

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the Resolutions to be voted on at the General Meeting of the Company to be held at Powerscourt, 1 Tudor Street, London EC4Y OAH at 11.00 a.m. on 20 July 2018. If you are in any doubt about the contents of this Circular and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or transferred all of your Ordinary Shares, please pass this Circular and any accompanying documents (but not the personalised Form of Proxy) to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, this Circular and the Form of Proxy should not be forwarded or sent in, into or from, a Restricted Jurisdiction or any other jurisdiction that may be restricted by law and therefore persons into whose possession this Circular and any accompanying documents come should inform themselves about and observe any applicable requirements.

This Circular is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Circular has not been, and will not be, reviewed or approved by the FCA (in its capacity as the UKLA or otherwise) pursuant to sections 85 and 87 of the FSMA. No prospectus is required to be, or will be, published in connection with the Fundraising or the Weichai Investment. This Circular does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this Circular. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List. Save as referred to below, the New Ordinary Shares will not be dealt on any other recognised investment exchange and no other such application will be made.

Application will be made for the Initial Weichai Shares and the Fundraising Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UKLA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

It is anticipated that in respect of the Initial Weichai Shares and the Fundraising Shares, Admission will become effective and that dealings will commence on AIM at 8.00 a.m. on 27 July 2018.

CERES POWER HOLDINGS PLC

(Incorporated in England and Wales under the Companies Act 1985 (as amended) with registered number 5174075)

**Proposed Placing and Subscription of 132,625,994 Fundraising Shares at
15.08 pence per share**

Subscription of approx. 127,760,800 Initial Weichai Shares at 15.08 pence per share

Proposed share consolidation

and

Notice of General Meeting

Nominated Adviser and Joint Broker

Zeus Capital

Joint Broker



BERENBERG

PARTNERSHIP SINCE 1590

Your attention is drawn to the letter from the Chairman of the Company, which is set out in this Circular and that recommends that you vote in favour of the Resolutions to be proposed at the General Meeting of the Company to be held at Powerscourt, 1 Tudor Street, London EC4Y OAH at 11.00 a.m. on 20 July 2018.

A notice convening a General Meeting of the Company is set out at the end of this Circular.

A Form of Proxy for use at the General Meeting accompanies this Circular. To be valid the Form of Proxy must be completed and returned so as to be received at the offices of the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY not later than 11.00 a.m. on 18 July 2018. If you are completing the Form of Proxy electronically or via the CREST system this must be done not later than 11.00 a.m. on 18 July 2018.

The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting should you wish to do so.

On Admission, the New Ordinary Shares will rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will rank *pari passu* in all respects with the Existing Ordinary Shares.

The distribution of this Circular (together with the accompanying Form of Proxy) into jurisdictions other than the United Kingdom may be restricted by law. Any failure to comply with any of the restrictions may constitute a violation of the securities law of any such jurisdiction. In particular, this Circular should not be distributed, forwarded to or transmitted to the United States or any other Restricted Jurisdiction. The New Ordinary Shares and this Circular have not been, nor will they be, registered under the Securities Act or under the applicable securities laws of any state of the United States or under the securities laws of any other Restricted Jurisdiction or any state, province or territory thereof or any other jurisdiction outside the United Kingdom. There will be no public offer in the United States or any other Restricted Jurisdictions. Accordingly, the New Ordinary Shares may not be taken up, offered, sold, resold, delivered or distributed, directly or indirectly, through CREST or otherwise, within, into or from the United States or any of the other Restricted Jurisdictions or to, or for the account of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of such jurisdictions or to any person in any country or territory where to do so would or might contravene local securities laws or regulations except pursuant to an applicable exemption.

Zeus Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and Berenberg, which is authorised by the German Federal Financial Supervisory Authority and subject to limited regulation by the Financial Conduct Authority in the United Kingdom, are acting exclusively for Ceres Power Holdings plc in connection with the Fundraising and neither Zeus Capital nor Berenberg will be responsible to any person other than the Company for providing the protections afforded to their respective clients or for providing advice to any other person in connection with the Fundraising or any other matter referred to herein. Neither Zeus Capital nor Berenberg have authorised the contents of all, or any part of, this Circular, and no liability whatsoever is accepted by Zeus Capital or Berenberg for the accuracy of any information or opinions contained in this Circular or for the omission of any material information. Zeus Capital as Nominated Adviser and Joint Broker to the Company and Berenberg as Joint Broker to the Company both owe certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors or any other person.

No person has been authorised to give any information or make any representations other than those contained in this Circular and, if given or made, such information or representations must not be relied on as having been so authorised.

The contents of this Circular should not be construed as legal, business, financial or tax advice. Each Shareholder should consult his, her or its own legal adviser or tax adviser for legal, business, financial or tax advice.

The contents of the Company's website do not form part of this Circular.

Cautionary note regarding forward-looking statements

This Circular contains statements about Ceres Power Holdings plc that are or may be deemed to be "forward-looking statements".

All statements, other than statements of historical facts, included in this Circular may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", "would", "could", "continue" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of Ceres Power Holdings plc.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Prospectus Rules and/or the FSMA), Ceres Power Holdings plc does not undertake any obligation to update publicly or revise any

forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Ceres Power Holdings plc or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Circular are based on information available to the Directors of Ceres Power Holdings plc at the date of this Circular, unless some other time is specified in relation to them, and the posting or receipt of this Circular shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>Time and/or Date</i>
Announcement of the Fundraising	4 July 2018
Publication of Circular	4 July 2018
Latest time and date for receipt of General Meeting Forms of Proxy	11.00 a.m. on 18 July 2018
General Meeting	11.00 a.m. on 20 July 2018
Admission and commencement of dealings in New Ordinary Shares	8.00 a.m. on 27 July 2018
New Ordinary Shares in uncertificated form expected to be credited to accounts in CREST	As soon as possible after 27 July 2018
Despatch of definitive share certificates for New Ordinary Shares (if required)	By 3 August 2018
Date on which Share Consolidation is expected to become effective	7 August 2018

1. References to times in this Circular are to London time unless otherwise stated.
2. The times and dates set out in the Expected Timetable of Principal Events above and mentioned throughout this Circular are subject to change and may be adjusted by Ceres Power Holdings plc with agreement from Zeus Capital and, to the extent applicable, Berenberg. If any of the above times and/or dates change details of the new times and/or dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
3. Different deadlines and procedures for return of forms may apply in certain cases.
4. Certain of the events in the above timetable are conditional upon, amongst other things, the approval of Resolutions 1, 2 and 3 as set out in the Notice of General Meeting.

FUNDRAISING STATISTICS

Issue Price per New Ordinary Share	15.08 pence
Number of Ordinary Shares in issue as at the Latest Practicable Date	1,017,129,193
Number of Fundraising Shares to be issued by the Company pursuant to the Fundraising	132,625,994
Number of Initial Weichai Shares to be issued to the Company pursuant to the Weichai Subscription ¹	approx. 127,760,800
Gross Proceeds of the Fundraising	£20.0 million
Gross Proceeds of the Weichai Subscription ¹	£19.3 million
Net Proceeds from the New Ordinary Shares ¹	£38.2 million
Number of Ordinary Shares in issue immediately following admission of the New Ordinary Shares ¹	1,277,515,987
New Ordinary Shares as a percentage of the Enlarged Issued Share Capital ¹	20.4 per cent.
Number of Further Weichai Shares subject to the Warrant Instrument ¹	approx. 159,689,500
Number of Ordinary Shares expected to be in issue immediately following issue of the Further Weichai Shares ¹	1,437,205,487

¹ Assuming no Ordinary Shares, other than the New Ordinary Shares, are issued before or on Admission or prior to the issue of the Further Weichai Shares, as applicable.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Alan Aubrey Philip Caldwell Richard Preston Mark Selby Steve Callaghan Aidan Hughes Mike Lloyd Robert Trezona	<i>Non-Executive Chairman</i> <i>Chief Executive Officer</i> <i>Chief Financial Officer</i> <i>Chief Technical Officer</i> <i>Senior Independent Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
Company Secretary	Caroline Buchan	
Registered and head office	Viking House Foundry Lane Horsham West Sussex RH13 5PX	
Nominated Adviser and Joint Broker	Zeus Capital Limited 10 Old Burlington Street London W1S 3AG	
Joint Broker	Joh. Berenberg, Gossler & Co. KG, London Branch 60 Threadneedle Street London EC2R 8HP	
Solicitors to the Company	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN	
Solicitors to Zeus Capital	Jones Day 21 Tudor Street London EC4Y 0DJ	
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE	

DEFINITIONS

The following definitions apply throughout this Circular unless the context requires otherwise:

“Act”	the Companies Act 2006 (as amended from time to time)
“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the provisions of the London Stock Exchange entitled “AIM Rules for Companies” as amended or reissued from time to time governing, amongst other things, admission to AIM and the continuing obligations of AIM companies
“Berenberg”	Joh. Berenberg, Gossler & Co. KG, London Branch, of 60 Threadneedle Street, London EC2R 8HP, being the Company's Joint Broker
“Board”	the board of Directors of the Company as at the date of this Circular
“Business Day”	any day (excluding Saturdays, Sundays and public holidays in England) on which banks are open in London for business
“CHP”	combined heat and power
“Circular”	this circular, dated 4 July 2018
“Company” or “Ceres Power”	Ceres Power Holdings plc
“Computershare”	Computershare Investor Services PLC
“Consolidated Ordinary Shares”	following the Effective Date, the ordinary shares of 10 pence each in the capital of the Company
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades and the holding of shares in uncertificated securities operated by Euroclear as defined in the CREST Regulations
“CREST Regulations” or “Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001/3755), as amended from time to time
“Directors”	the Directors of the Company as at the date of this Circular, whose names are set out on page 7
“Effective Date”	the date on which the Share Consolidation becomes effective and the Consolidated Ordinary Shares are admitted to AIM, which is expected to be 7 August 2018
“Enlarged Issued Share Capital”	the issued share capital of the Company on Admission as enlarged by the issue of the New Ordinary Shares
“EU”	European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST

“Existing Ordinary Shares”	the 1,017,129,193 Ordinary Shares in issue, comprising the whole of the issued share capital of the Company, as at the Latest Practicable Date
“FCA”	the Financial Conduct Authority of the United Kingdom
“Form of Proxy”	the form of proxy accompanying this Circular for use in connection with the General Meeting
“FSMA”	Financial Services and Markets Act 2000 (as amended)
“Fundraising”	the Placing and the Subscription
“Fundraising Shares”	the Placing Shares and the Subscription Shares
“Further Weichai Shares”	approximately 159,689,500 Ordinary Shares to be issued to Weichai Power at the Further Weichai Share Price pursuant to the Warrant Instrument (assuming the Company issues no additional Ordinary Shares prior to the exercise of Warrant Instrument other than the New Ordinary Shares)
“Further Weichai Share Price”	16.45 pence per Ordinary Share
“General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 20 July 2018, notice of which is set out in this Circular, and any adjournment thereof
“Gross Proceeds”	the gross proceeds of the Fundraising and the Weichai Subscription before the deduction of expenses
“Group”	the Company and its subsidiaries from time to time
“HMRC”	Her Majesty’s Revenue & Customs
“Independent Directors”	the Directors other than Alan Aubrey and Robert Trezona
“IP2IPO”	IP2IPO Portfolio L.P. registered in England and Wales with limited partner number LP017872 acting by its general partner IP2IPO Portfolio (GP) Limited (a wholly owned subsidiary of IPG), incorporated in England and Wales with company number 10360684
“IPG”	IP Group plc, a public limited company incorporated in England and Wales with company number 04204490
“Initial Weichai Shares”	approximately 127,760,800 Ordinary Shares to be issued to Weichai Power at the Issue Price pursuant to the Weichai Subscription Agreement (assuming the Company issues no additional Ordinary Shares prior to Admission other than the Fundraising Shares)
“Issue Price”	15.08 pence per New Ordinary Share
“kW”	kilowatt
“Latest Practicable Date”	the latest date practicable prior to the publication of this Circular, being 3 July 2018
“London Stock Exchange”	London Stock Exchange plc
“Net Proceeds”	the Gross Proceeds of the Fundraising and Weichai Subscription net of expenses

"New Ordinary Shares"	the Fundraising Shares and the Initial Weichai Shares
"Notice of General Meeting"	the notice convening the General Meeting set out on page 21 of this Circular
"OEMs"	original equipment manufacturers
"Official List"	the official list of the FCA pursuant to Part VI of FSMA, as amended from time to time
"Ordinary Shares"	ordinary shares of 1 pence each in the capital of the Company
"Overseas Shareholders"	Shareholders who are resident in or a citizen or national of any country outside the United Kingdom
"Placees"	the persons with whom Placing Shares are to be placed and, where applicable, the persons subscribing for Subscription Shares
"Placing"	the conditional placing of the Placing Shares pursuant to the Placing Agreement, details of which are set out in the Letter from the Chairman
"Placing Agreement"	the conditional placing agreement dated 3 July 2018 between the Company, Zeus Capital and Berenberg and relating to the Placing, details of which are set out in paragraph 7.3 of the Letter from the Chairman
"Placing Shares"	the 105,835,694 Ordinary Shares which are the subject of the Placing
"Prospectus Rules"	the rules made for the purposes of Part V of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market
"Record Date"	the date on which the Company will determine at the close of business the holding of Ordinary Shares of each Shareholder for the purposes of the Share Consolidation, which is expected to be 6 August 2018
"Registrar"	Computershare Investor Services PLC
"Regulatory Information Service"	a regulatory information service that is approved by the FCA and that is on the list of regulatory information service providers maintained by the FCA
"Resolutions"	the resolutions including the Share Authority Resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for the Company or involve a violation of local securities laws or regulations if information or documentation concerning the proposals set out in this document is sent or made available to shareholders in that jurisdiction including, without limitation, the United States, Canada, Australia, Japan and the Republic of South Africa
"Securities Act"	the US Securities Act of 1933, as amended
"Share Authority Resolutions"	the Resolutions numbered 1, 2 and 3 in the Notice of General Meeting

“Share Consolidation”	means the proposed consolidation of every 10 Ordinary Shares into one Consolidated Ordinary Share
“Shareholder(s)”	holder(s) of Ordinary Shares
“Subscription”	the subscription by IPG and Directors for Subscription Shares
“Subscription Shares”	the 26,790,300 Ordinary Shares to be issued pursuant to the Subscription
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part VI of the FSMA
“US” or “United States”	the United States of America, each state thereof (including the district of Columbia), its territories, possessions and all areas subject to its jurisdiction
“Warrant Instrument”	the warrant instrument executed by the Company dated 16 May 2018 pursuant to which Weichai Power will subscribe for the Further Weichai Shares on the satisfaction of certain conditions
“Weichai Power”	Weichai Power Co., Ltd a company registered in the People’s Republic of China or, in relation to the Weichai Investment, its wholly owned investment vehicle Weichai Power (Hong Kong) International Development Co., Ltd (registered in Hong Kong Special Administrative Region, with company number 1251879) whose registered office is at Room 3407-08, 34/Floor, Gloucester Tower, The Landmark, 15 Queen’s Road, Central, Hong Kong Special Administrative Region
“Weichai Subscription”	the conditional subscription by Weichai Power for Ordinary Shares representing 10 per cent. of the issued share capital of the Company as at Admission at the Issue Price pursuant to the Weichai Subscription Agreement
“Weichai Subscription Agreement”	the subscription agreement relating to the Initial Weichai Shares entered into between Weichai Power and the Company dated 16 May 2018 pursuant to which Weichai Power agreed to subscribe for Ordinary Shares
“Weichai Investment”	the subscription for the Initial Weichai Shares and the Further Weichai Shares
“Zeus Capital”	Zeus Capital Limited of 10 Old Burlington Street, London W1S 3AG, being the Company’s Nominated Adviser, Joint Broker and Lead Bookrunner

LETTER FROM THE CHAIRMAN

CERES POWER HOLDINGS PLC

(Incorporated in England and Wales with registered number 5174075)

Directors:

Alan Aubrey, Non-Executive Chairman
Philip Caldwell, Chief Executive Officer
Richard Preston, Chief Financial Officer
Mark Selby, Chief Technical Officer
Steve Callaghan, Senior Independent Director
Aidan Hughes, Non-Executive Director
Mike Lloyd, Non-Executive Director
Robert Trezona, Non-Executive Director

Registered Office:

Viking House
Foundry Lane
Horsham
West Sussex
RH13 5PX

4 July 2018

To Shareholders and, for information purposes only, to the holders of options

Dear Shareholder,

Placing and Subscription of 132,625,994 Fundraising Shares at 15.08 pence per share
Subscription of approximately 127,760,800 Initial Weichai Shares at 15.08 pence per share
Proposed Share Consolidation
and
Notice of General Meeting

1. Introduction

The Company announced today that it proposes to raise a total of approximately £20.0 million (before expenses) by means of a placing and subscription of, in aggregate, 132,625,994 Fundraising Shares at the Issue Price. This is in addition to the Weichai Subscription announced on 16 May 2018 which will (following adjustment for the issue of the Fundraising Shares) raise approximately £19.3 million (before expenses). The Net Proceeds from the Fundraising and the Weichai Subscription will be £38.2 million. Under the terms of the Weichai Subscription Agreement, Weichai Power is subscribing for 10 per cent. of the issued share capital of the Company at Admission. The value of the Weichai Subscription has therefore increased as the number of Initial Weichai Shares at the Issue Price has been increased to reflect the issue of the Fundraising Shares.

In addition, as announced on 16 May 2018, subject to the satisfaction of certain conditions, the Company proposes to issue the Further Weichai Shares to Weichai Power at the Further Weichai Share Price which, on completion of the subscription, will provide gross proceeds of approximately £26.3 million as adjusted to reflect the issue of the Fundraising Shares and any share options exercised prior to such date.

The Issue Price and the Further Weichai Share Price represent a discount of approximately 2.7 per cent. and a premium of approximately 6.1 per cent. respectively to the mid-market closing price of the Company's Ordinary Shares on the Latest Practicable Date.

The Fundraising and the Weichai Investment are subject to the passing of certain resolutions at the General Meeting. Shareholder approval will be sought at the General Meeting, notice of which is set out at the end of this document, and is being convened for 11.00 a.m. on 20 July 2018 at Powerscourt, 1 Tudor Street, London EC4Y 0AH.

In addition to providing you with information about the Fundraising and the Weichai Investment, this letter sets out the background to, and reasons for them and explains why the Directors consider that the proposals are fair and reasonable and in the best interests of the Company and the Shareholders as a whole and why

the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own beneficial interests amounting, in aggregate, to 6,946,861 Ordinary Shares representing 0.7 per cent. of the Existing Ordinary Shares.

In addition, the Company is also proposing a share capital consolidation. As at the Latest Practicable Date the Company had 1,017,129,193 Ordinary Shares in issue. The Directors consider that it is in the best interests of the Company's long term development as a public quoted company to have a more manageable number of issued Ordinary Shares. Accordingly, it is proposed that the Company's share capital be reorganised such that every 10 Existing Ordinary Share be consolidated into one Consolidated Ordinary Share. As all of the Ordinary Shares are proposed to be consolidated, the proportion of issued ordinary share holdings in the Company held by each Shareholder immediately before and immediately after the Share Consolidation will, save for fractional entitlements, (the treatment of which is described below) remain unchanged. Subject to passing Resolution 6 the Share Consolidation will take effect on 7 August 2018.

In the event that any of the Resolutions numbered 1 and 3 relating to the Weichai Investment are not passed, the Fundraising will not proceed and the Company will seek to pursue a different funding strategy in order to progress towards its commercialisation goals. The Weichai Investment is not conditional on the Fundraising but is conditional on the passing of Resolutions 1 and 3.

2. Background to the Fundraising and the Weichai Investment

Ceres Power is a world leader in next generation fuel cell technology with its low-cost Solid Oxide Fuel Cell (SOFC), SteelCell[®]. Currently, the Company's technology is being applied by its partners in the development of distributed power and automotive products that seek to reduce operating costs, lower CO₂, SO_x and NO_x emissions and improve energy security. The Company intends to license its SteelCell[®] technology to OEM partners, who develop power systems and products, and also to manufacturing partners to produce the SteelCell[®] in volume.

The Company is benefitting from the twin drivers of an increasing emphasis on distributed generation combined with the rapid acceleration towards the electrification of vehicles. Distributed generation is increasingly seen as a solution for homes, businesses and data centres as the conventional central power grid is facing the growing pressures of intermittency due to more renewables combined with the growing electricity demands of electric vehicles. The increase in the electrification of vehicles is the result of increasing emissions regulations to improve air quality in countries and major cities worldwide. The SteelCell[®] is one of the few technologies that can provide a highly efficient, low to near zero emission power generation alternative to conventional power generation and combustion engine technology. This has driven a high level of interest in the SteelCell[®] technology from leading power system and engine manufacturers.

These trends are most evident in the rapid emergence of China as one of the leading markets for fuel cell technology. Accordingly the Company is delighted to include Weichai Power, one of the leading engine manufacturing companies in China, as a strategic partner in this fundraise. Weichai Power's positioning and experience provides direct access to one of the fastest growing fuel cell markets in the world. Initial plans are for Ceres Power and Weichai Power to jointly develop and launch an SOFC fuel cell range extender system for China's fast growing electric-powered bus market with the potential to add further stationary power products. As part of this partnership Ceres Power intends to enter into a joint venture in China from 2020 to manufacture firstly systems and ultimately SteelCells[®].

Weichai Power is initially investing £19.3 million to subscribe for 10 per cent. of the Enlarged Issued Share Capital. In addition, it has agreed a further investment of £26.3 million conditional on the signing of further commercial agreements to increase its holding to 20 per cent. of the Company's issued share capital by the end of November this year. This strategic relationship is a key milestone for Ceres Power as it continues to deliver on its strategy of licensing system and manufacturing of its SteelCell[®] technology to companies who are leaders in the power generation and automotive sectors.

3. Recent progress

The Company continues to grow to address increasing demand for its technology, adding new partners and progressing with existing partners towards commercialisation. Today the Company has six partners at the joint development agreement stage of which, to date, two have strong intent to go to market with products based on licensing the SteelCell[®].

Two years ago the Company made the strategic decision to target higher power applications such as data centres, commercial scale applications and transportation in addition to its home applications. In order to do this it invested in the development of larger 5kW fuel cell stacks and higher efficiency power modules to address the larger-scale power markets (from 5kW to hundreds of kW).

The development has been successful and the Company has early prototypes that demonstrate the capability of the 5kW stack going into several of our larger-scale power customer programmes. The Company's next step is to develop the 5kW platform further and invest in manufacturing equipment so the stacks can be produced and assembled at the cost and quality required by its OEM partners.

The development of the larger stacks is key to unlocking value in most of the Company's markets as over 80 per cent. of its customer programmes require this platform including Cummins, Nissan and Weichai Power.

In the next 12 months the Company expects several of its OEM partners to move towards field testing of multi-kW products, including a commercial scale partner which is due to start field trials later this year, the other confidential partner looking at 10kW scale products, and most recently Weichai Power, which has already started to develop a 30kW product suitable for many of the power markets across China, with the range extender for the electric bus market as the first market to address.

4. Reasons for the Fundraising and use of funds

The Company is looking to raise new equity in order to enable it to continue to grow and commercialise the SteelCell®. The Board believes that the proceeds of the Fundraising along with the proceeds of the overall Weichai Investment, being approximately £65.5 million, along with the Group's existing cash and cash equivalents, will provide capital to fund the Group and in particular it intends to use the proceeds of the Fundraising and the Weichai Investment to:

- Provide working capital to fund the business through to commercial launches with OEMs from 2020/2021;
- Finance a new manufacturing facility in the UK to provide near-term capacity for the next 3-5 years. The new facility will phase the increase in annual capacity from 1 to 3 MW initially with the potential to grow to 10 MW over the next 5 years, which will provide a platform for licensing to the Company's manufacturing partnerships for higher volume. The Company is very close to committing on a new site within commuting distance of Horsham, where its current facility will remain as its Technology Centre of Excellence;
- Enable the Company to industrialise the 5kW stack, which is the key technology platform for most of its current demand. This work will build on the early prototype 5kW stacks the Company has developed in 2017/18. It enables approximately 30 per cent. reduced cost/kW compared to the equivalent 1kW stacks and will ready these products for anticipated market launches;
- Provide initial funding of the proposed manufacturing joint venture (JV) with Weichai Power, which would be required from 2020; and
- Strengthen the Group's balance sheet to support the multiple ongoing customer programmes.

Alongside the above, the Company will continue to invest in the technology to continuously improve and maintain its competitive advantage and will investigate additional strategic uses of the core technology to enable additional long-term value creation.

5. Current trading and prospects

Ceres Power has reached a new phase of its business – having secured six partners at the development stage, it is now seeing several of these relationships moving towards field trials with the intent to launch commercial products under licence.

With these higher levels of commercial activity in new countries and broadening markets, the Directors anticipate revenue and other operating income for the year ended 30 June 2018 will be approximately £7 million, up c.70 per cent. from the prior year. The Board is confident that the Company can maintain this trend of strong revenue growth as it secures more technology transfer and licence revenues in addition to its current engineering services and 2019 revenues are expected to be ahead of current market expectations.

The Company's order book is currently £5.1 million, up from £3.2 million as published last year, and it has a strong commercial pipeline with several opportunities at an advanced stage, including a potential substantial grant award.

6. Outlook

The next year will be extremely exciting for Ceres Power, as the Board expects field trials to start across a number of applications: 5kW commercial CHP with the confidential customer starting later this year, the first 30kW system being run on a bus in China with the Company's new partner Weichai Power in 2019, and has a potential 10kW power-only systems starting trials later in 2019. These initial trials will no doubt provide new challenges for the Company servicing several different OEMs in different markets. The Company's focus remains on getting to the SteelCell® products to market under licence with leading OEMs and proving its the technology and business model in several different applications.

Of primary importance, later this year the Company is working towards completing the JV and licensing agreement with Weichai Power which will allow it to work towards a manufacturing joint venture in China and which triggers the subscription of a further equity stake in the Company to increase Weichai Power's holding in the Company to 20 per cent. The Company also continues to target an additional strategic manufacturing partner within the next 12 months and it is in discussions with a partner regarding a broad strategic collaboration, including manufacturing, however negotiations are at an early stage.

The Board intends to continue to scale and develop the business to be able to deliver these new opportunities and completion of the proposed Fundraise would put the Company in a strong financial position through this key period of growth and expected commercial launches.

7. Key elements of the Fundraising

7.1 Fundraising

The Company is proposing to raise approximately £20.0 million, (£19.2 million net of estimated expenses), by way of the conditional placing and subscription of 132,625,994 Fundraising Shares at the Issue Price with existing and new investors as well as one of the Directors. The Fundraising Shares to be issued pursuant to the Fundraising will represent approximately 10.4 per cent. of the Enlarged Issued Share Capital. The Fundraising Shares will rank *pari passu* in all respects with the Existing Ordinary Shares. The Issue Price represents a discount of 2.7 per cent. to the mid-market closing price on 3 July 2018 (being the Latest Practicable Date). The Fundraising is conditional on (amongst other things) Shareholder approval of the Share Authority Resolutions and Admission. The Fundraising has not been underwritten.

7.2 Weichai Subscription Agreement

On 16 May 2018 the Company entered into a subscription agreement with Weichai Power pursuant to which Weichai Power agreed conditionally to subscribe for such number of Ordinary Shares that comprise ten per cent. of the issued share capital of the Company at Admission. Under the Subscription Agreement the Company has given Weichai certain limited warranties. The only remaining Conditions under the Weichai Subscription Agreement are Shareholder approval for the Weichai Subscription, there being no material adverse change relating to the Group's business and no material breach of any of the warranties in the Weichai Subscription Agreement.

7.3 Placing Agreement

On 3 July 2018, the Company entered into the Placing Agreement with Zeus Capital and Berenberg pursuant to which Zeus Capital and Berenberg have agreed to use reasonable endeavours to procure placees for the Placing Shares at the Issue Price. Under the Placing Agreement, the Company has given Zeus Capital and Berenberg customary warranties and indemnities. Zeus Capital and Berenberg also have customary termination rights in certain circumstances, including, *inter alia*, where there is a material breach of any of the warranties or for *force majeure*.

7.4 **IP2IPO Subscription**

On 3 July 2018, the Company entered into a subscription agreement with IP2IPO pursuant to which IP2IPO has conditionally agreed to subscribe for 26,525,100 Subscription Shares at the Issue Price as outlined in paragraph 10.1. The principal terms of this subscription are the same as the Placing.

7.5 **Further Weichai Shares**

The Company is proposing to issue approximately 159,689,500 Further Weichai Shares to Weichai Power at the Further Weichai Share Price. The Further Weichai Shares to be issued will increase Weichai Power's shareholding in the Company to 20 per cent. of the aggregate of the Enlarged Share Capital and the Further Weichai Shares. The Further Weichai Shares will rank *pari passu* in all other respects with all other Ordinary Shares. The Further Weichai Share Price represents a premium of 6.1 per cent. to the mid-market closing price on 3 July 2018 (being the Latest Practicable Date).

Issue of the Further Weichai Shares is conditional on (amongst other things) Weichai Power and the Company reaching agreement on certain commercial documents including a Licence Agreement, a Joint Venture Agreement and a further Joint Development Agreement, as well as Admission. If such agreements are not entered into by 30 November 2018 the Further Weichai Shares will not be issued to Weichai Power.

8. Effect of the Fundraising and issue of the Initial Weichai Shares

132,625,994 Fundraising Shares will be issued to Placees and approximately 127,760,800 Initial Weichai Shares will be issued to Weichai Power pursuant to the Weichai Subscription. All the Fundraising Shares and Initial Weichai Shares will, when issued and fully paid, rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the respective dates of Admission. No temporary documents of title will be issued.

The Share Authority Resolutions set out in the Notice of General Meeting must be passed at the General Meeting in order for the Fundraising to proceed.

Upon completion of the Fundraising and the Weichai Subscription, the New Ordinary Shares will represent approximately 20.4 per cent. of the Enlarged Issued Share Capital, of which the Fundraising Shares will represent approximately 10.4 per cent. of the Enlarged Issued Share Capital and the Initial Weichai Shares will represent 10.0 per cent. of the Enlarged Issued Share Capital.

Upon issue of the Further Weichai Shares, the Fundraising Shares will represent approximately 9.2 per cent. of the aggregate of the Further Weichai Shares and the Enlarged Issued Share Capital and Weichai Power's shareholding in the Company will represent 20 per cent. of the aggregate of the Further Weichai Shares and the Enlarged Issued Share Capital.

9. Share Consolidation

Share capital following the Share Consolidation

If approved by shareholders, the issued share capital of the Company immediately following the Share Consolidation is expected to comprise 127,751,598 Consolidated Ordinary Shares (assuming that: (i) the Fundraising Shares and the Initial Weichai Shares are allotted and issued; and (ii) no other shares are allotted and issued by the Company between the date of this Circular and the Record Date).

Following the Share Consolidation, the Company's new ISIN Code will be GB00BG5KQW09 and its new SEDOL Code will be BG5KQWO.

Shareholders who hold Ordinary Shares in uncertificated form will have such shares disabled in their CREST accounts at close of business on the Record Date, and their CREST accounts will be credited with Consolidated Ordinary Shares following admission of the Consolidated Ordinary Shares.

The Effective Date of the Share Consolidation is expected to be 7 August 2018 and the Record Date is expected to be 6 August 2018.

Following the Share Consolidation, existing share certificates will cease to be valid and new share certificates are expected to be despatched to those shareholders who hold their Ordinary Shares in certificated form.

Rights attaching to Consolidated Ordinary Shares

The Consolidated Ordinary Shares will have the same rights as the Ordinary Shares including voting, dividend, return of capital and other rights.

Effects on Options, Warrants and Other Instruments

The entitlements to Ordinary Shares of holders of securities or instruments convertible into Ordinary Shares (such as share options and warrants) will be adjusted to reflect the Share Consolidation once that becomes effective.

Fractional entitlements

It is likely that the Share Consolidation will result in fractional entitlements to a Consolidated Ordinary Share where any holding of Ordinary Shares is not precisely divisible by 10. No certificates will be issued for fractional entitlements to Consolidated Ordinary Shares.

Following the implementation of the Share Consolidation, certain shareholders may not have a proportionate shareholding of Consolidated Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares. Furthermore, any shareholders holding fewer than 10 Existing Ordinary Shares as at the Record Date will cease to be a shareholder of the Company. The minimum threshold to receive a Consolidated Ordinary Shares on the Share Consolidation will be 10 Ordinary Shares.

The Articles permit the Directors to sell shares representing fractional entitlements arising from the proposed Share Consolidation for the benefit of the Company. Any Ordinary Shares in respect of which there are fractional entitlements will therefore be aggregated and sold in the market for the best price reasonably obtainable. Given the minimal net proceeds of sale expected the Directors are of the view that, as a result of the administrative burden and disproportionate costs involved, it would not be in the best interests of the Company to distribute such proceeds of sale. As such it is proposed that the proceeds of sale be retained for the benefit of the Company.

For the avoidance of doubt, the Company is only responsible for dealing with fractions arising on registered holdings. For shareholders whose shares are held in the nominee accounts of UK stockbrokers, the effect of the Share Consolidation on their individual shareholdings will be administered by the stockbroker or nominee in whose account the relevant shares are held. The effect is expected to be the same as for shareholdings registered in beneficial names, however, it is the responsibility of the stockbroker or nominee to deal with fractions arising within their customer accounts, and not the responsibility of the Company.

10. Related Party Transactions

10.1 *IP Group related party transactions*

IP2IPO Subscription

IP2IPO, a Substantial Shareholder (as defined by the AIM Rules) in the Company and a wholly owned subsidiary of IP Group Plc ("IPG"), has conditionally agreed to subscribe for 26,525,100 Subscription Shares pursuant to the Subscription. Therefore, following Admission, IP2IPO will have a shareholding of 284,063,394 Ordinary Shares, representing 22.2 per cent. of the Enlarged Issued Share Capital.

The participation of IP2IPO in the Fundraising is a related party transaction for the purposes of the AIM Rules.

IP Capital Letter of Engagement

The Company entered into a letter of engagement, dated 3 July 2018, with IP Capital in respect of the provision of certain corporate finance and advisory services relevant to the Fundraise. Under the terms of the IP Capital letter of engagement, the Company has agreed to pay IP Capital, subject to and conditional upon completion of the Fundraising, a fee of £20,000.

IP Capital is considered to be a related party under the AIM Rules due to it being a wholly owned subsidiary of IPG and within the same group of companies as IP2IPO, a Substantial Shareholder. As such the engagement of IP Capital pursuant to the IP Capital letter of engagement is considered to be a related party transaction.

Accordingly, by reason of their connection with IP2IPO being that (i) Alan Aubrey is an employee of IP2IPO Limited (a company in the same group of companies as IP2IPO) and director of IP2IPO and a director and Chief Executive Officer of IPG (IP2IPO's parent company), and (ii) Robert Trezona is an employee of IP2IPO Limited (a company in the same group of companies as IP2IPO), neither Alan Aubrey nor Robert Trezona is considered to be an independent director for the purpose of the related party statement below.

The Directors other than Alan Aubrey and Robert Trezona, having consulted with the Company's Nominated Adviser, Zeus Capital, consider the terms of:

- IP2IPO's participation in the Fundraising to be fair and reasonable insofar as Shareholders are concerned.
- the IP Capital letter of engagement to be fair and reasonable insofar as Shareholders are concerned.

10.2 **Director's Fundraising Participation**

Aidan Hughes, a Non-Executive Director, has agreed to subscribe for 265,200 Subscription Shares in the Fundraising.

The participation of Mr. Hughes in the Fundraising constitutes a related party transaction under the AIM Rules. The Directors, excluding Mr. Hughes, having consulted with the Company's Nominated Adviser, Zeus Capital, consider the terms of Mr. Hughes' participation to be fair and reasonable insofar as Shareholders are concerned.

11. **General Meeting**

For the purposes of effecting the Fundraising, the Weichai Investment and the Share Consolidation, the following Resolutions will be proposed at the General Meeting. At page 21 of this Circular, you will find the Notice of General Meeting convening the General Meeting to be held at Powerscourt, 1 Tudor Street, London EC4Y OAH at 11.00 a.m. on 20 July 2018.

The full text of the Resolutions is set out in the Notice of General Meeting, but set out below is a summary of the Resolutions which will be proposed at the General Meeting:

- Resolution 1 (to be proposed as an ordinary resolution): to authorise the Directors under section 551 of the Act to allot shares up to an aggregate nominal amount of:
 - o up to £1,294,172 for the purposes of the Weichai Subscription; and
 - o up to £1,821,151 for the purposes of the issue of the Further Weichai Shares (or such lower amount as necessary to provide for Weichai Power to hold 20 per cent. of the issued share capital of the Company).

If passed, this authority will expire on the earlier of the date of the next annual general meeting of the Company and 20 January 2020;

- Resolution 2 (to be proposed as an ordinary resolution): to authorise the Directors under section 551 of the Act to allot shares up to an aggregate nominal amount of £1,326,260 for the purposes of the issue of the Fundraising Shares.

If passed, this authority will expire on the earlier of the date of the next annual general meeting of the Company and 20 January 2020; and

- Resolution 3 (to be proposed as a special resolution): to dis-apply the pre-emption rights pursuant to the provisions of sections 570 and 573 of the Act in respect of the allotment of equity securities

pursuant to the Weichai Subscription, the issue of the Further Weichai Shares and the Fundraising Shares. If passed, this authority will expire on the earlier of the date of the next annual general meeting of the Company and 20 January 2020.

As well as the Resolutions set out above, the following Resolutions will also be proposed at the General Meeting. The full texts of these Resolutions are set out in the Notice of General Meeting, but set out below is a summary of these Resolutions:

- Resolution 4 (to be proposed as an ordinary resolution): to authorise the Directors under section 551 of the Act to allot additional Ordinary Shares (in addition to the Fundraising and the Weichai Investment) up to an aggregate nominal amount of £4,215,803 (representing 33 per cent. of the nominal value of the Enlarged Issued Share Capital). If passed, this authority will expire on the earlier of the date of the next annual general meeting of the Company and 20 January 2020 and will be in substitution for the authority granted by the Company at the annual general meeting held on 6 December 2017; and
- Resolution 5 (to be proposed as a special resolution): to dis-apply the pre-emption rights pursuant to the provisions of sections 570 and 573 of the Act in respect of the allotment of additional equity securities up to an aggregate nominal amount of £1,277,516 (representing 10 per cent. of the nominal value of the Enlarged Issued Share Capital). If passed, this authority will expire on the earlier of the date of the next annual general meeting of the Company and 20 January 2020 and will be in substitution for the authority granted by the Company at the annual general meeting held on 6 December 2017; and
- Resolution 6 (to be proposed as an ordinary resolution): to approve the Share Consolidation and reorganise the Company's share capital on a 10 for one basis so that every 10 Existing Ordinary Share is consolidated into one Consolidated Ordinary Share to take effect on 7 August 2018.

Resolution 4 will be conditional on the passing of Resolutions 1, 2 and 3; and Resolution 5 will be conditional on the passing of Resolutions 1, 2, 3 and 4.

The Board is proposing Resolutions 4 and 5 in order to seek Shareholder approval to grant the Board additional flexibility to issue Ordinary Shares up to a certain amount without the need to seek Shareholder approval at the relevant time. These proposed authorities are in the same proportions as those approved by Shareholders at the 2017 annual general meeting. If passed, it would give the Board flexibility to raise funds on an expedited basis to take advantage of potential fundraising opportunities which may arise. The Board has no present intention of exercising these authorities and the Board will only exercise these authorities when it is satisfied that it is in the Company's interests to do so.

12. Action to be taken by Shareholders

General Meeting

Shareholders will find enclosed with this Circular, or have been sent separately, a Form of Proxy for use at the General Meeting. **Whether or not you propose to attend the General Meeting in person, it is important that you complete and sign the Form of Proxy in accordance with the instructions thereon and return it so as to arrive with the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 11.00 a.m. on 18 July 2018. If you are completing the Form of Proxy electronically or via the CREST system this must be done so not later than 11.00 a.m. on 18 July 2018.** The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or at any adjournment thereof, should you wish to do so.

13. Recommendation and Irrevocable Undertakings

The Directors consider the Weichai Investment and the Fundraising and the passing of the Resolutions to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the Resolutions as those Directors who are Shareholders have irrevocably undertaken to do in respect of their beneficial holdings of an aggregate of 6,946,861 Ordinary Shares, representing approximately 0.7 per cent. of the Existing Ordinary Shares.

In addition to the Directors, IPG has irrevocably undertaken to vote in favour of the Resolutions in respect of the Ordinary Shares in which it is interested, amounting in aggregate to 257,538,294 Ordinary Shares, representing approximately 25 per cent. of the Existing Ordinary Shares.

Copies of this Circular will be available free of charge from the Company's website (www.cerespower.com).

Yours faithfully

Alan Aubrey

Non-Executive Chairman

CERES POWER HOLDINGS PLC

(Incorporated in England and Wales under the Companies Act 1985 (as amended) with registered number 5174075)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Ceres Power Holdings plc (the “Company”) will be held at 11.00 a.m. on 20 July 2018 at Powerscourt, 1 Tudor Street, London EC4Y OAH for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary or special resolutions as indicated below.

Unless otherwise defined herein, defined terms in this Notice of General Meeting will have the same meaning given to them in the circular to shareholders published by the Company on 4 July 2018 (the “Circular”).

ORDINARY RESOLUTION

1. Authority to allot shares

THAT, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all or any of the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company (“**Relevant Securities**”) up to:

- (a) an aggregate nominal amount of £1,294,172 pursuant to or in connection with the Weichai Subscription; and
- (b) an aggregate nominal amount of £1,821,151 (or such amount as necessary to provide for Weichai Power to hold a total of 20 per cent. of the issued share capital of the Company) pursuant to or in connection with the Warrant Instrument,

provided that:

- (i) this authority shall expire (unless previously renewed, varied or revoked) on the earlier of the date of the next annual general meeting of the Company and 20 January 2020; and
- (ii) the Company may make an offer or agreement which would or might require Relevant Securities to be allotted after this authority expires and the directors may allot Relevant Securities in pursuance of such offer or agreement as if this authority had not expired.

2. Authority to allot shares

THAT, subject to and conditional upon the passing of Resolution 1, above, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all or any of the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any Relevant Securities up to an aggregate nominal amount of £1,326,260 pursuant to or in connection with the Fundraising provided that:

- (i) this authority shall expire (unless previously renewed, varied or revoked) on the earlier of the date of the next annual general meeting of the Company and 20 January 2020; and
- (ii) the Company may make an offer or agreement which would or might require Relevant Securities to be allotted after this authority expires and the directors may allot Relevant Securities in pursuance of such offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

3. Disapplication of pre-emption rights

THAT, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) of the Company for cash pursuant to the authority conferred by Resolutions 1 and 2 above, as if section 561 of the Act did not apply to any such allotment, provided that:

- (i) such power shall be limited to the allotment of up to the aggregate of:
 - a subject to and conditional upon the passing of Resolution 1 above, 129,417,243 Initial Weichai Shares and 182,115,055 Further Weichai Shares; and
 - b subject to and conditional upon the passing of Resolution 2 above, 132,625,994 Fundraising Shares; and
- (ii) this power shall expire (unless previously renewed, varied or revoked) on the earlier of the date of the next annual general meeting of the Company and 20 January 2020 provided that the Company may make an offer or agreement which would or might require securities to be allotted after this power expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

ORDINARY RESOLUTION

4. Additional authority to allot shares

THAT, subject to and conditional on the passing of Resolutions 1, 2 and 3 above, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all or any of the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any Relevant Securities up to an aggregate nominal amount of £4,215,803 (so as to represent approximately 33 per cent. of the nominal value of the Enlarged Issued Share Capital) provided that:

- (i) this authority shall expire (unless previously renewed, varied or revoked) on the earlier of the date of the next annual general meeting of the Company and 20 January 2020; and
- (ii) the Company may make an offer or agreement which would or might require Relevant Securities to be allotted after this authority expires and the directors may allot Relevant Securities in pursuance of such offer or agreement as if this authority had not expired.

The previous authority (to the extent unutilised) given to the Directors at the annual general meeting of the Company held on 6 December 2017 pursuant to section 551 of the Act shall cease to have effect at the conclusion of this general meeting, save to the extent that authority is exercisable pursuant to section 551(7) of the Act by reason of any offer or agreement made prior to the date of this resolution which would or might require Relevant Securities to be allotted after that date.

SPECIAL RESOLUTION

5. Additional disapplication of pre-emption rights

THAT, subject to and conditional upon the passing of Resolutions 1, 2, 3 and 4 above, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) of the Company for cash pursuant to the authority conferred by Resolution 4 above, as if section 561 of the Act did not apply to any such allotment, provided that:

- (i) such power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £1,277,516 (so as to represent approximately 10 per cent. of the nominal value of the Enlarged Issued Share Capital); and
- (ii) this power shall expire (unless previously renewed, varied or revoked) on the earlier of the date of the next annual general meeting of the Company and 20 January 2020 provided that the Company may make an offer or agreement which would or might require securities to be allotted after this power expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

The previous authority (to the extent unutilised) given to the Directors at the annual general meeting of the Company held on 6 December 2017 pursuant to sections 570 and 573 of the Act shall cease to have effect

at the conclusion of this General Meeting, save to the extent that authority is exercisable pursuant to sections 570 and 573 of the Act by reason of any offer or agreement made prior to the date of this resolution which would or might require equity securities to be allotted after that date.

ORDINARY RESOLUTION

6. Share consolidation

That every existing 10 Ordinary Shares of £0.01 each in the capital of the Company in issue and shown in the register of members of the Company at 6.00 p.m. (London time) on the Record Date (the "Existing Ordinary Shares") be consolidated into one Consolidated Ordinary Share of £0.10 in the capital of the Company, such Consolidated Ordinary Shares having the same rights, and being subject to the same restrictions, as the Ordinary Shares, as set out in the articles of association of the Company. The consolidation shall take place on the Effective Date.

By order of the Board

Caroline Buchan
Company Secretary

Registered office:

Viking House
Foundry Lane
Horsham
West Sussex
RH13 5PX

4 July 2018

NOTES:

Rights to appoint a proxy

1. Members of the Company are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
2. A Form of Proxy which may be used to make such appointment and give proxy directions accompanies this notice. If you do not receive a Form of Proxy and believe that you should have one, or if you require additional Form of Proxy in order to appoint more than one proxy, please contact Computershare Investor Services PLC on 0370 889 4005 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) from within the UK or +44 370 889 4005 if calling from outside the UK. Calls to the 0370 889 4005 number cost approximately 8 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Procedure for appointing a proxy

3. To be valid, the Form of Proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11.00 a.m. on 18 July 2018. It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority.
4. Shareholders may vote electronically, by no later than 11.00 a.m. on 18 July 2018, by visiting www.investorcentre.co.uk/eproxy. You will be asked to enter the Shareholder Reference Number (SRN), identifying meeting Control Number and PIN shown on your proxy card and agree to certain terms and conditions. CREST shareholders may lodge their proxy via the CREST system (see notes 15 to 18).
5. The return of a completed Form of Proxy will not preclude a member from attending the general meeting and voting in person if he or she wishes to do so.

Nominated persons

6. Any person to whom this notice is sent who is a person nominated under section 146 Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
7. The statement of the rights of members in relation to the appointment of proxies in notes 1 and 2 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company.

Entitlement to attend and vote

8. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 11.00 a.m. on 18 July 2018 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the right of any person to attend and vote at the meeting.

Corporate representatives

9. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Total voting rights

10. As at 3 July 2018 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital comprised 1,017,129,193 Ordinary Shares of one pence each. Each Ordinary Share carries the right to one vote on a poll at a General Meeting of the Company and, therefore, the total voting rights in the Company as at that date are 1,017,129,193. As at 3 July 2018, the Company held no Ordinary Shares as treasury shares.
11. A copy of this notice, and other information required by section 311A Companies Act 2006, can be found on the website at www.cerespower.com/Investors/shareholder-documents.

Other rights of members

12. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Communications

13. Members who have general enquiries about the meeting should use the following means of communication. No other means of communication will be accepted. You may contact Computershare Investor Services PLC on 0370 889 4005 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) from within the UK or +44 370 889 4005 if calling from outside the UK. Calls to the 0370 889 4005 number cost approximately 8 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.
14. You may not use any electronic address provided in this notice of general meeting for communicating with the Company for any purposes other than those expressly stated.

Using CREST

15. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members and those CREST members who have appointed a service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
16. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent, Computershare Investor Services PLC (ID 3RA50), by 11.00 a.m. on 18 July 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
17. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
18. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

