

VARIATION TO LOAN AGREEMENT

[PROTON MOTOR POWER SYSTEMS PLC](#)

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

Variation to Loan Agreement

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 that it has agreed to a variation to its existing loan facility with Mr. Falih Nahab (the "**Falih Nahab Facility**").

Pursuant to the loan variation, the Falih Nahab Facility has been increased by approximately €14.5 million to approximately €71.4 million (plus accrued interest of €16.4 million as at end May 2023). In addition, the Company has agreed with Falih Nahab that all interest accrued under the Falih Nahab Facility from 1 January 2023 onwards will be satisfied via the issue of new ordinary shares of 0.5p each in the Company ("**Ordinary Shares**"). These new Ordinary Shares will be issued to Falih Nahab either once or twice yearly in February and/or July of each year. The issue price will be the market price of an Ordinary Share at the time of issue.

The annual interest rate on the Falih Nahab Facility remains at 12 months EURIBOR + 3% and the principal amount and accrued interest on the Falih Nahab Facility remains repayable on 31 December 2025. All other terms of the Falih Nahab Facility remain unchanged, as do the terms of the existing loan facilities between SFN Cleantech Investment Limited ("**SFN**") and the Company, and SFN and SPower, a subsidiary of Proton.

The undrawn portion of the Falih Nahab Facility is expected to allow the Company to satisfy its working capital needs until at least June 2024. However, it should be noted that the Company does not currently expect to generate net free cash by that time and therefore may require additional funding for its future working capital needs.

Related Party Transaction

Falih Nahab is a substantial shareholder of the Company (as defined in the AIM Rules for Companies). The variation to the Falih Nahab Facility, as set out above, is therefore classified as a transaction with a related party for the purposes of the AIM Rules for Companies. The directors of the Company, with the exclusion of Dr. Faiz Nahab, the Company's Chief Executive, who is the brother of Falih Nahab, having consulted with the Company's nominated adviser, Allenby Capital Limited, consider that the changes to the Falih Nahab Facility are fair and reasonable insofar as the Company's shareholders are concerned.

For further information:

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About Proton Motor Fuel Cell GmbH

Proton Motor has 25 years of experience in Power Solutions using CleanTech technologies such as hydrogen fuel cells, fuel cell and hybrid systems with a zero carbon footprint. Based in Puchheim near Munich, Proton Motor develops and produces standard Products as well as customised solutions. The focus of Proton Motor is on stationary solutions, as well as mobile, marine and rail applications. The product portfolio consists of base-fuel cell systems, standard complete, as well as customised systems.

Proton Motor Fuel Cell GmbH is a wholly owned subsidiary of Proton Motor Power Systems plc. The Company has been quoted on the AIM market of the London Stock Exchange since October 2006 (code: PPS).

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