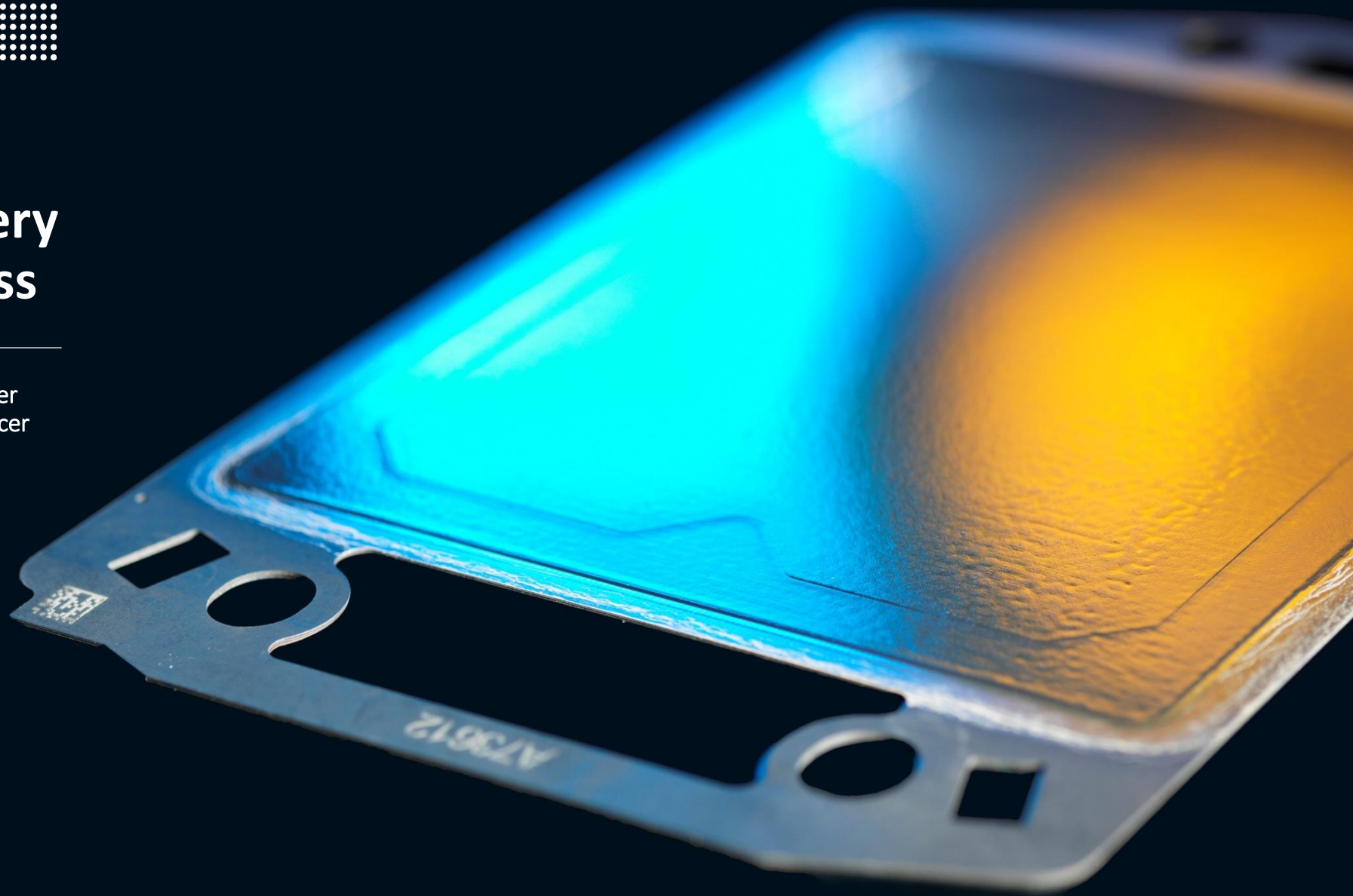




**A Fuel Cell in every
home & business**

Phil Caldwell, Chief Executive Officer
Richard Preston, Chief Financial Officer

Our next generation
SteelCell™





FINAL RESULTS

for the year ended 30th June 2017

Phil Caldwell, Chief Executive Officer

Richard Preston, Chief Financial Officer

COMMERCIAL HIGHLIGHTS

Most successful year to date

- **First “go-to-market” agreement signed with global OEM to develop product**
- **First significant US commercial success with Cummins & US Department of Energy**
- **Agreement with existing global OEM to develop a residential CHP system**
- **On track to sign fifth partner by the end of 2017**

PARTNERS

HONDA

NISSAN

FIELD TRIALS



U. S. DEPARTMENT OF
ENERGY

CONFIDENTIAL PARTNER

- Honda R&D – several applications
- SOFC Stack to Extend Range of Electric Vehicles
- Home unit Field Trials in UK
- Data Centre & Commercial Scale Opportunity
- Commercial Scale CHP Development with aim to market launch

TECHNICAL AND OPERATIONAL HIGHLIGHTS

Further technical progress highlights proven performance of SteelCell™ and Ceres Power's manufacturing expertise

- Successful field trial results in UK proved SteelCell™ is reliable, highly efficient, low carbon & emission-free and could save home-owners ~£400 p.a.
- Formal release of SteelCell™ version 4 to customers with improved performance and manufacturability.
- Assessing options to increase UK manufacturing capacity to meet near term customer demand.

Strong commercial progress has driven improved financial performance

- Revenue¹ and other operating income up 140% to £4.1m
- EBITDA² loss down by 11% to £10.3m
 - And investing in people, technology and operations to support growth into higher power applications
- Equity free cash outflow³ reduced 17% to £9.4m
- £17.2m in cash at 30 June 2017
- Growing order book of £3.2m (2016: £1.7m) positions Ceres Power for continued commercial growth

Financial highlights – income and order book

£m	FY 2017	FY 2016	Change £m	Change %
Revenue and other operating income	4.1	1.7	2.4	141%
- Revenue	3.1	1.1	2.0	182%
- Other operating income	1.0	0.6	0.4	67%
Margin on revenue %	57%	70%	n/a	n/a
Order book at date of accounts	3.2	1.7	1.5	88%

- More customers in joint development drive revenue increase
- work done for customers is done for decent margin
- Order book on an upward curve

Financial highlights – income statement

£m	FY 2017	FY 2016	Change £m	Change %
Gross margin	1.8	0.8	1.0	125%
Operating costs				
- 'cash' costs	(12.1)	(11.8)	(0.3)	(3%)
- share-based payments charge	(1.0)	(1.0)	-	-
- depreciation	(1.3)	(1.2)	(0.1)	(7%)
Operating loss	(11.5)	(12.7)	1.2	9%
Income tax credit	2.0	2.2	(0.2)	(9%)
Loss for the financial period	(9.4)	(10.5)	1.1	10%

- Investment in people and development of 5kW platform

Financial highlights – cash flow

£m	FY 2017	FY 2016	Change £m	Change %
Operating cash flows	(9.2)	(10.6)	1.4	13%
Changes in working capital	(1.6)	(1.2)	-0.4	-33%
Cash used in operations	(10.8)	(11.8)	1.0	8%
Capital expenditure	(0.9)	(1.3)	0.4	31%
Tax received in the period	2.2	1.7	0.5	29%
Equity-free cash outflow¹	(9.4)	(11.3)	1.9	17%
Net cash & financial assets	17.2	6.9	10.3	149%

Reducing cash outflows due to

- Larger customer contracts offset by
- Investment in growth

¹ Change in net cash and cash equivalents & short-term investments, excluding cash flows from financing activities

OUTLOOK

The Company's reputation in the industry continues to grow

- The demand for low carbon, flexible, near zero emission technologies has never been stronger
- Strong customer pipeline with demand for higher power products (>5kW)
- 5 Global Partners signed by End of 2017 (4 in place)
- 2 Partners in Launch Programmes by End of 2018 (1 in place)
- Scaling up SteelCell™ supply to meet customer demand
- Capability to Access Multi \$bn Market

- Unique British Fuel Cell Technology
- Development & Manufacturing Company
- Listed on AIM: Market Cap approx. £140m
- 50 patent families
- 132 employees

Imperial College
London

Strong Institutional Backing

LANDSLOWNE
— PARTNERS —



LOMBARD ODIER
LOMBARD ODIER DARIER HENTSCH



OCEANWOOD
CAPITAL MANAGEMENT




MACRO DRIVERS



Air Quality

- Rise of Mega Cities
- Pollution from combustion engine vehicles
- Power generation using coal



Climate Change

- Challenge to decarbonise energy system
- Balance renewables growth and centralized generation



Combustion Engines

- Poor air quality
- High pollutants SO_x/NO_x
- Regulations to ban diesel and petrol engines



Electrification

- Batteries and fuel cells key technologies
- Zero emission/Low carbon
- Reinforce grid for local charging infrastructure

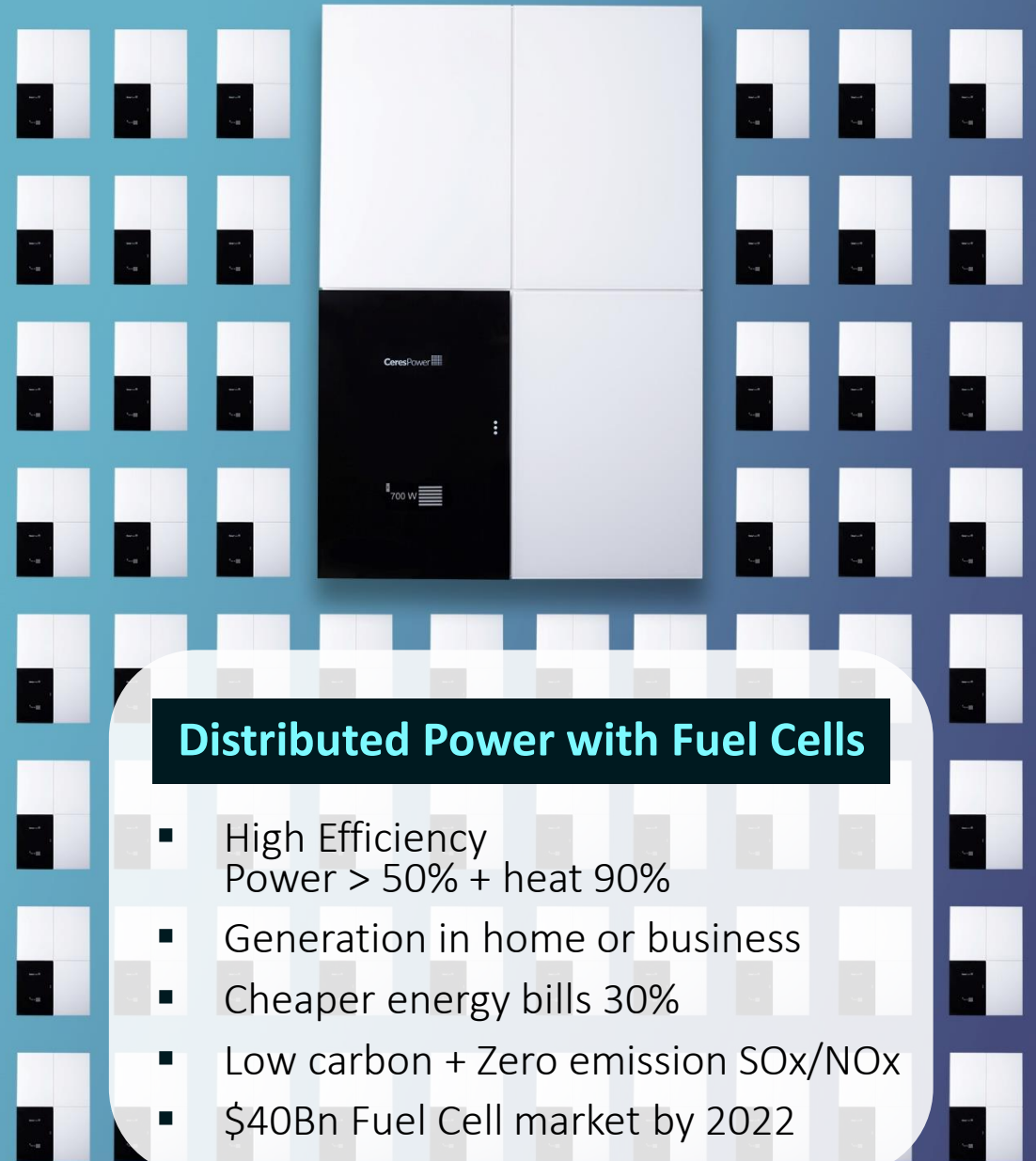
Centralised Power

- Low efficiency 30-40%
- High emissions SO_x/NO_x
- High carbon
- Poor air quality
- Ageing, expensive infrastructure



Distributed Power with Fuel Cells

- High Efficiency
Power > 50% + heat 90%
- Generation in home or business
- Cheaper energy bills 30%
- Low carbon + Zero emission SO_x/NO_x
- \$40Bn Fuel Cell market by 2022



Why is the SteelCell™ unique?

- Fuel Cells most efficient way to generate power from any fuel
- Fuel flexible Natural Gas/Syn. Gas from Coal/Bio fuels/Hydrogen
- Affordable and robust Solid Oxide Fuel Cell for mass adoption
 - Made from conventional steel with small amounts of ceramic
- Uses conventional high volume manufacturing equipment from Solar PV industry

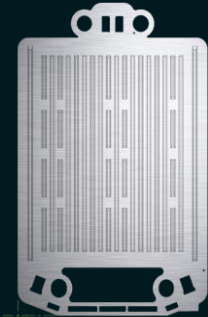
So why is SteelCell™ the solution?



PEM cell

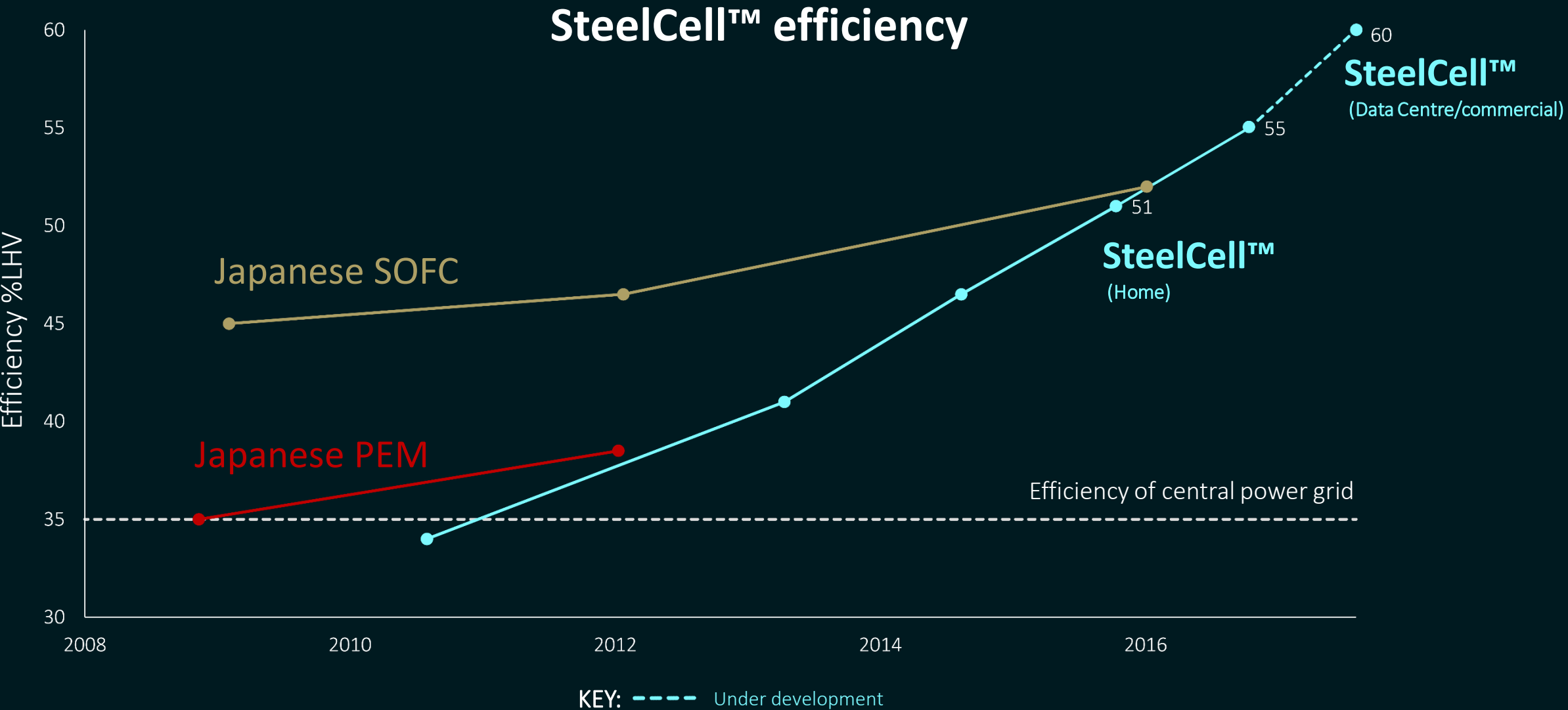


SOFC cell

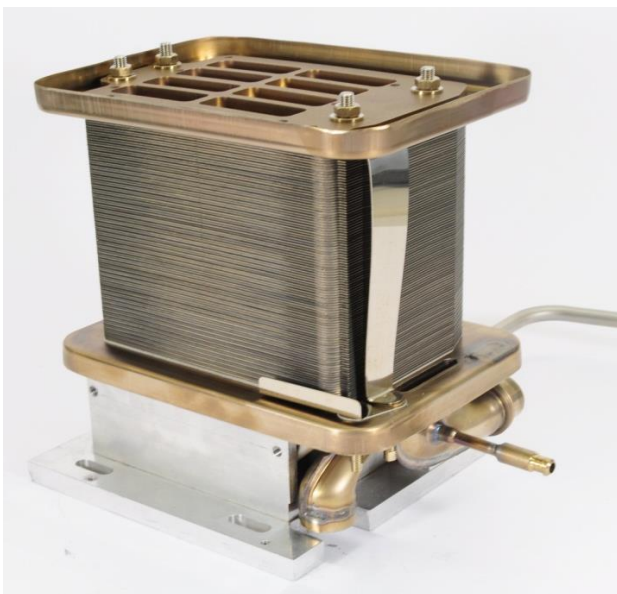


SteelCell™

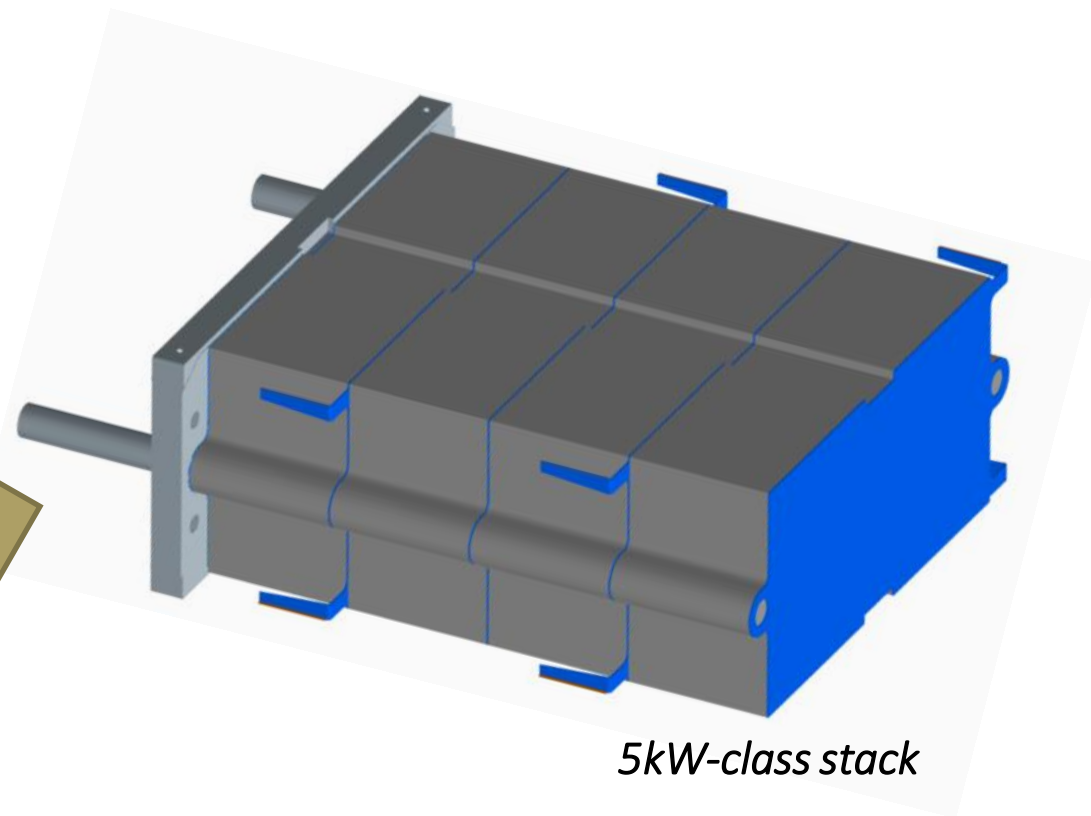
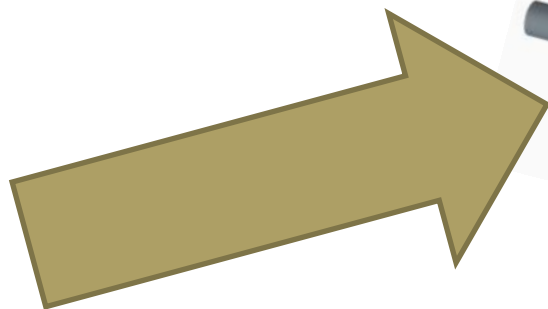
Cost			●
Efficiency		●	●
Robustness	●		●
Fuel flexibility		●	●



Integrated Stack Development enables higher power applications

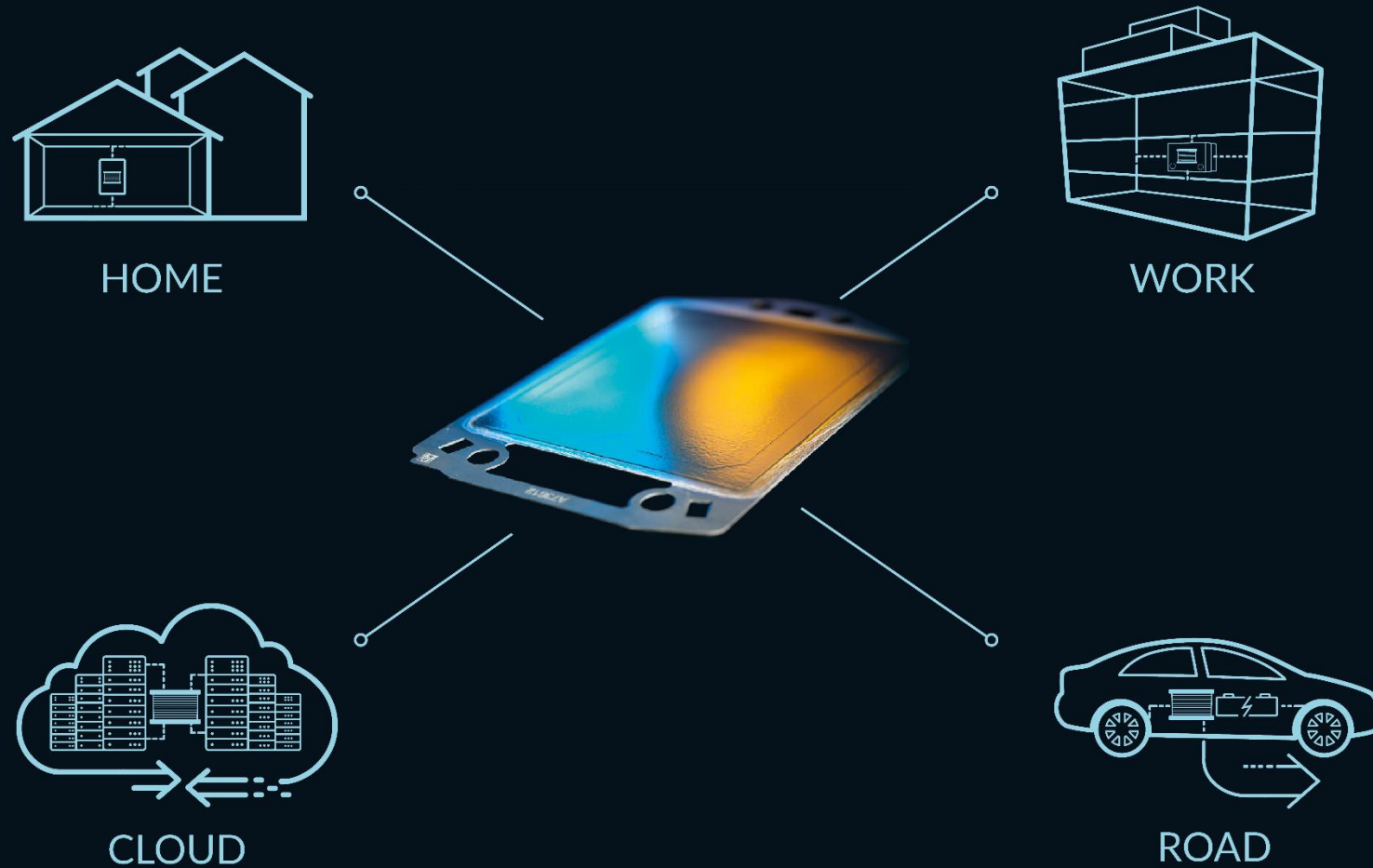


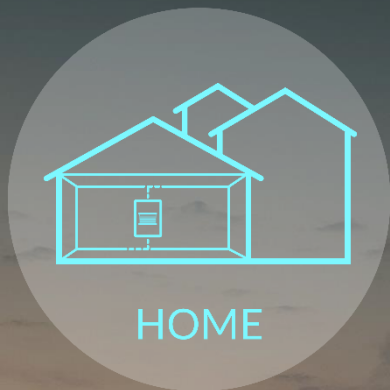
1kW-class stack for Stationary Application



5kW-class stack

Applications for the SteelCell™





Home System Field Trial

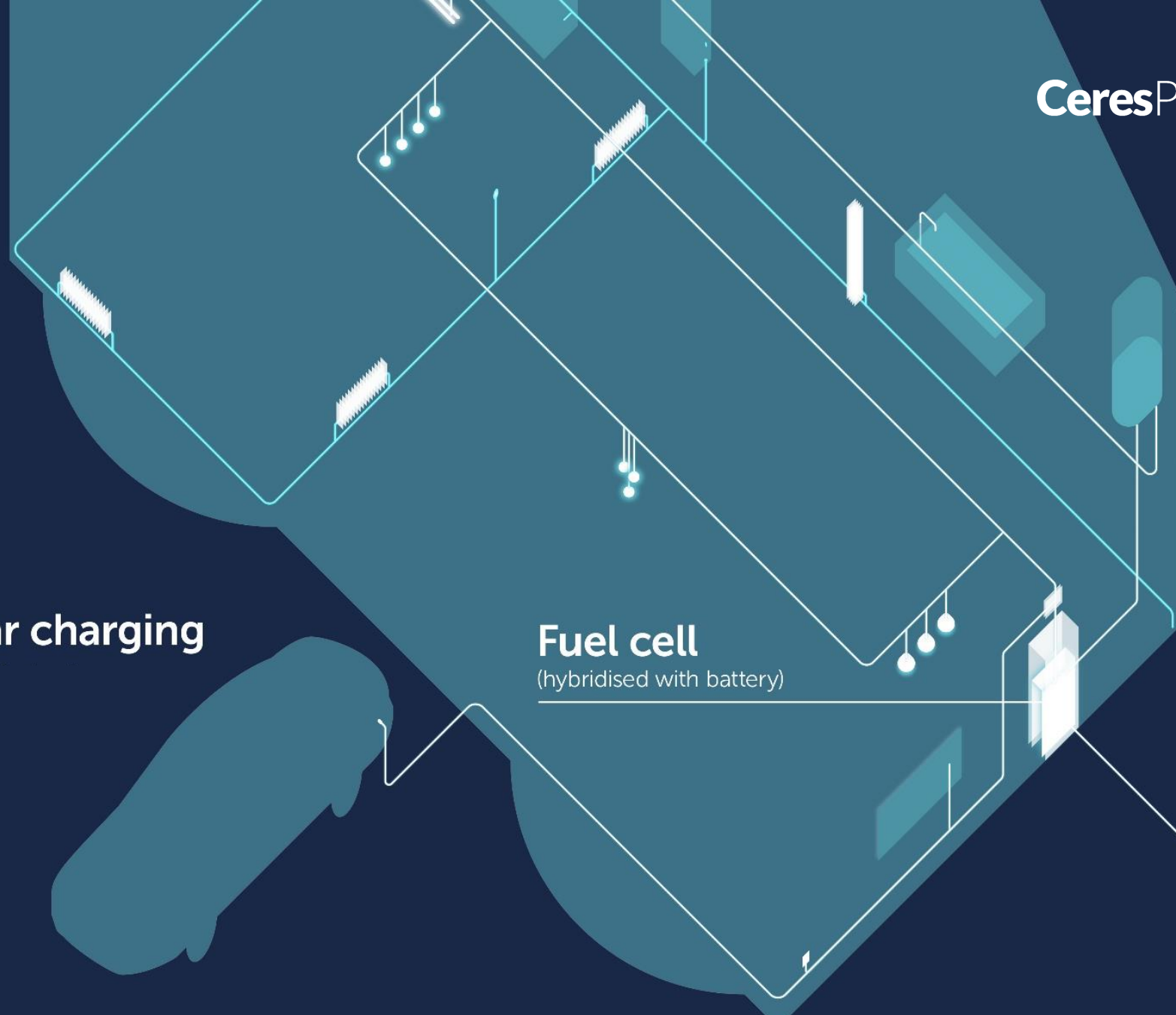
Generates ~80% of home power
+ sufficient power to charge Electric Vehicle
~30% Lower Energy Costs
~30% Lower Carbon





Car charging

Fuel cell
(hybridised with battery)



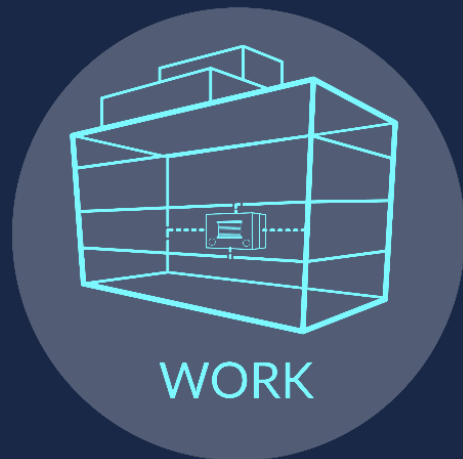


Commercial Scale Development

- 5 to 10 kW for offices, convenience stores etc.
- ~30% Lower Energy Costs
- ~30% Lower Carbon
- Zero SOx and Zero NOx

CONFIDENTIAL PARTNER

Fuel cell



Car charging

100% fuel cell



Fuel cell modules for Data Centre development with US DoE

- Fuel Cells provide Primary Power
- “Off power grid” using natural gas
- Diesel Eliminated, lowering emissions
- Saves 20% of Cap Ex cost of data centre

Modular fuel cells





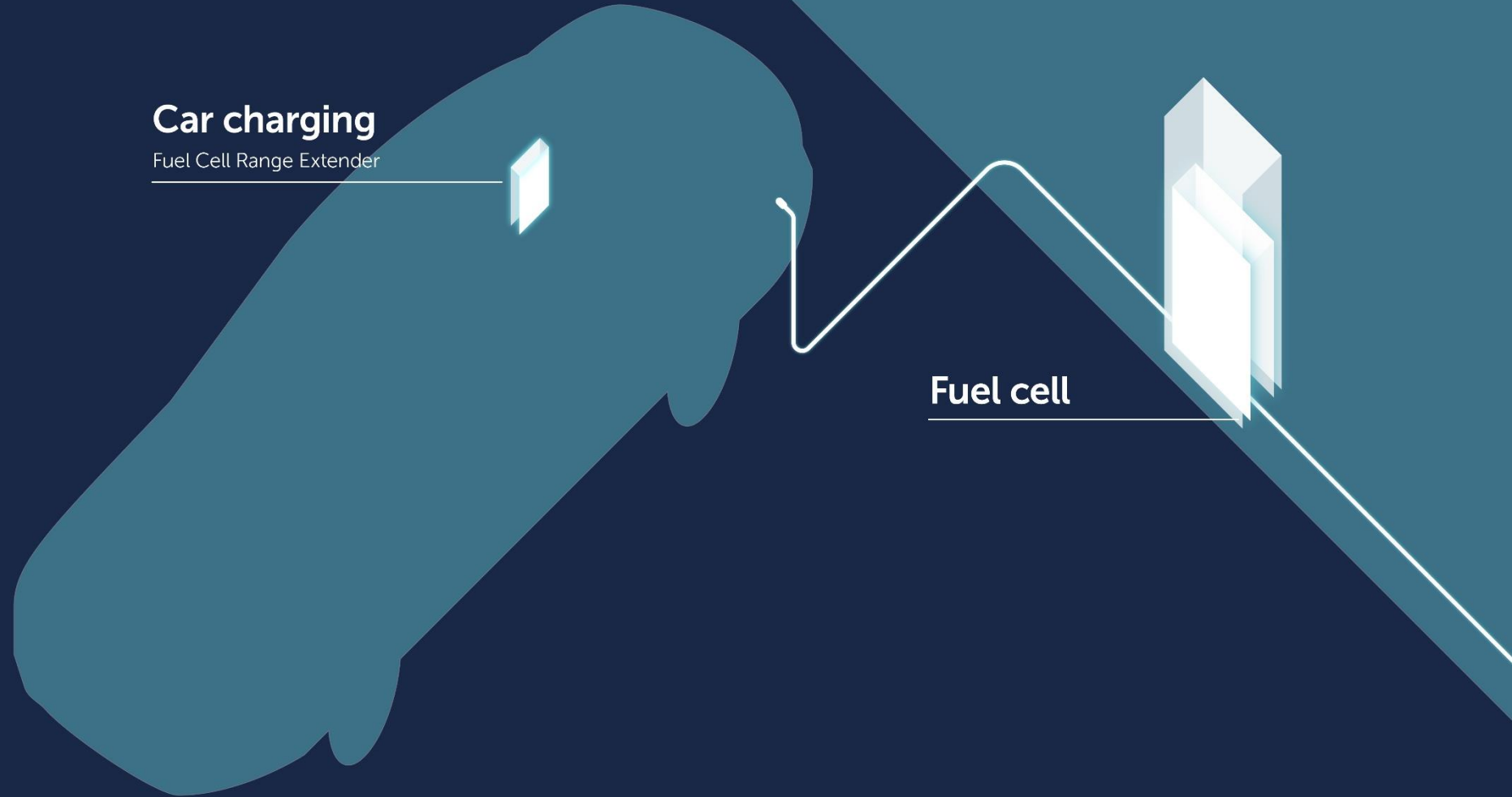
Range Extension & Potential Charging for EVs

- On-Board Fuel Cells using bio fuels for long range and short refuelling
- Stationary Fuel Cells capable of reinforcing grid power supply
- UK EVs additional demand 8-16 GW*
(from National Grid Future Energy Scenarios 2017)



Car charging

Fuel Cell Range Extender

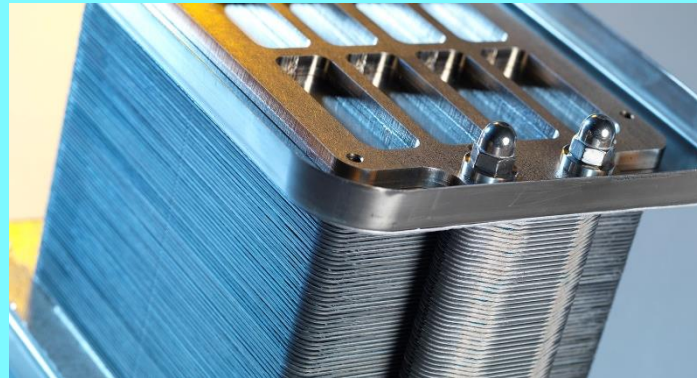


How we work with Partners

- Joint Product Development
 - License and Technology Transfer of System Design
- SteelCell™ stack supply through manufacturing partners



- Product development
- Engineering Services

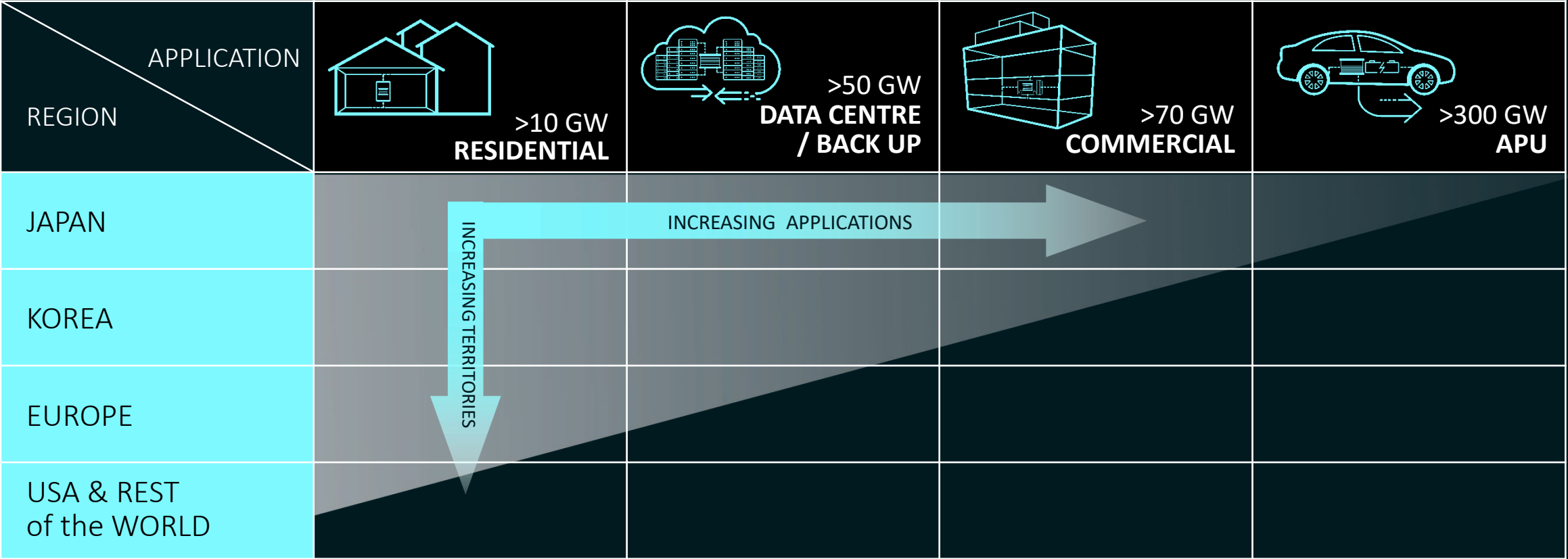


- SteelCell™ Technology Transfer & Licensing



- SteelCell™ Supply
- Manufacturing/partners



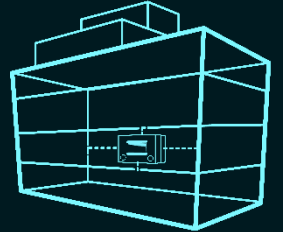
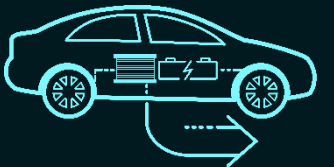
Commercial Progress



■ Customers

\$1bn a year global opportunity

Possible annual gross margin

APPLICATION REGION	 >10 GW RESIDENTIAL	 >50 GW DATA CENTRE / BACK UP	 >70 GW COMMERCIAL	 >300 GW APU / RANGE EXTENDER
TOTAL	\$130m	\$360m	\$210m	\$300m

Up to 5% market share at up to \$150 gross margin / kW

Residential market: >18m boilers and water heaters sold p.a.

Data centre market: larger than UK electricity demand

Commercial: pro rata from US commercial property demand

Automotive: 74m vehicles produced p.a.

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Solid Oxide Fuel Cells: The 'No Regrets' Solution for the Energy Transition





Appendix

UK's challenge of decarbonising Heat, Power & Transport

