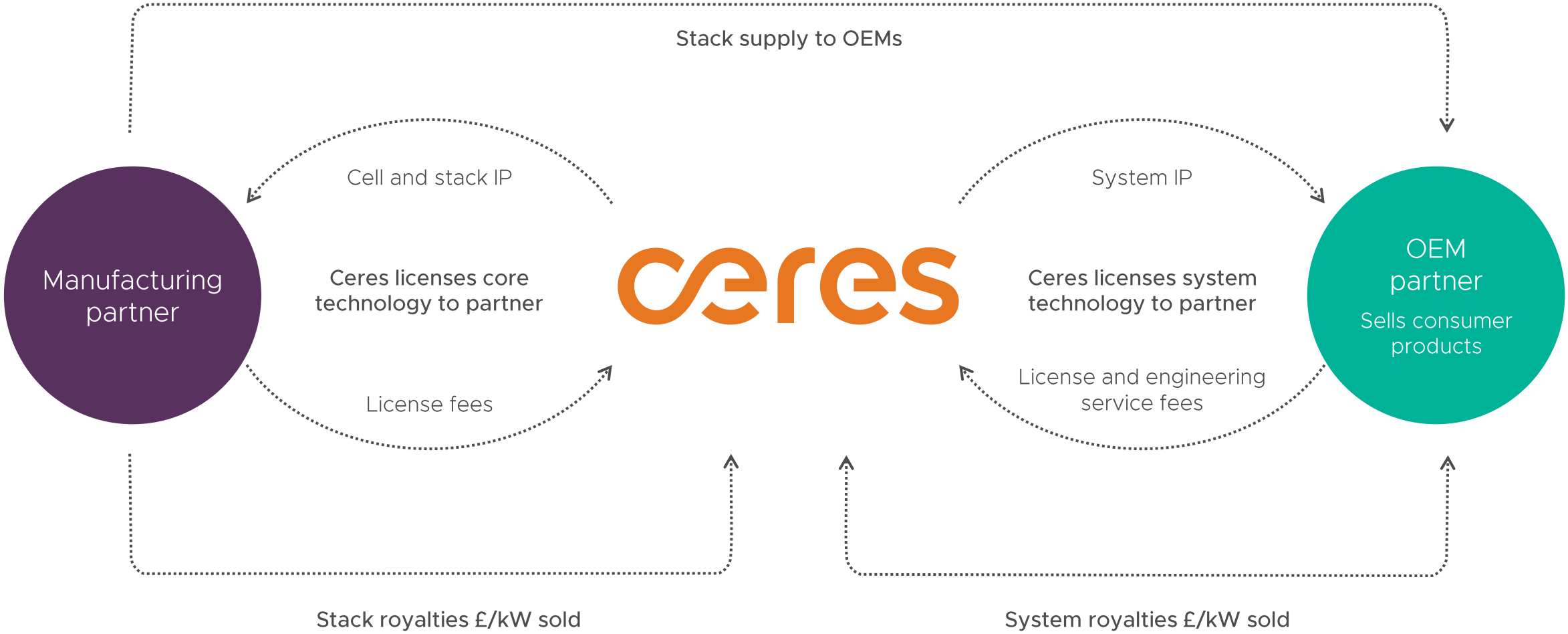


ceres hydrogen

BOSCH

Linde

Asset-light, licensing business model for SOFC and SOEC



Financial update

Eric Lakin

Financial overview

For the year ended 31 December 2022

Revenue

£22.1m

-28% vs 2021

Gross margin

59%

2021: 62%[1]

Cash and short-term investments

£182.3m

Dec 2021: £249.6m

Employees

570

Dec 2021: 489

Gross profit

£13.1m

2021: £19.0m

Adjusted EBITDA

(£43.2m)

2021: (£16.7m)

Order backlog[2]

£67.8m

Dec 2021: £78.7m

Planned partner capacity

250MW

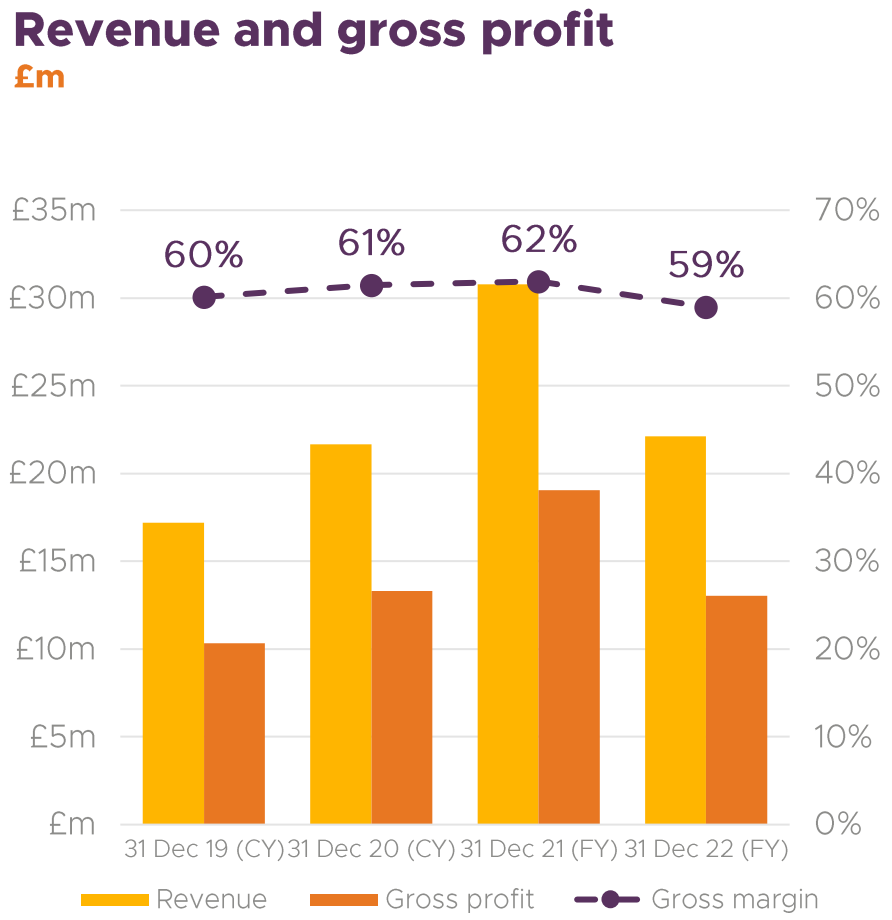
by 2024

1. 2021 gross margin restated (previously 66%) to reflect the classification of the RDEC tax credit within other operating income rather than offsetting cost of sales
2. Incorporates order book and pipeline (i.e. shorter-term revenue backlog; does not include long-term recurring royalty revenue)

Revenue and gross profit

Sector leading gross margins maintained

- Top line growth strongly influenced by the timing of licence fee revenue recognition
- As R&D expenditure credit becomes more significant, we have elected to exclude from Cost of Sales and have re-presented the comparatives to reflect this

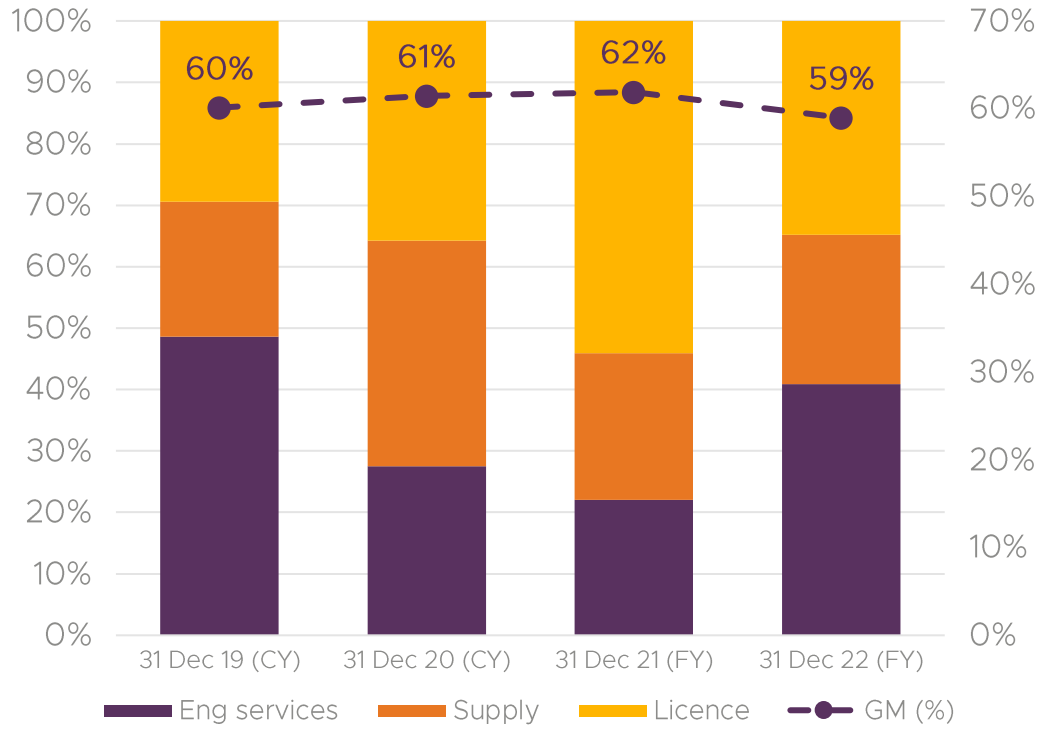


Revenue mix evolution

Driven by timing of contracts

Revenue mix and gross margin

%



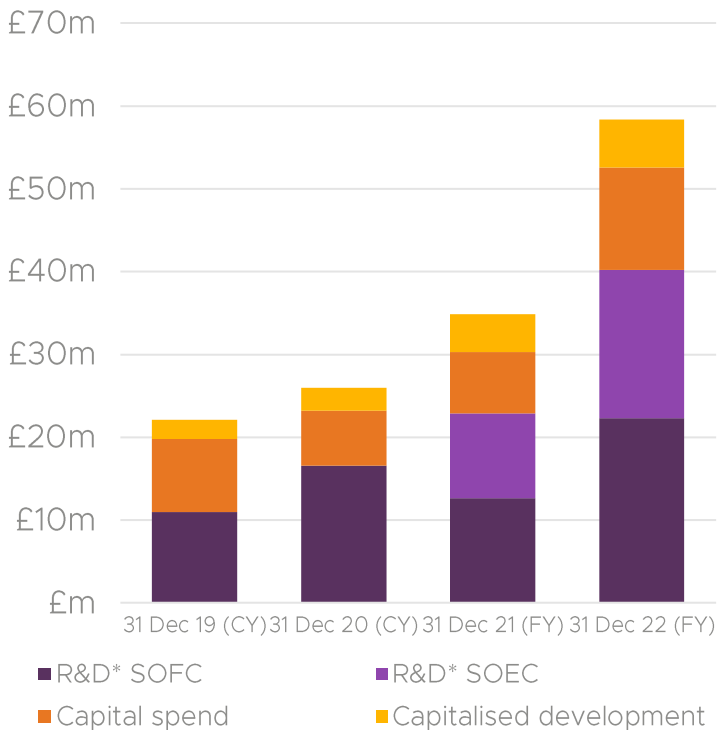
- Licence fee revenue – very high margin, often recognised up-front
- Supply – represents prototype technology (cells and stacks) to partners for development
- Engineering services – joint development and collaboration with partners across multiple applications
- Royalties – longer term, high margin revenue stream from partners based on commercial sales

Planned investment on track

Capital raise supports investment in growth

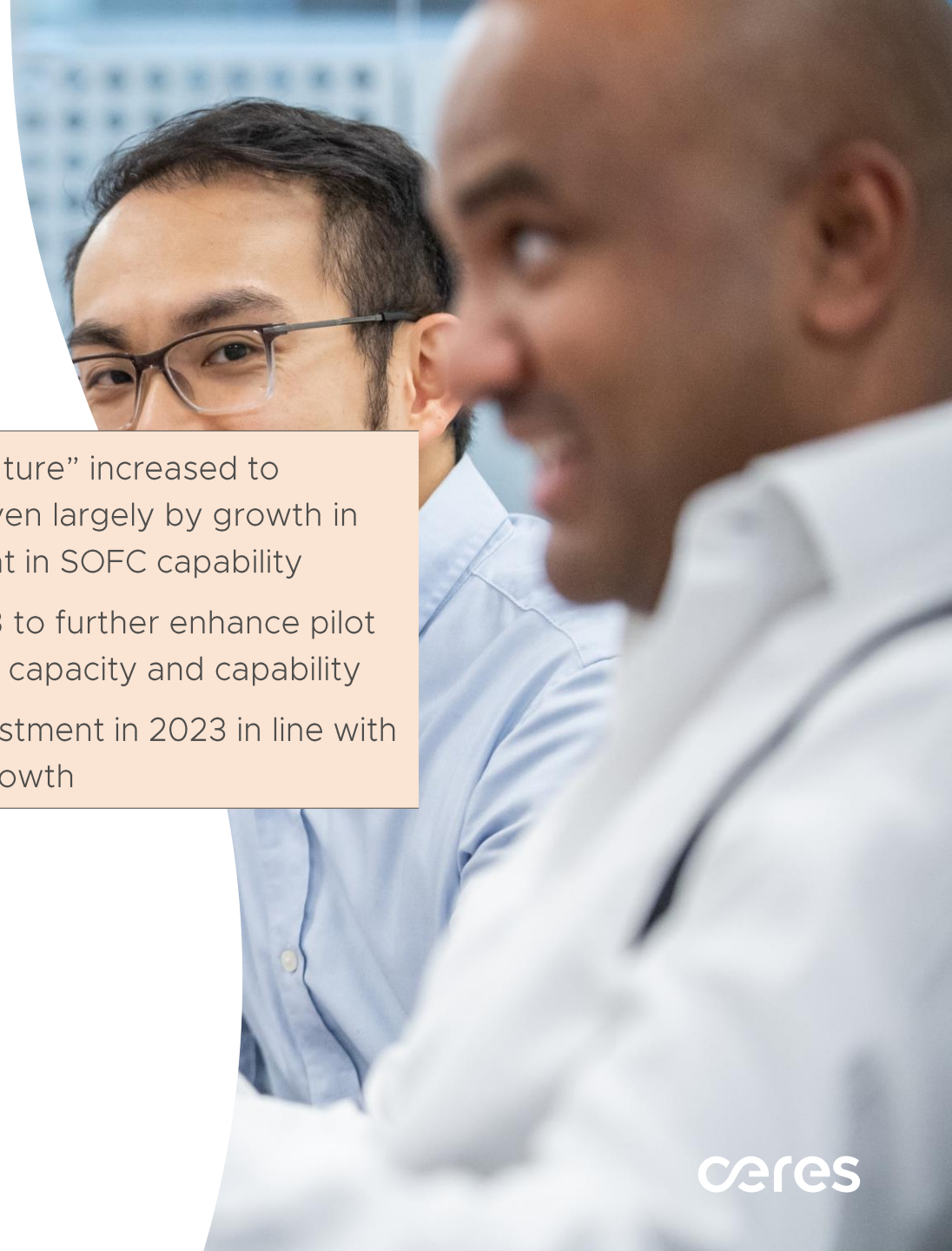
Investment in the future

£m



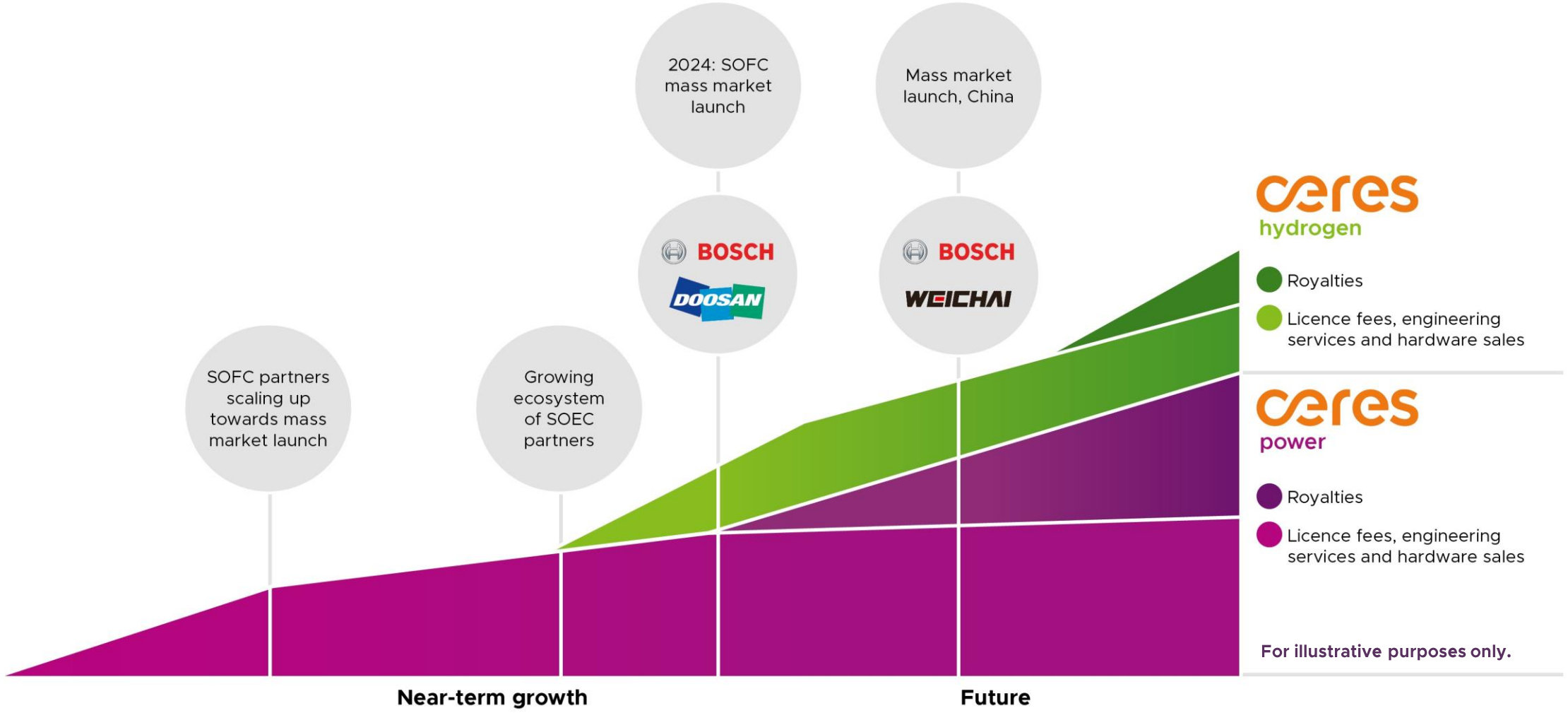
* R&D spend before depreciation, amortisation and share based payments.

- Total "Investment in the future" increased to £58.4m (2021 £34.9m) driven largely by growth in SOEC R&D, and investment in SOFC capability
- Capital investment in 2023 to further enhance pilot manufacturing and testing capacity and capability
- Moderate increase of investment in 2023 in line with strategy to drive future growth



Growing visibility of future royalty revenue

Inflection driven by mass market scale of partner manufacturing



Business strategy

Phil Caldwell

Strategy for future growth

To enable our licence partners to succeed	• Bosch and Doosan moving towards 2024 start of series production • Third planned manufacturing facility upon China JV completion
To build commercial scale	• Building the ecosystem of global electrolyser partners with Shell and Linde Eng. • Increased commercial presence in several global locations, reflecting the momentum in policy support for hydrogen and fuel cell technologies
Maintain technology leadership	• Developing the next generation of stack technology to meet growing interest in fuel cells and to support our partners as they scale • Test facility with Horiba Mira now supporting technology development

Ceres partners building manufacturing scale globally

- Built
- Planned
- In planning

Sector focus: **SOFC**

Mass production of Ceres' SOFCs in 2024

Doosan Fuel Cell has committed KRW 143.7bn (~£100m) to build a solid oxide fuel cell plant in Saemangeum, South Korea. Initial capacity of 50MW scaling to 170MW to service marine, power and utility scale applications.

PHOTO: Doosan Fuel Cell

Sector focus: **SOFC**

Weichai system achieves EU CE Certification

- 120kW SOFC power system has achieved EU CE certification through international testing organisation, TÜV SÜD
- Systems running at Weichai's Fuel Cell Industrial Park and at Weifang Energy Group
- Weichai estimates 1GW of distributed power has the potential to reduce carbon emissions by ~2mtpa, compared with grid electricity

China joint ventures:

The structure of the China joint ventures has been agreed. We now await the final agreement between Bosch and Weichai.

Sector focus: **SOFC**

Bosch's decentralised SOFC "power plants"

- Series production commences in 2024, by which time Bosch will have invested ~€500 million
- Approved by the European Commission as one of the first Important Projects of Common European Interest (IPCEI)

Recent deployments
Publicly funded project using 100kW of SOFC for electricity and heat at Erkelenz hospital in Germany.
Initiating a pilot project with HUB Security to integrate SOFC technology into holistic data centre solutions.

PHOTO: Bosch SOFC

Sector focus: SOEC

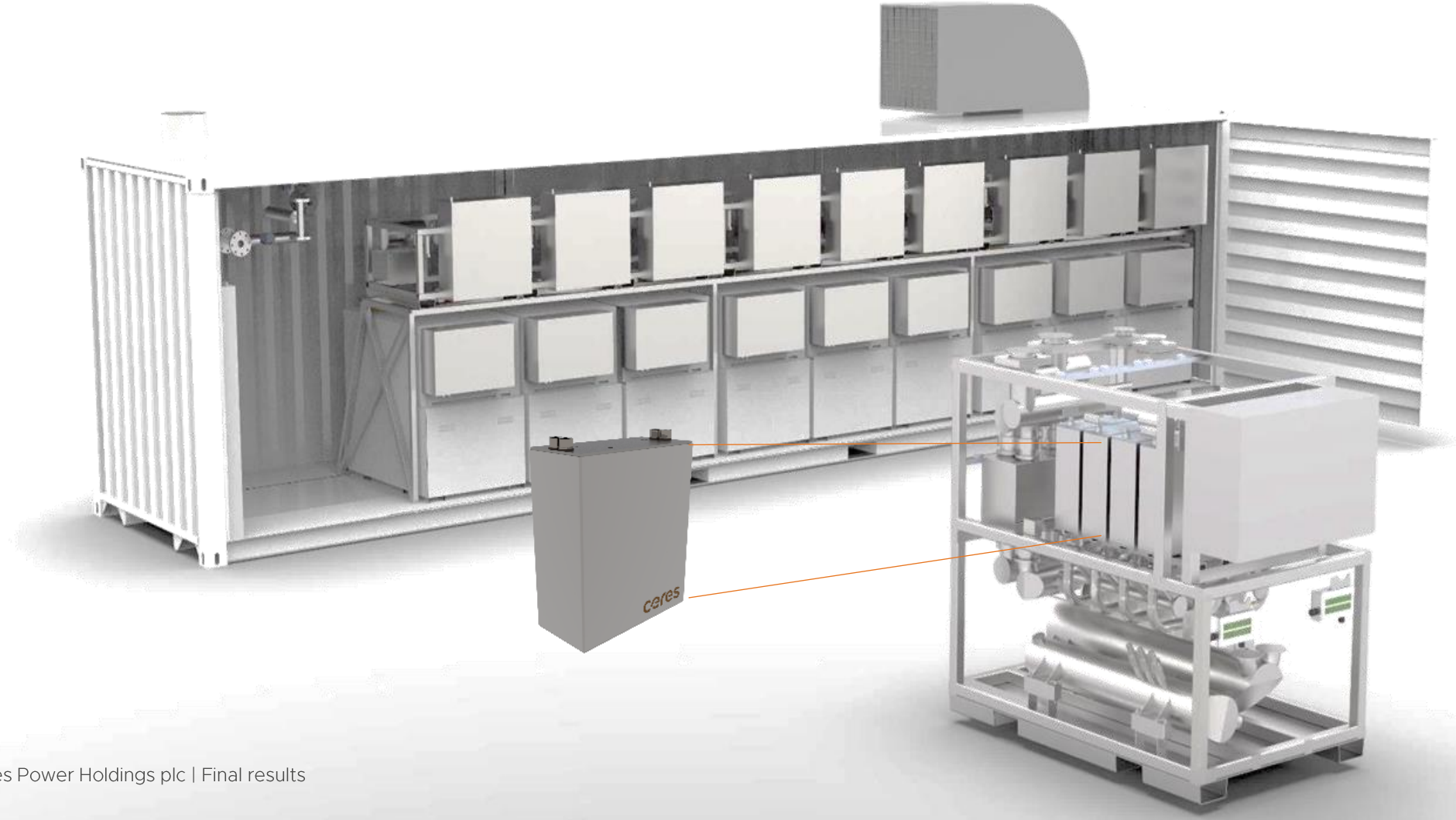
Collaboration with Bosch and Linde Engineering

- Assessment of Ceres' solid oxide electrolysis (SOEC) technology for large scale industrial applications
- Validate performance of a high-efficiency pathway to low-cost green hydrogen
- Two-year demonstration of a 1MW SOEC system, starting in 2024 at Bosch's site in Stuttgart, Germany

Three-way collaboration
Bosch has significant expertise in product industrialisation and mass manufacturing.
Linde Engineering has world-leading capabilities in hydrogen process technology and a global customer footprint in industrial facilities.

Megawatt-class SOEC system demonstrator

Initial testing giving confidence that technology can deliver green hydrogen at <40kWh/kg, around 25% more efficiently than incumbent lower temperature technologies



Indicative 2030 project costs for 1MT of green hydrogen

	Low temp	SOEC target	Cost savings
	System Efficiency 50 kWh/kg*	System Efficiency 37 kWh/kg*	
Green hydrogen production Per year	1MT	1MT	
Electrolyser capacity	6.3GW	4.7GW	-
Renewables capacity	12GW	8.9GW	$6.8bn
Electricity costs ($55/MWh) Per year	$2.75bn	$2.0bn	$0.75bn

26% capex reduction

26% opex reduction
$14bn over 20-year project lifetime

Ceres' SOEC

First electrolyser cell module ("ECM") on test delivering
<40kWh/kg

Upstream cost savings eclipse electrolyser capex

Assumptions used in calculations: Electrolyser System Installed CapEx: $600/kW; Wind:Solar ratio: 67:33; Renewable Capacity factor: 53%; Electrolyser Capacity Factor: 90%; *References for renewable energy cost and efficiencies: Renewable power generation costs in 2021 (irena.org); Green hydrogen cost reduction: Scaling up electrolysers to meet the 1.5C climate goal (irena.org)

Sector focus: SOEC

Shell collaboration for green hydrogen

- SOEC technology evaluation programme progressing well for deployment later this year
- First-of-a-kind 1MW demonstrator in build (far right) to accommodate up to nine electrolyser cell modules (“ECMs”)
- Pilot starts in 2023 and will run for three years – hydrogen will be used in industrial processes at Shell’s R&D centre in Bangalore, India
- 25% more efficient than incumbent lower temperature technologies

Outlook and focus for the year ahead

- Growth of investment will continue in SOFC and SOEC consistent with 2021 capital raise
- Supporting existing partners as they scale manufacturing in Germany and South Korea
- Building new commercial partnerships including in electrolysis for green hydrogen
- Continued expansion of SOFC into higher power and maritime
- The structure of the China joint ventures has been agreed. We now await the final agreement between Bosch and Weichai
- We continue to work towards a move up to the Premium Listing on the Main Market of the London Stock Exchange

Questions

Investor Relations
investors@cerespower.com

Ceres Power Holdings plc
Viking House, Foundry Lane, Horsham RH13 5PX
T: +44 (0)1403 273463 | E: info@cerespower.com