



Weichai, Bosch and Ceres

COLLABORATION FOR CLEAN ENERGY

9th February 2022

CLEAN ENERGY STARTS WITH CERES



Strategic collaboration for the Chinese market

- Heads of Terms signed for Weichai, Bosch and Ceres collaboration in China
- Addition of Bosch, and increased scope to include stationary power applications, significantly strengthens the planned JV for the Chinese market
- Intent that two separate JVs will be formed in Shandong Province:
 - A three-way System JV for the development and manufacture of SOFC systems; and
 - A two-way (Bosch and Weichai) Stack JV to manufacture and supply fuel cell stacks
- Bosch has considerable operating and manufacturing experience in China and ~55,000 employees
- Consistent with Ceres business model of IP licensing with major partners to provide scale up and manufacturing expertise



System JV for SOFC systems

- Weichai majority shareholder of a three-way JV to develop and manufacture SOFC systems for stationary and mobile applications in China
- Bosch and Ceres to licence respective SOFC system IP to the JV and share royalties from the sale of products
- Will combine system expertise to approach multiple market applications
- Initially stacks will be provided from Germany, migrating to supply from China Stack JV once operational



**Weichai
30kW system**



**Bosch
10kW system**



**Weichai
SOFC bus**

Stack JV with Bosch as majority shareholder



- Bosch and Weichai intend to form the Stack JV in Shandong Province in China, with Bosch as the majority shareholder
- Would be second manufacturing facility for Bosch, following planned 200MW facility in Germany expected in 2024
- Ceres will provide the SOFC technology through an extension of Bosch's existing licence to supply the Chinese market
- Ceres will receive royalties from this JV on the sale of stacks, consistent with its IP licensing business model

Strong collaboration for China

- China accounts for 30% of global emissions, but it also represents a key part of how we get to net zero – with a strong track record of industrialising and scaling technology
- Weichai is the largest manufacturer of buses and trucks and of combustion engines in China
- Bosch has considerable operating and manufacturing experience in China with over ~55,000 employees
- China needs a transformation away from coal fired power plants to other energy sources and fuel cell systems have strong future potential

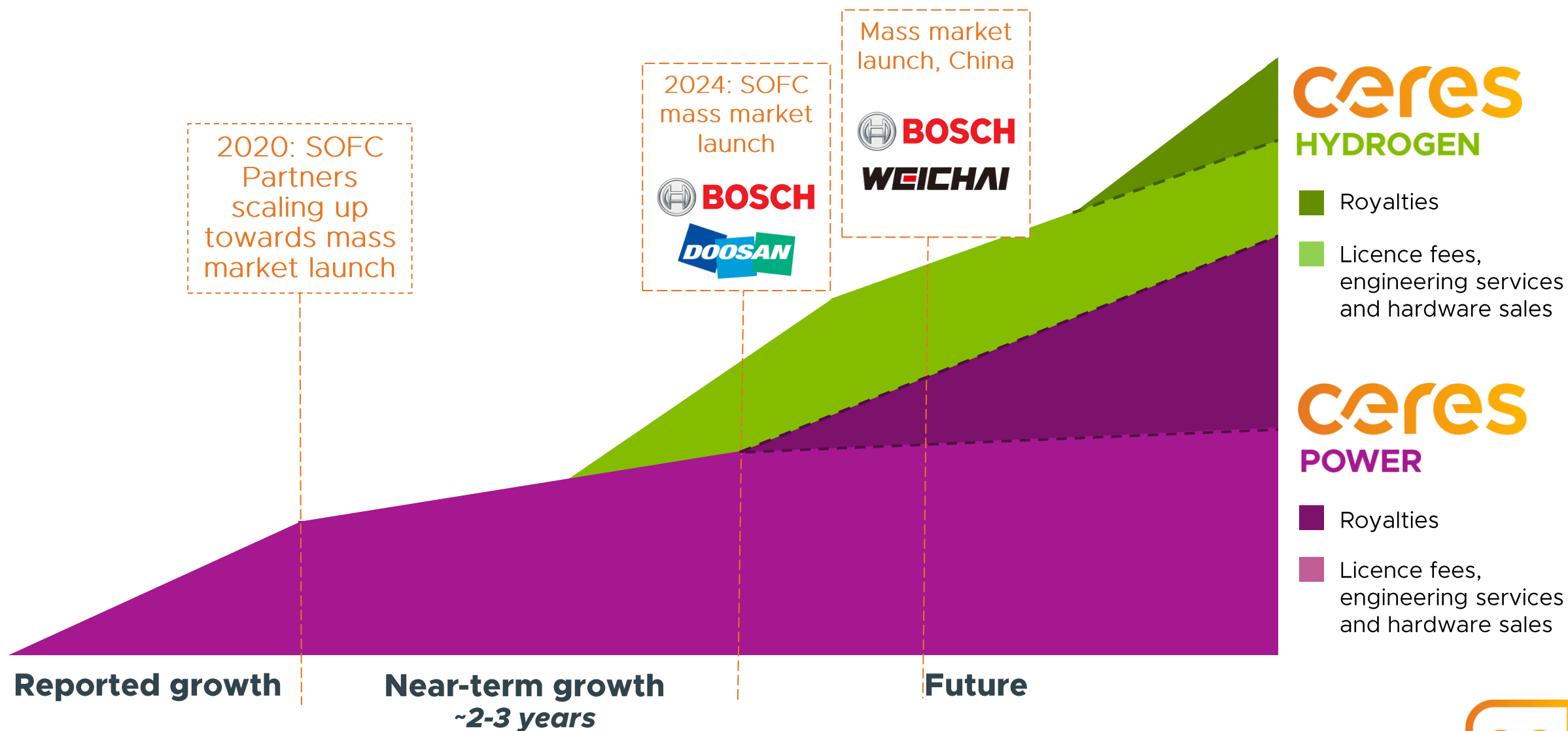


Financial implications for Ceres

- License fees of £30 million from the System JV and Stack JV to Ceres are expected over the coming three years, in line with those agreed in the original Weichai-Ceres agreement in 2018
- Ceres will hold a maximum 10% share in the System JV, investing around £20 million over time and will have Board representation
- Minimum payments and annual royalties receivable following start of production from each of the JVs
- Detailed agreements are now being prepared. JVs intended to be formed following the signing of definitive contracts



Growing visibility of future royalty revenue



Summary

- Deal opens up significant China market opportunity to Ceres' technology – in stationary and mobile applications – through two significant partners
- A strategic deal worth up to £30 million to Ceres over the next three years and long-term recurring annual royalties anticipated after start of production from each of the JVs
- Second manufacturing facility for Bosch, following its 200MW facility in Germany planned for 2024
- Strengthens visibility of future scale up of Ceres' technology through its partners, consistent with licensing business model
- Detailed agreements are now being prepared, with the JVs intended to be formed following the signing of definitive contracts



A wide-angle photograph of a large industrial facility, likely a battery manufacturing plant. The floor is filled with various pieces of machinery, including large cylindrical units and conveyor systems. Several workers in light blue lab coats and hairnets are visible, some standing near the equipment and others in motion. The lighting is bright and even. A thick, curved orange line runs diagonally across the image from the top right towards the bottom left, separating the header area from the contact information.

ceres

THANK YOU

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