CWR.L

21 March 2025

**Ceres Power Holdings plc**

**Final results for the year ended 31 December 2024**

*Horsham, UK:* Ceres Power Holdings plc ("Ceres", the "Company") (CWR.L), a leading developer of clean energy technology, announces its audited results for the year ended 31 December 2024.

**Financial highlights**

- Record order intake of £112.8 million, following signing of two manufacturing licensee partners, Delta Electronics and Denso, and an electrolyser system partner, Thermax Ltd.
- Revenue of £51.9 million (2023: £22.3 million), an increase of 132%.
- Gross profit of £40.2 million (2023: £13.6 million), extending sector-leading gross margin to 77% (2023: 61%).
- Strong cash and short-term investments position of £102.5 million (2023: £140.0 million) with reduced cash outflow of £37.5 million (2023: £42.4 million) through continued disciplined cash management

**Strategic highlights**

- **South Korea - Doosan production on track.** Doosan factory commissioning for SOFC stack and cell production is progressing towards product launch in 2025 for stationary power systems for commercial and data centre applications.
- **Taiwan - Delta is progressing well towards manufacturing.** Our first licensee for both solid oxide fuel cell ("SOFC") and solid oxide electrolyser cell ("SOEC") technology, Delta is evaluating factory designs, targeting the growing data centre and industrial hydrogen markets.
- **Japan - Denso completed upfront technology transfer.** Ceres has successfully completed the upfront technology transfer to Denso Corporation, an expert in system control and thermal management to address the growing green hydrogen sector.
- **India - SOEC system development with Thermax underway.** Thermax has begun developing assembly facility layouts to accelerate entry into the dynamic Indian market for industrial decarbonisation.

**Current trading**

- The termination of the Bosch contract on 20 February, while disappointing, will have limited financial impact in the low single digit millions of euros for 2025.
- Ceres remains on track to deliver the anticipated savings on restructured and optimised cost base.
- We expect revenue for 2025 will be broadly similar to 2024. We will provide additional guidance on revenue expectations for the full year at our July trading update.

**Phil Caldwell, Chief Executive Officer of Ceres, said:**

*"2024 was a record year for Ceres, as our teams continued to deliver best in class technology and global partnerships during a period of significant change in the energy markets and a challenging economic environment. We now have three major global manufacturing partners establishing factories to produce Ceres-based products.*

*For 2025, we are focusing on building our partner portfolio and delivering technology milestones, whilst looking forward to Doosan commencing production in the second half of the year."*

*Ends*

| Financial Summary | 2024 £'000 | 2023 Restated[1] £'000 |
|---|---|---|
| **Total revenue, comprising:** | **51,891** | 22,324 |
| Engineering services and licences[1] | **44,953** | 16,598 |
| Provision of technology hardware | **6,938** | 5,726 |
| **Gross profit** | **40,164** | 13,554 |
| **Gross margin %** | **77%** | 61% |
| **Adjusted EBITDA loss[2]** | **(22,287)** | (50,297) |
| Operating loss | **(31,317)** | (59,401) |
| Net cash used in operating activities | **(35,941)** | (33,899) |
| Net cash and investments | **102,465** | 139,956 |

1. Following changes to how information is presented to the Chief Operating Decisions Makers (CODM), in 2024 revenue from engineering services and licences is no longer disaggregated. The Group has restated the presentation of major product/service lines for the year ended 31 December 2023.
2. Adjusted EBITDA loss is an Alternative Performance Measure, as defined and reconciled to operating loss in the non-GAAP section at the end of this report.

**Analyst presentation**

Ceres Power Holdings plc will be hosting a live webcast for analysts and investors on 21 March 2025 at 09.30 GMT. To register your interest in participating, please go to: https://sparklive.lseg.com/CeresPowerHoldingsCrawley/events/2090b911-c4ab-43ca-846a-02a55cd1f1b8/2024-full-year-results

**For further information visit www.ceres.tech or contact:**


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|---|---|
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**About Ceres**

Ceres is a leading developer of clean energy technology: fuel cells for power generation and electrolysers for the production of green hydrogen. Its asset-light, licensing model has seen it establish partnerships with some of the world's largest companies, such as Doosan, Delta, Denso, Shell, Weichai and Thermax. Ceres' solid oxide technology supports greater electrification of our energy systems and produces green hydrogen at high efficiencies as a route to decarbonise emissions-intensive industries such as steelmaking, ammonia and future fuels. Ceres is listed on the London Stock Exchange ("LSE") (LSE: CWR) and is classified by the LSE Green Economy Mark, which recognises listed companies that derive more than 50% of their activity from the green economy. Read more on our website www.ceres.tech or follow us on LinkedIn. Read more on our website www.ceres.tech or follow us on LinkedIn.

**Chief Executive's statement**

I am proud to report that Ceres has achieved a record-breaking commercial year in 2024. We reached our highest annual revenue and order intake ever, thanks to three significant partner licence agreements. These successes highlight our intensified focus on commercial activities as we expand our partnership portfolio into new territories worldwide. Consequently, Ceres is in a robust financial position as we establish our technology as an industry standard. This will enable us to secure a growing share of both the power generation and green hydrogen production markets as we move towards first production and royalties this year.

We have seen growing demand over the past 12 months for power solutions, which can utilise existing fuels such as natural gas and future fuels such as hydrogen to be deployed rapidly to meet the growing need of AI data centres and industrial power needs. In addition to our SOFC business, Ceres has accelerated the development of its electrolysis technologies to enter the rapidly expanding green hydrogen industry. Over the past three years, our ongoing innovation in core solid oxide technology has led to a highly efficient and cost-effective mode of hydrogen electrolysis for hard-to-abate industrial sectors, such as green steel, ammonia and synthetic fuels production. It is incredibly satisfying to see global manufacturing companies recognising this technology as a solution for both meeting rapidly growing power demand and also to address industrial decarbonisation.

**A year of significant commercial progress**

Our first new manufacturing partnership and licence agreement of 2024 was announced in January with Taiwan's Delta Electronics. With 80,000 people across approximately 200 facilities, Delta is a manufacturing giant active in the chemicals, energy, transportation and steel sectors. This was Ceres' first dual licence for the production of both SOFC and SOEC stacks.

Our expertise in high-efficiency power generation and green hydrogen production complements Delta's mass manufacturing capabilities, financial and physical resources and end-market presence. The partnership enables Delta to move quickly into decarbonisation solutions and complement its current portfolio of product servicing markets such as data centres, smart buildings, energy infrastructure, grid balancing and energy storage solutions. Delta is expected to start manufacturing by the end of 2026, with keen ambitions for rapid future scale-up.

In July, we signed a SOEC manufacturing licence with Japan's Denso Corporation, a global Fortune 500 company employing over 160,000 people in 35 countries and regions worldwide. The partnership will enable Denso to produce Ceres' stack technology under licence, leveraging Denso's expertise in system control and thermal management to develop technology in green hydrogen production. In common with other manufacturing licence partnerships, this agreement provides revenues for licence fees, engineering services and hardware over multiple years, as well as future royalty payments.

In addition to securing two new manufacturing licences, Ceres signed its first SOEC system licence partnership with Thermax in September. Strategically, this is an important relationship for us, taking the business into a significant new region for decarbonisation technologies. Thermax is one of India's largest process equipment manufacturers with an extensive industrial portfolio that includes clean air, clean energy, clean water and chemical solutions. With industry expertise, it is ideally placed to accelerate deployment of our technology by engaging end users to pull the technology into hard-to-abate green ammonia, petrochemical and steel industries.

Our collaboration with Shell to deploy a 1MW SOEC demonstrator was installed in 2024 and is now ready to produce hydrogen and to deliver important test and performance data. This partnership has been extended to develop of a 10MW pressurised module, targeting hydrogen production at 37kWh/kg. The design would be modular, with the potential to be scaled to hundreds of megawatts and integrated into industrial plants to produce sustainable future fuels.

The scale-up design builds upon the work undertaken with AtkinsRéalis, a world-leading engineering, procurement and construction ("EPC") services group, to deliver the frontend engineering design ("FEED") for a commercial hydrogen production system based on Ceres' SOEC technology. This design provided a blueprint of the optimum system architecture for a 100MW+ electrolyser system to produce green hydrogen. We will be validating this pressurised module with a demonstration project to highlight a highly efficient pathway to low-cost green hydrogen production for industrial applications.

In parallel to our initiatives in SOEC, Ceres now has three licensees for our SOFC technology and our focus remains on supporting the execution of their respective solid oxide cell and stack manufacturing facilities through to start of production and first product sales using the Ceres technology.

We expect Doosan to progress to start of production this year for its SOFC power modules for applications such as data centre and maritime power systems. Initial royalty payments to Ceres are expected by the end of 2025. This will be a pivotal moment in our history as these revenues will demonstrate the full scope of business model as our partners sell products into their end markets.

We continue to support the system development of SOFC power modules by Weichai, which has a leading position in China's gas engine market, as well as strong presence in the stationary diesel power generation industry. Weichai deployed first demonstration SOFC systems of up to 100kW to first customers in China in December 2024.

In February 2025, Bosch took the strategic decision to cease its development of SOFC cells and stacks for manufacture. Bosch stated that this decision is part of broader revised strategic direction and does not reflect Bosch's confidence in Ceres or our technology. Clearly we are disappointed that Bosch will discontinue its SOFC operations, but the impact on revenues for 2025 will be in the low single digit millions of euros.

**Market backdrop and opportunities**

Governments around the world have recognised the need to provide power solutions for continued economic growth. We continue to believe that our technologies have important roles to play. In power mode Ceres SOFC technology offers fuel flexibility and the highest levels of conversion from fuel to energy at 65% electrical efficiency in power-only mode, or greater than 90% when excess heat is also utilised.

This enables key regions to support the decarbonisation of energy systems as natural gas is set to remain the transition fuel of choice over the medium term. Nations such as South Korea, China, India and Taiwan will start to reduce their reliance on coal in the next few years and increase adoption of nuclear, natural gas and renewable energy power, supported by various government initiatives.

There is also high demand for energy in specific application areas, such as AI-driven data centres. The rise of cloud solutions, cryptocurrency and AI could see data centres accounting for 2,500 to 4,500 terawatt hours ("TWh") of global electricity demand by 2050, equivalent to 5-9% of the total. This demand creates greater need for gas or other sources of energy to balance out the intermittency of renewable energy sources.

While progressing towards global decarbonisation, government incentives reflect the essential role of hydrogen in meeting this goal – either as a fuel of the future, as a key feedstock in a number of industrial processes or as a carrier of energy. Many have put in place specific hydrogen strategies to incentivise the production, infrastructure development and adoption of green hydrogen.

For example, Japan aims to generate public and private investment in hydrogen worth 15 trillion yen, equivalent to around US$98 billion, over the next 15 years, with specific reference to the hard-to-abate sectors. South Korea's Hydrogen Economy Roadmap for hydrogen infrastructure and commercialisation strategies is being backed by around US$33 billion of government funding. The EU is targeting the deployment of 40GW of green hydrogen electrolysis by 2030, committing up to €470 billion in investments up to 2050 for the hydrogen economy. Furthermore, its Clean Industrial Deal sets out plans to promote green industry as well as decarbonising heavy sectors such as steel, cement and chemical manufacture.

In electrolysis mode our solid oxide technology can be operated in reverse to produce pure hydrogen from electricity and water. Our SOEC technology operates at high levels of efficiency as they can integrate waste heat from industrial processes to convert water to steam. This makes our technology a natural choice for hydrogen production for hard-to-abate industrial sectors globally.

With our partners we are targeting industries such as steel production, chemical manufacturing and sustainable future fuels. These industries are characterised by their reliance on high-temperature processes, the need for energy-dense fuels, or the use of fossil fuels as feedstock. As a result, they are difficult to decarbonise using current renewable energy sources or electric alternatives alone. By 2050, around 49% of total green hydrogen consumption will be accounted for by these hard-to-abate industries, equating to approximately 191Mt per annum.

In tandem with our technology and engineering expertise, the Ceres licensing model has been established to help accelerate the adoption of our decarbonisation technologies across these industrial sectors.

As the technology of choice for leading global original equipment manufacturers ("OEM") and systems developers, Ceres offers a faster route to market and efficient zero-carbon hydrogen production. This saves our partners the time, effort and resource needed to develop their own solutions and allows them to focus on their strengths in industrial manufacturing and distribution. In return, Ceres is able to leverage the manufacturing expertise, market presence and balance sheets of these partners to accelerate market entry for our technology.

As the geopolitical landscape shifts towards more trade barriers and tariffs, there will be an increased drive for localisation of production and supply chains. The licensing model enables Ceres to export IP across borders and to accelerate our technology towards becoming the industry standard.

**Outlook: building commercial traction**

Ceres continues to focus on the path to commercialisation with our partners. Our best-in-class solid oxide platform technology and a highly flexible licensing business model have attracted the biggest global manufacturers and systems developers looking to enter the power system and industrial decarbonisation markets.

The ability to generate power from a range of different fuels at high rates of efficiency is one of the key differentiators of solid oxide fuel cells. We anticipate that the first Ceres-based products containing our technology will be commercially available by the end of the year from Doosan. Doosan has identified stationary power systems for commercial and data centre applications as attractive markets. As these and other markets expand for our SOFC products, we expect to receive growing high-margin royalties

We will also remain focused on building our portfolio of SOEC manufacturing partners, targeting hard-to-abate industries that are carbon intensive and cannot be directly electrified. Our SOEC technology offers a highly efficient solution or industrial decarbonisation. While this process often involves lengthy and complex value chains, if nations wish to reach their net zero targets these industries must be decarbonised, and we have seen early momentum gathering behind our technology.

As ever, none of the achievements of the past year would have been possible without the dedication and hard work of all the people at Ceres. I'd like to thank them for their contributions in delivering our technological and commercial successes during the year, enabling us to look ahead from a position of strength.

Our clear purpose to deliver clean energy for a clean world remains our undiminished guiding principle, helping us to stay true to our values and to focus on building lasting partnerships with those who share our vision.

I see a wealth of opportunities as the high efficiency power generation and hydrogen markets around the world continue to evolve. As we build on our commercial success and technology innovation, Ceres aims to expand its partnerships globally to deploy its technology at scale and pace. I remain confident that Ceres can establish its technology as the solid oxide industry standard. This will position the Company as a key technology player in these markets for years to come.

**Phil Caldwell**
Chief Executive Officer

**Financial review**

2024 was a record year for Ceres with two major manufacturing licence deals and an electrolyser systems licence announced, enabling near-term licence and support revenue with future royalty generation. This, along with the continued execution of existing agreements, has led to record revenue of £51.9 million (2022: £22.3 million).

During 2024, Ceres continued its strategic investment in core technologies to drive future growth. With peak investment in technology development milestones reached in 2023, we implemented a restructuring to optimise our cost base. This streamlining of the business now allows us to focus on further commercialisation.

**Revenue**

The Group reported revenue of £51.9 million in 2024, compared with £22.3 million in the prior year. The 132% growth can be mostly attributed to revenues generated from the new licence partners as up-front technology transfers were conducted. Revenue is a combination of technology transfers, development licences, engineering services and the provision of technology hardware. Revenue from the previously announced Shell test evaluation partnership will commence once the demonstrator is commissioned at Shell's site in Bangalore, India in Q1 2025.

**Gross margin**

Gross profit of £40.2 million in the year grew by 196% from £13.6 million in 2023, driven by high-margin technology transfers conducted with the new licence partners. Consequently, gross margins were also improved at 77% (2023: 61%), compared to the prior year. These margins remain much higher than industry norms due to the licensing nature of Ceres' business model.

**Other operating income**

Other operating income decreased in the year to £2.8 million (2023: £3.7 million), which reflects the level of RDEC (R&D Expenditure Credits) claimed in the year compared to the prior year. This is driven by the lower underlying R&D spend as Ceres has passed peak investment in technology development.

**Operating costs**

Operating costs decreased to £74.3 million (2023: £76.6 million) as Ceres sustained its strategic investment in core technologies to drive future growth, focusing on electrolysis-optimised stacks and industrial-scale electrolyser systems. This was achieved alongside disciplined financial management, with a restructure implemented in the second half of the year following peak investments in the delivery of key technology development milestones and focus on further commercialisation. Following the restructure, the average number of persons employed by the Group in the year decreased to 546 (2023: 590), ending the year with 478 employees.

**Finance income and expense**

Finance income decreased to £5.8 million (2023: £7.1 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 decreased to £0.4 million (2023: £1.3 million) mostly due to foreign exchange losses in 2023 of £0.8 million on currencies held in non-Sterling denominations which matured and therefore did not impact 2024.

**Taxation (charge)/credit**

Taxation charge increased to £2.4 million (2023: £0.4 million) and reflects payment of withholding taxes from overseas earnings. The increase can be attributable to the new manufacturing licence partners acquired in the year.

**Loss for the financial year**

The Group posted a loss of £28.3 million (2023: £54.0 million) for the period, which reflects the increase in revenue and gross margin compared to 2023.

**Adjusted EBITDA**

Adjusted EBITDA loss for 2024 decreased to £22.3 million (2023: £50.3 million). Adjusted EBITDA is a non-statutory measure and is detailed in the Alternative Performance Measures section in this review. The decreased loss is primarily due to the increased 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, unrealised losses on forward contracts and exchange gains/losses.

**Total capital investments**

Total capital investments comprises capital expenditure (plant, property and equipment) and capitalised development (intangible assets). In 2024, total capital investments declined to £6.7 million (2023: £14.7 million) mostly due to reducing investment requirements for our Manufacturing Excellence Centre in Redhill and a prioritisation of spend as we emphasised cash discipline during the year.

**Working capital movements**

During 2024, working capital increased by £15.7 million (2023: £10.0 million decrease). The two main factors were a £10.6 million increase in trade and other receivables, primarily due to significant partner invoice payments received in early 2025, and an £3.4 million net increase in contract assets and liabilities, reflecting revenue recognition from technology transfer activities with our new partners in 2024. Our continued focus on aligning pilot plant production with partner demand ensured that inventory levels remained stable.

**Cash outflow**

Cash outflow, comprising changes in cash, cash equivalents and short-term investments, totalled £37.5 million (2023: £42.4 million). This reduction reflects increased commercial activity and a focused approach to spending, partially offset by higher working capital requirements.

**Cash, cash equivalents and short-term investments**

The Group ends the financial year in a strong position with £102.5 million in cash, cash equivalents and short-term investments (2022: £140.0 million) to support future investment as we drive revenue growth, manage costs in a disciplined way and track towards profit and cash flow break-even.

**Events after the balance sheet date**

In February 2025, Bosch took the strategic decision to cease its development on SOFC cell and stacks for manufacture. Bosch stated that this decision is part of broader revised strategic direction and does not reflect Bosch's confidence in Ceres or our technology. Clearly we are disappointed that Bosch will discontinue its SOFC operations, but the impact on revenues will only be in the low single digit millions of euros for 2025.

**Outlook**

We end 2024 with a strong financial position and are well placed for significant growth in the future from existing licensees and future partnership prospects in both the SOFC and SOEC markets. We continue to invest across the business to build a sustainable competitive advantage in highly differentiated solid oxide technology, which offers our partners the potential to industrialise and commercialise stacks and systems with superior efficiencies, reliability and economics for the low-carbon power generation and green hydrogen markets.

**Stuart Paynter**
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**
**For the year ended 31 December 2024**

| | Note | **31 December 2024** **£'000** | 31 December 2023 £'000 |
|---|---|---|---|
| **Revenue** | 2 | **51,891** | 22,324 |
| Cost of sales | | **(11,727)** | (8,770) |
| **Gross profit** | | **40,164** | 13,554 |
| Other operating income[1] | | **2,846** | 3,665 |
| Operating costs | 3 | **(74,327)** | (76,620) |
| **Operating loss** | | **(31,317)** | (59,401) |
| Finance income | 4 | **5,807** | 7,079 |
| Finance expense | 4 | **(362)** | (1,287) |
| **Loss before taxation** | | **(25,872)** | (53,609) |
| Taxation (charge)/credit | 5 | **(2,433)** | (399) |
| **Loss for the financial period and total comprehensive loss** | | **(28,305)** | (54,008) |
| | | | |
| **Loss per £0.10 ordinary share expressed in pence per share:** | | | |
| Basic and diluted loss per share | 6 | **(14.64)p** | (28.03)p |

The accompanying notes are an integral part of these consolidated financial statements.

[1] Other operating income relates to grant income and the Group's RDEC tax credit.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**As at 31 December 2024**

| | **Note** | **31 December 2024** **£'000** | 31 December 2023 £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 7 | **23,584** | 25,882 |
| Right-of-use assets | 8 | **1,834** | 2,141 |
| Intangible assets | 9 | **19,974** | 19,054 |
| Investment in associate | | **2,218** | 2,350 |
| Other receivables | 11 | **741** | 741 |
| **Total non-current assets** | | **48,351** | 50,168 |
| | | | |
| **Current assets** | | | |
| Inventories | 10 | **2,756** | 2,825 |
| Contract assets | 2 | **8,208** | 1,575 |

| | | | |
|---|---|---|---|
| Other current assets | 12 | **1,430** | 1,193 |
| Derivative financial instruments | 16 | **8** | 8 |
| Current tax receivable | | **–** | 771 |
| Trade and other receivables | 11 | **17,885** | 9,876 |
| Short-term investments | 13 | **54,971** | 90,249 |
| Cash and cash equivalents | 13 | **47,494** | 49,707 |
| **Total current assets** | | **132,752** | 156,204 |
| | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 14 | **(3,538)** | (4,983) |
| Contract liabilities | 2 | **(10,682)** | (7,469) |
| Other current liabilities | 15 | **(6,825)** | (6,301) |
| Derivative financial instruments | 16 | **–** | (99) |
| Lease liabilities | 17 | **(731)** | (694) |
| Provisions | 18 | **(441)** | (647) |
| **Total current liabilities** | | **(22,217)** | (20,193) |
| **Net current assets** | | **110,535** | 136,011 |
| | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | 17 | **(1,492)** | (1,902) |
| Other non-current liabilities | 15 | **(1,221)** | (1,360) |
| Provisions | 19 | **(2,340)** | (2,282) |
| **Total non-current liabilities** | | **(5,053)** | (5,544) |
| **Net assets** | | **153,833** | 180,635 |
| | | | |
| **Equity attributable to the owners of the parent** | | | |
| Share capital | 19 | **19,370** | 19,297 |
| Share premium | | **406,650** | 406,184 |
| Capital redemption reserve | | **3,449** | 3,449 |
| Merger reserve | | **7,463** | 7,463 |
| Accumulated losses | | **(283,099)** | (255,758) |
| **Total equity** | | **153,833** | 180,635 |

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED CASH FLOW STATEMENT**
**For the year ended 31 December 2024**

| | Note | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Loss before taxation** | | **(25,872)** | (53,609) |
| | | | |
| **Adjustments for:** | | | |
| Finance income | | **(5,807)** | (7,079) |
| Finance expense | | **362** | 1,287 |
| Depreciation of property, plant and equipment | | **7,472** | 7,461 |
| Depreciation of right-of-use assets | | **710** | 641 |
| Amortisation of intangible assets | | **1,374** | 1,024 |
| Net foreign exchange loss/(gains) | | **79** | (232) |
| Net change in fair value of financial instruments | | **(99)** | 143 |
| Share-based payments charge | | **964** | 67 |

| | | | |
|---|---|---|---|
| **Operating cash flows before movements in working capital** | | **(20,817)** | (50,297) |
| (Increase)/decrease in trade and other receivables | | **(8,757)** | 6,356 |
| Decrease in inventories | | **69** | 2,889 |
| (Decrease)/increase in trade and other payables | | **(1,809)** | 1,847 |
| Increase in contract assets | | **(6,633)** | (1,175) |
| Increase in contract liabilities | | **3,213** | 106 |
| Decrease in provisions | | **(188)** | (536) |
| **Net cash used in operations** | | **(34,790)** | (40,810) |
| Taxation (paid)/received | | **(1,019)** | 6,911 |
| **Net cash used in operating activities** | | **(35,941)** | (33,899) |
| | | | |
| **Investing activities** | | | |
| Proceeds received on disposal of property, plant and equipment | | – | 225 |
| Purchase of property, plant and equipment | | **(4,449)** | (7,922) |
| Capitalised development expenditure | | **(2,294)** | (6,800) |
| Decrease in short-term investments | | **32,537** | 21,168 |
| Finance income received | | **8,469** | 5,616 |
| **Net cash used in investing activities** | | **34,263** | 12,287 |
| | | | |
| **Financing activities** | | | |
| Proceeds from issuance of ordinary shares | | **539** | 809 |
| Repayment of lease liabilities | | **(774)** | (658) |
| Interest paid | | **(243)** | (393) |
| **Net cash generated from/(used by) financing activities** | | **(478)** | (242) |
| | | | |
| **Net decrease in cash and cash equivalents** | | **(2,156)** | (21,854) |
| Exchange loss on cash and cash equivalents | | **(57)** | (223) |
| Cash and cash equivalents at beginning of period | | **49,707** | 71,784 |
| **Cash and cash equivalents at end of period** | 13 | **47,494** | 49,707 |

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**For the year ended 31 December 2024**

| | Share capital £'000 | Share premium £'000 | Capital redemption reserve £'000 | Merger reserve £'000 | Accumulated losses £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **At 1 January 2023** | 19,209 | 405,463 | 3,449 | 7,463 | (201,817) | 233,767 |
| | | | | | | |
| **Comprehensive income** | | | | | | |
| Loss for the financial year | – | – | – | – | (54,008) | (54,008) |
| **Total comprehensive loss** | – | – | – | – | (54,008) | (54,008) |
| | | | | | | |
| **Transactions with owners** | | | | | | |
| Issue of shares, net of costs | 88 | 721 | – | – | – | 809 |
| Share-based payments charge | – | – | – | – | 67 | 67 |
| **Total transactions with owners** | 88 | 721 | – | – | 67 | 876 |
| **At 31 December 2023** | 19,297 | 406,184 | 3,449 | 7,463 | (255,758) | 180,635 |
| | | | | | | |
| **Comprehensive income** | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Loss for the financial period | – | – | – | – | **(28,305)** | **(28,305)** |
| **Total comprehensive loss** | – | – | – | – | **(28,305)** | **(28,305)** |
| | | | | | | |
| **Transactions with owners** | | | | | | |
| Issue of shares | **73** | **466** | – | – | – | **539** |
| Share-based payments charge | – | – | – | – | **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** |

The accompanying notes are an integral part of these consolidated financial statements.

**1. Basis of preparation**

The financial information presented in this final results announcement has been prepared in accordance with the recognition and measurement requirements of UK adopted international accounting standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The principal accounting policies adopted in the preparation of the financial information in this announcement are unchanged from those used in the company's statutory financial statements for the year ended 31 December 2024. Whilst the financial information included in this announcement has been computed in accordance with the recognition and measurement requirements of IFRS, this announcement does not itself contain sufficient disclosures to comply with IFRS.

The financial information contained in this final results statement does not constitute statutory financial statements as defined by in Section 434 of the Companies Act 2006. The financial information has been extracted from the financial statements for the year ended 31 December 2024 which have been approved by the Board of Directors, and the comparative figures for the year ended 31 December 2023 are based on the financial statements for that year.

The financial statements for 2023 have been delivered to the Registrar of Companies and the 2024 financial statements will be delivered after the Annual General Meeting on 15 May 2025. The Auditor has reported on both sets of accounts without qualification, did not draw attention to any matters by way of emphasis without qualifying their report, and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006. The Directors confirm that, to the best of their knowledge, this condensed set of consolidated financial statements has been prepared in accordance with the LSE Rules.

**Going Concern**

The Group has reported a loss after tax for the year ended 31 December 2024 of £28.3 million (2023: £54.0 million) and net cash used in operating activities of £35.9 million (2023: £33.9 million). At 31 December 2024, the Group held cash and cash equivalents and investments of £102.5 million (31 December 2023: £140.0 million).

The Directors have prepared monthly budgets and cash flow projections that extend up to 31 December 2026. The forecast operating cash will be lower in 2025 compared to 2024 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. Within these projections the Group has considered the termination by Bosch which does not adversely impact the going concern assessment. 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 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.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group’s accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

In preparing the consolidated financial statements, the areas where judgement has been exercised remain consistent with those applied to the annual report and accounts for the year ended 31 December 2023.

**2. Revenue**

The Group's revenue is disaggregated by geographical market, major product/service lines, and timing of revenue recognition:

**Geographical market**

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Europe | **8,689** | 12,394 |
| Asia | **43,064** | 9,589 |
| North America | **138** | 341 |
| | **51,891** | 22,324 |

For the year ended 31 December 2024, the Group has identified three major customers (defined as customers that individually contributed more than 10% of the Group's total revenue) that accounted for approximately 44%, 26% and 13% of the Group's total revenue recognised in the year (year ended 31 December 2023: two customers that accounted for approximately 51% and 36% of the Group's total revenue for that year).

**Major product/service lines**

| | 31 December 2024 £'000 | 31 December 2023 Restated[1] £'000 |
|---|---|---|
| Provision of technology hardware | **6,938** | 5,726 |
| Engineering services and licences[1] | **44,953** | 16,598 |
| | **51,891** | 22,324 |

[1]Following changes to how information is presented to the Chief Operating Decisions Makers (CODM), in 2024 revenue from engineering services and licences is no longer disaggregated. The Group has restated the presentation of major product/service lines for the year ended 31 December 2023.

**Timing of transfer of goods and services**

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Products and services transferred at a point in time | **33,030** | 6,544 |
| Products and services transferred over time | **18,861** | 15,780 |
| | **51,891** | 22,324 |

The contract-related assets and liabilities are as follows:

| | | 31 December 2024 £'000 | 31 December 2023 £'000 | 1 January 2023 £'000 |
|---|---|---|---|---|
| Trade receivables | 11 | **9,872** | 3,422 | 11,825 |
| Contract assets – accrued income | | **7,333** | 1,575 | 400 |
| Contract assets – deferred contract costs | | **875** | – | – |
| Total contract related assets | | **18,080** | 4,997 | 12,225 |
| | | | | |
| Contract liabilities – deferred income | | **(10,682)** | (7,469) | (7,363) |

**3. Operating costs**

**Operating costs can be analysed as follows:**

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Research and development costs | **48,531** | 54,034 |
| Administrative expenses | **18,014** | 17,681 |
| Commercial | **7,782** | 4,905 |
| | **74,327** | 76,620 |

**4. Finance income and expenses**

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Interest income on cash, cash equivalents and investments | **5,807** | 7,079 |
| Finance income | **5,807** | 7,079 |
| | | |
| Interest paid | **–** | (99) |
| Interest on lease liability | **(243)** | (248) |
| Unwinding of discount on provisions | **(40)** | (89) |
| Other finance costs | **–** | (46) |
| Foreign exchange loss on cash, cash equivalents and short-term deposits | **(79)** | (805) |
| Interest expense | **(362)** | (1,287) |

**5. Taxation**

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.

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| UK corporation tax | **–** | – |
| Foreign tax suffered | **2,445** | 334 |
| Adjustment in respect of prior periods | **(12)** | 65 |
| | **2,433** | 399 |

**6. Loss per share**

| | 31 December 2024 £'000 | 31 December 2023 £'000 |
|---|---|---|
| Loss for the financial period attributable to shareholders | **(28,305)** | (54,008) |
| Weighted average number of shares in issue | **193,321,401** | 192,651,782 |
| Loss per £0.10 ordinary share (basic and diluted) | **(14.64)p** | (28.03)p |

**7. Property, plant and equipment**

| | Leasehold improvements £'000 | Plant and machinery £'000 | Computer equipment £'000 | Fixtures and fittings £'000 | Assets under construction £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 January 2023 | 7,134 | 26,229 | 1,935 | 276 | 7,080 | 42,654 |
| Additions | 1,318 | 3,647 | 164 | 115 | 1,937 | 7,181 |
| Transfers | 511 | 2,009 | – | – | (2,520) | – |

| | | | | | | |
|---|---|---|---|---|---|---|
| Disposal | (150) | (568) | (57) | – | (68) | (843) |
| At 31 December 2023 | 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** | **(215)** | **(195)** | **(102)** | **(6)** | **–** | **(518)** |
| **At 31 December 2024** | **9,184** | **36,265** | **1,969** | **385** | **5,845** | **53,648** |
| | | | | | | |
| **Accumulated depreciation** | | | | | | |
| At 1 January 2023 | 2,730 | 11,901 | 1,403 | 233 | – | 16,267 |
| Charge for the year | 1,264 | 5,783 | 379 | 35 | – | 7,461 |
| Depreciation on disposals | (150) | (411) | (57) | – | – | (618) |
| At 31 December 2023 | 3,844 | 17,273 | 1,725 | 268 | – | 23,110 |
| **Charge for the year** | **1,564** | **5,635** | **224** | **49** | **–** | **7,472** |
| **Depreciation on disposals** | **(215)** | **(195)** | **(102)** | **(6)** | **–** | **(518)** |
| **At 31 December 2024** | **5,193** | **22,713** | **1,847** | **311** | **–** | **30,064** |
| | | | | | | |
| **Net book value** | | | | | | |
| **At 31 December 2024** | **3,991** | **13,552** | **122** | **74** | **5,845** | **23,584** |
| At 31 December 2023 | 4,969 | 14,044 | 317 | 123 | 6,429 | 25,882 |
| At 1 January 2023 | 4,404 | 14,328 | 532 | 43 | 7,080 | 26,387 |

'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.

Assets under construction primarily comprise plant and machinery and leasehold improvements related to the Group's manufacturing and testing facilities.

**8. Right of use assets**

| | Land and Buildings £'000 | Computer equipment £'000 | Electric vehicles £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2023 | 4,523 | 43 | – | 4,566 |
| Additions | 168 | – | – | 168 |
| Adjustment to lease term | (33) | – | – | (33) |
| At 31 December 2023 | 4,658 | 43 | – | 4,701 |
| **Additions** | **–** | **–** | **290** | **290** |
| **Disposals** | **–** | **–** | **(38)** | **(38)** |
| **Adjustment to contracted rent** | **145** | **–** | **–** | **145** |
| **At 31 December 2024** | **4,803** | **43** | **252** | **5,098** |
| | | | | |
| **Accumulated depreciation** | | | | |
| At 1 January 2023 | 1,895 | 24 | – | 1,919 |
| Charge for the year | 627 | 14 | – | 641 |
| At 31 December 2023 | 2,522 | 38 | – | 2,560 |
| **Charge for the year** | **648** | **5** | **57** | **710** |
| **Disposals** | **–** | **–** | **(6)** | **(6)** |
| **At 31 December 2024** | **3,170** | **43** | **51** | **3,264** |
| | | | | |
| **Net book value** | | | | |
| **At 31 December 2024** | **1,633** | **–** | **201** | **1,834** |
| At 31 December 2023 | 2,136 | 5 | – | 2,141 |
| At 1 January 2023 | 2,628 | 19 | – | 2,647 |

The lease liabilities are detailed in Note 17.

**9. Intangible assets**

| | 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 2023 | 411 | 13,747 | 525 | 852 | 15,535 |
| Additions | – | 6,443 | – | 357 | 6,800 |
| **At 31 December 2023** | 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** |
| | | | | | |
| **Accumulated amortisation** | | | | | |
| At 1 January 2023 | 246 | 1,786 | 148 | 77 | 2,257 |
| Charge for the year | 82 | 728 | 137 | 77 | 1,024 |
| **At 31 December 2023** | 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** |
| | | | | | |
| **Net book value** | | | | | |
| **At 31 December 2024** | – | **18,667** | **116** | **1,191** | **19,974** |
| At 31 December 2023 | 83 | 17,676 | 240 | 1,055 | 19,054 |
| At 1 January 2023 | 165 | 11,961 | 377 | 775 | 13,278 |

he 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 2024 are £812,000 (2023: £16,376,000). The significant decrease from 2023 is due to the 640 programme meeting the criteria for cessation of capitalisation in line with IAS 38. Amortisation of the 640 programme commenced in 2024.

**10. Inventories**

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Raw materials | **1,621** | 1,648 |
| Work in progress | **759** | 787 |
| Finished goods | **376** | 390 |
| Total inventory | **2,756** | 2,825 |

Inventories have reduced which reflects the stacks shipped to customers and the use of stacks for internal R&D projects, particularly the SOEC demonstrator.

**11. Trade and other receivables**

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| **Current:** | **£'000** | £'000 |
| Trade receivables | **9,872** | 3,422 |
| VAT receivable | **1,120** | 2,273 |
| RDEC receivable | **6,790** | 4,008 |
| Other receivables | **103** | 172 |
| | **17,885** | 9,876 |

| | | |
|---|---|---|
| **Non-current:** | | |
| Other receivables | **741** | 741 |

The RDEC receivable is a receivable from the UK Government for the Group's 2023 and 2024 RDEC claim. Of the amount outstanding as at 31 December 2024, £3,486,000 was received in January 2025.

**12. Other current assets**

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Prepayments | **1,430** | 1,193 |
| | **1,430** | 1,193 |

**13. Net cash and cash equivalents, short-term and long-term investments**

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Cash at bank and in hand | **10,338** | 7,063 |
| Money market funds | **37,156** | 42,644 |
| **Cash and cash equivalents** | **47,494** | 49,707 |
| | | |
| Short-term investments | **54,971** | 90,249 |
| **Cash and cash equivalents and investments** | **102,465** | 139,956 |

The Group typically places surplus funds into pooled money market funds with same day access and bank deposits with durations of up to 24 months. The Group's treasury policy restricts investments in short-term sterling 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 which the UK Government holds less than 10% ordinary equity.

**14. Trade and other payables**

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| **Current:** | **£'000** | £'000 |
| Trade payables | **2,007** | 3,624 |
| Other payables | **1,531** | 1,359 |
| | **3,583** | 4,983 |

**15. Other current liabilities**

| | **31 December 2024** | 31 December 2023 |
|---|---|---|
| | **£'000** | £'000 |
| **Current:** | | |
| Accruals | **6,581** | 5,933 |
| Deferred income | **244** | 368 |
| | **6,825** | 6,301 |
| **Non-current:** | | |
| Deferred income | **1,221** | 1,360 |

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.

**16. Derivative financial instruments**

| | Fair value hierarchy | **Carrying amount 31 December 2024 £'000** | **Fair value 31 December 2024 £'000** | Carrying amount 31 December 2023 £'000 | Fair value 31 December 2023 £'000 |
|---|---|---|---|---|---|
| Financial assets measured at fair value through profit or loss | | | | | |
| Forward exchange contracts | Level 2 | **8** | **8** | 1 | 1 |
| Currency swap contract | Level 2 | – | – | 7 | 7 |
| **Total derivative assets** | | **8** | **8** | 8 | 8 |
| | | | | | |
| Financial liabilities measured at fair value through profit or loss | | | | | |
| Forward exchange contracts | Level 2 | – | – | (99) | (99) |
| **Total derivative liabilities** | | – | – | (99) | (99) |

**17. Lease liabilities**

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| **At the start of the period** | **2,596** | 3,124 |
| New finance leases recognised | **290** | 66 |
| Lease payments | **(1,017)** | (906) |
| Interest expense | **243** | 248 |
| Adjustment to lease term | **111** | 64 |
| **At the end of the period** | **2,223** | 2,596 |
| | | |
| Current | **731** | 694 |
| Non-current | **1,492** | 1,902 |
| **Total at the end of the period** | **2,223** | 2,596 |

**18. Provisions**

| | **Property Dilapidations £'000** | **Warranties £'000** | **Contract Losses £'000** | **Total £'000** |
|---|---|---|---|---|
| **At 1 January 2023** | 2,105 | 875 | 54 | 3,034 |
| Movements in the Consolidated Statement of Profit and Loss: | | | | |
| Unused amounts reversed | – | (553) | (10) | (563) |
| Unwinding of discount | 89 | – | – | 89 |
| Increase in provision[1] | 88 | 281 | – | 369 |
| **At 31 December 2023** | 2,282 | 603 | 44 | 2,929 |
| Movements in the Consolidated Statement of Profit and Loss: | | | | |

| | | | | |
|---|---|---|---|---|
| Unused amounts reversed | – | **(206)** | – | **(206)** |
| Unwinding of discount | **40** | – | – | **40** |
| Increase in provision | **18** | – | – | **18** |
| **At 31 December 2024** | **2,340** | **397** | **44** | **2,781** |
| | | | | |
| Current | – | **397** | **44** | **441** |
| Non-current | **2,340** | – | – | **2,340** |
| **At 31 December 2024** | **2,340** | **397** | **44** | **2,781** |
| | | | | |
| Current | – | 603 | 44 | 647 |
| Non-current | 2,282 | – | – | 2,282 |
| At 31 December 2023 | 2,282 | 603 | 44 | 2,929 |

**19. Share capital**

| | **31 December 2024** | | 31 December 2023 | |
|---|---|---|---|---|
| | **Number of £0.10 Ordinary shares** | **£'000** | Number of £0.10 Ordinary shares | £'000 |
| **Allotted and fully paid** | | | | |
| At 1 January | **192,968,096** | **19,297** | 192,086,775 | 19,209 |
| Allotted £0.10 Ordinary shares on exercise of employee share options | **731,284** | **73** | 881,321 | 88 |
| **At 31 December** | **193,699,380** | **19,370** | 192,968,096 | 19,297 |

During the year ended 31 December 2023, 731,284 ordinary £0.10 shares were allotted for cash consideration of £538,913 on the exercise of employee share options (31 December 2023: 881,321 ordinary £0.10 shares were allotted for cash consideration of £799,684).

**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.

**20. Events after the balance sheet date**

In February 2025, Bosch took the strategic decision to cease its development on SOFC cell and stacks for manufacture. Bosch stated that this decision is part of broader revised strategic direction and does not reflect Bosch's confidence in Ceres or our technology. Clearly we are disappointed that Bosch will discontinue its SOFC operations, but the impact on revenues will only be in the low single digit millions of euros for 2025.

**21. Capital commitments**

Capital expenditure that has been contracted for but has not been provided for in the consolidated financial statements amounts to £725,000 as at 31 December 2024 (31 December 2023: £5,671,000). The reduction reflects the progress made during the year with the Group's planned test expansion and the successful implementation of the second generation platform and associated assets. £2,600,000 worth of commitments have been removed as work is no longer expected to be completed.

**22. Related party transactions**

As at 31 December 2024 the Group's related parties were its Directors and RFC Power Ltd. Major shareholders have been considered in the Director's 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 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.

During the year ended 31 December 2023 two Directors sold 141,313 2004 Employee Shareholder Status (ESS) shares in Ceres Power Intermediate Holdings Ltd and received 92,864 Ceres Power Holdings plc shares in consideration in addition to the linked ESS options.

Transactions between the Group and RFC Power Ltd, being an associated entity of the Group, comprised engineering consultancy services provided by the Group to RFC Power for the value of £410,000 (31 December 2023: £574,000) in return for equity share capital.

**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 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 period excluding depreciation and amortisation charges, share-based payment charges, unrealised losses on forward contracts and exchange gains/losses.

| | **31 December 2024 £'000** | 31 December 2023 £'000 |
|---|---|---|
| Operating loss | **(31,317)** | (59,401) |
| Depreciation and amortisation | **8,029** | 9,126 |
| Share-based payment charges | **964** | 67 |
| Unrealised losses on forward contracts | **136** | 143 |
| Exchange gains | **(99)** | (232) |
| **Adjusted EBITDA** | **(22,287)** | (50,297) |

**Statement of Director's Responsibility**

The responsibility statement below has been prepared in connection with the annual report and financial statements for the year ended 31 December 2024. Certain parts thereof are not included within this Preliminary Announcement. The Directors confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with the applicable set of 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 strategic report, contained within the annual report and financial statements for the year ended 31 December 2024, includes a fair review of the development and 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 that they face.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Ceres website at https://www.ceres.tech. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.