

# Ceres Power Holdings PLC

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## Weichai Power confirms further equity investment in Ceres Power and joint venture

Chinese engines giant Weichai Power has confirmed it will take a further 10% stake in Ceres Power Holdings PLC (LON:CWR) as part of a strategic collaboration agreed in May.

The two have also agreed to create a fuel cell manufacturing joint venture in China, a licence agreement to transfer key technology to the venture and a new £9mIn joint development agreement.

State-backed Weichai Power will inject £28mIn into Ceres Power, taking its stake in the AIM-listed fuel cell technology firm to 20%.

The news comes after press reports the companies were set to announce the additional equity investment in Ceres Power and a manufacturing joint venture as soon as this week.

**READ:** Ceres Power in talks with China state-backed Weichai Power about further investment

Under the strategic partnership agreed in May, Weichai took an initial 10% stake in Ceres for £17mIn with an option for further investment on signing commercial agreements.

As part of the deal, Weichai and Ceres had signed an initial joint development agreement to create a SteelCell solid oxide fuel cell (SOFC) range extender system for China's fast-growing electric powered bus market.

The initial agreement also included a technology transfer and the licensing of system-level technology to Weichai.

### New joint development agreement

The new £9mIn joint agreement announced on Tuesday is for the continued development of the SOFC extender system. It extends the initial joint development agreement made in May. Systems for 10 buses are set to be developed and trialled in the next two years.

Successful completion of the trials will lead to the formation of the manufacturing joint venture, which is expected in 2020.

The manufacturing joint venture will see the two companies invest in a new fuel cell manufacturing facility in Shandong, China and make SteelCell systems, stacks and fuel cells and in accordance with a licence agreement after technology transfers to Ceres. Weichai Power will have a 51% stake in the manufacturing joint venture with Ceres Power owning the rest.

The license agreement includes a mixture of exclusive and non-exclusive rights for the commercial vehicle, bus and certain stationary power markets in China.

**Price:** 215

**Market Cap:** £329.23 m

### 1 Year Share Price Graph



### Share Information

**Code:** CWR

**Listing:** LSE

**52 week High Low**  
226.6 124.98

**Sector:** Renewable Energy

**Website:** [www.cerespower.com](http://www.cerespower.com)

### Company Synopsis:

*Ceres Power is a fuel cell technology and engineering company whose aim is to bring cleaner and cheaper energy to businesses, homes and vehicles. We are working with world-leading partners to embed our SteelCell® technology in mass-market energy products for the commercial, residential and transportation markets.*

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Ceres will be paid up to £30mIn for the staged programme of technology transfer as well as ongoing royalties and future dividend payments.

'A major strategic milestone for Ceres'

Ceres said the agreement gives it access to the Chinese fuel cell market with one of the leading automotive original equipment manufacturers.

The group said it also brings in growth capital as it scales up operations in the UK and has the potential to provide "significant staged revenue" to the business through engineering services and technology transfer, licence and royalty payments and longer-term share in the profits from the joint venture.

"This is a major strategic milestone for Ceres," said chief executive Phil Caldwell.

"Establishing manufacturing capability in China with a partner as strong as Weichai will enable our SteelCell technology to benefit from the kind of economies of scale and significantly lower costs we have seen in the solar and battery industries."

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Twenty	Five	Thousand	dollars	(\$25,000).
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