

ceres[®]

Annual Report & Accounts 2025



Commercialising world-leading clean technology with purpose and pace

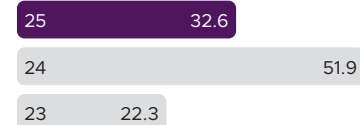
Strategic highlights for 2025

- **China – Weichai signs manufacturing licence agreement.** Weichai intends to produce cells and stacks for the stationary power markets, targeting power for AI data centres, commercial buildings and industrial applications.
- **Taiwan – Delta invests in land on which to build its solid oxide fuel and electrolysis cell factory.** The purchase of land and factory facilities for approximately NT\$6.95 billion (£170 million), expected to be partly focused on the large-scale manufacturing of hydrogen energy solutions for data centre power, microgrid and other energy infrastructure applications.
- **South Korea – Doosan starts factory production of solid oxide fuel cells and stacks.** Ceres-designed fuel cells are now in production, with first royalties generated.
- **Japan – Ceres' partner DENSO and JERA began testing Japan's first announced solid oxide electrolysis demonstrator for hydrogen production** at a JERA thermal power station, leading to government funding valued at 35 billion yen (£165 million).
- **India – Shell megawatt-scale electrolysis system produces hydrogen.** Exceeding performance expectations, this milestone underlines the maturity of Ceres' solid oxide electrolyser technology, supported by Shell's installation, integration and safety assurance expertise.
- **Business transformation plan implemented.** Ceres transitions to a new structure as the business begins to focus on accelerating its commercial opportunities. Team structures have been aligned to support the growth of new business, delivering anticipated operating cost savings of 20% in 2026.
- **The launch of Ceres Endura™, a single technology platform for both power and electrolysis applications.**

Financial highlights

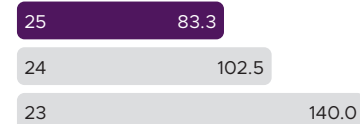
Revenue

£32.6m

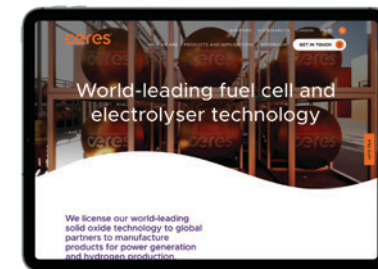


Cash, cash equivalents and short-term investments

£83.3m



Visit our website



Read more on our website
www.ceres.tech

Sustainability credentials



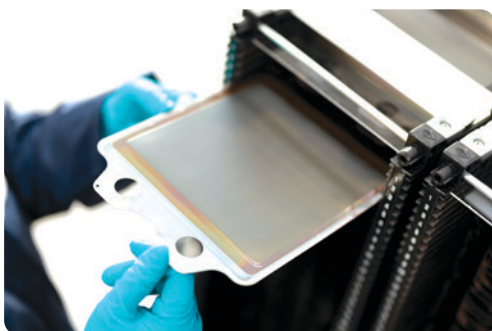
CCC B BB BBB A AA AAA

Clean energy starts with...

Technology

Ceres is a leading developer of clean energy technology, fuel cells for power generation and electrolysers for green hydrogen.

→ Read more on page 16



Partners

Our partners come to us for our technology and stay with us for our people: a world-leading team within the solid oxide industry.

→ Read more on page 20



Sustainability

Our ambition is to build a sustainable business and make a positive impact on our people, communities, partners and planet.

→ Read more on page 24



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Corporate governance

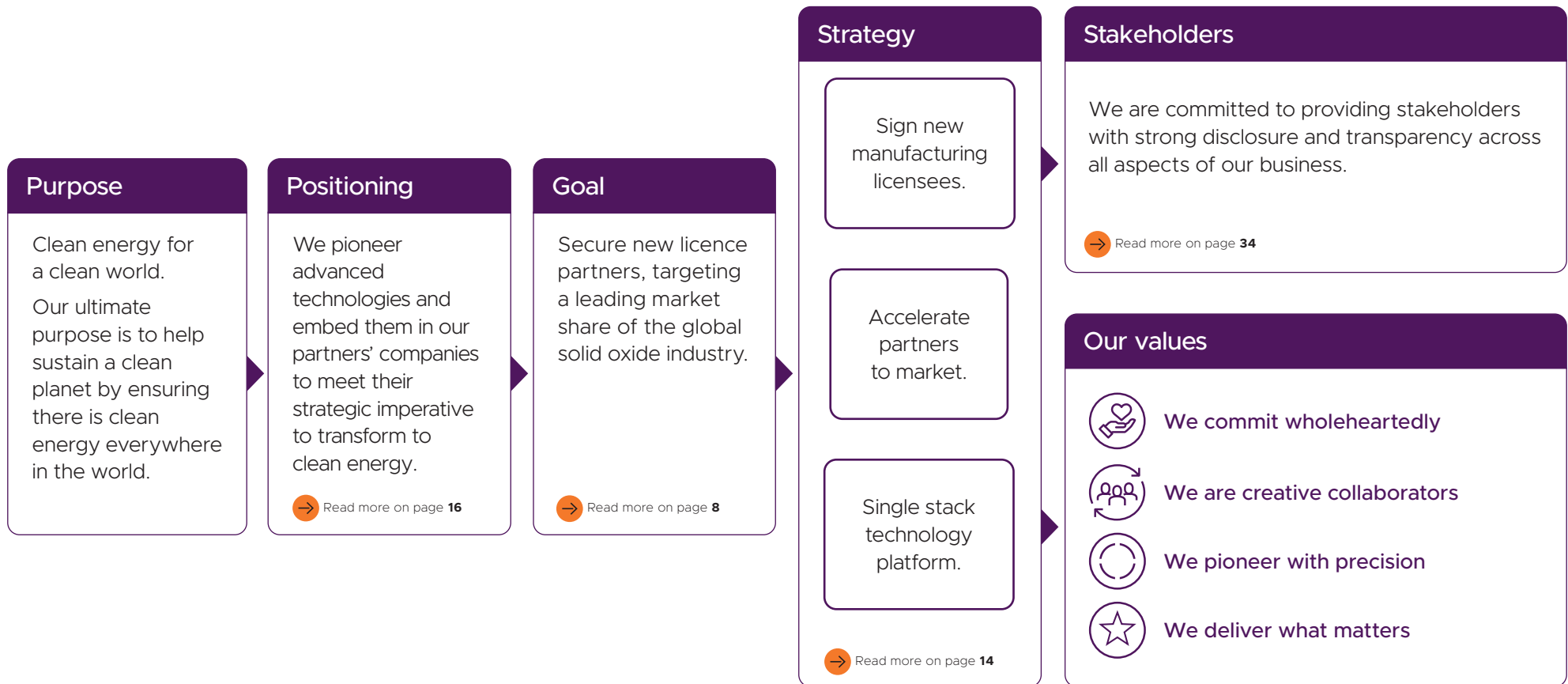
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Strategic roadmap

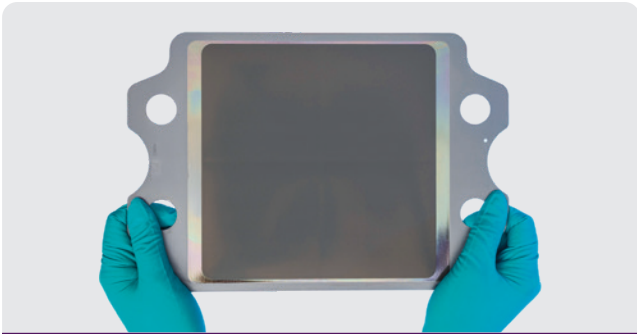
A clear purpose and focused strategy to enable industrial decarbonisation globally



The Ceres investment case

A compelling equity story

Our investment case is built on three pillars to create long-term value for shareholders

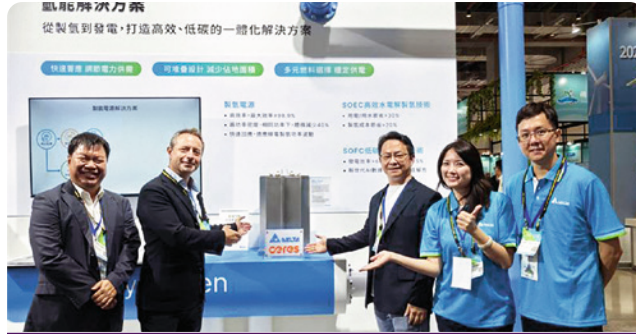


Leading solid oxide platform technology

Over the last two decades we have created best-in-class lower temperature solid oxide technology in a single, reversible platform for both power generation and green hydrogen production. In power mode, our solid oxide fuel cells (“SOFCs”) produce electricity at an efficiency of 65%, with over 90% overall efficiency when heat is captured, making it a technology of choice for the data centre, commercial and distributed power sectors.

In electrolysis mode, our cells produce hydrogen at 37kW/kg, the most efficient rate currently available, providing the market with one of the few viable ways to decarbonise hard-to-abate industrial sectors.

→ Read more about our technology on page 16



Strong commercial value proposition

We are a world leader in solid oxide technology. Our intellectual property, manufacturing knowledge and trade secrets are well protected, allowing us to pursue an asset-light licensing model.

Global manufacturing partners can rapidly access our next-generation decarbonisation technology as well as the know-how to establish their manufacturing infrastructure. This accelerates new commercial opportunities in the dynamic new power and hydrogen markets at scale and pace.

→ Read more about our commercial value proposition on page 13



Robust financial discipline

Our commercial activities are underpinned by the ongoing prudent financial management of the business. In 2025 we implemented a business transformation plan to drive a new phase of commercial growth, optimising the costs and structure of the business. This underpins our licensing model.

The generation of our first royalties in 2025 validates this model and, with a more streamlined business, we remain well financed as we progress along the path to profitability.

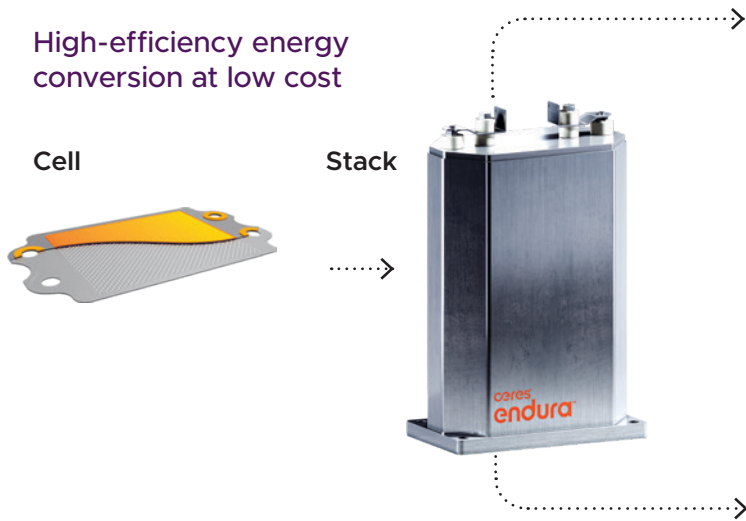
→ Read more about our financial position on page 37

At a glance

Delivering commercial traction through our global partners

Over 20 years of development has enabled us to build an intellectual property portfolio of over 150 patent families in solid oxide power and electrolysis, enabling us to establish our asset-light licensing model.

High-efficiency energy conversion at low cost



Our partner portfolio forms the foundation to our business and in 2025 we implemented a business transformation plan to focus more on building commercial traction. One partner started to produce and sell Ceres-based products for their end customers in 2025, generating royalty revenues for us for the first time.

Scalability pathway – power generation and hydrogen production

POWER

This section displays three types of power generation equipment. On the left is a long, low-profile grey cabinet with multiple doors, labeled 'DOOSAN'. In the center is a tall, black, vertical unit with blue accents and the 'WEICHA' logo. On the right is a white, multi-door cabinet, labeled 'DELTA'.

HYDROGEN

This section displays four types of hydrogen production equipment. On the left is a white cylindrical vessel with 'ceres' branding, labeled 'DELTA'. In the center is a large industrial facility with multiple buildings and piping, labeled 'DENSO'. On the right is a complex system of grey and white units with 'ceres' branding, labeled 'THERMAX'. Below the Denso image is the Shell logo.

Establishing the industry standard for solid oxide

Our platform technology addresses significant global markets

Our technology is meeting the need for cleaner power now while positioning for a hydrogen future.



A new era for Ceres



“

As our end markets continue to evolve and with a new operational structure to drive our next phase of growth, I remain confident that our solid oxide technology will play a central role in the energy transition markets.”

Warren Finegold
Chair of the Board

Dear Shareholders,

Since my last report to you we have seen continued growth in the end markets for our technology, particularly in commercial and industrial power. Over the year energy demand from these sectors has accelerated as societal needs evolve and, as we continue to move away from fossil fuels, the electrification of energy systems is gathering pace. In 2024 clean power surpassed 40% of global electricity generation for the first time, driven by record growth in renewables, especially solar¹.

This momentum has increased further with the rise of AI enabled data centres, which add significant demand for computational processing, data storage and cooling. McKinsey & Company highlights an investment super-cycle in data centre infrastructure over the coming years². Its research suggests that by 2030, data centres are projected to require a staggering \$6.7 trillion of capital investment worldwide to keep pace with the demand for computational and processing power. The lion's share of that is attributable to data centres equipped to handle AI processing loads, projected to require \$5.2 trillion in capital expenditure. These industrial-scale facilities are placing unprecedented stress on electrical grids worldwide and driving demand for next-generation power solutions, such as solid oxide fuel cells.

The evolution of power markets brings new opportunities to Ceres as the data centre industry seeks off-grid solutions. Meeting high-power capacity demands requires energy systems that can overcome time-to-power bottlenecks and comply with strict permitting and emissions regulations. Our Chief Executive Officer, Phil Caldwell, will elaborate on how these changes play to the strengths of our technology.

Strong commercial progress

Even though we were not able to beat last year's record revenues, Ceres continues to make important commercial progress. Production at the world's first commercial scale factory for the manufacture of Ceres' solid oxide fuel cells in Jeollabuk-do, South Korea, began in July 2025, with the first product sales achieved before year end. The generation of royalty revenues from these sales marks a key milestone for our business.

In line with our ambition to sign at least one new manufacturing partnership annually, in November 2025 we announced a new manufacturing licence agreement with Weichai, one of the world's largest engine manufacturers and our largest shareholder. Weichai plans to establish a factory in China to produce cells and stacks for stationary power markets, giving Ceres' technology a presence in one of the world's largest power markets.

On the electrolysis side of our business, in May 2025 we announced the first megawatt-scale hydrogen production from our electrolysis cells at Shell's demonstrator unit in Bangalore, India. This illustrates how Ceres' high-efficiency technology could be scaled to meet the needs of industry and deliver a route to economically viable hydrogen for green steel, ammonia and synthetic fuels.

Other Ceres electrolysis partners have also been busy during the year as the industry regroups after a period of uncertainty. In September 2025, DENSO announced that together with Japanese utility JERA, it has begun Japan's first demonstration of SOEC hydrogen production at a JERA thermal power station.

Setting ourselves up for commercial success

With a rapidly evolving market and strong commercial momentum, we see attractive opportunities to position solid oxide as the technology of choice for both fuel cells and green hydrogen production. Our research and development ("R&D") over the past 24 years has created the most advanced solid oxide technology available, culminating in a versatile, reversible platform for power or electrolysis applications. We felt that the time was right to increase further the focus of the business on optimising commercial success.

In September 2025, we launched a business transformation plan to transition towards a more commercial focus, prioritising new manufacturing licence partner wins. This involved restructuring internal teams into cross-functional units to support business development and commercial activities better, enabling more effective decision making. This new structure also reduced operating costs by 20%, ensuring we remain well capitalised as we progress towards profitability.

I believe this proactive, forward-looking approach will serve the business well. Filip Smeets, our Chief Commercial Officer, will provide more on our commercial strategy as we focus on increasing our manufacturing partner relationships. Caroline Hargrove, Chief Technology Officer, explains how we continue to invest in programmes to extend the lifetime and durability of our cells and stacks and reduce manufacturing costs and complexity for our partners.

Governance changes during the period

In February 2025, Uwe Glock stepped down from the Board following Bosch's decision to discontinue solid oxide activities and divest its stake in Ceres. The disposal of its 17.4% holding was completed in October 2025. We thank Uwe for his support and valuable contributions as a Director. In view of her increased operating responsibilities at Equinor, where she has been promoted to Senior Vice President PWR Global Offshore Wind, Trine Borum Bojsen has decided not to stand for re-election at the AGM. We congratulate Trine on her promotion and thank her for her many important contributions to Ceres over the last four years. Trine's role as Employee Engagement Director has been assumed by Julia King.

On the Executive Committee, Chief Operating Officer Mark Garrett retired after five years and was succeeded by Steve Hill, who was promoted from the existing Ceres management team. He brings extensive manufacturing, engineering and technology transfer experience.

Thank you

The business transformation plan has brought change and new ways of working to Ceres. On behalf of the Board, I thank the entire management team and all employees for their professionalism and focus during this period, minimising disruption as we prepare for the next phase of growth. We approach 2026 with a renewed commercial mindset and I look forward to reporting further progress for our business.

Warren Finegold

Chair of the Board

25 March 2026

1. Ember Global Electricity Review 2025, April 2025.

2. McKinsey & Company, April 2025: The cost of compute: a \$7 trillion race to scale data centers.

Focusing on commercial delivery



“

In 2025 our first partner achieved scaled production, unlocking Ceres' first royalties, a significant milestone for the business. We sharpened our commercial focus to address rising demands for power generation and advanced our solid oxide technology towards becoming the industry standard.”

Phil Caldwell
Chief Executive Officer

Highlights

- Continued commercial progress with new manufacturing licence signed with Weichai.
- Ceres generates royalties for the first time with the Doosan factory starting production.
- Renewed focus on SOFC as power markets open up.
- SOEC partner DENSO demonstrates Japan's first SOEC hydrogen production at a JERA thermal power station.
- Megawatt-scale demonstration electrolyser starts producing green hydrogen at Shell's Technology Centre in Bangalore, India.

Introduction

I am pleased to report on another year of progress as we continue to deliver on our ambitions to establish our solid oxide technology as the industry standard for both power generation and hydrogen production. The year had its challenges as Bosch withdrew from its SOFC activities following a strategic shift and there was a slowdown in the demand for hydrogen solutions. Nonetheless, we intensified our focus on commercial activities and made meaningful progress in positioning Ceres at the heart of emerging markets for power solutions for commercial, industrial and data centre markets. Our focus on disciplined execution, clarity of purpose and partner-centric ways of working is now creating tangible commercial momentum.

Power markets are undergoing structural change

Around the world, electrification, digitalisation and AI are transforming power demand. Nowhere is this clearer than in AI enabled data centres, which have become one of the fastest growing and most energy intensive sectors of the global economy. Structural grid constraints, long lead times for conventional generation and rising environmental pressures are driving operators to look for alternative, high-efficiency power technologies.

Customers tell us consistently that they need faster time-to-power, high electrical efficiency and meaningful heat

integration, low local emissions and 24/7 reliability, with systems that can scale quickly.

Ceres' solid oxide systems meet these needs well. As data centre operators expand capacity globally, including major investments announced in the UK by Microsoft, Google, OpenAI/NScale and Blackstone, the near-term commercial opportunity for high-efficiency SOFC systems continues to grow.

Importantly, the same fundamentals underpin opportunities in commercial buildings, industrial campuses, microgrids and other distributed power markets, strengthening our confidence in the scale of demand our partners can serve.

This growth dynamic presents distinct and significant near-term opportunities for Ceres SOFCs given the many advantages over conventional power generation systems, such as gas turbines, diesel reciprocating engines and renewable energy.

In comparison, SOFCs can offer the highest rates of energy efficiency coupled with virtually zero particulate emissions and high reliability, making them a natural choice for these markets. In addition to these attractive features, SOFCs can now offer a compelling advantage that other energy systems cannot – rapid time-to-power. Wait times for higher power systems are now significant: up to 15 years for upgraded grid connections; exceeding five years for gas turbines; and at least a decade for small modular nuclear power systems. The more rapid availability of SOFC systems is now becoming a key differentiating factor in the data centre power market (see our Technology section on page 16 for additional details).

Our analysis, based on BloombergNEF estimates, suggests that the market for SOFC power could be around 22GW by 2030, representing a substantial market for our technology. This represents a substantial market for our technology, with Ceres' ability to meet that demand delivered through the scale-up of our manufacturing partners.



Chief Executive's statement continued

“

There has been accelerated demand for power in the rapidly maturing commercial and industrial sectors, led by the booming data centre market, creating new and attractive opportunities for our business. We also continue to secure new licence agreements with global manufacturers to drive future business and to position our technology as the industry standard for solid oxide.”

Phil Caldwell
Chief Executive Officer

A clear step forward in commercial delivery

For almost 25 years, Ceres has invested in building world-leading solid oxide technology. In 2025, that investment translated into some of the most important milestones in our history. We saw our technology move from development to production and our commercial strategy sharpen around the markets that offer the greatest near-term opportunity.

We achieved a significant milestone in July 2025, when Doosan commenced mass market manufacture of fuel cell stacks using Ceres' technology at its first of a kind 50MW facility in South Korea. This represents a validation of both our technology leadership and our asset-light IP licensing model. These early shipments generated our first royalty revenues, marking the beginning of a scalable, high-margin future income stream.

Momentum continued across our partner ecosystem. Delta Electronics advanced at pace towards establishing large-scale manufacturing in Taiwan, targeting AI enabled data centres, commercial buildings, industrial facilities and microgrid applications.

During the year Delta acquired land and factory facilities in Taiwan for approximately £170 million, expected to be partly focused on the large-scale manufacturing of hydrogen energy solutions, based on Ceres' solid oxide technology. Delta continues to move at pace and with clear commitment to initial pilot production based on our technology by the end of 2026.

In November 2025 we announced that we had signed a new manufacturing licence agreement for the production of our proprietary SOFC technology with Weichai Power, a global original equipment manufacturer and power systems developer, headquartered in Shandong, China. Weichai intends to establish a manufacturing facility to produce cells and stacks for the stationary power markets supported by key components supplied by Ceres, targeting power for AI data centres, commercial buildings and industrial applications.

This agreement extends our existing relationship with Weichai, which we anticipate will open up a multi-billion-dollar market opportunity and boosts our ambition to establish Ceres as the global industry standard for solid oxide.

Hydrogen: progress with discipline and purpose

While industry-wide progress on large-scale electrolysis projects has been slower than anticipated, our own SOEC programme continued to advance in 2025.

At Shell's Technology Centre in Bangalore, our first megawatt-scale demonstrator produced hydrogen at industry-leading efficiency, a major proof point of the cost and performance advantages of high-temperature electrolysis. With a class-leading electrolyser module efficiency of 37kWh/kg of hydrogen from a 1MW plant, this equates to potential production capacity of around 600kg of hydrogen per day. This milestone marks an important step, demonstrating the maturity of Ceres' solid oxide electrolyser technology, supported by Shell's installation, integration and safety assurance expertise.

After completing its technology transfer programme during 2025, SOEC manufacturing partner DENSO announced in September that it had begun Japan's first demonstration of SOEC hydrogen production at a JERA (Japan's largest power generation company) thermal power station. This aims to achieve hydrogen production with the world's highest level electrolysis efficiency by applying DENSO's heat-management technology. The project, which is due to run until 2032, is valued at 46 billion yen (c.£220 million), with significant government subsidies from Japan's New Energy and Industrial Technology Development Organisation (NEDO) of up to 35 billion yen (c.£165 million).

In India, Thermax continued its rapid progress, following the launch of its HydroGenX Hub in Pune, our partner broke ground earlier this year on its SOEC pilot plant, a very clear commitment to deploying Ceres' technology in one of the world's most strategically important markets for clean energy in industrial applications.

These milestones reinforce the long-term relevance of our technology as we expect industrial decarbonisation to gather pace towards the end of this decade.

In addition to the significant progress being achieved with current partners, we have also been working hard to ensure that our technology remains an attractive proposition for future manufacturing partners. Our latest design is a stack that can generate power or produce hydrogen from the same core cell and stack platform and enables partners to build both fuel cell

and electrolysis stacks using the same manufacturing facility, allowing them to leverage their investment in our technology to access the power markets now and electrolysis markets in the future. I believe that this is a key differentiator for us and our technology, positioning us as the global leader in solid oxide energy solutions.

Market dynamics create new opportunities

In parallel to the AI enabled data centre market, other attractive power applications continue to mature for Ceres through our partners. These include distributed power provision through microgrids; combined heat, power and cooling applications for buildings; and auxiliary power systems for marine vessels. These nascent markets continue to be supported by favourable tax credit and other incentives to adopt next-generation clean technologies, such as fuel cells. Key regions where these are available include the US (30% Investment Tax Credit under Section 48E of the One Big Beautiful Bill for fuel cell adoption), South Korea (the Green New Deal aims to achieve fuel cell deployment of 15GW by 2040, supported by tax and other incentives) and Japan (Green Transformation policies supporting the hydrogen economy, including the development of large-scale stationary fuel cell power stations).

While progress in our power business accelerated in 2025, securing final investment decisions for hydrogen electrolysis projects has undoubtedly been a challenge for the industry, exacerbated by macroeconomic headwinds. However, as we refocus our commercial activities on the near-term opportunities, we remain confident that the structural impetus to decarbonise industrial processes will continue to drive the market over the longer term and that this will stimulate the industry to adopt more advanced clean technologies such as solid oxide.

Executing our business transformation plan

During 2025 we defined new strategic priorities that underpin the sharper commercial focus we have brought to the business (see page 20 for more details). To ensure we are set up for success, we are optimising the business and have initiated a business transformation plan, which started in September 2025. This will realign our resources to new market opportunities by the end of 2026 and consolidate our platform for further growth.

The objectives of this programme are to simplify the organisation, embed accountable ways of working and align resources with the commercial markets that matter most.

By the end of 2026, we expect to have:

- Realigned Ceres into focused, delivery driven teams;
- Strengthened partner-centric values and behaviours across the organisation;
- Reduced operating costs by around 20% compared to the year ending 31 December 2025;
- Supported partners on their path to manufacturing scale-up and product launch;
- Enhanced our capability to secure new licensing agreements; and
- Commercially launched our best-in-class, dual-purpose stack platform serving both power and hydrogen markets, consolidating development onto a unified technology platform ready for scale.

Now is the right time for us to take these actions to optimise the business and I firmly believe that successful completion will ensure that we operate with the scale, pace, discipline and clarity required for commercial success.

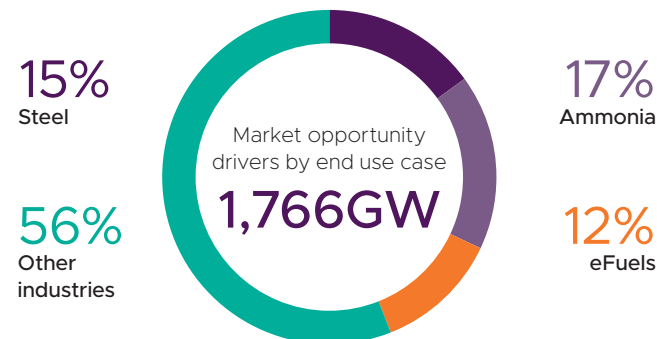


Global market opportunity for solid oxide fuel cell power is forecast at 22GW by 2030



Reference: House analysis based on BNEF New Energy Outlook Data, 2025

Global electrolyser capacity estimated to be 1,766GW in 2040



Reference: BNEF New Energy Outlook 2024. Ammonia production includes shipping, which is ammonia and methanol. SAF procurement agreements for international airlines. Sector proportions are based upon hydrogen consumption in 2040.

Chief Executive's statement continued

“

I am confident that we remain well positioned to capitalise on the growth in the resurgent power markets of today as well as the substantial hydrogen electrolysis markets of tomorrow, where our technology provides one of the few routes to decarbonising heavy industry.”

Phil Caldwell
Chief Executive Officer



Outlook

The final words in my review of the year are dedicated to the people at Ceres. Without doubt, 2025 started as a challenging year for us following the Bosch announcement in February 2025 and a wider slowdown in hydrogen adoption. I am, however, very pleased with the manner in which we responded as a business, demonstrating purpose and professionalism as we refocused on new and evolving market dynamics represented by the growth in power. I would like to thank everyone at Ceres for the ongoing commitment and dedication they showed over the past year. Not only have our teams come together to overcome the challenges of a turbulent year to deliver key milestones for the business, but they have also embraced the changes we are putting in place to drive our next chapter of growth.

Although we are conscious of the uncertainties arising from the war in Iran and its impact on global energy markets, we start 2026 with strong operational momentum. We have generated our first royalty revenues and are seeing growing demand across commercial and industrial power markets - particularly in the rapidly expanding data centre sector.

Solid oxide technology is increasingly viewed as a high-efficiency, low-emission and fast-to-deploy solution for resilient power. We remain well positioned for electrolysis for green hydrogen as we anticipate industrial demand will accelerate as global decarbonisation policies mature towards the end of this decade.

Our sharper commercial focus and strategic pillars aligned during the year with the resurgence of demand in the power markets, I am confident that we are well positioned to capitalise on the growth in the power markets today and the hydrogen electrolysis markets of tomorrow.

As we enter our 25th year, Ceres is firmly positioned for a new era: establishing our technology platform as the industry standard for solid oxide, embedding partner-centric values throughout the organisation and maintaining absolute focus on commercial execution. Together with our partners, we are moving to market with real pace and unlocking the next phase of growth for Ceres.

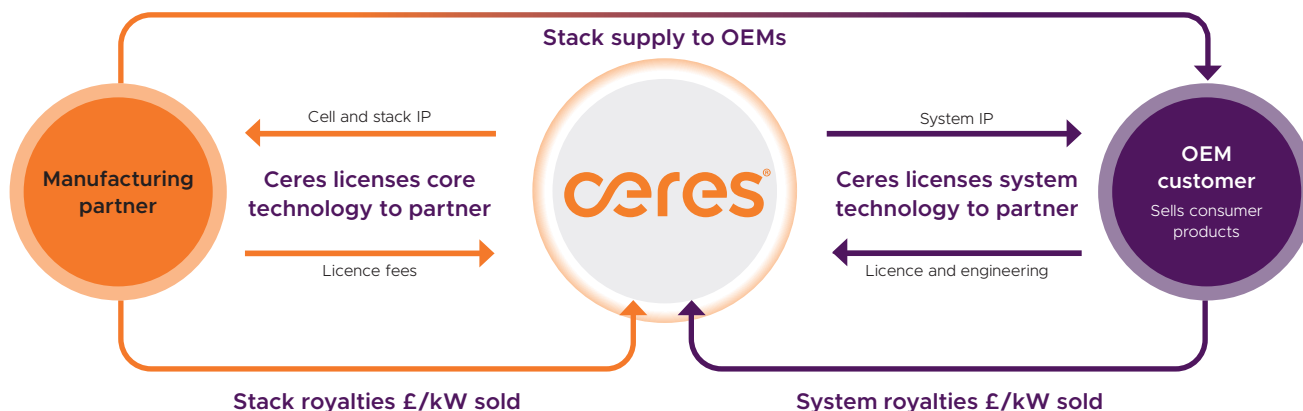
Phil Caldwell
Chief Executive Officer
25 March 2026

Business model

How we create value

The Ceres business model is based on our leading solid oxide technology platform, which can be used to generate power efficiently from a range of different fuels and to produce green hydrogen when coupled with a zero-carbon source of energy. This technology and its manufacturing process are highly protected by patents, trade secrets and know-how, enabling us to operate an asset-light licensing business model. By working in partnership with licensees who have the scale and expertise to mass manufacture solid oxide products for their various end markets, we can together accelerate the decarbonisation of a number of key industries.

Our business model



Partners can develop their own systems as products, or they can license system designs from Ceres.
For every stack or system sold, Ceres receives a royalty payment.

→ Read more on our website
www.ceres.tech

How our business model works

We have developed next-generation solid oxide technology IP, which is protected by a portfolio of patents, know-how and trade secrets. This enables us to license our cell and stack IP to manufacturing partners for mass production. Additionally, we license system IP where stacks are integrated into power or electrolysis systems, which are sold to end markets.

We earn revenue through up-front licence fees for access to our IP; engineering services; technology hardware sales to support partners scaling up factories for mass production; and royalties when commercial scale is achieved. These royalty payments are based on kW of product sold into the power or electrolysis end markets, providing high-margin, recurring revenue.

→ Read more on our technology on page 16

How we create value for our partners

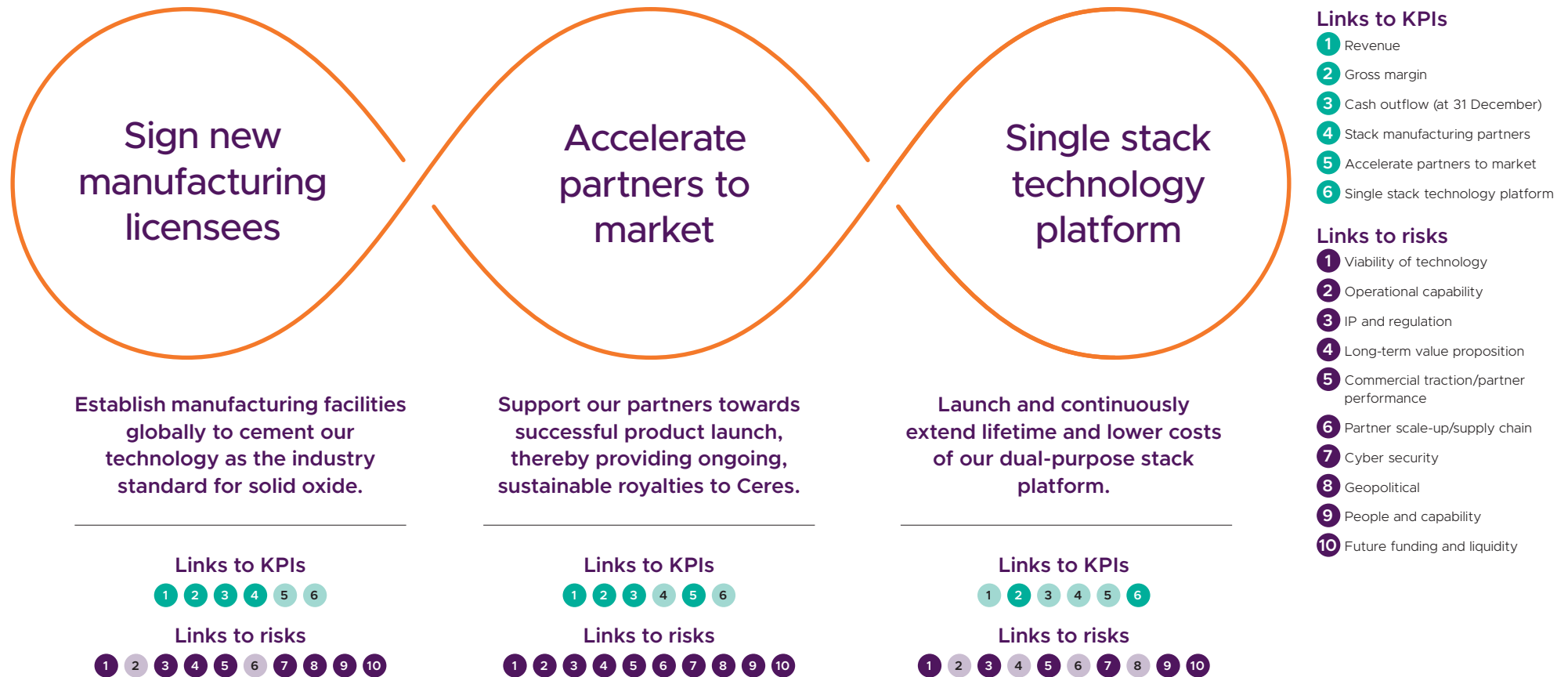
- Highly competitive technology**
 Our unique, inherently reversible and fuel flexible solid oxide technology reduces cost while maximising efficiency, resulting in highly competitive total cost of ownership for the end user.
- Access to untapped markets**
 As the global energy system evolves, our cutting-edge technology supports greater electrification of our energy systems and generates green hydrogen at high efficiencies, supporting the decarbonisation of incumbent industries that are dependent on fossil fuels today.
- Accelerated market entry**
 Licensees can adopt our technology quickly and enter new markets for hydrogen without lengthy and expensive research and development times, thereby capitalising on more than 24 years of experience in cell and stack development to continuously advance solid oxide technology.

- Leveraging world-leading R&D resources**
 Licensees don't need to spend resources on acquiring technology capabilities, but can instead focus on their own core business strengths. By using commonly found materials, our technology can be mass produced at low cost with a limited carbon footprint.

Strategic pillars

Our strategic priorities

Our three strategic pillars define our priorities as we enter an exciting new phase in our growth, helping us to establish our technology as the standard for solid oxide. These act as our guiding lights for the commercial direction of the business.



Key performance indicators

Our key performance indicators

Links to strategy

- 1 Sign new manufacturing licences
- 2 Accelerate partners to market
- 3 Single stack technology platform

Financial KPIs

1 Revenue

£32.6m

25	32.6
24	51.9
23	22.3

Description
Revenue of £32.6 million in 2025, compared with £51.9 million in the prior year. The 37% reduction can be mostly attributed to revenues generated in 2024 from the new licence partners as upfront technology transfers were conducted.

Links to strategy: 1 2 3

2 Gross margin

70%

25	70
24	77
23	61

Description
Gross margin of 70% compared to prior year margin of 77%. These margins remain much higher than industry norms due to the licensing nature of our business model.

Links to strategy: 1 2 3

3 Cash outflow (at 31 December)

£(19.2)m

	(19.2)	25
	(37.5)	24
	(42.4)	23

Description
Cash outflow relates to the movement in cash and investments. The controlled year-on-year reduction in outflow demonstrates our continued cash management discipline.

Links to strategy: 1 2 3

Non-financial KPIs

4 Total stack manufacturing partners

2025 performance
Manufacturing Licence Agreement signed with Weichai in November 2025, bringing a total of four under licence.

Description
Announced stack manufacturing partners under licence.

Links to strategy: 1 2 3

5 Accelerate partners to market

2025 performance
In July 2025 Ceres and Doosan announced that mass market production of fuel cell stacks using our solid oxide technology had commenced. Delta Electronics anticipates having its SOFC factory up and running by the end of 2026.

Description
We aim to ensure that our manufacturing partners start mass production as planned.

Links to strategy: 1 2 3

6 Single stack technology platform

2025 performance
Our dual-purpose stack platform gives our technology a clear and differentiated identity and a compelling performance.

Description
A stack that can generate power or produce hydrogen from the same core cells, allowing partners to leverage their investment in our technology to access the power markets now and electrolysis markets in the future.

Links to strategy: 1 2 3

Clean energy starts with **Technology**



“Over the years we have worked tirelessly to create the leading reversible solid oxide cells for the power and hydrogen markets. I’m very pleased to see our technology now coming to market through our partners. But we are not stopping there. We continue to look for ways to reduce costs and improve durability for our partners, keeping us at the forefront of solid oxide technology.”

Caroline Hargrove CBE
Chief Technology Officer



Q What key technology milestones have been achieved in 2025?

This year, we made significant progress in our ability to understand and model the mechanisms for lifetime degradation and durability in our cells. This is important as it enables us to target our R&D efforts on improvements that are likely to yield greatest impact. It also helps us with optimising our control strategies to improve the performance of our stacks through life.

We’ve also made good progress towards optimising some of our ceramic layers, leading to the reduction in the complexity of some of our manufacturing processes. These should help us lower the capital expenditure and operating expenses of some manufacturing processes, which we can pass on to our partners.

Q Ceres has undergone a business transformation plan, so what does this mean for the ability to continually innovate the Company’s technology?

Our ability to innovate remains central to our business model as a licensing company. Over the years we have made great strides, taking us to the limit of the electrochemical performance of our cells and stacks.

However, we are not resting there, as staying at the forefront of technology is a key differentiator for us. Our work on the lifetime, degradation characteristics and durability of our cells has increased our understanding of the cell-level electrochemistry. This allows us to be more targeted with our R&D resources and to continue to innovate where the impact is highest. The improvements we make here can support the efforts of our partners in bringing the technology to market and help define how they support their customers over the longer term.

Q Power markets have been developing rapidly, so what makes Ceres SOFC such a compelling solution?

There are many reasons why SOFCs are a great fit for data centres. Currently the most pressing issue facing this market is time-to-power: the time it takes to implement the high-performance systems needed to power these energy-hungry installations. Current power units, such as gas turbines¹ or small modular reactors, have order lead times of five to ten years from today², with high voltage

grid upgrades not anticipated in many regions until the mid-2030s³. SOFCs are available from our partners now as factory production builds during 2026 and beyond.

Permitting and emissions are another pressing issue, with power sources increasingly located next to the data centres, often close to population areas. Current technologies can produce harmful by-products such as SOx, NOx and other particulates from combustion, as well as high levels of diffuse carbon dioxide. However, SOFCs produce virtually no particulate emissions and any carbon dioxide produced from the use of natural gas can be readily captured by existing carbon capture technologies. SOFCs can also produce the high voltage direct current (“DC”) power that data centres ultimately need, in turn producing an efficiency gain in power electronics.

Another advantage is our ability to load follow quickly. Today’s AI models require a supply of power that can react quickly to the huge swings in demand as processing starts and stops. Our SOFCs can rapidly ramp power output up and down in response to these loads, reducing the need for supercapacitors, which are often used by other products to fill the gap while they ramp up.

Q Looking ahead, what are the technology priorities for Ceres?

Our priorities for the year ahead fall into three categories. Our highest R&D priorities are “must have” features that can lead to reduced capital expenditure and operating expenses to lower the bar to adoption from licensees.

The next set of priorities are incremental improvements to the cells and stacks to increase lifetime, extend durability and reduce bill of materials costs.

Thirdly, we continue to examine revolutionary ideas that could add to our technological leadership. By their nature, these are earlier stage technologies – smaller bucket but always worth planting seeds early, and we do some of this through university collaborations.

1. US gas-fired turbine wait times as much as seven years; costs up sharply | S&P Global.
2. Initial projects coming on-stream in 2030, new project deployment 7–10 years: Executive Summary – The Path to a New Era for Nuclear Energy – Analysis – IEA.
3. Executive summary – Electricity Grids and Secure Energy Transitions – Analysis – IEA.

Product

Launching Ceres Endura™: Power built to last



“

This year we stand at a pivotal moment in an extraordinary journey that began more than 25 years ago. A journey that has challenged the ingenuity, tenacity and determination of our teams. The result is a world-class clean energy product, powered by our unique, robust, metal supported technology. This product is now being manufactured in Korea and will soon be made by others around the world, clearly marking our transformation from R&D to true commercialisation. Together with our partners, we've not just built a product - we've built a legacy of outstanding innovation with our purpose at its core.”

Nick Lawrence
Chief Product Officer

Q Can you tell us a little more about your recent product launch – why now?

In 2025 we brought a sharper commercial focus to our business, underpinned by refreshed strategic imperatives and a business transformation plan to align our resources. A key element of this evolution is the commercial launch of our dual-purpose stack platform in April 2026, for the first time giving our technology a clear and differentiated identity and a compelling brand story.

Over two decades of innovation at Ceres has created the world’s most advanced solid oxide stack that can generate power or produce hydrogen from the same core cells. The technology has been designed from the ground up to be high-volume manufacturing ready, to last a long time and to work for multiple uses. Crucially, it enables dual-licensee partners to build both fuel cell and electrolysis stacks using the same factory machinery, allowing them to access the power markets now and electrolysis markets in the future.



We thought long and hard about a name that encapsulates all of this – the robustness, longevity, scale, manufacturing readiness, and tenacity and ingenuity of our teams. We are all proud to have launched Ceres Endura™ with the tagline “Power built to last”.

Q What improvements have you put into the latest stack platform?

The Ceres Endura™ design shares a common architecture between fuel cell and electrolysis operation. Most of the stack components are either identical or can be manufactured on the same machines, which simplifies product releases and helps drive down production costs.

Additionally, we’ve concentrated on reducing manufacturing costs across the board, especially by leveraging technology features to remove process steps at the cell level, simplifying the design and using supply chain partnerships to introduce lower-cost materials.

These changes have resulted in a stack design that is half the manufacturing cost of the one we had in 2020, as well as a substantial performance improvement accessible to our licensee partners. We’re not finished there, though: our goal is to bring the capital cost of Ceres Endura™ systems to a comparable level with conventional generation by 2030, making Ceres Endura™ a no-regrets solution to a clean power future.

Furthermore, we have taken advantage of the stack-ability and mechanical strength of our cells to release a next-generation electrolysis stack that has 400 layers, reducing the number of stacks required per MW. We will also continue to verify it for pressurised operation during 2026.

Q How well is Ceres Endura™ suited to capture the data centre power market?

Clearly this year has also shown the important role SOFC can play in the need to supply clean power for data centres. Ceres Endura™-based systems will work well with the new Nvidia 800V direct current architecture out of the box and are an ideal match for sustainable AI data centre power.

Ceres stacks will be deliverable within months to site by partners and connected within months rather than years, solving critical time-to-power problems for data centre developers. The stacks can provide 99.999% power availability with only 10% oversizing, substantially reducing the footprint and capital expenditure for the data centre operator. They can also react almost instantly to varying data centre loads (in a similar response time to batteries), faster than any other SOFC stack.

Q How’s progress this year with Ceres’ SOEC systems partners?

I’m pleased to say that our 1MW electrolysis demonstrator in Bangalore is now fully operational, delivering in-field class-leading hydrogen generation efficiencies of 37kWh/kg. We are also in the later stages of the build of our very first stack array module, which will go on test with our partner Thermax this year.

Additionally, we have seen major growth in the number of potential system development partners interested in using our SOFC stacks in next-generation clean power systems – with Ceres Endura™ positioned to become an industry standard. This shows the versatility of our stack platform, being used in applications ranging from power for data centres to marine and offshore applications, electrolysis for ammonia and eFuels, as well as biogas and future reversible energy opportunities. Licensees value the versatility and markets they can access with Ceres Endura™.

Internally we are working on maturing reference designs for SOFC systems to support potential partners with a system baseline design, designed from the ground up to make best use of Ceres Endura™ and reducing time to market. I expect these to be ready for use in 2026.

Clean energy starts with

Partners

“

With our first manufacturing partner now in production and a unified platform that serves both power and hydrogen, Ceres is entering a more commercial phase. Our technology is real, our partner production base is scaling and we are now focused on converting two decades of innovation into long-term, sustainable value.”

Filip Smeets

Chief Commercial Officer



Q What is your commercial strategy and what characteristics do you seek in manufacturing partners?

Our commercial strategy is to scale Ceres' solid oxide platform globally through an asset-light licensing model, embedding our technology into the manufacturing footprints of Tier-1 industrial partners. This approach enables rapid commercialisation with lower capital intensity, while partners leverage their own market access and industrial scale to deliver power and hydrogen solutions.

We have a clear profile of target organisations that demonstrate:

- Tier-1 mass manufacturing capability in power, electronics or process industries, backed by deep supply chains and capital strength;
- Strong regional market access in priority geographies including Korea, China, India, Taiwan, Europe and North America; and
- Strategic alignment with clean, efficient and resilient energy solutions, where solid oxide technology becomes central to their long-term portfolio.

Our objective is a concentrated portfolio of scaled partners rather than a broad tail of smaller licensees - maximising long-term royalty potential while keeping our technology roadmap focused and industrially coherent.

Q What does the business transformation plan mean from a commercial perspective and how does it help Ceres capture opportunities more effectively?

The business transformation plan reflects Ceres' evolution from an R&D-led organisation to one focused on commercial execution after two decades of technology development. From a commercial perspective, it delivers three core benefits:

1. A single, unified solid oxide platform. We are consolidating development onto one stack platform serving both SOFC ("solid oxide fuel cell") and SOEC ("solid oxide electrolysis cell") applications. This reduces complexity, strengthens shared IP and simplifies industrialisation for partners.

2. Rebalanced resources and a leaner cost base. The programme shifts emphasis from early stage research toward productisation, manufacturing support and applications engineering - capabilities that directly help partners qualify production lines and win end customer projects. The plan targets approximately a 20% reduction in operating expenses versus the 2025 run-rate, improving operating leverage as royalty revenues scale.

3. Sharper commercial focus. We are concentrating on markets with clear near-term demand and regulatory momentum - particularly AI data centres and resilient distributed power, alongside industrial hydrogen in India, the Middle East and China. This means deeper strategic relationships, disciplined opportunity selection and clearer pathways to scale.

Overall, the transformation shortens time to market, improves earnings visibility by increasing recurring royalties and aligns the organisation with the next decade of growth.

Q Where do you expect the AI data centre market to go in 2026 and beyond?

AI workloads are driving a structural shift in electricity demand. The IEA forecasts that global data centre consumption will more than double by 2030 to approximately 945 TWh¹. The European Commission highlights that data centres already account for around 1.5% of global electricity use and could more than double by decade-end². Goldman Sachs projects up to 165% growth in global data centre power demand by 2030 versus 2023³.

Demand is concentrated in the US, EU and China, where grid constraints and permitting timelines are increasingly the limiting factor for development. As a result, operators are turning to scalable on-site solutions.

While time-to-power remains important, the case for SOFC in data centres is now broader and more durable.

- Permitting ease. SOFC systems offer very low local emissions, low noise and compact footprint, enabling faster and more predictable siting compared to combustion-based alternatives.

Partners continued

- High reliability with lower redundancy cost. Modular MW-scale units operate in parallel, enabling phased expansion, hot-swap capability and high availability without the overbuild required for large single-unit assets.
- High-quality DC power. SOFC delivers stable DC output that aligns naturally with emerging 800V DC architectures in AI campuses. Direct DC integration reduces conversion losses and enables a more streamlined, efficient power infrastructure.
- Future-proof fuel flexibility. Systems can operate on natural gas today and transition to biomethane, hydrogen or synthetic fuels as supply chains mature.
- Sustainability integration. High electrical efficiency lowers CO₂ intensity, while high-grade waste heat supports combined heating and cooling solutions. The exhaust characteristics are also compatible with future carbon capture integration.

We therefore expect SOFC to play a meaningful role not only as a bridge during grid bottlenecks, but also as a structural component of next-generation AI data centre energy architecture throughout the following decades.

Q Are there other attractive power markets for Ceres outside data centres?

Yes. Solid oxide technology is highly versatile across distributed power applications.

We see attractive opportunities in:

- Commercial and mixed-use buildings – high-efficiency combined heat and power in urban environments.
- Grid support and microgrids – modular, dispatchable power complementing renewables and replacing diesel generation.
- Marine auxiliary power – low-emission, low-noise onboard generation aligned with tightening air-quality regulations.
- Industrial sites and campuses – resilient power for critical loads, often integrated with heat recovery.

Our strategy remains consistent: deploy one unified platform across these markets through partners already embedded in them - expanding our royalty base without fragmenting development efforts.

Q With hydrogen markets slower than expected, how is Ceres ensuring its SOEC technology is well positioned?

While large-scale green hydrogen deployment has progressed more slowly than initially anticipated, long-term fundamentals in refining, chemicals, fertilisers and steel remain compelling.

We are using this period to strengthen our SOEC proposition:

- 1. Proving industrial-scale performance.** Our MW-scale SOEC demonstrator with Shell in India produced first hydrogen in 2025, with early results indicating efficiency advantages over incumbent technologies.
- 2. Securing manufacturing pathways.** Our global MLA with DENSO, a major Japanese OEM, provides a royalty route to industrial-scale SOEC manufacturing, while Thermax serves as our system partner in India.
- 3. Leveraging the unified platform.** A single stack architecture supports both SOFC and SOEC, creating shared IP, manufacturing commonality and optionality for partners.
- 4. Focusing on policy-supported industrial clusters.** We prioritise sectors where high-temperature electrolysis delivers clear efficiency and integration benefits.

This positions Ceres to scale rapidly as industrial hydrogen demand accelerates through the 2030s.

1. International Energy Agency Energy and AI report, April 2025.
2. European Commission news article, November 2025 In focus: Data centres – an energy-hungry challenge - Energy.
3. Goldman Sachs Insights article, February 2025: AI to drive 165% increase in data center power demand by 2030 | Goldman Sachs.



SOFCs provide the solution to AI data centre power needs

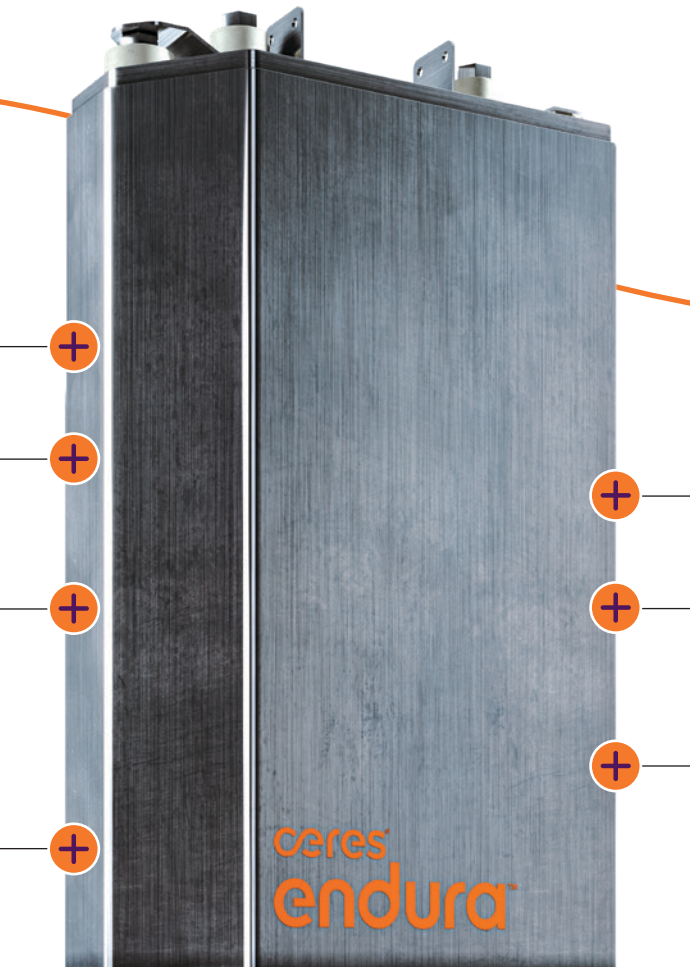
The right technology, available now

Time-to-power:
delivered in months not years

Proven resiliency:
24/7 baseload, long stack life

Sustainability:
low noise and particulate emissions to enable
smoother permitting and planning approval

Fuel efficiency:
65% energy conversion
in power-only mode
Over 90% efficient in combined
heat and power mode



ceres
endura

Hybrid-ready, fuel-flexible design:
natural gas today,
100% hydrogen tomorrow

Modular and streamlined:
from sub-MW to 100+ MW

Stable 800 Volt DC output:
well suited to latest AI processing chips



Clean energy starts with **Sustainability**

Sustainability overview

“Sustainability is at the core of Ceres - it is embedded in our products and it motivates our staff. We are committed to integrating it across our business activities and reporting on our performance.”

Julia King
Chair of the ESG Committee



Diversity and inclusion

At Ceres we aim to build a workforce that represents all sectors of society, where every employee feels safe, respected and able to contribute their best. We call our approach DEBI (short for diversity, equity, belonging and inclusion), and it encompasses our belief that talent and ingenuity stem from a variety of perspectives and experiences. Our diverse workforce with over 350 employees includes a wide range of people from promising students to brilliant scientists and engineers from 35 countries. During 2025 we invested an average of £697 per employee in technical and leadership training and wellbeing programmes. We recognise that nurturing and developing our talent is critical to supporting retention and success. We continually seek to improve the gender balance within Ceres and during 2025 35% of our new recruits were female. As of 31 December 2025, 75 employees were female and 276 were male with two undisclosed. For more information, see the Gender Pay Report on our website.

Health and safety

No one should come to work and return home injured. We are always striving to improve health and safety performance. In 2025, Ceres reported a Total Recordable Incident Rate (“TRIR”) of 0.83 per 100 employees, up from 0.33 the previous year. Ceres reported zero injuries under the Reporting of Injuries, Diseases, and Dangerous Occurrences (“RIDDORS”) criteria, consistent with zero reports last year.

Targeting net zero

Ceres enables the decarbonisation of multiple markets by developing highly efficient and differentiated technology that scales through global partnerships. But our global impact does not absolve us of responsibility for our own emissions and impact.

We have implemented initiatives to improve our designs to reduce emissions impact, which will significantly reduce the carbon emissions of our technology as our partners scale production. Ceres has committed to near-term emissions reduction targets validated by the Science Based Targets initiative (“SBTi”). We have committed to reducing absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 base year, and have also committed to reduce Scope 3 GHG emissions by 53% per million GBP gross profit by 2030 from a 2022 base year. In addition to the mandatory reporting on sustainability, Ceres provides insights into our sustainability strategy, environmental and governance responsibilities and commitment to social matters on our company website.

Our sustainability targets



Take climate action

We have made an SBTi near-term target to reduce Scope 1 & 2 emissions by 42% by 2030 and Scope 3 emissions by 53% per million GBP of gross profit by 2030, using a 2022 baseline.



Operate responsibly

We purchase REGO certificates for certified renewable energy production.

100%

% of electricity from renewable sources



Build social value

We invested an average of £697 per employee.

£321,725

Training and development investment



Empower our people

We exceeded our female recruitment target for new hires in 2025.

35%

Female recruitment in 2025 (%)

Sustainability continued

Sustainability roadmap

Ceres' ESG pillars



Science-based climate action



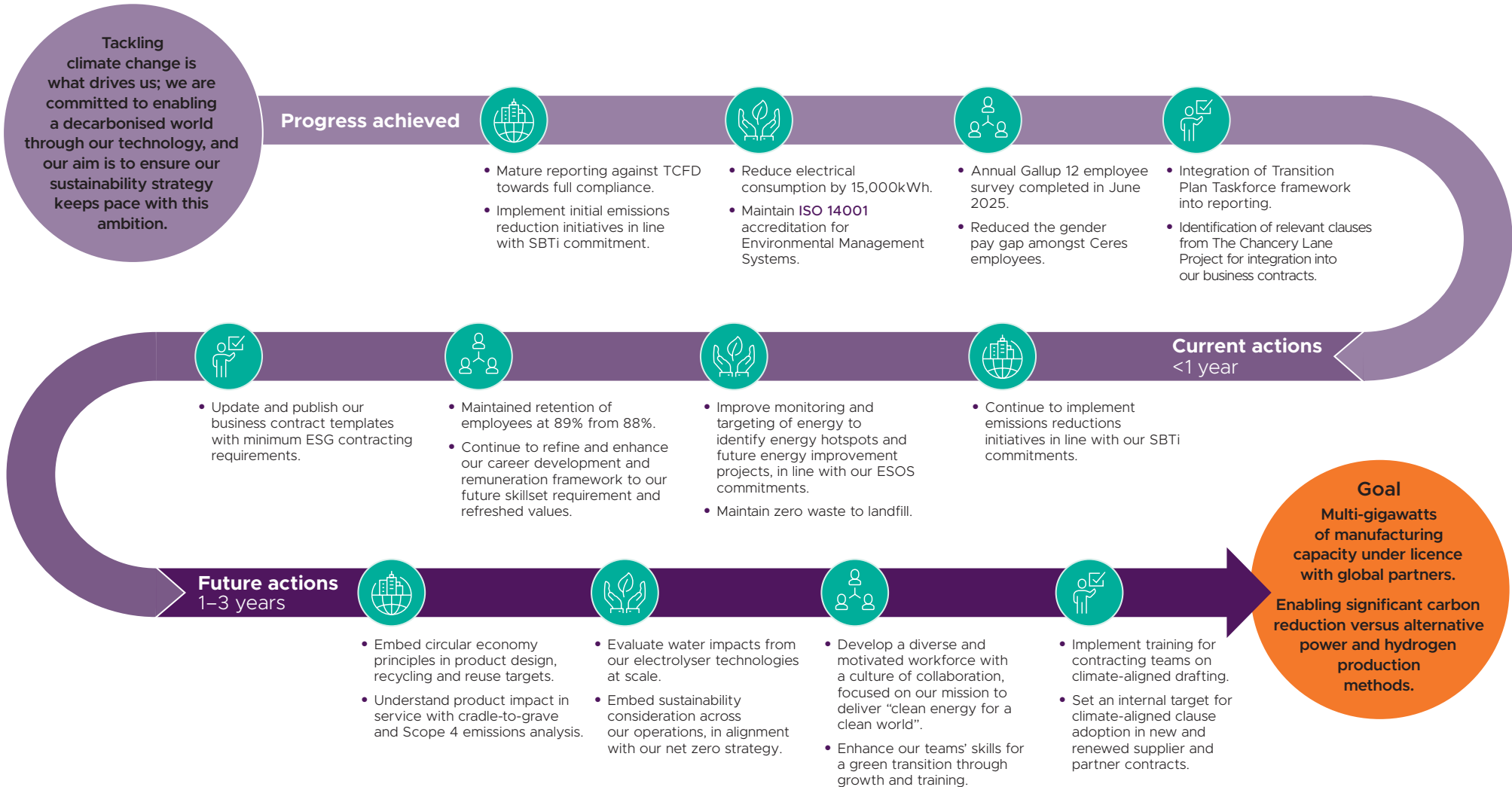
Processes that support nature



A green transition that works for people



Governance enabling the right decision



Emissions and energy reporting

While our technology will deliver significant carbon abatement, we seek to understand our own direct and indirect emissions relative to our global positive impact. Below is our SECR emissions reporting for Scope 1, 2 and limited Scope 3 emissions, calculated using Greenhouse Gas Protocol Accounting.

Our emissions management system, Sweep, enables real-time tracking, supports our carbon-reduction commitments, and ensures consistency in future analysis. Designed to comply with the SBTi frameworks, Sweep enables Ceres to identify our emission hotspots and monitor our progress against our goals.

Ceres' Scope 1 and 2 emissions decreased in 2025 by 7% and 13% respectively. Several energy efficiency measures were implemented in 2025 including: electrification of the company

vehicle; enhancements in energy monitoring to identify energy efficiency opportunities; awareness campaigns and equipment shutdown policies.

Although location-based Scope 2 emissions declined, electricity use slightly increased. A cleaner, less carbon-intensive grid in 2025 largely drove the reduction, but given Ceres sources 100% verifiable renewable energy, there is no net emissions impact. Limited Scope 3 emissions also decreased, though fuel use for personal vehicles represented less than 1% of total Scope 3 emissions in 2024, so this does not indicate a broader trend. Remaining Scope 3 calculations will be published later this year on our website. We have reduced overall emissions in 2025, but relative to revenue, it appears superficially to have increased.

As a growth company, Ceres continues investing in manufacturing and testing capacity, increasing short-term emissions. However, we remain committed to reducing our operational footprint under our SBTi near-term target. Our technology can address climate and air-quality challenges across industry, data centres and daily living. While scaling has an environmental cost, any increase in our footprint will be far outweighed by the positive global decarbonisation impact of our technology.

Streamlined Energy and Carbon Reporting (“SECR”) for the 12 months to December 2025

Disclosure	Description	2023		2024		2025	
		Energy (kWh)	Emissions ¹ (tCO ₂ e)	Energy (kWh)	Emissions ¹ (tCO ₂ e)	Energy (kWh)	Emissions ¹ (tCO ₂ e)
Scope 1 Direct emissions	Fuel used in transport and consumption of natural gas ²	2,779,434	510 ³	2,860,495	541 ³	2,747,365	503 ³
Scope 2 Indirect emissions	Electricity used for operations (location-based method for emissions)	6,526,984	1,352 ³	6,463,620	1,338 ³	6,548,335	1,159 ³
	Electricity purchased and used for operations (market-based method for emissions)	6,526,984	Nil ⁴	6,463,620	Nil ⁴	6,548,335	Nil ⁴
Scope 3 Other indirect emissions	Fuel used in personal vehicles for business travel	104,616	25	80,506	20	57,269	14
Total	Total SECR carbon emissions (market-based)	9,411,034	535	9,404,621	561	9,352,969	517
Carbon intensity	Total carbon emissions for Scope 1, 2 and limited Scope 3 per £100k revenue		2.40		1.08		1.58

1. CO₂e calculated from fuel used in Company vehicles, electricity purchased and natural gas consumed for ongoing operations, converted to tCO₂e using government-approved conversion factors.

2. Other purchased gases for test stands and the associated emissions are included within Scope 3 emissions.

3. Scope 1 and 2 emissions from UK operations represent 100% (2024: 100%) and 100% (2024: 100%) of Scope 1 and 2 respectively, with no emissions from overseas operations. Emissions from our overseas offices are not included as both are shared facilities, which limits our ability to quantify our specific footprint, and their estimated contribution to our overall footprint is too small to be material.

4. Starting from October 2020, we secured 100% renewable energy supply until September 2027, certified by TotalEnergies, which assures our energy supply is backed by relevant Renewable Energy Guarantee of Origin (“REGO”) certificates.

Sustainability continued

Building resilience for the future

Using the Task Force on Climate-related Financial Disclosures (“TCFD”) as a framework, Ceres reports against the climate-related risks and opportunities that face our business.

As a technology company at the forefront of the energy transition, the climate transition represents a strong business opportunity for Ceres; however, climate-related risks are inherently global and will affect businesses across their value chains and operations. Therefore, it is essential to evaluate climate risks thoroughly to ensure resilience to a changing environment. Ceres’ technology has an opportunity to have a global impact, but we must continue to align our operations and technology designs with our sustainability values.

Below is our climate-related financial disclosure, consistent with the TCFD’s recommendations and Recommended Disclosures pursuant to UK Listing Rule 6.6.6R(8). In completing this report, we have used the TCFD guidance material, including the TCFD technical supplement on the use of scenario analysis, the TCFD Guidance on Metrics, Targets, and Transition Plans, and the TCFD Guidance for All Sectors, to cover the four pillars of recommended climate-related financial disclosures. This is Ceres’ first time reporting against the financial impact of climate-related disclosures - representing full disclosure against all 11 pillars. Due to the high-growth, pre-profitability nature of the Company, we have ensured that our disclosure is credible and realistic, commensurate with the size of our business.



Governance	Strategy	Risk management	Metrics and targets
Recommended disclosures			
a) Board’s oversight	a) Identify climate-related risks and opportunities	a) Risk identification and assessment process	a) Climate-related metrics to assess climate-related risks and opportunities
b) Management’s role	b) Impact on the organisation’s businesses, strategy and financial planning	b) Risk management process	b) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks
	c) Resilience of the organisation’s strategy	c) Integration into the organisation’s overall risk management	c) Climate-related targets and performance against targets

● Compliant ● Partially compliant ● Non-compliant

1

Governance

Disclose Ceres' governance around climate-related risks and opportunities.

a. Describe the Board's oversight of climate-related risks and opportunities.

The Board is responsible for the Company's risk framework, which includes climate-related risks and opportunities. In 2023, Ceres formalised the review of ESG risks and actions by the establishment of an ESG Committee of the Board ("ESG Committee"). The ESG Committee oversees the development and execution of sustainability targets and key performance indicators ("KPIs"). The Committee is crucial in shaping and monitoring our sustainability vision and strategy to address future skills and operational and governance needs. Such considerations not only guide current decision-making processes, but also facilitate developments that are robust enough for an uncertain future and to enable a better one. It meets at least three times a year and otherwise as required. The Chair reports formally to the Board after each meeting on all matters within its duties and responsibilities. For more information on the duties and responsibilities of the ESG Committee of the Board, please see the ESG Committee Report on page 91. The Company's non-financial and sustainability information statement as required by Section 414CA and Section 414CB of the Companies Act 2006 can be found on page 95 of the Directors' report.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

The Company's Chief Financial Officer Stuart Paynter chairs an Operational ESG Committee, tasked with identifying, managing and executing against sustainability objectives. This Committee includes members from finance, legal, operations, people and sustainability functions ensuring a holistic approach to sustainability. Meeting at least quarterly, the Operational ESG Committee facilitates a regular review and alignment of ESG initiatives across the organisation. The CFO reports the Committee's progress to the ESG Committee after each meeting, ensuring transparency and accountability. ESG metrics are incorporated into KPIs for Executive remuneration, better reflecting our Company culture by aligning Executive interests with those of other stakeholders, and increasing ESG performance and ESG risk management. Though the responsibility falls to management, the operations function of the business, from procurement and the supply chain, to manufacturing and test, to health and safety and facilities, are all deeply involved in evaluating, monitoring and improving our sustainable behaviours and actions.

2

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's business, strategy and financial planning, where such information is material.

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

Given the challenging global backdrop, Ceres' strategy is designed to be resilient amidst uncertainty whilst fostering a more sustainable future. We integrate this strategy within our operations and product designs, aiming to support industry decarbonisation with sustainability-centric technology. The level of risk varies with factors such as the temperature increase and the time horizon. To manage and mitigate such climate-related risks, we have conducted a scenario analysis, evaluating the impact of climate-related risks and opportunities at three temperatures and three time horizons: 1.5°C, 2.0°C and 3.0°C temperature increases compared to pre-industrial times over the short term (until 2030), medium term (to 2040) and long term (to 2050). Ceres has identified six climate-related risks, four transition and two physical risks; and two climate-related opportunities, as outlined on page 32.

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Climate-related risks are inherently global, affecting businesses across their value chains and operations. Climate change can disrupt global markets, leading to the scarcity of critical skills, resources and materials, each of which could increase Ceres' operational costs and detrimentally affect our partners' supply chains and disrupt production. Following TCFD guidance on evaluating risks and opportunities, we have categorised the risks and opportunities and taken into consideration the impact across Ceres' operations in the UK, the production of our technology by our partners and the impact on Ceres' potential royalty revenue in the future, our supply chain and potential supply chains of our partners. Consideration of financial impact was quantified as direct impact on Ceres' business strategy and operations in 2030, for which we have a credible line of sight of expenses. Beyond that, as a high-growth company, we rely exclusively on the climate scenarios to evaluate impact. For more, see our scenario analysis on page 31.

Ceres embeds its technology with global partners who design and manufacture products and systems at scale for various applications. Operating from our UK base, Ceres focuses on innovation and R&D while transferring technology under licence. This approach presents both risks and opportunities, especially as a clean energy company. Our current disclosure reflects our business model and small asset footprint while considering the direct impact on Ceres' operations and through our manufacturing partners. The innovations and sustainability initiatives being implemented across our operations and technology development are significantly amplified when scaled up through our partners' production capacities, driving substantial reductions in overall emissions, maximising our positive impact on creating a cleaner world.

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Ceres has completed its third iteration of climate-related scenario analysis, available on page 31. We use independent climate scenarios, defined by the Network for Greening the Financial System ("NGFS"), to provide credible data to support environmental and climate risk management across industries. For a full description of our climate-related risks and opportunities and Ceres' resiliency to them, see our scenario analysis on page 31.

Sustainability continued

3

Risk management

Disclose how Ceres identifies, assesses and manages climate-related risks.

a. Describe the organisation's processes for identifying and assessing climate-related risks.

Climate change is a significant risk, prompting the Executive Committee to compile a cross-disciplinary ESG risk register within the corporate risk management procedure. This register encompasses various ESG issues, each evaluated over different time periods. Each risk is assigned a severity rating, probability of occurrence and potential impact on the business. Once risks are identified, proposed responses and post-mitigation severity analyses are conducted.

The ESG Committee regularly reviews the risk register, escalating significant risks to the Audit and Risk Committee for inclusion in the Board-level risk register. High-impact risks are presented to the Board and integrated into business, strategic and financial planning, following the same escalation procedure for high-impact short-term climate-related risks identified through scenario analysis - also referred to as our climate-related risk radar. Additionally, the ESG Committee conducts a materiality analysis every two years to identify and prioritise key ESG issues through stakeholder engagement.

b. Describe the organisation's processes for managing climate-related risks.

Existing and emerging regulatory requirements related to climate change are considered in both our response as a business but also with regard to opportunities for the business. For example, changing legislation on air quality and emissions is driving the move towards the adoption of greener technology solutions.

Climate adaptation risks are also considered at a site level. In 2025, we used Integrated Management Systems ("IMS") to cover the business' main sites, our Technology Innovation Centre in Horsham and Manufacturing Innovation Centre in Redhill, and hosted ISO 9001 and ISO 14001 management systems. We continue to monitor our energy utilisation and areas of improvement with specific annual initiations in alignment with the UK Energy Savings Opportunity Scheme ("ESOS"). We have also sought to collaborate with the licence partners and understand their mitigation and adaptation plans for their key manufacturing sites for our technology.

With regard to the supply chain, sustainability risks, including natural and climate-related hazards, are embedded into supplier risk assessments. This process enables the definition of risk mitigation action plans with suppliers, as well as prioritising multi-sourcing strategies. The Company continually monitors events and critical supplier locations to shorten reaction time and minimise business impact to both us, our suppliers and our partners.

c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

On top of the climate-related risks Ceres may face as a business, we are also conscious of the impact of climate-related risks on our partners. As a licensing business, once our partners reach commercial scale, climate-related risks may influence our partner's productivity, thereby resulting in a financial impact on Ceres due to disruption in royalties. Assessment of these risks is encompassed in our scenario analysis as part of our climate-related risk radar, available on page 31. High-impact short-term risks are escalated to the Audit and Risk Committee for review. Risks are assessed as either a new principal risk, falling within a current principal risk or requiring ongoing monitoring. Actions are taken as needed in accordance with our corporate governance procedures.

4

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes.

Metrics to assess climate-related risks and opportunities include climate risk and environmental profiling data, including life cycle analysis, energy use and carbon emissions intensity. ESG metrics are incorporated into KPIs for Executive remuneration, better reflecting our Company culture by aligning Executive interests with those of other stakeholders, and increasing ESG performance and enhancing ESG risk management. Though the responsibility falls with management, the operations function of the business, from procurement and the supply chain, to manufacturing and test, to health and safety and facilities, are all deeply involved in evaluating, monitoring and improving our sustainable behaviours and actions.

As part of our continuous efforts to enhance energy efficiency, Ceres continues to make progress against its targets with the Energy Savings Opportunity Scheme ("ESOS"), in compliance with our energy management. This aims to identify areas of improvement through enhanced monitoring and review solutions.

Ceres recognises the importance of water conservation in the light of the growing global water strain. Our technology, which generates green hydrogen from green electricity, involves the hydrolysis of water into hydrogen and oxygen. Despite our modest water consumption of 5,330m³ last year, as our partners expand to multi-gigawatt capacities globally by 2030, this will lead to significant water utilisation. Therefore, it is imperative to understand the impact of our technology on water use. To address this, we have included an evaluation of the water impacts of our electrolyser technology at scale in our sustainability roadmap as a future action.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.

Each year, Ceres discloses our greenhouse gas ("GHG") emissions for Scope 1, 2 and limited Scope 3 SECR emissions reporting. A full disclosure of Scope 3 emissions for 2024 is available in our sustainability report and our full Scope 3 emissions for 2025 will be published later this year on our website. By onboarding the emissions management system Sweep, Ceres is standardising our emissions reporting to allow for more rapid data collection to further mitigate emissions and their associated risks.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

In 2025 Ceres committed to near-term targets approved by SBTi to reduce our absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 base year. Ceres Power Limited also commits to reduce Scope 3 GHG emissions by 53% per million GBP gross profit by 2030 from a 2022 base year. We continue to review our progress and assess the investment and actions required to meet these targets. This has provided greater depth of understanding of the emissions of Ceres' operations and our supply chain, the latter representing 97% of our total emissions.

As a pre-profitability company, we have developed initiatives and plans that balance affordability with impact.

Since our supply chain constitutes a large proportion of our emissions, supply chain engagement and sustainable procurement will play a key role in meeting these targets. We are also onboarding a life cycle analysis tool in-house to provide ongoing insight into where emissions reductions can be achieved.

Scenario analysis

Ceres has evaluated the climate-related risks and opportunities affecting our operations. Through scenario analysis, we quantify potential risks and uncertainties under various plausible climate futures. Following TCFD guidelines, our risks and opportunities are categorised into transition or physical risks and assessed across three scenarios: Net Zero 2050, Delayed Transition and Current Policies, covering the short (to 2030), medium (to 2040) and long (to 2050) term. These scenarios, defined by NGFS, provide credible data to support environmental and climate risk management across industries.

Each scenario includes assumptions about policy responses, technology adoption and physical climate impacts, such as investment in hydrogen projects or the frequency and intensity of heatwaves. These assumptions help determine the impact on Ceres. The three temperature scenarios in our analysis are:

1. Net Zero 2050: Limits global warming to 1.5°C through stringent climate policies and innovation, achieving global net zero CO₂ emissions around 2050.
2. Delayed Transition: Assumes annual emissions do not decrease until 2030, with strong policies required to limit warming to below 2°C, peaking at a 1.8°C increase by the end of the century.
3. Current Policies: Maintains only currently implemented policies, resulting in high physical risks and a final estimated temperature increase of 2.9°C by the end of the century.

According to TCFD guidelines, it is crucial to quantify the financial impact of climate-related risks and opportunities on a company's financial performance through revenue and costs, or financial position through assets and liabilities. With this analysis, Ceres achieves full compliance with TCFD guidelines.

Quantifying the financial impact of climate-related risks is challenging for Ceres due to our high growth and lack of stable historical data. Therefore, we focus our financial analysis on climate-related risks in the short term until 2030, where we have reasonable visibility through financial planning. Beyond 2030, we rely on climate scenarios to guide potential risk impacts but cannot credibly quantify their financial impact. Together, this constitutes our climate-related risk radar.



For the 2030 financial analysis, we assessed the potential impact of climate-related risks on Ceres. This includes analysing the climate-related risks to Ceres' operations as well as those of our partners. If our partners or their suppliers experience climate-related disruptions in manufacturing, it could reduce revenues from sales of products embedded within our technology, thereby affecting royalty revenue to Ceres. Our analysis identified one high financial impact risk for Ceres through to 2030: technology adoption risks related to Ceres' technology, aligning with one of our Company's principal risks. No other significant financial impacts from climate-related risks were identified for 2030.

Our climate-related risk analysis aligns with our corporate risk analysis. High-impact short-term risks are escalated to the Audit and Risk Committee for review. Risks are categorised as new principal risks, within current principal risks, or requiring ongoing monitoring. Actions are taken as needed according to our corporate governance procedures.

Ceres embeds our technology with global partners who design and manufacture products and systems at scale for various applications. Operating from our UK base, Ceres focuses on innovation and R&D, transferring technology under licence. This positioning presents both risks and opportunities, especially as a clean energy company. Our current disclosure reflects our business model and small asset footprint while considering the direct impact on Ceres through our manufacturing partners. Although we cannot complete a detailed financial analysis over the medium and long term, as an asset-light growth company, Ceres has a flexible cost base and minimal assets that could be adversely affected by climate-related risks. We work with our partners to understand their business continuity planning in the context of their partnership with Ceres, as well as that of our suppliers and our partners' suppliers.

Scaling technology has an environmental cost, but any increase in our footprint will be significantly outweighed by the positive impact our technology will have on global decarbonisation efforts.

Sustainability continued

Ceres' resilience under different, potential future climates

Risk		Impact on Ceres' business	Scenario	Short (to 2030)	Medium (to 2040)	Long (to 2050)	Ceres' actions and opportunities	
Transition	Policy and legal risk	Increasing regulation, legislation and carbon pricing on GHG emissions.	Greater costs associated with emissions reduction, monitoring and reporting.	1	●	●	●	Ceres pursues carbon abatement through a SBTi-guided carbon-reduction pathway, including the cost of carbon in forward financial planning. We set a clear strategy to reduce the carbon footprint of our business, assessing and engaging with our supply chain to reduce the carbon intensity of our Scope 3 emissions. Ceres continues to evaluate the global climate regulation and emissions policy landscape.
				2	●	●	●	
				3	●	●	●	
	Policy and legal opportunity	Policy incentives and capital allocation for scaling of clean energy technologies.	Increased funding from public sector and investors to accelerate scaling up of fuel cell and hydrogen technologies.	1	High	High	High	Governments around the world continue to mobilise funds to support the energy transition, such as Japan's commitment to mobilise 15 trillion yen in the next 15 years. Ceres sees increased opportunity in countries as they transition away from coal to natural gas, supported by Ceres' SOFC technology. Ceres will continue to evaluate funding opportunities and explore partnership to progress our SOEC programme.
				2	Mod	High	High	
				3	Low	Mod	Mod	
	Market risk	Global economic, political and physical disruption increases the cost and availability of resources.	Higher operating costs due to increased price and reduced availability of critical skills, resources and materials.	1	●	●	●	We will engage with our supply chain on climate-related and sustainability risks. We will build a robust procurement strategy to ensure multiple sources of key materials and monitor changes in global sustainability regulations influencing resource availability and cost. Ceres will integrate the implication of climate change into the development of assets and partners while building our skills pipeline for a green energy future. Ceres will continue to build a safe, supportive and enjoyable work environment to attract and retain talent.
				2	●	●	●	
				3	●	●	●	
	Reputation risk	Evolving stakeholder perceptions and expectations around climate footprint and business performance.	Lack of transparency and adherence could limit commercial opportunities and threaten access to capital.	1	●	●	●	Ceres will continue to exhibit strong governance and transparent disclosure of ESG performance. Ceres will integrate circular economy principles into design of technology. We will maintain a strong and sustainable shareholder base through our Investor Relations programme.
				2	●	●	●	
				3	●	●	●	
Technology risk	Uncertainty in market signals due to reliance on incumbent technologies and perceived cost to transition to lower-emission alternatives.	Slower than expected uptake of new technologies due to deprioritisation of decarbonisation, resulting in reduced production and royalties, or limited opportunity for growth due to increased risk aversion supporting competitive electrolyser technologies (e.g. alkaline).	1	●	●	●	Ceres will stay at the leading edge of innovation, with a focus on cost, life and durability, building a flexible technology that meets emissions standards for multiple applications and geographies. Ceres will engage with government to understand expectations and directives surrounding net zero commitments and funding while horizon scanning for future technologies beyond solid oxide.	
			2	●	●	●		
			3	●	●	●		
Technology opportunity	Technology revolution to support the energy transition, requiring huge amounts of renewable energy and green hydrogen.	Prosecute our licensing model to deliver clean energy technology that bridges molecules and electrons.	1	High	High	High	Natural gas remains a key transition fuel in geographies where coal is still heavily used. Power constraints globally are a prime opportunity to support power generation with a cleaner technology. Green hydrogen is predicted to increase significantly by 2040 in sectors which are highly compatible with Ceres' SOEC technology: ammonia, steel and sustainable aviation fuel ¹ . We work across the value chain to stimulate interest and adoption of our technologies to take advantage of this market opportunity.	
			2	Mod	High	High		
			3	Mod	Mod	Mod		
Physical	Acute risk	Increasing frequency of severe climate events.	Impacts on Ceres' production plant, our partners' plants or their suppliers, thus resulting in lost royalties.	1	●	●	●	Ceres will continue to rely on our strong business continuity planning. We will minimise risk through diversification of licence partners and diversification of applications and geographies.
				2	●	●	●	
				3	●	●	●	
	Chronic risk	Increasing temperatures affecting working conditions.	Increased costs of operations to maintain favourable conditions for production. Capital costs associated with retrofitting assets to provide sufficient temperature control.	1	●	●	●	Ceres will integrate the implication of climate change into the development of environmental resilience planning of asset and manufacturing sites in collaboration with partners. We will support the development of strong and localised supply chains for our operations and our partners' operations.
				2	●	●	●	
				3	●	●	●	

Legend for the climate-related risks table:

- Low financial risk
- Moderate financial risk
- High financial risk

Financial impact:

Ceres has analysed the financial risks for near term to 2030, for which we have reasonable line of sight as a growth company. For medium and long term, we continue to rely on climate scenarios to assess potential impact on Ceres.

Scenario 1: Net Zero 2050 is an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation.

Scenario 2: Delayed Transition scenario assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming below 2°C.

Scenario 3: Current Policies assumes that only currently implemented policies are preserved, leading to high physical risks from a temperature increase of 2.9°C.

1. BNEF. New Energy Outlook 2025. April 2025.

Section 172(1) statement

Section 172(1) statement

Throughout the past year, the Board of Directors has continued to promote the long-term success of the Company while also having due regard to the matters set out in Section 172(1) of the UK Companies Act 2006.

Directors have had regard to those specific factors listed in the table to the right, as well as others that are relevant to the decisions being made. The Board acknowledges that not every decision may result in a positive outcome for all stakeholders. By considering our purpose, values and strategic priorities, the Board aims to ensure that decisions are consistent and intended to promote the Company's long-term success.

The Company continued engaging with key stakeholders throughout the year to deepen its understanding of the issues and factors that are significant to them. Our key stakeholders are listed in the Stakeholder engagement section of the strategic report (see pages 34 to 35). Here we identify the relevance of each stakeholder to our business model and describe areas of focus, how the Company engages with them, Board oversight and the outcomes of engagement. Details of how the Directors discharged their Section 172(1) duties when making principal decisions during 2025 are set out on page 34 of the corporate governance report.

S172(1) summary

S172(1) Factor	Relevant disclosure
a. Likely consequences of any decisions in the long term	<ul style="list-style-type: none"> • Chair's statement (page 6) • Chief Executive's statement (page 8) • Chief Financial Officer's statement (page 36) • Emissions and energy reporting (page 27) • Stakeholder engagement (page 34 to 35) • Board decisions and outcomes (page 56 to 57)
b. Interests of the Company's employees	<ul style="list-style-type: none"> • Diversity and inclusion (page 25) • Health safety (page 25) • Employee engagement (page 35) • Culture and values (page 59)
c. Need to foster the Company's business relationships with suppliers, customers and others	<ul style="list-style-type: none"> • Stakeholder engagement (page 34 to 35) • Modern Slavery Statement (website)
d. Impact of the Company's operations on the community and environment	<ul style="list-style-type: none"> • Sustainability overview (page 25) • Emissions and energy reporting (page 27) • Building resilience for the future (page 28)
e. Desirability of the Company maintaining a reputation for high standards of business conduct	<ul style="list-style-type: none"> • Business model (page 13) • Corporate governance report (page 54) • Audit and Risk Committee report (page 62) • Code of Conduct and Business Ethics (website)
f. Need to act fairly between the members of the Company	<ul style="list-style-type: none"> • Principal rights and obligations attaching to shares (page 94) • Annual General Meeting (page 49)

Stakeholder engagement

Considering the interests of our stakeholders is fundamental to the way we operate. Our values and Code of Conduct empower employees to make the best decisions in the interests of the Group and our stakeholders, helping to ensure these considerations are made not only at Board level, but also throughout our organisation.

How our Board understands the interests of our stakeholders

The Board appreciates that effective stakeholder management is crucial in ensuring the success of the business.

The Board receives regular reports from management, which include the interests and concerns of key stakeholder groups, and, where appropriate, the Board engages directly with stakeholder representatives.

The Board continues to review its engagement processes to ensure they best understand how the Company's interests align with those of its stakeholders.

How our Board considers stakeholders' interests in decision making

The Directors act in good faith to promote the success of the Company for the benefit of shareholders, while also considering the impact of their decisions on wider stakeholders and other factors relevant to the decisions being made. As part of the Board's governance process, stakeholder issues are discussed at each meeting. When decisions are made that affect the Company's stakeholders, the Board carefully considers the interests of each stakeholder group concerned.

For examples of how stakeholders' interests have been considered during the year, see the Board decision making and outcomes on page 56 to 57.

Stakeholder



Shareholders

Relevance to business model

Capital raised from our equity investors underpins the execution of our business model.

Areas of focus

- Progress against strategy
- Financial performance
- Long-term prospects
- ESG credentials and performance

How we engage

- Dedicated Investor Relations function
- Investor roadshows and conferences
- Results presentations
- Share registrars

Board engagement and oversight

- CEO and CFO investor meetings and presentations
- Chair attendance at investor meetings
- Committee Chair outreach to investors on items with their remit
- AGM

Outcomes of shareholders

- Presenting a compelling investment case
- Attracting sustainable and green investment
- Understanding the interests of our investor base



Partners and suppliers

Relevance to business model

Our commercial licence partners are central to our business model. Our suppliers provide high-quality materials and expertise.

Areas of focus

- Technology development
- Scalable, efficient and reliable solutions
- Product delivery support
- Transparent charging and payment structures

How we engage

- Dedicated commercial development and liaison teams
- Technical programmes
- Procurement specialists
- Supply chain verification tools

Board engagement and oversight

- Engagement via representative Directors
- Significant contracts
- Modern Slavery Statement
- Payment practices

Outcomes of partners and suppliers

- Developing a robust commercial pipeline
- Understanding partner objectives and end-user needs
- Ensuring ethical standards in supply chains

Stakeholder



Employees

Relevance to business model

Our employees provide the expertise required to develop our technology to meet the commercial needs of our partners.

Areas of focus

- Culture and values
- Pay and benefits
- Diversity and inclusion
- Professional development

How we engage

- Monthly “All hands” meetings
- All employee events
- Employee pulse surveys and feedback
- Employee forum “Connect”
- Continuous training and development programmes
- Apprenticeship programmes

Board engagement and oversight

- Employee Engagement Director
- ESG Committee participation
- Director and employee lunches
- Oversight of cultural feedback mechanisms

Outcomes of employees

- Embedding Ceres’ culture
- Talent attraction/retention/development



Industry

Relevance to business model

The industries that comprise the end users of and provide the demand for the products produced using our technologies.

Areas of focus

- Technological advancements
- Industry energy needs

How we engage

- Participation in industry conferences
- Publication of white papers
- Thought leadership
- Collaborations with academic and research institutes

Board engagement and oversight

- Thought leadership by Board subject matter experts
- Participation in Company and industry events
- Regular reports from management

Outcomes of industry

- Deep Board-level knowledge of industry developments
- Enhanced evaluation of risks and opportunities



Government, legislators and regulators

Relevance to business model

The governments, legislators and regulators driving the global agenda and demand for cleaner energy sources.

Areas of focus

- Climate change
- Technology for cleaner energy
- Compliance with legislation and regulation

How we engage

- Forums, meetings and conferences
- Panel discussions

Board engagement and oversight

- Board representation of Ceres at events
- Regular updates from management
- Subject matter experts on the Board



Wider society

Relevance to business model

The people and communities which will ultimately benefit from the use of our technologies.

Areas of focus

- Facilitating clean energy production

Outcomes of government, legislators and regulators and wider society

- Driving the clean energy agenda
- Contributing to global innovation
- Applying Ceres’ technology to benefit wider society

Chief Financial Officer's statement

Operating momentum to drive growth

“

2025 was a year of meaningful progress. As partners scale up, we are now fully aligned for commercial delivery to create sustainable value.”

Stuart Paynter
Chief Financial Officer



£32.6m

Revenue
(2024: £51.9m)

£(32.5)m

Adjusted EBITDA loss (page 39)
(2024: £(22.3)m)

70%

Gross margin
(2024: 77%)

£(19.2)m

Cash outflow (change in cash and short-term investments)
(2024: £(37.5)m)

£48.6m

Research and development costs
(2024: £48.5m)

£83.3m

Cash and short-term investments
(2024: £102.5m)

Introduction

2025 has been a pivotal year for Ceres, marking our transition from a primarily R&D first organisation to a business firmly focusing on its commercial phase. Building on the record performance achieved in 2024, we have advanced each of our key partnerships towards factory completion and the start of mass manufacturing of Ceres' solid oxide cells. Importantly, we recognised our first royalty income as Doosan commenced production and sales of Ceres fuel cells, and we deepened our longstanding relationship with Weichai through a new manufacturing licence agreement signed in November.

As we move into this next stage of growth, we are maintaining a disciplined approach to cost management. Across the business, we continued to focus on operating efficiency, prioritising investment in areas that drive commercial scaling while taking a rigorous approach to controlling overheads and optimising our cost base.

Consolidated statement of profit and loss

for the year ended 31 December 2025

	2025 £'000	2024 £'000
Revenue	32,643	51,891
Cost of sales	(9,939)	(11,727)
Gross profit	22,704	40,164
Gross margin	70%	77%
Other operating income	3,168	2,846
Operating costs	(70,073)	(74,327)
Exceptional operating costs	(3,420)	—
Operating loss	(47,621)	(31,317)
Impairment of investment in associate	(2,158)	—
Finance income	4,060	5,807
Finance expense	(587)	(362)
Loss before taxation	(46,306)	(25,872)
Taxation charge	(1,240)	(2,433)
Loss for the financial year	(47,546)	(28,305)

Chief Financial Officer's statement continued



Reporting on the results

Revenue

Revenue for 2025 was £32.6 million, compared with £51.9 million in the prior year. The reduction primarily reflects the timing of revenues recognised in 2024, when up-front technology transfer activities were completed for our new manufacturing licence partners, Delta and DENSO. Our revenue comprises technology transfers, development licences, engineering services, the provision of technology hardware and, for the first time, royalties as Doosan begun commercial production. Licence revenues from the manufacturing licence agreement signed with Weichai in November 2025 will begin to be recognised in the first half of 2026.

Gross margin

Gross profit of £22.7 million in the year fell by 43% from £40.2 million in 2024, as a result of high-margin technology transfers conducted with Delta and DENSO in 2024. Despite the lower revenue base, our gross margin remained strong at 70% (2024: 77%), illustrating the resilience of our licensing-led business model and the continued benefits of disciplined cost management.

Other operating income

Other operating income was 11% higher than last year at £3.2 million (2024: £2.8 million), which reflects the level of RDEC (R&D expenditure credits) claimed in the year. As Ceres has now passed the peak of its technology development investment cycle, we expect this to gradually reduce as our focus shifts towards the execution and delivery of commercial programmes.

Operating costs (non-exceptional)

Operating costs reduced to £70.1 million (2024: £74.3 million) as we focused strategic investment on our core Ceres Endura™ product platform to support future commercial growth. This was delivered alongside disciplined financial management, including a restructuring programme implemented in the second half of the year. Following this restructure, the average number of employees decreased to 462 (2024: 546), with the Group ending the year at 353 employees.

Exceptional operating costs

Exceptional operating costs relate to a settlement paid to a supplier for a contractual dispute (£1.4 million) and an obligation arising from the termination of a supplier contract (£2.0 million). Further details are in Note 29 to the accounts.

Finance income and expense

Finance income decreased to £4.1 million (2024: £5.8 million), which reflects continued strong interest rates on our bank deposits and short-term investments in money market funds with a lower average cash position. We maintain a stringent Treasury Policy to balance appropriate market returns with the security of funds including only high investment grade, and diversification of, financial institutions. Finance expense increased to £0.6 million (2024: £0.4 million) driven by the unwinding of a finance component of a customer contract, £0.3 million.

Taxation charge

Taxation charge decreased to £1.2 million (2024: £2.4 million) and reflects payment of withholding taxes from overseas earnings. The decrease can be attributed to the up front licence fees recognised in the prior year from the new manufacturing licence partners acquired in 2024.

Loss for the financial year

The Group posted a loss of £47.5 million (2024: £28.3 million) for the period, which reflects the decrease in revenue and gross margin compared to 2024.

Adjusted EBITDA

Adjusted EBITDA loss for 2025 increased to £32.5 million (2024: £22.3 million). Adjusted EBITDA is a non-statutory measure and is detailed in the Alternative Performance Measures section in this review. The increased loss is primarily due to the decreased revenue explained above.

Reconciliation between operating loss and Adjusted EBITDA

Management believes that presenting Adjusted EBITDA loss allows for a more direct comparison of the Group's performance against its peers and provides a better understanding of the underlying trading performance of the Group by excluding non-recurring, irregular and one-off costs. The Group currently defines Adjusted EBITDA loss as the operating loss for the year excluding depreciation and amortisation charges, share-based payment charges, exceptional costs outside the regular course of business, unrealised losses on forward contracts and exchange gains/losses.

Unaudited	2025 £'000	2024 £'000
Operating loss	(47,621)	(31,317)
Depreciation and amortisation	10,417	8,029
Share-based payment charges	1,260	964
Exchange (losses)/gains	(88)	136
Exceptional operating costs	3,420	—
Losses/(gains) on forward contracts	90	(99)
Adjusted EBITDA	(32,522)	(22,287)

Key cash flow financial measures

	2025 £'000	2024 £'000
Total capital investments (capital expenditure and capitalised development)	1,863	6,743
Working capital decrease/(increase)	17,350	(15,711)
Change in cash, cash equivalents and investments	(19,193)	(37,491)
Cash, cash equivalents and short-term investments	83,272	102,465

Total capital investments

Total capital investments comprises capital expenditure (plant, property and equipment) and capitalised development (intangible assets). In 2025, total capital investments declined to £1.9 million (2024: £6.7 million), representing completion in intangible investment culminating in the launch of our Ceres Endura™ platform.

Working capital movements

During 2025 working capital decreased by £17.4 million (2024: increase of £15.7 million), due to significant partner invoice receipts in January 2025, recognised as receivables in 2024. Our continued focus on aligning pilot plant production with partner demand ensured that inventory levels remained stable.

Cash outflow

Cash outflow (change in cash, cash equivalents and short-term investments) was £19.2 million (2024: £37.5 million). This significant reduction was supported by substantial partner receipts early in the year and reflects our continued discipline in managing expenditure. As we progress through the commercialisation phase, maintaining tight control of cash remains a core priority, ensuring we allocate resources effectively while preserving balance sheet strength.

Cash, cash equivalents and short-term investments

The Group ends the financial year in a strong position with £83.3 million in cash, cash equivalents and short-term investments (2024: £102.5 million) to support future investment as we drive revenue growth, manage costs and expenditure in a disciplined way, and track towards profit and cash flow break-even.

Events after the balance sheet date

After the year end, Ceres agreed and paid a settlement of £2.0 million with a third party in connection with the early termination of a contract.

Outlook

We enter 2026 with strong operational momentum and a clear line of sight to the next phase of Ceres' commercial growth. Our partners continue to make meaningful progress towards the start of mass production, with factory readiness advancing across our global network.

In parallel, 2025 marked an important milestone as we recognised our first royalties from Doosan's commercial launch. This represents the beginning of a scalable, high-margin revenue stream that will grow as additional partners commence production. Maintaining this momentum is a key focus for the year ahead.

The launch of our Ceres Endura™ platform further strengthens our product offering and expands the opportunity for both existing and future partners. With a robust technology roadmap, a disciplined operating model and a portfolio of partners approaching commercial scale, Ceres is well positioned to capture long-term value from the global transition to efficient, low-carbon power and green hydrogen solutions.

Stuart Paynter
Chief Financial Officer
25 March 2026

Principal risks and uncertainties

Understanding and mitigating our risks

Risk management

The Group's Risk Management and Internal Control Framework provides a structured, consistent approach to identifying, assessing and managing risk.

The Board sets the Group's risk appetite, oversees the framework, and is supported by the Audit and Risk Committee, which reviews risk reporting, the internal control environment and assurance from internal audit. The Group's framework provides reasonable, but not absolute, assurance that risks are identified, managed and mitigated to an acceptable level.

The financial year to 31 December 2025 operated under the Group's previous risk and control framework. During the year, the Group implemented an enhanced framework in preparation for Provision 29 of the UK Corporate Governance Code 2024 which becomes effective from 1 January 2026. This Annual Report reflects the disclosure requirements under the UK Corporate Governance Code 2024 in effect for FY2025.

Our risk management approach

Our approach is built on the three lines model, ensuring clarity of roles and responsibilities.

First line: Departments

Departments identify and assess risks within their remit, maintain departmental risk registers, operate and evidence controls, and report incidents or control failures. Each quarter, departmental risk owners rescore risks and attest to control effectiveness.

Second line: Risk Oversight Group

The Risk Oversight Group provides oversight of all risk and control registers, reviews departmental outputs, ensures consistency of scoring and classification, evaluates emerging risks, and oversees incident investigations. During FY2025 the Group identified and documented material controls as part of preparations for future Board reporting under Provision 29.

Third line: Internal audit

Internal audit, delivered independently through Grant Thornton, provides assurance over the design and effectiveness of material controls, reviews the broader control environment and conducts internal audits. Findings and recommendations are reported directly to the Audit and Risk Committee.

Risk assessment and monitoring

Risks are assessed at both departmental and Group levels. Departmental risks are evaluated for gross and residual likelihood and impact, and are linked to the controls and principal risks that relate to them. Risks that could have a material effect on the Group's long-term viability are reported as principal risks.

Each quarter, the Executive reviews the consolidated risk profile, considers emerging risks, evaluates significant incidents and assesses any implications for principal risks or the effectiveness of material controls.

The Audit and Risk Committee reviews changes in existing and emerging principal risks, considers the effectiveness of the internal control environment and material controls, and ensures that incidents are investigated and addressed appropriately.

Principal risks and any material changes are reported to the Board, ensuring that risk considerations remain integral to strategic planning, operational decision making and governance across the Group.

As part of the annual cycle, the Group reviews principal risk descriptions, updates associated mitigation activities and confirms the Board's risk appetite.

Risk culture

The Group is committed to maintaining a culture that promotes open discussion of risk, clear accountability and early escalation of issues. Managers are responsible for understanding and owning the risks within their teams, operating and evidencing controls, and ensuring that all colleagues understand their responsibilities. Training, regular communication and leadership behaviours reinforce a culture in which the effective management of risk is integral to decision making and operational activity.

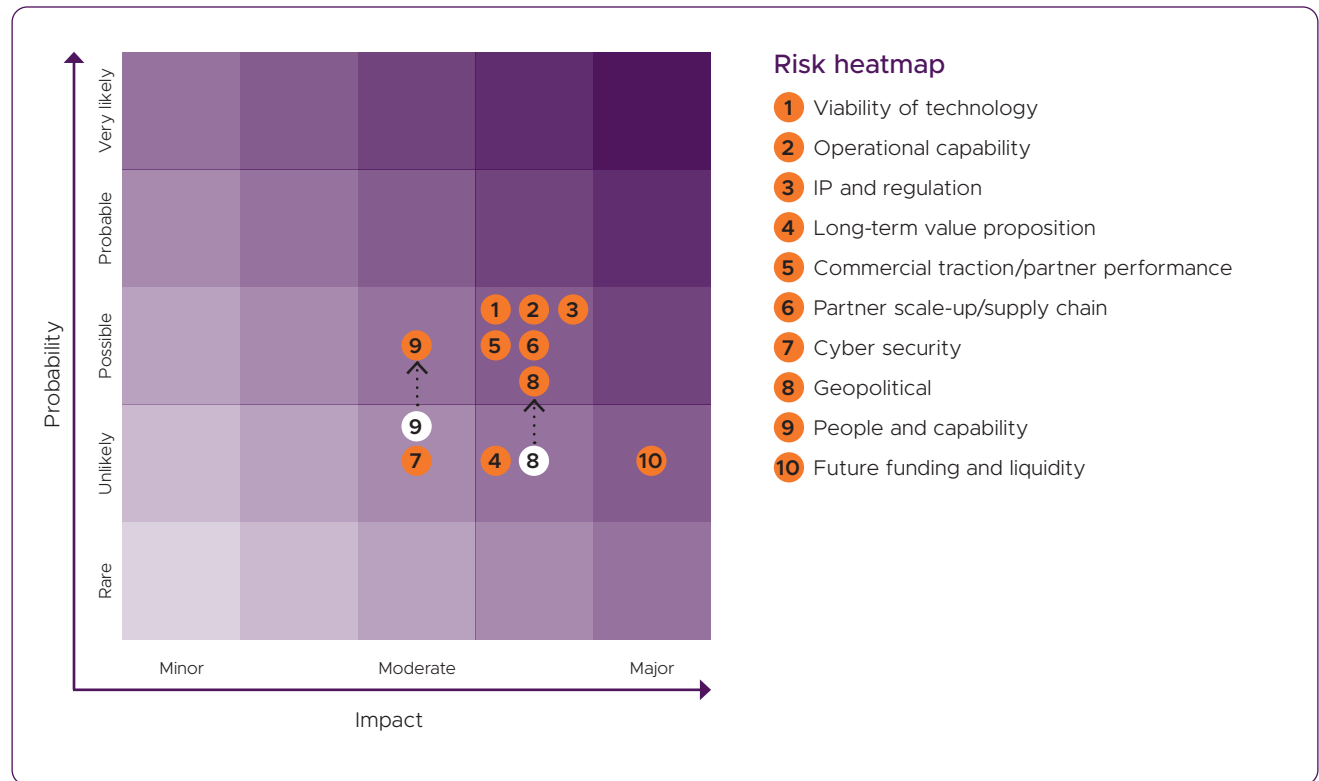
Principal risks and uncertainty matrix

Principal risks and mitigation actions are set out in the table on pages 42 to 44.

Based on the risk management process described above, these are the principal risks the Board believe have the greatest potential to impact the Group's future viability. This summary is not intended to include all risks that could ultimately impact our business and delivery of strategic objectives, and the risks are presented in no particular order.

Beyond these, our business has other operational risks that we manage as part of our daily operations, such as health and safety, environmental, financial, commercial, legal, and regulatory.

To facilitate meaningful comparison of the relative importance of the principal risks and uncertainties at a Group level, these have been mapped onto a probability and impact matrix shown on the right.



Principal risks and uncertainties continued

Trend directions



Links to strategy




- 1 Sign new manufacturing licensees
- 2 Accelerate partners to market
- 3 Single stack technology platform













Principal risk	There is a risk that...	Actions taken by management / mitigations	Change	Link to strategy
1 Viability of technology	We will not be able to develop and apply the Group's technology successfully to potential products at the right cost point or performance, in the time frame anticipated.	Management is working to achieve agreed performance levels and cost points under ongoing programmes, with full resources and facilities deployed to meet the release of the dual-purpose stack platform in H1 2026. Investment into upgraded test infrastructure continued in the year with increased capacity and capability.		1 2 3
2 Operational capability	The Company may be unable to satisfy current customer contracts and demand, with an increasingly complex partner structure. This may be due to lack of organisational growth management, testing capacity, and short-term manufacturing or technical issues.	During the year operational resources were realigned to match the needs of customer delivery and product releases. Ongoing transformation work will occur through 2026 to ensure the business is well placed to deliver.		2
3 IP & regulation	The Company's competitive advantage could be at risk from: successful challenges to its patents; unauthorised parties using the Group's technology in their own products; Ceres not harvesting IP from partners; and others infringing existing Ceres intellectual property rights (IPRs). Also, a risk that the Group will unwittingly infringe valid IPRs of others, which could limit full commercialisation of the technology.	We have internal procedures, controls and tools in place to capture, manage and exploit all intellectual property (IP) as well as to protect, limit and control disclosure to third parties and partners. Contractual provisions with partners and IP insurance provide additional protection to the Group for agreement, pursuit and defence of IP. We perform freedom-to-operate searches to minimise this risk.		1 2 3
4 Long-term value proposition	The value proposition of our technology may become eroded or irrelevant, impacting on the Group's future profitability and growth opportunities. We may not be successful in our research and development efforts and may not be able to create new intellectual property.	We address different geographical markets, which we believe will decarbonise at different rates, and we are broadening the applications available, mitigating failure in a single market or product. We monitor competitor activity and market developments to identify partner and end-user future requirements. We have resources for pursuing disruptive innovation and continue to develop our university network.		1 2

Trend directions

 Increasing
  Decreasing
  Unchanged

Links to strategy

 Sign new manufacturing licensees
  Accelerate partners to market
  Single stack technology platform

Principal risk	There is a risk that...	Actions taken by management / mitigations	Change	Link to strategy
<p>5</p> <p>Commercial traction / partner performance</p>	<p>Our partners may choose not to use our technology in their products or go to market slower than anticipated. We may not be able to continually attract new partners. We may be unable to finalise a strategic partnership to access China markets.</p> <p>We may be unable to establish SOEC as a credible technology, in part due to the competition risk.</p>	<p>We continue to invest in our technology to ensure it remains best in class.</p> <p>Doosan factory starts production to drive Ceres royalties for the first time and we continue to work closely with our other licensees to ensure that their factory launch dates are met.</p> <p>Continued commercial progress with new manufacturing licence signed with Weichai.</p> <p>Megawatt-scale demonstration electrolyser starts producing green hydrogen at Shell's Technology Centre in Bangalore, India</p>		  
<p>6</p> <p>Partner scale-up / supply chain</p>	<p>We may not be able to meet the timeframes agreed with the partners for the market launch of the Company's technology, for example due to supply chain issues or, stack product maturity not keeping up with commercialisation, or technology not meeting requirements.</p>	<p>We continue to work in close collaboration with partners in their trials and early market launches to support with their scale-up plans with mature stack design releases. Our supply chain is periodically reviewed for at-risk supply based on either sensitive location or single source and alternative or additional suppliers are then sought and put in place.</p> <p>We remain vigilant of ESG risks within our operations and supply chain. Partners are realising efficiencies available from localising a larger proportion of the bill of materials, further diversifying the supplier pool.</p>		
<p>7</p> <p>Cyber security</p>	<p>A cyber-attack or breach of system security could disrupt our operations, cause the loss of, destruction of, or unauthorised access to sensitive IP and trade secrets.</p>	<p>The Company adopts a proactive, multi-layered strategy to manage and mitigate cyber security risks, safeguarding its systems and data to support business continuity and protect stakeholder interests.</p> <p>This includes ongoing investment in the information security framework, covering areas such as continuous monitoring, employee training, data encryption, regular back-ups, incident response planning, infrastructure enhancements, and periodic progress audits.</p>		  
<p>8</p> <p>Geopolitical</p>	<p>The Company or our partners may be unable to conduct business in certain geographies, or supply chains become disrupted due to warfare or sanctions.</p> <p>The Company may come under cyber-attack from nation-state actors, potentially compromising our IP portfolio and trade secrets.</p>	<p>Ceres has a global commercial strategy that considers opportunities and looks to mitigate risks. Risks include increased tensions in partner territories in Asia, with potential future conflicts which may disrupt their ability to conduct business.</p> <p>The Board considers the potential of realising this risk has increased, due to heightened uncertainty in energy markets arising from conflict in the middle east.</p>		 









Principal risks and uncertainties continued

Trend directions

 Increasing
  Decreasing
  Unchanged

Links to strategy

 Sign new manufacturing licensees
  Accelerate partners to market
  Single stack technology platform

Principal risk	There is a risk that...	Actions taken by management / mitigations	Change	Link to strategy
9 People and capability	A loss of key personnel or inability to attract required skillsets could negatively impact our ability to innovate and maintain a competitive advantage.	<p>Our organisational structure and skills mix are kept under regular review to ensure the Group maintains the capabilities required across all areas. Succession planning is in place, and ongoing knowledge capture and IP harvesting help reduce dependency on any single individual. An employee share scheme with high participation supports retention, and for key personnel a long-term incentive plan is in place. Broader reward structures are reviewed periodically to ensure competitiveness with the external market.</p> <p>While the post-restructure capability is considered sufficient, the level of risk has increased due to the potential for higher attrition, reduced engagement and reduced bench strength in certain specialist roles following the restructuring exercise.</p>		  
10 Funding and liquidity	Failure to acquire new customers would impact the forecast cash position of the Company, potentially requiring further external funding. An equity fundraise at a low share price may negatively impact shareholder value.	<p>We have a continuous cycle of cash flow monitoring, forecasting, performance reporting and scenario planning. The nature of our licensing business model is asset light and high gross margin, which enables us to scale activities rapidly to address changing market conditions. This provides us with the necessary flexibility and resilience to manage our liquidity in a robust and efficient manner and was put into effect during the restructuring and reorganisation in the year which reduces expected operating costs in 2026.</p> <p>Proactive investor communications and management strategy are in place to support the equity story for potential future fundraising.</p>		  

Viability statement

In accordance with Provision 31 of the UK Corporate Governance Code 2024, the Directors have assessed the future viability of the Group over a period longer than 12 months. The Directors believe a period of three years is sufficient as a viability assessment period as it represents a period in which management can make reasonable estimates of future Group performance and financial position.

Viability assessment period

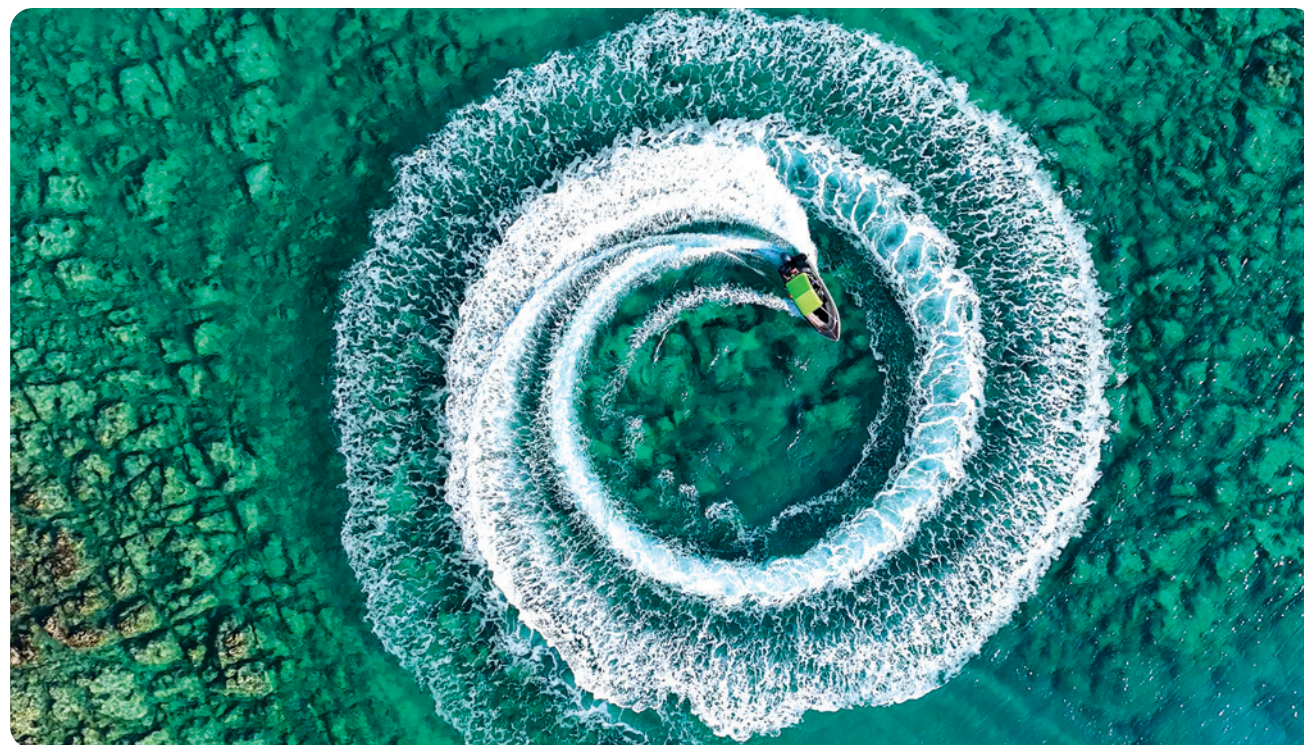
Considering the uncertainties inherent to the Group's operations as well as the medium-term planning, the Board concluded that a viability assessment over a three-year period provides a robust and realistic evaluation of the Group's future performance. The Directors have carried out this viability assessment over a period of three years for the following reasons:

- It represents a balance between an appropriate need to plan for the longer term and uncertainties in financial projects when considering a period of greater than three years;
- It is broadly in line with the timeframes of large collaboration and licence agreements; and
- It is appropriate for the current stage of development of the Group and gives an opportunity to reasonably assess the decisions around the Group's capital structure and funding based on implementing its major strategic objectives (described on page 14) and progress made with collaboration partners.

Assessment of prospects

The Group's viability assessment is built through integration of the principal risks and uncertainties (described on pages 42 to 44) into a financial model with scenarios, based on the elements of corporate planning and modelling process, which includes:

- Annual budgeting and forecasting process incorporating preparation of an annual budget for the following year, which is reviewed and approved by the Board, and followed up with periodic forecasts, which are monitored by senior management and the Board; and



- Future planning based on a central three-year financial projection, using management's internal estimate of contract intake formed on current expectations of the outcome of existing contracts and reasonable expectation of new licence and collaboration agreements.

The Directors regularly assess the Group's prospects and progress against the strategic objectives set out in its strategic plan. The strategic plan is built around a base case scenario in order for the Directors to assess both the Group's liquidity and solvency positions, along with adequacy of funding. Sensitivity analysis of the base case assumptions underlying the plans is also carried out. The plans are approved by the Directors and financial budgets and KPIs are subsequently used to monitor performance during the year via periodic reviews.

In its assessment of the Group's prospects, the Board has considered the following:

- The Group's strategy and how it addresses expectations of changing macroeconomic environments;
- The Group's financial position;
- The commercial viability of the Group's technology and commercial traction; and
- Competition, intellectual property exposures and the Group's regulatory environment.

Viability statement continued

Assessment of viability

To assess the Group's viability, different scenarios were modelled identified by considering the potential impact of individual principal risks and possible combinations as shown below. In total, four severe but plausible individual scenarios have been created, with the fifth collective scenario which considers the combined impact of scenarios 1–4 to model the absolute worst-case scenario for the business. All the scenarios identified could, in theory, combine with varying levels of impact.

The Group's principal risks and uncertainties, evaluation of the management of those risks and internal controls in place are discussed on pages 42 to 44.

Scenarios modelled

Scenario 1 – Core technology demand delayed

Ceres' operations become subject to a material reduction in short-term demand for the technology either as a result of the technology not performing to the expected levels or our partners choosing not to use our technology in their products.

Stress test applied: Failure to Acquire any new Licence partners in 2026 but from 2027 demand trends back towards one partner per year.

Financial impact: Reduced high margin licence revenue recognition in 2026 when compared to base case budget. The recoverability will be quick as the demand trends back to target as licence revenue on signing new agreements is recognised upfront on transfer of technology. Gross margin in 2026 would be similar levels seen in 2025 but would improve quickly in line with revenue. No cost saving mitigations would be required as long-term viability is not threatened under this scenario.

Links to principal risks



Scenario 2 – Commercial scale-up of Ceres' technology delayed

Timeframes for commercial product launch of Ceres' technology with key partners is slower than expected or materially disrupted. For example, the technology does not translate to large scale production or partners are unable to sell the planned production volumes.

Stress test applied: Royalty build-up projections delayed by one year.

Financial impact: Revenues over the viability period would be impacted by c£5-6 million. High margin licence revenue would still be recognised as the assumption would remain consistent with the Group's base case budget. There would be no cost saving mitigations required as long-term viability is not threatened under this scenario.

Links to principal risks



Scenario 3 – Failure to fully execute solid oxide strategy or limited addressable market

The market for solid oxide is immature, and the total addressable market is based on a forecast. It could also unfold that the market for solid oxide applications may mature more slowly than anticipated. Also, Ceres' technology demonstrators may fail to deliver on expected performance characteristics (e.g., degradation rates). Both of these risks could impact the timing of new solid oxide licence partners.

Stress test applied: Failure to acquire budgeted licence partners in 2026 and 2027.

Financial impact: Impacts all periods within the viability assessment, top-line revenue will be £15-26 million down per year when compared to the Group's base case budget. Throughout the assessment period the Group's adjusted EBITDA is loss making. Discretionary spend would be cut to save 15% of operating costs. However, external funding would not be required for the Group to remain viable.

Links to principal risks



Scenario 4 – Breach of IP and confidence lost in Ceres

Ceres' IP and/or trade secrets are breached or stolen, and the perpetrator develops and markets products using our IP, which could materially impact Ceres' competitive advantage.

Stress test applied: No partners from 2027 as potential partners consider the value proposition and competitive advantage of Ceres to be undermined; additional costs from defence and remedial actions.

Financial impact: 2026 will remain at budgeted levels however no new licence partners for 2027 and 2028 would impact revenue by c£40 million with the impact to gross margin being just as severe. The costs to defend Ceres' competitive advantage would be material and significant other cost saving measures would be needed to keep the business from increasing EBITDA losses and remain viable.

Links to principal risks



Combination of scenarios 1–4

This represents a severe downside scenario combining the above risks and would represent a demand and operational shock.

Stress test applied: The Group's reverse stress test where the long-term viability is no longer possible; no new partners from 2026, royalties from existing partners delayed, additional costs from IP defence.

Financial impact: A highly unlikely worst-case scenario but revenue, margin and EBITDA would be materially impacted, revenue as much as £85 million down over the assessment period when compared to base case budget. Discretionary spend would need to be significantly cut and external funding would be sought in order for the business to remain viable.

Links to principal risks



Conclusion on viability

The scenarios above are hypothetical and purposefully severe in order to create outcomes that have the ability to threaten the viability of the Group. It is considered unlikely, but not impossible, that the occurrence of these risks could test the future viability of the Group.

None of the scenarios modelled, including the more extreme and unlikely aggregated scenario, were found to threaten the viability of the Group over the period of assessment. In assessing each of the scenarios mitigating actions were taken into account including:

- Reducing non-committed capital expenditure;
- Reducing operating spend to the minimum required to maintain the Group's IP portfolio; and
- Reviewing headcount, freezing recruitment and reducing incentive based remuneration.

Based on the assessment of the current position of the Group, the principal risks as set out on pages 42 to 44 and the scenarios assessed above, the Directors confirm that they have a reasonable expectation that the Group will continue in operation and meet its liabilities as they fall due through the three-year viability assessment period ending 31 December 2028.

Going Concern Statement

Based on the review of the Group's cash and short-term investments, forecast income and expenditure, performing appropriate sensitivity and scenario analyses, and after making appropriate enquiries, the Directors have a reasonable expectation that the Group and Company have adequate resources to progress their established strategy. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. More detail can be found in the financial statements on page 110.

Board approval

The strategic report set out on pages 1 to 47 has been approved by the Board.

Stuart Paynter

Chief Financial Officer

25 March 2026

Corporate governance



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Chair's introduction to governance

“

The Board remains committed to the highest standards of governance, ensuring that our oversight supports the long-term success of the Company.”

Warren Finegold

Chair of the Board



Dear Shareholders,

I am pleased to introduce the corporate governance report on behalf of the Board for the financial year ended 31 December 2025. Throughout the year, we applied the principles and provisions of the UK Corporate Governance Code 2024 across our governance framework and activities. The Board remains committed to the highest standards of governance, ensuring that our oversight supports the long-term success of the Company for the benefit of our shareholders and wider stakeholders.

Year in review

Over the year, the Board maintained a strong focus on the oversight and delivery of the Company's strategy. This included an in-depth review of Ceres' strategic priorities, taking into account market positioning and the evolution of commercial, product and operational strategies. As a result of this review, the Board approved refreshed strategic pillars centred on securing new manufacturing licence agreements (“MLAs”), accelerating partners to market, and advancing single stack technology development. In September 2025, the Board also approved the business transformation plan, reshaping the organisation into a leaner operating model designed to deliver effectively against these strategic objectives.

Cultural transformation to support a more commercially focused organisation began in earnest during the year. The Board has overseen management's work to strengthen internal structures and ways of working to embed this shift. We are satisfied that a clear roadmap is in place to support Ceres' cultural development and ensure it becomes firmly embedded across the business. The Board is confident that these initiatives position the Company to achieve long-term sustainable success and deliver on our purpose of providing clean energy for a clean world.

While recognising the necessity of reshaping the business, the Board remained mindful of the impact on our colleagues. Throughout the restructuring process, we oversaw management's approach and were satisfied that the process was fair, communications were transparent, and employee views were appropriately considered in decision-making. I would like to express the Board's sincere appreciation to all employees involved in or affected by the process for their professionalism and resilience.

Looking ahead

In the year ahead, the Board will remain firmly focused on executing the Company's strategy to deliver sustainable long-term value for our investors and wider stakeholders. With a clear mandate to drive performance, we will ensure that our strategy, purpose, values and culture remain tightly aligned and fully geared towards commercial delivery. This disciplined approach underpins our commitment to strengthening the business, accelerating growth and enhancing returns for shareholders.

The Company's AGM will be held in London on 14 May 2026. On behalf of the Board, I look forwards to the opportunity to welcome you and thank you for your continued support.

Warren Finegold

Chair of the Board

25 March 2026

Board of Directors

Experienced leadership and governance

Committee membership

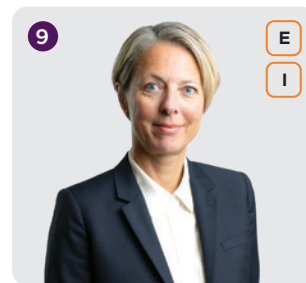
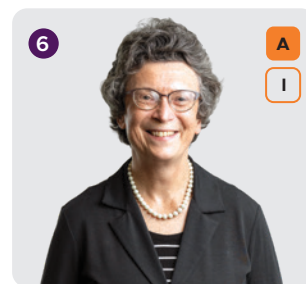
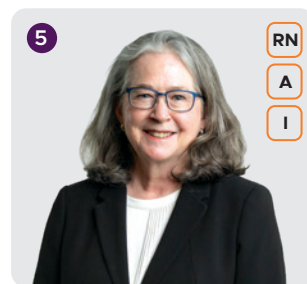
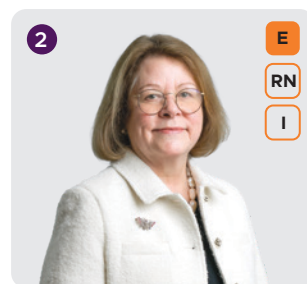
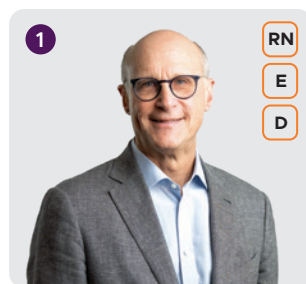
- A** Audit and Risk Committee
- RN** Remuneration and Nomination Committee
- E** ESG Committee
- D** Disclosure Committee
- I** Independent Non-Executive Director
- Chair of Committee**

Visit our website



→ Read more on our website

www.ceres.tech



1 Warren Finegold

Chair of the Board

Appointment date

1 March 2020

Nationality

British

Skills and experience

Warren joined the Board as an independent Non-Executive Director in March 2020 and became Chair of the Board in June 2020. He was a member of the Vodafone Group Executive Committee for ten years, serving principally as Group Strategy and Business Development Director. Previously, he was a Managing Director of UBS Investment Bank, where he held several senior positions, most recently as Head of the Technology Team in Europe. Warren has served on the boards of UBM plc and Avast plc as Senior Independent Director and as a Non-Executive Director of Inmarsat plc. He has an MA in Philosophy, Politics and Economics from Oxford University and a master's degree in Business Administration from London Business School.

Key strengths

Global business development; plc board experience; active knowledge of governance and regulatory matters; strategy development; capital markets; mergers and acquisitions.

2 Julia King

Senior Independent Director

Appointment date

17 June 2021

Nationality

British

Skills and experience

Julia joined the Board as an independent Non-Executive Director in June 2021. Julia is an engineer with extensive experience across industry, academia and government and a focus on climate change and the low-carbon economy. She has held senior roles at Rolls-Royce plc, the University of Cambridge and Imperial College and as Vice Chancellor and Chief Executive of Aston University. She is currently Chair of Frontier IP plc and a Non-Executive Director of Ørsted. Julia is Chair of the Adaptation Committee of the Climate Change Committee and was a member of the BEIS Hydrogen Advisory Council. Julia is a Fellow of the Royal Academy of Engineering, the Royal Society of London and the Academy of Medical Sciences, and was awarded a DBE for services to higher education and technology. She sits in the House of Lords as the Baroness Brown of Cambridge and is a member of the Intelligence and Security Committee.

Key strengths

Industry knowledge; academic knowledge; and climate change expertise.

3 Philip Caldwell

Chief Executive Officer

Appointment date	Nationality
2 September 2013	British

Skills and experience

Phil was appointed Chief Executive of Ceres in 2013. Under his leadership Ceres has grown into one of the UK's most valuable clean technology companies. Phil has been instrumental in positioning Ceres as an asset-light licensing business, establishing partnerships with global engineering giants to meet the urgency for low-carbon power systems and electrolysis for green hydrogen. Phil has worked in the fuel cell industry for 23 years, and 8 years at ICI in the Chlor-Alkali Electrolyser Business. He has a master's degree in Chemical Engineering from Imperial College, an MBA from IESE Barcelona and is a Sainsbury Management Fellow. He is also a Fellow of the IChemE.

Key strengths

Experienced plc CEO with over ten years in the public market. Commercialisation of fuel cell and electrolysis technology across multiple markets and geographies; strategic delivery; and team building and leadership.

4 Stuart Paynter

Chief Financial Officer

Appointment date	Nationality
1 October 2024	British

Skills and experience

Stuart joined Ceres as Chief Financial Officer in October 2024.

Stuart was appointed Chief Financial Officer of Ceres in 2024. Prior to his appointment at Ceres, he was most recently CFO and Board Director of advanced therapies innovator Oxford BioMedica plc where, in his seven-year tenure, the business grew its revenue more than five-fold and completed transactions to successfully internationalise the business. Stuart also spent eight years at FTSE 100-listed Shire Plc in various finance and strategic roles. Stuart is a Chartered Accountant and has a degree in Physics from Imperial College.

Key strengths

Extensive financial and commercial experience across a range of advanced technology sectors. Strong capital markets, UK governance and transformation delivery track record.

5 Karen Bomba

Non-Executive Director

Appointment date	Nationality
1 June 2023	American

Skills and experience

Karen joined the Board on 1 June 2023. She has 37 years of experience in the engineering industry, most recently at Smiths Group where she was latterly President of Smiths Interconnect until 2020.

Previously, Karen spent her career in various technical and managerial roles at Northrop, Hitco Carbon Composites (SGL), Zoltek Companies and Safran Group SA, where she was CEO of Messier-Bugatti USA, Chair and Chief Executive of Labinal (now Safran Electrical and Power) and President and CEO of Morpho Detection. She is currently a Non-Executive Director of Ultra Electronics UK Holdings Ltd and of Wärtsilä Oyj Abp, and adviser to IDEMIA Public Security. Karen has a Bachelor of Science in Mechanical Engineering from Rensselaer Polytechnic Institute, USA, and a Certificate of Financing and Deploying Clean Energy at the Yale School of Business and the Environment.

Key strengths

Technology; global industry; transformation; strategic development; and plc board experience.

6 Caroline Brown

Non-Executive Director

Appointment date	Nationality
1 June 2023	British and Irish

Skills and experience

Caroline joined the Board on 1 June 2023 and has over 25 years of main board experience as a Non-Executive Director. She is currently Chair of Audit and Risk at FTSE 250 IP Group plc, a Non-Executive Director of CAB Payment Holdings plc, a board member of FTSE Small-Cap Lucoco plc and a member of the global partnership council of Clifford Chance LLP. Caroline has delivered business strategy across EMEA, the Americas, India and the Far East in commercial leadership roles for FTSE 100 groups, mid-cap companies and innovative small and medium-sized enterprises. Her early career was in corporate finance with BAML (New York), UBS and HSBC advising global corporations and governments. Caroline has a First in Natural Sciences and a PhD in Chemistry from the University of Cambridge and is a Fellow of the Chartered Institute of Management Accountants.

Key strengths

Strategy development; commercial experience; finance; and plc board experience.

7 William Tudor Brown

Non-Executive Director

Appointment date	Nationality
1 April 2021	British

Skills and experience

Tudor joined the Board in April 2021. He is one of the founding members of ARM Holdings plc, where until 2012 he was on the board of directors and President of ARM Holdings plc. Tudor is a seasoned independent Non-Executive Director, with considerable experience in director remuneration matters, and a current Non-Executive Director of Marvell Semiconductor listed on Nasdaq. He previously held long tenures as a Non-Executive Director of several major international companies, the most recent being the Hong Kong-listed Lenovo Group. Tudor received an MA degree in Electrical Sciences from the University of Cambridge. He is a Fellow of the Institution of Engineering and Technology and a Fellow of the Royal Academy of Engineering. He was awarded an MBE in 2013.

Key strengths

Technology; global industry; and licensing.

8 Nannan Sun

Non-Executive Director

Appointment date:	Nationality
27 September 2023	Chinese

Skills and experience

Nannan joined Ceres in September 2023 and is the Weichai nominated Non-Executive Director as part of the strategic collaboration agreement with Weichai. Nannan is a senior engineer with a doctorate in Engineering from Shandong University and is currently the Assistant President of Weichai Power and President of the Future Technology Institute of Weichai Power. Nannan is responsible for product and technology research and development having joined Weichai Power in July 2015 and has served as the Vice President of the Scientific Research Institute, the President of the Science and Technology Research Institute, and the Vice President of the Future Technology Research Institute.

Key strengths

Relationship with Weichai; Chinese market knowledge; and technology.

9 Trine Borum Bojsen

Non-Executive Director

Appointment date:	Nationality
15 March 2022	Danish

Skills and experience

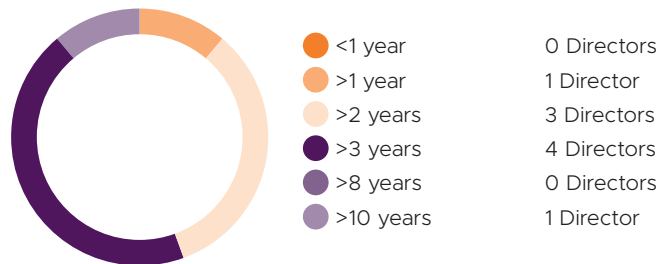
Trine joined the Board in March 2022. She is the Senior Vice President of Global Offshore Wind in Equinor with profit and loss accountability for origination, development, construction and operation of assets. Previously, Trine was Chief Operating Officer of Copenhagen Offshore Partners, a leading provider of project development, construction management, and operational management services to offshore wind projects worldwide. Prior to that, Trine held senior management posts at Ørsted and also served on a number of boards and key committees within the company. She is currently a Non-Executive Director of MacArtney A/S Denmark and Danske Commodities A/S. Trine has an M.Sc in Engineering from the Technical University of Denmark and a Board Certificate from Copenhagen Business School.

Key strengths

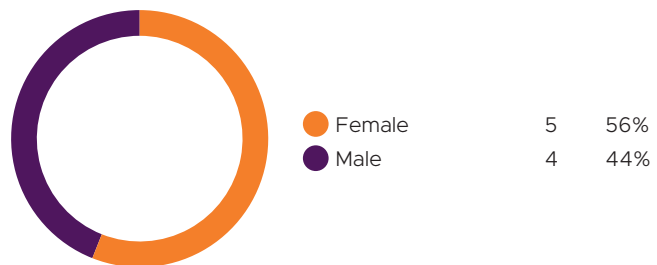
Renewables market knowledge; technical expertise; and stakeholder relationship building.

Board of Directors continued

Board of Directors: tenure



Board of Directors: gender



Executive Committee



1 Philip Caldwell
Chief Executive Officer

Biography on page 51.

2 Stuart Paynter
Chief Financial Officer

Biography on page 51.

3 Caroline Hargrove
Chief Technology Officer

Caroline joined Ceres in 2021 as Chief Technology Officer following three years as a Non-Executive Director of Ceres. She started her career as a lecturer in Engineering at Cambridge, followed by various roles in McLaren F1, mainly focused on the development of digitalisation and the first F1 simulator. She was previously Chief Technology Officer of Babylon Health, and worked in a range of sectors from motorsport to health, elite sports, manufacturing and energy.

Caroline is also a Fellow of the Royal Academy of Engineering, was Visiting Professor at Oxford from 2015 to 2018 and holds a PhD in Applied Mechanics. In 2020, she received a CBE for services to engineering.

4 Steve Hill
Chief Operating Officer

Steve joined Ceres in 2007, initially joining the Company as a manufacturing engineer. Over the past 19 years, he has held a number of senior leadership positions, serving as Operations Director from 2018 until his appointment as Chief Operating Officer in summer 2025. Steve has overseen a broad portfolio of responsibilities including manufacturing operations, manufacturing engineering, technology transfer to licence partners, as well as quality, facilities, and health and safety.

Steve holds a degree in Manufacturing Engineering from Cardiff University and brings a wealth of experience and strategic insight to the continuous evolution of Ceres' operational capabilities.

5 Nick Lawrence
Chief Product Officer

Nick joined Ceres in 2016, during which time he has been a driving force in the acceleration of Ceres' ambitions to be a world leader in solid oxide technology. Nick has worked across a number of technology disciplines including engineering, digitalisation, modelling and AI.

As a member of Ceres' Executive Committee, Nick leads our talented product organisation to deliver best-in-class products for our existing and future partners.

Nick is a Chartered Engineer, a member of IMechE and has a MEng degree in Engineering Science from Oxford University.

6 Filip Smeets
Chief Commercial Officer

Filip joined Ceres in September 2024. He is a seasoned Executive with over 20 years of global leadership experience in cleantech and chemical industries, specialising in strategic growth, business transformation and market leadership.

As Chief Commercial Officer, he leads the Company's commercial strategy, licensing partnerships and market expansion in solid oxide fuel cell and electrolysis technologies.

Before joining Ceres, Filip was Senior Vice President at Nel Hydrogen, where he led the Electrolyser Division, overseeing product development, sales and operations.

7 Michelle Traynor
Chief People Officer

Michelle joined Ceres in 2019 and is responsible for all aspects of the people strategy to support the ongoing growth of the business. With over 20 years' experience gained across technology, manufacturing and professional services, her skillset encompasses all aspects of HR and expands beyond this into wider business operations.

Prior to Ceres, Michelle was Chief Operating Officer for ASB Law, having initially joined as Head of Human Resources and Development. Michelle is a chartered member of the CIPD and holds a master's degree in Personnel Management.

Corporate governance report

Strong governance leadership

Board leadership and Company purpose

The Board of Directors

The Board of Directors (the “Board” or “Directors”) sets the purpose, vision and strategy for the Company and ensures that the culture, key to the Company’s longevity and success, is aligned. It approves the business plan and budget, monitors performance and ensures that the necessary resources are in place to support the achievement of the Company’s strategic objectives. Ensuring the long-term sustainability of the Company and creating value for shareholders and other stakeholders is critical to its role.

During the year the Board undertook its annual strategic review in conjunction with the Executive Committee. More details on the Company’s strategy can be found in the strategic report on page 14.

The Board ensures that there is a robust system of internal controls and a risk management framework within which the Company can operate safely and effectively, enabling it to take advantage of opportunities and to identify and mitigate risks. More information on the risk management framework can be found on page 40 and on internal controls in the Audit and Risk Committee report on page 64.

Succession planning for key management and Board roles is imperative to ensure that the balance of skills and experience is maintained and that the Company has a robust and diverse pipeline of talent to safeguard its future. More information can be found in the Remuneration and Nomination Committee report on page 69.

The Non-Executive Directors perform a critical role, holding management to account and providing strategic guidance and constructive challenge. More details on all the Directors, along with the key skills and knowledge they bring to their roles, are set out on pages 50 to 51.



Terms of Reference for all the Committees of the Board can be found on our website at:

www.ceres.tech/who-we-are/corporate-governance

Meetings

The Board met nine times in 2025 (including for an off-site strategy meeting). The attendance of each Director is set out in the chart to the right. Meetings are held both in person and virtually and any Director unable to attend is invited to submit their views and comments on the papers circulated to the Chair of the Board (or the Committee Chair) who ensures these are reflected in the Board (or Committee) discussions and decision making.

In-person meetings are held at various locations throughout the year to enable Directors to use their time efficiently and typically include meetings at the Company’s offices in Horsham, which enables the Board to interact and engage with colleagues more easily.

Board meeting agendas are carefully constructed to ensure that there is sufficient time for considered debate and challenge and that appropriate time is spent on key matters such as strategy and performance. The Board receives reports at each meeting from the Chief Executive Officer and other Executive Committee members on specific areas of operation and performance, which capture the activities of the Executive Committee and the operational committees (the governance framework is illustrated on page 58). The activities of the Board during the year are described on the page opposite; Board decision making and outcomes, together with alignment to Group strategy and impact on the Company’s stakeholder groups, are discussed on page 34. Board stakeholder engagement is discussed throughout the governance report and on pages 34 to 35 of the strategic report.

After every Board meeting has concluded, the Chair meets with the Non-Executive Directors to discuss the operation of the Board and the performance of the Executive Directors and senior management. The Chief Executive Officer joins these meetings at their conclusion to receive feedback.

Attendance table¹

	Board	Restricted Board	Audit and Risk	Remuneration and Nomination	ESG
Warren Finegold	9 (9)	7 (7)		9 (9)	5 (5)
Julia King	9 (9)	7 (7)		9 (9)	5 (5)
Caroline Brown	9 (9)	7 (7)	5 (5)		
Tudor Brown²	9 (9)	6 (7)	5 (5)	9 (9)	
Karen Bomba	9 (9)	7 (7)	5 (5)	9 (9)	
Trine Borum Bojsen³	9 (9)	7 (7)			4 (5)
Uwe Glock⁴	1 (1)				
Nannan Sun⁵	8 (9)				
Phil Caldwell⁶	9 (9)	7 (7)			3 (5)
Stuart Paynter	9 (9)	7 (7)			

1. The attendance table shows the number of meetings attended followed by the maximum number of meetings the Director was entitled to attend (in brackets).
2. Tudor Brown was unable to join a Restricted Board meeting called at short notice due to overseas travel.
3. Trine Borum Bojsen was unable to attend one ESG meeting due to an external business conflict.
4. Uwe Glock resigned on 19 February 2025.
5. Dr Sun was unable to attend one Board meeting due to a conflicting business engagement.
6. Phil Caldwell was unable to attend two ESG meetings due to international business commitments.

Compliance with the UK Corporate Governance Code 2024

The Company has applied the principles of the Financial Reporting Council's ("FRC") UK Corporate Governance Code 2024 and has complied with its provisions as were in effect for the year ended 31 December 2025. The full text of the UK Corporate Governance Code can be found on the FRC's website at www.frc.org.uk. The following table sets out the principles of UK Corporate Governance Code 2024 and signposts the location of supporting information within this report, and on our Company website.

A	Board effectiveness	Pages 49-61
B	Purpose, values, strategy and culture	Pages 1-47 and 49-61
C	Board decision making	Pages 33-35 and 49-61
D	Engagement with stakeholders	Pages 33-35 and 49-61
E	Oversight of workplace policies and practices	Pages 49-97 and website
F	Role of the Chair	Pages 49-61 and website
G	Independence and division of responsibilities	Pages 49-61 and website
H	External commitments and conflicts of interest	Pages 49-61
I	Board resources	Pages 49-61
J	Appointments to the Board and succession planning	Pages 67-71
K	Board composition and length of tenure	Pages 49-61 and 67-71
L	Board evaluation	Pages 56 and 71
M	Financial reporting, external and internal audit – independence and effectiveness	Pages 62-66 and 98-141
N	Fair, balanced and understandable assessment	Pages 62-66 and 94-97
O	Risk management and internal controls	Pages 40-44 and 62-66
P	Remuneration policies and practices, Executive remuneration	Pages 67-90
Q	Remuneration Policy	Pages 76-81
R	Independent judgement and discretion	Pages 67-71 and 72-90

Board activities

Board agenda for 2025

Board topics discussed at meetings held by financial quarter: Q1 Q2 Q3 Q4

Strategy and implementation

CEO review including strategy actions and progress against KPIs; business development reports from the Chief Operating Officer, Chief Commercial Officer, Chief Technology Officer and Chief Product Officer; overview of stakeholder engagements	✓	✓	✓	✓
CFO review including financial performance, budget approval, performance and delivery against business plan, treasury, tax, risk oversight	✓	✓	✓	✓
Commercial pipeline encompassing development opportunities through to recommendation of licensing contracts	✓	✓	✓	✓
Deep dive agenda items of strategic importance: legal, governance, IP, operations and information security, commercial, technology, human resources, cyber risk	✓	✓	✓	✓
Board Strategy Day: strategy development, alignment with purpose and values				✓

Financial reporting and oversight

Review and approval of full-year results	✓			
Review of half-year results			✓	

Risk

Formal biannual major risk assessment process	✓		✓	
Approval of principal risks and uncertainties		✓		✓
Consideration of Board risk appetite				✓
Reports from the Audit and Risk Committee in respect of Provision 29 Code change readiness	✓	✓	✓	✓

Governance

Approved AGM notice and business of the meeting	✓			
Received reports from the Audit and Risk, Remuneration and Nomination and ESG Committees	✓	✓	✓	✓
Updates on legislative, regulatory and best practice developments, and review and approval of insurance cover, governance arrangements, Group policies	✓	✓	✓	✓

Effectiveness

Annual Board Performance Review process and outturn			✓	✓
Board Development Day		✓		
Annual and ad hoc reviews of Directors' conflicts of interest				✓



Read more on our website

www.ceres.tech/who-we-are/corporate-governance

Corporate governance report continued

Board decision making and outcomes

Business transformation plan – review of strategic priorities

The Board approved refreshed strategic priorities to reflect rapidly evolving market conditions, particularly the significant growth in AI data centre power demand and wider electrification. The revised strategy positions Ceres to capture immediate opportunities in the fast growing power market while developing capabilities for future hydrogen market growth. The Board concluded that this approach best supports long-term success for shareholders and all stakeholders. Delivery will require a phased business transformation, with several elements approved during the year.

Outcomes

The refreshed strategy focuses on three core pillars: securing new manufacturing licence agreements, accelerating partners to market, and advancing single stack technology. Together with the wider business transformation Plan, these pillars are intended to drive Ceres' commercial success. Strategy implementation is discussed in detail on pages 2 to 14.

Links to strategy



Links to stakeholders



Business transformation plan – restructure

As announced in September 2025, the Board approved an operational restructuring of the business to ensure resources are aligned with the Company's strategic priorities. In reaching its decision, the Board carefully considered the impact on employees, partners and other stakeholders, and concluded that the proposed changes would support the long-term success of the Company for the benefit of shareholders as a whole. The Board emphasised that redundancies must be managed sensitively and respectfully, in line with the Company's culture and values and consistent with the approach taken during the 2024 restructuring.

Outcomes

Ceres has transitioned from a matrix operating model to a more autonomous and empowered structure, with dedicated multidisciplinary teams focused on value creation. As part of this transformation, the Company expects operating expenses for the year ending 31 December 2026 to reduce by approximately 20% compared with the year ended 31 December 2025. The Board was satisfied that the redundancy process was conducted respectfully, with clear communication and in line with the Company's culture and values.

Links to strategy



Links to stakeholders



Business transformation plan – cultural realignment

The Board approved a phased programme of cultural transformation to support the shift from an R&D-led to a commercially focused organisation following the restructuring process. The Board concluded that this cultural evolution is essential to delivering the refreshed strategy, strengthening employee engagement and refocusing the organisation on core activities. The programme is expected to benefit employees and, ultimately, all stakeholder groups by driving improved performance and reinforcing the behaviours needed for commercial success.

Outcomes

A structured cultural change programme has been approved and management is actively progressing initiatives to embed the desired behaviours and ways of working across the organisation. Further detail is provided on pages 13 and 14 of the strategic report. The Board and its Committees will continue to oversee the programme, reviewing progress and monitoring how effectively the initiatives become embedded throughout the business, with updates to be provided in future reports.

Links to strategy



Links to stakeholders



Links to strategy

- 1 Sign new manufacturing licensees
- 2 Accelerate partners to market
- 3 Single stack technology platform

Links to stakeholders

- Shareholders
- Partners and suppliers
- Employees
- Industry
- Government, legislators and regulators
- Wider society

Exit from non-core activities

To align the business with evolving market conditions, management recommended refocusing R&D on core areas of greatest value to Ceres and its partners. This required withdrawing from a small number of lower-value contracts, with some associated costs. In approving the proposal, the Board considered the impact on existing relationships, the Company's reputation and long-term shareholder value. The Board agreed the commercial rationale was strong and emphasised the importance of clearly communicating the reasons for the decision and maintaining strong partner relationships.

Outcomes

Exiting non-core activities enabled the Company to focus investment on its core technology platform, ensuring resources were directed towards areas most valuable to licensee partners. In some instances, contract withdrawals resulted in termination fees, which are detailed in the provisions note (Note 21).

Links to strategy

- 1
- 2
- 3

Links to stakeholders



Entry into new Weichai relationship agreement

In November the Board considered and approved the entry into a new manufacturing licence agreement for the production of Ceres' proprietary SOFC technology with Weichai, a global original equipment manufacturer and power systems developer headquartered in Shandong, China, and a major shareholder of Ceres. The Board considered that the agreement built upon the strong, existing commercial relationship with Weichai and would allow Weichai to manufacture cells and stacks for its stationary power systems. The Board considered the impact across the Company's stakeholders, considering the scaling up of future manufacturing to be beneficial across all stakeholder groups, while recognising potential for competing products between existing partners.

Outcomes

Further expansion of Ceres' global manufacturing partner portfolio. Weichai intends to establish a manufacturing facility to produce cells and stacks for the stationary power markets supported by key components supplied by Ceres, targeting power for AI data centres, commercial buildings and industrial applications. SOFC systems will complement Weichai's existing product portfolio for power generation, including gas engines and powertrains. Ceres anticipates significant revenue and cash generation opportunities.

Links to strategy

- 1
- 2
- 3

Links to stakeholders



Acquisition of RFC Power Limited

At the half-year the Board noted that RFC Power Limited, of which Ceres held a 24.2% interest, would become insolvent without support. After assessing the potential opportunity, the Board approved exercising an option to acquire the company. In reaching its decision, the Board considered the value of RFC's low-cost flow-battery technology, its potential role in long-duration energy storage, and its alignment with Ceres' existing platform, alongside shareholder interests and the impact on employees. It also evaluated the risk of distraction from the strategic focus on core activities. The Board concluded that the acquisition offered value, provided a future development opportunity complementary to the Group's strategy, and supported the Company's purpose of delivering clean energy for a clean world.

Outcomes

Acquisition of RFC allowed Ceres to purchase highly developed complementary technology at low cost. Future options for Ceres include i) repositioning RFC as a stand-alone entity with external investment, or ii) further developing the technology. Both options could deliver future revenue streams.

Purpose alignment

Clean energy for a clean world

Links to stakeholders



Links to strategy

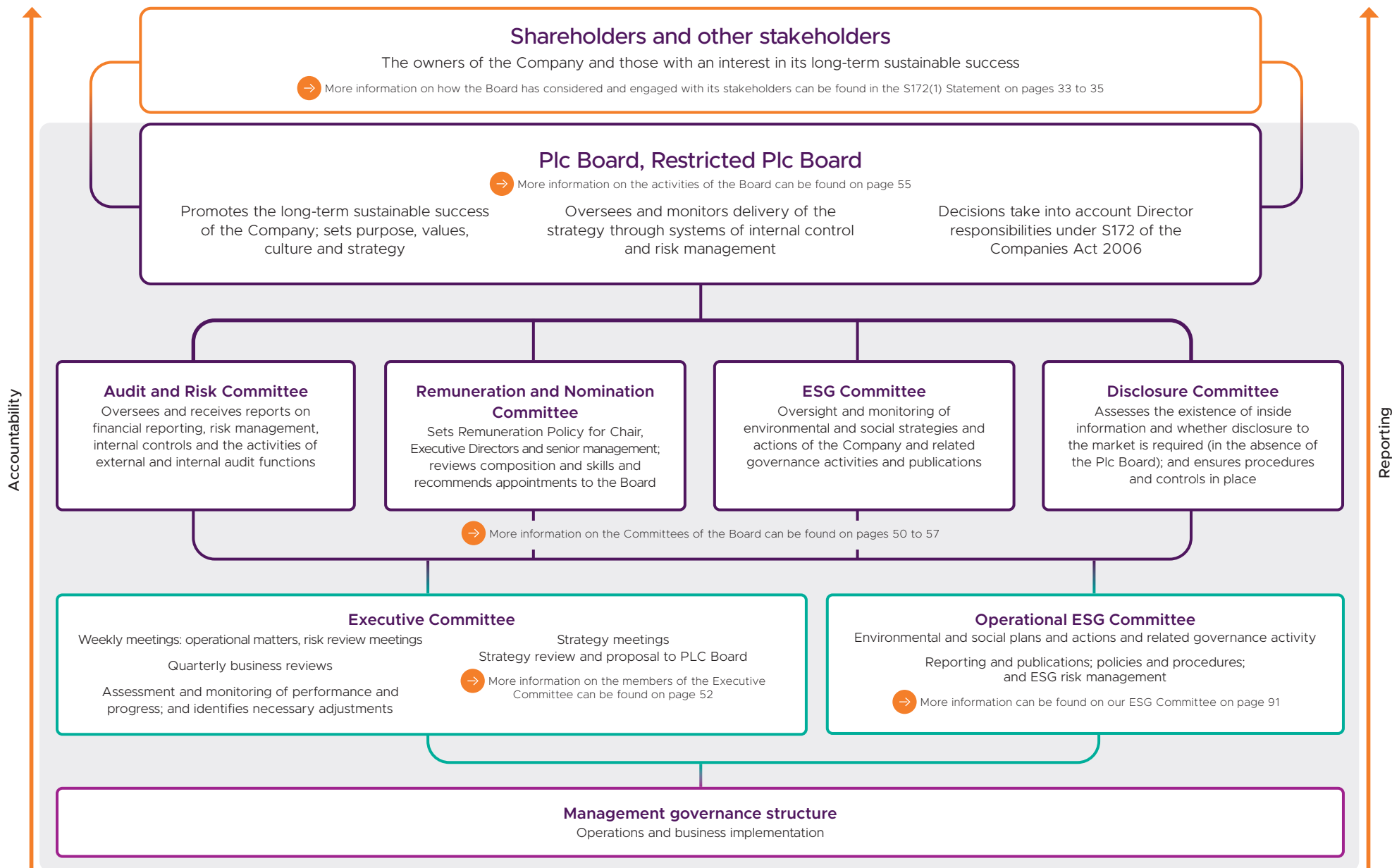
- 1 Sign new manufacturing licensees
- 2 Accelerate partners to market
- 3 Single stack technology platform

Links to stakeholders

- Shareholders
- Partners and suppliers
- Employees
- Industry
- Government, legislators and regulators
- Wider society

Corporate governance report continued

Governance framework



Culture and values

Ensuring the culture of the business aligns with the Company's strategy, and that Ceres' values are at the heart of business strategy and decision making remains a priority for the Board. The Company's values are set out on page 2.

The Executive Committee is responsible for ensuring these values are demonstrated to employees on a day-to-day basis and through the implementation of policies and procedures. Regular communications and mandatory annual training programmes, including a refresh of employees' understanding of the Company's Code of Conduct and Business Ethics, help to embed the desired attitudes and behaviours throughout the business.

The Board monitors the Company's culture and how it has been embedded through a range of feedback mechanisms. These include but are not limited to metrics on employee engagement and satisfaction surveys, retention and turnover rates, diversity and inclusion metrics, compliance with internal policies, health and safety performance, remuneration, HR grievance and disciplinary procedures, and the Group's speak-up arrangements. The Board receives regular reports from management on the structured programme of engagement including regular "All Hands" sessions through which senior leadership engages with all employees in an open format. Board Directors are invited to participate in "All Employee" events and engage with employees through site visits. Through these mechanisms the Board receives assurance that the desired culture is appropriately embedded within the business.

During the year, the Employee Engagement Forum was the principal forum for employees to freely discuss matters of interest to them in a free and open format, with the Connect Forum focusing on matters of employee diversity and social activity, both forums provided direct feedback to the ESG Committee during 2025.

In 2025 the Board undertook a deep dive into operational areas at most of its meetings. The business transformation deep dive undertaken during the year outlined the roadmap to evolve the business culture from research and development to an increasingly commercially focused mindset. Over the course of 2026, the Board will continue to monitor management activity and ensure that the culture is embedded effectively. To support this process, the Company will appoint cultural

ambassadors from within its employee base. Their role will be to help embed the updated values and ways of working throughout the organisation's culture.

Stakeholder engagement

The Board is accountable to the Company's shareholders and seeks ways to engage with them to fully understand their views. Regular communication through the various channels of the regulatory news service, media, face-to-face meetings, investor roadshows and conferences, press interviews and the Annual General Meeting ensures that shareholders are kept informed of the progress of the Company. The Company's website is kept up to date with all announcements and annual reports.

Trine Borum Bojsen was the Board's designated Employee Engagement Director ("EED") until September 2025, and met with colleagues across the business in dedicated employee engagement sessions at both the Horsham and Redhill sites. From September 2025, Julia King assumed the role of EED.

Details of how the business, and where appropriate the Board, engages with stakeholders is detailed on pages 33 to 35.

Speaking up

The Company's Speak Up Policy enables employees and third parties (which includes consultants, contractors and casual and agency workers) to report any concerns that they do not feel they can raise with their line manager to a restricted access email address that is reviewed by the Senior Independent Director ("SID"). On receipt of a concern, the SID will deal with the matter raised and employ any such resources as they may deem appropriate. Furthermore, where an employee believes that a concern cannot be addressed by the SID, the Policy provides an external route by email or helpline to the independent whistleblowing charity, Protect, which also has a list of prescribed regulators for reporting certain types of concern.

Any concerns raised can be dealt with anonymously if the reporter wishes, and any parties concerned in the report are removed from the investigation process. Concerns are investigated thoroughly by the SID, and the Audit and Risk Committee receives an annual report on key themes, outcomes and actions identified. No speak-ups were received during the year.

Conflicts of interest

The Company operates a Conflicts of Interest Policy and in addition, specifically for Board members, an Additional External Appointments Policy. The Conflicts of Interest Policy is provided to all employees on induction with training, which must be refreshed annually.

Under the Additional External Appointments Policy, Directors are required to seek approval from the Board prior to accepting any external appointments. The Board holds an Interests Register for the Directors, which it reviews annually and declarations of potential conflicts of interest with any item on a meeting agenda are stated at the start of each meeting of the Board and its Committees. Where such a conflict is deemed to arise, the Director concerned is not party to the discussions and decision making.

Whilst the majority of business is conducted by the entire Board, an additional Restricted Board meeting is held without the non-independent Non-Executive Director present, covering items for which they would be conflicted.

Division of responsibilities

The roles and responsibilities of the Chair, Chief Executive Officer, Senior Independent Director and Company Secretary are set out on the Company's website at: www.ceres.tech/about-us/corporate-governance.

The Chair leads the Board and is responsible for its effectiveness in directing the Company. The Chair is supported by the Company Secretary to ensure that the Board has all the necessary information and resources it needs, in the format it requires and in a timely manner to operate efficiently and make well-informed decisions. A forward plan for the current and following year ensures that the Board and its Committees are covering critical topics in a timely manner.

The Senior Independent Director ("SID") provides a sounding board to the Chair as well as the other Non-Executive Directors and acts as an intermediary between them and shareholders if required.

Corporate governance report continued

Division of responsibilities continued

The Chair, Chief Executive Officer and Company Secretary meet regularly outside of the formal meeting schedule to plan meeting agendas, and to discuss strategy, performance and current issues. These informal meetings allow transparency and openness, which encourage constructive and objective critical debate in meetings. The Chair also meets with members of the Executive Committee throughout the year. The Board operates under its schedule of Matters Reserved to the Board, which ensures that significant decisions are always taken at the right level and with the appropriate amount of scrutiny and challenge. Underneath this schedule sits the Delegation of Authority Policy, which further sets out the approval levels for the day-to-day operation of the business.

Both documents are kept under review to ensure that they remain current and appropriate and are updated as required.

The schedule of Matters Reserved to the Board is available to view on our website at: www.ceres.tech/about-us/corporate-governance.

In order to discharge its responsibilities effectively and in a timely manner, the Board discharges certain responsibilities through Committees of the Board, which comprise the Audit and Risk Committee; the Remuneration and Nomination Committee; the ESG Committee; and the Disclosure Committee.

More information on these Committees can be found in their specific reports and in this corporate governance report.

The framework of governance within which the Board and Executive Committee operate is set out on page 56 of this report.

Board Performance Review 2025

During the year, the Board conducted its scheduled internal performance review, comprising a detailed questionnaire and individual meetings with the SID, which also considered the performance of the Chair. The review assessed effectiveness across leadership, strategy, culture, composition, stakeholder engagement and Committee performance. Overall, the Board continues to operate effectively, demonstrating strong governance and constructive working relationships. The Chair undertook a separate exercise to evaluate the performance of the CEO. The next externally facilitated Board Performance Review is scheduled for 2027.

2025 Board Performance Review findings

- **Leadership, values, culture and strategic oversight:** The Board received consistently strong assessments, with members recognising clear strategic leadership and alignment with the Company's culture and values.
- **Board composition and dynamics:** Members considered the balance of skills and experience to be appropriate, with positive, collegiate behaviours and effective challenge across the Board.
- **Committee effectiveness:** The Audit and Risk, ESG, and Remuneration and Nomination Committees were each assessed as effective and operating in line with their Terms of Reference.
- **Governance and reporting:** Improvements in the quality of Board and Committee reporting supported enhanced decision making and strengthened governance processes.

2025 Chair's performance

The Directors expressed a strong appreciation for the Chair's leadership during 2025. They noted that he ensures all views are heard and promotes a culture of openness, constructive challenge, and rigorous debate across the Board.

Board Performance Review 2026

The 2026 internally facilitated review will assess the effectiveness of the Board and its Committees, including progress against the development objectives identified in the 2025 evaluation. The outcomes of the 2026 review will be reported in the Annual Report and Accounts for the year ending 31 December 2026.

2026 development objectives

The review identified several development objectives for 2026:

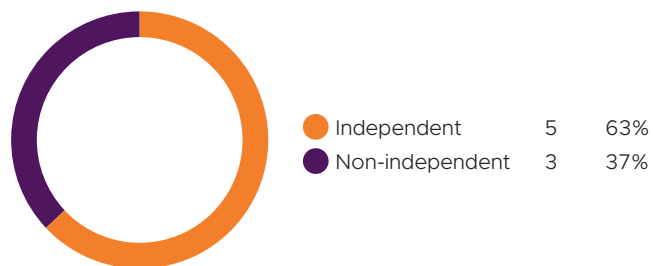
- **Strengthen the strategic depth of Board discussions:** Reorienting deep dives to be more strategically focused, enabling higher-quality debate while reducing the burden on management teams.
- **Introduce a six-monthly review of strategy:** To evaluate strategy progress and development, and assess Ceres' evolving competitive position.
- **Support the development of the Commercial function:** With emphasis on building a more proactive, relationship-driven approach to business development.

Progress against 2024 development objectives

The Board noted good progress against the development objectives from the 2024 externally facilitated review:

- **Strategic coherence:** Deep dive sessions and focused strategy discussions have supported the Company's shift towards a more commercial culture.
- **Board dynamics and relationship building:** Board development activities, including NED-only sessions, have commenced and will continue into 2026.
- **Executive succession:** The 2025 review indicates that succession planning remains an area requiring further focus in 2026.
- **Board governance:** Guidance for management on Board paper quality has been implemented, with further enhancements planned for 2026.

Board independence (excluding the Chair)



As at 31 December 2025, five of eight Board Directors (which excludes the Board Chair) were considered independent.

The Board reviews interests on an ongoing basis but also formally reviews annually the Interests Register to ensure its assessments of independence remain current.

The Board concluded that all the Non-Executive Directors (excluding the Chair) are independent in compliance with the Code, with the exception of Dr Nannan Sun who represents Weichai Power, a strategic major shareholder, as its nominee Director. Therefore, in compliance with Code requirements, at least half the Board (not counting the Chair) were considered independent during the year.

The Non-Executive Directors do not receive any remuneration other than their fees and reimbursement for expenses incurred. They do not participate in any share option, bonus or pension arrangement. Non-Executive shareholdings are not considered sufficiently material to affect the Board's assessment of their independence. More details on the Non-Executive Directors' fees are set out in the Directors' Remuneration Report.

Internal controls and risk management

Ensuring the Company has and maintains a sound and robust system of internal controls and a risk management framework that enables the effective management of risk is a key responsibility of the Board. The Board has delegated responsibility of the oversight of internal controls and elements of risk framework oversight and development to the Audit and Risk Committee, which has overseen significant progress in this area over the year. More information on the work of the Audit and Risk Committee can be found on pages 62 to 66. The Board reviews the risk register regularly and annually reassesses its risk appetite for the business. More information on the risk management framework can be found on pages 40 to 44.

Board support

All Directors have access to the Company Secretary for support and advice on governance matters. They have the right to seek independent legal or other professional advice at the Company's expense in the furtherance of their duties.

Newly appointed Directors are provided with a tailored induction that includes a briefing on their responsibilities and duties as a Director by the Company Secretary, and role-specific meetings and introductions to the business.

Formal and ad hoc training, conferences and seminar opportunities are offered to all Directors, and specific briefing sessions are arranged as required. Directors are briefed on current developments, best practice and governance and regulatory issues throughout the year.

Audit and Risk Committee report

“
The Committee supports the Board in overseeing financial reporting, internal controls and risk management.”

Caroline Brown
Chair of the Audit and Risk Committee

Introduction

I am pleased to present the Audit and Risk Committee (the “Committee”) Report for the year ended 31 December 2025. The Committee supports the Board in safeguarding the integrity of the Company’s financial reporting. As part of this remit, the Committee reviews the effectiveness of internal controls and the risk management framework, approves the internal audit plan, and oversees the performance and independence of both internal and external auditors.

Committee composition

The Committee comprises three independent Non-Executive Directors, collectively bringing recent and relevant financial expertise, including experience in the fuel cell and engineering sectors. Further details on members’ skills and experience are provided on pages 50 to 51.

Other Board members are invited to attend meetings, and the Chair of the Board attends regularly, although not as a Committee member. Executive Directors, senior finance personnel, Grant Thornton (the outsourced internal auditor), and the BDO LLP external audit team attend as required.

Ahead of each meeting, the Committee Chair holds separate briefing sessions with the Senior Audit Partner, the outsourced internal auditor, and the Chief Financial Officer.

Committee membership

Caroline Brown (Committee Chair)
Karen Bomba
Tudor Brown

Role of the Committee

The Committee’s role is to support the Board in overseeing financial reporting, internal controls and risk management. Its key responsibilities include:

- Monitoring the integrity of the Company’s financial statements, including significant reporting judgements;
- Reviewing the Company’s system of internal controls (financial, operational, reporting and compliance) and the risk management framework;
- Advising the Board on whether the Annual Report and Accounts is fair, balanced and understandable;
- Overseeing the assessment of principal risks and the effectiveness of risk management and internal controls;
- Reviewing reports on whistleblowing arrangements, fraud and bribery detection, and breaches of internal policy or regulation;
- Approving the appointment of the internal auditor, monitoring delivery of the internal audit plan and assessing internal audit effectiveness;
- Recommending the reappointment of the external auditor, monitoring audit quality, independence and objectivity, and approving audit fees and engagement terms; and
- Approving and monitoring compliance with the Company’s Non-Audit Fees Policy.



Key activities in 2025

The Committee met five times during the year, with meetings aligned to key points in the financial reporting and audit cycle. Member attendance is shown on page 54 of the corporate governance report. Key activities included:

- Recommended the approval of the final and interim financial results and related statements;
- Reviewed the Going Concern and Viability Statements;
- Recommended the approval of the Annual Report and Accounts 2024;
- Reviewed the operation of the Anti-Bribery, Corruption and Fraud Policy;
- Approved external audit fees and monitored compliance with the Non-Audit Fees Policy;
- Reviewed internal and external audit plans, monitored their execution, and assessed management's responses to recommended actions;
- Assessed the independence and effectiveness of both the internal and external audit functions;
- Reviewed enhancements to the risk management framework and internal controls, making recommendations to management and the Board;
- Considered assurance reports from management and internal audit on the effectiveness of risk management and internal controls;
- Reviewed the assessment of the Company's principal risks and uncertainties and made recommendations to the Board;
- Oversaw preparations to support the Board's attestation of material controls under the UK Corporate Governance Code 2024 (effective FY26);
- Recommended the reappointment of the external auditor;
- Reviewed and approved the Committee's Terms of Reference;
- Considered the performance of the Committee.

Financial and narrative reporting

During the year, the Committee:

- Reviewed the full-year and half-year results and associated announcements, recommending them to the Board for approval;
- Reviewed the Annual Report to ensure it was fair, balanced and understandable, and that it provided shareholders with the information needed to assess the Company's position, performance, business model and strategy; and
- Assessed the appropriateness of accounting policies and practices, with particular focus on areas involving significant judgement or estimation.

Significant financial reporting matters

The Committee received and considered reports from the Chief Financial Officer in respect of the Group's material accounting judgements and estimates, and subsequently approved the disclosure set out in Note 1 to the Group's financial statements. These are also discussed in the independent auditor's report on page 99 and were considered in the Chief Financial Officer's Statement on page 36. The Committee considered the following significant financial reporting matters, estimates and judgements, amongst others, when approving the Group financial statements for the year ended 31 December 2025:

Revenue recognition

During the year, the Group recognised revenue of £32.6 million (2024: £51.9 million) relating to commercial and development contracts with customers. Further details are set out in Note 2 to the Group financial statements.

The Group's material contracts generally involve the provision of services typically including technology transfers, development licences, engineering services and the provision of technical hardware. Significant judgement is required at contract inception to allocate revenue and value the different performance obligations.

The Committee reviewed management's judgements for major agreements with Bosch, Delta, DENSO, Doosan, Shell, Thermax and Weichai, particularly where contract extensions or royalty considerations affected revenue timing, and the Bosch contract termination. For the newly signed Weichai agreement, the Committee mandated an external accounting review, reflecting the higher judgemental risk associated with new customer contracts.

Following review and challenge, the Committee was satisfied that revenue recognition was appropriate and in line with IFRS 15.

Provisions: warranty and dilapidations

As at 31 December 2025, the Group held provisions of £2.4 million (2024: £2.3 million) for property dilapidations and £0.2 million (2024: £0.4 million) for warranties. Further details around provisions are set out in Note 21 to the Group financial statements.

Actual costs and timing of future cash flows related to dilapidations are dependent on future events and require judgement to quantify. A small proportion of technology hardware supplied or sold to customers was provided with contractual warranties. Provision for the associated costs of future claims also requires an element of judgement.

The Committee reviewed the approach for assessing these provisions with management, noting that external professional advisers had updated the assessment of the dilapidations provision for 2025. The warranty provision consisted of constructive obligations and management's assessment of the provision was based on past performance, customer expectations and a weighting of outcomes.

Having assessed management's judgements on ensuring reasonable provisions were in place, and having reviewed the advice of the external professional advisers, the Committee was satisfied that the estimates made were well considered and appropriate.

Provisions: settlements

As at 31 December 2025, the Group held provisions for settlements of £2.0 million. Further details around provisions are set out in Note 21 to the Group financial statements.

During the year, Ceres entered negotiations with a third party regarding the early exit of a contract. By year end, a settlement agreement had been reached, with a payment of £2.0 million finalised. The Committee considered management's approach to accounting in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', together with advice received from external and internal legal counsel in respect of affected contracts. Based on this guidance, and in consideration of the work of the external auditors which provided appropriate challenge during its reviews, the Committee was satisfied that provisions for settlements were appropriate.

Audit and Risk Committee report continued

Significant financial reporting matters continued

RFC Power Ltd: impairment and subsequent acquisition

During the year, the Group impaired its investment in RFC Power Limited to £nil following indicators that the entity was no longer a going concern. This charge, arising from non-recurring circumstances, was presented separately to provide clarity on underlying operating performance.

On 1 August 2025, the Group obtained control of RFC Power Ltd and then acquired the remaining share capital for £1 on 30 September 2025, resulting in Ceres Power Limited obtaining full ownership. The net assets of RFC Power Ltd at the acquisition date were immaterial to the Group's financial position. At 31 December 2025, a loan of £375,000 was outstanding and payable by RFC Power Ltd to Ceres Power Ltd. From 1 August 2025, RFC Power Limited has been fully consolidated, with assets, liabilities and results recognised under IFRS 3 and IFRS 10.

The Committee reviewed management's impairment assessment, acquisition accounting and consolidation entries, including the valuation of assets and liabilities at acquisition and the treatment of fully impaired intangibles. Based on the evidence presented and management's application of the relevant accounting standards, the Committee was satisfied that the impairment, acquisition and consolidation were appropriate and that the related disclosures were clear and balanced.

Internal audit

Grant Thornton LLP continued to act as the Company's outsourced internal auditor during the year, having been appointed in 2023. Grant Thornton has no other connection with the Company or its Directors, supporting its independence.

At the start of 2025, the Committee approved an internal audit plan comprising four reviews. The Committee monitored delivery of the plan and management's remediation of findings. The reviews and their rationale were as follows:

- **Employee Right to Work ("RTW"):** Following a policy breach, the Committee commissioned a targeted review. Internal audit confirmed that management had taken appropriate corrective action, including strengthening policies and introducing third-party RTW verification;

- **Inventory management:** As part of core financial controls, the review assessed inventory processes, documentation, segregation of duties and system access. Internal audit confirmed that key controls were in place and provided recommendations to enhance process efficiency;
- **IT Disaster Recovery ("ITDR") and Business Continuity Planning ("BCP"):** These reviews support mitigation of cyber security and operational interruption risks. Due to resource constraints during the Group restructuring, the work was rescheduled to early 2026; and
- **Material Controls Review:** In preparation for compliance with Provision 29 of the UK Corporate Governance Code 2024, internal audit assessed management's progress in defining and documenting material controls. The review noted strong progress and provided recommendations to further strengthen control design and documentation.

The Committee was pleased with the continued improvement in the quality, depth and insight of internal audit work during the year. At its December meeting, the Committee reviewed and approved the 2026 internal audit plan, which will be reported on next year.

Internal audit effectiveness review

The Committee undertook a full effectiveness review of the internal audit function in 2025. A questionnaire issued to Committee members and management assessed three core areas:

- **Positioning** – mandate, independence and resourcing;
- **People** – competencies, staffing strategy and culture; and
- **Processes** – risk assessment, planning, execution and reporting.

Following discussion of the results, the Committee concluded that the internal audit function remained effective and continued to add value. Recommendations were provided to enhance visibility, action tracking and scoping of audit work, all of which have been incorporated into future internal audit plans.

Internal controls and risk management framework

The Committee aims to ensure the integrity of the financial statements made by the Company and to safeguard the assets of the Company. Throughout 2025, the Committee reviewed

the effectiveness of the internal financial and compliance control systems, supported by regular assurance reports during the year and at year end. In limited areas where a need for control improvements were identified, to the extent that they are not already addressed, management continues to progress mitigation actions in line with the recommended enhancements.

The Committee reviewed the operation of and approved developments to policies and strategies during the year including the Tax Policy and strategy, the Treasury Policy, non-audit fees, the Anti-Bribery, Corruption and Fraud Policy, the Conflicts of Interest Policy and the annual report on Speak Up.

The Committee oversaw substantial improvements to the Company's risk and internal control environment during the year. Under the leadership of the Group Chief Financial Officer, and with support from Grant Thornton and a dedicated internal team, the Company implemented a refreshed risk management framework and introduced an Enterprise Risk Management ("ERM") system. This has enhanced visibility of emerging risks and strengthened the quality and consistency of risk evaluation across the business. The risk management framework and the Company's approach to risk are discussed on pages 40 to 44.

In preparation for the UK Corporate Governance Code 2024 Provision 29 requirements effective for the 2026 financial year, the Committee commissioned a structured management exercise to support the Board's future declaration on the effectiveness of material controls. The Committee was encouraged by the progress made and recognised that further development work will continue into the next financial year.

On behalf of the Board, the Committee ensured that a robust assessment of the Company's principal risk and uncertainties had been undertaken and recommended the developments to reporting of principal risks for approval by the Board. The Company's principal risks are detailed on pages 42 to 44.

Annual Report and Accounts for the year ended 31 December 2025

Since the end of the financial year, the Committee has reviewed the contents of the Annual Report and Accounts considering whether the information provided enables an assessment of the Group's position and performance, business model and strategy. The ESG Committee provided assurance to the Committee and the Board on the included TCFD disclosures. The Committee (and subsequently the Board), assessed the report with the following factors in mind:

- **Fair** – no omission of material or sensitive information;
- **Balanced** – consistent messaging throughout, with an appropriate balance between statutory measures and adjusted metrics; and
- **Understandable** – well structured, clearly presented and cohesive.

The Board's formal statement is included on page 97 of the Directors' report.

External audit

BDO LLP was reappointed as the Company's external auditor at the 2025 AGM to hold office until the 2026 AGM. Peter Acloque was appointed as Senior Audit Partner in 2024. BDO LLP was first appointed at the Company's Annual General Meeting on 4 December 2019 and the Company became a Public Interest Entity ("PIE") on 29 June 2023 on its move up to the Main Market of the London Stock Exchange.

Therefore, in compliance with the Competition and Markets Authority's Statutory Audit Service for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the "CMA Order"), and the Companies Act 2006, the next mandatory tender process for the external auditor services will be undertaken ahead of the audit year ending 2033 (ten years from the first appointment) and the audit partner rotation will be due in 2029.

The Company does not currently plan to tender for the provision of external audit services earlier as it believes that the continuity of provider and its understanding of the business are beneficial. Annual reviews of the effectiveness

and independence of the external auditor are and will continue to be undertaken to ensure that the auditor continues to be independent and appropriate.

The Company is in full compliance with the CMA Order, which details the mandatory use of competitive tender processes for the provision of statutory audit services.

During the year, the Committee met with the external auditor regularly without management present, and specifically at the time of the interim and full-year results, to ensure that its independence was maintained and to enable the Committee to discuss any matters directly with the auditor.

The Committee considered the independence criteria and performance of the auditor, noting that the engagement team conducting the audit complied with relevant ethical requirements including the FRC's Ethical Standard and the IESBA Code of Ethics and were independent of the Group, and that confirmation of independence from the auditors had been sought and provided. In view of these factors, the controls in place to protect auditor independence and the willingness of BDO to robustly challenge management as necessary, the Committee was satisfied that BDO remains independent as external auditor.

BDO has indicated its willingness to continue in office, and the Committee has recommended BDO's reappointment to the Board. The Committee confirms that its recommendation is free from influence by a third party and that no contractual terms of the kind mentioned in Article 16(6) of the Audit Regulation have been imposed on the Company. A resolution to reappoint BDO as the external auditor will be proposed at the 2026 AGM.

External auditor effectiveness

The Committee completed its FY24 external audit effectiveness assessment following publication of the FY24 Annual Report and Accounts. The review was conducted in accordance with the FRC's Audit Committees and the External Audit: Minimum Standard, which recommends evaluation across four key areas:

- Mindset and culture;
- Skills, character and knowledge;
- Quality control; and
- Judgement.

Committee members completed a structured questionnaire addressing these areas and were provided with supporting evidence, a management questionnaire assessing the FY24 audit team's technical capability, project management and delivery, and a summary of feedback received from the external auditor throughout the audit cycle.

The Committee reviewed the results and identified improvement opportunities, principally relating to the timing of audit procedures in areas involving significant judgement. These findings were discussed with the Senior Audit Partner, the Committee Chair and the CFO, and the Senior Audit Partner subsequently presented proposed enhancements to strengthen audit planning and execution in future cycles.

In discussion with the Senior Audit Partner at audit closing meetings, directly with the Committee Chair and with the Committee as a whole, it was determined that all potential risks to audit process had been suitably identified and addressed, that the strategy used by the auditor to address these potential risks were satisfactory and that there were no concerning actions as a result of the Committee's review of the FY2024 audit.

The Committee reviewed and agreed the Audit Committee report and the work undertaken by the auditor both at the year end and the interim results to ensure that it reflected an understanding of the business and its strategy. It was informed of any instances of challenge by the auditor and how these were resolved with management to reach a satisfactory outcome.

The Committee ensured that the external auditor's interim and year-end plans showed that the internal teams were resourced appropriately and that the audit team had the appropriate capacity, knowledge and skills to assess the business.

As a result of its assessment, the Committee concluded that the external audit plan had been delivered in full and that the external auditor remained effective.

Audit and Risk Committee report continued

FRC Audit Quality Inspection and Supervision Report

The Financial Reporting Council (“FRC”) published its Audit Quality Inspection and Supervision Report for accountancy firms in July 2025, covering the 2024/25 inspection cycle. In reviewing the findings relevant to BDO, the Committee noted that although the proportion of engagements assessed as requiring no more than limited improvements had increased, several audits reviewed continued to require significant improvements.

The Committee considered BDO’s Audit Quality Plan, which sets out the firm’s response to the FRC’s findings, including the actions and initiatives being implemented to strengthen audit quality. The Committee was satisfied that these measures were appropriate and aligned with regulatory expectations. Audit quality will remain a priority area of focus for the Committee in the year ahead.

Non-audit fees

The Committee monitored compliance with the Non-Audit Fees Policy, which during the year remained aligned with the FRC’s Revised Ethical Standard issued in December 2024. Audit and non-audit fees paid to BDO are disclosed in Note 3 to the financial statements.

The Policy restricts non-audit services to no more than 70% of the average audit fees for the preceding three years. No non-audit services exceeded this threshold during the year, and the Committee confirms full compliance with the Non-Audit Fees Policy.

Committee Performance Review

The 2025 Audit and Risk Committee Performance Review confirmed that the Committee continued to operate to a high standard across all areas assessed. I was pleased to note particularly strong feedback regarding my leadership as Chair. The Committee also met the development objectives set following the external evaluation conducted by BValco in 2024, including strengthening oversight of the maturity of the Group’s risk management approach and ensuring that emerging risks were clearly articulated to the Board.

The year ahead

In the coming year, the Committee will remain focused on delivering its core responsibilities. Key priorities will include overseeing the embedding and effectiveness of the revised risk management framework and supporting the adoption of audit and assurance processes required under Provision 29 of the 2024 UK Corporate Governance Code. The Committee will also consider the development of an Audit and Risk Assurance Policy, setting out the Company’s approach to internal controls, risk management and the supporting assurance processes.

Caroline Brown

Chair of the Audit and Risk Committee

25 March 2026

Remuneration and Nomination Committee report

“The Committee continues to benefit from efficiencies gained by considering remuneration and nomination matters in an integrated manner.”

Tudor Brown

Chair of the Remuneration and Nomination Committee



Introduction

I am pleased to present the Remuneration and Nomination Committee (the “Committee”) Report for the year ended 31 December 2025. The Committee continues to benefit from efficiencies gained by considering closely linked remuneration and nomination matters in an integrated manner.

Board composition has remained stable since my last report to shareholders in March 2025; as previously reported Uwe Glock stepped down as a Director from the Board in February 2025. Julia King assumed the mantle of Employee Engagement Director from Trine Borum Bojsen in September 2025, specifically requesting that she receive no increase in fees, and in February 2026 Stuart Paynter was appointed a member of the ESG Committee in place of Phil Caldwell. Executive succession planning remains a priority for the Committee and we continue to make improvements in this area of responsibility.

In terms of remuneration, the Committee continued to oversee the implementation of the Directors’ Remuneration Policy as approved by shareholders at the 2024 AGM. The Committee considered and approved the fixed and variable pay elements for Executive Director remuneration, the Chair’s fee and Company Secretary’s remuneration, the fixed and variable pay structure for the Executive Committee members, and considered these elements together with benefits for all employees across the Group. Remuneration is discussed in depth on pages 72 to 90 of this report.

The Committee oversaw preparations and was satisfied with the conduct of the internally facilitated Board Performance Review in 2025, which built upon the review conducted by the external evaluator BValco in 2024. The results of the Board Performance Review are discussed in detail on page 60, and each individual Committee Performance Review in its respective report. The review of the Committee’s performance showed it continued to operate effectively, with areas for future development as discussed later within this report.

Committee membership

- Tudor Brown (Committee Chair)
- Julia King
- Warren Finegold
- Karen Bomba

Committee composition

Membership of the Committee comprises four Non-Executive Directors. The Chair of the Board is also a member of the Committee in order to ensure nomination matters have the required input and leadership. The Chair of the Board was considered independent on appointment to the Committee and does not chair the Committee at any time.

No Director is involved in any discussion or decision relating to their own remuneration and the Chair is not involved in any discussions relating to their succession.

Other Directors and individuals such as the Chief People Officer and external advisers are invited to attend meetings as required.

Role of the Committee

The Committee has a dual role covering both the requirements of a Remuneration Committee and also those of a Nomination Committee. The Committee governs all aspects of the Chair, Executive Directors and Executive Committee members’ remuneration and reward arrangements and advises on employee benefit structures for the Company. It is responsible for reviewing the composition and structure of the Board and for identifying and recommending candidates for Executive and Non-Executive Director appointments.



Terms of Reference for the Committee are available on our website at:

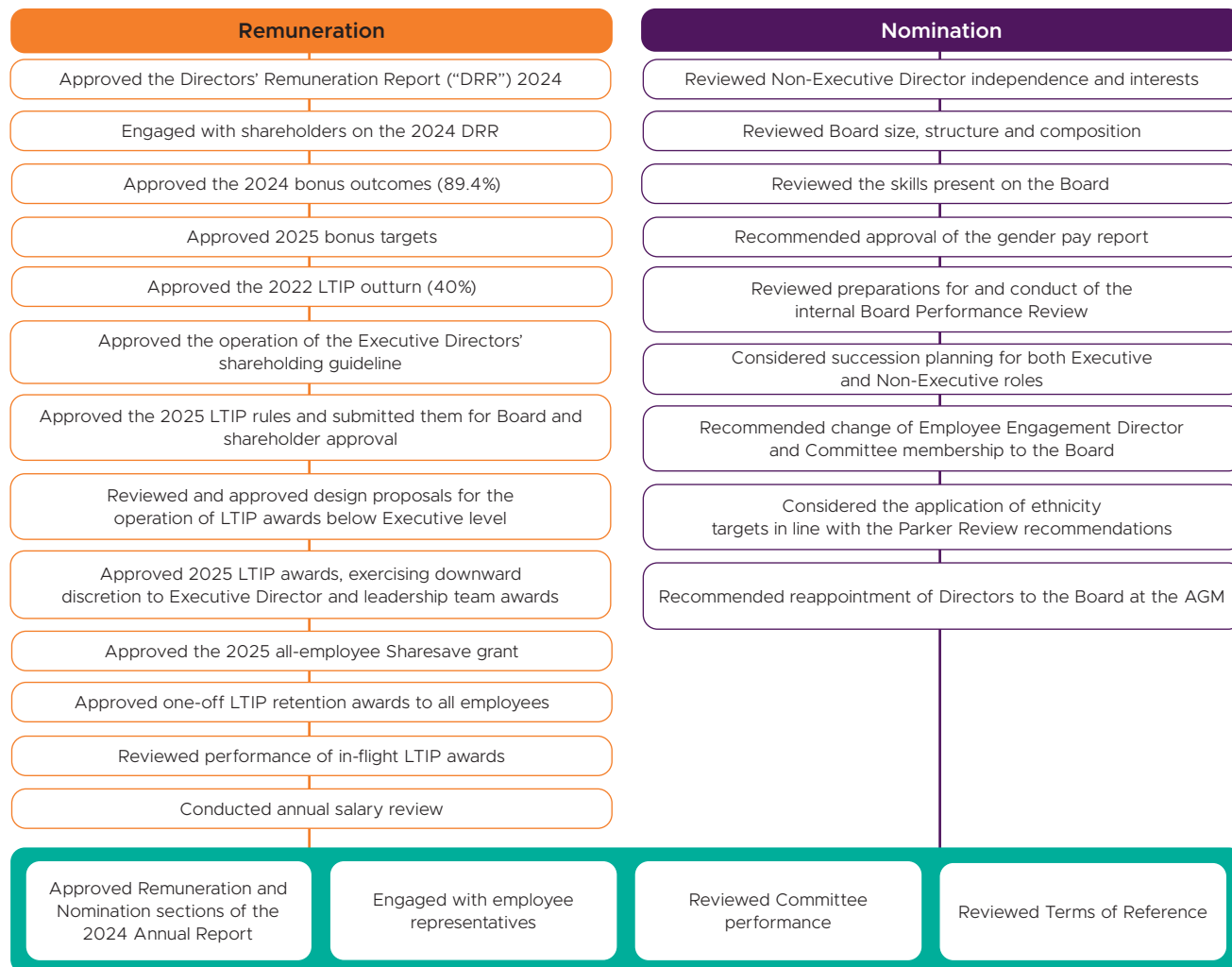
www.ceres.tech/who-we-are/corporate-governance

Remuneration and Nomination Committee report continued

Committee activities 2025

The Committee met nine times during the year ended 31 December 2025 and attendance is shown on the table on page 54 of the corporate governance report.

The chart below shows the key activities undertaken by the Committee during the year and more information on the remuneration aspects can be found in the Directors' Remuneration Report and the Remuneration Policy on pages 72 to 90.



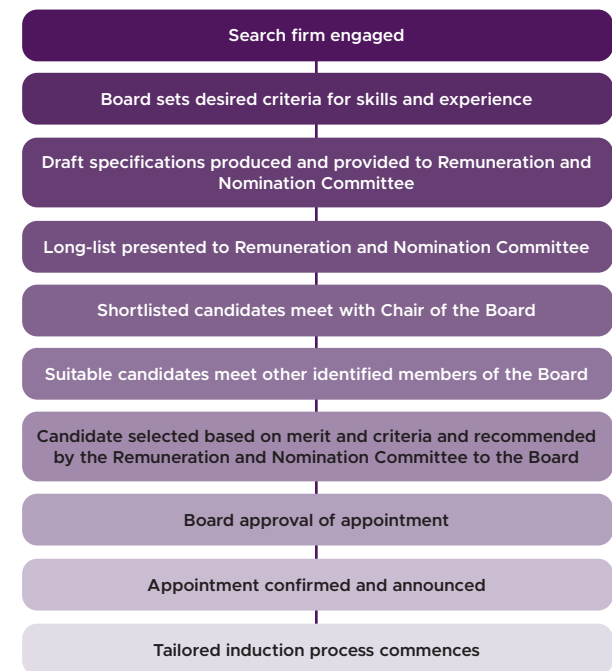
Nomination matters

Board composition

As at 31 December 2025, the Board comprised nine Directors, five of whom are considered independent. Warren Finegold is the Chair of the Board, Julia King is the Senior Independent Director and Employee Engagement Director. Caroline Brown, Julia King and Tudor Brown are independent Non-Executive Directors and Chair the Audit and Risk, ESG, and Remuneration and Nomination Committees respectively. Karen Bomba and Trine Borum Bojsen are independent Non-Executive Directors. Trine Borum Bojsen will step down at the 2026 AGM. Dr Nannan Sun is the Weichai nominated Non-Executive Representative Director.

Recruitment process

The diagram below illustrates the typical process used for appointments to the Board:



Succession planning

The Committee reviewed Board composition and succession plans for both the Board and the Executive Committee in the context of the Group restructuring undertaken during the year. It was satisfied that appropriate measures are in place to safeguard the long-term leadership of the business and that sufficient focus is being given to developing future leaders. The Committee and the Board remain committed to promoting a diverse pipeline of talent, recognising this as essential to the Company's long-term sustainability and its ability to attract and retain high-calibre individuals.

The tenure of each Board member, shown on pages 50 to 51, continues to be carefully monitored to ensure effective planning for future renewal and recruitment. As part of its ongoing assessment of Board capability, the Committee evaluated the skills and experience represented across the Board to identify potential gaps or areas requiring future strengthening. The outcomes of this assessment are summarised below. The Committee will continue to keep the Board's composition under review to ensure it remains appropriate for the Company's strategic needs.

Experience	Director								
	Karen Bomba	Trine Borum Bojsen	Caroline Brown	Tudor Brown	Warren Finegold	Julia King	Phil Caldwell	Stuart Paynter	Nannan Sun
Senior leadership	3	3	3	3	3	3	3	3	3
Industry	2	3	2	2	2	3	3	2	3
Global	3	3	2	3	3	2	3	3	2
Financial	2	2	3	3	3	2	3	3	2
Innovation and technology	3	3	2	3	2	3	3	2	3
Public company and corporate governance	2	2	3	3	3	2	3	3	2
Government relations and regulatory	2	3	2	3	2	3	3	3	2
Risk management	2	2	3	2	3	2	2	3	2
Environmental and sustainability	2	3	2	2	2	3	3	2	2
Executive compensation	3	2	2	3	3	2	2	2	2

1 No/limited experience 2 Some experience 3 Considerable experience

Remuneration and Nomination Committee report continued

Gender balance and ethnicity

The Board believes strongly that diversity of thought is crucial to effective decision making and that diversity in all its forms is beneficial in the composition of the Board. The gender balance of the Board is set out on page 52 and whilst a nominal target is not the Board's motivation for recruitment, it is a welcome outcome of suitable appointments to the Board. The current gender balance meets the Financial Conduct Authority's ("FCA") target of at least 40% women on boards. The target for one of the senior roles on the Board (Chair, CEO, CFO or SID) to be held by a woman is met.

The Company has a Diversity, Equality, Belonging and Inclusion Policy, which the Board reviewed and approved during the year. The Board supports and demonstrates a culture of inclusion and welcomes diversity throughout the business, recognising the benefits and strengths that come with different backgrounds and perspectives.

In compliance with UK Listing Rule 6.6.6R(10), the following tables set out the disclosed gender balance and ethnicity of our Board members and Executive Committee team as at the year ended 31 December 2025. Data was collated via a restricted questionnaire to each Director and Executive Committee member with options consistent with those set out in the tables below (including an option to decline in compliance with the UK General Data Protection Regulation). An acknowledgement that the data provided would be published in this report and provided to the Parker Review was also included.

The data collated confirms that the Board, as at 31 December 2025, met the target set by the Parker Review of at least one Director from a minority ethnic background.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management*	Percentage of Executive Management	Number of Executive Management's direct reports	Percentage of Executive Management's direct reports
Women	5	56%	1	2	29%	8	19%
Men	4	44%	3	5	71%	35	81%
Other categories	0	0%	0	0	0%		
Prefer not to say	0	0%	0	0	0%		

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-White groups)	8	89%	4	7	100%
Mixed/Multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	1	11%	0	0	0%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

* Executive Management includes the CEO and CFO.

During the year, with reference to the Parker Review, the Committee considered whether it was appropriate to set ethnicity targets applying to the senior management team. Due to the small size of the senior management team, it was determined that setting such targets would not be appropriate. The Committee notes that since its last review, the Company has re-entered the FTSE 250 and will review the Company's position in 2026.



Director induction and onboarding

Incoming Directors undertake a tailored induction programme which includes briefings on their duties as a Director, the listed company environment, and Company specific policies, and procedures and Board pack software. A series of one-to-one meetings with Board members and Executive Committee members along with on-site visits and tours are undertaken to ensure new Directors have a thorough understanding of the business. Whilst inductions are designed to cover all necessary aspects for a new Director, requests for additional meetings or information are met wherever possible.

Director re-election

All Directors are subject to annual re-election at the Company's Annual General Meeting in compliance with the Corporate Governance Code 2024 and the Company's Articles of Association. All of the Board Directors as detailed on pages

50 to 51 will stand for re-election at the 2026 AGM except for Trine Borum Bojsen, who will stand down as a Director at the AGM in recognition of the increased demands of her management responsibilities at Equinor. Details of the skills, experience and specific strengths each Director brings to the Board are set out on pages 50 to 51.

Board Performance Review

The Committee reviewed and approved the arrangements for the internally facilitated Board and Committee Performance Reviews, the full process of which is described in the governance report on pages 60 to 61. The Committee was satisfied that the process was appropriately robust and had been conducted satisfactorily, with the outcomes of the review and associated actions clearly articulated. The Committee considered the results in respect of Board composition, concluding that the Board's composition remained appropriate.

Committee Performance Review

The Committee's Annual Performance Review reflected strong performance across all assessed areas, while highlighting succession planning as a key priority for the year ahead. Recommendations from the externally facilitated review undertaken by BValco in 2024 were addressed during the year, with the Committee ensuring appropriate time and attention was dedicated to each area of its remit.

In the coming year, the Committee will continue to advance its core responsibilities, placing particular emphasis on strengthening succession planning across both Executive and senior management roles.

Tudor Brown

Chair of the Remuneration and Nomination Committee

25 March 2026

Directors' Remuneration Report

“

The Committee focused on robust Remuneration Policy implementation during a challenging but strategically important year for Ceres.”

Tudor Brown

Chair of the Remuneration & Nomination Committee

Statement by the Chair of the Remuneration Committee

The report is divided into the following sections:

- Chair's Statement on pages 72–74
- Remuneration at a glance on page 75
- Remuneration Policy on pages 76–79
- Annual Report on Remuneration on pages 82–90

Please refer to pages 67 to 68 for details of the composition and focus of the Committee during 2025.

Dear Shareholders,

As Chair of the Remuneration and Nomination Committee (the “Committee”), I am pleased to present our 2025 Directors' Remuneration Report on behalf of the Board.

Business context and Company performance

2025 proved a challenging but strategically important year for Ceres, marked by decisive commercial and organisational changes aimed at strengthening the business and positioning it for long-term growth. These changes position Ceres to take advantage of opportunities for solid oxide technology in both power generation and green hydrogen from rapid electrification, record renewable energy deployment, and surging power needs from AI-driven data centres.

The Company made strong strategic progress: Doosan's commercial-scale fuel cell factory began production, a major new manufacturing licence was signed with Weichai in China, and Ceres' electrolysis technology achieved megawatt-scale green hydrogen production with Shell in India. Additional partner demonstrations, including with DENSO and JERA in Japan, further validated the technology.

To accelerate commercial growth, Ceres launched a business transformation plan, reorganising into cross-functional teams, sharpening its focus on new manufacturing partnerships, and reducing operating costs by 20%. While the record-breaking revenues achieved in FY2024 were not matched in 2025, Ceres' new, leaner structure and increased commercial focus makes it well placed to capitalise on future opportunities.

It is within this wider context that the Committee implemented the Remuneration Policy during the year.

Remuneration Policy and implementation

Ceres' Remuneration Policy was approved by shareholders at the 2024 AGM, receiving a high level of support (91.27% in favour). The Remuneration Policy is presented for shareholder approval at least every three years. Over 2026 the Committee will review the Policy, and following consultation will present an updated version for shareholder approval at the 2027 AGM. Outlined below are the principal elements of how the Remuneration Policy was applied during FY2025, with the full details disclosed on pages 76 to 79.



Salary

During the year, the Committee approved Executive Director salary increases of 3% aligned with the wider workforce, such increases taking effect from 1 January 2026.

2025 bonus awards outcome

When determining the bonus outcomes, the Committee considered the formulaic outcome of the corporate key performance indicators along with the wider business and individual impact and performance in 2025, incorporating ESG achievements. Details of this are provided in the Annual Report on Remuneration.

In considering the overall financial and operational performance of the Company, the Committee determined an annual bonus award of 34.3% of maximum for both Executive Directors Phil Caldwell and Stuart Paynter was appropriate. No discretion was applied to the outcome.

2023 LTIP awards outcome

The 2023 LTIP award, which measured performance over the 2023–2025 period, achieved 25% of its performance conditions and is scheduled to vest on 4 May 2026. Full details are provided in the Annual Report on Remuneration. No discretion was applied to the outcome.

2025 LTIP awards grant

Concerning the 2025 LTIP awards, the Committee recognised the impact that the Bosch withdrawal had on Ceres' share price from 20 February 2025 onwards. In last year's Directors' Remuneration Report, the Committee stated an intention to apply a reduction of at least 20% of the maximum permitted when making the 2025 LTIP awards. The Committee exercised its discretion to apply a reduction of 30% to Executive Director LTIP awards granted in June 2025. High level details of performance criteria and weightings are disclosed on page 85. Total shareholder return will also remain a key element to maintain alignment with shareholders.

2026 Bonus

To ensure the 2026 annual bonus directly supports the Company's strategic priorities, the Committee agreed to streamline the Executive Directors' scorecard around the areas most critical to performance. This includes a clear focus on financial delivery (revenue, gross margin, and operational cash), alongside commercial progress through growth in the order book and new partners.

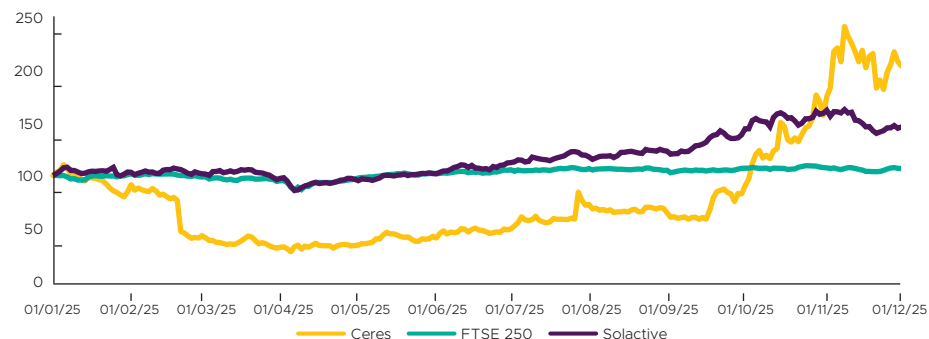
Chair and Non-Executive Director fees

The Committee approved an increase of 3% for the Chair's fees in 2025. Non-Executive Directors fees were also increased by 3%, as approved by the Executive Directors and the Chair, being unconflicted members of the Board. These increases took effect as at 1 January 2026.

Share price performance

At the start of the year Ceres' share price was significantly impacted by the withdrawal of Bosch as a strategic partner in February 2025, recovering strongly in October 2025 on Bosch's divestment of its holding. The share price responded positively to announcements concerning partner activity, and at year end the share price was £2.128 per share, up from £1.71 per share on 1 January 2025. Ceres' focus remains resolutely on ensuring that we deliver strong business results, continue to support partner success to build a strong sustainable business and deliver shareholder returns in the long term.

2025 Share price performance compared to FTSE 250 and peers represented by the Solactive Hydrogen Economy Index



Shareholder engagement

At the 2025 AGM the advisory resolution to receive and approve the Directors' Remuneration Report ("DRR") for the year ended 31 December 2024 passed with a majority of 79.67% votes in favour. As the resolution received just over 20% of the vote against, in accordance with the provisions of the UK Corporate Governance Code, in June 2025 I invited engagement from shareholders, reaching out to holders representing 84% of those shares voted against.

Meetings I held with responding shareholders discussed the elements of the DRR chiefly of concern to a proportion of Ceres' investors. These included the Chief Executive Officer's pay rise, Executive Directors' pay review and realignment with reference to external benchmarks, and performance metric disclosures for short and long-term incentives. I fed these concerns back to the Remuneration and Nomination Committee, which noted the discussions concerning Executive Director base salary levels, and reflected on the other matters raised.

Directors' Remuneration Report continued

Shareholder engagement continued

Following deliberation, the Committee remained satisfied that the decisions on Executive pay remained appropriate for the reasons detailed in the 2024 DRR, confirming that the correction to salary level was necessary; however, reflecting on a preference for a more graduated approach to pay increases in future policy implementation. We have addressed points raised by our investors on disclosures in this 2025 DRR to the extent possible whilst protecting areas of commercial sensitivity.

Both personally and on behalf of the Committee, I would like to thank those shareholders who participated in engagements. All feedback received has been valuable to the Committee and the Board, which remain committed to an ongoing constructive relationship with our investors.

Employee reward and engagement

The overarching remuneration arrangements for the wider workforce are considered by the Committee when reviewing the remuneration arrangements for the Executive Directors and the Executive Committee. Feedback is received into the Committee via employee engagement sessions along with the annual employee survey, and remuneration is considered against emerging trends and best practice as shared by the Chief People Officer and external compensation advisers.

We reviewed the performance measures and outcomes associated with the contractual and discretionary bonus schemes to ensure alignment with our strategy, Company performance, remuneration philosophy and the approach to awards at Executive Director level. The Committee also reviewed the quantum and timing of broader workforce salary awards, closely monitoring inflation as well as Company performance. A Company-wide salary increase of 3% was implemented in July 2025.

The Board oversaw the workforce restructuring during 2025, and the Committee was satisfied that appropriate financial arrangements were made for employees whose roles became redundant. During this period, the Committee engaged with the employee representatives. On behalf of the Committee, I would like to express our appreciation for the important role they played in supporting workforce engagement.

The adoption of the Long Term Incentive Plan 2025 by shareholders at the 2025 AGM allowed the Committee to adapt the employee share plan offering, using a time-based

vesting condition in place of performance metrics for share scheme participants below Executive Director level. This increased the plan's effectiveness as a retention tool, whilst reducing the overall quantum of awards. The 2025 LTIP awards were made in June 2025 to selected participants. Furthermore, the Committee was pleased to approve a meaningful award of shares under the LTIP to all employees retained in December 2025 following the restructuring process. These awards were granted in recognition of the professionalism, resilience and fortitude shown by our employees during this process, and to act as a retention incentive and to promote performance going forwards.

All permanent UK employees are offered the opportunity to become shareholders of the Company through participation in the employee share save scheme, which during 2025 was offered without the customary 20% discount to share price, in view of share price performance.

The Committee reviewed the development of the Company's benefits portfolio since 2020, and was pleased with the progress made across financial benefits, healthcare, insurance, holiday, sustainability linked and other benefits over the period. The Committee will continue to oversee the development of benefits offered to employees over the coming year, which includes an enhanced healthcare insurance offering for employees.

Closing remarks

On behalf of the Committee, I would like to thank the Ceres team for navigating a challenging year. While the record-breaking revenues of 2024 were not matched in 2025, management was able to guide the business to strong results and ensure the Company is well positioned to capitalise on current and future opportunities.

I would also like to thank shareholders for their engagement on remuneration matters over the past year. I look forward to continuing the dialogue over the coming year as we prepare for the refreshed Remuneration Policy to be presented at the 2027 AGM.

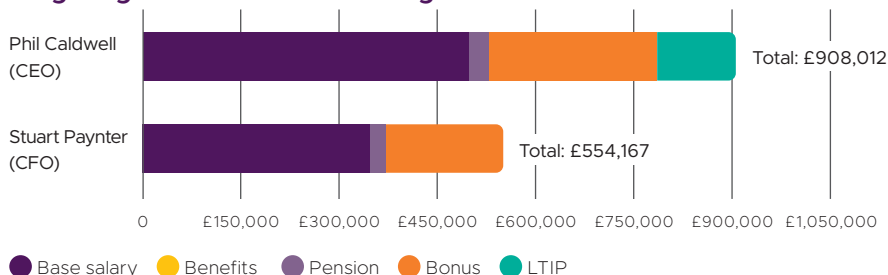
Tudor Brown

Chair of the Remuneration and Nomination Committee
25 March 2026

Remuneration at a glance (audited)

Overview of Executive Director remuneration in 2025

Single figure remuneration at a glance



Fixed pay and shareholding		
Actual salary		
Phil Caldwell (CEO)	£500,000	
Stuart Paynter (CFO)	£350,000	
Pension		
Phil Caldwell (CEO)	£30,000	
Stuart Paynter (CFO)	£23,625	
The maximum annual pension contribution/cash allowance for Executive Directors is in line with the rate for all employees at up to 8% in the UK.		
Benefits		
Phil Caldwell (CEO)	£1,381	
Stuart Paynter (CFO)	£1,537	
Shareholding MSR (%)		
	Target levels, % of base salary	Actual levels, % of base salary (at 31.12.25)
CEO	200%	498%
CFO	150%	29%

Variable pay		
2025 annual bonus awards		
Phil Caldwell	£255,722	(34.3% of maximum)
Stuart Paynter	£179,005	(34.3% of maximum)
2023 LTIP vesting outcome		
Phil Caldwell	£120,909	
Stuart Paynter	N/A	
Measures	Weighting	Achievement
Order intake	25%	25%
TSR	25%	Below minimum threshold
Revenue and income	25%	Below minimum threshold
Partner capacity	25%	Below minimum threshold

Overview of Executive Director remuneration in 2026

Fixed pay and shareholding		
Base salary		
Phil Caldwell (CEO)	£515,000 (↑3%)	
Stuart Paynter (CFO)	£360,500 (↑3%)	
Pension		
Phil Caldwell (CEO)	£30,900	
Stuart Paynter (CFO)	£21,630	
Benefits		
Phil Caldwell (CEO)	£3,300	
Stuart Paynter (CFO)	£2,075	
Shareholding		
	Target levels, % of base salary	Actual levels, % of base salary (at 31.12.25)
CEO	200%	498%
CFO	150%	29%

Variable pay		
Target annual bonus (% of base salary)		
	Phil Caldwell	Stuart Paynter
Target	90%	90%
Maximum	150%	150%
Bonus scorecard		
	Order Intake	30%
	New Partners	30%
	Revenue	20%
	Gross Margin	5%
	Cash Position	15%
LTIP target awards (% of base salary)		
	Phil Caldwell	Stuart Paynter
Target	150%	120%
Maximum	250%	200%
Performance criteria		
	Order intake	40%
	Revenue	40%
	Relative TSR	20%

Directors' Remuneration Report continued

Executive Directors' Remuneration Policy

Remuneration Policy

The Directors' Remuneration Policy was approved at the 2024 AGM and remains in effect until the 2027 AGM. For ease of reference, the Policy is set out below.

Executive Directors' Remuneration Policy – fixed remuneration

Component	Purpose	Operation	Opportunity	Performance metrics
Base salary	To provide appropriate remuneration based on role remit and contribution to leadership and Company strategy.	Salaries are reviewed at least annually and take into account a range of factors, including: <ul style="list-style-type: none"> • Market competitiveness for Executives in companies of a similar size and industry sector; • Size and scope of the role; • Skills and experience of the individual; • Performance of the Group and of the individual; • Wider market and economic conditions; and • Internal relativities, including the level of increases being made across Ceres. 	There is no defined maximum salary. The Committee's normal approach is to initially consider salary increases in line with the rest of the Company. Higher increases may be made if the Committee considers it appropriate, for example to reflect: <ul style="list-style-type: none"> • Shortfall to market; • An increase in the scale, scope, or responsibility of the individual's role; • Development of the individual within the role; • Significant market movement; and • Where the organisation has undergone significant change. 	None.
Pension	To provide an opportunity for Executives and employees to build up income on retirement.	Executives participate in the Group Personal Pension ("GPP") plan, or a similar cash allowance is provided for those exceeding HMRC pension allowances. In certain jurisdictions, more bespoke pension arrangements may be provided. In such circumstances, the Committee will give appropriate consideration to local employment legislation, market practices and the cost of the arrangement.	The maximum annual pension contribution/cash allowance for Executive Directors is in line with the rate for all employees at up to 8% in the UK. Non-UK-based Executive Directors will be aligned with local market rates.	None.
Benefits	To provide market competitive employee benefits.	Benefits are reviewed and benchmarked periodically to ensure they remain affordable and competitive. Benefits include, but are not limited to, health-related benefits, Sharesave Scheme and insurances. Where relevant, additional benefits may be offered if considered appropriate and reasonable by the Committee, such as assistance with the costs of relocation.	There is no defined maximum. Benefits plans are set at reasonable levels in order to be market competitive for their local jurisdiction and are dependent on individual circumstances. While the Committee has not set an overall level of benefit provision, the Committee keeps the Benefit Policy and benefit levels under review.	None.

Executive Directors' Remuneration Policy – variable remuneration

Component	Purpose	Operation	Opportunity	Performance metrics
Annual bonus	To incentivise and reward strong performance against annual business goals and objectives.	<p>The Committee will set performance metrics, weightings and targets at the start of each year.</p> <p>The Committee considers the extent to which these have been achieved and determines the award level, after the year end.</p> <p>Recovery and withholding provisions apply to awards earned.</p> <p>The bonus is paid in cash at the end of the relevant financial year.</p> <p>The annual bonus is subject to malus and clawback provision.</p>	The maximum award is 200% of salary. Target and threshold levels are set at 60% and 25% of maximum, respectively.	<p>Using a weighted scorecard approach, performance is measured against agreed metrics. Whilst not an exclusive list, examples can include covering financial performance, commercial scale, licensee success and technological advancement, as well as other strategic and ESG measures.</p> <p>No bonuses are paid for below threshold performance. The Committee may award any amount between zero and 100% of the maximum opportunity.</p> <p>The Committee retains the discretion to adjust the bonus if it considers that the formulaic outcome does not reflect underlying business performance or the experience of shareholders.</p>
Long Term Incentive Plan (“LTIP”)	To engage and motivate Executive Directors to deliver on KPIs that support the long-term Company strategy in order to deliver long-term returns to shareholders.	<p>An annual award of Ceres Power Holdings shares are granted and subject to performance criteria over a three-year performance period.</p> <p>An additional holding period of two years applies post vesting.</p> <p>The performance period normally starts at the beginning of the financial year in which the date of grant falls.</p> <p>Award levels and performance conditions are reviewed before each award cycle to ensure that they remain appropriate.</p> <p>Dividends (or equivalents) may be paid on vesting. Unvested awards are subject to a malus and clawback provision and vested awards are subject to clawback.</p>	<p>The annual maximum is 250% of salary.</p> <p>Threshold performance results in 25% vesting, rising to 100% vesting for maximum performance.</p>	<p>The vesting of awards is linked to agreed performance criteria, which may include, but is not limited to:</p> <ul style="list-style-type: none"> • Financial performance; • Licensee success; • Key business and technology milestones; and • Relative share price performance. <p>Metric weightings and targets may vary from year to year.</p> <p>For each performance element, achievement of the threshold performance level will result in no more than 25% of the maximum award paying out. For achievement of the maximum performance level, 100% of the maximum pays out. Normally, there is straight-line vesting between these points.</p> <p>The Committee shall determine the extent to which the performance measures have been met. The Committee has discretion to amend the performance criteria in exceptional circumstances if it considers it appropriate to do so with appropriate justification and disclosure.</p> <p>The Committee (acting fairly and reasonably) has the ability to exercise discretion in adjusting the formulaic outcome of incentives to ensure the outcome is reflective of the performance of the Company and the individual over the period.</p>

Directors' Remuneration Report continued

Executive Directors' Remuneration Policy continued

Remuneration Policy continued

Other elements of Executive Director Remuneration Policy

Component	Purpose	Operation	Opportunity	Performance metrics
Shareholding guidelines	To ensure sustained alignment between the interests of the Executive Directors and shareholders.	<p>CEO: 200% of salary.</p> <p>Other Executive Directors: 150%.</p> <p>There is an expectation that this shareholding requirement will be built over a period of five years.</p>	None.	None.
Post-employment shareholding guidelines	Ensures there is an appropriate amount of "tail risk" for Executive Directors post cessation of employment.	<p>CEO: 200% of salary.</p> <p>Other Executive Directors: 150%.</p> <p>Expected to retain shares of value equal to the minimum shareholding requirement for two years post departure from the Company.</p> <p>In cases where the individual has not had sufficient time to build up their share ownership to meet the minimum shareholding requirement prior to their departure from the Company, the post-employment shareholding requirement will be based on their actual level of shareholding on departure.</p> <p>The Committee has discretion to vary or waive part or all of the post-employment shareholding requirement in exceptional circumstances.</p>	None.	None.
Malus and clawback	<p>The Committee, in its absolute discretion, may apply malus and/or clawback at any time prior to the vesting of an award that could reduce, cancel or impose further conditions and/or apply clawback at any time within three years of payment to receive back some or all of the vesting awards or paid bonus.</p> <p>Whilst not an exhaustive list, malus and/or clawback would apply to variable pay in certain specified circumstances including:</p> <ul style="list-style-type: none"> • Misconduct; • Material misstatement or restatement of financial results affecting the assessment of a performance condition; or • Where there has been an error or inaccuracy relating to the calculation or determination of variable pay. 			
Executive Director service agreements	<p>All Executive Directors have service agreements that terminate on six months' notice.</p> <p>Service contracts for new Executive Directors should not contain terms that are materially different from those summarised in this section or contained in the policy.</p> <ul style="list-style-type: none"> • Notice or contract periods should be one year or less; • The Company may terminate the contract at any time with immediate effect and pay a sum in lieu of notice; • The Company has the right to place an Executive Director on garden leave; and • The Company may terminate the contract summarily in particular defined circumstances without further payment, such as gross misconduct. 			

Component	Purpose	Operation	Opportunity	Performance metrics
Approach to recruitment remuneration for Executive Directors	Typically, new Executive Directors' ongoing remuneration will be set in a manner consistent with the Remuneration Policy.	When a new Executive Director is recruited, the Committee may make an award to buy out variable remuneration arrangements forfeited on leaving a previous employer (accounting for form of award, value forfeit, performance conditions, time over which the award would have vested).		
	Consistent with the UK Corporate Governance Code, the Committee would intend to pay no more than it believes is necessary to secure the required talent.			
	The maximum level of variable pay that may be awarded to new Executive Directors (excluding buy-out arrangements) in respect of their recruitment will be in line with the maximum level of variable pay as outlined in the Remuneration Policy.			
	The Committee will ensure such awards are linked to the achievement of appropriate and challenging performance measures. Appropriate and reasonable costs and support would be covered if the recruitment requires relocation of the individual.			
Principles of payment for loss of office for Executive Directors	The Company approach to determining payment for loss of office will normally be guided by the following principles:			
	<ul style="list-style-type: none"> • The Committee shall seek to apply the principle of mitigation where possible, as well as seeking to find an outcome that is in the best interests of the Company and shareholders as a whole, taking into account the specific circumstances; • Relevant contractual obligations, as set out above, shall be observed or taken into account; • The Committee reserves the right to make additional exit payments where such payments are made in good faith to satisfy an existing legal obligation (or by way of damages for breach of any such obligation) or to settle or compromise any claim or costs arising in connection with the employment of an Executive Director or their termination, or to make a modest provision in respect of legal costs and/or outplacement fees; • No awards should vest where an individual has been dismissed for cause; • The treatment of outstanding variable remuneration shall be as determined by the relevant plan rules; and • Any payments for loss of office shall only be made to the extent that such payments are consistent with this Policy. 			

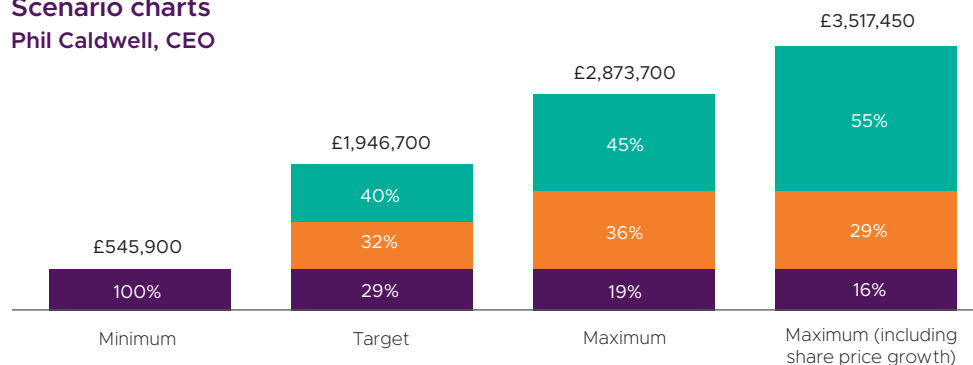
Directors' Remuneration Report continued

Executive Directors' Remuneration Policy continued

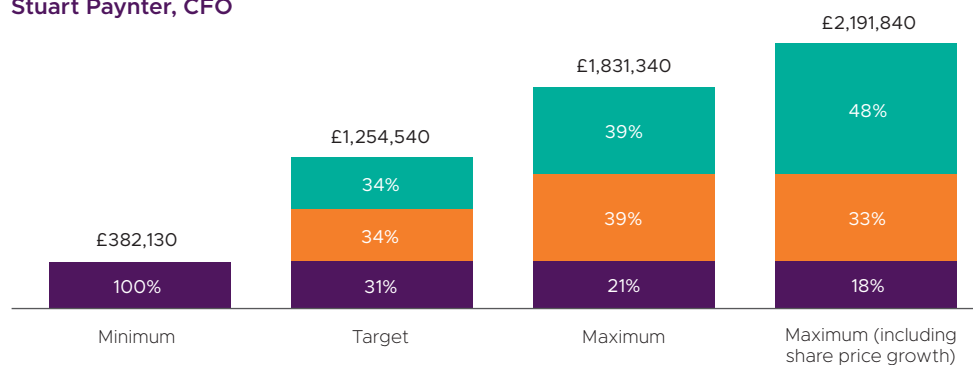
Remuneration Policy continued

Scenario charts

Phil Caldwell, CEO



Stuart Paynter, CFO



● Fixed pay ● Annual bonus ● Long-term Incentive Plans

The table below outlines the assumptions associated with the scenario charts above.

Performance scenario	Details of assumptions
Minimum (fixed remuneration)	<ul style="list-style-type: none"> Comprised of base salary, benefits and pension, i.e. fixed remuneration. There is no bonus award and no vesting under the LTIP; Base salary with effect from 1 January 2026; Benefits as they applied on 31 December 2025 and are set out in the single figure table in the Annual Report on Remuneration; and Pension equivalent up to 8% of base salary.
Target	<ul style="list-style-type: none"> Comprised of fixed remuneration, annual bonus and vesting under the LTIP; For on-target performance, it assumes payment of 60% of the maximum opportunity for the annual bonus award (90% for the CEO and CFO); and For on-target performance, it assumes payment of 60% of the maximum opportunity for the vesting of the LTIP (150% for the CEO and 120% for the CFO).
Maximum	<ul style="list-style-type: none"> Comprised of fixed remuneration, annual bonus and vesting under the LTIP; For maximum performance, it assumes payment of 100% of the maximum opportunity for the annual bonus award (150% for the CEO and CFO); and For maximum performance, it assumes payment of 100% of the maximum opportunity for the vesting of the LTIP (250% for the CEO and 200% for the CFO).
Maximum + 50% increase in share price	<ul style="list-style-type: none"> Comprised of fixed remuneration, annual bonus and vesting under the LTIP; For maximum performance, it assumes payment of 100% of the maximum opportunity for the annual bonus award (150% for the CEO and CFO); and For maximum performance, it assumes payment of 100% of the maximum opportunity for the vesting of the LTIP (250% for the CEO and 200% for the CFO), plus an assumption of 50% share price appreciation during the performance period.

Non-Executive Directors' Remuneration Policy

Component	Operation	Opportunity	Performance metrics
To attract and retain Non-Executive Directors of a high calibre that have the expertise, responsibility and the time commitment to be able to contribute to an effective Board and deliver long-term sustainable shareholder value	Fees are normally reviewed on an annual basis and amended to reflect market positioning and any change in responsibilities on a needed basis.	The Chair is paid a single fee for all responsibilities.	None.
	Directors have formal letters of appointment that can be terminated on one month's written notice by either side.	The Non-Executive Directors are paid a basic fee, which encompasses membership of one Board Committee.	
	The Committee recommends the remuneration of the Chair to the Board. Fees paid to Non-Executive Directors are determined by the Executive Directors and approved by the Board as a whole.	Committee Chairs and those having other additional responsibilities may be paid an additional fee.	
	The Chair and Non-Executive Directors receive no other pay or benefits, except for reimbursement of expenses, and do not participate in incentive plans.		
	The Company covers the costs of attending meetings and Non-Executive Directors may be reimbursed for any business expenses incurred in fulfilling their roles.		

Remuneration in wider context

When reviewing Executive Director remuneration, the Committee takes into consideration our wider workforce to ensure that our total reward offering is compelling and aligned to our business performance, whilst supporting a culture that is inclusive and in which our people feel valued.

The Committee also takes into account the following principles:

Area	Our philosophy and approach
Clarity and simplicity	Our remuneration principles and arrangements for the Executive Directors are set out clearly in our Remuneration Policy and are closely aligned with the wider workforce arrangements, particularly with regard to the fixed pay elements. All employees are eligible to participate in a discretionary bonus scheme and are invited to invest in the long-term success of the business through our employee share save scheme or LTIP programme. The Committee will continue to consult with shareholders and employees to ensure our remuneration principles and arrangements are understood and supported.
Risk	We operate minimum shareholding requirements, post-vesting holding arrangement as well as malus and clawback provisions to manage risk and ensure strong alignment to business performance and shareholder interests.
Predictability and proportionality	Our Remuneration Policy is based on the principles of modest base pay and defines clear maximum limits for variable based pay, with pay-outs under these elements being subject to meeting clear performance criteria which align to our business strategy and publicly stated ambitions.
Alignment to culture	Ceres' purpose, strategy and values continue to be directly reflected in our Remuneration Policy and the performance criteria set under the annual bonus and long-term incentive schemes.

Directors' Remuneration Report continued

Annual Remuneration Report (audited)

Total remuneration for Executive Directors

The table below sets out a single figure for the total remuneration received by the Executive Directors for the year ended 31 December 2025.

	Phil Caldwell (CEO)		Stuart Paynter (CFO)	
	2025 (£'000)	2024 (£'000)	2025 (£'000)	2024 ¹ (£'000)
Salary ²	500	372	350	88
Benefits ³	1	—	1	—
Pension ⁴	30	25	24	4
Total fixed remuneration	531	397	375	92
Annual bonus	256	500	179	80
LTIP ⁵	121	86	—	—
Total variable remuneration	377	586	179	80
Total remuneration	908	983	554	172

1. Stuart Paynter joined the Company on 1 October 2024.

2. Phil Caldwell's salary was adjusted in 2025 by 34% as reported in the 2024 Annual Report and Accounts.

3. Benefits comprise taxable benefits provided during the year. For 2025, these include a healthcare cash plan and an electric vehicle provided under a salary sacrifice arrangement.

4. Represents a cash allowance in lieu of a pension.

5. LTIP: the amount reported for 2025 relates to the 2023 LTIP scheme, which will vest on 4 May 2026 at 25%. The value of the LTIP is calculated as a product of the number of shares of the original award multiplied by the vesting percentage and the market price of ordinary shares at the end of the performance period, 31 December 2025. As at 31 December 2025, none of the value of the award vesting was attributable to share price appreciation.

The following sections provide further detail on the figures in the above table, including the underlying calculations and assumptions and the Committee's performance assessments for variable remuneration.

Base salary

When reviewing Executive Director salaries, in line with our Policy the Committee will take into account a range of factors, including:

- Market competitiveness for Executives in companies of a similar size and industry sector;
- Size and scope of the role;
- Skills and experience of the individual;
- Performance of the Group and of the individual;
- Wider market and economic conditions; and
- Internal relativities, including the level of increases being made across Ceres.

As outlined in last year's Directors' Remuneration Report, the Committee approved an increase to the CEO's base salary in 2024. This adjustment addressed a long-standing pay gap relative to peers of a comparable size within the FTSE 250 and FTSE SmallCap, and recognised CEO Phil Caldwell's continued strong leadership in delivering record results for the Company in 2024.

Following the 2025 AGM, the Committee engaged with shareholders who voted against the Directors' Remuneration Report. In response to their feedback, the Committee has committed to providing enhanced disclosures in future reports, specifically regarding the peer group comparators used in any salary benchmarking exercises.

In 2025, the Committee approved base salary increases of 3% for both Executive Director roles, aligned with the wider workforce salary budget. These increases took effect on 1 January 2026.

2025 annual bonus

The annual bonus is intended to reward the delivery of short-term targets derived from the business plan and annual budget. Each December, the Board approves the forthcoming year's annual budget and business plan. The Committee uses this to set annual objectives and bonus targets. The Committee incentivises performance by setting target objectives (capable of delivering up to 100%) with further stretch opportunities linked to the commercial and financial KPIs (capable of delivering a 150% maximum result). Minimum threshold requirements are also established (at a 25% outturn). Any outcome below the minimum threshold requirements resulted in a 0% achievement for the given objective.

In assessing performance, the Committee uses a formulaic approach to reviewing outcomes and deliverables against the KPIs set at the start of the year. The Committee then considers the wider macroeconomic environment to assess the extent to which this may have affected outcomes.

Measure	Description	Weighting	Min. Threshold (25%)	On Target (60%)	Maximum (100%)	Result/Achievement	Weighted outcome
Commercial scale	Order intake	20%	£20m	£42m	£80m	Order intake in-year achieved at 42% of target	8.3%
	New partners	10%	2 system licensees	1 stack licensee	2 stack licensees	1 new stack licence = 60% achievement	6.0%
Financial performance	Revenue	20%	£40m	£60m	£80m	Revenue of £32.6m = 0% achievement	0%
	Gross margin	5%	70%	74%	80%	Gross margin of 70% = 25% achievement	1.3%
	Cash Position	10%	£75m	£90m	£100m	Cash position of £83.3m = 44% achievement	4.4%
Licensees to succeed	Partner time to royalties	10%		See note 1		75% factory milestones on track = 60% achievement	6%
	Market leading solid oxide products	5%		See note 2		new product gates delayed by 3 months+ = 0% achievement	0%
Product and Technology	Improved lifetime and cost	5%		See note 3		80% of improved lifetime and cost targets met = 37% achievement	1.9%
	Scale maturity demonstrated in SOEC	5%		See note 4		Strategic deprioritisation of SOEC = 0% achievement	0%
ESG	Net zero strategy	5%		See note 5		6% reduction in Scope 1+2 emissions = 60% achievement	3%
	Culture, engagement and retention	5%		See note 6		Employee engagement score of 72% plus retention rate of 91% (excluding redundancies) = 68% achievement	3.4%
Overall bonus scorecard outcome							34.3%

Notes:

1. Partner time to royalties was assessed against key factory production milestones and timelines agreed at the start of the year with each of our manufacturing partners: Doosan, Delta and DENSO. Good progress was achieved with all three partners by year end. The Bosch exit removed the milestones associated with that contract.
2. Market leading solid oxide products were assessed against the development gates and milestones associated with our product roadmap. Although strong progress was made, new product milestone gates were delayed by more than three months during the year.
3. Improved lifetime and cost assessments were measured against ambitious targets for cell lifetime and cost metrics related to our new product development. Good progress was achieved, with 80% of targets met.
4. Scale maturity demonstrated in SOEC was assessed based on the readiness of the SOEC Stack Array Module (SAM) and the SAM Balance of Plant Module (SBM) for hot commissioning. SOEC development was strategically deprioritised during 2025.
5. Net zero strategy performance was assessed against a stretch target of 3% reduction in Scope 1 and 2, and 8% in Scope 3 emissions. Target was exceeded for Scope 1+2 emissions at a 6% reduction, and although an absolute reduction in Scope 3 emissions was also delivered, reduction in intensity was offset by reductions in revenue.
6. The culture, engagement and retention KPI assessed employee engagement through pulse surveys (resulting in a 72% engagement rate), and an employee retention rate of >90% (excluding redundancies).

The Committee did not seek to exercise its discretion to alter the outcome of the of the bonus scorecard assessment. Accordingly, the Committee determined the final outcome to be 34.3% of maximum, resulting in a £255,722 bonus award for Phil Caldwell, and a £179,005 bonus award for Stuart Paynter.

Directors' Remuneration Report continued

Annual Remuneration Report (audited) continued

Total remuneration for Executive Directors continued

Long Term Incentive Plan vesting: 2023 LTIP

In May 2023, Phil Caldwell was granted a conditional share award under the 2023 LTIP of 250% of salary.

In determining the vesting outcome, the Committee considered Ceres' performance over the three-year period from 1 January 2023 to 31 December 2025, based on the following performance criteria:

- Relative total shareholder return ("TSR"): measured against the performance of the FTSE 250 Index and the Solactive Hydrogen Economy Index on a 50:50 basis with threshold vesting at Ceres ordinary share (CWR) value performance equivalent to the median performance level for each index, and maximum vesting at the upper quartile performance level for each index. CWR TSR did not perform as strongly as the median of either index over the period and therefore the performance criteria was not met.
- Cumulative revenue and income: the target for cumulative revenue and income was set by the Committee based on the five-year business plan for 2023 onwards, which saw a minimum threshold of £120 million and a maximum threshold of >£200 million. Despite a strong overall performance, total cumulative revenue and income at £108 million fell short of the minimum threshold and therefore the performance criteria was not met.
- Order intake: the target for order intake was set at a threshold value of £100 million and a maximum value of >£140 million. The total order intake value achieved over the three-year period was £159 million, and therefore the performance condition was met in full and achieved 100% for this metric.
- Partner capacity: this metric contemplated a threshold of publicly declared production capacity of 500MW across Ceres' partners, with maximum vesting at >1GW. Publicly declared production capacity was below 500MW, therefore this performance criteria was not met.

Performance condition	% of the award based on performance condition	Result during performance period	Weighting x achievement
Relative total shareholder return CWR performance vs FTSE 250 index and the Solactive Hydrogen Economy Index on a 50:50 basis. Threshold vesting at median performance.	25%	Measured at the conclusion of the three-year period on 31 December 2025, median performance for the FTSE 250 Index was +5% and the Solactive Hydrogen Economy Index was +8%. The TSR performance of CWR was below median for both comparator indices resulting in an achievement level of 0%.	0%
Cumulative revenue and income¹ Achievement of cumulative revenue and income in the three years from 1 January 2023 to 31 December 2025 of greater than £120 million.	25%	Cumulative revenue and income of £108 million was achieved over the three-year period. This resulted in an achievement level of 0%.	0%
Order intake Achievement of cumulative income in the three years from 1 January 2023 to 31 December 2025 of greater than £100 million.	25%	Cumulative order intake of £158.5 million was achieved over the three-year period. This resulted in the maximum achievement level at over £140 million of 100%.	25%
Partner capacity Publicly declared partner capacity in excess of 500MW by 31 December 2025.	25%	Publicly declared production capacity was below 500MW. The Committee did not exercise any discretion to amend the performance condition and therefore this resulted in an achievement level of 0%.	0%
Overall LTIP performance criteria outcome			25%

1. Income is defined as the sum of revenue and grant income in the annual financial statements.

Based on the overall outcome of LTIP performance criteria, the Committee approved a total result against the performance criteria of 25%. Consequently, of the 227,273 share options granted to Phil Caldwell in 2023, 56,818 will vest on 4 May 2026.

2025 LTIP

In 2025, the Executive Directors were granted conditional share awards of 175% and 140% of base salary for the CEO and CFO respectively under the LTIP scheme, as set out in the table below. These awards were reduced by 30% from the original grant levels of 250% and 200% of base salary for the CEO and CFO, reflecting the share price performance following the withdrawal of Bosch as a strategic partner in early 2025, and as previously signalled in the 2025 Directors' Remuneration Report.

Scheme type	Type of interest awarded	End of performance period	Target award ¹	Minimum performance (% of shares awarded)	Maximum performance (% of shares of target award)
LTIP	Performance shares	31 December 2027	Phil Caldwell: 1,250,893 London-listed ordinary shares, equivalent to 1.75x base salary Stuart Paynter: 700,500 London-listed ordinary shares, equivalent to 1.4x base salary	0%	100%

- LTIP awards in 2025 were reduced by 30% reflecting share price performance at the time of grant, ordinarily being 2.5x base salary for the CEO and 2x base salary for the CFO.
- The awards were based on the closing share price on the day immediately prior to the grant date (26 June 2025), which was £0.7995 for ordinary shares. When determining the grant price, the Committee compared this prior day closing price with the customary three month volume weighted average price of £0.6816 per share. Given the share price performance, the higher of the two values was selected. This resulted in a lower overall allocation of share options.

The measures and weightings applying to the 2025 LTIP awards were:

Performance criteria	Minimum threshold (25%)	Target threshold (60%)	Maximum threshold (100%)	Weighting
Cumulative revenue and other income ¹		£m		40%
Order intake ²		£m		40%
Relative TSR ³	Median TSR	62.5 %ile	Upper quartile	20%

- Cumulative revenue and other income comprise stretching targets related the cumulative amounts achieved over the three-year period measured in £m. Other income includes grant income but excludes R&D expenditure credits.
- Order intake will be measured in the cumulative value of orders received over the three-year performance period in £m, and have been set at levels designed to drive high performance in this area.
- Relative total shareholder return of the Company ("TSR") will be measured on a 50:50 ratio relative to the TSR performance of the FTSE 250 Index (excluding investment funds and financial services businesses) and the Solactive Hydrogen Economy Index, of which Ceres is a constituent member.

Vesting under each performance criteria is assessed independently, with the vesting outcome ranging from 0% to 100% of maximum and applied on a pro rata straight-line basis between the minimum and target threshold and the target and maximum threshold.

Disclosing the threshold values for cumulative revenue and other income as well as order intake could be construed to constitute financial guidance, which is not the Company's intention, and is considered to be commercially sensitive. Full details of the performance criteria will be disclosed following the end of the performance period in the relevant Directors' Remuneration Report.

Non-Executive Directors' remuneration (audited)

The table below sets out the remuneration receivable by the Non-Executive Directors in respect of the year ended 31 December 2025, alongside comparative figures for the prior year.

	31 Dec 2025 (£)	31 Dec 2024 (£)
Non-Executive Directors		
Warren Finegold	180,000	180,000
William Tudor Brown	70,000	70,000
Julia King ¹	95,833	70,000
Trine Borum Bojsen	60,000	60,000
Caroline Brown	65,000	61,456
Karen Bomba	60,000	60,000
Nannan Sun	55,000	55,000
Former Non-Executive Directors		
Uwe Glock ²	7,615	55,000

- Julia King received backdated pay of £15,833 in 2025 relating to her appointment as Senior Independent Director on 18 May 2023.
- Uwe Glock stepped down from the Board on 19 February 2025.

Non-Executive Directors' fees for 2026

The Non-Executive Directors' fee structure for 2026 is set out in the table below. Fees for the Non-Executive Directors (other than the Chair of the Board) are determined by the Chair and the Executive Directors. A 3% fee increase has been applied from 1 January 2026 in line with the wider workforce salary budget. The fee structure is reviewed but not necessarily increased on an annual basis.

Position	2026	2025
Chair of the Board	£185,500	£180,000
Non-Executive Director fee (includes one Committee membership)	£56,650	£55,000
Senior Independent Director	£10,300	£10,000
Committee Chair	£10,300	£10,000
Additional Committee membership	£5,150	£5,000

Directors' Remuneration Report continued

Annual Remuneration Report (audited) continued

Directors' shareholding (audited)

Executive Directors' share plan interests

The following table sets out the Executive Directors' interests in ordinary shares under the Company's share plans.

	31 Dec 2024	Granted	Exercised	Lapsed	31 Dec 2025	Exercise price £	Exercise period
Phil Caldwell							
LTIP	358,593				358,593	0.10	Sep 2019 – Sep 2026
LTIP	87,000				87,000	0.10	Oct 2020 – Oct 2027
LTIP	138,530				138,530	0.10	Oct 2021 – Oct 2028
LTIP	71,148				71,148	0.10	Oct 2022 – Oct 2029
LTIP	50,432				50,432	0.10	Mar 2025 – Mar 2032
LTIP ¹	227,273				227,273	0.10	May 2026 – May 2033
LTIP	627,530				627,530	0.10	May 2027 – May 2034
LTIP		1,250,893			1,250,893	0.10	Jun 2028 - Jun 2035
Sharesave (approved)	1,510			(1,510)	—	5.96	Jun 2025 – Dec 2025
Sharesave (approved)	2,877				2,877	3.13	Jun 2026 – Dec 2026
Sharesave (approved)		12,930			12,930	0.71	Jul 2028 – Jan 2028
	1,564,893	1,263,823		(1,510)	2,827,206		
Stuart Paynter							
LTIP	160,709				160,709	0.10	Oct 2027 – Oct 2034
LTIP		700,500			700,500	0.10	Jun 2028 – Jun 2035
	160,709	700,500			861,209		

Notes:

1. Of the 227,273 share options granted to Phil Caldwell in 2023, 56,818 will vest on 4 May 2026, with 170,455 share options due to lapse at that date.

Minimum shareholding requirements

The CEO and CFO are expected to build up to a minimum shareholding requirement ("MSR") of 200% and 150% respectively within five years of their appointment. The MSR for 2025 is set out opposite. Shares that count towards the MSR are ordinary shares beneficially held by the Executive Director and their connected persons and share awards that are not subject to further performance conditions. Share awards included are the LTIP performance shares and the employee share save as you earn ("SAYE") shares.

A post-employment shareholding requirement came into effect for the Executive Directors from 2024 onwards as part of the revised Executive Director Remuneration Policy. For two years following cessation of employment, Executive Directors are expected to retain shares of value equal to the MSR that applied during employment, or, in cases where the individual has not had sufficient time to build up shares to meet their guideline, the actual level of shareholding at cessation.

Directors' share interests

	Ordinary shares held at 31 December 2025	Vested and exercisable	Unvested and subject to performance conditions	Value of shares counted towards MSR as a % of base pay
Executive Directors				
Phil Caldwell	464,235	705,703	2,121,503	498%
Stuart Paynter	47,682	—	861,209	29%
Non-Executive Directors				
Warren Finegold	30,056			
William Tudor Brown	15,000			
Julia King	30,200			
Karen Bomba	12,121			

Loss of office payments to Directors

There were no payments for loss of office made to Executive Directors during the year.

Malus and clawback

Provisions relating to malus and clawback are in place with respect to the operation of the annual bonus and the Long-term Incentive Plan awards. The operation of these provisions, the circumstances and time periods in which they would be employed are detailed in the Remuneration Policy on page 76. The Committee considers three years to be an appropriate length of time in which the circumstances which would precipitate the operation of clawback provisions to be identified. These provisions were not employed during the year under review.

CEO to employee pay ratio (Option B methodology)

The table below shows the CEO pay ratios for financial years ending December 2021 through December 2025 using method B (gender pay gap methodology).

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2025	B	23.1	18.0	12.3
2024	B	24.8	18.4	13.7
2023	B	13.0	10.2	7.5
2022	B	18.3	15.7	8.2
2021	B	16.5	11.9	8.5

1. CEO to employee pay ratio (Option B methodology) is shown from FY2021 onwards.

Method B was selected as it made use of robust readily available data reported as part of our gender pay reporting requirements. Total pay was calculated for a sample of employees at each quartile to ensure that the three identified employees were suitably representative of their quartile. A full-time equivalent total pay figure was calculated for each identified employee within their respective quartile using the single-figure methodology.

The decrease in the CEO to employee pay ratio in 2025 is directly attributable to the size of the CEO bonus award (34% in 2025 vs 90% in 2024). The Committee is satisfied that the pay ratios are consistent with the Company's pay, reward, and progression policies.

The following table sets out the base salary and total pay figures for the employees identified at each quartile.

Year	Element of pay	25th percentile employee	Median employee	75th percentile employee
2025	Base salary (FTE)	£38,520	£52,822	£68,089
	Total pay (FTE)	£44,815	£57,496	£84,018
2024	Base salary (FTE)	£37,338	£50,000	£65,869
	Total pay (FTE)	£40,325	£54,500	£73,138

Historic TSR performance and CEO remuneration

The graph below compares the TSR performance of a share of Ceres over the past ten years with the TSR of the FTSE 250 Index, the FTSE SmallCap Index and the FTSE AIM 100, rebased to 100 at the start of the period. Since the move to the Main Market in June 2023, the Committee considers the FTSE 250 and FTSE SmallCap Indices appropriate reference points for the share price performance of the Company. Before moving to the Main Market, Ceres was a constituent of the AIM market and performance against the FTSE AIM 100 Index over this period of time is provided as additional reference.

TSR of Ceres Power vs the FTSE 250 Index, FTSE SmallCap Index and FTSE AIM 100 Index



Directors' Remuneration Report continued

Annual Remuneration Report (audited) continued

Directors' shareholding (audited) continued

Historic TSR performance and CEO remuneration continued

TSR of Ceres Power vs the FTSE 250 Index, FTSE SmallCap Index and FTSE AIM 100 Index continued

The table below shows the historic single total figure of remuneration for Phil Caldwell, who was appointed CEO on 2 September 2013 (£'000).

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total remuneration	290	305	320	424	566	503	563	583	983	908
Bonus (% of max)	80%	90%	98%	86%	84%	43%	35%	44%	90%	34.3%
LTIP (% of max) ¹				86%	100%	100%	44%	0%	40%	25%

1. The LTIP scheme was established in 2016 and first vested in 2019.

Annual percentage change in remuneration of Directors and employees

The table below shows the annual percentage change in remuneration during 2025 for the Executive and Non-Executive Directors relative to Ceres employees. Salaries and pension increase for employees is calculated based on average employee numbers after removing Directors. Bonus represents the actual (decrease)/increase after removing Directors' bonus.

	2025 change (%)			2024 change (%)			2023 change (%)		
	Salary/fee	Pension ¹	Bonus	Salary/fee	Pension	Bonus	Salary/fee	Pension	Bonus
Employees	13%	11%	-51%	9%	10%	42%	13%	14%	30%
Executive Directors									
Phil Caldwell	34%	22%	-49%	6%	-12%	124%	0%	0%	26%
Stuart Paynter ²	0%	33%	-44%	—	—	—	—	—	—
Non-Executive Directors³									
Warren Finegold	0%	—	—	20%	—	—	25%	—	—
William Tudor Brown	0%	—	—	0%	—	—	30%	—	—
Julia King	0%	—	—	0%	—	—	34%	—	—
Trine Borum Bojsen	0%	—	—	0%	—	—	38%	—	—
Caroline Brown	0%	—	—	8%	—	—	N/A	—	—
Karen Bomba	0%	—	—	0%	—	—	N/A	—	—
Uwe Glock ⁴	0%	—	—	0%	—	—	0%	—	—
Nannan Sun	0%	—	—	0%	—	—	N/A	—	—

1. The Executive Directors opted out of the Group pension scheme in favour of a cash in lieu of pension allowance.

2. Stuart Paynter's 2024 remuneration has been annualised to a 12-month basis to ensure the comparison is meaningful.

3. Non-Executive Director fees have been annualised to give a more meaningful comparison.

4. Uwe Glock stepped down from the Board on 19 February 2025.

5. Annual percentage change in remuneration of Directors and employees is shown from FY2023 onwards.

Relative importance of spend on pay

Under the regulations, companies need to illustrate the relative importance of spend on pay by disclosing the total employee remuneration and returns to shareholders (i.e. dividends and share buybacks) in the reporting year and prior year. As the Company is still pre-profit, there is no relevant data relating to returns to shareholders. Therefore, other Company metrics have been used in the table below to show employee remuneration in the context of overall business activities. In order to provide context for these figures, total expenditure is also shown.

	2025	2024	Change (%)
Total employee remuneration (£'000)	33,592	37,278	(9.9%)
Total expenditure (£'000) ¹	68,333	77,024	(11.3%)

1. Total expenditure = adjusted EBITDA less revenue and other operating income.

Statement of planned implementation of Policy in 2026

Fixed pay

Salary

The increase to current Executive Directors' base pay for 2026 of 3% mirrors the budgeted base pay increases for the wider workforce. The Committee recognises that higher base pay awards will be required in the future to maintain a comparable position with industry and market peers, but these will be subject to a strong underlying business performance.

£'000	2026		2025	
	Change from 2025	Base pay	Change from 2024	Base pay
Phil Caldwell	3%	515	34%	500
Stuart Paynter	3%	361	0%	350

Benefits

In 2026 the Executive Directors have been offered and have accepted enrolment on a private medical insurance plan as part of an improvement in benefits offered to the workforce as a whole. They will also participate in a salary sacrifice scheme for the provision of an electric vehicle.

Pension

Executive Directors' pensions remain aligned with the wider workforce at up to 8% of base salary.

Pay for performance

Annual bonus

There are no proposed changes to the operation of the annual bonus plan with the target threshold set at 60% of maximum:

	Minimum Target annual bonus (% base salary)	
	Phil Caldwell	Stuart Paynter
Target	90%	90%
Maximum	150%	150%

The construct of the bonus scorecard has been simplified for 2026 and comprises two categories tightly aligned to Ceres' strategic priorities as follows:

Metric	Weighting	Strategic alignment
Commercial scale		
Order intake	30%	Partner orders during the year measured in £m to incentivise and drive revenue growth
New partners	30%	Measured by licence agreements agreed in-year to incentivise and drive partner portfolio growth
Financial performance		
Revenue	20%	Stretching targets incentivising revenue growth
Gross margin	5%	Measured in % margin achieved driving commercial execution
Cash position	15%	Protection and improvement of Ceres' cash position to support long-term sustainable growth measured in £m

The 2026 scorecard targets are commercially sensitive and are not intended to provide forward-looking performance guidance. Specific scorecard targets will be disclosed in subsequent Directors' Remuneration Reports when they are no longer deemed to be commercially sensitive.

Directors' Remuneration Report continued

Annual Remuneration Report (audited) continued

Statement of planned implementation of Policy in 2026 continued

Pay for performance continued

2026 Long Term Incentive Plan

The Committee intends to make a conditional award of performance shares under the 2026 LTIP to the Executive Directors with a maximum value of 250% and 200% of base salary for the CEO and CFO respectively.

Performance will be measured over the three-year period from 1 January 2026 to 31 December 2028. The performance measures and their associated weightings are proposed as follows:

Financial performance	Weighting	Strategic alignment
Cumulative order intake	40%	Incentivise and reward strong order intake over the three-year period performance period the year measured in £million.
Cumulative revenue	40%	Promote revenue growth through stretching performance targets measured in £million .
Total shareholder return	20%	Align performance directly with shareholder experience as relative total shareholder return measured against two indexes on a 50:50 basis: the FTSE 250 Index; and the Solactive Hydrogen Economy Index as an industry specific comparator. <ul style="list-style-type: none"> • Minimum – TSR Median • Maximum – Upper quartile

The 2026 LTIP targets are commercially sensitive and are not intended to provide forward-looking performance guidance. Specific LTIP 2026 targets will be disclosed in subsequent Directors' Remuneration Reports when they are no longer deemed to be commercially sensitive.

Remuneration governance

Committee role and membership

These details are provided in the Remuneration and Nomination Committee report on page 67 of the Annual Report.

External advisers

WTW were appointed as external independent advisers to the Committee during 2022. It provided ongoing support to the Committee during 2025, consisting of general remuneration consultancy services. The Committee is satisfied that the advice and services provided by WTW have been objective and independent. WTW's fees during 2025 amounted to £53,590.

In addition to this, Tapestry, the Company's share scheme legal advisers, provided legal and design support for the Company's Long Term Incentive Plan 2025 Rules, as subsequently approved by shareholders at the 2025 AGM, alongside general advice in relation to the operation of the Company's share schemes. Tapestry's fees during 2025 amounted to £52,544.

Shareholder voting

The Company remains committed to ongoing shareholder dialogue and takes an active interest in voting outcomes.

A resolution to approve the Directors' Remuneration Policy as set out in the 2023 Annual Report was passed at the Company's 2024 AGM. A resolution to approve the 2024 Directors' Remuneration Report was passed at the 2025 AGM, and the associated shareholder consultation process is discussed on page 72. The results of the votes on these resolutions were as follows:

Number of votes	Votes in favour	Votes against	Votes withheld	Total votes
Directors' Remuneration Policy (2024 AGM)	115,147,741 (91.27%)	11,015,272 (8.73%)	32,803 (0.03%)	126,163,013
2024 Directors' Remuneration Report (2025 AGM)	91,703,893 (79.67%)	23,243,895 (20.33%)	96,512 (0.08%)	114,317,788

ESG Committee report

“
The Committee ensures that the Company’s ESG initiatives are aligned with strategic objectives and deliver measurable progress.”

Julia King
Chair of the ESG Committee



Introduction

I am pleased to present the ESG Committee Report for the year ended 31 December 2025. ESG considerations are embedded in the Company’s purpose, strategy and culture, and remain a clear priority for the Board given their direct relevance to long-term value creation, risk management and the safety and well-being of our staff. The Committee supports the Board by providing focused oversight of the Company’s ESG performance, ensuring that initiatives are aligned with strategic objectives and deliver measurable progress.

The Committee is supported by the Operational ESG Committee, a cross-functional group of senior leaders and subject-matter specialists. Their participation in Committee meetings enables rapid feedback, strong alignment between strategy and execution, and clear visibility of emerging ESG linked risks and opportunities across the business. Participation by the Employee Engagement Forum Chair also acts as a valuable communication link between Committee members and the workforce.

The Committee continues to mature in its operation and areas of responsibility. The Group’s sustainability roadmap is now well established, and the business is making solid progress against key milestones. The Committee’s broad remit allows it to maintain disciplined oversight while adapting its focus to the evolving needs of the business and the wider ESG landscape.



Find out more

→ Read more on our website

www.ceres.tech/sustainability

Committee membership

Julia King (Committee Chair)

Trine Borum Bojsen*

Warren Finegold

Phil Caldwell*

Stuart Paynter*

* Phil Caldwell and Trine Borum Bojsen will step down from the Committee in 2026, and from February 2026 Stuart Paynter was appointed as a member of the Committee.

Committee composition

In 2025, the Committee comprised three Non-Executive Directors, including the Employee Engagement Director (EED), and the Chief Executive Officer, Phil Caldwell. The Chief Financial Officer, Stuart Paynter, attended meetings throughout the year and became a Committee member in February 2026, succeeding Phil Caldwell.

As noted in the governance report, Trine Borum Bojsen will step down as a Director and Committee member at the 2026 AGM and will not be replaced. I would like to thank Trine for her excellent support and insight during her tenure as both Committee member and Employee Engagement Director (“EED”). I assumed the role of EED in September 2025 and will continue to provide this direct link between the Committee and the workforce.

Committee meetings are attended by a cross-section of senior leaders, subject-matter specialists and employee representatives, and an open invitation is extended to other Board members.

ESG Committee report continued

Role of the Committee

The Committee oversees all matters relating to the Company's environmental and social strategies, associated governance activities and related disclosures. It provides feedback and recommendations to the Board and other Committees within its remit. The Committee works closely with the Audit and Risk Committee on issues of climate risk and integrity of ESG-related reporting, and the Remuneration and Nomination Committee on ESG-linked performance measures and bonus targets.

The Committee oversees the work of the Operational ESG Committee, chaired during 2025 by Mark Garrett (Chief Operating Officer) and, following his retirement, by Stuart Paynter (Chief Financial Officer). The Committee provides advice, guidance and constructive challenge to support the effective delivery of ESG priorities.

The Committee met five times during the year ended 31 December 2025, aligned to its reporting and oversight responsibilities. Attendance is set out on page 54 of the corporate governance report.

→ The full Terms of Reference for the Committee can be found on our website at:

www.ceres.tech/who-we-are/corporate-governance

Committee activities

- Approved ESG targets and ESG linked remuneration metrics;
- Maintained oversight of ESG-related risks and key sustainability metrics;
- Reviewed and approved the Sustainability and ESG sections of the Annual Report;
- Monitored progress against ESG objectives and external ESG rankings;
- Reviewed TCFD disclosures and broader sustainability reporting;
- Oversaw delivery of net zero strategy and SBTi alignment;
- Approved key ESG-related policies and Code of Conduct;
- Approved the annual statement on Modern Slavery and Human Trafficking;
- Deep dive reviews of Procurement/Supply Chain sustainability, Health, Safety and Environment framework and performance;
- Conducted Committee effectiveness review; and
- Undertook annual Terms of Reference update.

Year in review

At the start of the year, the Committee recommended the 2025 ESG KPIs and sustainability roadmap targets for Board approval. These were incorporated into the Group's incentive programmes and Company objectives, as outlined in the sustainability section of this Annual Report on pages 24 to 32.

The Committee maintained oversight of delivery of the 2025 ESG KPIs throughout the year and is pleased to report that all environmental and governance objectives were achieved. In the first year of implementation, the Company made strong progress against its SBTi-accredited strategy to achieve net zero by 2050, and the business continues to advance its stack recycling initiatives. Performance against social objectives was more mixed: cultural engagement and community impact targets were met, while employee turnover and diversity metrics were adversely affected by the Group restructuring undertaken during the year. The 2026 ESG objectives have been designed to build on the successes of 2025 and strengthen areas where performance can be improved.

The Committee recommended the Sustainability, TCFD and ESG Committee reports for inclusion in the 2024 Annual Report and Accounts, providing the Audit and Risk Committee with appropriate assurance over the robustness of preparations. The Committee also recommended the Ceres Sustainability Report 2025 for Board approval.

→ The Ceres Sustainability Report 2025 is available on the Company's website at:

www.ceres.tech/sustainability

TCFD reporting continued to mature during the year. The Company reported its first financial analysis of climate-related risks, appropriate for a growth-stage business, within the Group's Sustainability Report. Further enhancements, particularly in relation to supply chain assessments, were incorporated into the TCFD disclosures, which are detailed on pages 28 to 30. Reflecting the increasing maturity of reporting and the need for resource and timing efficiencies, the Committee agreed that the annual Sustainability Report would no longer be produced as a stand-alone document, with relevant information instead incorporated into the Annual Report and published on the Group's website.

The Committee continued to monitor both current and emerging sustainability requirements. During the year, I arranged for the Board to receive training delivered by a specialist adviser from Berenberg, covering the evolving global sustainability landscape from political and investor perspectives, anticipated UK Sustainability Reporting Standards, and the influence of international initiatives. The Committee will continue to track developments to ensure the Company remains well positioned to respond to changing reporting expectations.

The Committee received regular updates from the Employee Engagement Director, the Chair of the Employee Engagement Forum and the Chief People Officer. Reporting focused on employee engagement activities and metrics, including satisfaction surveys, attrition rates and other indicators of workforce morale and wellbeing.

Following the announcement of the restructuring in September, reporting focused on engagement processes used during the exercise. The Committee was satisfied that communications were clear and that redundancies were conducted in line with required processes and with appropriate sensitivity.

The Committee mandated an Employee Engagement deep dive in early 2026 to review post-restructure employee engagement, noting that high level plans include enhanced management and Board engagement.



The Committee commissioned two deep dive evaluations during the year. The Environmental deep dive provided an overview of the global supply chain, including supplier validation processes, climate resilience, lower-carbon sourcing and product circularity initiatives. The Social deep dive, presented by the Head of Facilities and Health and Safety, examined health safety environment (“HSE”) governance and culture, performance monitoring, and key risk challenges and mitigations. The Committee noted strong performance in both areas and will continue to monitor progress.

An important aspect of the Committee’s role is oversight of ESG-related governance frameworks and policies to ensure they remain fit for purpose and aligned with the Company’s values. During the year, the Committee reviewed and approved relevant policies, including recommending the annual Modern Slavery and Human Trafficking Statement and updates to the Code of Conduct for Board approval.

Committee Performance Review

The 2024 externally facilitated Committee evaluation identified two key development areas: enhancing understanding of future sustainability reporting responsibilities, and reviewing the allocation of social matters between the Board and its Committees. During the year, the Board received a comprehensive training session on developments in sustainability reporting. With this support, and ongoing input from the sustainability function, the Committee is satisfied that the Board now has a clear understanding of the evolving reporting landscape. The allocation of social topics across the governance structure was also reviewed and will remain an area of focus as the Committee’s work continues to develop.

The 2025 internal Committee Performance Review reported strong performance across most areas assessed, with particularly positive feedback on Committee leadership and the depth of skills and experience contributed by members. The review highlighted an opportunity to refine the balance of environmental, social and governance matters considered by the Committee. This will be taken forward as a development objective for the coming year, with progress to be reported in the FY26 Annual Report.

Year ahead

The Committee will continue to discharge its responsibilities in line with its Terms of Reference, supporting Ceres’ sustainability journey by overseeing delivery of the sustainability roadmap, preparing the business for the evolving sustainability reporting environment and monitoring ESG-related risks.

Key areas of increased focus will include conducting an in-depth review of our SBTi targets and future pathway, and support to the Board in overseeing the cultural transformation programme to embed greater commercial focus across the Company, ensuring that employees remain motivated, supported and equipped to deliver while working in a safe and healthy environment.

Julia King

Chair of the ESG Committee

25 March 2026

Directors' report

for the year ended 31 December 2025

The Directors present their Annual Report together with the audited financial statements for the year ended 31 December 2025.

Principal activities

Ceres is a leading developer of clean energy technology: fuel cells for power generation and electrolysers to produce green hydrogen. Its licensing model enables partners to develop solid oxide technology supporting greater electrification of energy systems, including AI data centres, commercial and industrial applications, and produce green hydrogen at high efficiencies as a route to decarbonise emissions-intensive industries such as ammonia, steelmaking and electrofuels.

Articles of Association

The Company's Articles of Association (the "Articles") may only be amended by special resolution at a general meeting of the shareholders.

 The Articles are available on the Company's website at:

www.ceres.tech/investors/shareholder-centre/documents

Directors

The Directors of the Company who served during the year ended 31 December 2025 and up to the signing of these statements are set out on pages 50 to 51. Uwe Glock (Non-Executive Director) resigned from the Board on 19 February 2025.

The powers of the Directors are set out in the Articles and the appointment and removal of Directors are governed by the Articles, the Companies Act 2006, the UK Corporate Governance Code 2024 and related legislation.

All Directors, with the exception of Trine Borum Bojsen, will put themselves forward for re-election at the Annual General Meeting of the Company in 2026. More details on the process to appoint new Directors are set out in the Remuneration and Nomination Committee report on pages 67 to 71.

Directors and Officers' liability insurance

The Company maintains liability insurance for its Directors and Officers as permitted by the Companies Act 2006. The Company also grants to the Directors indemnities in this regard, which constitute a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006, which were in force throughout the year ended 31 December 2025 and which remain in force at the date of this report.

Results and dividends

The consolidated results for the Group are set out on pages 106 to 109 of the financial statements. The Directors do not recommend the payment of a dividend (2024: £nil).

Share capital

The Company's shares are listed on the Main Market of the London Stock Exchange. The Company's Articles contain provisions which govern the ownership and transfer of shares. As at 31 December 2025, the Company had an allotted and fully paid share capital of 194,694,543 ordinary shares with a nominal value of 10 pence each. As at 24 March 2026, being the latest practicable date prior to the publication of this report, the Company had an allotted and fully paid share capital of 194,796,825 ordinary shares with a nominal value of 10 pence each. Each share carries one right to vote at general meetings of the Company. No shareholder holds securities having special rights with regard to control of the Company. There are no restrictions on voting rights or the transfer of securities in the Company and the Company is not aware of any agreements between holders of these securities that would result in such restrictions. No shares are held as Treasury Shares. Details of the Company's share capital, including changes during the year, are set out on page 132.

On 27 March 2025 the Company established the Ceres Power Holdings plc Employee Benefit Trust ("EBT") as a vehicle for holding the Ceres shares for the purpose of satisfying awards made under the Company's share schemes. As at 31 December 2025 and as the date of this report, no shares are held within the EBT. Details of the Company's share schemes are set out on pages 132 to 134.

Authority to issue shares

The Directors were authorised at the 2025 Annual General Meeting ("AGM") to allot shares up to a maximum aggregate nominal amount of £6,459,878, representing approximately one third of the nominal value of the then issued share capital of the Company; and in addition equity securities, as defined by Section 560 of the 2006 Companies Act, up to an aggregate nominal amount of £6,459,878, representing approximately one third of the nominal value of the then issued share capital of the Company in connection with an offer of such securities by way of a rights issue. This authority will expire at the end of the 2026 Annual General Meeting.

Additionally, authority was granted at the 2025 AGM for Directors to allot shares for cash as if section 561 of the 2006 Act did not apply up to a nominal amount of £1,937,963, and a further authority to allot shares for cash up to a nominal amount of £1,937,963 used only for an acquisition or a specified capital investment. These authorities will expire at the end of the 2026 Annual General Meeting.

Major shareholders

As at the date of this report, the Company had been notified of the following interests in voting rights pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules. Also included for information is the Weichai Power (Hong Kong) International Development Co., Ltd holding, a major shareholder with a nominee Director on the Board.

Ordinary shares	No. of shares	% of ISC
Weichai Power (Hong Kong)		
International Development Co., Ltd	37,965,262	19.49%
Covalis Capital LLP	18,806,603	9.65%
M&G PLC	9,280,084	4.76%

UK Listing Rule 6.6.1 disclosures

No shareholder is considered a controlling shareholder as defined in the Financial Conduct Authority Handbook. The remaining disclosures required by UK Listing Rule 6.6.1 are not applicable to the Company. Notwithstanding this, the Company has a relationship agreement with Weichai Power (Hong Kong) International Development Co., Ltd.

Additional disclosures and non-financial and sustainability information statement

The following information that is relevant to this Directors' Report and/or is required by S414CA and S414CB of the Companies Act 2006 is incorporated by reference and can be located in this report and on our Company website (www.ceres.tech) as follows:

Business review and future developments	Chair's Statement and Chief Executive's Statement	Pages 6 to 12	Social matters	Stakeholder engagement	Pages 33 to 35
Risk management and principal risks and uncertainties	Strategic report	Pages 40 to 44		People and community – Sustainability Report	Company website
Corporate and social responsibility	Sustainability	Pages 24 to 32		Charitable Giving and Volunteering Policy – Sustainability Report	Company website
Corporate governance and Code	Corporate governance report	Pages 48 to 61		DEBI Policy	Company website
Financial instruments	Financial statements	Pages 126 to 130		Gender Pay Report	Company website
Research and development expenditure	Note 3 Financial statements	Page 116	Human rights	Modern Slavery Statement	Company website
Directors	Directors' information	Pages 50 to 51		Code of Conduct and Business Ethics	Company website
Directors' interests in shares	Directors' Remuneration report	Pages 86 to 87	Anti-bribery and corruption matters	Anti-Bribery, Corruption and Fraud Policy	Page 96
People policies and colleague engagement	Sustainability Report/Annual Report	Company website Pages 34 to 35 and 59		Conflicts of Interest Policy	Page 59
Stakeholder engagement and S172(1) Statement	Stakeholder engagement	Pages 33 to 35		Modern Slavery Statement	Company website
Greenhouse gas emissions and energy consumption	Sustainability Report	Pages 24 to 32		Speaking Up Policy	Page 59
Environmental matters	Task Force on Climate-related Financial Disclosures	Pages 28 to 30	Principal risks and impact on business activity	Principal risks and uncertainties	Pages 40 to 44
	Sustainability Report	Company website		Audit and Risk Committee report	Pages 62 to 66
	ESG Committee report	Pages 91 to 93	Business model	Strategic Report	Page 13
	ESG and Sustainability Policy	Company website			
Employees	Health and Safety at Work Policy	Company website Page 25			
	DEBI Policy	Company website Page 25			
	Employee Engagement Director	Page 91			

In addition to the information required by the regulations, during 2025 the Company published a comprehensive Sustainability Report which details the Company's sustainability strategy, environmental and governance responsibilities and commitment to social matters.


Directors' report continued

for the year ended 31 December 2025

Employee information

The business engages with its colleagues in numerous ways including regular communications via weekly news bulletins, a shared intranet, email communications, virtual and in-person sessions and monthly "All Hands" meetings. Surveys are conducted throughout the year to gauge colleagues' thoughts and to obtain feedback on issues and events. More information on engagement with employees is set out in the stakeholder engagement section on page 34 and in the corporate governance report on page 59.

The Company actively works to attract, recruit, support and retain the best talent from diverse backgrounds. As an equal opportunity employer, the Company provides up-to-date tools and resources to enable all individuals to apply and compete for employment opportunities for which they are qualified, based on their qualifications, skills and experience. Tools and approaches are used throughout talent acquisition and career development to attract a diverse pool and ensure that career opportunities are attractive to all potential candidates, overcoming barriers. Reasonable adjustments are made to the recruitment process to ensure no applicant is disadvantaged because of their disability. This is supported with training to ensure hiring managers do not discriminate or apply unconscious bias when making hiring decisions. Further guidance to hiring managers is provided in the Company's Talent Acquisition and Diversity, Equity, Belonging and Inclusion ("DEBI") policies. The Company also seeks to ensure the continuation where possible and practical of colleagues in their role should they incur a disability whilst employed by the Company.

 More information on the ways the Company invests and rewards its employees is set out on page 74 and in the Sustainability Report available on the Company website at:

www.ceres.tech/sustainability

Branches outside the UK

As at 31 December 2025, the Group has branches in Weifang, China, and in Seoul, South Korea, which support the Group's business development strategy in those territories.

Anti-bribery, corruption and fraud

The Company has a zero tolerance approach to bribery, corruption and fraud, and operates an Anti-Bribery, Corruption and Fraud Policy. The Policy also contains requirements with regard to the provision or receipt of gifts and hospitality, which is limited and which require approval over a certain value threshold. The Gifts and Hospitality Register is monitored through the receipt reports to the Audit and Risk Committee. The day-to-day operation is monitored by the Company Secretary. All colleagues were required to undertake anti-bribery and corruption training over the year, which will continue to be an annual requirement.

Information security

The Company operates an Information Security Policy. There have been no information security breaches in the last three years. Arrangements with third parties are assessed with thorough due diligence performed to identify and understand potential risks which may then be mitigated. There have been no third-party information security breaches. Penetration testing is performed at least annually and any risks arising are mitigated immediately. The Company holds insurance for cyber security, which covers information security risk, and this was in place for the duration of 2025.

All colleagues are subject to mandatory information security induction training and annual refresher training.

Political donations

The Group made no political donations in the year ended 31 December 2025 or the prior period.

Payment practice policy

It is the Group's policy for all suppliers to agree payment terms in advance of the supply of goods and services and to adhere to those payment terms. Trade creditors of the Group as at 31 December 2025, as a proportion of amounts invoiced by suppliers during the previous year, represented 17 days (31 December 2024: 21 days). There were no trade creditors

for the Company as at 31 December 2025 as a proportion of amounts invoiced by suppliers during the previous year. This therefore represented nil days (31 December 2024: nil days).

Going concern and viability statements

Having reviewed the Group's cash and short-term investments, forecast income and expenditure, performing appropriate sensitivity and scenario analyses, and after making appropriate enquiries, the Directors have a reasonable expectation that the Group and Company have adequate resources to progress their strategy. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. More detail can be found on page 47 and in the financial statements on page 110.

The Directors have further assessed the prospects of the Company over a defined period of time and set out their conclusions in the Viability Statement, which can be found on pages 45 to 47.

Events after the reporting date

After the year end, Ceres agreed and paid a settlement of £2.0 million with a third party in connection with the early termination of a contract.

Statement of disclosure to the auditor

Each of the persons named as Directors at the date of this report confirm that:

- So far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- That they have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

A resolution to reappoint BDO LLP as the Company's external auditor for the year ending 31 December 2026 and for its remuneration to be agreed by the Audit and Risk Committee will be submitted to the 2026 Annual General Meeting.

Statement of Directors' responsibilities in respect of the Annual Report and financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year.

The Directors have prepared the Group financial statements in accordance with UK-adopted International Accounting Standards ("IFRS"), and have elected to prepare the parent company statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent and of the profit or loss of the Group for that period.

In preparing these financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The management report includes a fair review of the development or performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties.

The Directors confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Publication

The Annual Report and Accounts will be made available on the Company's website and also on the National Storage Mechanism in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors' report has been approved by the Board of Directors and is signed on their behalf by:

Dominic Murray
Company Secretary

25 March 2026

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Independent auditor’s report

to the members of Ceres Power Holdings plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Company’s affairs as at 31 December 2025 and of the Group’s loss and the Group’s cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ceres Power Holdings plc (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2025 which comprise of the following:

Group	Company
Consolidated Statement of Profit or Loss and Other Comprehensive Income	—
Consolidated Statement of Financial Position	Company Balance Sheet
Consolidated Cash Flow Statement	—
Consolidated Statement of Changes in Equity	Company Statement of Changes in Equity
Notes to the Consolidated financial statements	Notes to the Company financial statements
Material accounting policy information.	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the Group and the Company and we remain independent of the Group and the Company in conducting our audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors’ assessment of the Group and the Company’s ability to continue to adopt the going concern basis of accounting included:

- Assessment of assumptions within the projected cash flows: we evaluated the reasonableness of the assumptions and future plans modelled within the Board approved going concern forecasts, covering the period to 31 December 2027, including the impact of strategic initiatives. We considered whether the forecasts aligned with how the Group had traded throughout the year, which included reviewing the movement in revenue against our understanding of the contracts and the movements in expenditure compared to historic costs.
- Sensitivity analysis: we evaluated management’s sensitivities to the Group’s cash flow forecasts. Their analysis considered reasonably possible adverse effects that could arise as well as a stress test to consider the level of future revenue reduction and cost increases that the Group could support.
- Post year-end trading performance: we compared the post year-end trading results to the forecasts to evaluate the accuracy and achievability of the forecasts.
- Disclosures: we evaluated the adequacy of the disclosures in relation to the risks posed and scenarios the Directors have considered in performing their going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Company’s ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Company’s ability to continue as a going concern.

In relation to the Group’s reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report continued

to the members of Ceres Power Holdings plc

Overview

		2025	2024
Key audit matters	Revenue recognition: application of IFRS 15 and measurement of revenue	✓	✓
	Capitalisation of development costs	x	✓
	Capitalisation of development costs is no longer considered to be a key audit matter because there were no development costs capitalised in the current year.		
Materiality	Group financial statements as a whole		
	£950,000 (2024: £880,000) based on 1.5% (2024: 1.25%) of expenses		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control.

We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the Group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the Group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

From the above risk assessment and planning procedures, we determined which of the Group's components were likely to include risks of material misstatement relevant to the Group's financial statements.

The Group operates in the United Kingdom and China. The Group is made up of five trading companies supported by three holding companies, one of which being the Company. As part of performing our Group audit, we have determined seven components in scope that comprise six companies in the United Kingdom including the Company and one company in China. Each of the components was a separate legal entity.

In determining the components, we have considered how components are organised within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation associated with individual entities.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures; and
- specific audit procedures.

Procedures performed at the component level

Procedures were performed on the entire financial information of five components.

Specified procedures were performed at one component to test completeness of liabilities.

Risk assessment procedures were performed at one component.

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

Changes from the prior year

The only change in the Group audit scope from the prior year is that one legal entity, previously classified as an associate, became a subsidiary in the current year after the Company acquired the remaining ownership. Specified procedures were performed at this component as described above.

How climate change affected the scope of our audit

The Group has determined that climate change does not currently have a material impact on its operations.

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the Annual Report; and
- Review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment, as set out on page 31, may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment and viability assessment.

The management disclosures on pages 24 to 32 form part of the strategic report. Our responsibilities in relation to these disclosures are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Overview continued**Key audit matters** continued**Key audit matter – 1****Revenue****Recognition: application of IFRS 15 and measurement of revenue**

(Accounting policies, Note 2 - Revenue £32.6 million)

Given the Group's revenue contracts are complex, the application of IFRS 15 and measurement of revenue requires management to make a number of judgements and estimates as included below.

Where a new contract was entered into, the judgements and estimates required included: the identification of performance obligations, whether the basis used in allocating the transaction price is appropriate and reasonable, and whether the amount of revenue allocated to each performance obligation was estimated correctly. Further, judgement was required to determine whether the performance obligation for which revenue was recognised had been satisfied in the year.

Where existing contracts were subject to informal undocumented changes that affected the contract scope, judgements were required over whether they changed the performance obligations identified, and the revenue recognised.

Where contracts were amended, the judgements and estimates required included an assessment of whether the amendment represented a modification under IFRS 15, a reassessment of performance obligations, and whether the basis used in allocating the transaction price was appropriate and reasonable, and whether the amount of revenue allocated to each performance obligation and the revenue recognised in the year was correct.

For these reasons, the application of IFRS 15 and measurement of revenue in respect of revenue relating to new contracts, existing contracts and amended contracts required significant auditor attention. We therefore determined this to be a key audit matter.

How the scope of our audit addressed the key audit matter**New contract**

- We obtained and reviewed the signed agreement to check the contract had been approved and created enforceable rights.
- We obtained management's assessment of the performance obligations contained within the contract and determination of the transaction price and then evaluated whether this is consistent with the contract. This included evaluating the terms of the contract to determine if it included fixed amounts, variable amounts, or both.
- We tested the revenue recognised in the year by obtaining evidence that performance obligations had been satisfied through corroboration to supporting documents.
- We performed sensitivity analysis on the allocation of transaction price to the performance obligation that had been satisfied in the year to determine the potential for material misstatement in revenue recognised.

Existing contracts

- We obtained all change notes signed in the year and reviewed minutes of project meetings to test management's assessment of whether there had been changes agreed to contracts in the period.
- Where changes had been made, we obtained management's assessment of whether the contract changes represent a modification under IFRS 15 and the impact of the changes on the:
 - identified performance obligations;
 - determination of the contract's transaction price; and
 - the allocation of the transaction price to individual performance obligations.
- We evaluated management's assessment of the impact of the changes to the contracts through our understanding of the nature of the future goods and service to be provided under the contract and corroboration to supporting documents. We challenged management for any contradictory information identified as a result of procedures performed.
- We tested the revenue recognised in the year by obtaining evidence that performance obligations had been satisfied through corroboration to supporting documents.
- We recalculated the revenue recognised in the period based on the allocation of the transactions price for satisfied performance obligations.

Conclusion

As a result of the procedures performed, we did not find any matters to indicate that judgements made in the application of IFRS 15 or the measurement of revenue led to revenue being materially misstated.

Independent auditor's report continued

to the members of Ceres Power Holdings plc

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2025 £	2024 £	2025 £	2024 £
Materiality	950,000	880,000	900,000	830,000
Basis for determining materiality	1.50% (2024: 1.25%) of expenses		Capped at 95% (2024: 95%) of Group materiality	
Rationale for the benchmark applied	We have selected a materiality based on expenses as we consider this is the best reflection of the scale of the Group's operations noting it has also been relatively consistent year on year.		Ceres Power Holdings Plc is a holding company with investments in subsidiaries. We considered a benchmark based on net assets to be most appropriate, however have capped materiality to a percentage of Group materiality.	
Performance materiality	475,000	570,000	450,000	540,000
Basis for determining performance materiality	In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements, the number of areas of estimation within the financial statements and the type of audit testing to be completed. Performance materiality was set at 50% of materiality (2024: 65%).			
Rationale for the percentage applied for performance materiality	We used performance materiality of 65% of materiality in the previous year. This year, we reduced the performance materiality to 50% in line with our assessment of audit risk.			

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Company whose materiality and performance materiality are set out above, based on a percentage of 95% (2024: 95%) of Group performance materiality dependent on the size and our assessment of the risk of material misstatement of those components. Component performance materiality was £450,000 (2024: £540,000).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £47,000 (2024: £44,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Corporate governance statement

The UK Listing Rules sourcebook requires us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 47;
- The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 46; and
- The Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 47.

Other Code provisions

- Directors' statement on fair, balanced and understandable set out on page 99;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 64;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 64; and
- The section describing the work of the Audit Committee set out on page 62.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Independent auditor's report continued

to the members of Ceres Power Holdings plc

Other Companies Act 2006 reporting continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be UK-adopted International Accounting Standards, UK GAAP, relevant tax legislation, Listing Rules and the Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation and GDPR legislation.

Our procedures in respect of the above included:

- Enquires of management whether there were any litigations and claims;
- Enquires of the legal team of the Group and the Company;
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Auditor's responsibilities for the audit of the financial statements continued

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud;
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, incorrect application of IFRS 15 (revenue from contracts with customers) and incorrect measurement of revenue.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias including the dilapidations provisions and the recognition and measurement of inventory provision; and
- Assessing the application of IFRS 15 on contracts including the estimates and judgements used in the measurement of revenue based on procedures performed on the key audit matter above.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were reappointed by shareholders on 15 May 2025 to audit the financial statements for the year ended 31 December 2025.

Our total uninterrupted period of engagement is 6 years, covering the periods ended 31 December 2020 to 31 December 2025.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R - 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Peter Acloque (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

25 March 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of profit and loss and other comprehensive income

for the year ended 31 December 2025

	Note	2025 £'000	2024 £'000
Revenue	2	32,643	51,891
Cost of sales		(9,939)	(11,727)
Gross profit		22,704	40,164
Other operating income	3	3,168	2,846
Operating costs	3	(70,073)	(74,327)
Exceptional operating costs	29	(3,420)	—
Operating loss		(47,621)	(31,317)
Impairment of investment in associate	29	(2,158)	—
Finance income	4	4,060	5,807
Finance expense	4	(587)	(362)
Loss before taxation	3	(46,306)	(25,872)
Taxation charge	7	(1,240)	(2,433)
Loss for the financial year and total comprehensive loss		(47,546)	(28,305)
Loss per £0.10 ordinary share expressed in pence per share:			
– basic and diluted	8	(24.52)p	(14.64)p

The notes on pages 110 to 135 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

as at 31 December 2025

	Note	As at 31 Dec 2025 £'000	As at 31 Dec 2024 £'000
Assets			
Non-current assets			
Property, plant and equipment	9	18,194	23,584
Right-of-use assets	10	2,063	1,834
Intangible assets	11	16,203	19,974
Investment in associates	12	—	2,218
Other receivables	14	741	741
Total non-current assets		37,201	48,351
Current assets			
Inventories	13	3,203	2,756
Contract assets	2	143	8,208
Other current assets	15	1,449	1,430
Derivative financial instruments	19	—	8
Current tax receivable		1,792	—
Trade and other receivables	14	18,736	17,885
Short-term investments	16	47,437	54,971
Cash and cash equivalents	16	35,835	47,494
Total current assets		108,595	132,752
Liabilities			
Current liabilities			
Trade and other payables	17	(2,742)	(3,538)
Contract liabilities	2	(23,284)	(10,682)
Other current liabilities	18	(4,149)	(6,825)
Lease liabilities	20	(834)	(731)
Provisions	21	(2,214)	(441)
Total current liabilities		(33,223)	(22,217)
Net current assets		75,372	110,535

	Note	As at 31 Dec 2025 £'000	As at 31 Dec 2024 £'000
Non-current liabilities			
Lease liabilities	20	(1,575)	(1,492)
Other non-current liabilities	18	(976)	(1,221)
Provisions	21	(2,376)	(2,340)
Total non-current liabilities		(4,927)	(5,053)
Net assets		107,646	153,833
Equity attributable to the owners of the parent			
Share capital	22	19,469	19,370
Share premium		406,650	406,650
Capital redemption reserve	23	3,449	3,449
Merger reserve	23	7,463	7,463
Accumulated losses		(329,385)	(283,099)
Total equity		107,646	153,833

The notes on pages 110 to 135 are an integral part of these consolidated financial statements.

The financial statements on pages 106 to 109 were approved by the Board of Directors on 25 March 2026 and were signed on its behalf by:

Phil Caldwell
Chief Executive Officer

Stuart Paynter
Chief Financial Officer

Ceres Power Holdings plc
Registered Number: 5174075

Consolidated cash flow statement

for the year ended 31 December 2025

	Note	2025 £'000	2024 £'000		Note	2025 £'000	2024 £'000
Cash flows from operating activities				Investing activities			
Loss before taxation		(46,306)	(25,872)	Purchase of property, plant and equipment		(1,776)	(4,449)
Adjustments for:				Capitalised development expenditure	11	(87)	(2,294)
Finance income	4	(4,060)	(5,807)	Decrease in short-term investments		7,445	32,537
Finance expense	4	587	362	Finance income received		4,149	8,469
Depreciation of property, plant and equipment	3	7,100	7,472	Net cash generated from investing activities		9,731	34,263
Depreciation of right-of-use assets	3	753	710	Financing activities			
Amortisation of intangibles	3	3,858	1,374	Proceeds from issuance of ordinary shares		99	539
Impairment of associates	12	2,218	—	Repayment of lease liabilities	20	(792)	(774)
Net foreign exchange (gains)/loss		(13)	79	Finance interest paid	4	(495)	(243)
Net change in fair value of financial instruments at fair value through profit or loss	3	90	(99)	Net cash used by financing activities		(1,188)	(478)
Loss on disposal of property, plant and equipment and right of use assets		125	—	Net decrease in cash and cash equivalents		(11,527)	(2,156)
Share-based payments	24	1,260	964	Exchange loss on cash and cash equivalents		(132)	(57)
Operating cash flows before movements in working capital and provisions		(34,388)	(20,817)	Cash and cash equivalents at beginning of year		47,494	49,707
Increase in trade and other receivables and other current assets		(870)	(8,757)	Cash and cash equivalents at end of year	16	35,835	47,494
(Increase)/decrease in inventories		(447)	69	Non-cash items have been reconciled in Note 28.			
Decrease in trade and other payables and other liabilities		(3,717)	(1,809)	The notes on pages 110 to 135 are an integral part of these consolidated financial statements.			
Decrease/(increase) in contract assets		8,065	(6,633)				
Increase in contract liabilities		12,602	3,213				
Increase/(decrease) in provisions		1,717	(188)				
Net cash used in operations		(17,038)	(34,922)				
Taxation paid		(3,032)	(1,019)				
Net cash used in operating activities		(20,070)	(35,941)				

Consolidated statement of changes in equity

for the year ended 31 December 2025

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Accumulated losses £'000	Total £'000
At 1 January 2024		19,297	406,184	3,449	7,463	(255,758)	180,635
Comprehensive income							
Loss and total comprehensive loss for the financial year		—	—	—	—	(28,305)	(28,305)
Total comprehensive loss		—	—	—	—	(28,305)	(28,305)
Transactions with owners							
Issue of shares, net of costs	22	73	466	—	—	—	539
Share-based payments	24	—	—	—	—	964	964
Total transactions with owners		73	466	—	—	964	1,503
At 31 December 2024		19,370	406,650	3,449	7,463	(283,099)	153,833
Comprehensive income							
Loss and total comprehensive loss for the financial year		—	—	—	—	(47,546)	(47,546)
Total comprehensive loss		—	—	—	—	(47,546)	(47,546)
Transactions with owners							
Issue of shares, net of costs	22	99	—	—	—	—	99
Share-based payments	24	—	—	—	—	1,260	1,260
Total transactions with owners		99	—	—	—	1,260	1,359
At 31 December 2025		19,469	406,650	3,449	7,463	(329,385)	107,646

The notes on pages 110 to 135 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

for the year ended 31 December 2025

1. Accounting policies used in the preparation of the financial statements

The Company is incorporated and domiciled in the United Kingdom and is registered on the equity shares (commercial companies) category of the Main Market of the London Stock Exchange (LON:CWR).

The accounting policies applied in the preparation of these consolidated financial statements are set out below and at the start of the respective notes to these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group have been prepared on a going concern basis, in accordance with UK-adopted International Accounting Standards ("IFRS").

The Company has elected to prepare its entity financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and these are presented on pages 136 to 141.

The consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments that are stated at their fair value.

Foreign currencies

The consolidated financial statements are presented in pounds sterling, which is the Company's functional currency and the Group's presentational currency. Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the foreign exchange rate prevailing at the period end. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Profit and Loss.

Basis of consolidation

The consolidated financial statements of Ceres Power Holdings plc include the results of the Company, subsidiaries which are controlled by the Group and the Group's interest in associates. The Group controls an entity when it 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 over the entity. In assessing control, the Group takes into consideration substantive potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-Group balances and transactions, and any unrealised income and expenses arising from Intra-Group transactions, are eliminated.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Going concern

The Group has reported a loss after tax for the year ended 31 December 2025 of £47.5 million (2024: £28.3 million) and net cash used in operating activities of £20.1 million (2024: £35.9 million). At 31 December 2025, the Group held cash and cash equivalents and investments of £83.3 million (31 December 2024: £102.5 million).

The Directors have prepared monthly budgets and cash flow projections that extend up to 31 December 2027. The forecast operating cash requirement will be lower in 2026 compared to 2025 following the Group's restructuring. Future projections include management's expectations of the further investment in R&D projects, new product development and capital investment as the Group sustains its competitive advantage in licensing fuel cell and electrolysis technologies. Future cash inflows reflects management's expectations of revenue from existing and new licensee partners in both the power and green hydrogen markets.

The projections were stress tested by applying different scenarios in line with the Group's viability scenarios presented on pages 46 to 47 including a slower intake of future licensee partners leading to a loss of significant future revenue and a resulting cost mitigation. In each case the projections demonstrated that the Group is expected to have sufficient cash reserves to meet its liabilities as they fall due and to continue as a going concern for at least a period of 12 months. For the above reasons, the Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

1. Accounting policies used in the preparation of the financial statements continued

Critical accounting judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Significant judgements

The judgements made by management in applying accounting policies that are considered to have the most significant impact on the Group's assets and liabilities are the following:

- Revenue from customer contracts;
- Capitalisation and amortisation of development costs; and
- Determination of the term of the lease as a lessee in the event of agreements with termination options.

Revenue from customer contracts

The Group generated £32.6 million in revenue from customer contracts during the year ended 31 December 2025 (2024: £51.9 million). At year end, net contract liabilities are at £23.1 million (2024: £2.5 million). Note 2 provides a detailed explanation of Group's revenue recognition accounting policies and the change in net contract liability position compared to the prior year.

Customer contracts typically include engineering services, technology hardware sales, and licensing agreements. Recognising revenue from these contracts requires judgement in several key areas:

Enforceable rights: In determining the contract length, we assess each contract's termination clauses to determine if there are substantive termination penalties such that enforceable rights exist across the contracted term.

Identifying performance obligations: We assess each contract to determine the distinct promises made to the customer. This involves judgement, as each contract can have unique elements.

Allocating revenue: We determine the appropriate allocation of revenue to each distinct performance obligation within a contract. This requires judgement of the relative value of each element.

Assessing variable consideration: Some contracts include variable consideration. These amounts are evaluated, including any limitations on their recognition, to ensure revenue is recognised appropriately.

A key element of revenue recognition involves determining the nature of our technology licences. This requires judgement to distinguish between granting a right to use existing intellectual property (IP) and a right to access future IP developments. For example, if a

customer gains access to our existing IP at a specific point in time, this is typically treated as a right to use licence. In contrast, where a contract confers the customer with the right to benefit from future IP developments as they occur, that is more likely to be treated as a right to access licence. Determining the point at which the customer fully benefits from the IP also requires judgement, considering factors such as the customer's experience with solid oxide cell technology.

These judgements are based on a thorough review and interpretation of the specific terms and conditions within each customer contract. Revenue is recognised to the extent that it is highly probable that there will not be a significant reversal in the amount of cumulative revenue recognised in a future reporting period.

Capitalisation and amortisation of development costs

When determining the criteria for starting, and subsequently ceasing, the capitalisation of development costs as an internally generated asset, IAS 38 requires that strict criteria are met; in particular, that it is probable that future economic benefits will result from the development asset.

Following the signing of commercial contracts with strategic partners in 2018, management concluded that the probability of future economic benefits for the Group's SOFC platform had been met, enabling capitalisation during the period of focused product development through to 2024, when the technology reached sufficient technical maturity to cease further capitalisation.

Subsequent innovation activity, including optimisation of SOEC, is undertaken through agile, cross-functional development structures in which research and development phases occur concurrently. As these programmes have not yet reached a stage where technical feasibility can be evidenced, related expenditure does not meet the IAS 38 capitalisation threshold and is expensed as incurred.

Determining when capitalisation should commence is a critical judgement, as is the basis for the appropriate stage at which to cease capitalising ongoing costs and to commence amortising the capitalised asset.

Within the Group there is an established technology and product development process with gated milestones that assesses the technology and product viability and maturity. Generally, until a programme has passed the required milestone gate, all expenditure is deemed "Research" and expensed as incurred. Identifiable development expenses incurred after the milestone gate is passed are capitalised within the parameters set out in the accounting policy. Once a programme has passed another milestone gate, confirming development activities are completed, the capitalisation of costs ceases. Any further expenditure is expensed, and amortisation of the intangible asset commences.

Application of the above policy requires management's judgement around key areas such as future commercial feasibility of the development and that future economic benefit will be derived from the development. The Executive Committee regularly reviews the critical judgements around capitalisation and useful economic life of development projects.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

1. Accounting policies used in the preparation of the financial statements continued

Capitalisation and amortisation of development costs continued

During the year ended 31 December 2025, the application of these judgements resulted in no development costs being capitalised (2024: £2.3 million) (see Note 11). The net book value of capitalised development costs as at 31 December 2025 decreased to £16.0 million (31 December 2024: £19.9 million), and amortisation of £3.8 million (2024: £1.3 million) was charged during the year.

Determination of the term of the lease as a lessee in the event of agreements with termination options

Ceres determines the term of the lease as the non-cancellable period for which the lessee has the right to use the asset as well as periods covered by termination options if Ceres is reasonably certain that it will not exercise that option. Both leases for premises contain a break clause. Ceres applies judgement in evaluating whether it is reasonably certain that an option to renew will be exercised or that an option to terminate the lease will not be exercised. In this context, Ceres considers all relevant facts and circumstances that create an economic incentive for Ceres to exercise, or not to exercise, the termination option.

Significant estimates and assumptions

Significant estimates and associated assumptions are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The most significant estimates, assumptions and sources of uncertainty applicable in preparing the consolidated financial statements are set out below:

- Determination of period-related revenue recognition over the course of customer contracts; and
- Recognition and measurement of dilapidation provisions.

Determination of period-related revenue recognition over the course of customer contracts

For engineering services and development licences, revenue is recognised over time as the performance obligation is progressively satisfied. The determination of the amount and timing of revenue recognition requires significant estimation to assess the stage of completion for contracts with these performance obligations.

The stage of completion for both engineering services and development licences is typically determined using an input method, based on progress towards the contracted completion date of the statement of work, assessed by comparing time elapsed with time remaining. Changes in these estimates may impact the revenue recognised at the reporting date.

Recognition and measurement of dilapidation provisions

As at 31 December 2025, the Group has recognised dilapidation provisions of £2.4 million (31 December 2024: £2.3 million). The amount of provision is based on the expected cost at the termination of the lease agreements based on the current condition of the properties, to bring the leasehold properties back to their original condition. The provision has been based on an independent surveyor's report; however, management has applied judgement and interpretation to determine the best estimate of the expenditure required to settle the Group's probable liability based on this valuation, as well as to determine appropriate discount and inflation rates to apply. If total dilapidation costs ended up being 10% higher than expected, additional costs incurred would be in the order of £0.2 million (2024: £0.3 million). Note 21 sets out further details around the Group's dilapidation provisions.

Other estimates

Recognition and measurement of warranty provisions and contingent liabilities

As at 31 December 2025, the Group recognised warranty provisions of £0.2 million (31 December 2024: £0.4 million). When recognising and measuring provisions, assumptions are required about probability of occurrence, maturity and level of risk. Determining whether a current obligation exists is usually based on review by internal experts. The amount of provision is based on expected expenses, and is either calculated by assessing the specific case in light of empirical values, outcomes from comparable circumstances, evidence provided from historical commercial settlements, or else estimated by experts.

Management believes that, based on existing knowledge, it is reasonably possible that warranty costs could be up to 50% higher or lower than recognised. This could result in the Group incurring additional costs of up to c.£0.1 million over the next 12 months (2024: £0.2 million) as a result. Note 21 sets out further details around the Group's warranty provisions.

New standards and amendments applicable as of 1 January 2025

The Group has adopted all standards, interpretations amended or newly issued by the IASB that were effective in the year. There is one amendment to IFRS Accounting Standards that became applicable from 1 January 2025, adoption has not had any material effect on the consolidated financial statements:

- IAS 21 The Effect of Changes in Foreign Exchange (Amendment – Lack of exchangeability).

As at 31 December 2025, the following agenda decisions were issued for preparation of annual reports in 2025. None of the agenda decisions were relevant to the Group's financial statements:

- February 2025: Classification of Cash Flows related to Variation Margin Calls on 'Collateralised-to-Market' Contracts (IAS 7);
- April 2025: Recognition of Revenue from Tuition Fees (IFRS 15);
- April 2025: Recognition of Intangible Assets from Climate-related Expenditure (IAS 38);
- April 2025: Guarantees Issued on Obligations of Other Entities; and
- July 2025: Assessing indicators of Hyperinflationary Economies (IAS 29).

1. Accounting policies used in the preparation of the financial statements continued

New standards and amendments issued but not yet effective

The following adopted IFRSs have been issued, have an effective date for annual periods beginning on or after 1 January 2026 and have not been applied by the Group in these consolidated financial statements. Their adoption is not expected to have a material effect on the consolidated financial statements unless otherwise indicated.

The following amendments are effective for the periods beginning 1 January 2026 and 1 January 2027, but have not yet been adopted by the UK Endorsement Board:

- IFRS 9 Financial Instruments (Amendment – Classification and measurement of financial instruments);
- IFRS 9, IFRS 7 Presentation and disclosure of financial instruments (Amendment – Contracts referencing nature-dependent electricity);
- IAS 21 Foreign currencies (Amendment – Translation to Hyperinflationary Presentation Currency);
- IFRS 18 Presentation and Disclosure in Financial Statements is applicable from 1 January 2027 (endorsed in the UK on 10 December 2025). Management have not yet assessed the impact; and
- IFRS 19 Subsidiaries without Public Accountability Disclosures is applicable from 1 January 2027 has not yet been endorsed by the UK.

2. Revenue

Revenue and direct costs

Revenue comprises the fair value of the consideration received or receivable for the provision of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, other sales taxes and after eliminating sales within the Group.

Revenue primarily consists of amounts received or receivable from licence, development, evaluation and supply contracts.

Manufacturing licence agreements

Manufacturing licence agreements serve to licence core cell and stack IP with associated performance obligations to support the partner through to factory launch and royalty generation. As the core IP has matured, these agreements have moved from having a focus on collaborative development of the IP, to a less bespoke licence and support model. These two types of manufacturing licence agreement are referred to below as "legacy" and "new".

Legacy manufacturing licence agreements

Engineering services – the nature of work typically includes joint development of core IP along with stand-ready support to assist the partner to factory launch. Revenue is allocated based on

an initial cost estimate with an appropriate margin uplift applied (cost-plus margin). Revenue is recognised based on an input method as the performance obligation is satisfied.

Prototype hardware – the nature of the hardware is to supply the partner with hardware to utilise in their factory and system development. Revenue is allocated based on an initial cost estimate with an appropriate margin uplift applied (cost-plus margin). Control is assessed to have passed to the partner on delivery and therefore the performance obligation is satisfied at a point in time.

Right to use technology transfer licence – the right to use technology transfer licence provides the partner with the required IP to design and construct a manufacturing facility. The performance obligation is satisfied at a point in time when the technology transfer is provided to the partner.

Right to access development licence – the right to access development licence provides the partner the right to access future technology advancements up until the start of production. The performance obligation is transferred to the partner evenly over time up until the partner starts commercial production.

Revenue for both licences is allocated on a residual basis after the allocation of engineering services and prototype hardware.

New manufacturing licence agreements

Right to use technology transfer licence – the right to use technology transfer licence provides the partner with the required IP to design and construct a manufacturing facility. Revenue is allocated by reference to a stand-alone selling price observable for the performance obligation. The performance obligation is satisfied at a point in time when the technology transfer is provided to the partner.

Prototype hardware – the nature of the hardware is to supply the partner with hardware to utilise in their factory and system development. Revenue is allocated based on an initial cost estimate with an appropriate margin uplift applied (cost-plus margin). Control is assessed to have passed to the partner on delivery and therefore the performance obligation is satisfied at a point in time.

Right to access development licence – the right to access development licence provides the partner the right to access future technology advancements up until the start of production. The performance obligations transferred to the partner evenly over time up until the partner starts commercial production.

Engineering services – the nature of the work typically comprises stand-ready support to help our partners with their commercialisation targets. The performance obligation is recognised as support occurs and, without evidence to the contrary, is transferred to the partner evenly over time up until the partner starts commercial production.

Where not directly observed, revenue is allocated to the right to access development licence and engineering services on a residual basis after allocation of revenue to the right to use licence and provision of prototype hardware.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

2. Revenue continued

Manufacturing licence agreements continued

New manufacturing licence agreements continued

Technology evaluation occurs when partners evaluate Ceres technology for potential further uses. The performance obligations typically consist of prototype hardware and engineering services and revenue is allocated in line with legacy manufacturing licence agreements. For prototype hardware recognition of revenue depends on the nature of the evaluation, if the control of the hardware remains with Ceres, revenue is recognised evenly over the period of evaluation. If the control is transferred to the customer, revenue is recognised at the point in time control is passed to the customer.

Other licence, development and supply agreements

Aside from the agreement types laid out above, Ceres also engage in other licence, development and supply agreements with partners. These could contain right to use and right to access licences, engineering services and prototype hardware supply and are typically accounted for in the same manner as legacy manufacturing licence agreements.

Material differences in the amount of revenue in any given period may result if the judgements or estimates prove to be incorrect or if management's estimates change on the basis of development of the business or market conditions. This is considered further in the significant judgements and estimates section of Note 1. The revenue recognition is subject to certainty of receipt of cash, or when any specific conditions in agreements have been met. Where there is a timing difference between the recognition of revenue and invoicing under a contract, a contract asset or liability is recognised.

If a loss is expected in respect of a contract, the entire loss is recognised immediately in the Consolidated Statement of Profit and Loss.

Variable consideration, such as for the achievement of performance targets or variation requests under negotiation with the customer at the reporting date, can be included in the transaction price associated with the performance obligations. These estimates of the expected value or most likely amount are recognised to the extent that it is highly probable that there will not be a significant reversal in the amount of cumulative revenue recognised in a future reporting period.

Contract modifications are treated as a separate contract if the scope of the contract increases because of the addition of distinct goods or services, and the price of the contract increases by an amount of consideration that reflects the stand-alone selling price of the additional promised goods or services.

Where a contract modification does not meet these criteria, it is accounted for as an adjustment to the existing contract, either prospectively, where the remaining goods or services are distinct from the goods and services transferred before the modification, or through a cumulative catch-up adjustment, where the remaining services are not distinct and are part of a single performance obligation that is only partially satisfied when the contract is modified.

Geographical market

	2025 £'000	2024 £'000
Europe	4,571	8,689
Asia	27,989	43,064
North America	83	138
	32,643	51,891

For the year ended 31 December 2025, the Group has identified four major customers (defined as customers that individually contributed more than 10% of the Group's total revenue) that accounted for approximately 33%, 23%, 17% and 11% of the Group's total revenue recognised in the year (year ended 31 December 2024: three customers that accounted for approximately 44%, 26% and 13% of the Group's total revenue recognised for that year).

Major product/service lines

	2025 £'000	2024 £'000
Provision of technology hardware	10,289	6,938
Engineering services and licences	22,244	44,953
Royalties	110	—
	32,643	51,891

Timing of transfer of goods and services

	2025 £'000	2024 £'000
Products and services transferred at a point in time	14,328	33,030
Products and services transferred over time	18,315	18,861
	32,643	51,891

Contract-related assets and liabilities

	Note	31 Dec 2025 £'000	31 Dec 2024 £'000	1 Jan 2024 £'000
Trade receivables	14	14,938	9,872	3,422
Contract assets – accrued income		143	7,333	1,575
Contract assets – deferred contract costs		—	875	—
Total contract-related assets		15,081	18,080	4,997
Contract liabilities - variable consideration constrained		(1,500)	(525)	—
Contract liabilities - deferred income		(21,784)	(10,157)	(7,469)
Total contract liabilities		(23,284)	(10,682)	(7,469)

2. Revenue continued

Contract-related assets and liabilities continued

No material expected credit losses were recognised against trade receivables or contract assets in either the current or prior year. Further details regarding the composition of trade receivables can be found in Note 14.

The contract assets – accrued income – relates to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the work is invoiced. The decrease in the balance compared with 31 December 2024 is a result of significant up front revenue recognised in the prior year from two new licence customers and timing differences with invoicing.

The contract assets – deferred contract costs – relates to costs to fulfil our performance obligations under an obtained contract, but before transferring goods or services to the customer. Contract cost assets are amortised on a systematic basis consistent with the expected pattern of transfer of the related goods or services under the contract.

The contract liabilities – deferred income – relates to invoices raised in advance of the performance obligation being satisfied. There are no significant financing components associated with deferred income. The increase in the balance compared with the prior year is primarily due to timing differences between revenue recognised on work performed and raising invoices to customers.

The contract liabilities – The contract liabilities – variable consideration constrained – represent amounts deferred where variable consideration has been constrained due to the risk of significant revenue reversal under IFRS 15. Although the related performance obligations have been satisfied and invoiced, revenue is recognised only when the uncertainty is resolved.

Revenue recognised in the current year that was included in the contract liabilities – deferred income – balance at the beginning of the year was £5,550,000 (31 December 2024: £3,284,000).

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Contract assets 2025 £'000	Contract liabilities 2025 £'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	—	5,550
Increases due to invoices raised, excluding amounts recognised as revenue	—	(18,152)
Transfers from contract assets recognised at the beginning of the year to revenue	(7,299)	—
Increase in contract asset due to satisfaction of performance obligations for which consideration is not yet due	109	—

	Contract assets 2024 £'000	Contract liabilities 2024 £'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	—	3,284
Increases due to invoices raised, excluding amounts recognised as revenue	—	(6,497)
Transfers from contract assets recognised at the beginning of the year to revenue	(1,575)	—
Increase in contract asset due to satisfaction of performance obligations for which consideration is not yet due	7,333	—

The revenue expected to be recognised in future years for evaluation and development, supply and licence agreements in respect of performance obligations that are unsatisfied (or partially unsatisfied) at the year end is:

	2026 £'000	2027 £'000	2028 £'000
Evaluation, development, supply and licence agreements ¹	39,873	21,624	12,026

The comparatives as at 31 December 2024 are as follows:

	2025 £'000	2026 £'000	2027 £'000
Evaluation, development, supply and licence agreements ¹	26,200	24,029	9,671

1. Excluding future royalties receivable from partners.

The above analysis excludes revenue which is contracted but contingent upon milestones or decision criteria which are at the customers' discretion.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

3. Loss before taxation

Research and development

The Group undertakes research and development activities and expenditures not meeting the conditions for capitalisation (see Note 11), are written off as incurred and charged to the Consolidated Statement of Profit and Loss.

Government grants

Grants are recognised on a case-by-case basis. Revenue grants are recognised in the Consolidated Statement of Profit and Loss as other operating income as the related costs are incurred and expensed. The reimbursement of the cost of an item of plant and equipment or intangible by way of a capital grant is presented as deferred income and recognised in the Consolidated Statement of Profit and Loss as other operating income on a basis consistent with the depreciation or amortisation of the asset over its estimated useful life.

For grants with no technical milestones, and where recovery is reasonable, the grant is recognised on an accruals basis in order to match the associated expenditure with the grant income. For grants with technical milestones, these grants are held on the Consolidated Statement of Financial Position as deferred income and are recognised only when the relevant milestone has been achieved.

	2025 £'000	2024 £'000
Operating costs are split as follows:		
Research and development costs	48,559	48,531
Administrative expenses	14,199	18,014
Commercial expenses	7,315	7,782
	70,073	74,327
Loss before taxation is stated after (crediting)/charging:		
Other operating income – grant income	(244)	(244)
Other operating income – RDEC tax credit	(2,924)	(2,602)
Other operating income – total	(3,168)	(2,846)
Staff costs, including share-based payments (Note 5)	41,452	44,996
Cost of inventories recognised as expense (Note 13)	5,168	7,073
Depreciation of property, plant and equipment (Note 9)	7,100	7,472
Depreciation of right-of-use assets (Note 10)	753	710
Amortisation of intangible assets (Note 11)	3,858	1,374
Repairs expenditure on property, plant and equipment	1,017	841
Net change in fair value of financial instruments at fair value through profit or loss	90	(99)
Net foreign exchange (gain)/loss recognised in operating costs	(88)	136
Net foreign exchange loss recognised in finance expense	–	79

Services provided by the Group's auditor

During the year the Group obtained the following services from the Group's auditor as detailed below:

	2025 £'000	2024 £'000
Fees payable to the Company's auditor for the audit of parent Company and consolidated financial statements	136	127
Fees payable to the Company's auditor for other services:		
– the audit of the Company's subsidiaries	328	329
– audit-related assurance services – review of interim financial results, including audit assurance	32	31
– audit-related assurance services – 2023 audit extension fees	–	218
	496	705

4. Finance income and expense

Interest income and expense

Interest income and expense is recognised in the Consolidated Statement of Profit and Loss in the year in which it is earned or accrued.

	2025 £'000	2024 £'000
Interest received	4,060	5,807
Total interest income	4,060	5,807
Interest on lease liabilities	(245)	(243)
Unwinding of discount on provisions	(92)	(40)
Unwinding of the finance component of a customer contract	(250)	–
Foreign exchange loss on cash, cash equivalents and short-term deposits	–	(79)
Total interest expense	(587)	(362)

5. Employees and Directors

The average number of persons (including Executive Directors) employed by the Group during the year was:

	2025 Number	2024 Number
By activity:		
Research and development	201	364
Prototype production	175	102
Administration	49	62
Commercial	37	18
	462	546

	2025 £'000	2024 £'000
Staff costs (for the above persons) comprised:		
Wages and salaries, including compensation for loss of office	33,761	37,278
Social security costs	4,112	4,289
Other pension costs (Note 6)	2,319	2,465
Share-based payments (Note 24)	1,260	964
	41,452	44,996
Less: staff costs absorbed	(4,220)	(6,389)
Staff costs expensed in the year	37,232	38,607

In the above, absorbed staff costs relates to costs that have been recognised on the Consolidated Statement of Financial Position. This arises upon the creation of inventory work in progress. In 2024 this also included capitalisation of intangible assets.

	2025 £'000	2024 £'000
Directors' emoluments:		
Aggregate emoluments	1,285	1,658
Company contributions to defined contribution pension schemes	54	49
Gain on exercise of share options and other share schemes ¹	—	363
	1,339	2,070

1. The Directors had LTIPs with an aggregate value of £1,501,736 exercisable as at 31 December 2025 (31 December 2024: £1,120,513).

	2025 £'000	2024 £'000
Highest-paid Director:		
Aggregate emoluments	756	872
Company contributions to defined contribution pension schemes	30	25
Gain on exercise of share options and other share schemes	—	363
	786	1,260

Two Directors (2024: two Directors) have retirement benefits accruing under defined contribution pension schemes.

Additional information on the emoluments of the Directors, together with information regarding the share interests and share options of the Directors, is included in the Remuneration Report on pages 72 to 90, which forms part of these audited financial statements.

Key management compensation

The Directors consider that the key management of the Group comprises the Executive Directors, Non-Executive Directors and the Executive Committee. The key management compensation is summarised in the following table:

	2025 £'000	2024 £'000
Salaries and other short-term employment benefits	3,374	4,513
Post-employment benefits	118	130
Share-based payments	13	206
	3,505	4,849

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for the year ended 31 December 2025

6. Pensions

Pension scheme arrangements

The Group operates a defined contribution pension plan for employees. The assets of the scheme are held separately from those of the Group in independently administered funds. The plan is a post-employment benefit plan under which the Group pays fixed contributions during the employee's service and will have no legal or constructive obligation to pay amounts after the employee's service ends. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Profit and Loss in the period during which services are rendered by employees.

The pension charge represents contributions payable by the Group to the funds and amounted to £2,319,000 (31 December 2024: £2,465,000). There was no outstanding payable to the funds as at 31 December 2025 (31 December 2024: £nil).

7. Taxation and deferred taxation

Taxation

The taxation charge for the year comprises current and deferred tax and any adjustment to tax payable or receivable in respect of previous years. Tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. However, this legislation does not apply to the Group as its consolidated revenue is lower than €750 million.

The RDEC receivable represents the Directors' best estimate of tax due to the Group at the year end under the RDEC credit regime.

	2025 £'000	2024 £'000
UK corporation tax	—	—
Foreign tax suffered	1,248	2,445
Adjustment in respect of prior periods	(8)	(12)
Taxation charge	1,240	2,433

The current tax rate is 25% (2024: 25%).

A tax charge has arisen as a result of expenditure surrendered and claimed under the SME R&D regime in the prior year and foreign tax and withholding tax arising on licence income received from customers based in China, South Korea and Taiwan. Withholding tax is recognised in the statement of profit and loss in line with the recognition of the underlying revenues.

The tax result for the year is different from the standard rate of UK corporation tax of 25% (2024: 25%). The differences are explained below:

	2025 £'000	2024 £'000
Loss before taxation	(46,306)	(25,872)
Loss before taxation multiplied by the UK tax rate of 25% (2024: 25%)	(11,577)	(6,468)
Effects of:		
Expenses not deductible	809	110
Effect of overseas tax rates	1,268	1,973
Adjustment in respect of prior periods – overseas tax	(7)	(12)
Movement in deferred tax not recognised	10,747	6,830
Total taxation charge	1,240	2,433

Deferred taxation

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

A deferred tax liability in respect of intangible fixed assets is recognised where tax relief has been accelerated through RDEC credits. An equivalent deferred tax asset in respect of fixed asset timing differences is therefore also recognised.

	Opening temporary difference (Asset)/liability £'000	Movement £'000	Closing temporary difference (Asset)/liability £'000
Fixed asset timing differences	(3,623)	658	(2,965)
Intangible fixed asset deferred tax liability	3,623	(658)	2,965
Net deferred tax (asset)/liability recognised	—	—	—

7. Taxation and deferred taxation continued

Deferred taxation continued

Potential deferred tax assets have not been recognised. The gross temporary differences at the year end are set out below:

	2025 £'000	2024 £'000
Temporary differences:		
Difference between capital allowances and depreciation	(20,455)	(9,560)
Deductions relating to share options	(422)	(2,374)
Other timing differences	(142)	(194)
Losses carried forward	(279,028)	(243,011)
	(300,047)	(255,139)

The deferred tax assets have not been recognised as the Directors consider that it is not probable that the asset will be realised in the foreseeable future. The element of the RDEC credit that can only be set off against future UK corporation tax liability is £4,054,000 (2024: £3,423,000) and has not been recognised as the Directors consider that it is not probable that this asset will be realised in the foreseeable future and it does not have an expiry date.

8. Loss per share

Basic and diluted loss per £0.10 ordinary share of 24.52p for the year ended 31 December 2025 (31 December 2024: 14.64p) is calculated by dividing the loss for the financial year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. Given the losses reported during the year, there is no dilution of losses per share for the year ended 31 December 2025 (31 December 2024: no dilution).

The Group has outstanding share-based payment awards that could potentially dilute earnings per share in future periods; however, given the losses reported, these were anti-dilutive for the year ended 31 December 2025 and have therefore been excluded from the diluted loss per share calculation.

	2025 £'000	2024 £'000
Loss for the financial year attributable to shareholders	(47,546)	(28,305)
Weighted average number of shares in issue	193,896,776	193,321,401
Loss per £0.10 ordinary share (basic and diluted)	(24.52)p	(14.64)p

9. Property, plant and equipment

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost includes all expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are charged to the Consolidated Statement of Profit and Loss during the financial period in which they are incurred. The Directors annually consider the need to impair these assets.

Depreciation is charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold improvements	Ten years or the lease term if shorter
Plant and machinery	Three to ten years
Computer equipment	Three years
Fixtures and fittings	Three to ten years

Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying values of property, plant and equipment are reviewed on an ongoing basis for any indication of impairment. Where any indication of impairment exists, the recoverable value of the assets is estimated. An impairment loss is recognised in the Consolidated Statement of Profit and Loss whenever the carrying value of property, plant and equipment exceeds its recoverable amount.

Assets under construction represents the cost of purchasing, constructing and installing property, plant and equipment ahead of their productive use. The category is temporary, pending completion of the assets and their transfer to the appropriate and permanent category of property, plant and equipment. As such, no depreciation is charged on assets under construction.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

9. Property, plant and equipment continued

Property, plant and equipment continued

	Leasehold improvements £'000	Plant and machinery £'000	Computer equipment £'000	Fixtures and fittings £'000	Assets under construction £'000	Total £'000
Cost						
At 1 January 2024	8,813	31,317	2,042	391	6,429	48,992
Additions	554	2,786	29	—	1,805	5,174
Transfers	32	2,357	—	—	(2,389)	—
Disposals	(267)	(640)	(321)	(15)	—	(1,243)
At 31 December 2024	9,132	35,820	1,750	376	5,845	52,923
Additions	161	30	15	—	1,570	1,776
Transfers	386	2,055	—	—	(2,441)	—
Disposals	(168)	(1,435)	(259)	(16)	—	(1,878)
At 31 December 2025	9,511	36,470	1,506	360	4,974	52,821
Accumulated depreciation						
At 1 January 2024	3,844	17,273	1,725	268	—	23,110
Charge for the year	1,564	5,635	224	49	—	7,472
Depreciation on disposals	(267)	(640)	(321)	(15)	—	(1,243)
At 31 December 2024	5,141	22,268	1,628	302	—	29,339
Charge for the year	1,238	5,719	91	52	—	7,100
Depreciation on disposals	(120)	(1,417)	(259)	(16)	—	(1,812)
At 31 December 2025	6,259	26,570	1,460	338	—	34,627
Net book value						
At 31 December 2025	3,252	9,900	46	22	4,974	18,194
At 31 December 2024	3,991	13,552	122	74	5,845	23,584
At 1 January 2024	4,969	14,044	317	123	6,429	25,882

Assets under construction primarily comprise plant and machinery and leasehold improvements related to the Group's manufacturing and testing facilities.

10. Right-of-use assets

The Group holds material leases for premises, electric vehicles (EV) and lower value leases for IT equipment, with lease terms ranging from 1 year to 10 years. The Group recognises right-of-use assets and lease liabilities (i.e. leases are recognised on the Consolidated Statement of Financial Position) for all leases other than for short-term leased plant and machinery (i.e. leases that have a term less than 12 months). Short-term lease expense is recognised in operating expenses.

Lease liabilities are initially measured at the present value of the remaining lease payments discounted at the Group's incremental borrowing rate. Subsequently, lease liabilities are measured by adjusting to reflect interest on the lease liability, reducing the liability to reflect lease payments made and to reflect any reassessment or lease modifications, or revised in-substance fixed lease payments (refer to Note 20).

The associated right-of-use asset for property leases and other assets is initially measured at the amount equal to the lease liability reduced for any lease incentives received, and increased for: lease payments made at or before commencement of the lease; initial direct costs incurred; and the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset. Subsequently, right-of-use assets are measured at cost less any accumulated depreciation and adjusted for any re-measurement of the lease liability. The re-measured lease liability is calculated by discounting the revised lease payments using a revised discount rate at the effective date of the modification. A corresponding adjustment is also made to the right-of-use asset unless the scope of the lease is decreased, in which case a gain or loss may be recognised.

Right-of-use assets are depreciated over the shorter of the lease term and the relevant useful economic life following the periods set out in the property, plant and equipment depreciation policy. Where the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated over its useful economic life.

Right-of-use assets are tested for impairment by applying IAS 36 Impairment of Assets. The carrying values of right-of-use assets are reviewed on an ongoing basis for any indication of impairment. Where any indication of impairment exists, the recoverable value of the assets is estimated. An impairment loss is recognised in the Consolidated Statement of Profit and Loss whenever the carrying value of a right-of-use asset exceeds its recoverable amount.

	Land and buildings £'000	Computer equipment £'000	Electric vehicles £'000	Total £'000
Cost				
At 1 January 2024	4,658	43	—	4,701
Additions	—	—	290	290
Disposal	—	—	(38)	(38)
Adjustment of lease term	145	—	—	145
At 31 December 2024	4,803	43	252	5,098
Additions	935	—	106	1,041
Disposal	—	—	(111)	(111)
At 31 December 2025	5,738	43	247	6,028
Accumulated depreciation				
At 1 January 2024	2,522	38	—	2,560
Charge for the year	648	5	57	710
Disposal	—	—	(6)	(6)
At 31 December 2024	3,170	43	51	3,264
Charge for the year	658	—	95	753
Disposal	—	—	(52)	(52)
At 31 December 2025	3,828	43	94	3,965
Net book value				
At 31 December 2025	1,910	—	153	2,063
At 31 December 2024	1,633	—	201	1,834
At 1 January 2024	2,136	5	—	2,141

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for the year ended 31 December 2025

11. Intangible assets

Research and development

Expenditure incurred on research and development is distinguished as relating to a research phase or development phase with reference to the Group's technology and product development process.

All research phase expenditure is recognised in the Consolidated Statement of Profit and Loss as an expense when incurred (see Note 3). Development phase expenditure is capitalised from the point that all of the following conditions are met:

- The product or process under development is technically and commercially feasible;
- The Group intends to and has the technical ability and sufficient resources to complete the development;
- Future economic benefits are probable; and
- The Group can measure reliably the expenditure attributable to the asset during its development.

Development phase activities involve a plan or design for the production of new or substantially improved products or processes in relation to the Group's core solid oxide cell and system technology and intellectual property. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads.

Capitalisation of development phase activities continues until the point at which the product or process under development meets its originally mandated technical specification. For product and process development, this is at the point where the production design version is approved or the development is completed.

Subsequent expenditure is capitalised where it enhances the functionality of the asset and demonstrably generates an enhanced economic benefit to the Group. All other subsequent expenditure on the product or process is expensed as incurred.

Where development activities are funded through government grants and the cost of those activities is capitalised under this policy, the grants received are considered capital grants and are presented as deferred income and recognised in the Consolidated Statement of Profit and Loss as other operating income on a basis consistent with the depreciation or amortisation of the asset over its estimated useful life.

Patent costs incurred in the procurement of patents in relevant territories are capitalised where the Group considers those patents relate to technology that is deemed to be commercially feasible. Other patent costs and costs to maintain patents once granted in those territories are expensed to in the Consolidated Statement of Profit and Loss as incurred.

Subsequent to recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives and is presented within operating costs. The estimated useful lives are reviewed and adjusted as appropriate, at each balance sheet date. Intangible assets which are not yet available for use are tested for impairment at each balance sheet date. The following useful lives are used in the calculation of amortisation:

Capitalised development	Two to seven years
Patent costs	Three years
Perpetual software licenses	Three years

The carrying values of intangible assets are reviewed on an ongoing basis for any indication of impairment. Where any indication of impairment exists, the recoverable value of the assets is estimated. An impairment loss is recognised in the Consolidated Statement of Profit and Loss whenever the carrying value of an intangible asset exceeds its recoverable amount.

	Internal developments in relation to manufacturing site £'000	Internal development programmes £'000	Perpetual software licences £'000	Patent costs £'000	Total £'000
Cost					
At 1 January 2024	411	20,190	525	1,209	22,335
Additions	—	2,010	—	284	2,294
At 31 December 2024	411	22,200	525	1,493	24,629
Additions	—	—	87	—	87
At 31 December 2025	411	22,200	612	1,493	24,716
Accumulated amortisation					
At 1 January 2024	328	2,514	285	154	3,281
Charge for the year	83	1,019	124	148	1,374
At 31 December 2024	411	3,533	409	302	4,655
Charge for the year	—	3,382	42	434	3,858
At 31 December 2025	411	6,915	451	736	8,513
Net book value					
At 31 December 2025	—	15,285	161	757	16,203
At 31 December 2024	—	18,667	116	1,191	19,974
At 1 January 2024	83	17,676	240	1,055	19,054

The internal development intangible relates to the design, development and configuration of the Group's core solid oxide cell and system technology. Amortisation of capitalised development commences once the developed technology is complete and is available for use. The net book value of internal development programmes that are not available for use at 31 December 2025 are £nil (2024: £812,000). Amortisation of the 640 programme commenced in November 2024 with an assessed useful life of 7 years.

12. Subsidiary undertakings and associates

Details of the Group's subsidiaries and associates at 31 December 2025 are as follows:

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of shares held by the Company	Type of entity
Ceres Power Ltd	England and Wales	£0.001 ordinary shares	100% ¹	Subsidiary
Ceres Intellectual Property Company Ltd	England and Wales	£1.00 ordinary shares	100% ¹	Subsidiary
Ceres Power Intermediate Holdings Ltd	England and Wales	£0.01 ordinary shares	100% ¹	Subsidiary
Ceres Power Licence Company Ltd	England and Wales	£1.00 ordinary shares	100% ¹	Subsidiary
Ceres Holdings International Ltd	England and Wales	£1.00 ordinary shares	100% ¹	Subsidiary
Ceres Engineering Consulting (Shanghai) Co Ltd	Shanghai, China	£1.00 ordinary shares	100% ²	Subsidiary
RFC Power Ltd	England and Wales	£0.001 ordinary shares	100% ³	Subsidiary

1. Ceres Power Ltd, Ceres Intellectual Property Company Ltd, Ceres Holdings International Ltd and Ceres Power Licence Company Ltd are 100% held directly by Ceres Power Intermediate Holdings Ltd. Registered address is Viking House, Foundry Lane, Horsham, West Sussex, RH13 5PX.

2. 100% held directly by Ceres Power Ltd. Registered address is Office 1903i, Floor 19/F, Tower B, No.1065 West Zhongshan Road, Changning District, Shanghai, China.

3. 100% held directly by Ceres Power Ltd. Registered address is Viking House, Foundry Lane, Horsham, West Sussex, RH13 5PX.

The principal activity of:

- Ceres Power Ltd is the commercialisation and continued development of the Group's fuel cell and electrochemical technology.
- Ceres Intellectual Property Company Ltd is the administration of registered intellectual property developed within the Group.
- Ceres Power Intermediate Holdings Ltd is as a holding company to the other Group companies and to manage the Group's cash, cash equivalents and investments.
- Ceres Power Licence Company Ltd is the provision of overseas licence and royalty services.
- Ceres Holdings International Ltd is dormant.
- Ceres Engineering Consulting (Shanghai) Co Ltd is to provide business development and technical support to our business and partners in China.
- RFC Power Ltd is to develop novel flow battery technologies for energy storage systems.

On 1 August 2025, the Group obtained control of RFC Power Ltd and then acquired the remaining share capital for £1 on 30 September 2025, resulting in Ceres Power Limited obtaining full ownership. The net assets of RFC Power Ltd at the acquisition date were immaterial to the Group's financial position. At 31 December 2025, a loan of £375,000 was outstanding and payable by RFC Power Ltd to Ceres Power Ltd.

Prior to this acquisition, RFC Power Ltd was accounted for as an associate. The Group recognised its share of RFC Power Ltd's loss for the period ended 31 July 2025 amounting to £60,000, and the remaining carrying amount of the investment (£2,158,000) was fully impaired before acquisition due to concerns regarding the entity's ability to continue as a going concern.

From the date control was obtained, the Group has recognised the fair value of RFC Power Ltd's identifiable net assets and has consolidated its results for the five-month period to 31 December 2025 which are also not material.

The financial results of all subsidiaries listed above, together with the newly acquired RFC Power Ltd from the date of acquisition, are included in these consolidated financial statements.

On 15 August 2022, the Group established a new international holding company, Ceres Holdings International Ltd. This company is a 100% owned subsidiary of Ceres Power Intermediate Holdings Ltd and is currently dormant.

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for the year ended 31 December 2025

13. Inventories

Inventories consist of raw materials, work in progress and finished goods.

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct material cost and, where applicable, direct labour costs and direct overheads that have been incurred. Cost is calculated using the first-in, first-out ("FIFO") method. Net realisable value represents the estimated selling price less all estimated costs to completion and selling costs to be incurred.

	31 Dec 2025 £'000	31 Dec 2024 £'000
Raw materials	1,313	1,621
Work in progress	1,319	759
Finished goods	571	376
	3,203	2,756

During the year ended 31 December 2025, inventories of £5.2 million (31 December 2024: £7.1 million) were recognised as an expense and were included within cost of sales. As at 31 December 2025, a provision of £0.1 million was recognised against quarantined stacks (2024: £0.1 million).

14. Trade and other receivables

Trade and other receivables

Trade receivables are recognised initially at transaction price and subsequently held at amortised cost using the effective interest method, less loss allowances. Loss allowances are calculated using the simplified approach to determine expected credit losses, taking into account both historical payment profiles and any credit losses experienced, together with forward-looking macroeconomic factors. The carrying amount of these balances approximates to fair value due to the short maturity of amounts receivable. Payment terms generally range between 30 and 60 days depending on the customer.

Although the Group's past experience of significant credit losses on these assets has been negligible, the impairment assessment performed by the Group considers both past experience and future expectations of credit losses. As a result of this assessment, the Group considers the risk of expected credit losses on trade receivables and contract assets to be immaterial. Further details on this assessment are provided in Note 19.

	31 Dec 2025 £'000	31 Dec 2024 £'000
Current:		
Trade receivables	14,938	9,872
VAT receivable	687	1,120
RDEC receivable	2,814	6,790
Other receivables	297	103
	18,736	17,885
Non-current:		
Other receivables	741	741

The RDEC receivable is a receivable from the UK Government for the Group's 2025 RDEC claim.

Non-current other receivables comprise rent deposit guarantees held by landlords in respect of the Group's leased properties. There is no material difference between the fair value of trade and other receivables and their carrying values and they are not materially overdue at the year end. There are no expected credit losses recognised during the year ended 31 December 2025 (31 December 2024: £nil). The carrying amounts of the Group's trade and other receivables are primarily denominated in pounds sterling, euros and US dollars (as set out in Note 19).

15. Other current assets

	31 Dec 2025 £'000	31 Dec 2024 £'000
Current:		
Prepayments	1,449	1,430
	1,449	1,430

16. Cash, cash equivalents and investments

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, pooled money market funds and short-term deposits with an original maturity of less than or equal to one month.

Short-term investments

Short-term investments include bank deposits with an original maturity greater than one month and a maturity as at the date of the Consolidated Statement of Financial Position of less than or equal to 12 months.

	31 Dec 2025 £'000	31 Dec 2024 £'000
Cash at bank and in hand	3,287	10,338
Money market funds	32,548	37,156
Cash and cash equivalents	35,835	47,494
Short-term bank deposits greater than one month and less than 12 months	47,437	54,971
	83,272	102,465

The Group holds surplus funds in accordance with the Treasury Policy, as set out in Note 19.

	Interest rate type	31 Dec 2025 £'000	31 Dec 2024 £'000
Interest rate risk profile of the Group's financial assets:			
Cash at bank and in hand	Floating	3,287	10,338
Money market funds	Floating	32,548	37,156
Short-term bank deposits greater than one month and less than or equal to 12 months	Floating	23,308	22,635
Short-term bank deposits greater than one month and less than or equal to 12 months	Fixed	24,129	32,336
		83,272	102,465

During the year ended 31 December 2025 the fixed rate short-term bank deposits were primarily designated in pounds sterling, had remaining terms of between one month and two months (31 December 2024: between one and two months) and earned interest of between 3.84% and 4.02% (31 December 2024: 4.60% and 4.99%). The credit quality of financial assets has been assessed by reference to external credit ratings.

17. Trade and other payables

Trade and other payables are initially recognised at fair value, which is typically the invoiced amount and then held at amortised cost. Other payables include taxes and social security amounts due on behalf of the Group's employees.

	31 Dec 2025 £'000	31 Dec 2024 £'000
Current:		
Trade payables	1,352	2,007
Other payables	1,390	1,531
	2,742	3,538

18. Other liabilities

	31 Dec 2025 £'000	31 Dec 2024 £'000
Current:		
Accruals	3,907	6,581
Deferred income	242	244
	4,149	6,825
Non-current:		
Deferred income	976	1,221

Accruals include estimates of amounts owed to suppliers that have not been invoiced at the year end, and to the Group's employees for various employee-related payments, including redundancy payments. Deferred income consists of grant income and RDEC tax credits deferred in relation to associated development costs which have been capitalised as an intangible asset. Grant income is recognised in the Consolidated Statement of Profit and Loss in the same period as the expenditure to which the grant relates.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

19. Financial instruments

Derivative financial instruments

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group uses forward contracts, and in limited circumstances options, to hedge against foreign currency-denominated income and expenditure commitments. The use of financial derivatives is governed by the Group's Treasury Policy, as approved by the Board. The Group does not use derivative financial instruments for speculative purposes. Details of financial instruments are shown later in this note.

Derivative financial instruments are recognised at fair value. The gains or losses on re-measurement to fair value are recognised immediately in the Consolidated Statement of Profit and Loss as they arise and are shown in Note 3.

The Group only uses derivative financial instruments to hedge foreign currency exposures which arise from an underlying current or anticipated business requirement. The Group does not currently apply hedge accounting to any derivatives in place, and derivatives are treated at fair value through P&L. The Group does not currently use derivative instruments to manage its interest rate risk. The Group does not trade in financial instruments.

Fair values of financial assets and financial liabilities

There is no material difference between the fair value and the carrying value of the Group's financial assets and financial liabilities. Carrying value approximates to fair value because of the short maturity periods of these financial instruments.

None of the Group's assets and liabilities were measured at fair value at 31 December 2025 (31 December 2024: none).

The fair values of all financial assets and financial liabilities by class, together with their carrying amounts shown in the balance sheet, are as follows:

	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
		31 Dec 2025 £'000	31 Dec 2025 £'000	31 Dec 2024 £'000	31 Dec 2024 £'000
Financial assets at amortised cost					
Trade and other receivables		15,235	15,235	9,975	9,975
Cash, cash equivalents and investments		83,272	83,272	102,465	102,465
		98,507	98,507	112,440	112,440
Financial assets measured at fair value through profit or loss					
Forward exchange contracts	Level 2	—	—	8	8
Financial liabilities measured at amortised cost					
Trade and other payables and accruals		(5,205)	(5,205)	(9,407)	(9,407)

Capital management

The Group's capital is considered to comprise cash at bank and short-term investments as set out in Note 16. The Group's approach to managing its capital is described in the "credit risk" section below.

19. Financial instruments continued

Financial risk management

The Group's operations expose it to a variety of financial risks that include credit risk and market risk arising from changes to interest rates and foreign currency exchange rates. The Board reviews and agrees policies for managing each of these risks.

The principal risks addressed are as follows:

Credit risk

The Group's exposure to credit risk arises from holdings of cash, cash equivalents and investments, and if a counterparty or customer fails to meet its contractual obligations.

The Group's primary objective to manage credit risk from its holdings of cash, cash equivalents and investments is to minimise the risk of a loss of capital and eliminate loss of liquidity having a detrimental effect on the business. The Group places surplus funds of no more than £30 million per institution into pooled money market funds with same-day access and of no more than £12 million per institution for bank deposits with durations of up to 24 months. During the year the Group's Treasury Policy restricted investments in short-term money market funds to those which carry short-term credit ratings of at least two of AAAM (Standard & Poor's), Aaa-mf (Moody's) and AAAMmf (Fitch) and deposits with banks with minimum long-term rating of A-/A3/A and short-term rating of A-2/P-2/F-1 for banks in which the UK Government holds less than 10% ordinary equity.

Trade receivables at the year end relate to eight customers (31 December 2024: seven) of which £320,000 relates to the Europe geographic region, £15,000 relates to the US and £14,603,000 to Asia (31 December 2024: £443,000 relates to the Europe geographic region, £280,000 relates to the US and £9,149,000 to Asia).

Contract assets at the year end related to two customers of which £28,000 relates to the Europe geographic region and £115,000 to Asia (31 December 2024: related to four customers of which £138,000 relates to the Europe geographic region and £7,195,000 to Asia).

The Group's customers are generally large multinational companies or research institutions and are consequentially not considered to add significantly to the Group's credit risk exposure. All trade receivables are due within the agreed credit terms for the current and preceding year and are consequently stated at cost.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other contract assets (primarily unbilled work in progress).

To measure expected credit losses, trade receivables and other contract assets are analysed based on their credit risk characteristics including days past due and the specific payment profile of the customer to determine a suitable historical loss rate. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that the Group considers could affect the ability of its customers to settle the receivables.

The Group has followed this approach as at 31 December 2025 and as a result has not recognised a loss allowance for trade receivables or other contract assets (31 December 2024: no loss allowance). Management does not consider that a reasonably possible change in the estimation of expected credit losses would have a material impact on the results of the following year.

Interest rate risk

Interest rate risk on the Group's liabilities is minimal.

The Group's finance income is sensitive to changes in interest rates. A change of 0.5% in interest rates on all variable rate instruments held by the Group at 31 December 2025 would have impacted the finance income by £304,000 (31 December 2024: £308,000).

The increase in sensitivity to interest rate changes is driven by the increase mix of variable rate cash, cash equivalents and investments held at the balance sheet date when compared with 31 December 2024. Interest rate risk is mitigated by investing in deposit accounts of different durations ranging from 32 days to up to 24 months and by utilising deposit accounts with fixed interest rates.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

19. Financial instruments continued

Liquidity risk

Liquidity risk is the risk arising from the Group not being able to meet its financial obligations. The Group manages its liquidity needs by preparing cash flow forecasts, including forecasting of the Group's liquidity requirements, to ensure the Group has sufficient cash to meet its operational needs.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	31 December 2025						31 December 2024					
	Carrying amount £'000	Contractual cash flows £'000	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	>5 years £'000	Carrying amount £'000	Contractual cash flows £'000	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	>5 years £'000
Non-derivative financial liabilities												
Trade and other payables and accruals	(5,205)	(5,205)	(5,205)	—	—	—	(9,407)	(9,407)	(9,407)	—	—	—
Lease liabilities	(2,409)	(2,619)	(1,027)	(993)	(321)	—	(2,223)	(2,590)	(1,027)	(812)	(751)	—
Derivative financial liabilities												
Forward exchange contracts:												
(Outflow)	—	—	—	—	—	—	(827)	(827)	—	—	—	—
Inflow	—	—	—	—	—	—	848	848	—	—	—	—

Foreign currency exposures

The Group's primary transaction currency is pound sterling. Exposures to foreign currency-denominated contracted receivables and commitments arise from the Group's overseas sales and purchases, which are primarily denominated in euros, US dollars, Canadian dollars and Japanese yen.

The Group seeks to mitigate its foreign currency exposure by entering into forward currency exchange contracts, and in limited circumstances, currency options in accordance with the Group's Treasury Policy. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward currency exchange contracts and options are primarily entered into for significant foreign currency exposures that are not expected to be offset by other currency transactions. The Group's objectives and policies are largely unchanged in the reporting periods under review.

Forward exchange contracts include forward currency contracts to sell €1.0 million in total and buy US dollars over the next 12 months and considering the impact of foreign exchange, the carrying value of derivative financial instruments asset (net) at the year end is £nil (2024: liability of £8,000).

19. Financial instruments continued

Foreign currency exposures continued

The table below shows the extent to which the Group has monetary assets and liabilities in currencies other than pounds sterling. Foreign exchange differences arising on the retranslation of these monetary assets and liabilities are taken to the Consolidated Statement of Profit and Loss.

	Euro £'000	US dollar £'000	Canadian dollar £'000	Japanese yen £'000	Chinese renminbi £'000	Other £'000
31 December 2025						
Exposures to foreign currency risk:						
Cash and cash equivalents	1,321	120	—	4	171	19
Trade and other receivables	14	—	—	—	—	2
Other current assets	—	—	—	—	22	—
Trade payables and payments on account	(11)	(134)	—	—	(86)	—
Other current liabilities	—	—	—	—	(14)	—
Forward currency contracts – (outflow)/inflow	—	—	—	—	—	—
Balance sheet exposure	1,324	(14)	—	4	93	21
31 December 2024						
Exposures to foreign currency risk:						
Cash and cash equivalents	2,268	2,910	171	52	167	5
Trade and other receivables	425	280	—	—	—	—
Other current assets	—	—	—	—	21	—
Trade payables and payments on account	(155)	(139)	—	—	—	—
Other current liabilities	—	—	—	—	(11)	—
Forward currency contracts – (outflow)/inflow	(827)	848	—	—	—	—
Balance sheet exposure	1,711	3,899	171	52	177	5

A 10% weakening of the following currencies against pound sterling at 31 December 2025 (or 31 December 2024) would have resulted in a profit or loss charge to the Consolidated Statement of Profit and Loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

19. Financial instruments continued

Foreign currency exposures continued

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative period.

	Profit or (loss)	
	2025 £'000	2024 £'000
Euro	(132)	(171)
US dollar	1	(390)
Canadian dollar	—	(17)
Japanese yen	—	(5)
Chinese renminbi	(9)	(18)
Other	(2)	(1)

A 10% strengthening of the above currencies against pound sterling at 31 December 2025 (or 31 December 2024) would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

20. Lease liabilities

The Group leases certain assets under lease agreements. The lease liability consists of leases of land and buildings and computer equipment. The property leases expire between June 2026 and November 2028. Full details of the accounting policy under which leases are recognised are in Note 10.

	£'000
Balance as at 1 January 2024	2,596
New finance leases recognised	290
Lease payments	(1,017)
Interest expense	243
Adjustment of lease term (see Note 10)	111
Balance as at 31 December 2024	2,223
New finance leases recognised	106
Lease payments	(1,037)
Interest expense	245
Disposals	(63)
Adjustment of lease term (see Note 10)	935
Balance as at 31 December 2025	2,409
Current	834
Non-current	1,575
Balance as at 31 December 2025	2,409
Current	731
Non-current	1,492
Balance as at 31 December 2024	2,223

Lease liability contractual maturities (representing undiscounted contractual cash flows) are set out in Note 19.

21. Provisions and contingent liabilities

Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation where relevant.

Contingent liabilities

Contingent liabilities are disclosed where the likelihood of payment of potential future cash outflows is considered more than remote, but is not considered probable or cannot be measured reliably.

Property dilapidations

Provisions have been made for future dilapidation costs on the leased properties. This provision is the Directors' best estimate as the actual costs and timing of future cash flows are dependent on future events and are updated periodically. The estimate is supported by advice received from professional advisers. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Warranties

As at the year end, only a small proportion of technology hardware supplied or sold to customers was provided with contractual warranties. The warranty provision is recognised in accordance with IAS 37 as the majority of technology hardware supplied or sold to customers has been provided without contractual warranties and there is no option to acquire a warranty separately. Where a constructive obligation is considered to have been created through an expectation or past practice, a provision for the associated costs of future claims has been included at the year end. The Group recognises a provision for both contractual and constructive obligation warranties when the underlying products and services are sold. The provision is based on the past performance of the technology hardware, management's knowledge, customer expectations and a weighting of possible outcomes against their associated probabilities. Where warranty obligations are not considered to be probable, they are not provided for but instead are disclosed as contingent liabilities unless remote.

Settlement provision

At the year end, the Group recognised a provision of £1,980,000 in respect of an obligation arising from the termination of a supply contract. The provision represents management's best estimate of the expenditure required to settle the obligation at the reporting date.

After the year end, the Group agreed and paid this settlement amount to the third party involved.

The movement in provisions charged to the Consolidated Statement of Profit and Loss for the year ended 31 December 2025 is set out below along with the value of provisions at 31 December 2024:

	Property dilapidations £'000	Warranties £'000	Settlement £'000	Contract losses £'000	Total £'000
At 1 January 2024	2,282	603	—	44	2,929
Movements in the Consolidated Statement of Profit and Loss:					
Unwinding of discount	40	—	—	—	40
Unused provision reversed	—	(206)	—	—	(206)
Increase in provision	18	—	—	—	18
At 31 December 2024	2,340	397	—	44	2,781
Movements in the Consolidated Statement of Profit and Loss:					
Unwinding of discount	92	—	—	—	92
Unused provision reversed	—	—	—	(44)	(44)
Change in provision	(56)	(163)	1,980	—	1,761
At 31 December 2025	2,376	234	1,980	—	4,590
Current	—	234	1,980	—	2,214
Non-current	2,376	—	—	—	2,376
At 31 December 2025	2,376	234	1,980	—	4,590
Current	—	397	—	44	441
Non-current	2,340	—	—	—	2,340
At 31 December 2024	2,340	397	—	44	2,781

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

21. Provisions and contingent liabilities continued

Settlement provision continued

The dilapidation provision at 31 December 2025 represents the present value of costs to be incurred in making good the Group's leasehold properties at the break points of the leases in approximately two to three years' time. The main uncertainty relates to estimating the cost that will be incurred at the end of the respective leases. A revaluation of the property dilapidation was performed by a specialist for the year ended 31 December 2025.

The warranty provision at the year end is primarily the result of a constructive obligation and reflects the Directors' best estimate of the cost required to fulfil these obligations with respect to a number of the Group's customer contracts. Subsequent to their initial recognition, warranty provisions are utilised or released over the periods of the various warranty obligations, which are expected to be less than two years. There are several areas of uncertainty supporting the provision, including determining the amount of technology hardware that may require repairing or replacing and respective timing as manufacturing costs are expected to reduce over time. In addition, as most of the Group's warranty provisions relate to constructive rather than contractual obligation and there is limited history of warranty claims with the Group's current customers, any final warranty obligation will be subject to negotiation with the respective customer. The calculation of the warranty provision is subject to certain estimates, as set out in Note 1.

22. Share capital

	31 Dec 2025 £'000		31 Dec 2024 £'000	
	Number of £0.10 ordinary shares	£'000	Number of £0.10 ordinary shares	£'000
Allotted and fully paid				
At 1 January	193,699,380	19,370	192,968,096	19,297
Allotted £0.10 Ordinary shares on exercise of employee share options	995,163	99	731,284	73
At 31 December	194,694,543	19,469	193,699,380	19,370

During the year ended 31 December 2025, 995,163 ordinary £0.10 shares were allotted for cash consideration of £99,516 on the exercise of employee share options (year ended 31 December 2024: 731,284 ordinary £0.10 shares were allotted for cash consideration of £538,913) (see Note 24).

23. Reserves

The Consolidated Statement of Financial Position includes a merger reserve and a capital redemption reserve. The merger reserve represents a reserve arising on consolidation using book value accounting for the acquisition of Ceres Power Limited at 1 July 2004. The reserve represents the difference between the book value and the nominal value of the shares issued by the Company to acquire Ceres Power Limited. The capital redemption reserve was created in the year ended 30 June 2014 when 86,215,662 deferred ordinary shares of £0.04 each were cancelled.

24. Share options

Share-based payments

The Group has a number of employee and Executive share option and award schemes under which it makes equity-settled share-based payments.

The fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using option valuation models, taking into account the terms and conditions upon which the awards were granted. The fair value of the share-based payment, determined at the grant date, is measured to reflect vesting conditions and for market-related vesting conditions there is no true-up for differences between expected and actual outcomes. Expected volatility was determined by calculating the historical volatility of the Company's shares over a period consistent with the expected term of the options.

Where the parent Company grants options over its own shares to the employees of the Group, these are accounted for as equity-settled in the consolidated accounts of the Group.

The total charge recognised in the year ended 31 December 2025 relating to employee share-based payments was £1,260,000 (2024: £964,000).

The Company has a number of share option schemes and savings-related share option plans for its employees and a separate historical scheme for Executive Directors.

	2025 £'000	2024 £'000
a) Sharesave schemes	51	(159)
b) Long Term Incentive Plan ("LTIP")	1,209	1,123
	1,260	964

24. Share options continued

Share-based payments continued

a) Sharesave scheme

During 2019 a new HMRC-approved savings-related share option scheme was implemented, under which employees save on a monthly basis, over a three-year period, towards the purchase of shares at a fixed price determined when the option is granted. Ordinarily, this price is set at a 20% discount to the market price. In view of share price performance, no discount was applied to the grant in 2025. The options must be exercised within six months of maturity of the savings contract, otherwise they lapse.

Movements in the total number of share options outstanding and their relative weighted average exercise price are as follows:

	2025 £'000		2024 £'000	
	Number (‘000)	Weighted average exercise price	Number (‘000)	Weighted average exercise price
Outstanding at 1 January	3,000	£1.16	850	£3.52
Granted	2,996	£0.71	3,284	£1.07
Exercised	—	—	—	—
Lapsed/cancelled	(2,294)	£1.14	(1,134)	£2.65
Outstanding at 31 December	3,702	£0.81	3,000	£1.16
Exercisable	—	—	—	—

There were no Sharesave scheme exercises and therefore the weighted average share price on the exercise date of options was £nil (2024: £nil).

The weighted average fair value of options granted in the year was £0.46 (2024: £1.05).

The expiry dates of options outstanding at the end of the year are as follows:

Expiry date – 31 December	2025 £'000		2024 £'000	
	Number (‘000)	Weighted average exercise price	Number (‘000)	Weighted average exercise price
2025	—	—	33	£4.27
2026	40	£3.75	88	£3.13
2027	786	£1.23	2,879	£1.07
2028	2,876	£0.73	—	—

The options outstanding at the end of the year have a weighted average contractual life of 2.75 years (2024: 2.86 years).

b) LTIP

During 2016 a Long Term Incentive Plan (“LTIP”) was implemented by the Remuneration and Nomination Committee. Participation in the LTIP is at the invitation of the Committee and is intended to be used to incentivise the performance and retention of the Company’s Executives and certain key employees.

The maximum awards for all participants are determined by the Remuneration and Nomination Committee with appropriate input from independent advisers. Performance is based on achieving targets. Targets include major milestones aligned to the Group’s strategic plan, a sliding scale of total shareholder return (“TSR”), and time-based performance criteria, which are measured over a period of three years with an additional holding period of two years for Executives. Malus and clawback conditions apply.

Movements in the total number of share options outstanding and their relative weighted average exercise price are as follows:

	2025 £'000		2024 £'000	
	Number (‘000)	Weighted average exercise price	Number (‘000)	Weighted average exercise price
Outstanding at 1 January	7,486	£0.10	4,490	£0.10
Granted	6,892	£0.10	4,672	£0.10
Exercised	(994)	£0.10	(101)	£0.10
Lapsed	(1,138)	£0.10	(1,575)	£0.10
Outstanding at 31 December	12,246	£0.10	7,486	£0.10
Exercisable	1,326	£0.10	2,044	£0.10

Notes to the consolidated financial statements continued

for the year ended 31 December 2025

24. Share options continued

Share-based payments continued

b) LTIP (continued)

The weighted average fair value of options granted in the year ending 31 December 2025 was £1.46 (2024: £2.05).

The weighted average share price on the exercise date of options was £2.45 (2024: £2.59).

The expiry dates of options outstanding at the end of the year are as follows:

Expiry date – 31 December	2025 £'000		2024 £'000	
	Number (‘000)	Weighted average exercise price	Number (‘000)	Weighted average exercise price
2026	405	£0.10	829	£0.10
2027	154	£0.10	279	£0.10
2028	308	£0.10	490	£0.10
2029	294	£0.10	445	£0.10
2030	—	—	—	—
2031	—	—	—	—
2032	166	£0.10	283	£0.10
2033	1,004	£0.10	1,186	£0.10
2034	3,215	£0.10	3,974	£0.10
2035	6,700	£0.10	—	—

The options outstanding at the end of the year have a weighted average contractual life of 8.37 years (2024: 7.43 years).

Assumptions

The fair values of the Sharesave scheme were measured by use of the Black–Scholes pricing model. The inputs to the Black–Scholes model were as follows:

Grant date	Sharesave scheme 2025 13 June 2025	Sharesave scheme 2024 10 May 2024	Sharesave scheme 2023 28 April 2023
Share price at date of grant (£)	0.7115	1.332	3.494
Exercise price (£)	0.7115	1.066	3.128
Expected volatility (%)	75%	70%	69%
Expected option life (years)	3.25 years	3.25 years	3.25 years
Average risk-free interest rate (%)	3.81%	4.15%	3.61%
Expected dividend yield	Nil	Nil	Nil

The exercise prices of options are stated above. The expected life of the options is based on the best estimate of the average number of years expected from grant to exercise. The expected volatility is based on historical volatility of the Company's shares since the Company restructured in 2012. The risk-free rate of return is management's estimate of the yield on zero-coupon UK Government bonds of a term consistent with the expected option life. The fair values of the LTIP schemes were measured using a binomial pricing model and Monte Carlo simulation model.

The inputs to the Monte Carlo simulation model were as follows:

Grant date	LTIP 2025 01 December 2025	LTIP 2025 26 June 2025	LTIP 2024 28 May 2024	LTIP 2023 23 March 2023
Share price at date of grant (£)	3.550	0.7910	2.152	3.91
Exercise price (£)	0.1	0.1	0.1	0.1
Expected volatility (%)	80%	75%	75%	69%
Expected option life (years)	Up to 7 years	Up to 7 years	Up to 7 years	Up to 7 years
Average risk-free interest rate (%)	3.76%	3.81%	4.31%	3.61%
Expected dividend yield	Nil	Nil	Nil	Nil

25. Events after the balance sheet date

After the year end, Ceres agreed and paid a settlement of £1,980,000 with a third party in connection with the early termination of a contract (see Note 21).

26. Capital commitments

Capital expenditure that has been contracted for but has not been provided for in the consolidated financial statements amounts to £320,000 as at 31 December 2025 (31 December 2024: £725,000). The reduction in capital commitments this year reflects Ceres' continued progression through its technology and manufacturing lifecycle, with major development and test-related investment now largely complete as we transition toward a commercially focused operating model.

27. Related party transactions

As at 31 December 2025 the Group's related parties were its Directors. Information around key management compensation is set out in Note 5.

Major shareholders have been considered in the Directors' report and it was concluded that they do not meet the definition of a related party in line with IAS 24 'Related Party Disclosures'.

During the year ended 31 December 2025 none of the Directors exercised share options.

RFC Power Ltd were a related party up until control was obtained on 1 August 2025. There were no transactions with RFC Power Ltd while they were a related party. See Note 12 for information around acquisition.

During the year ended 31 December 2024 one Director exercised 380,424 share options under the Ceres Power Holdings plc 2004 Employees' Share Option Scheme. The Director sold 282,077 shares and retained 98,347 shares.

28. Non-cash movements reconciliation for consolidated statement of cash flows

	Fixed assets	Short-term investments
At 1 January 2025	23,584	54,971
Accruals	—	4,060
Non-cash impact from disposals	(66)	—
Depreciation	(7,100)	—
Finance income received	—	(4,149)
Cash flows	1,776	(7,445)
At 31 December 2025	18,194	47,437

29. Exceptional operating costs

Exceptional operating costs

Ceres and a supplier settled a contractual dispute for the sum of £1,440,000.

The Group also recognised a provision of £1,980,000 in respect of an obligation arising from the termination of a supply contract. The provision represents management's best estimate of the expenditure required to settle the obligation at the reporting date (see Note 21).

Impairment of investment in associate

The 24.2% interest in the associate, RFC Power Limited, has been impaired to £nil. During the period the Group identified indicators to suggest RFC could not carry on as a going concern. As this cost arises from events outside the ordinary course of business, it has been presented separately within the Consolidated Statement of Profit and Loss to provide clarity on the Group's underlying operating performance.

Subsequently, the Group obtained control of RFC on 1 August 2025 (see Note 12).

Company balance sheet

as at 31 December 2025

	Note	As at 31 Dec 2025 £'000	As at 31 Dec 2024 £'000
Fixed assets			
Investments	3	386,481	385,221
Current assets			
Debtors: amounts falling due within one year	4	3,509	3,210
Cash at bank and in hand	5	137	700
		3,646	3,910
Creditors: amounts falling due within one year	6	(12,015)	(9,358)
Net current liabilities		(8,369)	(5,448)
Net assets		378,112	379,773
Capital and reserves			
Called-up share capital	8	19,469	19,370
Share premium		406,650	406,650
Capital redemption reserve	9	3,449	3,449
Profit and loss account		(51,456)	(49,696)
Shareholders' funds		378,112	379,773

The Company made a loss after taxation of £3.0 million in the year (2024: £6.9 million).

The notes on pages 138 to 141 are an integral part of these Company financial statements.

The financial statements on pages 136 to 137 were approved by the Board of Directors on 25 March 2026 and were signed on its behalf by:

Phil Caldwell
Chief Executive Officer

Stuart Paynter
Chief Financial Officer

Ceres Power Holdings plc
Registered Number: 5174075

Company statement of changes in equity

for the year ended 31 December 2025

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2024		19,297	406,184	3,449	(43,733)	385,197
Loss for the financial year		—	—	—	(6,927)	(6,927)
Total comprehensive loss		—	—	—	(6,927)	(6,927)
Transactions with owners						
Issue of shares, net of costs	8	73	466	—	—	539
Share-based payments charge	8	—	—	—	964	964
Total transactions with owners		73	466	—	964	1,503
At 31 December 2024		19,370	406,650	3,449	(49,696)	379,773
Loss for the financial year		—	—	—	(3,020)	(3,020)
Total comprehensive loss		—	—	—	(3,020)	(3,020)
Transactions with owners						
Issue of shares, net of costs	8	99	—	—	—	99
Share-based payments charge	8	—	—	—	1,260	1,260
Total transactions with owners		99	—	—	1,260	1,359
At 31 December 2025		19,469	406,650	3,449	(51,456)	378,112

The notes on pages 138 to 141 are an integral part of these Company financial statements.

Notes to the Company financial statements

for the year ended 31 December 2025

1. Accounting policies used in the preparation of the financial statements

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-based Payments in respect of Group-settled, share-based payment; and
- IFRS 7 Financial Instruments Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on the historical cost basis.

Critical accounting judgements and estimates

The preparation of financial statements under FRS 101 requires the Company's management to make judgements and estimates that affect the reported amounts of assets, liabilities, revenues and costs. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The judgements that are considered to have the most significant impact on the Company's assets and liabilities are set out below:

The review of amounts owed by Group undertakings involved judgement when determining the credit risk of fellow Group undertakings and their ability to repay loans. As at 31 December 2025, management determined that Ceres Power Limited remains unable to repay any amounts in excess of the carrying value of the loan and therefore the historical provision of £59.3 million (2024: £59.3 million) was maintained.

Management review the Company's investments to determine whether an indicator of impairment exists at each reporting date. If it does, estimation is required to be used when evaluating the carrying value of investments against their value in use. The value in use is estimated using a discounted cash flow valuation. The basis for the projected cash flows is the Group's business plan, which is prepared by management. As at 31 December 2025, this review resulted in management determining that the value in use continues to be significantly in excess of its carrying value, and no impairment is therefore required, nor is this considered to be a significant estimate.

2. Loss for the year

The Company has taken advantage of the exemption available under Section 408 of the Companies Act 2006 and has not presented its profit and loss account. The Company's result for the year ended 31 December 2025 was a loss of £3.0 million (31 December 2024: loss of £6.9 million), which is stated after charging £121,000 (2024: £127,000) for remuneration receivable by the Company's auditor for the auditing of the financial statements and £32,000 (2024: £31,000) in relation to the review of the interim financial information.

3. Fixed asset investments

Investments in equity securities

Fixed asset investments in subsidiaries are carried at cost less impairment.

Share-based payments

The Group in which the Company is associated has a number of employee and Executive share option and award schemes under which it makes equity-settled, share-based payments.

The fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted are measured using option valuation models, taking into account the terms and conditions upon which the awards were granted. The fair value of the share-based payment, determined at the grant date, is measured to reflect vesting and non-vesting conditions and there is no true-up for differences between expected and actual outcomes.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises an increase in the cost of investment in its subsidiaries with the corresponding credit being recognised directly in equity.

3. Fixed asset investments continued

Impairment of fixed asset investments

Investments are stated at cost and reviewed for impairment if there are indicators that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the asset or by continuing to hold the asset and benefiting from the net present value of the future cash flows of the investment. The recoverable value was calculated using a present value calculation. No reasonably plausible change in assumptions would result in an impairment.

Investment in Group undertakings

	31 Dec 2025 £'000	31 Dec 2024 £'000
Cost		
At 1 January	385,221	383,718
Capital contributions arising from share-based payment charge	1,260	1,503
At 31 December	386,481	385,221

The Directors have reviewed the investment in its subsidiary for indicators of impairment at the year end, including considering the progress of technical development, funds held and the positive performance of the Group, as well as the Group's market capitalisation. No indicators of impairment were found.

The Company's investments comprise interests in the following entities:

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of shares held by the Company	Type of entity
Ceres Power Ltd	England and Wales	£0.001 ordinary shares	100% ¹	Subsidiary
Ceres Intellectual Property Company Ltd	England and Wales	£1.00 ordinary shares	100% ¹	Subsidiary
Ceres Power Licence Company Ltd	England and Wales	£1.00 ordinary shares	100% ¹	Subsidiary
Ceres Power Intermediate Holdings Ltd	England and Wales	£0.01 ordinary shares	100% ¹	Subsidiary
Ceres Holdings International Ltd	England and Wales	£1.00 ordinary shares	100% ¹	Subsidiary
Ceres Engineering Consulting (Shanghai) Co Ltd	Shanghai, China	£1.00 ordinary shares	100% ²	Subsidiary
RFC Power Ltd	England and Wales	£0.001 ordinary shares	100% ³	Subsidiary

1. Ceres Power Ltd, Ceres Intellectual Property Company Ltd, Ceres Holdings International Ltd and Ceres Power Licence Company Ltd are 100% held directly by Ceres Power Intermediate Holdings Ltd. Registered address is Viking House, Foundry Lane, Horsham, West Sussex, RH13 5PX.

2. 100% held directly by Ceres Power Ltd. Registered address is Office 1903i, Floor 19/F, Tower B, No.1065 West Zhongshan Road, Changning District, Shanghai, China.

3. 100% held directly by Ceres Power Ltd. Registered address is Viking House, Foundry Lane, Horsham, West Sussex, RH13 5PX.

Changes in the Company's investments are in Note 12 to the Consolidated financial statements on page 123.

Notes to the Company financial statements continued

for the year ended 31 December 2025

4. Debtors: amounts falling due within one year

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Where considered necessary they are subsequently measured at amortised cost using the effective interest method, less any impairment losses. The Company applies the general approach for the impairment review of loans to subsidiaries.

	31 Dec 2025 £'000	31 Dec 2024 £'000
Other debtors	10	8
Prepayments and accrued income	17	15
Amounts owed by Group undertakings	3,482	3,187
	3,509	3,210

The amounts owed by Group undertakings comprise inter-company loans and recharges. No specific repayment or interest terms are associated with these amounts. As of 31 December 2025, a loss allowance of £59,316,000 (31 December 2024: £59,316,000) has been recognised against the inter-company loans, reflecting management's best estimate of the expected credit losses for that balance.

A subordination agreement exists between the Company and Ceres Power Limited. As at 31 December 2025, amounts owed by Ceres Power Limited to the Company of £60,676,000 (31 December 2024: £60,676,000) are subordinated to all other creditors of Ceres Power Limited.

5. Cash at bank and in hand

Cash at bank and in hand comprise cash balances.

6. Creditors: amounts falling due within one year

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Where considered necessary they are subsequently measured at amortised cost using the effective interest method. The amounts owed to Group undertakings comprise inter-company loans and recharges. No specific repayment or interest terms are associated with these amounts.

	31 Dec 2025 £'000	31 Dec 2024 £'000
Other creditors	922	936
Accruals	425	659
Amounts owed to Group undertakings	10,668	7,763
	12,015	9,358

7. Taxation

Taxation

Tax on the profit or loss for the year comprises current and deferred tax and any adjustment to tax payable in respect of previous years. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred taxation

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Potential deferred tax assets have not been recognised but are set out below:

	31 Dec 2025 £'000	31 Dec 2024 £'000
Tax effect of temporary differences because of:		
Short-term temporary differences	—	—
Losses carried forward	(1,871)	(1,639)
	(1,871)	(1,639)

The deferred tax assets have not been recognised as the Directors consider that it is not probable that the asset will be realised in the foreseeable future. The gross amount of losses carried forward as at 31 December 2025 was £7.5 million (31 December 2024: £6.8 million), which do not have an expiry date.

8. Called-up share capital

	31 Dec 2025 £'000		31 Dec 2024 £'000	
	Number of £0.10 ordinary shares	£'000	Number of £0.10 ordinary shares	£'000
Allotted and fully paid:				
Ordinary shares at 31 December	194,694,543	19,469	193,699,380	19,370

Details of shares issued in the period are provided in Note 22 to the Group financial statements.
Details of share options are disclosed in Note 24 to the Group financial statements.

9. Capital redemption reserve

The capital redemption reserve was created in the year ended 30 June 2014 when 86,215,662 deferred ordinary shares of £0.04 each were cancelled.

10. Employees

The Company has no employees other than the Non-Executive Directors (including the Chair), whose remuneration is set out on page 85.

Directors and advisers

Directors of Ceres Power Holdings plc

- Warren Finegold (Chair of the Board)
- Professor Dame Julia King (Senior Independent Director)
- Phil Caldwell (Chief Executive Officer)
- Stuart Paynter (Chief Financial Officer)
- Karen Bomba (Non-executive Director)
- Caroline Brown (Non-executive Director)
- Tudor Brown (Non-executive Director)
- Nannan Sun (Non-executive Director)
- Trine Borum Bojsen (Non-executive Director)

Company number

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Dominic Murray

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Glossary

AI-driven data centre

An AI-driven data centre is a facility that houses the specific IT infrastructure needed to train, deploy and deliver AI applications and services. It is designed to support the substantial computational, storage, networking and power requirements of artificial intelligence (AI) and machine learning (ML) workloads.

Annual General Meeting (AGM)

AGM is a yearly gathering of our interested shareholders where our executive team present our annual report about Ceres' performance and strategy.

Behind-the-meter (BTM)

An energy systems located on the customer's side of the utility meter. These systems—such as solar panels, batteries, or efficient appliances—mainly power the building, reduce grid use, lower bills and can enable the customer to sell excess energy for income or credits.

In contrast, front-of-the-meter (FTM) systems are located on the utility side of the meter. They include large-scale generation and storage facilities such as power plants, wind farms and solar parks. They supply the grid, balance supply and demand, stabilize energy and support renewable integration.

Biofuel

A fuel derived from biomass rather than by the slow geological processes involved in the formation of fossil fuels. Most common biofuels include bio-ethanol (from sugar or starch crops) and biodiesel (from oils and fats).

Carbon dioxide equivalent (CO₂e)

CO₂e is a comparative measure of the global warming potential (GWP) of various greenhouse gases (GHGs) by converting amounts of the mixture of GHGs to the equivalent amount of carbon dioxide (CO₂) with the same warming potential.

GWP accounts for the difference in the effects of GHGs, namely the efficiency at which they absorb energy and how long they stay in the atmosphere. The time period usually used for GWP is 100 years.

Decarbonisation

The process of lowering the amount of greenhouse gas emissions (mostly carbon dioxide, CO₂) produced by the burning of fossil fuels from a process.

Direct current (DC)

Direct current is a highly efficient, specialised method for transmitting large amounts of electrical power over very long distances or via underwater cables. Direct current flows in one direction (in contrast to alternating current which alternates the direction of flow many times per second). 800V DC is becoming a new standard in high-density AI-driven data centres, enabling increased power efficiency.

Distributed power generation

Also known as distributed generation (DG) or decentralized energy, is the process of generating electricity close to where it will be used. This is different from centralized power generation, which uses large power plants to supply electricity over long distances.

Diversity, equity, belonging and inclusion (DEBI)

Ceres' diversity and inclusion programme.

Electrofuel (eFuel)

A synthetic, carbon-neutral fuel produced by combining green hydrogen produced by electrolysis with captured carbon dioxide. These fuels can directly replace petrol, diesel or kerosene, thereby powering existing internal combustion engines without the need for modification.

Efficiency, electrical or thermal

The amount of electricity/heat that is produced by a process for each unit of energy supplied to the process, often expressed as a percentage.

Efficiency, total

The amount of useful energy in any form that a process produces for every unit of energy supplied to the process, often expressed as a percentage.

Electric vehicle (EV)

An EV is a vehicle that can be powered by an electric motor that draws energy from a battery and is capable of being charged from an external source.

Electrolyser

A device that uses an electric current to split water into its constituent molecules (pure hydrogen and oxygen), a process called electrolysis. There are several types of electrolysis technologies:

- Alkaline electrolysis (AEL): in use for more than 100 years, it uses a liquid alkaline electrolyte solution and operates at low temperature with liquid water. It is the greatest scale and lowest cost technology today, but is not as efficient as other technologies.
- Proton exchange membrane (PEM) electrolysis: uses a solid electrolyte that requires expensive rare metal catalysts. It can operate at high current densities at low temperature with liquid water and has a high dynamic response.
- Solid oxide electrolysis cell (SOEC): the least mature technology, it works at high temperatures from steam, giving it significantly higher efficiency and lower operating costs than other technologies when integrated to use waste heat with existing processes such as steel, ammonia and synthetic fuel production.

Glossary continued

Energy

In physics, energy is the capacity for doing work. It may exist as potential, kinetic, thermal, electrical, chemical, nuclear or other various forms. Measured in joules or watt-hours.

Environment, social and governance (ESG)

ESG is a framework to assess companies on their environmental and social issues with a corporate governance structure to encourage companies to act responsibly, often driven by shifting regulations, prioritising long term sustainability or political agendas as opposed to companies exclusively focusing on financial metrics.

ESG recommendations are designed to encourage companies to disclose their impact on and risks from environmental and social issues, such as employee satisfaction, human rights and environmental impact. How these impacts are managed are outlined in the company's government processes and structures.

Financial Conduct Authority (FCA)

The FCA is a financial regulatory body in the United Kingdom but operates independent of the UK government and is financed by charging fees to members for the financial services industry. It aims to protect consumers from bad conduct and financial services as well as ensuring financial markets operate fairly.

Greenhouse gases (GHG)

GHG are gases in the Earth's atmosphere that absorb infrared radiation energy and reflect it back to Earth, trapping heat radiated by the Earth's surface in the atmosphere. The most common GHGs are water vapour (H₂O), carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), ozone (O₃) and various synthetic chemicals.

Excess GHGs produced by human activity, also known as anthropogenic GHG emissions, can amplify the greenhouse gas warming effect in the atmosphere, which can lead to instability in the Earth's climate system.

Hard-to-abate industries

Industries that are responsible for a large portion of the world's carbon emissions but are among the most challenging to decarbonise. This may be due to a combination of technological and financial challenges. Examples of hard-to-abate industries include:

- Manufacturing: steel, cement, chemicals, and petrochemicals
- Heavy-duty transportation: shipping, aviation, and long-distance trucking

Hydrogen (H₂)

A highly abundant naturally occurring gas commonly cited as a fuel for the future as it has a high chemical energy content for its mass and creates no harmful emissions when it is burned to release energy. Hydrogen is currently used as a feedstock for a number of industrial processes, such as metal smelting and fertiliser production, and is commercially defined by its method of production and the treatment of the waste gases produced:

- Brown: produced using coal where the associated production emissions are released to the air.
- Grey: produced from natural gas where the associated production emissions are released to the air.
- Blue: produced from natural gas where the associated production emissions are captured using carbon capture and storage.
- Pink: produced from electrolysis powered by nuclear energy, emitting no carbon emissions during production.
- Green: produced from electrolysis powered by renewable electricity, emitting no carbon emissions during production.

Intellectual property (IP)

An asset that is created by the innovative activities of people and businesses. IP can be in the form of inventions, literary and artistic works, designs and symbols, names and images used in commerce. In business, unique IP is often the basis of competitive advantage and is therefore closely protected, for example by calling out a copyright, registering a table or filing a patent. Intellectual Property Rights are protected by law and allow the holder to assert control over how they are used through contracts and licences.

Key performance indicator (KPI)

KPIs are quantifiable measures of performance to gauge progress for a specific objective over time.

Kilowatt hour (kWh)

A unit of energy (not power) representing one thousand watt hours. Kilowatt hours are often used as a measure of domestic energy consumption. A kilowatt hour is equivalent to a steady power of one kilowatt running for one hour and is equivalent to 3.6 million joules or 3.6 megajoules.

Manufacturing licence agreement (MLA)

An agreement between Ceres and a mass manufacturing partner allowing the partner to produce Ceres-based cells and stacks for sale to its customers in the power or hydrogen electrolysis markets.

Microgrid

Microgrids are decentralized energy systems; they are small-scale power grids that generate electricity for a localized area independently of the public electricity grid.

Natural gas (NG)

A fossil fuel energy source that is formed deep beneath the Earth's surface. The largest component of natural gas is methane, composed of carbon and hydrogen. When natural gas is burned or used in a fuel cell, it produces energy and waste carbon dioxide.

Original equipment manufacturer (OEM)

A company that manufactures and sells products or part of a product to another company.

Science based targets initiative (SBTi)

SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature. SBTi defines and promotes best practise in emissions reduction and net zero targets in line with climate science to meet the goals of the Paris agreement – limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. There are currently three verifiable, accountable scopes of GHG emissions on which companies must report, as set out by the Greenhouse Gas Protocol.

Scope 1 emissions

Direct GHG emissions from operations that are owned and or controlled by the organisation.

Scope 2 emissions

Indirect GHG emissions from energy imported from third parties, heating, cooling and steam consumed by the organisation.

Scope 3 emissions

All GHG emissions that occur as a consequence of the operations of the organisation but are not directly controlled or owned by the company, such as the production of upstream and downstream activities and materials.

Solid oxide electrolysis cell (SOEC)

Solid oxide electrolysis cell (SOEC) a cell that uses water (at high temperature) and renewable energy to produce green hydrogen. These cells have significantly higher efficiency and lower operating costs than other technologies when integrated to use waste heat with existing processes such as steel, ammonia and synthetic fuel production.

Solid oxide fuel cell (SOFC)

A highly efficient fuel cell that operates at a high temperature (up to 950°C), able to generate electrical power from multiple fuel types including natural gas, biofuels, hydrogen blends and pure hydrogen.

SOFC system

An assembly that is made up of the fuel cell, fuel input handling components and components engineered to manage electrical power output and waste heat and gases.

Stack

An assembly of individual fuel cells into a device that can deliver a large amount of electrical power. Ceres' stacks are commonly manufactured in 5kW and 10kW units. These can be connected in a modular manner to create higher power systems.

Stack array module (SAM)

A pressurised container contained Ceres' SOEC stacks for hydrogen production

Sustainable Accounting Standards Board (SASB)

Founded in 2011, SASB is a non-profit organisation focused on independent standards setting.

Task force on Climate-Related Financial Disclosures (TCFD)

TCFD is an international framework of disclosure recommendations developed to improve and increase reporting of climate-related financial impact of climate change. As of 2022, UK premium listed companies are required to report using the TCFD framework in their annual report and accounts.

Watt (W)

The unit by which power is measured. The amount of energy, measured in joules, delivered in a fixed amount of time, for example joules per second. Values are typically expressed in kilowatts (1kW equals 1000W); megawatts (1MW equals 1,000kW); gigawatts (1GW equals 1,000MW).

Zero emission

Refers to a vehicle, engine, motor, process or some other energy source, that emits no waste products (such as carbon dioxide) that pollute the environment or disrupt the climate.



Ceres Power Holdings plc commitment to environmental issues is reflected in this Annual Report, which has been printed on Respecta Satin, an FSC® certified material. This document was printed by Opal X using its environmental print technology, which minimises the impact of printing on the environment, with 99% of dry waste diverted from landfill.

Both the printer and the paper mill are registered to ISO 14001.

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