

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolution to be voted on at the General Meeting of Proton Motor Power Systems PLC (“Proton” or the “Company”) to be held on 29 December 2021. If you are in any doubt about the action you should take, you are recommended immediately to seek advice from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.

The Directors of Proton, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors (who have taken reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or otherwise transferred all of your ordinary shares of 1p each in the capital of the Company (“**Ordinary Shares**”), please immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document, and immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected. **This document should be read in conjunction with the Notice of General Meeting as set out at the end of this document. The whole text of this document should be read.**

Notice of a General Meeting of Proton to be held at Proton Motor Fuel Cell GmbH, Benzstrasse 7, 82178 Puchheim, Germany at 10.00 a.m. on 29 December 2021 is set out at the end of this document. You will find enclosed with this document a printed Form of Proxy for the General Meeting. You will still be able to vote in person at the General Meeting.

Proton Motor Power Systems PLC

(Incorporated in England and Wales with company number 05700614)



Notice of General Meeting

This document is directed only at members of the Company falling within the meaning of Article 43(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (all such persons together being referred to as “**Relevant Persons**”). This document must not be acted on or relied on by persons who are not Relevant Persons. This document does not constitute an offer of securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules.

FORWARD LOOKING STATEMENTS

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by, or that include, the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless it is required to do so by applicable law or the AIM Rules.

Copies of this document are available free of charge on the Company’s website: <https://www.protonmotor-powersystems.com/en/>

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DIRECTORS AND ADVISERS

Directors	Helmut Gierse (<i>Chairman</i>) Dr Faiz Nahab (<i>Chief Executive Officer</i>) Roman Kotlarzewski (<i>Chief Financial Officer</i>) Sebastian Goldner (<i>Chief Technical and Operations Officer</i>) Manfred Limbrunner (<i>Director Sales and Marketing</i>) Antonio Bossi (<i>Non-Executive Director</i>)
Registered Office	St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE99 1SB
Company Secretary	Roman Kotlarzewski
Nominated adviser and broker	Allenby Capital Limited 5 St. Helen's Place London EC3A 6AB
Legal advisers to the Company	Womble Bond Dickinson Newcastle – St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE1 3DX
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD

DEFINITIONS

“Admission”	admission of the New Ordinary Shares to trading on AIM;
“AIM”	a market operated by 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;
“Circular”	this document;
“Company” or “Proton”	Proton Motor Power Systems PLC;
“Directors” or “Board”	the directors of the Company;
“Existing Ordinary Shares”	the 774,370,274 Ordinary Shares in issue at the date of this Circular;
“Form of Proxy”	the form of proxy for use at the General Meeting which will be posted to all Shareholders;
“General Meeting” or “GM”	the general meeting of Shareholders to be held at Proton Motor Fuel Cell GmbH, Benzstrasse 7, 82178 Puchheim, Germany at 10.00 a.m. on 29 December 2021;
“ISIN”	International Securities Identification Number;
“London Stock Exchange”	London Stock Exchange plc;
“New Ordinary Shares”	the new ordinary shares of 0.5p each in the capital of the Company;
“Notice of General Meeting”	the notice of General Meeting set out at the end of this Circular;
“Ordinary Shares”	the ordinary shares of 1p each in the capital of the Company;
“Registrars”	Neville Registrars Limited;
“Resolution”	the resolution set out in the Notice of General Meeting to be proposed at the General Meeting;
“Shareholder(s)”	holder(s) of Existing Ordinary Shares; and
“£”, “pence” or “p”	the lawful currency of the United Kingdom.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular published and sent to Shareholders	13 December 2021
Latest time and date for receipt of completed Forms of Proxy	10.00 a.m. on 23 December 2021
General Meeting	10.00 a.m. on 29 December 2021
Subdivision Record Date	6.00 p.m. on 29 December 2021
Admission to trading on AIM of the New Ordinary Shares	8.00 a.m. on 30 December 2021
CREST accounts credited with New Ordinary Shares	30 December 2021
Certificates for New Ordinary Shares sent to shareholders	on or before 13 January 2022

New ISIN from Admission GB00BP83GZ24

Each of the dates in the above timetable is subject to change at the absolute discretion of the Company. References to time in this Circular are to London time. 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.

Proton Motor Power Systems PLC

(Incorporated in England and Wales with registered number 05700614)

Helmut Gierse (*Chairman*)
Dr Faiz Nahab (*Chief Executive Officer*)
Roman Kotlarzewski (*Chief Financial Officer*)
Sebastian Goldner (*Chief Technical and Operations Officer*)
Manfred Limbrunner (*Director Sales and Marketing*)
Antonio Bossi (*Non-Executive Director*)

St Ann's Wharf
112 Quayside
Newcastle Upon Tyne
NE99 1SB

13 December 2021

Dear Shareholder,

Proposed Subdivision of Ordinary Shares and Notice of General Meeting

1. Introduction

The Company announced on 7 December 2021 that it had entered into an agreement with the Company's largest shareholders and lenders with the objective of eliminating all and any potential future dilution effects arising from the Company's current financing structure. In addition, the Company is proposing to implement a share subdivision of each existing ordinary share into two new ordinary shares (the "Subdivision").

The Subdivision is conditional, *inter alia*, upon the passing of the Resolution being proposed at the General Meeting. Notice of the General Meeting, at which the Resolution will be proposed, is set out at the end of this document.

This document also contains the Directors' recommendation that Shareholders vote in favour of the Resolution. The Directors intend to vote in favour of the Resolution in respect of their own beneficial holdings in the Company which amount in aggregate to 4,316,183 Ordinary Shares, representing approximately 0.56 per cent. of the Company's Existing Ordinary Shares.

2. Background

On Tuesday 7 December 2021, Proton announced that it had entered into a waiver agreement with SFN CleanTech Investment Ltd ("SFN") and Mr Falih Nahab (the "Agreement") pursuant to which and subject to the passing of a share subdivision resolution at a general meeting to be convened in due course, they would each waive all the existing conversion rights which they hold over the Existing Ordinary Shares.

SFN and Mr Falih Nahab are the Company's two largest shareholders and providers of finance to the Company through the following debt facilities:

- a €26.1 million loan facility with SFN (the "SFN Facility"); and
- a €50.7 million loan facility with Falih Nahab (the "Falih Nahab Facility") (together, the "Debt Facilities").

The principal amounts of the Debt Facilities are not convertible and are repayable on 31 December 2025. SFN and Falih Nahab currently have the right to convert interest accrued up to 30 June 2020 on the Debt Facilities, comprising approximately £15.7 million, at 2 pence per Existing Ordinary Share into 786,218,749 new Ordinary Shares, representing 102% of the Existing Ordinary Shares. Pursuant to the Agreement and subject to the approval of the Subdivision by shareholders in a general meeting, these conversion rights will be waived and the interest accrued of approximately £15.7 million, together with interest accrued and accruing since 1 July 2020, will be rolled up and repaid on 31 December 2025.

In order to facilitate the Agreement, the Company has also agreed to propose the subdivision of each Existing Ordinary Share of 1p each into two New Ordinary Shares of 0.5p each. The Subdivision will require the approval of shareholders in a general meeting, notice of which is set out at the end of this document.

Subject to shareholder approval, the Subdivision will result in shareholders holding two New Ordinary Shares for each Existing Ordinary Share they held immediately prior to the Subdivision. Following the Subdivision, while each shareholder will hold two times as many ordinary shares than held before, each

shareholder's proportionate interest in the share capital of the Company will remain unchanged. It is only the number of ordinary shares in issue which will have changed as a result of the Subdivision, and, other than this, each New Ordinary Share, will carry the same rights and entitlements as set out in the Company's Articles of Association that currently attach to the Existing Ordinary Shares. The New Ordinary Shares will rank equally with one another. No fractional entitlements will be created by the Subdivision.

Following the Subdivision, and assuming no further New Ordinary Shares are issued, the Company's share capital would consist of 1,548,740,548 New Ordinary Shares. The Directors believe that the Subdivision will result in improved liquidity in the Company's shares.

CREST accounts for shareholders that hold their shares in non-certificated form will be credited with New Ordinary Shares on 30 December 2021 and shareholders that hold their shares in certificated form will receive new share certificates in respect of holding on or before 13 January 2022.

3. General Meeting

The notice convening the General Meeting to be held at Proton Motor Fuel Cell GmbH, Benzstrasse 7, 82178 Puchheim, Germany at 10.00 a.m. on 29 December 2021 is set out at the end of this document. At the General Meeting, a resolution will be proposed, as an ordinary resolution, to authorise the subdivision of each ordinary share of 1 pence in the capital of the Company into two new ordinary shares of 0.5 pence each.

4. Action to be taken by Shareholder

To be valid, a completed Form of Proxy, together with a power of attorney or other designated authority, under which it is signed (or a notarially certified copy thereof), must be deposited at the offices of the registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD not less than 48 hours (excluding non-working days) before the time set for the meeting or adjourned meeting (as the case may be).

Alternatively, you can submit your proxy electronically through the website of the Company's Registrars, at www.sharegateway.co.uk and completing the authentication requirements. Shareholders will need to use their personal proxy registration code as shown on their Form of Proxy to validate submission of their proxy online. The electronic submission of proxy must be received at least 48 hours (excluding non-working days) before the time of the General Meeting. Voting by proxy prior to the General Meeting does not affect your right to attend the General Meeting and vote in person should you so wish. **Further information regarding the appointment of proxies and online voting can be found in the notes to the Notice of General Meeting.**

Instructions for voting by proxy through CREST are set out in paragraph 10 of the notes to the Notice of General Meeting.

In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send a letter of direction in accordance with the instructions provided by their broker or other intermediary.

Yours faithfully

Helmut Gierse

Chairman

Proton Motor Power Systems PLC

(Incorporated in England and Wales with registered number 05700614)

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a General Meeting of Proton Motor Power Systems PLC (“**Proton**” or the “**Company**”) will be held at Proton Motor Fuel Cell GmbH, Benzstrasse 7, 82178 Puchheim, Germany at 10.00 a.m. on 29 December 2021 for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

THAT:

- A. That each ordinary share of 1 pence in the capital of the Company be and is hereby sub-divided into two ordinary shares of 0.5 pence each, such shares having the rights and being subject to the restrictions set out in the articles of association of the Company for the time being, provided that this resolution is conditional upon, and shall take effect on, admission to trading on AIM of the new ordinary shares arising from such sub-division by 8:00am on 30 December 2021 (or such other time and/or date as the board of directors of the Company may, in its absolute discretion, determine).

By order of the Board of Directors:
Roman Kotlarzewski
Company Secretary

Registered Office:
St Ann's Wharf
112 Quayside
Newcastle Upon Tyne
NE99 1SB

13 December 2021

The following notes explain your general rights as a shareholder and your right to attend and vote at this meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 23 December 2021. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 10.00 a.m. on 29 December 2021 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. You can vote either:
 - by logging on to www.sharegateway.co.uk and completing the authentication requirements. Shareholders will need to use their personal proxy registration code as shown on their Form of Proxy;
 - depositing a completed Form of Proxy, together with a power of attorney or other designated authority, under which it is signed (or a notorially certified copy thereof), and;
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In each case, to be received by Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD not less than 48 hours (excluding non-working days) before the time set for the meeting or adjourned meeting (as the case may be).

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrars before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 10 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). 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.
10. In order for a proxy appointment or instruction made by means of CREST 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 instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (7RA11) by 10.00 a.m. on 23 December 2021. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer'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.
11. 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(s), 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. 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.
12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
13. As at 10 December 2021 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 774,370,274 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 10 December 2021 are 774,370,274 votes.

14. Any shareholder 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.
15. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
16. A copy of this Notice can be found on the Company's website at <https://www.protonmotor-powersystems.com/en/>.