

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

20 January 2025

Proton Motor Power Systems plc
("Proton Motor" or the "Company")

**Proposed cancellation of admission of the Ordinary Shares to trading on AIM
Proposed re-registration as a private limited company and adoption of New Articles
and
Notice of General Meeting**

Proton Motor Power Systems plc (AIM: PPS), the designer, developer and producer of fuel cells and fuel cell electric hybrid systems with a zero-carbon footprint, announces the proposed cancellation of admission of its Ordinary Shares to trading on AIM, its proposed re-registration as a private limited company and the proposed adoption of new articles of association.

Further to the Company's recent announcements, the Directors consider that it is in the best interests of the Company and its Shareholders taken as a whole to cancel the admission of the Ordinary Shares to trading on AIM. A circular (the "Circular") will be sent to Shareholders today and will shortly be available on the Company's website, www.proton-motor.com, setting out the background to and reasons for the Resolutions. Extracts from the Circular are set out, without material amendment, below.

The Company is seeking Shareholder approval for the proposals at a general meeting, to be convened for 10:00 a.m. UK time / 11:00 a.m. CET on 7 February 2025 at the offices of Proton Motor Fuel Cell GmbH, Benzstrasse 7, 82178 Puchheim, Germany.

Pursuant to Rule 41 of the AIM Rules, the Company through its nominated adviser, Allenby Capital Limited, has notified the London Stock Exchange of the date of the proposed Cancellation which is expected to become effective at 7.00 a.m. on 17 February 2025 if the Cancellation Resolution is passed at the General Meeting.

The Cancellation is conditional upon the approval of not less than 75 per cent of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting.

Recognising that Proton's UK-based shareholders may not be able to attend in person, the Company will provide access online via the Investor Meet Company platform in order that Shareholders are able to follow the proceedings of the General Meeting remotely. However, please note that Shareholders will not be able to vote online at the General Meeting via the platform and are therefore requested to submit their votes via proxy, as early as possible. Shareholders are invited to submit any questions for the Board to consider. Questions can be pre submitted ahead of the General Meeting via the Investor Meet Company Platform up until 10 a.m. UK time / 11:00 a.m. CET the day before the General Meeting or submitted at any time during the General Meeting itself. Shareholders that wish to follow the General Meeting remotely should register for the event in advance by using the following link: <https://www.investomeetcompany.com/proton-motor-power-systems-plc/register-investor>

For further information:

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EXTRACTS FROM THE CIRCULAR TO SHAREHOLDERS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and/or date
Announcement of the proposed Cancellation and Re-registration	20 January 2025
Publication and posting of the Circular and the Form of Proxy	20 January 2025
Latest time for receipt of proxy appointments in respect of the General Meeting	10:00 a.m. UK time/11:00 a.m. CET on 5 February 2025
General Meeting	10:00 a.m. UK time/11.00 a.m. CET on 7 February 2025
Announcement of result of General Meeting	7 February 2025
Expected last day of dealings in Ordinary Shares on AIM	14 February 2025
Expected time and date of Cancellation	7.00 a.m. UK time on 17 February 2025
Expected date of re-registration as a private company	by 7 March 2025

Each of the dates in the above timetable is subject to change at the absolute discretion of the Company.

References to time in the Circular and in the Form of Proxy are to UK time. The timetable above assumes that the Resolutions set out in the Notice of General Meeting will be passed. Events listed in the above timetable following the General Meeting are conditional on the Resolutions being passed at the General Meeting without amendment. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by announcement through a Regulatory Information Service.

LETTER FROM THE NON-EXECUTIVE CHAIR

1. Introduction

On 20 January 2025 the Company announced that the Board intended to seek Shareholder approval for the voluntary cancellation of admission of the Ordinary Shares to trading on AIM and the re-registration of the Company as a private limited company.

The Company is seeking Shareholder approval for the Cancellation and the Re-registration, including the adoption of new articles of association which are more appropriate for an unquoted private limited company, at the General Meeting, which has been convened for 10:00 a.m. UK time/11:00 a.m. CET on 7 February 2025 at the offices of Proton Motor Fuel Cell GmbH, Benzstrasse 7, 82178 Puchheim, Germany.

If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7.00 a.m. on 17 February 2025. The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 per cent. of the votes cast (whether by Shareholders present in person or by proxy) at the General Meeting.

In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the date of the proposed Cancellation which is expected to become effective at 7.00 a.m. on 17 February 2025.

The purpose of this Document is to provide information on the background to and reasons for the proposed Cancellation and the Re-registration; to explain the consequences of the Cancellation and the Re-registration; and provide reasons why the Directors unanimously consider the Resolutions to be in the best interests of the Company and its Shareholders as a whole.

Recognising that UK-based Shareholders may not be able to attend the General Meeting in person, the Company will provide access online via the Investor Meet Company platform in order that Shareholders are able to follow the proceedings of the General Meeting remotely. However, please note that Shareholders will not be able to vote online at the General Meeting via the platform and are therefore requested to submit their votes via proxy, as early as possible. Shareholders are invited to submit any questions for the Board to consider. Questions can be pre submitted ahead of the General Meeting via the Investor Meet Company Platform up until 10:00 a.m. the day before the General Meeting or submitted at any time during the General Meeting itself.

Shareholders that wish to follow the General Meeting remotely should register for the event in advance by using the following link <https://www.investomeetcompany.com/proton-motor-power-systems-plc/register>.

2. Background to and reasons for the proposed Cancellation and Re-Registration (including the adoption of the New Articles)

The Ordinary Shares have been admitted to trading on AIM since the Company's IPO in October 2006.

The Company has historically been reliant on the support of the Company's principal lender and parties connected to him, for the provision of loans under debt facilities to fund the ongoing working capital requirements of the Company. As at 31 July 2024, the Company had debt facilities totalling €121.5 million, of which €110.4 million was drawn, as well as accrued interest under the debt facilities of €37.8 million.

On 22 August 2024, the Company announced, amongst other matters, that it had received a notification from the Company's principal lender that the Company's working capital requirements would only be supported until 31 December 2024. It was also simultaneously announced that the Company was in discussions with other potential sources of finance in order that the business could continue as a going concern.

It was subsequently announced on 20 November 2024 that advanced discussions with a Germany-based potential industrial partner regarding a possible funding solution which would have enabled the Company to continue to trade beyond the end of 2024 had been terminated. The Company also simultaneously announced that following an extensive review by the Board of the likelihood of securing sources of finance to enable the Company to continue to operate beyond 31 December 2024, the Board had concluded that the most appropriate course of action was an orderly wind down of the business and to seek Shareholder approval for the Cancellation.

While the Board remains of the view that Cancellation and an orderly wind down of the business is the most appropriate course of action, in line with the Company's announcement on 30 December 2024, the Board is exploring the possibility of continuing the operations of the Group on a significantly reduced cost basis following Cancellation. This is contingent on the Group securing settlement with its outstanding creditors (save for the debts owed to its principal lender and parties connected to him under its debt facilities) and minimising the level of ongoing contractual obligations. There are therefore no guarantees that it will be able to achieve this.

Accordingly, the Board is seeking Shareholder approval for the Cancellation and for the Company to be re-registered as a private limited company.

In reaching this conclusion, the Directors have considered the following key factors:

- the Group is still loss-making and has historically been reliant on the continued support of its main Shareholder to fund the operations of the business. Having explored alternatives, the Directors are of the opinion that it will not be possible to secure debt funding from another party and raising further significant equity through public markets would be challenging in the short or medium term and may not be at a valuation that is acceptable to Shareholders; and
- the considerable cost of maintaining admission to trading on AIM, including fees payable to its professional advisers, including the nominated adviser and broker, AIM fees payable to the London Stock Exchange as well as incremental legal, insurance, accounting and auditing fees, along with the considerable amount of management time associated with maintaining the Company's admission to trading on AIM are, in the Directors' opinion, disproportionate to the benefits to the Company at this time.

As a result of this review and following careful consideration, the Board has unanimously concluded that the proposed Cancellation and Re-registration (including the adoption of the New Articles) is in the best interests of the Company and its Shareholders as a whole.

3. Process for, and principal effects of, Cancellation

Shareholders who wish to remain shareholders of Proton following Cancellation are welcome to do so. However, the Directors are aware that certain Shareholders may be unable, or unwilling, to hold Ordinary Shares in a private company in the event that the Cancellation is approved and becomes effective. Such Shareholders may consider selling their Ordinary Shares in the market prior to the Cancellation becoming effective.

Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 clear Business Days prior to such date.

In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention to cancel the Company's admission of its Ordinary Shares to trading on AIM on 17 February 2025, subject to the Cancellation Resolution being passed at the General Meeting. Accordingly, if the Cancellation Resolution is passed at the General Meeting, the Cancellation will become effective at 7.00 a.m. on 17 February 2025.

If the Cancellation becomes effective, Allenby Capital will cease to be the nominated adviser of the Company pursuant to the AIM Rules and the Company will no longer be required to comply with the AIM Rules. However, the Company will remain subject to the Takeover Code, details of which are set out below.

Under the AIM Rules, it is a requirement that the Cancellation must be approved via a special resolution by not less than 75 per cent. of votes cast (by proxy or in person) at the General Meeting. Accordingly, the Notice of General Meeting set out at the end of this Document contains the Cancellation Resolution.

The principal effects of the Cancellation will include the following:

- as a private company, there will be no formal market mechanism enabling Shareholders to trade in the Ordinary Shares;
- there will be no formal market quote or live pricing for the Ordinary Shares, therefore it will be more difficult to sell Ordinary Shares or for Shareholders to determine the market value of their investment in the Company, compared to shares of companies admitted to trading on AIM (or any other recognised market or trading exchange);
- it is possible that immediately following the publication of this Circular, the liquidity and marketability of the Ordinary Shares may be significantly reduced and their value adversely affected (although the Directors believe that the liquidity in the Ordinary Shares is currently and has for some time been in any event limited);
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply albeit the Company will remain subject to the Takeover Code for a period of time (see below for more details);
- following Cancellation, it is anticipated that the majority of the Directors will step down and there may only be one Director on the Board;
- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of price sensitive information or certain events and the requirement that the Company seek shareholder approval for certain corporate actions, where applicable, including substantial transactions, reverse takeovers, related party transactions and fundamental changes in the Company's business, including certain types of acquisitions and disposals;
- the levels of disclosure and corporate governance within the Company will not be as stringent as for a company quoted on AIM;
- the Company will no longer be subject to UK MAR regulating inside information and other matters;
- the Company will no longer be required to publicly disclose any change in major shareholdings in the Company under the Disclosure Guidance and Transparency Rules;
- Allenby Capital will cease to be nominated adviser and broker to the Company for the purpose of the AIM Rules;
- whilst the Company's CREST facility will remain in place post the Cancellation and it is anticipated that this will be maintained for at least 12 months, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST (in which case, Shareholders who hold Ordinary Shares in CREST will receive share certificates);
- stamp duty will be due on transfers of shares and agreements to transfer shares unless a relevant exemption or relief applies to a particular transfer; and
- the Cancellation may have personal taxation consequences for Shareholders. Shareholders who are in any doubt

- the Cancellation may have personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

The above considerations are not exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

For the avoidance of doubt, the Company will remain registered with the Registrar of Companies in England & Wales in accordance with, and subject to the Companies Act, notwithstanding the Cancellation and Re-registration.

The Resolutions to be proposed at the General Meeting include the adoption of the New Articles, with effect from the Re-registration. A summary of the principal differences between the Current Articles and the proposed New Articles is included in Part II of the Circular. A copy of the New Articles is set out at the end of the Circular and can also be viewed at www.proton-motor.com.

4. Transactions in the Ordinary Shares prior to and post Cancellation

Prior to the Cancellation

Shareholders should note that they are able to continue trading in the Ordinary Shares on AIM up to the date of Cancellation. If the requisite majority of Shareholders approve the Cancellation Resolution at the General Meeting, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 14 February 2025. The Board is not making any recommendation as to whether or not Shareholders should buy or sell their Ordinary Shares.

Dealing and settlement arrangements post the Cancellation

In the event that the Cancellation becomes effective, there will be no market facility for dealing in the Ordinary Shares and no price will be publicly quoted for Ordinary Shares as from close of business on 14 February 2025, assuming that the Cancellation Resolution is approved. As such, interests in Ordinary Shares are unlikely thereafter to be readily capable of sale and where a buyer is identified, it may be difficult to place a fair value on any such sale. While there can be no guarantee that Shareholders will be able to sell any Ordinary Shares, any Shareholder seeking to do so following the Cancellation should contact the Company in writing by post to the registered office of the Company, addressed to: Proton Motor Power Systems plc, C/O Womble Bond Dickinson (UK) LLP, 4 More London Riverside, London, England SE1 2AU or by email to: company.secretary@protonmotor-powersystems.com or alternatively to r.kotlarzewski@proton-motor.de. The Company will then be able to advise as to whether the Directors are aware of any prospective buyers for any Ordinary Shares which the holder thereof wishes to sell at that time.

If Shareholders wish to buy or sell Ordinary Shares on AIM they must do so prior to the Cancellation becoming effective. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 14 February 2025 and that the effective date of the Cancellation will be 17 February 2025.

5. Process for the Re-registration

Following Cancellation, the Directors believe that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document.

Under the Companies Act 2006, the Re-registration and the adoption of the New Articles must be approved by not less than a 75 per cent. majority of the votes cast at the General Meeting. Accordingly, the Notice of General Meeting contains the Re-registration Resolution which will be proposed as a special resolution.

Subject to and conditional upon the Cancellation and the passing of the Re-registration Resolution, an application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company.

Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to cancel the Re-registration Resolution or that any such application to

cancel the Re-registration Resolution has been determined and confirmed by the Court. The New Articles will be adopted with effect from the time at which the Re-registration becomes effective.

6. The Takeover Code

The Takeover Code applies to any company which has its registered office in the UK, the Channel Islands or the Isle of Man if any of its equity share capital or other transferable securities carrying voting rights are admitted to trading on a UK regulated market, a UK multilateral trading facility, or a stock exchange in the Channel Islands or the Isle of Man. The Takeover Code therefore applies to the Company as its securities are admitted to trading on AIM, which is a UK multilateral trading facility.

The Takeover Code also applies to any company which has its registered office in the UK, the Channel Islands or the Isle of Man if any of its securities were admitted to trading on a UK regulated market, a UK multilateral trading facility, or a stock exchange in the Channel Islands or the Isle of Man at any time during the two years prior to the relevant date.

Accordingly, if the Cancellation and the Re-registration is approved by Shareholders at the General Meeting and becomes effective, the Takeover Code will continue to apply to the Company for a period of two years after the Cancellation and the Re-registration, following which the Takeover Code will cease to apply to the Company.

While the Takeover Code continues to apply to the Company, a mandatory cash offer will be required to be made if either:

- a person acquires an interest in shares which, when taken together with the shares in which persons acting in concert with it are interested, increases the percentage of shares carrying voting rights in which it is interested to 30% or more; or
- a person, together with persons acting in concert with it, is interested in shares which in the 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 it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested.

Brief details of the Panel and the protections afforded by the Takeover Code (which will cease to apply two years following the Cancellation and the Re-registration) are set out in Part III of the Circular.

7. Options

The rights of certain individuals who hold options over Ordinary Shares will be unaffected by the proposed Cancellation and Re-registration.

8. General Meeting

The notice convening the General Meeting to be held at the offices of Proton Motor Fuel Cell GmbH, Benzstrasse 7, 82178 Puchheim, Germany at 10:00 a.m. UK time/11:00 a.m. CET on 7 February 2025 is set out at the end of the Circular.

Resolution 1 to be proposed at the General Meeting is a special resolution to approve the Cancellation.

Conditional on the passing of Resolution 1, Resolution 2 to be proposed at the General Meeting is a special resolution to re-register the Company as a private limited company and to approve the adoption by the Company of the New Articles.

DEFINITIONS

"AIM"	the AIM market of the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange;
"Allenby Capital"	Allenby Capital Limited, the Company's nominated adviser and broker pursuant to the AIM Rules;
"Business Day"	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks are generally open for the transaction of normal banking business in London;

"Cancellation"	the cancellation of admission of the Ordinary Shares to trading on AIM in accordance with Rule 41 of the AIM Rules, subject to passing of the Cancellation Resolution;
"Cancellation Resolution"	Resolution 1 set out in the Notice of General Meeting;
"Companies Act"	the Companies Act 2006 (as amended from time to time);
"Company" or "Proton"	Proton Motor Power Systems Plc;
"CREST"	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & International in accordance with the CREST Regulations;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
"Current Articles"	the existing articles of association of the Company adopted by special resolution on 5 November 2008;
"Directors" or "Board"	the directors of the Company, each a "Director";
"Disclosure Guidance and Transparency Rules"	the disclosure rules and transparency rules made by the UK Financial Conduct Authority pursuant to section 73A of the Financial Services and Markets Act 2000;
"Document"	this document, containing information regarding the Cancellation, the Re-registration, the adoption of the New Articles and the General Meeting;
"Euroclear UK & International"	Euroclear UK & International Limited, the operator of CREST;
"Existing Ordinary Shares"	the 1,661,751,046 Ordinary Shares in issue at the date of this Document;
"Form of Proxy"	the form of proxy for use at the General Meeting which accompanies this Document;
"General Meeting" or "GM"	the general meeting of the Company to be held at the offices of Proton Motor Fuel Cell GmbH, Benzstrasse 7, 82178 Puchheim, Germany at 10:00 a.m. UK time/11:00 a.m. CET on 7 February 2025;
"Group"	Proton and its subsidiary undertakings (as such term is defined in section 1162 of the Companies Act) from time to time;
"IPO"	initial public offering;
"London Stock Exchange"	London Stock Exchange plc;
"New Articles"	the proposed new articles of association of the Company, a copy of which is set out at the end of this Document;
"Notice of General Meeting"	the notice of General Meeting set out on page 19 of this Document;
"Ordinary Shares"	the ordinary shares of 0.5p each in the capital of the Company;
"Panel"	the Panel on Takeovers and Mergers;

"Registrars"	Neville Registrars Limited, the Company's registrars whose address is at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD;
"Regulatory Information Service"	has the meaning given to it in the AIM Rules;
"Re-registration"	the proposed re-registration of the Company as a private limited company;
"Re-registration Resolution"	Resolution 2 set out in the Notice of General Meeting;
"Resolutions"	the resolutions set out in the Notice of General Meeting to be proposed at the General Meeting;
"Shareholder(s)"	holder(s) of Ordinary Shares;
"Takeover Code"	the City Code on Takeovers and Mergers;
"UK MAR"	Regulation (EU) (No 596/2014) of the European Parliament and of the Council of 16 April 2014 on market abuse to the extent that it forms part of the domestic law of the United Kingdom including by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time).

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