This document comprises a simplified prospectus (the "Prospectus") for the purposes of Article 14 of the UK version of Regulation (EU) No 2017/1129 as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended (the "UK Prospectus Regulation") relating to Ceres Power Holdings plc (the "Company") prepared in accordance with the prospectus regulation rules (the "Prospectus Rules") of the Financial Conduct Authority (the "FCA") made under section 73A of the Financial Services and Markets Act 2000 (the "FSMA"). The Prospectus has been approved by the FCA as competent authority under the UK Prospectus Regulation as a prospectus prepared in accordance with the UK Prospectus Regulation. The FCA has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the Company or the quality of the ordinary shares of £0.10 each in the capital of the Company (the "Ordinary Shares") that are the subject of this Prospectus. This Prospectus will only be made available to the public in accordance with the Prospectus Rules. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares. This document has been drawn up as a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation.

This Prospectus is not an offer or invitation to the public to subscribe for or purchase Ordinary Shares but is issued solely in connection with the admission of the Ordinary Shares to the premium listing segment of the Official List of the FCA and to the main market for listed securities of the London Stock Exchange plc (the "London Stock Exchange"). The Ordinary Shares are currently admitted to trading on the AIM Market of the London Stock Exchange ("AIM"). Applications will be made to the FCA for all of the Ordinary Shares to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities ("Admission"). The admission of the Ordinary Shares to trading on AIM will be cancelled no later than Admission. Admission to trading on the London Stock Exchange’s main market for listed securities constitutes admission to trading on a regulated market. It is expected that Admission will become effective, and that dealings in the Ordinary Shares on the London Stock Exchange will commence, at 8.00 a.m. (London time) on 29 June 2023. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or dealt with on any other exchange.

The Company and the directors of the Company (whose names appear on page 26 of this Prospectus) (the "Directors") accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

This Prospectus should be read in its entirety. In particular, see Part 2 “Risk Factors” of this Prospectus for a discussion of certain risks and other factors relating to the business of the Company and its subsidiaries.

**Ceres Power Holdings plc**

*Incorporated under the UK Companies Act 1985 and registered in England with registered number 05174075*

**Introduction to the premium listing segment of the Official List of the FCA and admission to trading on the main market of the London Stock Exchange**

**Sponsor**

Joh. Berenberg, Gossler & Co. KG, London Branch

**Ordinary share capital immediately following Admission**

<table>
<thead>
<tr>
<th>Number</th>
<th>Nominal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>192,716,980</td>
<td>£0.10</td>
</tr>
</tbody>
</table>

Joh. Berenberg, Gossler & Co. KG, London Branch ("Berenberg") is authorised and regulated by the German Federal Financial Supervisory Authority and in the United Kingdom is deemed authorised under the Temporary Permissions Regime and subject to limited regulation by the FCA. Berenberg is acting exclusively for the Company and no-one else in connection with Admission and will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to Admission or any other matters referred to in this Prospectus. Berenberg will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to Admission or any transaction or arrangement referred to in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Berenberg under FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Berenberg nor any of its affiliates accepts any responsibility or liability whatsoever for, nor makes any representation or warranty, express or implied, concerning the contents of this Prospectus, including its accuracy, completeness or verification, or for any other statement made or purported to be made by the Company, or on the Company's behalf, or by Berenberg, or on behalf of Berenberg in connection with the Company or Admission and nothing in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. To the fullest extent permitted by law, each of Berenberg and its affiliates disclaims all and any duty, liability or responsibility whatsoever, whether direct or indirect and whether in contract, in tort, under statute or otherwise (save as referred to above), which they might otherwise have in respect of this Prospectus or any such statement.
The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “US Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

**Enforcement of judgments**

The Company is a public limited company incorporated under English law. Most of the Directors are citizens of the United Kingdom (or other non-U.S. jurisdictions), and the Company’s assets are located outside the United States. As a result, any judgment obtained in the United States against it or them may not be collectible within the United States. There is doubt as to the enforceability of certain civil liabilities under US federal securities laws in original actions in English courts, and, subject to certain exceptions and time limitations, English courts will treat a final and conclusive judgment of a US court for a liquidated amount as a debt enforceable by fresh proceedings in the English courts.

**No incorporation of website information**

Information contained on the Company’s website or the contents of any website accessible from hyperlinks on the Company’s website are not incorporated into and do not form part of this Prospectus (other than the information set out in Part 11 “Documents Incorporated by Reference” of this Prospectus).

This Prospectus is dated 26 June 2023.
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PART 1
SUMMARY

SECTION A—INTRODUCTION

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities of the Company should be based on consideration of the Prospectus as a whole by the investor. Investors could lose all or part of their invested capital.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The legal name of the Company is Ceres Power Holdings plc. The Company’s registered office is at Viking House, Foundry Lane, Horsham, West Sussex, RH13 5PX, United Kingdom and its telephone number is +44 (0)1403 273 463. The Company’s LEI is 213800N7AAHSXQUOA733.

The Ordinary Shares, when admitted to trading, will be registered with International Securities Identification Number (“ISIN”) GB00BG5KQW09.

The Prospectus has been approved in accordance with the UK Prospectus Regulation on 26 June 2023 by the FCA, as competent authority, having its head office at 12 Endeavour Square, London, E20 1JN and telephone number +44 (0)20 7066 1000.

SECTION B—KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

There is no offer of the Company’s securities.

The Company is the issuer of the Ordinary Shares. The Company is a public limited company incorporated in England operating under the Companies Act 2006, as amended and subordinate legislation thereunder (the “Companies Act”). The Company’s LEI is 213800N7AAHSXQUOA733.

The Company’s purpose is to help sustain a clean, green planet by ensuring there is clean energy everywhere in the world.

It plans to achieve this by developing and continuously improving its innovative, differentiated and protected solid oxide technology relating to fuel cells (for power generation) and electrolysis (to produce green hydrogen for use in future fuels, industrial gases and feedstocks) and commercialising its technology by licensing it to its partners. The Group has licensed its fuel cell technology to a number of partners already. These partners currently use the Group’s intellectual property (“IP”) rights, alongside their scale, industrialisation skills and market presence, to develop and market products (systems or stacks) which are intended to provide end user customers with low or zero-carbon power generation products. The Group’s electrolysis technology is more nascent but is based on the same cell and stack technology as fuel cells. Electrolyser modules are on test, and technology evaluation partnerships for electrolysis have been established with three partners.

The core materials science technology that supports the Group’s fuel cell technology was developed over a period of ten years at Imperial College before the IP rights were transferred by Imperial College to the Group in 2001. In 2004, the Company’s Ordinary Shares were admitted to trading on AIM. The Company is a UK domiciled company headquartered in Horsham, West Sussex.

Major interests in Ordinary Shares

Insofar as is known to the Company, as at the Last Practicable Date the following persons are interested in 3 per cent. or more of the Company’s share capital:
Major Shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Ordinary Shares</th>
<th>Percentage of issued ordinary share capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weichai Power (Hong Kong) International Development Co., Ltd.</td>
<td>37,965,262</td>
<td>19.70%</td>
</tr>
<tr>
<td>Robert Bosch GmbH (“Bosch”)</td>
<td>33,790,880</td>
<td>17.53%</td>
</tr>
<tr>
<td>Hargreaves Lansdown Asset Management</td>
<td>8,979,295</td>
<td>4.66%</td>
</tr>
<tr>
<td>BNP Paribas Asset Management UK Limited</td>
<td>9,738,072</td>
<td>5.05%</td>
</tr>
</tbody>
</table>

Directors

The directors of the Company are: Warren Alan Finegold (Chair), Philip Joseph Caldwell (Chief Executive Officer), Eric Daniel Lakin (Chief Financial Officer), Julia Elizabeth King, (Senior Independent Director), Baroness Brown of Cambridge (Senior Independent Director), Trine Borum Bojsen (Non-Executive Director), Karen Bomba (Non-Executive Director), Caroline Brown (Non-Executive Director), William Tudor Brown (Non-Executive Director), Uwe Klaus Glock (Non-Executive Director), Qinggui Hao (Non-Executive Director) and Aidan John Hughes (Non-Executive Director).

Statutory Auditor

The Company’s statutory auditor is BDO LLP, having its registered office at 55 Baker Street, London, W1U 7EU. BDO LLP is a member of the Institute of Chartered Accountants in England and Wales and has no material interest in the Company.

What is the key financial information regarding the issuer?

Selected historical key financial information

The tables below set out selected key financial information for the Group as at and for the 12-month period ended 31 December 2022, the 12-month period ended 31 December 2021 and the 18-month period ended 31 December 2020.

Selected Consolidated Income Statement Data

<table>
<thead>
<tr>
<th></th>
<th>18 months ended 31 December 2020</th>
<th>12 months ended 31 December 2021</th>
<th>12 months ended 31 December 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Operating loss</td>
<td></td>
<td></td>
<td>(51,522)</td>
</tr>
<tr>
<td>Net loss (LAT)</td>
<td>(14,816)</td>
<td>(21,092)</td>
<td>(45,124)</td>
</tr>
<tr>
<td>Operating loss margin (%)</td>
<td>(56)%</td>
<td>(76)%</td>
<td>(233)%</td>
</tr>
<tr>
<td>Net loss margin (%)</td>
<td>(47)%</td>
<td>(69)%</td>
<td>(204)%</td>
</tr>
<tr>
<td>Loss per Ordinary Share</td>
<td>(9.12)p</td>
<td>(11.36)p</td>
<td>(23.58)p</td>
</tr>
</tbody>
</table>

Selected Consolidated Balance Sheet Statement

<table>
<thead>
<tr>
<th></th>
<th>As at December 2020</th>
<th>As at December 2021</th>
<th>As at December 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Total debt (inc. lease liabilities)</td>
<td>120,232</td>
<td>280,655</td>
<td>237,401</td>
</tr>
<tr>
<td>Net financial debt (long term debt plus short-term debt minus cash and investments)</td>
<td>4,445</td>
<td>3,039</td>
<td>3,124</td>
</tr>
<tr>
<td></td>
<td>105,741</td>
<td>246,545</td>
<td>179,196</td>
</tr>
</tbody>
</table>

Consolidated Cash Flow Data

<table>
<thead>
<tr>
<th></th>
<th>18 months ended 31 December 2020</th>
<th>12 months ended 31 December 2021</th>
<th>12 months ended 31 December 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash used in operating activities</td>
<td>(5,824)</td>
<td>(20,342)</td>
<td>(51,522)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(25,459)</td>
<td>(32,410)</td>
<td>(37,404)</td>
</tr>
<tr>
<td>Net cash generated in financing activities</td>
<td>56,810</td>
<td>170,689</td>
<td>(83)</td>
</tr>
</tbody>
</table>
There are no qualifications to the audit opinions on the historical financial information incorporated by reference into this Prospectus.

What are the key risks that are specific to the issuer?

The key risks specific to the issuer are as follows:

- The Group may not be able to develop and apply the Group's technology successfully to potential products at the right cost point or at the right performance level.
- The Group may not be able to meet the timeframes agreed with its partners for the development and application of the Group's technology.
- The Group risks harming its business and competitive position if it is unable to maintain the required levels of innovation and to protect its IP rights from unauthorised use by its competitors or from public disclosure.
- The Group may unwittingly infringe valid IP rights of third parties, which may result in damages claims and litigation costs, force the Group to modify its products or processes or prevent it from commercialising its technology.
- The Group’s existing partners may choose not to use its technology in their products.
- The Group’s partners may go to market slower than anticipated with products that use the Group’s technology.
- The Group may not be able to attract new partners.
- The Group’s proposed investment in the joint venture with Weichai and Bosch in China may not proceed. If it does proceed, it may not receive the required regulatory approvals and formation of the joint venture company is expected to be subject to certain conditions, which may not be satisfied. If formed, the joint venture may not produce the returns anticipated.
- The Group may experience supply disruptions if its key suppliers fail to deliver their products, meet the Group’s required quality standards or regulatory standards, co-develop key components or support the volumes required by the Group’s partners.
- Failures or delays by the Group in specifying the properties of materials and processes used in its technology could lead to delays to its programmes and failure to achieve required performance levels.
- Because the Group’s technology is complex, defects or failures in its cells, stacks or systems or defects in design may not be identified before they are sold by the Group’s partners to end users, which could harm the Group’s credibility, decrease market acceptance of its technology or lead to warranty or other claims against the Group.
- Two of the Group’s key partners are also substantial Shareholders and may have influence over the Group’s management and operations. Their interests may not always be aligned with the interests of the other Shareholders.

SECTION C—KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN of the securities

The Ordinary Shares are ordinary shares of the Company of £0.10 each. When admitted to trading on the main market for listed securities of the London Stock Exchange, the Ordinary Shares will be registered with ISIN GB00BG5KQW09, Stock Exchange Daily Official List (SEDOL) number BG5KQW0 and will trade under the symbol “CWR” on the London Stock Exchange.

Currency of the securities

The Ordinary Shares are denominated in Pounds Sterling. The Ordinary Shares will be quoted and traded in Pounds Sterling on the London Stock Exchange.
Number of issued and fully paid securities

As at the date of this Prospectus, the issued and outstanding share capital of the Company is 192,716,980 Ordinary Shares of £0.10 par value each (all of which were fully paid) and following Admission, the share capital of the Company will be 192,716,980 Ordinary Shares of £0.10 par value each (all of which will be fully paid).

Rights attaching to the securities

The rights attaching to the Ordinary Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to the right to vote and the right to receive all dividends and other distributions declared, made or paid in respect of the Company’s share capital after Admission.

Except as provided by the rights and restrictions attached to any class of shares, Shareholders will under general law be entitled to participate last in any surplus assets in a winding up in proportion to the nominal value of their shareholdings.

The Ordinary Shares have no rights of redemption.

The Company is subject to the provisions of section 561 of the Companies Act (which confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) which applies to the issue of Ordinary Shares by the Company unless disapplied in accordance with the Companies Act.

Description of restrictions on free transferability of the securities

There are no restrictions on the free transferability of the Ordinary Shares, other than certain transfer restrictions under: (i) the Companies Act for persons failing to respond to statutory notices issued by the Company requesting information on interest in a particular holding of shares; and (ii) the Articles, under which the Board may, in its discretion, refuse to register any transfer of any certificated share in certain circumstances. The Board may, in its discretion, refuse to register any transfer of any certificated share which is not fully paid up but, in the case of a class of shares which has been admitted to trading on any recognised investment exchange (including the Official List of the FCA), not so as to prevent dealings in those shares from taking place on an open and proper basis. The Board may also refuse to register any instrument of transfer of a certificated share unless it is left (duly stamped) at the registered office, or such other place as the Board may decide, for registration, accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove the right of the intending transferor to transfer the shares; and it is in respect of only one class of shares.

Rank of securities in the Company’s capital structure in the event of insolvency

Subject to the rights of the holders of shares issued upon special conditions (as to which there are none at present), if the Company is wound up, the surplus assets shall be applied first, in repaying to the members the amounts paid up (as to nominal value) on the shares held by them respectively, and the balance (if any) shall be distributed among the members in proportion to the number of shares held by them respectively.

Dividend policy

The Company intends to retain any earnings to expand the growth and development of its business and, therefore, does not anticipate paying dividends in the foreseeable future.

Where will the securities be traded?

An application will be made to the London Stock Exchange for all of the Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities. Upon Admission, the admission of the Ordinary Shares to trading on AIM will be cancelled.
What are the key risks that are specific to the securities?

The key risks specific to the securities are as follows:

- Shares in the Company may be subject to market price volatility and the market price of the Ordinary Shares in the Company may decline disproportionately in response to developments that are unrelated to the Group's operating performance.

- The Company is a holding company with substantially all of its operations conducted through its subsidiaries. Its ability to pay dividends on the Ordinary Shares depends on its ability to obtain cash dividends and other cash payments or obtain loans from other members of the Group.

- The issue of additional Ordinary Shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings.

SECTION D—KEY INFORMATION ON THE OFFER AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

The Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase any shares in the Company. It is expected that Admission of the Ordinary Shares to trading on the London Stock Exchange’s main market for listed securities will become effective at 8 a.m. (London time) on 29 June 2023.

Who is the offeror and/or the person asking for admission to trading?

The Company will apply to the London Stock Exchange for all of the Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities.

Why is this Prospectus being produced?

Reasons for the offer

There is no offer of the Company’s securities and the Prospectus is being produced in connection with Admission. The Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase any shares in the Company.

Material conflicts of interest

There are no conflicting interests which are material in connection with Admission.
PART 2
RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks. The risk factors associated with any investment in the Ordinary Shares, the Group’s business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below should be carefully considered in light of Admission.

The risks relating to the Group, its business, its industry and the Ordinary Shares summarised in the section of this Prospectus headed “Summary” are the risks that the Directors and the Company believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, the information on the key risks summarised in the section of this Prospectus headed “Summary” as well as, among other things, the risks and uncertainties described below, should be considered.

The risks and uncertainties described below represent those that are known to the Directors and which they consider to be material as at the date of this Prospectus. However, the risk factors set out below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the Ordinary Shares and so should be used as guidance only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising or of the scope of any potential harm to the Group’s business, results of operations, financial position or prospects and/or the price of the Ordinary Shares.

The risk factors detailed below and additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group’s business, results of operations, financial condition or prospects and, if any such risk should occur, the price of the Ordinary Shares may decline. The suitability of investment in the Ordinary Shares should be considered in the light of the information in this Prospectus and personal circumstances of the investor.

Risks relating to the Group’s business

Unless otherwise stated, each of the risk factors discussed below relate to both the Group’s solid oxide fuel cell (SOFC) business and the Group’s solid oxide electrolysis cell (SOEC) business.

(i) Research & development risks

The Group may not be able to develop and apply the Group’s technology successfully to potential products at the right cost point or at the right performance level.

Successful commercialisation of the Group’s technology will require the Group to achieve the performance levels and cost points specified by its partners. These include verifying solid oxide fuel cell stack attributes, including degradation level, power output and projected cost at volume, before partners make the final decision to build manufacturing capacity at scale prior to commercial market launch. The Group is currently working towards achieving these performance levels and cost points under its existing programmes, through further verification or development of the Group’s technology and through joint work with partners and suppliers.

If the Group is unable to achieve the required performance levels, or if it is unable to achieve them at the cost point specified by its partners, some conditional payments to the Group may not be made, some partners may seek to renegotiate royalty rates or partners may choose not to incorporate the Group’s technology into their products. This could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

The Group may not be able to meet the timeframes agreed with its partners for the development and application of the Group’s technology.

The Group’s agreements with its partners, including its evaluation, development and supply agreements, typically require the Group to meet certain milestones within a defined time period. The published go-to-market timeframes of the Group’s partners are dependent on the Group and its partners achieving related milestones, such as the verification of iterations of stacks, on time. Development or verification may take longer than anticipated therefore there is a risk that partner
programmes run late with a consequential impact on go-to-market timings, reputation or on revenue linked to these milestones.

The Group’s entitlement to royalty payments under its agreements with its partners is triggered by its partners making and selling products. Any delay in the Group’s partners bringing to market products that incorporate the Group’s technology will result in a delay to or loss of royalty payments for the Group. If there is a material delay, this ultimately could lead to the partner choosing not to use the Group’s technology in their products and a loss of partners, which could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

*The Group may not be successful in its research and development efforts and may not be able to create new intellectual property.*

The Group’s success and growth strategy depends substantially on its ability to innovate and develop its technology on an ongoing basis, and on successfully creating new intellectual property rights over the innovation or technology developed by the Group. The Group and its partners operate in markets that are characterised by technologically advanced applications. To compete successfully, the Group must respond, through research and development ("R&D") activities, to industry trends, to the demands of its partners, and to competitor developments, to improve its existing technology and processes and develop new technology and processes on a schedule that keeps pace with technological developments.

R&D is time consuming, costly and involves a high degree of business risk for the Group. The Group’s R&D activities focus on providing its partners with new and enhanced technology on a timely basis. If the Group is unable to develop new, innovative and differentiated technologies to respond to evolving partner demands or market developments, or if it is unable to do so on a timely and cost-effective basis, its technology may become obsolete or less competitive and may fail to achieve market acceptance.

The Group may not be able to develop and deliver to its partners technical advances before its competitors. If the Group falls behind its existing competitors, or any new competitors, in the development of fuel cell or electrolysis technology, this could adversely affect its commercial relationship with its existing partners and make it more difficult to attract new partners. The Group’s electrolysis technology is more nascent than its solid oxide technology and it may not be able to develop this technology and deliver it to partners before its competitors. Failure to develop new technology may also mean that the Group could miss its milestones in its agreements with its partners.

The Group may face a number of risks that could negatively impact its R&D activities and capabilities, such as loss of key employees or failure to recruit additional employees, supply chain interruptions, the inability to grow R&D-related infrastructure or unexpected infrastructure downtime and production issues of prototype cells and stacks. These may negatively impact the Group’s ability to make technological advances in the planned timeframes, which could exacerbate risks related to meeting partner needs and offering solutions that meet evolving industry trends. Any failure by the Group to consistently drive innovation and develop commercially successful technology, to time these developments with market demand or to achieve market acceptance for its innovations may prevent it from recouping or realising a return on its investment in R&D or capitalising on market opportunities. Failures or delays in the development of new and enhanced technology in line with the requirements and expectations of the Group’s partners could result in the loss of existing partners or a failure to expand the number of partners in line with the Group’s plans, which could lead to a reduction in revenues or anticipated new revenues not being achieved. This could have a material adverse effect on the Group’s financial condition and prospects.

The Group addresses a variety of end-markets, and each of these markets presents distinct and substantial challenges and risks and, in some cases, requires the Group to further develop the technology to address the particular end-market requirements. As a result, the Group’s continued success across all end-markets will depend significantly on its ability to accurately anticipate changes in industry standards and to continue to appropriately fund development efforts to enhance its existing technology or introduce new technology in a timely manner.

The Group may be unable to predict the timing or development of trends in these end-markets with any accuracy and new developments in its target markets, such as the adoption of competing technologies which also meet end-market requirements, may result in the Group’s partners not using
Ceres’ technology in their products or could reduce the sales of the Group’s partners’ products, which could have a material adverse effect on the Group’s revenues. If the Group fails to accurately predict market requirements or market demand for its solutions and capitalise on this (including through successful R&D and product development), its business will suffer. Currently, markets are broadly targeting zero carbon solutions, which might affect the types of fuels required for future products, which would influence the R&D activities the Group should undertake. However, generally changes to markets take a long time to happen due to the very wide changes to infrastructure required. The Group may not always correctly evaluate future market needs and there can be no assurance that the Group will always be able to develop the necessary technology to meet future market needs.

(ii) Intellectual property risks

The Group risks harming its business and competitive position if it is unable to maintain the required levels of innovation and to protect its IP rights from unauthorised use by its competitors or from public disclosure.

The Group’s success depends on its ability to protect its intellectual property, which is accomplished through a combination of best practice, its IP portfolio (including patents and other registered rights, know-how and trade secrets), contractual provisions, confidentiality agreements, licences and other methods used to protect the Group’s proprietary technologies.

In particular, the Group relies on trade secrets, know-how and contractual restrictions on disclosure and use (such as confidentiality agreements or licences) of its intellectual property with various parties. However, the Group cannot be certain that its trade secrets, know-how or other proprietary information will not become known or that third parties, including its business partners, will not independently develop their own proprietary technology or effective competing technologies. Consequently, disputes may arise concerning the ownership of intellectual property, the use of proprietary technology, trade secrets, know-how or other proprietary information, or the applicability or enforceability of confidentiality agreements and the Group may be forced to initiate legal proceedings to enforce its IP rights or its ability to exploit its proprietary technology, which may be costly and divert efforts and attention of its management and technical staff.

Monitoring such unauthorised use, misappropriation or disclosure is difficult and, despite the Group’s efforts, unauthorised parties may, or may attempt to, copy or otherwise obtain and use its proprietary technology, trade secrets, know-how or other proprietary information.

Any failure to protect, maintain and enforce the Group’s intellectual property and other proprietary information, or to challenge purported registration by third parties of intellectual property belonging to the Group, could impair its competitiveness, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

**Industrial espionage of the Group’s IP resulting in disclosure to competitors or partners, could result in loss of revenue and business.**

The Group relies upon technology systems and infrastructure from third-party vendors to store information relating to its IP. The Group’s technology systems and infrastructure are potentially vulnerable to data privacy breaches by employees and others. Both permitted and unauthorised access to its systems pose a risk that the Group’s IP and other sensitive data may become available to unauthorised persons or to the public and result in such information being inaccessible to the Group or permanently lost.

The use and evolution of technology creates additional opportunities for the unintentional dissemination or intentional destruction of confidential or proprietary information stored in the Group’s systems, portable media or storage devices.

The Group could also experience a business interruption, information theft or reputational damage from industrial or state-sponsored espionage attacks, malware or other cyber incidents or data breaches, which may compromise its system infrastructure or lead to data breaches, either internally or at the Group’s third-party providers or other business partners, including the disclosure of the Group’s IP. Such incidents could compromise the Group’s trade secrets or other confidential information and result in such information being disclosed to competitors or partners and becoming less valuable, which could result in loss of revenue and business.
Breaches in security, system interruptions and unauthorised disclosure of data could adversely affect the Group’s businesses, assets, revenue and reputation and result in fines, litigation, regulatory proceedings and investigations, increased insurance premiums, remediation efforts, indemnification expenditures, lost revenue and other potential liabilities.

**The Group may unwittingly infringe valid IP rights of third parties, which may result in damages claims and litigation costs, force the Group to modify its products or processes or prevent it from commercialising its technology.**

As the Group seeks to develop and implement new technologies and processes, it may not always be in the position to (or it may not be possible to) adequately identify all third-party IP or assess the scope and validity of these third-party rights due to the large and complex international intellectual property landscape.

The Group could face challenges that its technological developments infringe the patents, trade secrets or other IP of third parties. The Group cannot rule out that competitors or other companies may assert claims that its products infringe their IP rights (for example, its patents, trademarks or other forms of intellectual property) or that its partners may claim indemnification resulting from infringements. Such litigation may involve patent holding companies or other adverse patent owners who have no relevant product revenue.

Any action to determine the validity of claims alleging infringement of patents and other IP, whether or not with merit, determined in the Group’s favour or settled by it, may subject it to protracted and expensive litigation, which could divert attention and resources of its management and technical personnel from operating its business. Such matters could also involve disputes between third parties that relate in part to the Group’s intellectual property and result in the Group becoming directly or indirectly involved in such matters.

If claims are successfully asserted against the Group, or otherwise limit its ability to use its intellectual property, the Group could be required to pay substantial damages and could be prevented from licensing some of its IP rights to its existing partners or to new partners. Although the Group has put in place insurance in relation to IP, there is no certainty that the Group would be able to recover all or any damages or costs in the event of a successful claim against the Group for infringement of patents or other IP rights.

Furthermore, the Group may need to obtain licences from third parties alleging infringement or substantially re-engineer its technology in order to avoid infringement, which it may not be capable of doing on commercially acceptable terms or at all. In the course of such infringement claims, trade secrets, know-how or other proprietary information could be compromised.

If the Group is prevented from licensing some of its IP, it may be subject to a loss of revenue and partners, as well as reputational damage, which could negatively affect its business, results of operations, financial condition and prospects. Any significant impairment of the Group’s IP from any litigation it faces could harm its business and its ability to compete. In addition, any litigation against the Group could be expensive, time-consuming and may divert the efforts of the Group’s technical staff and management, which could harm its business, whether or not such litigation results in a determination favourable to the Group. Furthermore, any enforcement of the Group’s patents or other intellectual property may provoke third parties to assert counterclaims against the Group, resulting in further costs.

**The Group may not be successful in capturing IP which arises out of its activities, including IP developed with its partners.**

The Group’s business model depends on the Group developing and capturing its own IP, the Group and its partners developing and capturing IP together and, in some cases, the Group capturing relevant IP created by its partners or other third parties such as suppliers or universities, and then using this IP in its commercialisation activities. If the Group does not have sufficient management or oversight over the joint development activities it may not be able to capture all the IP created by its partners, including through any joint ventures with its partners, and this may diminish the value of its IP portfolio.

**The Group’s IP could be at risk from successful challenges to its patents.**

The Director’s believe that developing new and enhanced technologies that can be differentiated from those of its competitors is critical to the success of the Group’s business. The Group has
approximately 544 patents and a further 392 pending patent applications, together constituting approximately 142 patent families. Measures put in place by the Group to protect its proprietary technology may not be successful and pending or future patent applications may not result in the issuance of patents.

Patent applications in certain countries may not be published until more than 18 months after they are first filed, and the Group cannot be certain that it is the first creator of technologies covered by pending patent applications or the first to file patent applications on these inventions. Moreover, the Group could lose its exclusive rights to use proprietary technology and processes that are included in its technology if its patents are successfully challenged.

The Group’s patents may be subject to challenges as to their scope or may be found to be invalid or otherwise unenforceable. In addition, statutory differences in patentable subject matter depending on the jurisdiction may limit the protection the Group obtains on certain of the technologies it develops. Complex factual and legal issues can also introduce uncertainty as to the validity, scope and enforceability of the Group’s patents and other IP. In addition, certain of the countries in which the Group operates may not offer the same protections to proprietary rights as in the United Kingdom.

The Group may incur material costs in defending challenges to its patents. The Group may not be able to exclude competitors from using the technologies it seeks to protect if some of the patents or patent applications are not granted, were to expire or were successfully challenged. Any failure to protect, maintain and enforce the Group’s intellectual property could therefore impair its competitiveness and harm its business, financial condition, results of operations and prospects.

(iii) Commercial risks

The Group’s partners may go to market slower than anticipated with products that use the Group’s technology.

The Group’s business model is designed to transfer technology, through licensing and other agreements, to its manufacturing and systems partners to enable them to achieve commercialisation through the mass manufacture or sale of products for or to the partners’ customers. Typically, the Group and its partners will agree to specific timeframes for the development and application of the Group’s technology to meet its partners’ commercial objectives. The Group’s entitlement to fuel cell technology-related royalty payments under agreements with its partners is based on sales of products calculated on a per kW basis.

Any delay in the Group’s partners bringing to market products that incorporate the Group’s technology will result in a delay to, or loss of royalty payments for, the Group. These delays may be caused by a wide range of factors, including but not limited to:

• the Group’s or its partners’ research and development process;
• the Group’s partners having difficulty in scaling up the manufacture of the Group’s technology;
• the Group having insufficient engineering resources to support its partners’ system development activities;
• the Group or its partners having insufficient testing and analysis equipment, an insufficient number of skilled employees or is unable to provide sufficient prototype hardware;
• failures in the Group’s or its partners’ supply chain; and
• failure by the Group’s partners to obtain regulatory approvals for their products.

If there is a material delay on the part of the Group, this could cause the Group to fail to meet its contractual obligations to its partners which ultimately could lead to the partner choosing not to use the Group’s technology in their products which could lead to a loss of partners, which would have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

Even where any delays are through no fault of the Group, any delays by the Group’s partners in bringing to market products which incorporate the Group’s technology in line with the Group’s expected timetable would lead to a delay to the Group’s entitlement to development licence revenue and ultimately, royalty payments in respect of such products, which could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.
The Group’s existing partners may choose not to use its technology in their products.

Although the Group has entered into agreements with its partners relating to the development and use of the Group’s technology by its partners, the Group’s partners are not under any obligation to use the Group’s technology in their products and may terminate their agreements with the Group at short notice. As a result, there is no guarantee that the Group’s existing partners will use, or continue to use, the Group’s technology when developing their existing or new products, or for new generations of existing products.

As the Group is dependent on a limited number of partners, a decision by one or more partners not to use, or to cease using, the Group’s technology in their products, including in situations where these partners may independently develop technology in-house or locate alternative technology providers, could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

The Group’s future profitability and value is dependent on it achieving material levels of royalty revenues.

To date the Group’s revenues have been derived almost wholly from joint development work, provision of technology hardware and licence fees. In order to achieve material royalty revenues, the Group is dependent on its partners launching products to mass market which incorporate the Group’s technology.

The Group’s long-term success is dependent on its current partners going to markets in volume with products which incorporate the Group’s technology and the Group’s ability to attract new partners.

Until partners sell products which incorporate the Group’s technology and the Group receives the related royalty fees, the Group’s revenue will be dependent on collaboration and joint development work, providing technology hardware and achieving licence fees from current and future partners. Due to the nature of revenue recognition relating to licence fees, revenue recognised from licensing arrangements may vary significantly from period to period and are difficult to predict. In addition, the Group’s entry into licence agreements will not necessarily be indicative of future royalty revenues in any future period.

The Group’s ability to succeed in its licensing efforts will depend on a variety of factors, including the performance, quality, breadth and depth of its current and future technology solutions, as well as its business development skills and ability to negotiate and agree complex contracts with partners. Any failure to obtain future licensing partners would impede the Group’s targeted revenue growth and could materially harm its business.

The Group may not be able to attract new partners.

The Group currently depends on a limited number of partners for a substantial majority of its revenue and anticipated royalties. If the Group fails to attract new partners, this may negatively impact the Group’s revenue growth expectations and it will continue to be susceptible to the risks associated with partner concentration described below.

The Group depends on a limited number of partners for a substantial majority of its revenue and anticipated royalties.

The Group has historically derived, and continues to derive, its revenue from a relatively small number of partners, two of which, Bosch and Weichai, are significant Shareholders. For the year ending 31 December 2022, two partners accounted for approximately 51% and 36% each of the Group’s revenue.

As a result of its partner concentration, the Group’s revenue could fluctuate materially and could be materially and disproportionately impacted by the following factors:

- a decision by any partner not to incorporate the Group’s technology into its products;
- one or more partners discontinuing product lines that incorporate the Group’s technology, or a change in direction of the business of one or more partners;
- an evolution or other changes in a partner’s needs as a result of developments in the market sectors in which they operate;
• change in strategy or needs that reduces a partner’s demand for the Group’s technology; and
• potential new partners being deterred from choosing the Group’s technology due to the Group’s relationships with its existing partners.

The Group’s key partners may independently develop technology for their products in-house or find alternative technology providers and there is no guarantee that the Group’s existing partners will continue to use its technology when developing new products or new generations of existing products. The Group expects that a significant portion of its future revenue will continue to be generated by a limited number of partners and, as a result, the loss of a key partner, the inability to deepen its relationship with a key partner or the impact of other concentration-related risks could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

The success of the Group is closely tied to the success of its partners.

The Group does not sell its fuel cell technology in its own products, or intend to sell its potential electrolyser technology in its own products, directly to end-users. Instead, it licenses its technology (through the underlying IP) to its partners, which currently includes stack manufacturers such as Bosch and Doosan, and fuel cell systems manufacturers such as Weichai, Doosan and Miura. These manufacturers then incorporate the Group’s technology into the products they develop and plan to sell to end-users. Because the Group’s technology solutions are integrated into end-products, if stack and systems manufacturers do not incorporate the Group’s technology into their end-products, or if the end-products of its partners do not achieve market acceptance, the Group may not be able to generate adequate revenue through royalty payments. The success of the fuel cell systems manufacturers also depends on their ability to source stacks from the Group’s manufacturing partners.

Further, because the Group does not control the business practices of its partners, it does not influence the degree to which they promote the Group’s technology or set the prices at which they sell products incorporating its technology, which can impact both licence fee revenue and royalty revenue over the longer term. The Group’s partners may not devote satisfactory efforts to effectively promote their end-products that incorporate the Group’s technology, which could negatively affect the Group’s ability to enter into new licence arrangements and could, in the longer term, hinder its ability to achieve broader market acceptance of its technology and innovations and lead to lower revenue than targeted.

The Group’s proposed investment in the joint venture with Weichai and Bosch in China may not proceed. If it does proceed, it may not receive the required regulatory approvals and formation of the joint venture company is expected to be subject to certain conditions, which may not be satisfied. If formed, the joint venture may not produce the returns anticipated.

On 9 February 2022, the company announced that non-binding heads of terms were agreed by Weichai, Bosch and Ceres to form two Chinese joint ventures to service the Chinese fuel cell markets, a System JV and a Stack JV. While the structure of the joint ventures have been agreed between the parties, Ceres is awaiting the resolution of a number of commercial issues which do not directly involve Ceres that are yet to be agreed between Bosch and Weichai before they give approval to proceed with the joint ventures and sign the final agreements.

If Bosch and Weichai are unable to agree on the terms of their participation in the joint ventures, or if they ultimately decide not to collaborate in China for any other reason, then Ceres’ proposed joint venture with Weichai and Bosch in China may not proceed.

Even if the System JV between Ceres, Weichai and Bosch does proceed, completion of the formation of the System JV is expected to be subject to certain conditions, including:

• all necessary approvals and consents being obtained from the relevant government authorities and third parties, on terms satisfactory to the parties to the System JV;
• the execution of an investment agreement between the parties to the System JV and the relevant local government in China in relation to tax treatment, subsidies, recruitment of local talent and other matters;
• certain representations and warranties being true, correct and not misleading at the proposed date of completion; and
• conditions precedent to the incorporation of the Stack JV having been satisfied.
Under the envisaged structure, the System JV arrangements will constitute a related party transaction for the purposes of the Listing Rules and therefore will be subject to class tests to be conducted at the time the System JV is entered into, the results of which may require Ceres to make completion of the System JV arrangements subject to obtaining approval from the Shareholders (other than Bosch and Weichai) at a general meeting. There is also a risk that the final terms of the joint venture, if agreed, do not reflect the currently envisaged structure, which could result in the Group agreeing to contribute more equity investment into the System JV than is currently planned. There can be no assurance that the relevant resolutions, if required, would be passed at a general meeting of the Company and, if such resolutions are required and are not passed, the joint ventures between Ceres, Weichai and Bosch may not proceed on the current envisaged terms or at all.

If the joint ventures between Ceres, Weichai and Bosch do not proceed for any reason, including those outlined above, this could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

If all conditions are satisfied and the joint ventures between Ceres, Weichai and Bosch are formed, there is a risk that the System JV may not successfully execute its business plan due to market penetration being less than planned or due to the joint venture not developing products as intended or for other reasons beyond the Group’s control, which could result in the joint venture not producing the revenues or other returns anticipated back to the Group and this could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

Royalty rates could decrease for existing and future licence agreements, which could materially adversely affect the Group’s operating results.

Even though the majority of the Group’s revenue in recent years has been based on collaboration and joint development work, the provision of technology hardware and licensing revenue, the Directors believe that royalty payments will comprise a material portion of its revenue in the future. Royalties can fluctuate for a number of reasons including the ability or willingness of the Group’s partners to commercialise products relating to the Group’s IP and the possibility that existing licence agreements with its customers may be renegotiated if contracted performance is not achieved. It may be necessary for the Group to lower its royalty rates for its future partners’ products to remain competitive. As a consequence of the above factors, as well as unforeseen factors in the future, the royalty rates the Group expects to receive for use of its technology could decrease, thereby decreasing future anticipated revenue and cash flow.

Calculation of order backlog may not be fully realised as revenue in future periods.

The Group calculates its order backlog as the total value of contracted future revenues. Order backlog revenues include fees for licences, joint development, the provision of technology hardware and potential key performance indicator payments from partners, but does not include future potential royalty income. However, the Group’s order backlog as of any date is not necessarily a definitive predictor of future revenue as contracts may be subject to termination, revision, delay, or failure to achieve the full key performance indicator targets.

Furthermore, some of the Group’s partners could experience wider business stress or liquidity issues, which could ultimately lead to a partner terminating or renegotiating a contract, going into bankruptcy, or seeking to postpone or cancel a payment obligation. Any of the events could result in revenue generated being lower than that anticipated by the Group’s reported order backlog as of a given date.

If the Group’s order backlog does not reflect revenues recognised in subsequent periods, including for any of the reasons described above, it could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects. Investors are therefore cautioned that order backlog figures are subject to inherent uncertainty.

(iv) Market risks

The Group may not be successful in its efforts to enter into new markets for the application of its technology.

The Group carries out research and development on new applications of its technology with the aim of expanding its business activities into new markets. These new applications include the use of its fuel cell technology with a variety of fuel types, developing stacks at different scales, the use of fuel cell
technology for different applications, and the use of fuel cell technology in different environments. They also include the use of the technology in electrolysis applications.

The Group may not be successful in carrying out research and development activities for the application of its technology for new uses and in markets where it has not operated in the past and where it has little previous experience. If the Group does not have the appropriate skills, capability and market insight in new areas of interest, or if the technology is unable to be developed further as expected, the Group may not be successful in carrying out research and development for the application of its technology in new markets.

Meeting the technical requirements and securing partners in new markets targeted by the Group will require a significant investment of time and resources. The Group may not secure partners or achieve meaningful revenue from licence arrangements in these or other new markets. If any of these markets do not develop as the Directors currently anticipate, or if the Group is unable to penetrate and scale successfully in them, this could have a material adverse effect on the Group’s financial condition, results of operations and prospects levels.

Both the fuel cell and electrolysis industries are emerging markets and they may not receive widespread market acceptance.

Both the fuel cell and electrolysis industries are still relatively immature, and there is no certainty that customers of the Group’s manufacturing and original equipment manufacturers (“OEMs”) partners will choose to use fuel cell and/or electrolysis technology more broadly, or products that use the Group’s technology more specifically. End-users may be unwilling to adopt fuel cell and/or electrolysis technology over traditional power and energy sources for any number of reasons including lack of awareness of fuel cell and/or electrolysis technology, the perception that the technology is unproven, or unwillingness to pay a price premium over traditional products.

Because these are emerging industries, broad acceptance of the Group’s technology, and the products of the Group’s manufacturing partners, is subject to a high level of uncertainty and risk. If the markets are slow to develop or do not develop in the way currently expected by the Directors, the Group’s business will be harmed.

(v) Operational risks

Because the Group’s technology is complex, defects or failures in its cells, stacks or systems or defects in design may not be identified before they are sold by the Group’s partners to end users, which could harm the Group’s credibility, decrease market acceptance of its technology or lead to warranty or other claims against the Group.

The Group’s technology solutions are complex and may contain defects in design. If the Group delivers technology designs with defects, its credibility and the market acceptance of its technology could be significantly harmed. Furthermore, the nature of the use of the Group’s technology may also delay the detection of any such design error or defect. As the Group expands into new markets, including SOEC, in the coming years, it may face risks of design defects. If the Group’s technology solutions contain design defects, then this may have a significant reputational impact affecting not just the Group and its relationships with its existing partners but also potential new business and could lead to claims or lawsuits against the Group or against its partners and it may be required to expend significant capital and resources to alleviate these problems. This could have a material adverse effect on the Group’s business financial condition, results of operations and prospects.

Failures or delays by the Group in specifying the properties of materials or processes used in its technology could lead to delays to its programmes and failure to achieve required performance levels.

The Group is required to specify certain properties of the materials and processes used to manufacture fuel cells for its manufacturing partners at higher specification levels than it has done to date. The Group has specified its technology to a level sufficient for pilot scale manufacture and significant progress has been made in codifying and specifying these properties at the higher level required for mass manufacturing. However, if the Group takes longer than planned to meet the specification levels of its partners, or is unable to specify the relevant properties to the level required, then this could impact the performance or cost of the end product and could delay or impact the planned go-to-market timescales of the Group’s partners, which could materially harm the Group’s financial condition and results of operations.
The Group may experience supply disruptions if its key suppliers fail to deliver their products, meet the Group’s required quality standards or regulatory standards, co-develop key components or support the volumes required by the Group’s partners.

For certain of the materials used in stacks and systems which use the Group’s IP, the Group and its partners rely on sole suppliers. Material delays or disruption to the supply of these materials may require the Group, and its partners, to source these materials from alternative suppliers, which could cause further delays and lead to increased costs. Our suppliers may fail to uphold the human and labour rights compliance standards and expectations set forth for them by us, or as set out under regulatory obligations. In addition our suppliers may source materials from regions that become embargoed through conflict or geo-political pressures. There is also a risk that any supplier may fail to deliver materials or components either at all, to the right quality or in the right quantities. In some instances, the Group is dependent on its supply chain to develop solutions for its R&D programmes and there is a risk that the Group’s suppliers may be unable or unwilling to co-develop these solutions. If any of the above risks materialised the consequence could be delays to manufacturing or R&D activities and consequential delays to wider programmes which could impact the go-to-market timescales of the Group’s partners, thereby negatively impacting future royalty streams and materially harming the Group’s financial condition and results of operations.

Failure to attract and retain a sufficient number of employees with the required skills for the Group’s operations may impair the Group’s ability to meet its obligations to its partners.

The Group believes that its success and ability to reach its strategic objectives are highly dependent on the contributions of the Group’s key management, technical, scientific, engineering and sales personnel. The loss of the services of portions of the Group’s key employees could disrupt operations, delay the development and introduction of new technology, and negatively impact the Group’s business, prospects and operating results. There is no certainty that the Group will be able to successfully attract and retain senior leadership necessary to grow the business. Furthermore, there is increasing competition for talented individuals. The Group’s failure to attract and retain its executive officers and other key technology, sales, marketing and support personnel could adversely impact the Group’s business, prospects, financial condition and results of operations.

If the Group fails to manage its growth effectively, its business and operating results may suffer.

To succeed in executing the Group’s business plan, the Group needs to grow its resources (including people) whilst maintaining its culture of innovation, and increase its capabilities and infrastructure, including test equipment. If this growth in resources is not managed effectively, the Group may not be able to deliver its many programmes, both developmental and partner/customer-related, to the timescales it is planning and the consequence of this is that it may not be able to take advantage of market opportunities or develop new technology and new IP. This could lead the Group to fail in satisfying partner requirements, maintaining the quality of its technology, executing its business plan and/or responding to competitive pressures, any of which could negatively affect its brand, results of operations and overall business.

A breach or failure of the Group’s IT systems could damage the Group’s operations and its reputation.

The Group relies on centralised and outsourced IT systems and networks to support business processes as well as internal and external communications. The consistent, efficient and secure operation of its IT systems, including computer hardware, software and networks, including those of third-party IT providers or business partners engaged by the Group, is critical to the successful performance of its operations and its reputation.

Additionally, the Group collects, stores and processes certain data, including proprietary business information, as well as customer and employee data, and may have access to confidential or personal information that is subject to privacy and data security laws, regulations or customer-imposed controls. The Group’s IT systems and networks are susceptible to malfunctions and interruptions from a variety of sources, including due to unauthorised access, cyber-attacks, equipment damage, deficient database design, power outages, computer viruses and a range of other hardware, software and network problems. In particular, the Group experiences attempted security incidents of varying degrees on an ongoing basis, which may involve attempted unauthorised access, misuse or disclosure of intellectual property or confidential or proprietary information regarding the Group’s
business or its partners. Because the techniques used to obtain unauthorised access to or sabotage networks and systems change frequently, the Group may be unable to anticipate these techniques or to implement adequate protections.

As with many businesses, there are continued attempts by third parties to penetrate and/or infect the Group's network and systems with malicious software in an effort to gain access to its network and systems. Several large organisations have been infected by “ransomware” through which an attacker gains access to the organisation's computer files, renders them temporarily inaccessible and threatens to permanently delete them if a cash ransom is not paid by a specified deadline. Third parties may continue to attempt to fraudulently induce employees, users or customers to disclose sensitive information in order to gain access to the Group's network and systems. The Group's IT personnel may not be able to resolve the issues that arise in a timely manner or at all.

Some potential causes that can lead to a malfunction or interruption of the Group's IT systems or networks, or third-party systems, networks and “cloud” servers on which the Group relies, are difficult to detect and may only be detected once the risk has already materialised. Ceres has an ongoing process and level of investment to prevent these risks that the Directors believe to be appropriate, however the costs to detect or alleviate cyber or other security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and efforts to address these problems may not be successful. A significant or large-scale malfunction or interruption, whether malicious or otherwise, of one or more of the Group’s IT systems or networks could adversely affect its ability to keep its operations running efficiently and affect R&D and partner programmes. In the event of a security breach, the Group’s business and reputation could be harmed and it could be subject to legal and regulatory claims.

Significant disruptions to the Group’s IT systems could lead to development delays, or loss of customer or other data, any of which could have a material adverse effect on its business, results of operations, financial position and prospects.

The Group’s insurance coverage may not be adequate to compensate for any interruptions or loss of business.

The Directors endeavour to ensure that the Group carries insurance for such risks and in such amounts as management considers reasonably prudent, in light of risks common to the industry and applicable to the Group’s operations.

These policies include product liability insurance, IP insurance, directors’ and officers’ liability insurance, property and business interruption insurance, transport and marine cargo insurance, cyber insurance, corporate travel insurance and collective accident insurance and legal protection insurance. However, the Group is subject to the risk that its estimations regarding the levels and types of insurance that it carries are incorrect, or the Group's insurance and its contractual limitations on liability may not adequately protect it against liability for events involving, without limitation, a catastrophic incident, such as an explosion, a fire or flooding, any of which could result in interruption and closure of the particular location impacted, or other environmental liability in excess of insurance cover.

The Group may also face risks arising from the cost of insuring its operating activities, in particular, as it targets continued growth in the future. The Group may encounter difficulties renewing insurance policies on the same or similar commercial terms in the future, or in a timely manner, which may lead to gaps in coverage, higher premiums or changes in coverage in the future, in particular if the Group is subject to one or more events for which it seeks coverage for losses in the coming years. Although most of the Group’s insurance policies cover against losses resulting from business interruption, there can be no assurance that the Group will be able to recover the full extent of loss following a period of severe or prolonged disruption to the Group’s operations.

The Group faces exposure to foreign currency exchange rate fluctuations.

Due to the locations of the Group’s primary operations, the majority of the Group’s costs, a significant portion of which relate to personnel expenses, are paid in Pounds Sterling. However, its partners are based overseas and the Group also purchases some components and materials for its stacks and equipment from several different countries, so its business is exposed to exchange rate fluctuations in relation to its foreign currency-denominated contracted receivables and some commitments, which are primarily denominated in Euros, US Dollars and Korean Won.
Exchange rates between the Euro, US Dollars and Korean Won, and Pounds Sterling have experienced periods of volatility in the past, and they may do so in the future. While the Group seeks to hedge known foreign currency exchange risks where possible, its attempts to hedge its currency exposure may not be successful and a significant change in the value of any of these currencies against Pounds Sterling could have a negative effect on the Group’s financial performance and its reported financial results. If the Group was unable to manage its foreign exchange risk this could have an adverse impact on the Group’s results of operations, financial condition and prospects.

The Group has incurred losses each period since incorporation and may not become profitable in the future.

The Group has incurred losses each period since incorporation, including net losses of £14,816,000 for the 18-month period ended 31 December 2020, net losses of £21,092,000 for the 12-month period ended 31 December 2021 and net losses of £45,124,000 for the 12-month period ended 31 December 2022, and may never achieve or maintain profitability. The Group’s limited revenue earning history and the fact that its operating expenses have increased over time makes it difficult to evaluate the potential profitability of its business. As the Group continues to expand its business and the breadth of its operations, hires additional employees, expands into new markets, invests in research and development, and incurs costs associated with general administration, it is possible that the Group’s costs of sales and operating expenses will increase at a faster rate than its revenue, leading to further net losses. To the extent the Group is successful in increasing its number of partners, it may also incur increased losses because the costs associated with acquiring and growing the partner network and with research and development are generally incurred upfront, while revenue from partner contracts is generally recognised over the contract term. The Group may not be able to increase its revenue at a rate sufficient to offset increases in its costs of sales and operating expenses in the near term or at all, which would prevent it from achieving or maintaining profitability in the future. Any failure by the Group to achieve, and then sustain or increase, profitability on a consistent basis could negatively impact the Group’s business, results of operations, financial condition and prospects.

(vi) Legal, regulatory and other risks

Two of the Group’s key partners are also substantial Shareholders and may have influence over the Group’s management and operations. Their interests may not always be aligned with the interests of the other Shareholders.

Bosch and Weichai, in addition to being important partners for the Group, are each a substantial Shareholder. Bosch has an interest in approximately 18% of the Ordinary Shares of the Company and Weichai has an interest in approximately 20% of the Ordinary Shares of the Company.

There are existing relationship agreements in place between the Company and each of Bosch and Weichai, however the rights and obligations under these agreements terminate when the Ordinary Shares cease to be admitted on AIM. The existing relationship agreements provide that each of Bosch and Weichai may nominate one person as a non-executive Director of the Company. Although these rights terminate, Bosch and Weichai’s current appointments (Uwe Glock and Qinggui Hao respectively) will remain on the Board following Admission.

The Company has entered into a new Bosch Relationship Agreement with Bosch and a new Weichai Relationship Agreement with Weichai, each of which will take effect on Admission. The Bosch Relationship Agreement and the Weichai Relationship Agreement will regulate the relationship between the Company and each of Bosch and Weichai and are intended to ensure that from Admission the Company will be capable of carrying on its business independently of Bosch and Weichai.

Under the Bosch Relationship Agreement, Bosch has the right to nominate, from time to time, for appointment one non-executive director to the Board whilst Bosch’s shareholding in the Company is greater than or equal to 15 per cent.

Under the Weichai Relationship Agreement, Weichai has the right to nominate, from time to time, for appointment one non-executive director to the Board whilst Weichai’s shareholding in the Company is greater than or equal to 15 per cent.

As substantial Shareholders with Directors on the Board, each of Bosch and Weichai is able to exercise influence over the Group’s management and operations, and, through their voting rights as Shareholders, over the Company’s general meetings, such as in relation to the issuance of further
equity and other matters. The interests of Bosch or Weichai, as substantial Shareholders and partners of the Group, may not be aligned with the interests of other Shareholders.

This concentration of ownership may also have the effect of delaying or preventing a change of control of the Company despite such change of control being acceptable to other Shareholders. Each of these could have a material adverse effect on the market price of the Ordinary Shares.

Future sales of shares by Bosch or Weichai Shareholders could have a material adverse effect on the market price of the Ordinary Shares. The occurrence of such sales, or the perception that any such sales by Bosch or Weichai could occur, could have a material adverse effect on the market price of the Ordinary Shares.

Potential new partners may be deterred from choosing the Group’s technology due to Bosch’s or Weichai’s interests in the Company, for example, where those potential new partners are competitors of Bosch or Weichai.

**The Group’s international partner network exposes it to global geopolitical factors.**

A variety of global geopolitical factors have at times in recent years negatively influenced the industries in which the Group and its partners operate, including international disputes that have created disruptions in international trade, in particular between the United States and China, resulting in the imposition of trade barriers, tariffs, and the ongoing uncertainty in trade relations.

The current hostilities in the Ukraine and the resulting sanctions imposed on the Russian Federation by various countries around the world may have unforeseen, long term and far-reaching consequences for the global economy and the individual economies of countries to which the Group may be directly or indirectly exposed.

It is uncertain the extent to which protectionist measures, sanctions or other trade restrictions may be implemented globally in the future, including any changes to sanction and penalty regimes that could arise as a result and potentially dampen investment globally and create obstacles to the Group’s targeted growth. These could limit the Group’s ability to enter into additional partnerships with companies that sell products in certain jurisdictions.

**The international scope of the Group’s partners and suppliers exposes it to a number of global and regional economic, political, legal, regulatory and other risks.**

The Group’s partners and third-party suppliers are predominantly outside of the United Kingdom. In the year ended 31 December 2022, substantially all of the Group’s revenue was derived from partners located outside of the United Kingdom. The Directors also expect that potential royalties generally by sales of its partners’ products will be reliant to a large extent on sales in markets outside of the United Kingdom. As a result, the Group is exposed to risks in relation to the performance of national economies where its partners operate and sell their products, political and economic instability and unexpected changes in regulatory requirements.

**The use of fuel cell and electrolyser technology is subject to laws, regulations and standards in various jurisdictions, including environmental laws, regulations and standards, and there is uncertainty with respect to the future development of these laws, regulations and standards.**

The Group is committed to compliance with applicable environmental laws and regulations, including health and safety standards, and continually reviews its operations for health, safety and compliance.

Like other fuel cell technologies, the Group’s fuel cell technology, dependent on the fuel used, produces small amounts of hazardous wastes and air pollutants, and the Group seeks to ensure that they are handled in accordance with applicable regulatory standards.

Maintaining compliance with laws and regulations can be challenging given the changing patchwork of environmental laws and regulations that prevail at a national and international level. Most existing environmental laws and regulations preceded the introduction of the Group’s fuel cell technology and there is generally little guidance from these agencies on how certain environmental laws and regulations may, or may not, be applied to the Group’s technology.

The Group is dependent on its partners to review and ensure their products comply with all relevant legislation. While the Group and its partners seek to comply with air quality and emission standards, it is possible that partners in some regions may request that the Group’s technology complies with the relevant standards in those regions. Failure or delay in attaining regulatory approval could result in these partners not being able to operate in a particular jurisdiction.
Broadly there is a risk that regulators could delay or prevent the Group’s partners from launching products subject to compliance with shifting regulatory requirements. Such actions could result in delays to the Group’s potential revenue streams, which could adversely affect the Group’s business, financial performance and reputation.

**Adverse global economic events or prolonged economic uncertainties or downturns could materially adversely affect the Group’s business, operating results and financial condition.**

The Group’s financial performance will be influenced by demand for its partners’ products, which is itself in part subject to broader economic and social conditions. These can include wide-ranging factors from domestic and global geopolitical events to macroeconomic and health conditions in countries that are significant for the Group’s current business or which may be significant to the Group’s future operations, which may have an impact on demand for consumer and other products that utilise the Group’s technology.

In particular, factors in recent years such as the COVID-19 pandemic, the United Kingdom’s exit from the European Union, trade disputes and other geopolitical tensions have created economic uncertainty which has at various times and to varying degrees negatively impacted consumer demand and confidence, global investment and broader economic conditions. As the Group’s partners operate in a number of jurisdictions globally, the impact of these factors can be significant if they occur across a large number of countries simultaneously. If these factors are severe, or continue for a prolonged period of time, they may have a significant impact on demand for the Group’s partners’ products, which could negatively affect their need for the Group’s technology and their demand for new technological advances.

**Certain of the Group’s historical financial reporting periods are not directly comparable.**

The Group prepares its annual financial statements as at and for the year ended 31 December each year. Historically, the Group prepared its annual financial statements as at and for the year ended 30 June. It has incorporated by reference in this document its financial results as at and for the 18-months ended 31 December 2020, the 12-months ended 30 December 2021 and the 12 months ended 31 December 2022. As the Group changed its financial year-end to 31 December in 2020, the Group’s historical financial results as at and for the 18-months ended 31 December 2020 are not directly comparable to the following 12-month financial year (ended 31 December 2021).

**Risks relating to the Ordinary Shares**

**Ordinary Shares in the Company may be subject to market price volatility and the market price of the Ordinary Shares in the Company may decline disproportionately in response to developments that are unrelated to the Group’s operating performance.**

The market price of the Ordinary Shares may be volatile and subject to wide fluctuations. The market price of the Ordinary Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to in this Part 2 “Risk Factors”, as well as period to period variations in operating results or changes in revenue or profit estimates by the Group, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to the Group’s operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Group, speculation about the Group in the press or the investment community, unfavorable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions and regulatory changes. Any or all of these factors could result in material fluctuations in the price of Ordinary Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

**The issue of additional Ordinary Shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings.**

The Company has no current plans for an offering of Ordinary Shares or other share capital. However, in the future, the Group may seek to raise financing to fund future growth opportunities. The Group may, for these and other purposes, issue additional equity or convertible equity securities. The Group may also make awards of Ordinary Shares under share-incentive or share-option plans in the future. As a result, existing holders of Ordinary Shares may suffer dilution in their percentage ownership of the Company and/or the market price of the Ordinary Shares may be adversely affected.
The Company is a holding company with substantially all of its operations conducted through its subsidiaries. Its ability to pay dividends on the Ordinary Shares depends on its ability to obtain cash dividends and other cash payments or obtain loans from the Group’s subsidiaries.

The Company conducts substantially all of its operations through subsidiaries that generate substantially all of the Group’s operating income and cash flow. Because the Company has no direct operations or significant assets other than the share capital of its subsidiaries, it relies on those entities for cash flows to pay dividends, if any, on the Ordinary Shares. The ability of the Company’s subsidiaries to make payments to the Company depends largely on their financial condition and ability to generate profits. In addition, because the Company’s subsidiaries are separate and distinct legal entities, they will have no obligation to pay dividends or to lend or advance the Company funds. There can be no assurances that the Group’s subsidiaries will generate sufficient profits and cash flows to pay dividends, if any, on the Ordinary Shares. Consequently, holders of the Ordinary Shares may not receive any return on their investment unless they sell their Ordinary Shares for a price greater than that which they paid for them, which may not be possible.

Non-U.K. Shareholders may be subject to exchange rate risk.

The Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in Pounds Sterling. An investment in Ordinary Shares by an investor whose principal currency is not Pounds Sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of Pounds Sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in foreign currency terms.

There is no guarantee that an active trading market for the Ordinary Shares will develop or that the main market will provide an increased liquidity in the Ordinary Shares.

The liquidity of the Ordinary Shares on the main market will be influenced by a large number of factors, some specific to the Group and its operations and others outside its control and unrelated to the Group’s operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Company in the press or the investment community, strategic actions by competitors, changes in market conditions and regulatory changes in any number of countries. There can be no guarantee that, following Admission, an active trading market for the Ordinary Shares will develop or, if developed, that it will be maintained or that Admission will result in an increase in the liquidity of the Ordinary Shares. If an active trading market is not maintained, the trading price of the Ordinary Shares could be adversely affected. The market price for the Ordinary Shares may fall, perhaps substantially. As a result of fluctuations in the market price of the Ordinary Shares, investors may not be able to sell their Ordinary Shares.

Shareholders in jurisdictions other than the United Kingdom may not be able to participate in future equity offerings.

The Companies Act provides for pre-emption rights to be granted to Shareholders in certain circumstances, unless such rights are disapplied by a Shareholder resolution. However, securities laws of certain jurisdictions may restrict the Group’s ability to allow participation by Shareholders in future offerings. In particular, Shareholders in the United States may not be entitled to exercise these rights, unless either the Ordinary Shares and any other securities that are offered and sold are registered under the US Securities Act, or the Ordinary Shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable US or other Shareholders to exercise their pre-emption rights or, if available, that the Company will utilise any such exemption.

The Ordinary Shares will no longer benefit from certain tax reliefs available in relation to companies admitted to trading on AIM.

Following Admission, the Ordinary Shares will not benefit from certain UK inheritance tax reliefs and exemptions that may be applicable to shares traded on AIM. Individuals and trustees who may be subject to inheritance tax in relation to a shareholding in the Company who are concerned with the potential UK inheritance tax should consult their own tax adviser. This Prospectus is not a substitute for independent tax advice.
PART 3
PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General
No person has been authorised to give any information or to make any representations in connection with Admission, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors or the Sponsor. No representation or warranty, express or implied, is made by the Sponsor as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Sponsor as to the past, present or future.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult their own lawyer, independent adviser or tax adviser for legal, financial or tax advice. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company, including the merits and risks involved.

Historical financial information
The Group’s financial year runs from 1 January to 31 December. The historical financial information presented in this Prospectus consists of audited consolidated financial information of the Group for the 18 months ended 31 December 2020, the 12 months ended 31 December 2021 and the 12 months ended 31 December 2022. Unless otherwise stated, no other financial information presented in this Prospectus has been audited.

On 31 December 2020, International Financial Reporting Standards as adopted by the European Union at that date was brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 January 2021. There was no impact or changes in accounting from the transition.

The historical financial information for the 18 months ended 31 December 2020 incorporated by reference in Part 9 “Historical Financial Information” of this Prospectus has been prepared in accordance with the requirements of the International Financial Reporting Standards as adopted by the European Union. The historical financial information for the 12 months ended 31 December 2021 and for the 12 months ended 31 December 2022 incorporated by reference in Part 9 “Historical Financial Information” of this Prospectus has been prepared in accordance with the requirements of UK adopted international accounting standards (“IFRS”).

The basis of preparation and the significant accounting policies applied are further explained in the historical financial information incorporated by reference in Part 9 “Historical Financial Information” of this Prospectus.

Non-IFRS financial measures
The Group presents certain key operating metrics that are not defined under IFRS (alternative performance measures) in this Prospectus. These non-IFRS measures are used by the Group to monitor the underlying performance of the Group’s performance from period to period and to facilitate comparison with its peers. Since not all companies calculate these or other non-IFRS metrics in the same way, the manner in which the Group has chosen to calculate the non-IFRS metrics presented herein may not be compatible with similarly defined terms used by other companies. Therefore, the non-IFRS metrics should not be considered in isolation of, or viewed as substitutes for, the financial information prepared in accordance with IFRS. Certain of the key operating metrics set forth below are based on information derived from the Group’s regularly maintained records and accounting and operating systems.

The following information should be read in conjunction with Part 9 “Historical Financial Information” of this Prospectus.

EBITDA
EBITDA is defined by the Group as earnings before interest, tax, depreciation and amortisation.
Adjusted EBITDA is defined by the Group as earnings before interest, taxes, depreciation and amortisation and adjustments for non-cash equity compensation charges, unrealised gains and losses on foreign currency contracts, exchange gains and losses, and other non-recurring items. The Directors believe that Adjusted EBITDA is a useful measure as it enables a more effective way to evaluate operating performance and compare the results of operations from period-to-period and against its peers without regard to the Group’s financing methods or capital structure. The Group excludes the items listed in the table below from operating profit in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within the industry, depending upon accounting methods.

The table below shows the calculation of Adjusted EBITDA for each of the periods presented:

<table>
<thead>
<tr>
<th></th>
<th>18 months ended 31 December 2020 £'000</th>
<th>12 months ended 31 December 2021 £'000</th>
<th>12 months ended 31 December 2022 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>(17,634)</td>
<td>(23,430)</td>
<td>(51,522)</td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>4,804</td>
<td>5,760</td>
<td>7,138</td>
</tr>
<tr>
<td>Share-based payments charge</td>
<td>1,378</td>
<td>2,615</td>
<td>997</td>
</tr>
<tr>
<td>Unrealised losses on forward contracts</td>
<td>(55)</td>
<td>(1,057)</td>
<td>1,020</td>
</tr>
<tr>
<td>Exchange losses/gains</td>
<td>139</td>
<td>(563)</td>
<td>(863)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>(11,368)</td>
<td>(16,675)</td>
<td>(43,230)</td>
</tr>
</tbody>
</table>

Market, industry and other statistical data

This Prospectus relies on and refers to information regarding the Group’s business and the markets in which the Group operates and competes. The market data and certain economic and industry data and forecasts used in this Prospectus were obtained from governmental and other publicly available information, independent industry publications and reports prepared by industry consultants.

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that there can be no assurance as to the accuracy and completeness of such information. The Company believes that these industry publications, surveys and forecasts are reliable, but they have not been independently verified from third party sources.

All such data sourced from third parties contained in this Prospectus have been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

The Company cannot give any assurance that any of the assumptions underlying any statements regarding the industries in which it operates are accurate or correctly reflect the Group’s position in the industry. Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that: (i) the markets are defined differently, (ii) the underlying information was gathered by different methods, and (iii) different assumptions were applied in compiling the data. Accordingly, the market statistics included in this Prospectus should be viewed with caution and no representation or warranty is given by any person as to their accuracy.

Elsewhere in this Prospectus, statements regarding the markets in which the Group operates and competes are not based on published statistical data or information obtained from independent third parties, but are based solely on the Group’s experience, its internal studies and estimates, and its own investigation of market conditions. The Company cannot give any assurance that any of these studies or estimates are accurate, and none of the Group’s internal surveys or information have been verified by any independent sources. While the Company is not aware of any misstatements regarding its estimates presented herein, the Group’s estimates involve risks, assumptions and uncertainties and are subject to change based on various factors.
Rounding

Percentages and certain amounts included in this Prospectus have been rounded for ease of preparation. Accordingly, numerical figures shown as totals in certain tables may not be the exact arithmetic aggregations of the figures that precede them. In addition, certain percentages and amounts contained in this Prospectus reflect calculations based on the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages or amounts that would be derived if the relevant calculations were based upon the rounded numbers.

Currencies

In this Prospectus, unless otherwise indicated, references to “Pounds Sterling”, “Sterling”, “£” or “pence” are to the lawful currency of the United Kingdom; “US Dollars”, “USD”, “US$”, “$” or “cents” are to the lawful currency of the United States; “RMB” or “CNH” are to the lawful currency of the People’s Republic of China; and “Korean Won”, “KR”, or “W” are to the lawful currency of South Korea.

Unless otherwise indicated, the financial information contained in this Prospectus has been expressed in Pounds Sterling. The Group prepares its financial information in Pounds Sterling.

Times

All times referred to in this Prospectus are, unless otherwise stated, references to the time in London, UK.

Definitions and Glossary of Technical Terms

Certain terms used in this Prospectus, including all capitalised terms and certain technical and other items, are defined and explained in Part 12 “Definitions” and Part 13 “Glossary of Technical Terms” of this Prospectus.

Information not contained in this Prospectus

No person has been authorised to give any information or make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been so authorised. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Prospectus Rule 3.4.1, the delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or the Group since the date of this Prospectus or that the information in this Prospectus is correct as of any time subsequent to the date hereof.

The Company will update the information provided in this Prospectus by means of a supplementary prospectus if a significant new factor occurs prior to Admission or if this Prospectus contains any material mistake or inaccuracy. Any supplementary prospectus will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules.

Forward-looking statements

This Prospectus includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group’s control and all of which are based on management’s current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “targets”, “may”, “will”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of management or the Company concerning, among other things, the results of operations, financial condition, prospects, growth, strategies and dividend policy of the Company and the industry in which it operates. In particular, the statements included in Part 1 “Summary”, Part 2 “Risk Factors” and Part 6 “Business” of this Prospectus regarding the Company’s strategy, targets and expectations in respect of the Group’s expected revenue, profit, growth, accounting tax rates, and capital expenditure upon the operating
results of the Group as well as other expressions of the Group’s targets and expectations and other future events or prospects are forward-looking statements.

These forward-looking statements, and other statements contained in this Prospectus regarding matters that are not historical facts, involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause the Group’s actual results to so vary include, but are not limited to: the date the Group’s partners go to market with products that incorporate the Group’s technology; demand for the Group’s technology and IP, including its R&D and technology capabilities; the Group’s ability to find new partners; end-market trends; market acceptance of the Group’s technologies; increased competition, regulations or regulatory policies; and the Group’s ability to retain key management. For more information regarding these uncertainties, please see Part 2 “Risk Factors” of this Prospectus.

The forward-looking statements contained in this Prospectus speak only as at the date of this Prospectus and do not seek to qualify the working capital statement in Section 16 (Working Capital) of Part 10 “Additional Information” of this Prospectus. Subject to the requirements of the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the Listing Rules, the UK Market Abuse Regulation or applicable law, the Directors, the Company and the Group explicitly disclaim any intention, obligation or undertaking to publicly release the result of any revisions to any forward-looking statements in this Prospectus that may occur due to any change in the Directors’, the Company’s or the Group’s expectations or to reflect events or circumstances after the date of it.
PART 4
DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors
Warren Alan Finegold (Non-Executive Chair)
Philip Joseph Caldwell (Chief Executive Officer)
Eric Daniel Lakin (Chief Financial Officer)
Julia Elizabeth King, Baroness Brown of Cambridge (Senior Independent Director)
Trine Borum Bojsen (Non-Executive Director)
Karen Bomba (Non-Executive Director)
Caroline Brown (Non-Executive Director)
William Tudor Brown (Non-Executive Director)
Uwe Klaus Glock (Non-Executive Director)
Qinggui Hao (Non-Executive Director)
Aidan John Hughes (Non-Executive Director)

Company secretary
Deborah Grimason

Registered office
Viking House
Foundry Lane
Horsham
West Sussex RH13 5PX

Sponsor
Joh. Berenberg, Gossler & Co. KG, London Branch
60 Threadneedle Street
London EC2R 8HP

Legal adviser to the Company
Reynolds Porter Chamberlain LLP
Tower Bridge House
St Katharine’s Way
London E1W 1AA

Legal adviser to the Sponsor
Pinsent Masons LLP
30 Crown Place
Earl Street
London EC2A 4ES

Auditor and reporting accountant to the Company
BDO LLP
55 Baker Street
London W1U 7EU
PART 5
EXPECTED TIMETABLE OF PRINCIPAL EVENTS FOR ADMISSION

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication of Prospectus</td>
<td>26 June 2023</td>
</tr>
<tr>
<td>Last date of trading of the Ordinary Shares on AIM</td>
<td>28 June 2023</td>
</tr>
<tr>
<td>Expected cancellation of the Ordinary Shares from trading on AIM</td>
<td>7.00 a.m. on 29 June 2023</td>
</tr>
<tr>
<td>Admission of the Ordinary Shares to the Official List of the FCA</td>
<td>8.00 a.m. on 29 June 2023</td>
</tr>
<tr>
<td>Admission and commencement of dealings in Ordinary Shares on</td>
<td>8.00 a.m. on 29 June 2023</td>
</tr>
<tr>
<td>the London Stock Exchange’s main market</td>
<td></td>
</tr>
</tbody>
</table>

All references to times in this Part 5 “Expected Timetable of Principal Events for Admission” of this Prospectus are to London times. Each of the times and dates in the above timetable is subject to change without further notice.
PART 6
BUSINESS

This section of this Prospectus should be read in conjunction with the more detailed information contained in this Prospectus. Where stated, financial information in this section of this Prospectus has been extracted from the Group’s financial information as described in “Presentation of Financial and Other Information”.

Overview

Ceres’ purpose is to help sustain a clean, green planet by ensuring there is clean energy everywhere in the world.

It plans to achieve this by developing and continuously improving its innovative, differentiated and protected solid oxide technology relating to fuel cells (for power generation) and electrolysis (to produce hydrogen to be used in future fuels, industrial gases and feedstocks) and potentially for other technologies and commercialising them by licensing them to its partners. Ceres currently has licensed its fuel cell technology to a number of partners. These partners currently use the Group’s IP, alongside their scale, industrialisation skills and market presence, to develop and market products which are intended to provide end user customers with low- or zero-carbon power generation products. Ceres’ electrolysis technology is more nascent. Ceres began looking to grow its range of opportunities beyond its solid oxide technology in the second half of 2021 through the creation of Ceres Radar (further details of Ceres Radar are set out below).

Solid oxide fuel cell (SOFC)

Ceres’ existing partners, which include Bosch, Doosan and Weichai, are currently targeting high value and growing fuel cell markets, such as data centres, electric vehicle recharging infrastructure, combined heat and power (“CHP”) units and distributed grid reinforcement. In addition to these stationary power markets, there are also opportunities in transportation markets, for example in range extenders for heavy duty electric vehicles or in power generation for maritime applications, which Ceres’ partners Weichai and Doosan are evaluating.

Generic solid oxide fuel cell technologies offer two key features which distinguish them from other fuel cell technologies:

• **Higher electrical efficiency**: SOFCs convert around 60% of the input fuel energy into electricity, a materially higher level than other fuel cell technologies on reformed fuels, such as proton exchange membrane (“PEM”); and

• **Fuel flexibility**: SOFCs can use fuels such as hydrogen, natural gas, biofuels and hydrogen blends, while fuel cells based on alkaline or PEM technologies operate using hydrogen only.

In addition to the above features of the solid oxide family of fuel cells, the Ceres’ SOFC has the following further differentiating features to other SOFC technologies:

• **Lower production costs at scale**: The lower operating temperature relative to other solid oxide cells means that Ceres’ SOFC can be manufactured from ferritic steel and ceria (a relatively abundant rare earth material) rather than higher quantities of more expensive ceramic materials used in other SOFC technologies.

• **Robustness**: The metal supported nature of the construction of the cell (which is 95% steel by weight) makes it more physically robust, enabling the Ceres’ SOFC to be used in both motive applications (electric vehicle range extension systems, marine power systems) as well as stationary applications.
Solid oxide electrolysis cell (SOEC)

Ceres is currently developing its SOEC from the same intellectual property base as its SOFC technologies. This essentially reverses the operation of its fuel cell to produce hydrogen from electricity. The Company has committed approximately £100 million to develop the technology in its application to SOEC and the first 100kW electrolyser module is on test ahead of scaling into a 1MW demonstrator. Initial results are positive, and the Directors believe that this technology can produce green hydrogen at <40kWh/kg, approximately 25% more efficiently than lower temperature technologies.

The Company is aiming to demonstrate an electrolysis system at megawatt-scale and has entered into a joint development agreement with Shell India Markets Private Limited (a wholly owned subsidiary of Shell plc) to deliver a megawatt-scale solid oxide electrolyser (SOEC) demonstrator in 2023. The system is expected to be installed at Shell’s research and development technology centre in Bangalore, India in the second half of 2023, where the hydrogen will be used in industrial processes on site. The testing programme is intended to run for at least three years, forming the first stage of a collaborative relationship.

In March 2023, the Company entered into agreements with Bosch and Linde Engineering, to assess Ceres’ technology for use in large scale industrial applications. The arrangement builds on Bosch’s existing experience in Ceres’ SOFC technology and combines with Linde Engineering’s capabilities in hydrogen process technology and global customer footprint in industrial facilities.

The Company is targeting having a commercialisable product by around 2025. The Directors’ expect that the Ceres’ SOEC will operate at a higher efficiency than other existing (non-SOEC) electrolysis technologies, particularly when high grade waste heat is available for integration into the device. Ceres intends to use its SOEC in industrial processes (such as steel, ammonia and industrial chemical production) which currently generate significant amounts of carbon dioxide (“CO₂”) and waste heat which are hard to abate cost-effectively with other technologies.

Intellectual property rights

The Group’s IP portfolio is protected through a combination of published patent filings and non-published trade secrets and know-how. Ceres currently has more than 142 patent families which cover the materials science, electrochemistry and manufacturing processes of its technology across both its fuel cell and electrolysis activities. The Group’s published and private IP is also protected through contractual arrangements with Ceres’ partners.

Ceres Radar

Ceres Radar is an initiative headed up by the Chief Innovation Officer, the purpose of which is to begin to explore new opportunities which are beyond the Company’s core solid oxide portfolio, but which are aligned with its skills, capabilities and purpose of providing clean energy technology to meet
the challenge of climate change. Through Ceres Radar, the Company is beginning to identify new opportunities which in time may provide further licensing candidates for the Group.

In November 2021, Ceres completed its first transaction in this space through a strategic collaboration with RFC Power Limited ("RFC"), an early stage long-duration energy storage company that has a strategy to develop the world’s lowest cost flow battery. As part of the collaboration, Ceres holds a 24.18% shareholding in RFC. Ceres has the opportunity to assess RFC’s technology and has an option until 30 April 2024 to acquire the balance of the outstanding share capital in the company for up to £25 million. This comprises a 50% initial payment on exercise and a 50% deferred payment based on commercial success. These payments will be satisfied through an issue by the Company of new Ordinary Shares to the RFC shareholders. For further details, please see section 10 (Material Contracts) of Part 10 “Additional Information”.

Business model

Ceres has an asset-light IP licensing business model which is intended to generate a range of high margin revenues at all stages of engagement with prospective partners. These include fees in respect of collaboration and joint development work to help develop products, licence fees to access the IP, providing prototype stacks to enable development and trialling of products, and royalty fees per kilowatt of stacks and systems sold by partners into their end-markets. This approach allows manufacturing partners to license the cell and stack technology for mass manufacture and allows systems partners to license the system technology for integration into their products. Currently, Ceres’ pilot production facility in the UK is providing stacks into our partners’ development programmes, Ceres’ SOEC demonstrator programme and some into early commercial sales of products.

Partners / licensees

Ceres current partners are major global industrial and manufacturing companies:

- **Bosch**: based in Germany, Bosch, a leading global supplier of technology and services, is a manufacturing partner which has been working with Ceres since 2018. Ceres is supporting the build-out of Bosch’s manufacturing capability in Germany. Bosch has announced its plan to invest €500 million into the development of decentralised power plants based on solid oxide fuel cell technology, aiming for a mass market launch in various stationary power markets in 2024, with an initial capacity target of 200MW. Following completion of this initial capacity, as part of the proposed joint venture arrangements, Bosch intends to plan a manufacturing facility in Shandong Province in China in collaboration with Weichai to supply the Chinese market. Bosch has also entered into agreements with Ceres and Linde Engineering, to assess Ceres’ SOEC technology for use in large scale industrial applications.

- **Doosan**: based in South Korea, Doosan is one of the global market leaders in fuel cells. Doosan is a systems partner as well as a manufacturing partner. Doosan has announced a 143.7 billion Korean Won investment to build an SOFC stack manufacturing plant in South Korea, aiming to produce an initial 50MW of capacity in 2024 into various markets. In 2022, Doosan entered into a letter of intent with Shell and Korea Shipbuilding & Offshore Engineering (“KSOE”), the shipbuilding division of Hyundai Heavy Industries, to develop jointly a 600kW SOFC system based on Ceres’ proprietary stack technology to commercialise cleaner power systems for ships by 2025.

- **Weichai**: Weichai is China’s leading manufacturer of commercial vehicle engines. Weichai is a systems partner targeting bus and truck and some stationary markets in China. Weichai’s stationary power system using Ceres’ technology has passed the EU CE certification of the international authoritative testing organisation, TÜV SÜD. Ceres, Weichai and Bosch have signed non-binding heads of terms with the intention to, upon signing definitive agreements, form a joint venture in China to develop and manufacture fuel cell systems to service these markets.

- **Miura**: based in Japan, Miura is a manufacturer of industrial commercial boilers. Miura is a Ceres’ systems partner and has soft-launched a commercial 4.2kW CHP product into the Japanese market to select customers.

As well as the above manufacturing and systems partners, Ceres has a strategic collaboration with AVL List GmbH ("AVL"), a global engineering consultancy business. The collaboration enables Ceres
and AVL to combine their respective system IP and expertise to develop and license differentiated SOFC products to existing and new partners.

In addition to these announced relationships, Ceres continues to work with a number of other businesses on pilot or early-development projects, including a development arrangement with Shell India Markets Private Limited (a wholly owned subsidiary of Shell plc) to deliver a megawatt-scale solid oxide electrolyser (SOEC) demonstrator in 2023, and development agreements with Linde Engineering and Bosch to assess Ceres’ technology for use in large scale industrial applications.

**Current trading and prospects**

On 24 March 2023, the Company published its audited results for the twelve-month period ended 31 December 2022, which included the following statement:

**Financial highlights**
- Revenue of £22.1 million (2021: £30.8 million) in line with previous guidance
- Gross profit of £13.1 million (2021: £19.0 million), maintaining sector-leading gross margin at 59% (2021: 62%)
- Investment in the future\(^{(1)}\) increased by 67% to £58.4 million (2021: £34.9 million), in line with strategy to expand into electrolysis for green hydrogen and deliver the next generation of fuel cell technology
- Strong cash and short-term investments position of £182.3 million (2021: £249.6 million)

**Strategic highlights**
- First 100kW solid oxide electrolyser (“SOEC”) module is on test ahead of scaling into a 1MW demonstrator. Initial results are positive and give confidence that this technology can deliver green hydrogen at <40kWh/kg, around 25% more efficiently than incumbent lower temperature technologies
- SOEC technology evaluation programme progressing well with Shell for deployment later this year in India
- Ceres’ fuel cell and electrolysis test facility, developed with Horiba Mira at its site in the UK, is now open and supporting technology and system development
- Continued expansion of Ceres’ highly skilled workforce to 580 employees (2021: 489) with significant investment in commercial resource in global locations with strong momentum and policy support for hydrogen and fuel cells

**Current trading and outlook**
- Agreements signed for a collaboration on electrolysis with Bosch and Linde Engineering to validate Ceres’ technology, as a highly efficient pathway to low-cost green hydrogen. Builds on Bosch’s expertise in solid oxide fuel cells (“SOFC”) and Linde Engineering’s capabilities in industrial process engineering
- Weichai’s SOFC power system using Ceres’ technology has passed the EU CE certification of the international authoritative testing organisation, TÜV SÜD. Weichai estimates that when its products reach 1GW of distributed power deployed, it has the potential to reduce carbon emissions by around 2 million tonnes per year compared with grid electricity
- The structure of the China joint ventures has been agreed. We now await the final agreement between Bosch and Weichai

**Competitive strengths**

The Directors believe that Ceres has the following competitive strengths relative to its peer group:
- **Leading technology/IP**: Ceres has been developing its highly differentiated solid oxide technology since 2001, based on the research conducted at Imperial College, London. As this development has progressed, the Group has protected its IP through, for example, patents, know-

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\(^{(1)}\) Investment in the future comprises R&D costs, capitalised development and capital expenditure.
how and trade secrets, to prevent its competitors and other businesses from accessing its innovations without entering into joint development or joint licensing arrangements.

• **Licensing business model**: Ceres employs a high margin and asset light IP licensing business model, with future revenues largely based on royalties from products made and sold by its partners. This model allows the Group to focus on its research and development programmes, with licensee partners providing the industrialisation and manufacturing skills and marketing capabilities.

• **Market leading partners**: Ceres’ partners include some of the leading manufacturing and engineering companies in the world. On the manufacturing side, Doosan has approved investment in the construction of a SOFC plant and Bosch is working to prepare for series production of SOFC systems at four of its sites. On the systems side, Doosan, Weichai and Miura are working in different sectors to bring Ceres technologies to market through their partners.

• **A centre of solid oxide technology excellence**: Ceres is a company with over 580 employees based mainly in the UK. Of these employees, 260 are skilled scientists and engineers, making Ceres one of the world’s significant R&D centres for solid oxide technologies, with an extensive portfolio of IP rights at the heart of Ceres’ business.

• **Strong balance sheet**: Following a placing and offer for subscription in March 2021 which raised £181 million, Ceres had cash reserves and short-term investments of £182.3 million as at 31 December 2022, to fund the business.

**Strategy and business model**

The Company’s business model is described below and represented schematically in Figure 1:

![Figure 1: The Ceres licensing business model](image)

Ceres aims to support a cleaner energy system by embedding its technology in the systems and products of world-class companies, enabling them to deliver clean energy at scale and at speed.

The Group’s more mature solid oxide fuel cell technology is targeting the power generation, transportation, industry and data centres markets. Ceres is also developing a high efficiency electrolyser technology to produce green hydrogen and help decarbonise industrial processes that are carbon-intensive but hard-to-abate and to produce low carbon fuels (such as hydrogen, ammonia or synthetic hydrocarbons) cost-effectively.

Ceres follows a global licensing business model, whereby it currently licenses its cell and stack technology to manufacturing partners, and separately it licenses system IP and collaborates with system partners to develop products that address climate change.
To meet these objectives, Ceres aims to build an ecosystem where manufacturing partners (today Bosch and Doosan) will supply stacks to system partners, generating royalties on both the stacks and systems sold. It is seeking to:

- Enable system partners to embed the technology into as many applications as possible;
- Enable manufacturing partners to establish global supply to meet this demand; and
- Stay ahead on technology through continuous innovation and investment in R&D.

Potential applications for Ceres’ fuel cell and electrolyser technologies are represented below in Figure 2:

Stack manufacturing and systems partners model

Ceres licenses its technology to two broad sets of partners—stack manufacturing partners and systems partners.

- **Stack manufacturing partners**: these partners intend to manufacture cells and stacks based on Ceres’ technology under licence, either to build into their own products or to supply third party systems partners.

- **System partners**: these are OEMs who wish to build systems under licence to address their customers’ needs. These systems use Ceres’ stacks, to be supplied in volume by a Ceres manufacturing partner.

Some partners could be both manufacturing and systems partners, such as Doosan.

The Group’s business model is intended to create opportunities for four sets of revenues from both sets of partners which span the period from initial engagement with a partner to the sales of commercial products sold to end-user customers:

1. **Engineering services**: in the initial stages of engagement, Ceres helps partners understand the features of its solid oxide technology and to evaluate whether it meets the use case demands of the partners. Ceres also develops systems for partners, often jointly with them, through the deployment of Ceres engineers and scientists.

2. **Prototype sales or loans**: generally, as part of engineering agreements, Ceres will provide the partner with prototype and test stacks from its pilot manufacturing facility in Redhill, UK.

3. **Licence fees**: for partners who intend to manufacture and sell products incorporating Ceres technology, Ceres licenses them the right to access and manufacture the technology and sell it in
certain markets. Licence fees are recognised as revenue either upon technology transfer or over a period of time depending on access and milestones or performance levels achieved.

4. **Royalty fees:** generally, where partners scale up their manufacturing, then for every product (stack and/or system) that they sell, the partner will pay Ceres a royalty fee on a per kilowatt basis.

Typically, Ceres and its partners will agree to specific timeframes for the development and application of Ceres’ technology to meet its partners’ commercial objectives.

Before Ceres’ partners make the decision to build manufacturing capacity prior to commercial launch of a product which incorporates Ceres’ technology, Ceres typically needs to achieve certain performance levels and cost points specified by its partners. These include verifying stack attributes, including degradation levels, life, and power output. The final decision whether to proceed with the commercial launch of a product which incorporates Ceres’ technology, and the timing of such launch, is made by the Group’s partners.

Where partners have the right to create IP which is related to Ceres’ technology, Ceres generally has the right to use such IP and may sublicense it for use as part of Ceres’ technology.

**Ceres’ ecosystem**

Ceres’ strategy is to develop both the supply (stack) and demand (system) sides of this technology ecosystem by making potential partners aware of the benefits of the technology and enabling them to scale up manufacturing or systems development through collaboration and joint development. Through working with its partners in the technology transfer process on both sides of the ecosystem, Ceres’ objective is to establish its technology as an industry standard.

Ceres builds the supply side of its business model by engaging with stack manufacturing partners that wish to manufacture stacks using Ceres’ IP under licence. Ceres currently has two stack manufacturing partners, Bosch and Doosan, and the Group has been working closely with them to transfer technology and manufacturing IP and know-how to these partners.

Both Bosch and Doosan are intending to develop initial aggregate production capacity of 250 MW, to manufacture Ceres cells and stacks under licence. Both Bosch and Doosan are each targeting launching products which incorporate Ceres technology to their respective markets in 2024. Sales of these products will generate royalty revenues for the Group. It is initially expected that any stacks produced by Bosch and Doosan will be used in their own systems, with expansion of production potentially supplying third party OEMs. As part of the proposed joint venture arrangements, Bosch, in collaboration with Weichai, is also looking to manufacture stacks in China for the Chinese markets with the current intention to build a factory after its initial stack factory in Germany comes onstream.

On the demand side of the business model, OEMs such as Weichai, Doosan, Bosch and Miura are currently developing fuel cell systems which incorporate Ceres stacks and are aimed at their own end markets. They will either manufacture stacks themselves if they have the licence or will be supplied stacks by third parties who do have the manufacturing licence. At present, the prototype stacks for these systems are being provided by Ceres for testing and development purposes but over time the Group anticipates that stacks will be supplied to these OEM’s by Ceres’ manufacturing partners, as highlighted above. In addition to fees in respect of joint development work and hardware sales revenues, these OEM systems partners may pay systems licence fees and, when products reach commercial end-markets, will pay royalty fees based on the kW capacity of the device for every unit sold.

The Group’s relationship with engineering consultancy AVL is intended to accelerate OEM uptake, allowing Ceres to leverage AVL’s presence across multiple markets to access new OEM customers. The Directors believe that AVL’s engineering resources will help Ceres bring OEMs to market, which in turn would create demand for Ceres’ stack manufacturing partners. For those OEMs which Ceres and AVL have worked on, Ceres and AVL have agreed to pool their respective system IP and share any systems royalties on a 50/50 basis. Ceres retains 100% of any stack royalties it receives from the manufacturing partners supplying these OEMs.
History of the Group

The materials science technology that supports the Ceres fuel cell was developed over a period of ten years at Imperial College before the intellectual property rights were transferred by Imperial College to the Group in 2001. In 2004, the Ordinary Shares were admitted to trading on AIM. Initially, the Group’s business model was to develop, manufacture and sell wall-mounted domestic CHP products.

In 2012, the Group implemented a new strategy to commercialise the Group’s technology through licensing and, in 2013, a new management team led the pivot away from the production of domestic appliances to the Group’s current licensing strategy. It refocused activity on the development of Ceres’ differentiated solid oxide fuel cell technology and sought licensing partners to either mass manufacture the technology (stacks) under licence from the Group or to license system technology, allowing them to develop and sell their systems products, which incorporate Ceres’ technology, aimed at different end-applications.

Ceres has progressed against its strategy and today has four partners who have licensed the fuel cell technology, two of which are planning to go to market in 2024 and one of which has already started early commercial sales. Two of the Group’s commercial partners, Bosch and Weichai, are also strategic Shareholders, holding approximately 18% and 20% of issued share capital respectively.

In 2020 the Group began to focus on using the technology for electrolysers in addition to use as fuel cells, and in March 2021 raised £181 million through a placing and offer for subscription of new Ordinary Shares to fund electrolyser development and demonstrations and to expand fuel cell applications to future fuels and much larger size products.

Ceres fuel cell and electrolysis businesses

Ceres IP relates to solid oxide technologies and supports both fuel cell and electrolysis applications. The key innovation in Ceres technology was the development of a method of lowering the operating temperature of a solid oxide fuel cell from the conventional range of 500-1,000°C to around 500-620°C, retaining the benefits of high electrical efficiency and fuel flexibility whilst at the same time enabling the use of steel and thinly printed layers of ceramic material in the construction of the cell.

Ceres continued the development of both the materials science and the manufacturing process of the cell and has been successful in attracting licensee partners to its IP for use as fuel cells which can be assembled into modular stacks. These partners are targeting a number of different stationary and transportation applications for the technology, with two partners targeting mass manufacturing of the cells under licence for 2024. One system partner, Miura, soft launched a CHP product in the Japanese market in 2019 and currently Ceres is providing a small number of stacks for this purpose.

In the last two years, Ceres has been carrying out research and development on the use of its solid oxide IP in electrolysis whereby the electrochemical processes in its fuel cells can be reversed to create an electrolysis device for producing hydrogen at a high efficiency, which can be made higher where industrial waste heat is integrated into the process. In 2022, Ceres entered into a joint development agreement with Shell India Markets Private Limited (a wholly owned subsidiary of Shell plc) to deliver a megawatt-scale solid oxide electrolyser (SOEC) demonstrator in 2023. In March 2023, Ceres entered into contracts with Linde Engineering and Bosch to validate the SOEC technology.

Ceres’ solid oxide fuel cell activities

Fuel cell technology

A fuel cell is a device that combines hydrogen and oxygen through an electrochemical reaction to generate electricity, heat and water. Unlike several other fuel cell types, a SOFC can use different fuels.

The fuel cell is made up of an anode, a cathode and an electrolyte. A solid oxide fuel cell works by passing hydrogen across the anode and oxygen across the cathode. At the cathode the reduction of oxygen into oxygen ions occurs and these ions diffuse through the porous electrolyte to the anode where they combine with hydrogen to form water as well as electrons. The electrons are forced through a circuit, generating an electric current and the process is exothermic, generating potentially useful heat.
The advantages of fuel cells over other methods of power generation are:

- **Lower/zero SOx and NOx emissions**: Fuel cells running on hydrogen produce no harmful emissions. Even when running on natural gas, fuel cells produce substantially lower or near-zero amounts of the harmful gases sulphur oxide (SOx) and nitrous oxide (NOx), both significant causes of poor air quality and the resulting health issues.

- **Greater electrical efficiency**: the electrochemical process that takes place in a fuel cell to create electrical energy is more efficient than combustion techniques of generating power. This greater level of efficiency means that less fuel is required to generate the same amount of power.

- **Lower/zero carbon emissions**: CO₂ is one of the principal greenhouse gases that is driving climate change. Fuel cells running on hydrogen or ammonia produce no CO₂ emissions. The amount of CO₂ emitted by a fuel cell is dependent on the type of fuel used, however because they are more efficient than combustion engines, solid oxide fuel cells in a CHP system running on natural gas can produce over 30% less CO₂ than combustion technologies.

- **Higher reliability and quiet operation**: there are no moving parts in a fuel cell and many fewer in a fuel cell system than in combustion engines, so fuel cell systems can operate almost silently and with potential for high reliability.

**Types of fuel cell technology**

There are four principal fuel cell technologies:

- **Alkaline Fuel Cell (AFC)**: AFCs were one of the first fuel cell technologies developed, and they were the first type widely used in the US space program to produce electrical energy and water on-board spacecraft. These cells use a liquid alkaline electrolyte such as potassium hydroxide (KOH) in water. Operating at 60-70°C, AFCs reach up to 60% efficiency in power generation. The lower operating temperature allows the cell to start-up and operate instantly. A key challenge for this fuel cell type is that it is susceptible to poisoning by CO₂.

- **Phosphoric Acid Fuel Cell (PAFC)**: PAFCs use liquid phosphoric acid as an electrolyte—the acid is contained in a Teflon-bonded silicon carbide matrix—and porous carbon electrodes containing a platinum catalyst. The PAFC is considered the “first generation” of modern fuel cells.
It is one of the most mature cell types and the first to be used commercially. This type of fuel cell is typically used for stationary power generation. PAFCs are more than 85% efficient when used for the co-generation of electricity and heat but they are less efficient at generating electricity alone (37%—42%).

- **Proton Exchange Membrane (PEM):** PEM fuel cells use a solid polymer as an electrolyte and porous carbon electrodes containing a platinum or platinum alloy catalyst. They need hydrogen, oxygen from the air, and water to operate. They are typically fuelled with pure hydrogen supplied from storage tanks or reformers. PEM fuel cells operate at relatively low temperatures, around 80°C (176°F). Low-temperature operation allows them to start quickly (less warm-up time). The two challenges for this type of fuel cell are the cost of platinum catalyst and the sensitivity to minor amounts of carbon monoxide and other impurities.

- **Solid Oxide Fuel Cell (SOFC):** SOFCs are made up of thin layers of ceramic electrolytes and electrodes which allow for operation between 550°C to 1000°C depending on the type of electrolyte—zirconia or ceria. This higher operating temperature enables them to use multiple fuel types, including natural gas, biofuels, hydrogen blends and pure hydrogen. In addition to fuel flexibility, SOFCs deliver electrical energy more efficiently than any other technology, with efficiency values of around 60%. High temperature SOFCs typically are not amenable to fast start-up and on-off cycles. Typically, SOFC applications are therefore found in the stationary power market. Some designs like the metal supported SOFCs are however more robust to these transient challenges and can be used in transportation as well.

**Competitive advantages of Ceres’ low temperature solid oxide technology**

Ceres has developed its own differentiated metal-supported solid oxide technology which has an operating temperature of approximately 550°C. This allows the use of less expensive and more robust raw materials than conventional solid oxide fuel cells that operate at higher temperature. The Ceres fuel cell uses a ferritic steel plate which supports thin layers of ceramic materials printed onto the plate’s surface and offers the potential for recyclability at end of life. The Ceres production process is mostly protected by Ceres’ IP (see the section “Ceres’ IP” below for details on how the Group protects its IP rights).

The Directors believe that the Group’s partners are attracted to solid oxide fuel cell technology because it offers two key advantages over other fuel cell technologies:

- **Higher electrical efficiency:** solid oxide fuel cells achieve higher levels of electrical efficiency than most other methods of producing electrical power, converting around 60% of the chemical energy of the fuel into electrical power in power generation-only. This compares to around 40% for a typical PEM fuel cell off reformed fuel or around 50% for typical combined cycle gas turbines used to power national electricity grids. When waste heat is captured an overall efficiency of 80-90% can be achieved, for example with the CHP system which Ceres jointly developed with
Japanese partner Miura, that can capture the excess heat from the production of power to provide hot water and central heating to commercial premises with an overall efficiency rating of around 85%.

- **Fuel flexibility**: their higher operating temperature enables fuel cells developed using Ceres’ IP to utilise a range of fuels to produce electrical power, including natural gas, biofuels, hydrogen blends and pure hydrogen. Other fuel cell technologies, such as alkaline or PEM require pure hydrogen as fuel, although few countries currently have nationwide hydrogen grids in place. Solid oxide fuel cells therefore offer a viable path from power generation using the currently available fuels of today, through the intermediate hydrogen blended fuels and into energy systems that are based on pure hydrogen, as this fuel source becomes more widely available at competitive costs.

When comparing the Ceres technology to other solid oxide technologies, there are two differentiated features which set it apart from its peer group:

- **Lower production costs at scale**: the Ceres solid oxide technology uses a metal supported electrolyte, enabling the use of lower cost raw materials in the construction of the cell, which is 95% ferritic steel by weight, and cerium, one of the most abundant rare earth materials. Ceres is currently working with manufacturing partners to scale up production for mass market launches in 2024 and, as volumes build, the Company anticipates that economies of scale can be achieved.

- **Greater robustness and a broader application usage**: the robust metal supported design and the lower operating temperature allows for multiple advantages for the Ceres SteelCell over other conventional high temperature SOFCs. The lower temperature of operation allows for the usage of conventional gasket seals which makes the SteelCell stacks much more robust to thermal cycling than the high temperature SOFCs that mostly use glass ceramic sealing. The metal supported design also allows for fast start-ups compared to high temperature SOFCs and robustness to vibrations. These features allow the Ceres design to be applicable to both stationary and transportation applications.

Currently, Ceres fuel cells and stacks are manufactured at the Group’s pilot manufacturing facility at Redhill in the UK. Products manufactured by Ceres at this pilot facility provide the Group’s partners with test and prototype devices for evaluation as part of the technology transfer process. Individual cells are assembled into stacks using industry available gaskets into 1kW and 5kW units. These modular building blocks can then be connected together in arrays to provide higher power capacity for a variety of different fuel cell systems, targeting stationary and transportation applications.

**Key Ceres SOFC partner relationships**

Since the Group established its licensing business model, it has entered into licensing agreements with a number of partners:

**Bosch**

Ceres announced a strategic collaboration with Bosch in August 2018 to develop the Ceres fuel cell technology, establish low-volume production at Bosch and enable the future scale up and mass manufacture of the technology for use in multiple applications, including small power stations to be used in cities, factories, data centres and charge points for electric vehicles.

Bosch has been granted a non-exclusive licence to develop, manufacture and commercialise stacks that contain Ceres’ IP worldwide, with the exception of certain rights relating to China. However, the proposed new China joint venture heads of terms (on which, see further below) envisage that most of the exclusions in relation to power generators will be lifted from the licence for the purpose of the joint ventures.

In December 2020, Ceres announced that Bosch was starting to prepare for volume production of fuel cell systems incorporating Ceres’ proprietary SOFC technology in 2024, aiming to invest hundreds of millions of Euros and achieve an initial annual production of around 200MW from manufacturing facilities in Germany. Bosch has stated that one intended application of SOFC technology is in small, distributed, connectivity-enabled power stations, which can then be used in cities, factories, trade and commerce, data centres, and electric vehicle charging infrastructure. Bosch estimates that the market for decentralised power generation will reach a value of €20 billion by 2030.
As announced by the Company on 9 February 2022, as part of the proposed joint venture arrangements, Bosch intends to build a manufacturing facility in Shandong Province in China in collaboration with Weichai, to supply stacks to the Chinese market. This is expected to follow the start of stack production in Bosch’s German factory.

Bosch (through Bosch Investment Nederland B.V.) initially acquired a 4% equity position in Ceres in 2018 and in March 2020 increased this to around 18% of the Company’s equity. Bosch maintained its stake in the Company in the Group’s £181 million placing and offer for subscription in March 2021.

The Company and Robert Bosch Investment Nederland B.V. (“Bosch Nederland”) have entered into a new Bosch Relationship Agreement which will take effect on Admission. The Bosch Relationship Agreement will regulate the relationship between Bosch and the Company to ensure that from Admission the Company will be capable of carrying on its business independently of Bosch. Although Bosch will not be a controlling shareholder (as defined in the Listing Rules), it has a material interest in the Company by holding approximately 17.54 per cent. of the Ordinary Shares in the Company.

Under the Bosch Relationship Agreement, Bosch Nederland has the right to nominate, from time to time, for appointment one non-executive director to the Board for such time as Bosch’s shareholding in the Company is in aggregate greater than or equal to 15 per cent. (the “Bosch Representative Director”). Bosch Nederland has agreed that it will appoint one Bosch Representative Director at Admission, being Uwe Glock.

The provisions of the Bosch Relationship Agreement imposing obligations on Bosch will remain in force for so long as Bosch holds at least 10 per cent. of the Ordinary Shares in the Company (save that Bosch may terminate the Bosch Relationship Agreement if the Company ceases to be admitted to the Official List).

**Doosan**

Doosan, based in South Korea, is the Group’s other manufacturing partner. Doosan is an established leader in the fuel cell industry with its fuel cell business having revenues of 312 billion Korean Won in 2022. In 2019, Ceres entered into a collaboration and licensing agreement with Doosan to jointly develop 10kW SOFC distributed CHP systems initially targeted at the Korean commercial building market. Doosan announced in 2021 that it had completed its development of the 10kW system and soft launched the product commercially in 2022.

In December 2020, Ceres and Doosan entered into a further strategic collaboration and licence agreement. As part of this arrangement, Doosan is planning to build an initial 50MW mass manufacturing facility for the manufacture of Ceres’ stacks in South Korea by 2024, and in December 2021 Doosan announced a 143.7 billion Korean Won investment to build a 79,200sqm SOFC stack manufacturing plant in South Korea. This manufacturing licence agreement includes a global non-exclusive licence to develop, manufacture and commercialise Ceres’ stacks with technology transfer and joint development fees (with the exception of China where the licensed rights granted to Doosan are restricted) and also includes royalty streams upon the commencement of production and commercial sale of 5kW Ceres stacks.

Doosan has a non-exclusive licence to manufacture systems that incorporate Ceres’ IP in South Korea and a non-exclusive licence to sell, service, repair and maintain such systems in South Korea, the EU, South East Asia, the US and the UK.

Doosan is currently working with its customers to develop and demonstrate marine applications for fuel cells. In February 2022, Doosan signed a letter of intent with KSOE, a division of Hyundai Heavy Industries, one of the world’s largest shipbuilding companies, with the intent to commercialise marine fuel cells in 2025. More recently, a consortium agreement for the demonstration of marine fuel cells was signed in October 2022 between Doosan, Shell and KSOE announcing the utilisation and testing of a 600kW SOFC as an auxiliary power unit for a ship demonstration on actual trade routes.

**Weichai**

Weichai is a Chinese state-owned enterprise specialising in the research, development, manufacturing and sale of diesel engines. Weichai’s products are used in road vehicles, marine vessels and power generators. Weichai is listed on the Main Board of both the Hong Kong Stock Exchange and Shenzhen Stock Exchange with a market capitalisation of over RMB103 billion as at the Last Practicable Date. With over 87,000 employees and sales of RMB175.2 billion in 2022, Weichai is one
of the largest automobile and equipment manufacturing companies in China, selling more than 573,000 engines and 80,000 heavy duty trucks in 2022.

Ceres and Weichai have been developing and trialling a 30kW electric bus range extender. Powered by natural gas from China’s existing natural gas vehicle refuelling infrastructure, the stack recharges a battery pack that provides primary power to the bus, allowing the bus to run for longer or potentially without the need to recharge the batteries from the mains supply, significantly improving operational time for the vehicle. In 2021, Ceres and Weichai also began a new joint development programme for a 30kW stationary power module, expanding the scope of possible products beyond automotive.

Weichai has been granted an exclusive licence to develop, manufacture and commercialise systems that contain Ceres’ IP in relation to buses, cargo vehicles and some stationary products in China only (excluding Hong Kong, Macau and Taiwan), subject to certain exceptions.

Under the new joint venture heads of terms, it is proposed that Weichai will retain exclusive rights for buses and cargo vehicles and also be granted further non-exclusive rights over other certain stationary products, as well as an exclusive right to develop stationary products that contain Ceres’ IP in China in certain fields.

Figure 5: Ceres 30kW range extender system for Weichai electric buses

Since 2018, Weichai has held an equity position of approximately 20% in the Group, supporting Ceres and maintaining its stake in subsequent fund raises since its initial investment.

The Company and Weichai have entered into a new Weichai Relationship Agreement which will take effect on Admission. The Weichai Relationship Agreement will regulate the relationship between Weichai and the Company to ensure that from Admission the Company will be capable of carrying on its business independently of Weichai. Although Weichai will not be a controlling shareholder (as defined in the Listing Rules), it has a material interest in the Company by holding approximately 19.70 per cent. of the Ordinary Shares in the Company.

Under the Weichai Relationship Agreement, Weichai has the right to nominate, from time to time, for appointment one non-executive director to the Board for such time as Weichai's shareholding in the Company, is in aggregate greater than or equal to 15 per cent. ("Weichai Representative Director"). Weichai has agreed that it will appoint one Weichai Representative Director at Admission, being Qinggui Hao.

The provisions of the Weichai Relationship Agreement imposing obligations on Weichai will remain in force for so long as Weichai holds at least 10 per cent. of the Ordinary Shares in the Company (save that Weichai may terminate the Weichai Relationship Agreement if the Company ceases to be admitted to the Official List).
Joint venture in China between Ceres, Weichai and Bosch

On 9 February 2022, the Company announced that non-binding heads of terms were agreed by Weichai, Bosch and Ceres entered into agreements to form two Chinese joint ventures to service the Chinese fuel cell markets. Specifically, the non-binding heads of terms provide that:

- A three-way system joint venture ("System JV") among Weichai, Bosch and Ceres will be set up for the development, manufacture, sale and service of SOFC systems. Bosch and Ceres will license their respective SOFC system IP to the System JV for mobile and stationary power generation applications in China and will share royalties from the sale of products. Weichai will be the majority shareholder. Ceres will hold a maximum 10% share and will have board representation. Its investment over time is expected to be RMB 160,000,000.

- Separately, a stack manufacturing joint venture ("Stack JV") will be established between Bosch and Weichai to supply stacks to the System JV and potentially other third parties. The Stack JV would be the second manufacturing facility for Bosch and is planned to follow its initial 200MW facility in Germany, where start of production is anticipated in 2024. Bosch and Weichai intend to form the Stack JV, with Bosch as the majority shareholder. Ceres will not be a shareholder in the Stack JV but will provide the SOFC technology through an extension of Bosch’s existing manufacturing licence to supply the Chinese market. Ceres will receive royalties from the Stack JV on the sale of stacks.

Licence fees of £30 million in aggregate from the System JV and Stack JV to Ceres are expected in the first three years of this collaboration, effectively replacing the licence fees agreed in the original Weichai-Ceres joint venture agreement in 2018, which the new agreements will supersede, with minimum payments and annual royalties receivable following the start of production from each of the joint ventures.

While the structure of the joint ventures have been agreed between the parties, Ceres is awaiting the resolution of a number of commercial issues that do not directly involve Ceres which are yet to be agreed between Bosch and Weichai before they give approval to proceed with the joint ventures and sign the final agreements.

Licence fees receivable by the Company as a result of the System JV and the Stack JV are subject to final agreement between Bosch and Weichai and completion of the formation of the joint ventures. Completion of formation of the Stack and System JVs are expected to be subject to certain conditions including all necessary approvals and consents being obtained from the relevant government authorities and third parties, on terms satisfactory to the parties.

Under the envisaged structure, the System JV arrangements will constitute a related party transaction for the purposes of the Listing Rules and therefore will be subject to class tests to be conducted at the time the System JV is entered into, the results of which may require Ceres to make completion of the System JV arrangements subject to obtaining approval from the Shareholders (other than Bosch and Weichai) at a general meeting.

Miura

Japanese leading industrial boiler company Miura was Ceres’ first systems licensee in 2016, and in 2019 Ceres announced the launch of the first commercially available product built around the Company’s technology. The 4.2kW CHP unit targets the commercial building sector in Japan, running on the natural gas mains supply and providing both clean energy and hot water in a highly efficient and low carbon manner. The first units were launched commercially in October 2019 to a select number of Miura’s customers.

Miura has a non-exclusive licence to develop systems that incorporate Ceres’ IP, in Japan only.

AVL

In December 2020, Ceres announced a strategic system collaboration with AVL, a global consulting engineering firm based in Austria with over 20 years of experience in fuel cell systems. In 2022, AVL generated around €1.86 billion in turnover, employing approximately 11,200 employees at more than 90 locations. AVL has existing fuel cell systems designs in commercial CHP; industrial prime power; automotive and marine; and large-scale power systems (100kW+), so brings significant diverse experience and expertise to the relationship.
The collaboration creates an engineering services practice to offer customers state-of-the-art systems designs incorporating Ceres SOFC stack. Ceres and AVL are working together on customer acquisition to identify and exploit the growing interest in SOFC technology in new applications and regions. The collaboration pools both companies’ respective systems IP to create a significantly stronger position in terms of its IP rights in the market to expand the applications accessible to Ceres’ technology. Any revenues generated from systems licence fees for customers created by the collaboration will be shared equally. The Ceres stack IP is outside the scope of the collaboration and will continue to be developed and licensed independently by Ceres.

**Ceres’ fuel cell markets**

Ceres’ partners develop applications or products for markets they are targeting. Ceres’ licensing approach enables the Group’s technology to reach several different markets more quickly than if Ceres developed the products itself. Ceres’ partners Bosch, Weichai and Doosan are currently developing products and Miura already has a CHP product which has been soft-launched into the Japanese market.

The main focus for the Group’s fuel cell technology is on the decentralised stationary power market, although Ceres is also targeting transportation markets including the marine sector and large vehicles. Decentralised power is energy that is generated off the main grid and produced close to where it will be used, instead of at large power stations and transmitted through the national grid network. It can be grid-connected to provide power supply, reinforcing and helping to balance the grid with fewer CO₂ emissions.

**Fuel flexibility**

The available markets for Ceres are also dependent on fuel availability. Ceres technology can use many different fuels including natural gas and hydrogen and mixtures of them, as well as bioethanol and potentially ammonia and other fuels. Depending on the source of the fuel, Ceres can make CO₂-free power and heat and could be a major part of the de-carbonisation of the power markets.

There are several specific use cases which Ceres’ partners are targeting:

**Distributed grid reinforcement: power only and CHP**

Products that use Ceres’ technology generate power highly efficiently with fuel flexibility and can either use or discard the heat that is produced as a side product. Those that use the heat are CHP products and using Ceres technology in a CHP is a way to decarbonise heat which is otherwise difficult to do.

The market for low or zero carbon products is being driven by a growing focus on energy efficiency and reduction in carbon emissions and is being encouraged by various government incentives around the world.

CHP systems can be installed anywhere where there is a demand for heat and electricity, such as commercial buildings. Systems with Ceres’ SOFC inside can deliver electrical power at an overall efficiency of around 60%, which can rise to 80% to 90% when heat is reused.

Ceres’ partners Bosch, Doosan and Weichai (through its proposed joint venture with Bosch and Ceres), have early-stage products which they intend to sell into various markets. Ceres’ partner Miura has developed and is producing a 4.2kW CHP system for trial and sale in Japan. Nearly 100 of Bosch’s 10kW systems are being trialled, supplying electricity to users such as data centres, industrial manufacturers and residential areas.

**Distributed grid reinforcement: data centre power supply**

Data centres are facilities with networked computers and storage that businesses and other organisations use to organise, process, store and disseminate large amounts of data. They also provide the backbone of the Internet, processing, storing and communicating the myriad information services Internet users rely upon every day and there is a continued growth in demand of data centre services.

Data centres require large amounts of constant electrical power to operate and cool the equipment and servers 24/7/365 with estimates that they consume around 1% of the global final electricity
demand. Although an increasing proportion of this electricity supply is from renewable energy sources, today most data centres use power from the electricity grid.

The Directors believe that the intermittent nature of renewable energy provision creates an opportunity for alternative methods of electricity generation to supplement and overcome such intermittency. This is particularly true in areas where renewable energy is limited or unavailable.

**Distributed grid reinforcement: electric vehicle recharging infrastructure**

Ceres currently has no direct exposure to the passenger and light duty electric vehicle (“EV”) marketplace; the Company’s view is that the improvements in power density and production costs in battery technology will enable batteries to be the power source of choice for car manufacturers.

However, all EVs need to be recharged from an electricity source. This will put additional burden on electricity grids around the world which were not built to address the demands of new electric vehicle recharging in large numbers. One option is to reinforce the grid with distributed power generation infrastructure such as SOFC technology. Manufacturing partner Bosch has identified EV recharging as one of its target markets for products built around Ceres’ SOFC technology.

**Transportation applications of SOFC**

The unique metal-supported structure of the Ceres fuel cell means that it is able to operate in automotive and other transport environments where there is movement and vibration and there are several sectors where battery technology or hydrogen fuel may not be optimal.

**Buses and heavy-duty trucks**

In the heavy-duty automotive sector, batteries become limiting factors due to the weight, volume and funds needed to power a heavy vehicle a long distance and several vehicle and engine manufacturers are looking towards hydrogen fuel cells as a solution to decarbonise the bus and truck markets, where PEM technologies currently dominate. However, it will be some time before a pure hydrogen infrastructure is built out and in the near-medium term other solutions may have their place in the journey to decarbonising this transportation sector.

Ceres’ partnership with Weichai, one of the leading global engine manufacturers, active in the bus, truck, marine, agricultural and industrial engine markets, is focusing on SOFC solutions, as well as others, for the bus and truck markets. Ceres and Weichai have developed a 30kW electric range extender in a compressed natural gas (CNG) system that takes advantage of the existing CNG vehicle refuelling grid in China. Ceres anticipates that as the energy transition continues away from diesel for commercial vehicles, a growing proportion of these units will convert from combustion units to hydrogen or natural gas systems.

**Marine**

The International Maritime Organization (IMO) has mandated the reduction of greenhouse-gas emissions across the industry by at least 50% by 2050. The IMO has gone further to mandate not just a reduction in the overall emissions but also the reduction of the carbon intensity of emissions from fuels used by 40% by 2030 and 70% by 2050, compared to 2008 levels.

The industry is examining which fuels could deliver zero emissions power for both propulsion and auxiliary supply on different categories of ships. These include hydrogen and ammonia, both of which are currently generally made from hydrocarbons but which could be made from renewable sources.

The fuel flexibility and high efficiency nature of SOFCs make this technology well suited to the specific demands of the marine sector and a number of industry players are exploring SOFC power solutions in partnership with technology providers including Ceres’ partner, Doosan, which has begun work to develop a power system based on Ceres technology.

Solid oxide electrolysis cells (fuel cells running in reverse) could even provide a solution for the production of ammonia fuel needed for this transition to take place and its SOEC technologies could help produce low/zero-carbon ammonia.
Ceres’ solid oxide electrolysis activities

Ceres has begun to develop its solid oxide technology into a solid oxide electrolysis cell (SOEC). This essentially reverses the operation of its fuel cell to produce hydrogen from electricity (green hydrogen if renewable energy is used as illustrated in Figure 6 below). SOEC is the most efficient electrolyser technology, with a 75% to 85%+ level of electrical efficiency with the potential to help drive decarbonisation of industrial processes such as steel and ammonia production.

This leverages the Group’s existing IP portfolio and cell and stack technology into a significant new market, utilising a substantially similar manufacturing process, supply chain and capital light partnership model.

In 2021, Ceres committed approximately £100 million to its SOEC programme for the following five years, on the back of a placing of new shares with investors which raised £181 million in March 2021 and as a result of comprehensive testing of the technology as an electrolyser in 2020 which delivered encouraging results. The initial programme includes building a mega-watt scale SOEC system demonstrator running at over 80% efficiency with the aim to establish an SOEC technology licensing business with a pathway to produce green hydrogen, targeting less than US$1.50 per kilogram (assuming an energy input cost of US$20 per kWh and 80% efficiency) towards the latter half of the decade.

Key Ceres SOEC partner relationships

The Group has entered into agreements in relation to its SOEC technology with a number of partners:

Shell

In June 2022, Ceres signed an agreement with Shell India Markets Private Limited (a wholly owned subsidiary of Shell plc) to deliver a megawatt-scale SOEC demonstrator in 2023. The system will be installed at Shell’s research and development technology centre in Bangalore, India, where the hydrogen will be used in industrial processes on site. The testing programme is intended to run for at least three years, forming the first stage of a collaborative relationship. Shell is targeting to become a net-zero energy business by 2050, by reducing emissions from its operations and from the fuels and other energy products it sells to its customers. The Bangalore technology centre is a key part of Shell's focus on innovation and technology with the potential to provide cleaner energy solutions.
**Linde and Bosch**

In March 2023, Ceres signed contracts with Linde Engineering and Bosch to validate the performance, cost, and operational functionality of its SOEC technology. The companies are preparing a two-year demonstration of a one-megawatt SOEC system, starting in 2024 to be located at a Bosch site in Stuttgart, Germany. Linde Engineering has world-leading capabilities in industrial process engineering of chemical plants and a global footprint in industrial facilities. Coupled with Bosch’s significant expertise in product industrialisation and mass manufacturing, the companies are aiming to evaluate and qualify SOEC technology for large scale industrial applications.

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**SOEC expected development timeline**

1: Energy cost: US$20/MWh and 80% efficiency at volume

**Figure 7: Planned development timeline for Ceres’ SOEC programme**

**Electrolysis markets**

Like many sectors of the hydrogen economy, the electrolysis market is at a nascent stage. It is therefore hard to predict and there are several different predictions on the size of the hydrogen market which could grow from 70 megatons (MT) in 2020 to between c.500 and 1,000 MT by 2050.

As well as making green hydrogen for end markets, hydrogen from electrolyser is key to decarbonise the hard-to-abate sectors like steel production, e-fuels, ammonia and other industrial processes and with Ceres’ high temperature of operation and high efficiency, the Directors believe its addressable market could be a substantial part of the total hydrogen demand.

See Figure 8 (on the following page), from the Hydrogen Council which indicates that by 2050, 18% of global energy demand could come from hydrogen, and Figure 9 from the Energy Transitions Commission. Both show the potential scale of the hydrogen market in 2050, and the expected use of hydrogen under the net zero scenario.
18% of global 2050 energy demand from hydrogen

By 2050 a potential US$2.5 trillion market for hydrogen gas and electrolysis equipment

Global hydrogen energy demand, MT

Figure 8: The growing electrolysis market to meet 2050 targets (Source: Hydrogen Council)

Figure 9: Total addressable market for hydrogen in 2050 (Source: SYSTEMIQ analysis for the Energy Transitions Committee (2021))
Ceres’ strategy is to develop SOEC capabilities with two broad markets in mind:

- **Production of future fuels**, such as hydrogen, ammonia and synthetic fuels to meet the growing energy transition demands of the transportation and power generation sectors. Electrolysis offers a path to their production at scale.

- **Production of industrial feedstocks** to help decarbonise hard-to-abate processes, such as steel, fertiliser and cement production, where thermal integration improves electrolysis efficiency.

**Ceres’ IP**

IP is at the centre of Ceres’ technology licensing business model and are the assets from which Ceres extracts value. The Group’s internal IP team curates the assets through the IP lifecycle from create, protect, maintain and defend to exploitation. The Group’s IP portfolio also enables the licensing of Ceres’ electrochemical technology to third parties. The Directors believe that the differentiated nature of this technology, as represented by the Group’s IP portfolio, optimises Ceres’ revenue streams and delivers competitive advantages to the Group and its licensees.

The portfolio covers a wide range of IP rights. For example, the unique solid oxide cell technologies can be used in both power generation and electrolysis applications with over 90% of Ceres’ existing electrochemical and stack architecture IP applicable to both SOFC and SOEC applications. Ceres’ current focus on electrochemical R&D is resulting in the creation of further IP assets specific to electrochemical applications.

**Protect, Maintain and Defend**

It is critical for the Group to protect, maintain and defend its existing IP rights, alongside the generation of new IP rights, to maintain its global technology leadership and licensing offerings. Ceres maintains a worldwide portfolio and adopts various filing strategies dependent upon the relevant technology, associated IP rights and market importance, covering key commercial territories. Ceres also adopts strategic filings in certain territories for tactical reasons. Ceres routinely files in Asia (Japan, China, Korea), as well as territories such as the United States, Europe, Canada and India.

Ceres respects third party rights and conducts regular due diligence in terms of monitoring third party IP in its activities to preserve Ceres and its partners’ freedom to operate and/or inform future design choices. Ceres would also act on any infringement of its IP to protect it and its partners’ interests.

The Group seeks to protect its IP from unlawful appropriation through legal and contractual mechanisms. This includes a portfolio of registered and unregistered IP. The former includes patents and utility models protecting Ceres’ electrochemistry, stack architecture and systems inventions.

The patent component of the portfolio relates to Ceres’ materials science concepts, cell and stack designs and manufacturing processes, as well as at a system level and focuses on the protection of intellectual property in strategically important jurisdictions.

The Group actively decides which of its IP to register as opposed to keeping some IP unregistered, such as critical know-how and valuable trade secrets, all of which are of material importance to the business.

The Group’s partners access all aspects of their licensed IP through their contracts and generally through technology transfer, followed by know-how support through collaboration and joint development, accessing Ceres’ expert engineering services. The level of IP accessed is different for each partner and depends on the progression of the engagement between the parties. The Group seeks to protect Ceres’ IP rights through extensive licensing terms and conditions, including those related to IP generation and harvesting, trade secrets and confidentiality.

Ceres pro-actively runs IP watching services to be kept informed of developments in third party portfolios which may be of interest.

The Group’s management and its personnel have entered into employment contracts with the Group which include confidentiality clauses and provide that all IP rights developed by them during the course of their employment are the Group’s property.
Create and Exploit

IP asset development, improvement and enhancement are generated through a focus on (i) independent internal programmes as driven by expected market demand, (ii) research to improve existing technology, (iii) joint development programmes with partners under contract, and (iv) licensing-in from third parties. For example, increasingly at stack and system level, Ceres is generating and protecting joint IP collaboratively with its partners, benefitting from their expertise in volume manufacturing and systems applications. Ceres’ agreement with AVL gives Ceres access to AVL’s system IP, as well as sharing Ceres’ system IP with AVL.

Ceres harvests, captures and protects all IP rights in its landscape as described above to grow its portfolio and license IP rights to its existing and future partners.

Exploitation of the Ceres’ IP portfolio seeks to maximise the value extraction from its IP assets. This tends to take the form of long-term partnerships with companies to benefit from Ceres’ technology and IP. Exploitation usually develops through a progression from the evaluation of Ceres technology and IP to joint development and culminating in collaborations in return for licensing fees and royalties. IP rights which arise from the collaborations are in turn fed back into the IP lifecycle as set out above.

Ceres’ IP Portfolio

The Group continually develops new IP. By way of illustration, the Group’s IP portfolio includes approximately:

- 142 patent families in total with 113 published patent families;
- 34 utility models which are applied for and registered where appropriate and in relevant territories. Of these, 7 are pending;
- 14 registered designs across the United Kingdom, Europe and Japan, relating to micro-combined heat and power units and V4 cell design;
- 102 registered trade marks and 40 pending trade mark applications. These trade marks are registered (or are pending) in the United Kingdom, the United States, Europe, China, Japan, South Korea, India, Russia and South Africa;
- material unregistered IP which vests in 64 trade secrets, which have been identified and documented internally and are subject to strict care requirements;
- a range of copyright protected work in the Group’s designs, engineering drawings, diagrams, software and documents; and
- a range of expertise, knowledge and know-how without which much of its registered IP would be difficult to practise. These assets are protected as confidential information.

Environmental, Social and Governance

Ceres has a clear and deeply embedded purpose to help sustain a clean, green planet by ensuring there is clean energy everywhere in the world.

Ceres addresses climate change directly through its products. It has also made major strides in its sustainability practices and disclosures over the past year:

- The Board has established an ESG Committee, which is chaired by Non-Executive Director, Julia Elizabeth King. There is also an Operational ESG Committee, chaired by the Chief Executive, Phil Caldwell.
- Commencing in 2022, ESG including climate-related risks were included in Ceres’ corporate risk reporting process. The Chief Executive, as Chair of the Operational ESG Committee, is responsible for identifying, managing, and mitigating these risks. These feed into the Group’s risk review process, which is reviewed by the Audit Committee and ultimately owned by the Board.
- Specific ESG related KPIs are being introduced for the Executive team, proposed by the ESG Committee and agreed by the Board. Delivering the first Taskforce for Climate-related Financial Disclosure report and achieving a net zero strategy form part of Executive remuneration for 2023.

The Group’s inaugural Sustainability Report was published in October 2022, and sets out a number of initiatives, including making Streamlined Energy and Carbon Reporting (SECR) disclosures on carbon
emissions (the Company’s Annual Report for the 12-month period ended 31 December 2022 sets out limited Scope 1, 2 and 3 CO₂ emissions, with supporting commentary and impact analysis) and developing a Science Based Target-led initiative (SBTi) with the assistance of Ricardo Energy & Environment, to reduce emissions. Ceres is preparing to comply with the FRC requirements for Taskforce for Climate-related Financial Disclosures (TCFD) and is currently developing its full net zero strategy.

The United Nation’s Sustainable Development Goals (SDGs) frame the Company’s thinking on how it can play its part in creating a better and fairer world by the United Nation’s target date of 2030. Currently, the Directors believe that the Company is making a meaningful contribution to five of the environmental SDGs.

Environmental

The more efficient power generation and flexible fuel characteristics of the Ceres fuel cell positions it as a technology that can help address the creation of greenhouse gases, as well as the emission of harmful particulates and pollutants such as nitrous oxide (NOx) and sulphur oxide (SOx). Furthermore, its construction comprises over 95% steel by weight, which has the potential to be recycled.

Ceres is also developing its technology as an electrolyser to generate hydrogen from clean electricity, promising a highly efficient source of green hydrogen for a range of uses, including the hardest-to-abate sectors like steel or ammonia production. Initial indications suggest competitive performance at attractive commercial levels can be achieved.

Working in partnership with global partners such as Bosch, Weichai and Doosan, the Directors believe that Ceres’ technology can be scaled up to provide the world with clean power solutions for commercial properties, transportation and business applications. The applications being targeted by these partners could provide communities across the globe with access to a readily available, secure and decentralised source of clean power.

Social

Ceres has also been targeting sustainability in its culture, philosophy and direction closer to home, closely monitoring key social indicators within its workforce. As at 31 December 2022:

- **Gender diversity**: 20% of Ceres roles were held by women, compared to an industry average of 15%. This is something Ceres will continue to build on; and

- **Cultural diversity**: 42 different nationalities were represented within the Ceres workforce.

In order to nurture and develop its talent, the Company has created the Ceres Academy. Designed and tailored around the Ceres core purpose, values and strategy, the programme aims to equip staff with the competencies and skills they need to progress and succeed in their roles. The programme has three different streams aimed at different levels of experience within the business and is sponsored by the Board.

Ceres has also continued to expand its graduate and intern programmes as well as engage and enthuse young people into the industry through its STEM activities led by its STEM ambassadors. Ceres introduced an apprenticeship scheme in 2022.

Governance

Ceres conducts all business activities in an honest, ethical and socially responsible manner, aiming to align with best practice and to be a responsible employer. It is committed to acting professionally, fairly and with integrity in all business dealings, with consideration for the needs of all stakeholders. Ceres also endeavours to adopt values and standards designed to help guide employees in their conduct and business relationships. The Company is therefore committed to:

- complying with all relevant legislation, regulations and codes of practice which apply to the Company, including requirements related to environmental and social impacts;

- the implementation and enforcement of effective policies and procedures to reflect a zero-tolerance approach to bribery and corruption;

- measuring performance and promoting continual improvement through setting annual objectives and targets; and
operating two ESG Committees (one of which is a non-Board Operational Committee made up of people from different management levels across the business). The Operational Committee is chaired by the Group’s CEO and the Board Committee is chaired by a Non-Executive Director. The ESG Committees’ core remit is to monitor the Company’s ESG Policy, approve initiatives aimed at enhancing sustainability and oversee the preparation of necessary data, reporting and submissions.

Property

Ceres has two operational centres in the UK. The main corporate office is in Horsham and comprises the main research and development (R&D) labs and test facilities as well as administrative and group functions. The other UK centre is the pilot manufacturing facility in Redhill, with a current stack capacity of 2MW per year with plans to expand capacity to 3MW in the short term. This facility produces prototype and test products for Ceres’ manufacturing partners until they have capacity themselves and for system partners for their development programmes. It also provides low volumes of stacks to system partners who have reached commercial launch until stack manufacturing partners have capacity to supply them.

Ceres also has an outsourced test facility based at Horiba Mira’s UK headquarters in Nuneaton.

In addition to its UK facilities, Ceres also operates two smaller business development offices in Japan and South Korea supporting its partners in those territories and has opened a wholly foreign owned entity in China, to support the Group’s work with Weichai.
PART 7
DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

1. Directors

The following table lists the names, positions and ages of the Directors:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
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<tbody>
<tr>
<td>Warren Alan Finegold</td>
<td>66</td>
<td>Chair</td>
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<tr>
<td>Philip Joseph Caldwell</td>
<td>53</td>
<td>Chief Executive Officer</td>
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<tr>
<td>Eric Daniel Lakin</td>
<td>52</td>
<td>Chief Financial Officer</td>
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<tr>
<td>Julia Elizabeth King, Baroness Brown of Cambridge</td>
<td>68</td>
<td>Senior Independent Director</td>
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<tr>
<td>Trine Borum Bojesen</td>
<td>54</td>
<td>Non-Executive Director</td>
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<td>Karen Bomba</td>
<td>58</td>
<td>Non-Executive Director</td>
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<tr>
<td>Caroline Brown</td>
<td>61</td>
<td>Non-Executive Director</td>
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<td>William Tudor Brown</td>
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<td>Uwe Klaus Glock</td>
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<tr>
<td>Qinggui Hao</td>
<td>42</td>
<td>Non-Executive Director</td>
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<tr>
<td>Aidan John Hughes</td>
<td>62</td>
<td>Non-Executive Director</td>
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The business address of each of the Directors is Viking House, Foundry Lane, Horsham, West Sussex, RH13 5PX.

The management experience and expertise of each of the Directors is set out below.

Warren Alan Finegold, Chair

Warren joined the Board as an independent Non-Executive Director in March 2020 and succeeded Alan Aubrey as Chair in June 2020. He was a member of the Vodafone Group Executive Committee for 10 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.

Philip Joseph Caldwell, Chief Executive Officer

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 20 years, formerly at Intelligent Energy and ICI. He has a master’s degree in Chemical Engineering from Imperial College, an MBA from IESE Barcelona and is a Sainsbury Management Fellow.

Eric Daniel Lakin, Chief Financial Officer

Eric joined Ceres as Chief Financial Officer in January 2022, prior to which he was at FTSE 100 engineering group Smiths Group plc for 10 years, latterly as CFO of Smiths Interconnect. Previously Eric held roles in finance, investing, strategy and corporate development through his career at Smiths and prior roles, including private equity firm Alchemy Partners, FTSE 100 firm BT Group plc, investment banks BAML and Credit Suisse, and strategy consulting firm Arthur D Little. He has broad international experience including a secondment to the US and a board position in a joint venture in China. Eric is a Chartered Management Accountant, holds the Corporate Finance (CF) qualification, and a master’s degree in Engineering and Information Sciences from the University of Cambridge.

Julia Elizabeth King, Baroness Brown of Cambridge, Senior Independent Director

Julia joined the Board as an independent Non-Executive Director in June 2021. She was appointed Senior Independent Director in May 2023. 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 roles at Rolls-Royce plc, the University of Cambridge, Imperial College and as Vice Chancellor and Chief Executive of Aston University. She is currently Chair of The Carbon Trust, a Non-Executive Director of Ørsted and Chair of the Adaptation Committee of the Climate Change Committee. Julia is a Fellow of the Royal Academy of Engineering and the Royal Society 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 where she chairs the Science and Technology Select Committee.

**Trine Borum Bojsen, Non-Executive Director**

Trine joined the Board in March 2022 and is the Employee Engagement Director. In May 2022, she was appointed the senior vice-president of North Sea Renewables at Equinor UK Limited. 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. Trine has an MSc in Engineering from the Technical University of Denmark.

**Karen Bomba, Non-Executive Director**

Karen joined the Board on 1 June 2023. She has 35 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 Hitco Carbon Composites, Zoltek Companies and at Safran Groups SA where she worked for Messier-Bugatti, was Chair and Chief Executive of Labinal Groupe and President and CEO of Morpho Detection. She is currently a Non-Executive Director of Ultra Electronics Holdings Ltd and of Wärtsilä Oyj Abp. Karen has a Bachelor of Science in Mechanical Engineering from Rensselaer Polytechnic Institute, USA, and is a graduate of the Financing and Deploying Clean Energy course at the Yale School of the Environment.

**Caroline Brown, Non-Executive Director**

Caroline joined the Board on 1 June 2023 and has over 20 years main board experience as a non-executive director. She is currently chair of audit and risk at FTSE250 IP Group plc, a Board member of FTSE small cap Luceco 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 FTSE100 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.

**William Tudor Brown, Non-Executive Director**

Tudor joined the Board in April 2021. He is one of the founding members of ARM Holdings plc, where he was until 2012 on the board of directors and President of ARM Holdings plc. Tudor sits as an Independent Non-Executive Director and as Chair of the Compensation Committee on the boards of Lenovo Group, listed on Hong Kong Stock Exchange, and on the board of Marvell Semiconductor, listed on Nasdaq. 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.

**Uwe Klaus Glock, Non-Executive Director**

Uwe joined Ceres in June 2020 following the relationship agreement signed with Bosch and is the Bosch-nominated Non-Executive Director. He is a member of the Board of Management of Bosch Thermotechnik GmbH, the commercial and residential building equipment and systems division that encompasses Worcester Bosch in the UK. Uwe brings over 40 years of experience from across Bosch and holds a leading position in the wider German and European energy and building industry. He is Vice President of the German Building Technology Association (VdZ) and was President of the German Heating Association (BDH) until the end of 2022. Uwe completed his Study of Business Administration at the Business Management Academy Stuttgart.
Qinggui Hao, Non-Executive Director

Qinggui joined Ceres in June 2020 and is the Weichai nominated Non-Executive Director as part of the strategic collaboration agreement with Weichai. He is the Investment Director of Shandong Heavy Industry Group Co., Ltd., the parent of Weichai. Qinggui joined Weichai in 2004 and held various positions across the business including Linde Hydraulics GmbH & K.G., as Deputy General Manager of Weichai Power (Luxembourg) Holding S.à.r.l., and as Secretary of the board and director of the Capital Operation department of Weichai. He holds dual bachelor’s degrees in Law and Economics.

Aidan John Hughes, Non-Executive Director

Aidan joined Ceres in February 2015 as Non-Executive Director and Chair of the Audit Committee. He has over 25 years of senior finance experience in a variety of listed companies, including as Finance Director at the Sage Group Plc from 1993 to 2000 and as a director of Communisis Plc from 2001 to 2004. Between 2004 and 2018 he was Non-Executive Director of Dialog Semiconductors plc, where, during his tenure Aidan chaired its Audit Committee. He is also an investor and advisor to a number of private technology and media companies. Aidan is a Fellow of the Institute of Chartered Accountants in England and Wales.

2. Senior Managers

In addition to the Directors listed above, the following senior managers (the “Senior Managers”) are considered relevant to establishing that the Company has the appropriate experience and expertise for the management of its business:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tony Cochrane</td>
<td>52</td>
<td>Chief Commercial Officer</td>
</tr>
<tr>
<td>Clarissa de Jager</td>
<td>55</td>
<td>Chief of Intellectual Property</td>
</tr>
<tr>
<td>Mark Garrett</td>
<td>60</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>Deborah Grimason</td>
<td>60</td>
<td>General Counsel and Company Secretary</td>
</tr>
<tr>
<td>Caroline Hargrove</td>
<td>55</td>
<td>Chief Technology Officer</td>
</tr>
<tr>
<td>Mark Selby</td>
<td>45</td>
<td>Chief Innovation Officer</td>
</tr>
<tr>
<td>Michelle Traynor</td>
<td>49</td>
<td>People Director</td>
</tr>
</tbody>
</table>

The business address of each of the Senior Managers is Viking House, Foundry Lane, Horsham, West Sussex, RH13 5PX.

The management experience and expertise of each of the Senior Managers is set out below.

Tony Cochrane, Chief Commercial Officer

Tony joined Ceres in August 2015. Previously, he was at Ballard Power Systems for 17 years, where he held leadership positions in manufacturing, product engineering, technology strategy and strategic marketing. Most recently Tony was Commercial Director for Dantherm Power A/S and Director of Product Line Management at Ballard, where he built the stationary power business globally. Tony is a registered professional engineer and holds a BSCE in Mechanical Engineering.

Clarissa de Jager, Chief of Intellectual Property

Clarissa joined in 2018, bringing over 25 years of commercial legal and IP experience, having worked in transport and new energy at Ricardo, medical technology at Elekta with Philips, and logistics and distribution at Royal Mail. Clarissa also chairs the Ceres Power Intellectual Property Company board.

Mark Garrett, Chief Operating Officer

Mark joined Ceres in August 2020. Prior to this he was at Ricardo plc for 22 years, holding a variety of leadership positions including Chief Operating and Chief Strategy Officer roles. Mark has considerable experience in bringing new products to market, operational performance and IP based innovation in the transport and energy sectors. Mark is non-executive chair of SBD Automotive Limited, an automotive sector consultancy and is a Fellow of the Institution of Mechanical Engineers and the Royal Academy of Engineering.
Deborah Grimason, General Counsel and Company Secretary

Deborah joined Ceres in January 2022 and brings a wealth of experience gained across a wide range of industries encompassing management of all legal affairs, corporate governance and compliance. Deborah spent the past eight years operating as General Counsel and Company Secretary at Travis Perkins plc and more recently at V.Group. Prior to these roles, she held senior legal and company secretarial positions at Lafarge, The BOC Group, Nokia and Royal Mail.

Caroline Hargrove CBE, Chief Technology Officer

Caroline joined Ceres in 2021 as Chief Technology Officer following three years as a Non-Executive Director of the Company. She was previously CTO of Babylon Health, and a founding member of McLaren Applied Technologies which was set up to exploit McLaren technology and expertise to new markets. She worked in a range of sectors from motorsport to health, elite sports, manufacturing and energy. She started her career as a lecturer in Engineering at the University of Cambridge, followed by various roles in McLaren F1, mainly focused on the development of simulations and the first F1 simulator. 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.

Mark Selby, Chief Innovation Officer

Mark joined the Company in January 2006 and has played a pivotal role in establishing the Company as a global technology leader in the fuel cell industry. Mark previously worked as the Company’s Chief Technology Officer and moved to a new position as Chief Innovation Officer in September 2021, in which he provides leadership for Ceres on innovation of new technologies beyond the established solid oxide portfolio. As Chief Innovation Officer, Mark focuses his efforts on developing new and future opportunities for Ceres, building the team and relationships to make this happen.

Michelle Traynor, People Director

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, she 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.

3. Corporate Governance

Compliance with applicable corporate governance rules and regulations

The Directors support high standards of corporate governance, and it is the policy of the Company to comply with current best practice in UK corporate governance to the extent appropriate for a company of its size.

As at the date of this Prospectus, the Company complies with the UK Corporate Governance Code published in July 2018 by the Financial Reporting Council, as amended from time to time (the “Corporate Governance Code”).

The Corporate Governance Code recommends that at least half the board of directors of a premium listed company, excluding the chair, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director’s judgement.

On Admission, the Board will comprise eleven Directors, including the Independent Non-Executive Chair, the Senior Independent Director, seven other Non-Executive Directors, the Chief Executive Officer and the Chief Financial Officer.

The Board considers that Warren Finegold, Julia Elizabeth King, Trine Borum Bojsen, Karen Bomba, Caroline Brown, William Tudor Brown and Aidan Hughes meet the independence criteria set out in the Corporate Governance Code.

The Corporate Governance Code also recommends that: (i) the chair of the board of directors should meet the independence criteria set out in the Corporate Governance Code on appointment; and
(ii) the Board appoint one of the independent non-executive directors to be the senior independent
director. On Admission, the Chair of the Company will be Warren Finegold and the Senior
Independent Director will be Julia Elizabeth King. The Board considers that both meet the
independence criteria set out in the Corporate Governance Code.

Qinggui Hao and Uwe Glock, both Non-Executive Directors, are not considered to be independent for
the purposes of the Corporate Governance Code as a result of being nominees of Weichai and Bosch
respectively.

The Corporate Governance Code further recommends that directors should be subject to annual re-
election. The Company’s Articles require all Directors to stand for re-election at each annual general
meeting.

**Board Committees**

The Board has established an Audit Committee, a Remuneration and Nomination Committee and an
ESG Committee. Each Board Committee operates under clear terms of reference, which are available
on the Company’s website.

Each Board Committee is authorised to seek any information it requires from any employee of the
Group in order to perform its duties. It can also obtain outside legal or other professional advice on
any matter within its terms of reference. Each of these Board Committees meets on a regular basis
throughout the year as appropriate, and each is accountable to the Board.

**Audit Committee**

The Audit Committee’s role is to assist the Board with the discharge of its responsibilities in relation to
financial reporting, including:

- to satisfy itself as to the integrity of the financial statements and other formal announcements
  relating to the Group’s financial performance, ensuring compliance with applicable accounting
  standards, regulations and rules;
- to monitor and review the effectiveness of the Group’s internal financial controls and risk
  management policies and systems (noting the non-Board Technical and Operations Committee’s
  responsibility relating to technical, operational, business continuity and health and safety-related
  risks);
- to monitor and review the going concern status of the Group;
- to satisfy itself of the independence and effectiveness of the external auditor, and to approve the
  external audit fees;
- to consider the need for an internal audit function and to oversee the internal audit strategy and
  activities; and
- to consider the Group’s whistleblowing procedures to ensure that employees are able to raise
  concerns, in confidence, about possible wrongdoing or malpractice.

The Audit Committee will meet at least three times a year.

**Composition and membership**

The Corporate Governance Code recommends that the audit committee be comprised of at least
three directors, all of whom are independent non-executive directors. It also recommends that at least
one member should have recent and relevant financial experience.

The Audit Committee is chaired by Aidan Hughes and its other members are William Tudor Brown and
Caroline Brown. As recommended by the Corporate Governance Code, the Board is satisfied that at
least one of the members of the Audit Committee, Aidan Hughes, has recent and relevant financial
experience.

**Remuneration and Nomination Committee**

The Remuneration and Nomination Committee assists the Board in reviewing the structure, size and
composition of the Board, and is responsible for reviewing succession plans for the Directors and
other senior executives. It approves and recommends to the Board the Group’s compensation policy
for the Company’s Chair, the Executive Directors and senior executives (including salary, incentive schemes, pension plans and other benefits and payments to be made on retirement, resignation or dismissal), determines the specific remuneration arrangements for Executive Directors including their specific salary reviews, determines the vesting of options over shares in the Company for Executive Directors under any share option plan and prepares an annual remuneration report for approval by the Shareholders at annual general meetings. The Remuneration and Nomination Committee also has responsibility for assessing Non-Executive Directors’ independence and for oversight and monitoring of conflicts of interest. The Remuneration and Nomination Committee will meet at least twice a year.

Composition and membership
The Corporate Governance Code recommends that a remuneration committee be comprised of at least three directors, all of whom should be independent non-executive directors and that a majority of the nomination committee be independent non-executive directors.

The Remuneration and Nomination Committee is chaired by William Tudor Brown and its other members are Karen Bomba, Julia Elizabeth King, Baroness Brown of Cambridge and Warren Finegold.

ESG Committee
The Board ESG Committee considers any matters relating to the environmental and social activities of the Company and related governance activities and publications. It reviews the Group’s sustainability strategy, disclosures and reports and makes recommendations to the Board. The ESG Committee will meet at least three times a year.

Composition and membership
The ESG Committee is chaired by Julia Elizabeth King and its other members are Trine Borum Bojsen, Warren Alan Finegold and Philip Joseph Caldwell.

The Board considers that the Company complies with the recommendations of the Corporate Governance Code with regard to the composition and role of the Audit Committee and the Remuneration and Nomination Committee.

Share Dealing Code
The Company has adopted a code of securities dealings in relation to the Ordinary Shares which complies with the UK Market Abuse Regulation. The code applies to the Directors, Senior Managers and other relevant employees of the Group.

4. Conflicts of Interest
Save as disclosed below, there are no potential conflicts of interest between any duties owed by the Directors or Senior Managers to the Company and their private interests and/or other duties.

Uwe Glock was nominated to the Board by Bosch Investment Nederland B.V., (which is a member of the same group as Bosch, which holds 17.53% of the Ordinary Shares). Bosch or its associates may from time to time acquire and hold interests in businesses that competes directly or indirectly with the Group, or with which the Group conducts business. As further described in Part 6 (Business), Bosch is one of the Group’s key partners and the Group has ongoing commercial arrangements with Bosch.

Qinggui Hao was nominated to the Board by Weichai Power (Hong Kong) International Development Co., Ltd (“Weichai International”) (which holds 19.70% of the Ordinary Shares). Weichai International or its associates may from time to time acquire and hold interests in businesses that compete directly or indirectly with the Group, or with which the Group conducts business. As further described in Part 6 (Business), Weichai International is one of the Group’s key partners and the Group has ongoing commercial arrangements with Weichai International.

Caroline Brown is a non-executive director of IP Group plc. One of IP Group plc’s portfolio companies is RFC Power, a company that Ceres made an investment into in 2021. Ceres has an option until 30 April 2024 to acquire the balance of the outstanding share capital of RFC Power. For further details, please see Part 6 “Business” and section 10 (Material Contracts) of Part 10 “Additional Information.”
The Articles provide for how the Board is to manage and deal with conflicts of interest. The Directors may authorise a conflict of interest, subject to certain parameters. For example, any authorisation shall only be effective if:

- any requirement as to the quorum at the meeting at which the conflict was authorised, was met without counting the Director in question; and

- the conflict was authorised without the Director in question voting or would have been authorised if their vote had not been counted.

In practice, Directors that are potentially conflicted are often required to abstain from taking part in discussions and/or voting on any decisions to be taken in respect thereof.
The tables below set out the capitalisation and the indebtedness of the Group as at the dates stated.

The following table shows the consolidated capitalisation of the Group as at 30 April 2023. The figures have been extracted without material adjustment from the underlying accounting records of the Group as at 30 April 2023.

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 30 April 2023 (unaudited) £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total current debt (including current portion of long-term debt):</strong></td>
<td></td>
</tr>
<tr>
<td>—Guaranteed</td>
<td>—</td>
</tr>
<tr>
<td>—Secured</td>
<td>—</td>
</tr>
<tr>
<td>—Unguaranteed/unsecured(1)</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Total non-current debt (excluding current portion of long-term debt):</strong></td>
<td></td>
</tr>
<tr>
<td>—Guaranteed</td>
<td>—</td>
</tr>
<tr>
<td>—Secured</td>
<td>—</td>
</tr>
<tr>
<td>—Unguaranteed/unsecured(1)</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Shareholder equity:</strong></td>
<td></td>
</tr>
<tr>
<td>—Share capital(2)</td>
<td>19.2</td>
</tr>
<tr>
<td>—Legal reserve(3)</td>
<td>409.4</td>
</tr>
<tr>
<td>—Other reserves(4)</td>
<td>7.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>439.2</td>
</tr>
</tbody>
</table>

(1) Unguaranteed/unsecured debt represents lease liabilities primarily associated with the Group’s property leases.

(2) Comprises the share capital account.

(3) Comprises the share premium account and capital redemption reserve.

(4) Comprises the merger reserve.

Capitalisation does not include accumulated losses.

The following table shows the consolidated Group net liquidity as at 30 April 2023.

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 30 April 2023 (unaudited) £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>6.1</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>45.3</td>
</tr>
<tr>
<td>Other short term investments</td>
<td>119.6</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>—</td>
</tr>
<tr>
<td><strong>Liquidity</strong></td>
<td>171.0</td>
</tr>
<tr>
<td>Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)</td>
<td>—</td>
</tr>
<tr>
<td>Current portion of non-current financial debt</td>
<td>(0.7)</td>
</tr>
<tr>
<td><strong>Current financial indebtedness</strong></td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Net current financial liquidity</strong></td>
<td>170.3</td>
</tr>
<tr>
<td>Non-current financial debt (excluding current portion and debt instruments)</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Debt instruments</td>
<td>—</td>
</tr>
<tr>
<td>Non-current trade and other payables</td>
<td>—</td>
</tr>
<tr>
<td><strong>Non-current financial indebtedness</strong></td>
<td>(2.4)</td>
</tr>
<tr>
<td><strong>Total financial indebtedness</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total financial liquidity</strong></td>
<td>167.9</td>
</tr>
</tbody>
</table>

Cash equivalents consist of instant access Money Market Funds which can be withdrawn on demand.
Other short term investments comprise bank deposits with a number of counterparties, which have maturities of between 3-12 months, and cannot be withdrawn prior to maturity.

The figures disclosed above for financial debt represent lease liabilities primarily associated with the Group's property leases.

At 30 April 2023 the Group had recognised provisions totalling £2.8m in respect of property dilapidations, product warranties and contract losses. Of this £0.8m was estimated to crystallise within 12 months of that date. At the same date the Group had contracted capital commitments of c.£8.7m.

The Group also has derivatives not reflected in the analysis above with the following fair values as 30 April 2023 in respect of net financial assets associated with forward exchange and non-deliverable forward exchange contracts totalling £0.5m.
PART 9
HISTORICAL FINANCIAL INFORMATION

The audited financial statements relating to the Group for the 18-month period ended 31 December 2020 are incorporated by reference into this Prospectus as described in Part 11 “Documents incorporated by reference” of this Prospectus.

The audited financial statements relating to the Group for the 12-month period ended 31 December 2021 are incorporated by reference into this Prospectus as described in Part 11 “Documents incorporated by reference” of this Prospectus.

The audited financial statements relating to the Group for the 12-month period ended 31 December 2022 are incorporated by reference into this Prospectus as described in Part 11 “Documents incorporated by reference” of this Prospectus.
1. Persons responsible

The Directors (whose names and functions appear on page 26 of this Prospectus) and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

2. Incorporation

The Company was incorporated and registered in England and Wales on 8 July 2004 as Law 2421 Limited, a private company limited by shares, with registered number 05174075. On 13 July 2004, the Company was re-named Ceres Power Holdings Limited. On 16 November 2004, the Company was re-registered as a public company limited by shares and re-named Ceres Power Holdings plc.

The Company’s registered office and its principal place of business is at Viking House, Foundry Lane, Horsham, West Sussex, RH13 5PX. The Company’s telephone number is +44 (0)1403 273 463 and its website is https://www.ceres.tech/. The contents of the Company’s website do not form part of this Prospectus unless that information is specifically incorporated by reference into the Prospectus. The principal legislation under which the Company operates is the Companies Act and regulations made thereunder, and the Company operates in compliance with its Articles.

3. Share capital

The Company is not required to, and does not have, an authorised share capital. As of the Last Practicable Date, the issued and outstanding share capital of the Company is 192,716,980 Ordinary Shares of £0.10 each (all of which are fully paid and issued in accordance with the requirements of the Articles and the Companies Act). The Company does not hold any Ordinary Shares in treasury.

There are no acquisition rights or obligations in relation to the issue of Ordinary Shares in the capital of the Company or an undertaking to increase the capital of the Company.

As at 31 December 2022, the aggregate number of options outstanding under employee share schemes was 5,651,219. Other than rights under employee share schemes, there are no convertible securities, exchangeable securities, or securities with warrants in the Company.

4. Transfer of shares and voting rights

There are no restrictions on the free transferability of the Ordinary Shares, other than certain transfer restrictions under: (i) the Companies Act for persons failing to respond to statutory notices issued by the Company requesting for information on interest in a particular holding of shares; and (ii) the Articles, under which the Board may, in its discretion, refuse to register any transfer of any certificated share in certain circumstances. The Board may, in its discretion, refuse to register any transfer of any certificated share which is not fully paid up but, in the case of a class of shares which has been admitted to trading on any recognised investment exchange (including the Official List of the FCA), not so as to prevent dealings in those shares from taking place on an open and proper basis. The Board may also refuse to register any instrument of transfer of a certificated share unless it is left (duly stamped) at the registered office, or such other place as the Board may decide, for registration, accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove the right of the intending transferor to transfer the shares; and it is in respect of only one class of shares.

The Ordinary Shares carry full rights with respect to voting.

5. Directors’ interests

As at the Last Practicable Date, insofar as is known to the Company, the interests in the share capital of the Company of the Directors (all of which, unless otherwise stated, are beneficial interests or are interests of a person connected with a Director) as at the time indicated, are:
<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Ordinary Shares</th>
<th>Percentage of issued share capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Directors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warren Alan Finegold</td>
<td>10,004</td>
<td>0.005</td>
</tr>
<tr>
<td>Philip Joseph Caldwell</td>
<td>272,283</td>
<td>0.141</td>
</tr>
<tr>
<td>Eric Daniel Lakin</td>
<td>12,178</td>
<td>0.006</td>
</tr>
<tr>
<td>Julia Elizabeth King, Baroness Brown of Cambridge</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Trine Borum Bojsen</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Karen Bomba</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Caroline Brown</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>William Tudor Brown</td>
<td>15,000</td>
<td>0.0078</td>
</tr>
<tr>
<td>Uwe Klaus Glock</td>
<td>8,000</td>
<td>0.004</td>
</tr>
<tr>
<td>Qinggui Hao</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Aidan John Hughes</td>
<td>31,520</td>
<td>0.016</td>
</tr>
</tbody>
</table>

At the Last Practicable Date, there are no restrictions agreed by any Director or Senior Manager on the disposal within a certain time of their holdings in the Company’s securities. None of the Shareholders have different voting rights from any other Shareholder in respect of any Ordinary Shares held by them.

6. **Major interests in Ordinary Shares**

Insofar as is known to the Company, the following are the interests that represent, or will represent, directly or indirectly, 3 per cent. or more of the issued share capital of the Company immediately following Admission:

<table>
<thead>
<tr>
<th>Major Shareholders</th>
<th>Number of Ordinary Shares</th>
<th>Percentage of issued share capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weichai Power (Hong Kong) International Development Co., Ltd</td>
<td>37,965,262</td>
<td>19.70%</td>
</tr>
<tr>
<td>Robert Bosch GmbH</td>
<td>33,790,880</td>
<td>17.53%</td>
</tr>
<tr>
<td>Hargreaves Lansdown Asset Management</td>
<td>8,979,295</td>
<td>4.66%</td>
</tr>
<tr>
<td>BNP Paribas Asset Management UK Limited</td>
<td>9,738,072</td>
<td>5.05%</td>
</tr>
</tbody>
</table>

Save as disclosed above, in so far as is known to the Company, there is no other person who is or will be immediately following Admission, directly or indirectly, interested in 3 per cent. or more of the issued share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company.

The Directors have no knowledge of any arrangements, the operation of which, may at a subsequent date result in a change of control of the Company. None of the Company’s major Shareholders have or will have voting rights attached to the shares they hold in the Company which are different to the voting rights attached to the shares of other Shareholders.

7. **Directors and Senior Managers’ current and past directorships and partnerships**

Set out in the Schedule are the directorships and partnerships held by the Directors and Senior Managers in the five years prior to the date of this Prospectus.

At the date of this Prospectus, none of the Directors or Senior Managers, at any time within the last five years:

(a) has had any convictions in relation to fraudulent offences;

(b) save as set out below, has been or is a member of the administrative, management or supervisory bodies or partner, director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of any bankruptcy, receivership, liquidation or administration of such company; or

(c) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court
from acting as a director or member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company.

Caroline Brown was a non-executive director of Rockley Photonics Holdings Ltd from 12 August 2021 to 12 December 2022. Rockley Photonics Holdings Ltd filed for Chapter 11 Protection with the US Bankruptcy Court on 24 January 2023.

8. Subsidiaries

The Company is the principal operating and holding company of the Group. The principal subsidiaries and subsidiary undertakings of the Company are as follows:

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Principal activity</th>
<th>Country of incorporation</th>
<th>Description of shares held</th>
<th>Proportion of voting rights held by the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceres Power Intermediate Holdings Limited (08887056)</td>
<td>A holding company to the other Group companies and to manage the Group’s cash, cash equivalents and investments</td>
<td>England and Wales</td>
<td>£0.01 ordinary shares</td>
<td>100%</td>
</tr>
<tr>
<td>Ceres Holdings International Limited (14296891)</td>
<td>A holding company to the other Group companies and to carry out research and experimental development on natural sciences and engineering</td>
<td>England and Wales</td>
<td>£1.00 ordinary share</td>
<td>100%</td>
</tr>
<tr>
<td>Ceres Power Limited (04222409)</td>
<td>The commercialisation and continued development of the Group’s technology</td>
<td>England and Wales</td>
<td>£0.001 ordinary shares</td>
<td>100%</td>
</tr>
<tr>
<td>Ceres Intellectual Property Company Limited (05571804)</td>
<td>The administration of registered intellectual property developed within the Group</td>
<td>England and Wales</td>
<td>£1.00 ordinary shares</td>
<td>100%</td>
</tr>
<tr>
<td>Ceres Power Licence Company Limited (12185011)</td>
<td>Management of the provision of overseas licence and royalty services</td>
<td>England and Wales</td>
<td>£1.00 ordinary shares</td>
<td>100%</td>
</tr>
<tr>
<td>Ceres Engineering Consulting (Shanghai) Co. Ltd.</td>
<td>The provision of engineering consultancy</td>
<td>People’s Republic of China</td>
<td>n/a</td>
<td>100%</td>
</tr>
</tbody>
</table>

1 Shares in Ceres Holdings International Limited, Ceres Power Limited, Ceres Intellectual Property Company Limited and Ceres Power Licence Company Limited are held directly by Ceres Power Intermediate Holdings Limited.

2 Ceres Engineering Consulting (Shanghai) Co. Ltd. Is 100% held directly by Ceres Power Limited.

3 Ceres Engineering Consulting (Shanghai) Co. Ltd. is a limited company in China with £200,000 of capital, there are no shares, only total capital, in limited companies in China

9. Statutory auditor

The Group’s statutory auditor for the 18-month financial period ended 31 December 2020, the financial year ended 31 December 2021 and the financial year ended 31 December 2022 is BDO LLP, whose registered office address is 55 Baker Street, London, W1U 7EU. BDO LLP is a member of the Institute of Chartered Accountants in England and Wales.

10. Material contracts

Bosch Relationship Agreement

The Company and Bosch Nederland have entered into the Bosch Relationship Agreement to take effect on Admission. The Bosch Relationship Agreement will, for such time as Bosch’s shareholding in the Company is greater than or equal to 10 per cent., regulate the relationship between the Company and Bosch and to ensure that the Company will be capable of carrying on its business independently of Bosch.
The provisions of the Bosch Relationship Agreement imposing obligations on Bosch will remain in full force and effect for so long as Bosch holds Ordinary Shares representing at least 10 per cent. of the Ordinary Shares in issuance by the Company from time to time (save that Bosch may terminate the Bosch Relationship Agreement if the Company ceases to be admitted to the Official List).

Under the Bosch Relationship Agreement, Bosch Nederland has agreed with the Company that it shall (a) conduct all transactions, agreements or arrangements entered into between any member of the Group and Bosch at arm's length and on normal commercial terms; (b) not take any action which would have the effect of preventing the Company or any member of the Group from: (i) carrying on its business independently of Bosch; (ii) complying with its obligations under the Listing Rules; (iii) complying with its obligations under the Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation, the requirements of the London Stock Exchange, FSMA, the Financial Services Act 2012 or the principles of good governance set out in the Corporate Governance Code; and / or (iv) making decisions for the benefit of the shareholders of the Company taken as a whole; (c) not exercise any voting rights in a manner that would require the Company to operate or make decisions solely for the benefit of Bosch; (d) not propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules; (e) without prejudice to (d) above, not exercise any voting rights to vary the Articles which would: (i) be contrary to the maintenance of the Company's independence (including the Company's ability to operate and make decisions independently of Bosch); or (ii) prevent the election of Independent Directors; or (iii) be inconsistent with, undermine or breach any provision of the Bosch Relationship Agreement or the Listing Rules, the Disclosure Guidance and Transparency Rules or the UK Market Abuse Regulation; and / or (f) abstain from voting on any resolution required by LR 11.1.7R(3) of the Listing Rules to approve a “related party transaction” where Bosch (or any of its associates) is the related party for the purposes of LR 11.1.7R(4) of the Listing Rules.

Under the Bosch Relationship Agreement, Bosch Nederland has the right to nominate, from time to time, for appointment one non-executive director, as a Bosch Representative Director, to the Board for such time as Bosch's shareholding in the Company, is in aggregate greater than or equal to 15 per cent.

The Bosch Relationship Agreement expressly provides that Bosch Nederland shall be entitled to the statutory rights of pre-emption as provided for in the Companies Act other than to the extent such rights are disapplied or modified in accordance the Companies Act.

Weichai Relationship Agreement

The Company and Weichai have entered into the Weichai Relationship Agreement to take effect on Admission. The Weichai Relationship Agreement will, conditional on Admission, and for such time as Weichai's shareholding in the Company is greater than or equal to 10 per cent., regulate the relationship between the Company and Weichai following Admission and to ensure that the Company will be capable of carrying on its business independently of Weichai.

The provisions of the Weichai Relationship Agreement imposing obligations on Weichai will remain in full force and effect for so long as Weichai holds Ordinary Shares representing at least 10 per cent. of the Ordinary Shares in issuance by the Company from time to time (save that Weichai may terminate the Weichai Relationship Agreement if the Company ceases to be admitted to listing on the Official List).

Under the Weichai Relationship Agreement, Weichai has agreed with the Company that it shall (a) conduct all transactions, agreements or arrangements entered into between any member of the Group and Weichai at arm's length and on normal commercial terms; (b) not take any action which would have the effect of preventing the Company or any member of the Group from: (i) carrying on its business independently of Weichai; (ii) complying with its obligations under the Listing Rules; (iii) complying with its obligations under the Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation, the requirements of the London Stock Exchange, FSMA, the Financial Services Act 2012 or the principles of good governance set out in the Corporate Governance Code; and / or (iv) making decisions for the benefit of the shareholders of the Company taken as a whole; (c) not exercise any voting rights in a manner that would require the Company to operate or make decisions solely for the benefit of Weichai; (d) not propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules; (e) without prejudice to (d) above, not exercise any voting rights to vary the Articles
which would: (i) be contrary to the maintenance of the Company's independence (including the
Company's ability to operate and make decisions independently of Weichai); or (ii) prevent the
election of Independent Directors; or (iii) be inconsistent with, undermine or breach any provision of
the Weichai Relationship Agreement or the Listing Rules, the Disclosure Guidance and Transparency
Rules or the UK Market Abuse Regulation; and / or (f) abstain from voting on any resolution required
by LR 11.1.7R(3) of the Listing Rules to approve a “related party transaction” where Weichai (or any of
its associates) is the related party for the purposes of LR 11.1.7R(4) of the Listing Rules.

Under the Weichai Relationship Agreement, Weichai has the right to nominate, from time to time, for
appointment one non-executive director, as a Weichai Representative Director, to the Board for such
time as Weichai's shareholding in the Company is in aggregate greater than or equal to 15 per cent.

The Weichai Relationship Agreement expressly provides that Weichai shall be entitled to the statutory
rights of pre-emption as provided for in the Companies Act other than to the extent such rights are
disapplied or modified in accordance the Companies Act.

Subscription agreements relating to RFC

On 11 November 2021, the Company entered into a subscription agreement, pursuant to which it
subscribed for 1,667 ordinary shares in RFC (an early stage long-duration energy storage company
that has a strategy to develop the world’s lowest cost flow battery) for a total value of £500,100. The
shares were directed to be issued to Ceres Power Intermediate Holdings Limited. Payment of the
subscription price was satisfied by the Company entering into a joint development agreement with
RFC. Under the subscription agreement, RFC and others gave certain business warranties to the
Company and another investor. The Company was granted certain information rights and the right to
appoint a director to the board of RFC for so long as it and any member of the Group holds shares
representing at least 5% of the share capital of RFC. The Company appointed Mark Selby to the RFC
board.

On 5 December 2022, the Company entered into a further subscription agreement to subscribe for an
additional 4,255 ordinary shares in RFC for a total value of £2,000,000, to be issued to Ceres Power
Intermediate Holdings Limited, increasing the Group's interest to 24.18% of the share capital of RFC.
Payment of the subscription price was satisfied by the Company paying £1,000,000 in cash and
agreeing to extend the scope of work under its joint development agreement with RFC.

Option agreements relating to RFC

On 11 November 2021, the Company entered into an option agreement, pursuant to which it was
granted a call option to purchase all of the shares in RFC. The initial period during which the option
could be exercised expired on 1 November 2022. On 5 December 2022, the Company and the
relevant parties entered into a second option agreement on substantially the same terms as the first
option agreement but with an exercise period between 1 January 2024 and 30 April 2024. If the
Company exercises the option, the initial consideration of £12,500,000 is payable in Ordinary Shares
with the number of Ordinary Shares to be issued to the RFC shareholders determined by the volume
weighted average price of the Ordinary Shares for the 30-day period prior to the date of the exercise
notice. These shares are then divided between the sellers in their relevant proportions.

The Company may not declare, pay or make any dividend or other distribution or determine any
record date for any dividend or other distribution in the period between the commencement of the 30-
day period for calculating the volume weighted average price and completion. The Company also may
not exercise the option where it has in issue any shares other than Ordinary Shares.

Upon the occurrence of certain triggering events, such as a member of the Group entering into an
agreement to license certain IP to a third party, the sale to a third party of any shares in the share
capital of RFC or a change of control of the Company, additional consideration of £12,500,000 is
payable to the sellers. The mechanics for the payment of the additional consideration are materially
similar to those set out for the initial consideration.

Each seller has agreed to orderly market undertakings to the Company for the three-month period
following the issue of any Ordinary Shares.

11. Banking facilities

The Group does not have any bank debt.
12. UK taxation

Shareholders should be aware that the legislation of any jurisdiction where a Shareholder is resident or otherwise subject to taxation may have an impact on the tax consequences of any investment in Ordinary Shares, including in respect of any income received from the Ordinary Shares.

Material UK tax considerations

Taxation in the United Kingdom

The following statements are based on current UK tax law and current HMRC published practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is, in principle, subject to change at any time (and possibly with retroactive effect). The information that follows is for guidance purposes and is a summary of certain UK tax considerations relating to the Ordinary Shares only. All potential investors, and in particular any person who is in any doubt about their position should contact their professional adviser immediately.

Tax treatment of UK investors

The following statements only apply to Shareholders who are resident (and in the case of individuals, domiciled or deemed domiciled) in the UK for UK tax purposes and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and in particular does not apply to potential investors:

(a) who are dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment, who may be subject to special rules;

(b) who intend to acquire or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any class of shares in the Company;

(c) who intend to acquire Ordinary Shares as part of tax avoidance arrangements.

Shareholders who are not resident in the UK for tax purposes and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own, suitably qualified tax advisers concerning their tax liabilities in connection with Ordinary Shares.

Dividends

Withholding tax

The Company will not be required to withhold amounts on account of UK tax at source when paying dividends in respect of Ordinary Shares.

Individual Shareholders

Shareholders who are resident in the UK for taxation purposes may, depending on their circumstances, be liable to UK income tax in respect of any dividends paid by the Company.

A nil rate of income tax will apply to the first £1,000 (£500 from 6 April 2024) of dividend income received by an individual Shareholder in a tax year (“Nil Rate Amount”), regardless of what tax rate would otherwise apply to that dividend income. Any dividend income received by an individual Shareholder in a tax year in excess of the Nil Rate Amount will be subject to income tax at the following dividend rates for 2023/24: 8.75 per cent. for basic rate taxpayers, 33.75 per cent. for higher rate taxpayers, and 39.35 per cent. for additional rate taxpayers.

Dividend income that is within the dividend Nil Rate Amount counts towards an individual’s basic or higher rate limits—and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income
are treated as the highest part of an individual’s income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Corporate Shareholders

A UK resident corporate Shareholder that is considered to be a “small company” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will generally not be liable to UK corporation tax (currently at a rate in the range of 19 per cent. up to 25 per cent. dependent on total taxable profits (the actual rate will be determined by a marginal rate calculation)) on any dividends received from the Company provided certain conditions are met (including an anti-avoidance condition).

A UK resident corporate Shareholder (that is not a “small company” for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate in the range of 19 per cent. up to 25 per cent. dependent on total taxable profits (the actual rate will be determined by a marginal rate calculation)) unless the dividend falls within one of the exempt classes set out in Part 9A. Examples of exempt classes (as defined in Chapter 3 of Part 9A of the Corporation Tax Act 2009) include dividends paid on shares that are “ordinary shares” (that is shares that do not carry any present or future preferential right to dividends or to the Company’s assets on its winding up) and which are not “redeemable”, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made). However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

Disposals of Ordinary Shares

For the purpose of UK tax on chargeable gains, the amounts paid by a Shareholder for Ordinary Shares will generally constitute the base cost of their holdings in those Ordinary Shares.

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains depending upon the Shareholder’s circumstances and subject to any available exemption or relief.

UK resident individual Shareholders

For an individual Shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax on disposal of shares is 10 per cent. (2022/2023) for individuals who are subject to income tax at the basic rate (to the extent their basic rate income tax band is unused) and 20 per cent. (2022/2023) for individuals who are subject to income tax at the higher or additional rates. An individual Shareholder is entitled to realise an annual exempt amount of gains (currently £6,000 for the year to 5 April 2024) without being liable to UK capital gains tax.

UK resident corporate Shareholders

For a corporate Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that Shareholder (currently 19 per cent.) or an allowable loss for the purposes of UK corporation tax.

Acquisitions of Ordinary Shares

Stamp Duty and Stamp Duty Reserve Tax

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or stamp duty reserve tax or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or stamp duty reserve tax will generally be payable on the issue of Ordinary Shares. The transfer of, or agreement to transfer, Ordinary Shares will generally give rise to a liability to both stamp duty and/or stamp duty reserve tax (“SDRT”). Both taxes are payable at a rate of 0.5 per cent. In the case of stamp duty this would apply to the consideration provided rounded up to the nearest £5 or to the higher of the consideration provided and the market value if the Ordinary Shares are
transferred between connected persons. In the case of SDRT this would apply to the amount or value of the consideration payable or the higher of the consideration provided and the market value if transferred between connected persons. Payment of the appropriate amount of stamp duty would cancel the parallel charge to SDRT. An exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration payable is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. Unless the transaction takes place within a clearance system or depositary receipt system (to which special rules apply), a charge to SDRT will also arise on an unconditional agreement to transfer Ordinary Shares as set out above. However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee. In the event that the Ordinary Shares are in dematerialised form and the sale of the Ordinary Shares is settled in CREST, stamp duty would not apply and SDRT is automatically deducted at 0.5 per cent. and paid to HMRC.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

13. Dividend policy

The Company did not pay any dividend in the year ended 31 December 2022.

The Company intends to retain any earnings to expand the growth and development of its business and, therefore, does not anticipate paying dividends in the foreseeable future.

14. Litigation

There are no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) during the twelve months preceding the date of this Prospectus, which may have, or have had in the recent past, a significant effect on the Company’s and/or the Group's financial position or profitability.

15. Related party transactions

The Company has not entered into any related party transactions since 31 December 2022 up until the Last Practicable Date.

16. Working Capital

In the opinion of the Company, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

17. No significant change

There has been no significant change in the financial position or financial performance of the Group since 31 December 2022, the date to which the latest financial information of the Group was published.

18. Takeover Code

The Takeover Code is issued and administered by the Takeover Panel and applies to the Company.

19. Mandatory bids

Rule 9 of the Takeover Code provides that, except with the consent of the Takeover Panel, when:

(a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with that person are interested) carry 30% or more of the voting rights of a company; or
any person, together with persons acting in concert with that person, is interested in shares which in aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with that person, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested,

then, in either case, that person is normally required to extend offers in cash, at the highest price paid by that person (or any persons acting in concert with that person) for shares in the company within the preceding twelve months, to the holder of any class of equity share capital, whether voting or non-voting, and also to the holders of any other class of transferable securities carrying voting rights.

20. Squeeze-out

Under the Companies Act, if a takeover offer (as defined in section 974 of the Companies Act) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the shares to which the takeover offer relates (the Takeover Offer Shares) and not less than 90% of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10%. It would do so by sending a notice to outstanding Shareholders telling them that it will acquire compulsorily their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose Takeover Offer Shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

21. Sell-out

The Companies Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relates to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% of the Ordinary Shares to which the offer relates, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any Shareholder notice of their right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his or her rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

22. Consents

Berenberg has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion of the references to its name in the form and context in which they appear.

23. General

The fees and expenses of, and incidental to, Admission payable by the Company, including professional fees and commissions and the costs of preparation, printing and distribution of documents, the London Stock Exchange fee, and the FCA’s listing fee, are estimated to amount to approximately £2 million (exclusive of any applicable value added tax).

24. Regulatory disclosures

The following is a summary of the information disclosed by the Company under the UK Market Abuse Regulation during the last 12 months, which is relevant as at the date of the Prospectus:

(a) On 1 June 2023, the Company announced its proposed admission to the premium segment of the Main Market and cancellation of trading on AIM.

(b) On 18 May 2023, the Company announced that Julia Elizabeth King, Baroness Brown of Cambridge would become Senior Independent Director, succeeding Steve Callaghan who stepped down from the Board at the close of the Company’s annual general meeting on 18 May 2023.
(c) On 12 May 2023, the Company announced the withdrawal of Resolution 17 and Resolution 18 from the agenda of the Company's annual general meeting on 18 May 2023.

(d) On 3 May 2023, the Company announced the appointments of Karen Bomba and Caroline Brown as independent Non-Executive Directors with effect from 1 June 2023.

(e) On 24 March 2023, the Company published its final results for the year ended 31 December 2022.

(f) On 16 March 2023, the Company announced that it had signed contracts with Linde Engineering and Bosch to start a collaboration to validate the performance, cost, and operational functionality of its SOEC technology.

(g) On 21 February 2023, the Company announced that Weichai had announced that its SOFC power system using Ceres’ technology had passed the EU CE certification of the international authoritative testing organisation, TÜV SÜD.

(h) On 24 January 2023, the Company announced a post period end trading update ahead of the announcement of its full year results for the year ended 31 December 2022.

(i) On 17 November 2022, the Company announced that finalisation of the agreements relating to the Stack JV and the System JV would be delayed to 2023.

(j) On 26 October 2022, the Company published its inaugural Sustainability Report.

(k) On 22 September 2022, the Company announced its half-yearly results for the six-month period ended 30 June 2022.

(l) On 28 July 2022, the Company announced a trading update for the end of the six-month period to 30 June 2022 ahead of the announcement of its interim results for the six months ended 30 June 2022.

(m) On 28 June 2022, the Company announced that it had entered into a joint development agreement with Shell India Markets Private Limited (a wholly owned subsidiary of Shell plc) to deliver a megawatt-scale solid oxide electrolyser (SOEC) demonstrator in 2023.

25. Documents available

Copies of the following documents will be available and may be inspected at the Company’s website https://www.ceres.tech/investors:

(a) the Articles;

(b) the documents incorporated by reference into this Prospectus as described in Part 11 “Documents Incorporated by Reference”; and

(c) this Prospectus.

Dated: 26 June 2023
PART 11
DOCUMENTS INCORPORATED BY REFERENCE

This document should be read and construed in conjunction with certain information which has been previously published and which shall be deemed to be incorporated in, and form part of, this document.

The table below lists the various sections of certain documents which are incorporated by reference into this document in compliance with Article 19 of the UK Prospectus Regulation. It should be noted that other sections of such documents that are not incorporated by reference are either not relevant to Shareholders and/or potential investors or are covered elsewhere in this document.

To the extent that any document or information incorporated by reference or attached to this document itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document for the purposes of the UK Prospectus Regulation, except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information.

Shareholders and other recipients of this document may request a hard copy of the information incorporated by reference from the Company at its registered office, Viking House, Foundry Lane, Horsham, West Sussex, RH13 5PX. Such copy will be provided to the requester within 7 days of receipt of the request. A hard copy of the information incorporated by reference will not be sent to Shareholders or other recipients of this document unless requested.

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<td></td>
<td>Company statement of changes in equity</td>
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<td>Notes to the Company financial statements</td>
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<td>Consolidated statement of financial position</td>
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<td>Consolidated cash flow statement</td>
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<td>Consolidated statement of changes in equity</td>
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<td>Notes to the consolidated financial statements</td>
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<td>Company balance sheet</td>
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</tr>
<tr>
<td>Company statement of changes in equity</td>
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<tr>
<td>Notes to the Company financial statements</td>
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<td>Document incorporated by reference</td>
<td>Section</td>
<td>Page number</td>
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<tr>
<td></td>
<td>Consolidated statement of financial position</td>
<td>76</td>
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<td>Consolidated cash flow statement</td>
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<td></td>
<td>Consolidated statement of changes in equity</td>
<td>78</td>
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<tr>
<td></td>
<td>Notes to the consolidated financial statements</td>
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</tr>
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</table>
## PART 12
### DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>Earnings before interest, taxes, depreciation and amortisation and adjustments for non-cash equity compensation charges, unrealised gains and losses on foreign currency contracts, exchange gains and losses, and other non-recurring items.</td>
</tr>
<tr>
<td>Admission</td>
<td>The admission of the Ordinary Shares to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities.</td>
</tr>
<tr>
<td>AVL</td>
<td>AVL List GmbH.</td>
</tr>
<tr>
<td>Board</td>
<td>The board of directors of the Company from time to time including a duly constituted committee thereof.</td>
</tr>
<tr>
<td>Bosch</td>
<td>Robert Bosch GmbH or any member of the same group.</td>
</tr>
<tr>
<td>Bosch Relationship Agreement</td>
<td>The relationship agreement entered into between Bosch Nederland and the Company dated 23 June 2023, to take effect from Admission.</td>
</tr>
<tr>
<td>Ceres</td>
<td>Any member of the Group.</td>
</tr>
<tr>
<td>Company</td>
<td>Ceres Power Holdings plc.</td>
</tr>
<tr>
<td>Corporate Governance Code</td>
<td>The UK Corporate Governance Code published in July 2018 by the Financial Reporting Council, as amended from time to time.</td>
</tr>
<tr>
<td>COVID-19</td>
<td>The disease known as coronavirus disease or COVID-19, the virus known as severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) and any evolutions or mutations thereof.</td>
</tr>
<tr>
<td>CPIHL</td>
<td>Ceres Power Intermediate Holdings Limited.</td>
</tr>
<tr>
<td>Directors</td>
<td>The directors of the Company (whose names appear on page 26 of this Prospectus).</td>
</tr>
<tr>
<td>Disclosure Guidance and Transparency Rules</td>
<td>The FCA sourcebook containing the Disclosure Guidance and Transparency Rules.</td>
</tr>
<tr>
<td>Doosan</td>
<td>Doosan Group.</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earnings before interest, tax, depreciation and amortisation.</td>
</tr>
<tr>
<td>Euros or €</td>
<td>The lawful currency of the European Union.</td>
</tr>
<tr>
<td>Executive Directors</td>
<td>Philip Joseph Caldwell and Eric Daniel Lakin.</td>
</tr>
<tr>
<td>FCA</td>
<td>The Financial Conduct Authority.</td>
</tr>
<tr>
<td>FSMA</td>
<td>The Financial Services and Markets Act 2000 (as amended).</td>
</tr>
<tr>
<td>Group</td>
<td>The Company and its subsidiary undertakings (as defined in section 1162 of the Companies Act).</td>
</tr>
<tr>
<td>Group’s CEO</td>
<td>The Group’s Chief Executive Officer, being Philip Joseph Caldwell as at the date of this Prospectus.</td>
</tr>
<tr>
<td>IFRS</td>
<td>The UK adopted international accounting standards.</td>
</tr>
<tr>
<td>IP</td>
<td>Intellectual property.</td>
</tr>
</tbody>
</table>
ISIN

International Securities Identification Number.

Korean Won, KRW, or ₩

The lawful currency of South Korea.

Last Practicable Date

23 June 2023.

Listing Rules

The listing rules (as amended from time to time) made by the FCA pursuant to Part VI of FSMA.

London Stock Exchange

The London Stock Exchange plc.

Miura

Miura Co. Ltd.

Non-Executive Directors

Warren Alan Finegold, Trine Borum Bojsen, Karen Bomba, Caroline Brown, William Tudor Brown, Uwe Klaus Glock, Qinggui Hao, Aidan John Hughes and Julia Elizabeth King.

Ordinary Shares

The ordinary shares of £0.10 each in the capital of the Company.

Pounds Sterling, GBP, pence or £

The lawful currency of the United Kingdom.

Prospectus

This document approved by the FCA as a prospectus prepared in accordance with the Prospectus Rules.

Prospectus Rules

The prospectus regulation rules of the FCA.

RMB or CNH

The lawful currency of the People’s Republic of China.

Shareholders

Holders of Ordinary Shares.

Shell

Shell plc

Stack JV

A stack manufacturing joint venture company to be established to supply stacks to the System JV and potentially other third parties pursuant to the joint venture heads of terms.

System JV

A three-way system joint venture company to be established by Weichai, Bosch and CPIHL pursuant to the joint venture heads of terms.

UK or United Kingdom

The United Kingdom of Great Britain and Northern Ireland.

UK Market Abuse Regulation


UK Prospectus Regulation

The UK version of Regulation (EU) No 2017/1129 as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

US or United States

The United States of America, its territories and possessions, any State of the United States of America and the District of Columbia.

US Dollars, USD, US$, or cents

The lawful currency of the United States.

US Securities Act

The US Securities Act of 1933, as amended.

Weichai

Weichai Power Co., Ltd. or any member of the same group.

Weichai International

Weichai Power (Hong Kong) International Development Co., Ltd

Weichai Relationship Agreement

The relationship agreement entered into between Weichai and the Company dated 23 June 2023, to take effect from Admission.
PART 13

GLOSSARY OF TECHNICAL TERMS

**Biofuel**
A fuel derived from biomass, rather than by the very 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).

**Combined heat and power (CHP)**
A suite of technologies that can use a variety of fuels to generate electricity or power at the point of use, allowing the heat that would normally be lost in the power generation process to be recovered to provide needed heating and/or cooling.

**Decarbonisation**
The process of lowering the amount of greenhouse gas emissions (mostly carbon dioxide, CO$_2$) produced by the burning of fossil fuels.

**Efficiency, electrical/thermal**
The amount of electricity/heat that is produced by a process for every 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.

**Energy**
In physics, the capacity for doing work. It may exist in potential, kinetic, thermal, electrical, chemical, nuclear or other various forms. Measured in Joules or Watt-Hours.

**Fuel cell**
A device for converting chemical energy (fuel) directly into electrical energy without the need for combustion. There are several fuel cell technology families, classified by their operating temperature and the type of electrolyte used.

**Greenhouse gas**
A gas that absorbs infrared radiation (net heat energy) emitted from the earth’s surface and reradiates it back contributing to rising surface temperature, or the greenhouse effect. The most common greenhouse gases are carbon dioxide (CO$_2$), methane (NH$_3$) and water vapour (H$_2$O).

**Hydrogen**
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 this energy. Hydrogen is currently used as a feedstock for a number of industrial processes (such as metal smelting or fertiliser production) and is commercially defined by its method of production and the treatment of the waste gases produced:

- **Brown**: produced by using coal where the emissions are released to the air
- **Grey**: produced from natural gas where the associated emissions are released to the air
- **Blue**: produced from natural gas, where the emissions are captured using carbon capture and storage
- **Pink**: produced from electrolysis powered by nuclear energy
- **Green**: produced from electrolysis powered by renewable electricity

**kW**
Kilowatts.

**kWh**
Kilowatt hour, a measure of energy use per hour.

**Long Duration Energy Storage**
Technologies that enable renewable energy to be stored and power clean electricity grid networks. Storage times from eight hours or more are typically categorised as Long Duration Energy Storage.

**MWh**
Mega-Watt hour.
**Natural gas**
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.

**NOx or Nitrous Oxide**
A gas that is often formed as an unwanted by-product of combustion: the higher the temperature or pressure of the combustion, the more NOx is formed. It is a significant cause of poor air quality.

**OEM, Original Equipment Manufacturer**
A company that makes complete products that businesses buy.

**SOFC system**
An assembly that is made up of stacks, fuel input handling components and components engineered to manage the electrical power output and waste heat and gases.

**SOx or Sulphur Oxide**
The gaseous substance that is formed when sulphur compounds, such as those found in many fossil fuels, are burned. Before low-sulphur fuels were regulated, they were a significant cause of poor air quality from vehicles.

**Stack**
An assembly of individual fuel cells into a device that can deliver a larger amount of electrical power or hydrogen than an individual cell. As at the date of this Prospectus, Ceres stacks are manufactured in 250-layer units. These can be connected in a modular manner to create higher power or higher hydrogen generating systems.

**SteelCell**
Ceres’ patented metal-supported solid oxide cell technology, which can be used for fuel cell and electrolysis applications.

**STEM**
Science, technology, engineering and mathematics.

**Watt**
The unit by which power is measured. The amount of energy (measured in Joules) is delivered in a fixed amount of time, Joules per second. Units are typically expressed in kilowatts (1kW = 1,000 watts); megawatts (1MW = 1,000kW); gigawatts (1GW = 1,000MW).

**Zero emission**
Refers to a vehicle, engine, motor, process or some other energy source, that emits no waste products that pollute the environment or disrupt the climate.
## SCHEDULE
### DIRECTORS AND SENIOR MANAGERS’ CURRENT AND PAST DIRECTORSHIPS AND PARTNERSHIPS

<table>
<thead>
<tr>
<th>Name</th>
<th>Current directorships / partnerships</th>
<th>Past directorships</th>
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<tbody>
<tr>
<td><strong>Warren Alan Finegold</strong></td>
<td>Ceres Power Holdings plc (05174075)</td>
<td>Avast plc (07118170)</td>
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<td>Davry Properties Ltd (12417439)</td>
<td>Inmarsat Group Holdings Limited (04886072)</td>
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<td>RH Properties (Swindon) Ltd (10762728)</td>
<td>St. Christopher’s School (Hampstead) Limited (01088993)</td>
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<td>Rutland House Investments Limited (02528965)</td>
<td>UBM plc</td>
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<td>Hertfordshire Investments Limited (02025585)</td>
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<td><strong>Philip Joseph Caldwell</strong></td>
<td>Ceres Holdings International Limited (14296891)</td>
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<td>Ceres Power Licence Company Limited (12185011)</td>
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<td>Ceres Power Intermediate Holdings Limited (08887056)</td>
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<td>Ceres Power Limited (04222409)</td>
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<td>Ceres Power Holdings plc (05174075)</td>
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<td>Ceres Intellectual Property Company Limited (05571804)</td>
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<td><strong>Julia Elizabeth King</strong>,</td>
<td>The Carbon Trust (04190230)</td>
<td>Offshore Renewable Energy</td>
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<td><strong>Baroness Brown of</strong></td>
<td>STEM Learning Limited (05081097)</td>
<td>Catapult (04659351)</td>
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<td><strong>Cambridge</strong></td>
<td>Frontier IP Group plc (06262177)</td>
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<td><strong>Eric Daniel Lakin</strong></td>
<td>Ceres Holdings International Limited (14296891)</td>
<td>Flexible Ducting Ltd</td>
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<td>Ceres Power Licence Company Limited (12185011)</td>
<td>Smiths Interconnect Group Ltd (06641403)</td>
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<td>Trak Microwave Ltd (SC094479)</td>
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<td>Smiths Interconnect Sociedad</td>
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<td>Anonimia—Costa Rica</td>
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<td>Antares China Holdings, Inc—USA (Merged With Smiths Interconnect Americas, Inc)</td>
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<td>Smiths Power UK Ltd (08642422)</td>
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Trine Borum Bojsen . . Ceres Power Holdings plc (05174075)
Equinor UK Limited (01285743)
Equinor New Energy Limited (06824625)
Doggerbank Offshore Wind Farm Project 1 Projco Limited (07791991)
Doggerbank Offshore Wind Farm Project 1 Holdco Limited (10930991)
Doggerbank Offshore Wind Farm Project 2 Holdco Limited (10931831)
Doggerbank Offshore Wind Farm Project 2 Projco Limited (07914510)
Doggerbank Offshore Wind Farm Project 3 Projco Limited (07791977)
Doggerbank Offshore Wind Farm Project 3 Holdco Limited (10931009)
Macartney A/S
Renewable UK Association (01874667)
BeGreen ApS
Karen Bomba . . . . . . Ceres Power Holdings plc (05174075)
Ultra Electronics UK Holdings Limited (14538792)
Smiths Interconnect Group Limited (06641403)
Antares China Holdings, Inc (L87022)
Hypertac SPA
Smiths Interconnect Group (HK) Co Ltd
Smiths Interconnect Hong Kong Co Limited (2652900)
Smiths Interconnect Americas, Inc.
Smiths Interconnect Canada Inc
Reflex Photonics Corp
Ultra Electronics Holdings Limited (02830397)
Caroline Brown . . . . . . Ceres Power Holdings plc (05174075)
CAB Payment Holdings Limited (09659405)
Crown Agents Bank Limited (02334687)
Clifford Chance LLP (OC323571)
Shoare Management Company Limited (12810836)
IP Group plc (04204490)
Luceco plc (05254883)
Gray’s Inn Mansion Limited (08351394)
Rockley Photonics Limited (08683015)
Rockley Photonics Holdings Limited, Cayman, silicon photonics
NAHL Group plc (08996352)
Georgia Capital plc (10852406)
Raspberry Pi Foundation (06758215)
Earthport plc (03428888)
Hydrodec Group plc (05188355)
WAG Payment Solutions plc (13544823)
William Tudor Brown . Ceres Power Holdings plc (05174075)
Garrison Technology Ltd (09286531)
Piscarius (010523012)
Lenovo Ltd (HKSE)
Xperi Inc (Nasdaq)
SMIC (HKSE)
Uwe Klaus Glock . . . . Ceres Power Holdings plc (05174075)
Bosch Thermotechnology
Robert Bosch Investment Limited (02692230)
Worcester Group Limited (00735487)
Qinggui Hao . . . . . . . Ceres Power Holdings plc (05174075)
Foresight Energy Co., Ltd.
Dezhou Degong Machinery Company
Weichai Power (Hong Kong)
Weichai Power (Germany)
Aidan John Hughes . . Ceres Power Holdings plc (05174075)
Manzara Solutions Limited (11168727)
Flint TV Ebt Company Ltd (10985776)
Substance 2005 Limited (09170484)
Kids Kabin (04009826)
Dialog Semiconductor Plc (03505161)
Tony Cochrane . . . . . Ceres Intellectual Property Company Limited (05571804)

Clarissa de Jager . . . . Ceres Intellectual Property Company Limited (05571804)
51 Eglantine Road Management Company (02635412)

de Jager Ltd (08945689)

Mark Garrett . . . . . . SBD Automotive Holdings Limited (13115144)
Ceres Power Limited (04222409)

SBD Automotive Ltd (03403037)
Ceres Power Holdings Plc (05174075)
Power Planning Associates Limited (03419816)
Ricardo Investments Limited (02251330)
Ricardo plc (00222915)
Ricardo UK Limited (02815682)
Ricardo Software Limited (07527490)
Ricardo Technology Limited (02924157)
Ricardo Transmissions Limited (01498115)
Ricardo Strategic Consulting Limited (03696451)
Ricardo Certification Limited (09481761)
Ricardo EMEA Limited (09461485)
Dolphin N2 Limited (10739616)

Deborah Grimason . . . Caterham School (05410420)
Ceres Power Intermediate Holdings Limited (08887056)
Ceres Power Limited (04222409)
Ceres Power Licence Company Limited (12185011)

V. Ships plc (00209897)
Marine Legal Services Limited (03221664)
Bellatrix Ship Management Group Limited (03902499)
SeaTec UK Limited (SC106026)
V.Delta Limited (06137850)
U.M.C. International plc (01069620)
V.Scope Risk Management Ltd (08633249)
V.Ships UK Limited (02268506)
Al Mistral Holdco Limited
Al Mistral Limited
Al Mistral Parentco Limited
Dania Ship Management Holding AS
V Ships UK Group Ltd
V.Group Limited
V.Ships (Isle of Man) Limited
V.Ships Germany Holding GmbH
Vouvray Acquisition Limited
Vouvray Finance Limited
Vouvray Holdings Limited
Vouvray Midco Limited
Vouvray US Finance LLC
MD-DOR5 Limited (Dissolved)
Peter Horn Constructions Limited (Dissolved)

Caroline Hargrove . . . Zedsen Limited (09293490)
Ceres Intellectual Property Company Limited (05571804)
Ceres Power Limited (04222409)

Ceres Power Holdings plc (05174075)
The Saturday Club Trust (09559467)

Mark Selby . . . . . . . RFC Power Ltd (10838031)
Ceres Power Limited (04222409)
Ceres Power Licence Company Limited (12185011)
Ceres Intellectual Property Company Limited (05571804)
Ceres Power Holdings plc (05174075)

Michelle Traynor . . . —
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