

RNS Miscellaneous

Loan Extensions

PROTON MOTOR POWER SYSTEMS PLC

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Proton Motor Power Systems PLC
10 June 2021**10 June 2021**

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

Loan Extensions

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 increase each of its existing loan facilities with SFN Cleantech Investment Limited ("SFN") and Mr. Falih Nahab by approximately €5.9 million each. The loan facility with SFN has therefore been increased to approximately €26.1 million (the "SFN Facility") and the loan facility with Mr. Falih Nahab has been increased to approximately €50.6 million (the "Falih Nahab Facility"). The principal amounts of the SFN Facility and the Falih Nahab Facility are not convertible and are repayable on 31 December 2025. The interest accrued on both facilities up to and including 30 June 2020 is convertible into new ordinary shares of the Company at 2p per share, whilst interest accrued beyond that date is not convertible, as set out in the Company's announcement of 2 November 2020.

As from 1 January 2021 the annual interest rate on both the above mentioned SFN Facility and the Falih Nahab Facility is 12 months LIBOR + 3% (up to 31 December 2020 the annual interest rate on these facilities was 10%).

In addition, the maturity of the existing non-convertible facility of €2.6 million (including interest) provided by SFN has also been extended from 31 December 2022 until 31 December 2025 (together with the SFN Facility and the Falih Nahab Facility, the "Loan Facilities"). The annual interest rate on this facility remains 12 months LIBOR + 2%.

The undrawn portions of the Loan Facilities are expected to allow the Company to satisfy its working capital needs until at least May 2022. 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 future working capital needs.

Related Party Transaction

Mr. Falih Nahab is indirectly, via SFN, a substantial shareholder (as defined in the AIM Rules for Companies) of the Company and, therefore both Mr. Falih Nahab and SFN, which is a substantial shareholder, are related parties of the Company. The increases in and extensions of the Loan Facilities are therefore classified as transactions with related parties for the purposes of the AIM Rules for Companies.

In accordance, therefore, with 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 Mr. Falih Nahab and a shareholder in SFN, having consulted with the Company's nominated adviser, Shore Capital and Corporate, consider that the changes to the Loan Facilities, as set out above, are fair and reasonable insofar as the Company's shareholders are concerned.

For further information:

Proton Power Systems plc

Dr Faiz Nahab, CEO
Helmut Gierse, Chairman
Brendan Bilton, Investor and Business Relations
Sebastian Goldner, COO/CTO
Roman Kotlarzewski, CFO
Manfred Limbrunner, Director Sales and Marketing

Tel.: +44 (0) 7798 554 191

Tel: +49 (0) 173 189 0923

Investor-relations@proton-motor.de
www.protonpowersystems.com

Shore Capital*Nominated adviser and broker*

Tom Griffiths / David Coaten

Tel: +44 (0) 20 7408 4050

www.shorecap.co.uk**About Proton Motor Fuel Cell GmbH**

Proton Motor is an expert with more than 20 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 offers complete fuel cell and hybrid systems from a single source - from the development and production through the implementation of customized solutions. The focus of Proton Motor is on back-to-base, for example, for mobile, marine and stationary solutions applications. The product portfolio consists of base-fuel cell systems, standard complete systems, as well as customized systems.

Proton Motor serves IT, Telecoms, public infrastructure and healthcare customers in Germany, Europe and Middle East with power supply solutions for DC and AC power demand. In addition to power supply, SPower also offers solutions for Solar Systems as well as a new product line for Solar Energy Storage.

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

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