



# **Annual General Meeting**

Chief Executive's Update

**Wednesday, 4 December 2019**

Redhill, UK



- High growth UK technology licensing company with global world-class partners
- World leading Solid Oxide fuel cell technology – Imperial College
- Unique IP ~50 Patent families plus know how
- 240+ highly skilled scientists and engineers based in UK
- £71m cash and £28m order book and £50m pipeline
- AIM listed ~£320m market cap
- High-margin, capital light technology licensing business model

The background of the slide is a photograph of the Imperial College London building. It features a modern architectural design with a large, white, grid-like glass and steel structure that forms a canopy over a courtyard. The building's facade is made of light-colored stone or concrete blocks. The text "Imperial College London" is visible on the left side of the building, written in a serif font and slightly angled upwards.

Imperial College  
London

# Fuel cell's role in energy transition

## Air Quality

- Batteries & fuel cells key to Zero emissions
- Pressure on charging infrastructure



## Climate Change

- Path to Net Zero
- Nat Gas to hydrogen



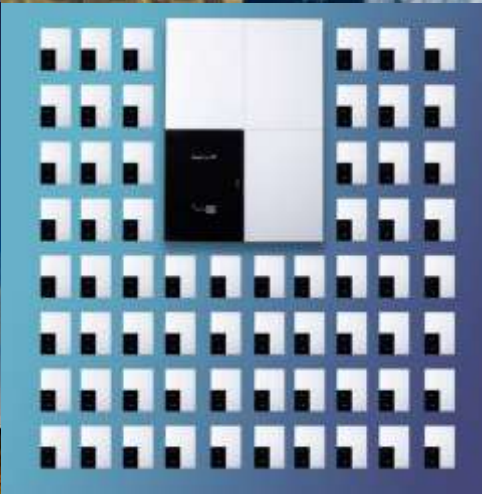
## Balancing renewables

- Cheap renewable energy disrupting centralised power generation
- Fuel cells offer flexible distributed power



## Energy efficiency

- Better than centralised power
- 60 % efficiency
  - > Centralised CCGT
  - 2x combustion engine





# Partnership progression



1. Joint product development  
*Engineering services*



2. Licence: system/manufacturing  
*Fees for tech transfer*



3. Royalties from products sold  
*Royalties per kW*



# Over US\$1bn invested by OEMs over the past 18 months

**WEICHAI**

August 2019  
**\$163.6m**  
investment in  
Ballard

 **BOSCH**

April 2019  
**€50m** license  
agreement with  
PowerCell



June 2019  
Hydrogenics 81%  
acquired for  
**\$290m**



July 2019  
Linde invests  
**£38m** into ITM  
Power

 **BOSCH**

September 2019  
Total investment  
of **\$230m** in  
Nikola trucks



October 2019  
IPO of Doosan  
Fuel Cell on KSC  
**\$318m** mrk cap

June 2018  
Equity  
investment in  
Ceres worth  
**£17m**

**WEICHAI**

September 2018  
Ceres 4% equity  
investment  
worth **£9m**

 **BOSCH**

December 2018  
Further **£28m**  
investment in  
Ceres

**WEICHAI**

July 2019  
Partnership for  
Korean market  
worth **\$10m** to  
Ceres



## A CHANGE OF POWER

We're a fuel cell technology and engineering company bringing cleaner and cheaper energy to every home and business.



# SteelCell® product platforms



1kW stack



1 kW class  
home system



5kW stack



5 & 10 kW  
Commercial and  
data centres



30-100s kW  
Hybrid EV buses  
Power generation

# SteelCell® is the solution for distributed generation



PEM cell



SOFC cell



SteelCell

Cost



Efficiency



Robustness

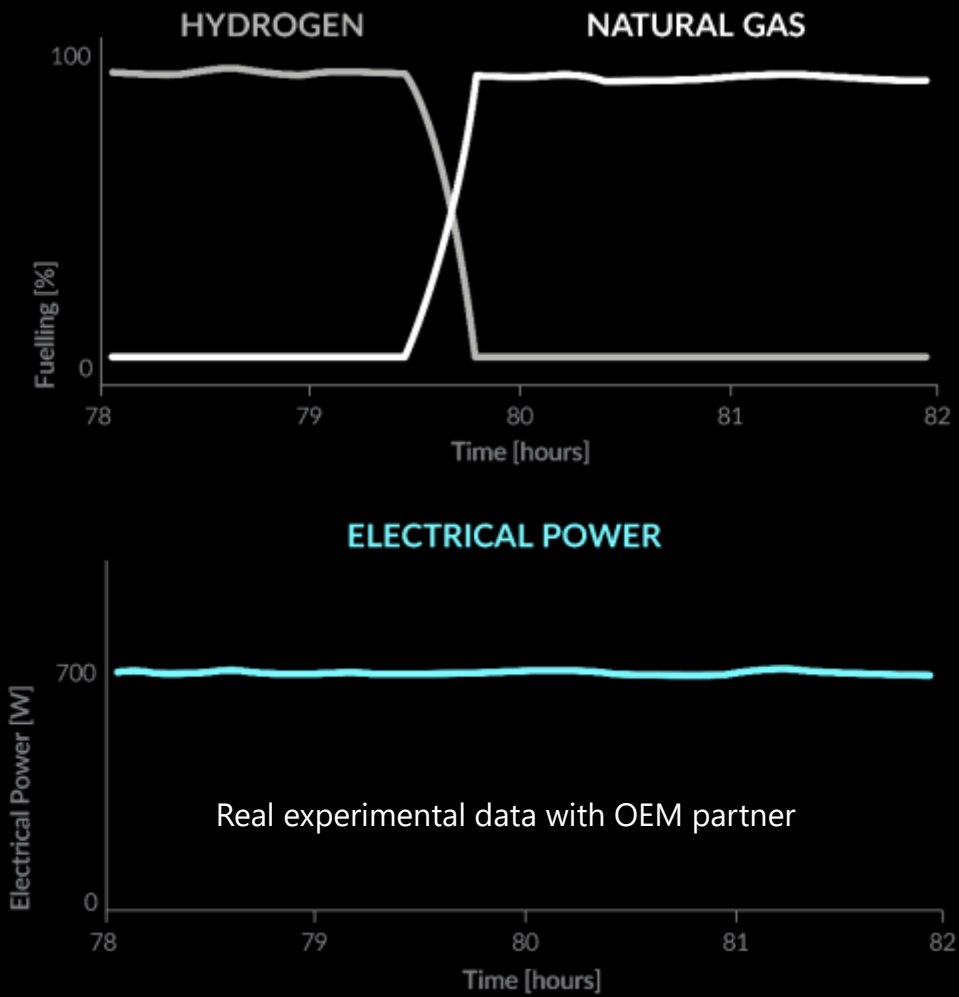


Fuel flexibility



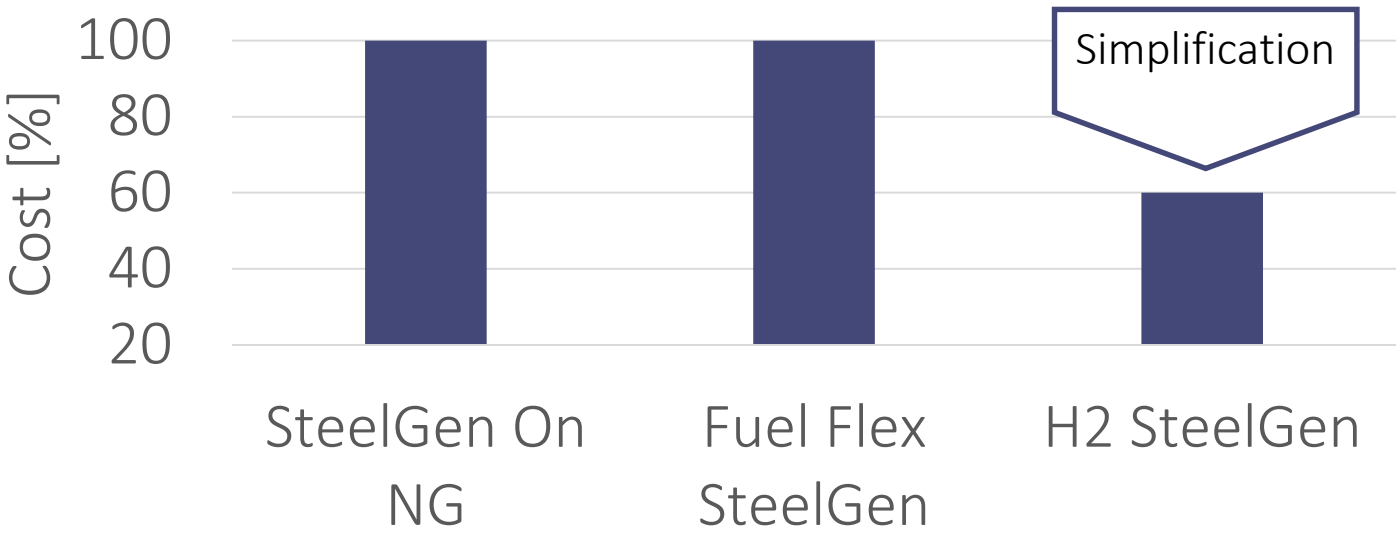


# Transition to a Hydrogen Future



# Zero carbon future, with significant cost savings

Fuel	Hydrogen
Net Power	700W
Net electrical efficiency	>50%
Zero emissions	No CO <sub>2</sub> , SOx, NOx or PM



# Ceres partnerships in multiple applications globally

## De-centralised Power



## Electric vehicles



## Clean power for datacentres



Market size <sup>1</sup>	~100 GW	>300 GW	>50 GW
Possible annual revenues for Ceres	U\$360m	U\$400m	U\$270m

**Rapidly growing Fuel Cell market predicted to reach U\$25bn by 2025**

- 1 kW residential to 10's to 100 kW's for businesses
- Higher efficiency than power from centralised grid

- Use as range extender for EVs in commercial vehicle markets (buses/trucks)
- Grid reinforcement for vehicle charging

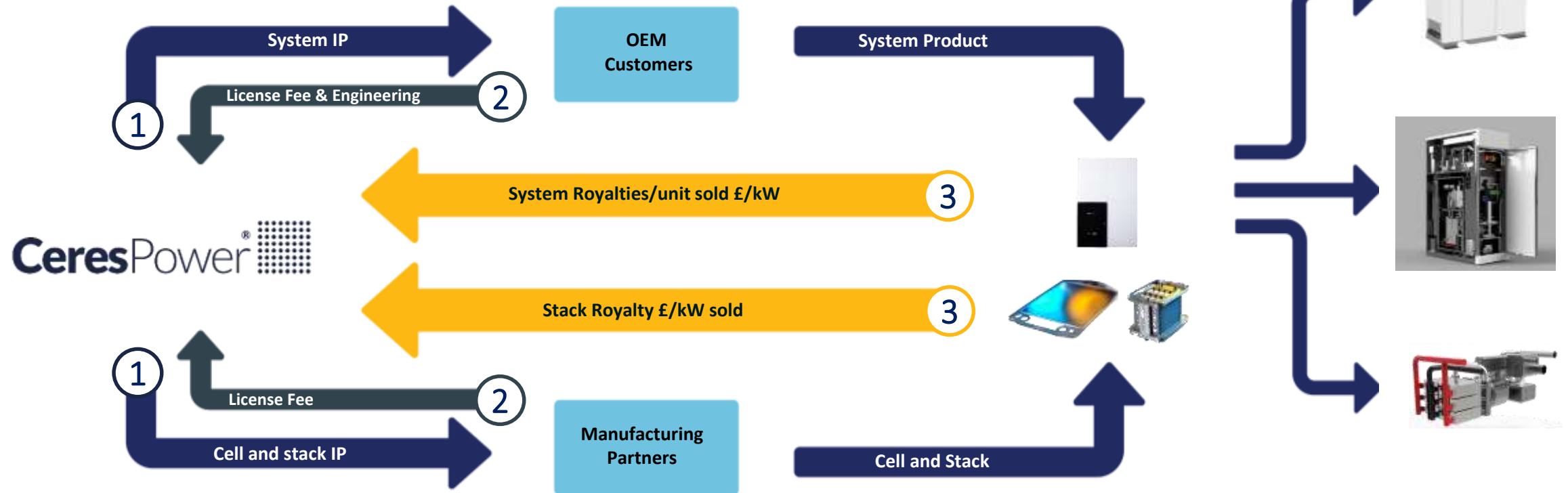
- Data centres use > 2 % global power
- Saves energy and CapEx
- Reliable on-site power generation

<sup>1</sup> total addressable market



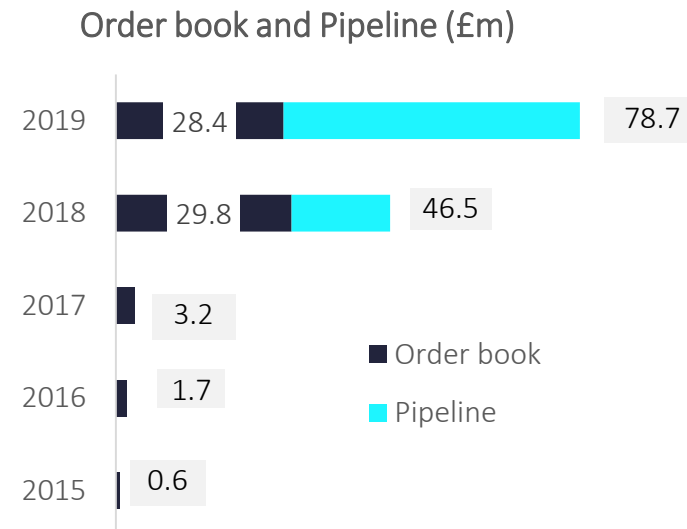
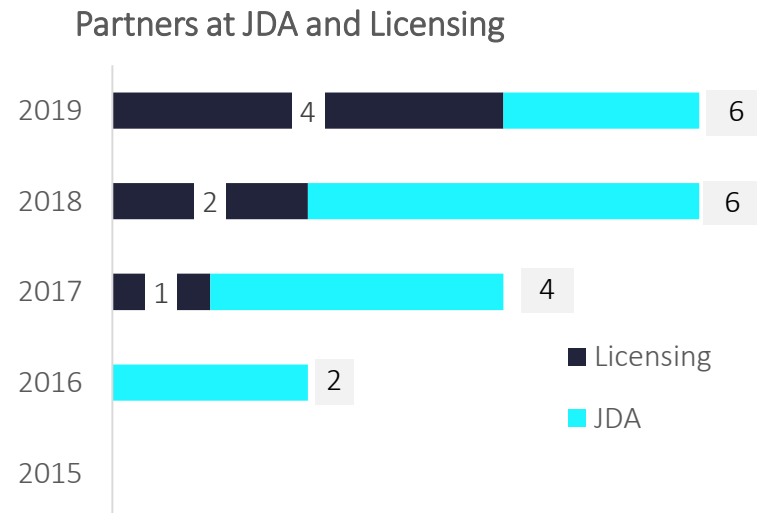
# Ceres licensing business model

- ① Ceres develops fuel cell technology that is licensed to OEMs and manufacturing partners
- ② Ceres receives payments through engineering services and up front license fees
- ③ Ceres secures future royalties on every system and stack that uses Ceres technology

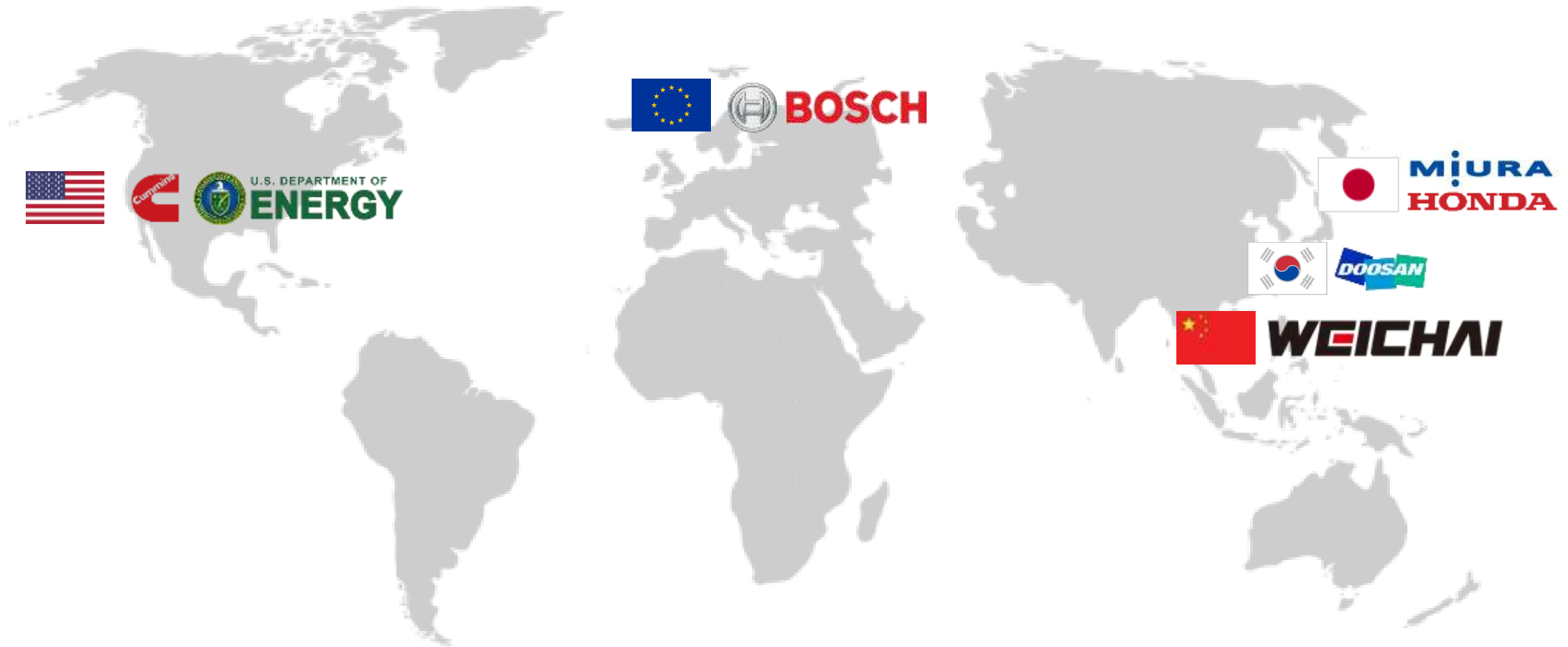


# Commercial progress

- Strategic partnerships signed with Bosch and Weichai including equity investment and licensing agreements
- First product launch with Japan's Miura Co. using Ceres' SteelCell® in a CHP system for commercial use
- New system licence and JDA worth £8.0m over two years signed with Doosan post year end
- Strong order book of £28.4m and pipeline £50.3m (as at date of Annual Report)



# Commercial partners in every major FC market



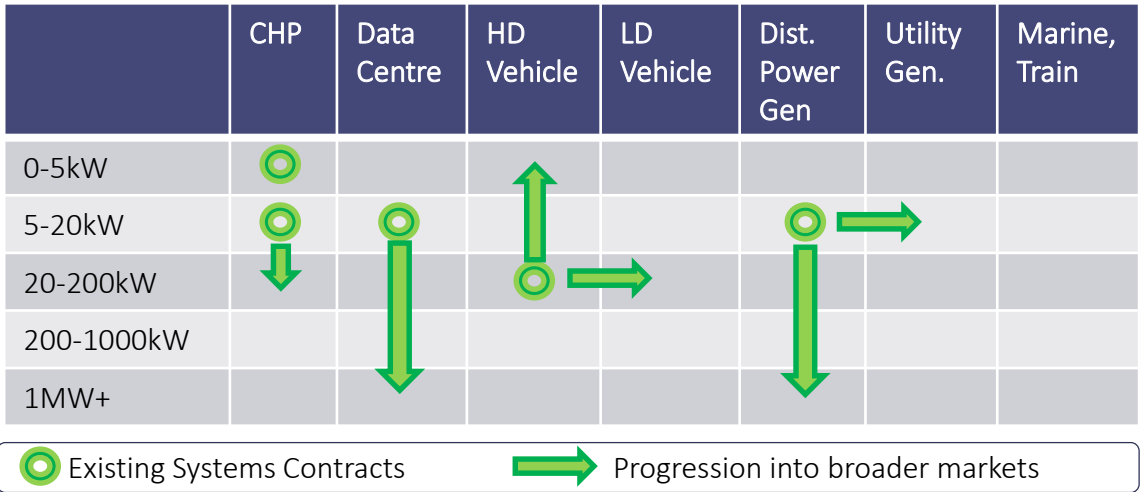


# Scaling the business

Potential cell and stack licensee factories supplying multiple products in regions of greatest demand



Product applications in each region (system licenses)

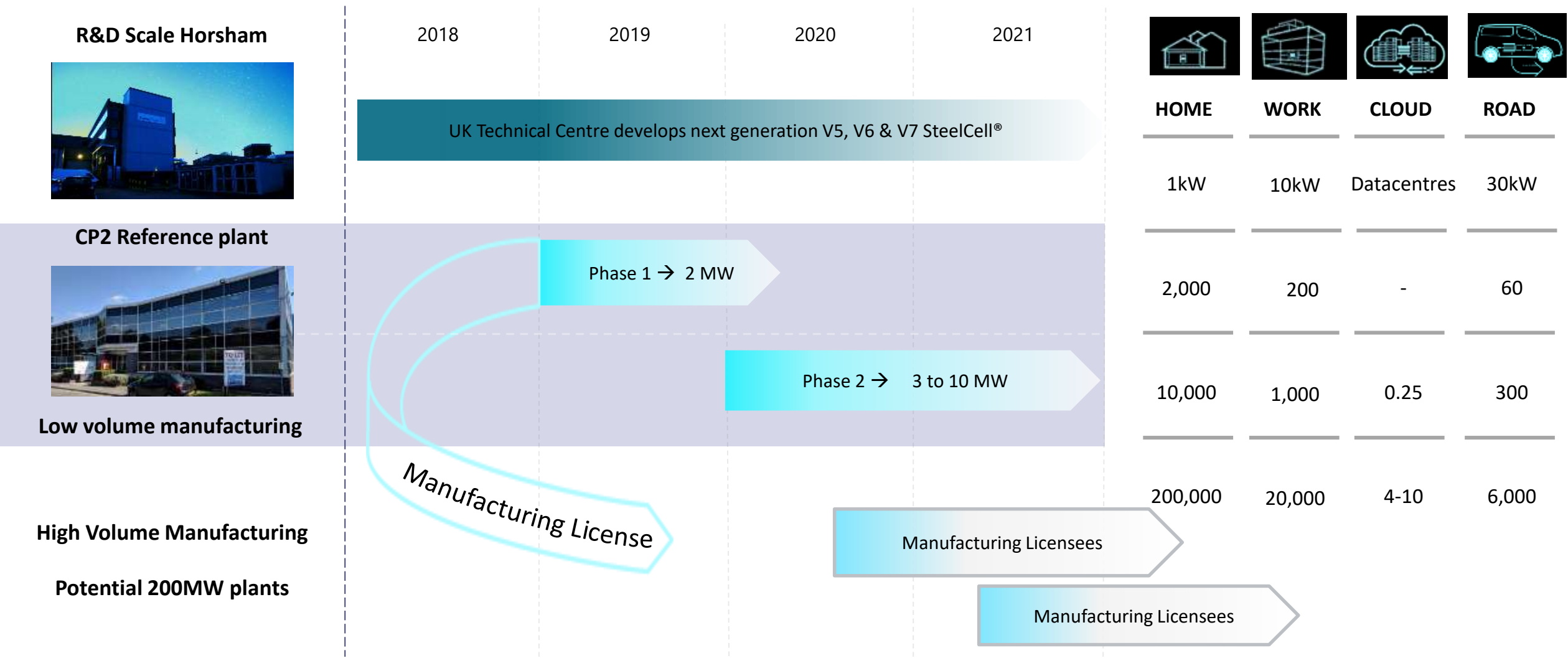


# Manufacturing: First global reference plant

- SteelCell® produced in small volumes proves scalability, facilitates new partnerships
- £8m investment, ~60 skilled jobs. Phase 1 launch 2020 at 2MW annual capacity
- Will provide near term capacity for customers and act as “blueprint facility” for technology transfer to enable license to manufacturing partners e.g. Bosch



# UK manufacturing enables global licensees





- Building blocks in place to enable global adoption by the world's largest engineering companies
  - Commercial launch with Miura in Japan (Q4 2019)
  - CP2 on track for first production (Jan 2020)
  - Bosch: Collaboration to establish pilot manufacture in Bamberg Germany
  - Weichai: Focused on developing the next stage systems for bus field trials in 2020. Commitment to form a JV to manufacture fuel cell systems (Q4 2020)
- Ceres technology highly differentiated and establishing the industry standard
  - Continued investment in R&D, latest technology update V6 targeted (Q4 2020)
- Market has never been more real and with tangible momentum
  - Strong revenue growth to continue, with high margin licensing business model

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