

15th October 2021

Proposed acquisition of 9,894,110 Hydrogen Ordinary Shares from MPM Connect Limited
Proposed facility to enable other shareholders to sell up to 2,296,746 Hydrogen Ordinary Shares
and
Notice of General Meeting

Hydrogen Group plc ("Hydrogen", the "Group" or the "Company") announces that a circular will be sent to Shareholders later today detailing the proposed acquisition of 9,894,110 Hydrogen Ordinary Shares from MPM Connect Limited and a proposed facility to enable other shareholders to sell up to 2,296,746 Hydrogen Ordinary Shares (together, the "Proposals"). Unless otherwise stated, terms used in this announcement have the same meanings as given to them in the circular.

On 13th October 2021 the Company entered into a call option agreement (the "Call Option Agreement") with MPM Connect Limited ("MPM") under which the Company has the right to acquire the whole of MPM's shareholding in the Company at a price of 47p/share. The Call Option Agreement is subject, *inter alia*, to the passing of an ordinary resolution (the "Resolution") by the Company's shareholders ("Shareholders") to approve the acquisition. If approved, the total consideration receivable by MPM would be approximately £4,650,231. It is the Company's intention to cancel all of the Ordinary Shares acquired from MPM upon completion of the acquisition.

The Company has also decided to arrange an off-market facility (the "Sale Facility") to enable shareholders to sell their Ordinary Shares at the same price as that agreed with MPM i.e. 47p/share. The Directors and certain Shareholders (the "Concert Party") have entered into irrevocable undertakings to vote in favour of the Resolution and not to sell their respective shareholdings in the Company totalling 16,969,719 Ordinary Shares, representing 58.2% of the voting rights attaching to the Company's issued ordinary share capital (the "voting rights"). The total number of Ordinary Shares that may be sold under this facility is 2,296,746, representing 7.9% of the voting rights. If all other Shareholders apart from the Concert Party sold all of their Ordinary Shares under the off-market facility, the total consideration payable by the Company would be approximately £1,079,471.

The Sale Facility does not require the approval of shareholders and the Ordinary Shares acquired pursuant to the Sale Facility will be held by the Company in treasury. Any subsequent decision by the Company to cancel the Ordinary Shares acquired pursuant to the Sale Facility would be subject to the approval of shareholders at a General Meeting convened for that purpose.

The Directors and the shareholders who have entered into the irrevocable undertakings referred to above are being treated as 'acting in concert' for the purposes of the Takeover Code.

The table below sets out the current shareholdings and voting rights in the Company and the shareholdings and voting rights following the acquisition and cancellation by the Company of the MPM shareholding ("Post-MPM"):

| Concert Party | Current | | Post-MPM | |
|-----------------------|------------|--------|------------|--------|
| Ian Temple | 5,810,926 | 19.9% | 5,810,926 | 30.2% |
| John Hunter | 2,813,672 | 9.6% | 2,813,672 | 14.6% |
| Shane Sibraa | 1,897,074 | 6.5% | 1,897,074 | 9.8% |
| Brian Hamill | 2,325,585 | 8.0% | 2,325,585 | 12.1% |
| Chris Cole | 2,463,946 | 8.4% | 2,463,946 | 12.8% |
| Charles Marshall | 1,658,516 | 5.7% | 1,658,516 | 8.6% |
| Total | 16,969,719 | 58.2% | 16,969,719 | 88.1% |
| MPM | 9,894,110 | 33.9% | | |
| Other | 2,296,746 | 7.9% | 2,296,746 | 11.9% |
| Total voting rights | 29,160,575 | 100.0% | 19,266,465 | 100.0% |
| EBT | 386,036 | | 386,036 | |
| Treasury | 1,039,026 | | 1,039,026 | |
| Total shares in issue | 30,585,637 | | 20,691,527 | |

As set out above, the Concert Party will legally and beneficially own in excess of 75% of the issued share capital and voting rights in the Company following the acquisition and cancellation of the Ordinary Shares previously held by MPM. This would enable the Concert Party to pass or defeat any ordinary or special resolutions of the Company.

The off-market Sale Facility will remain available to Shareholders until 15th January 2022 and may only be extended thereafter at the Company's discretion. Shareholders who wish to sell their shares off-market pursuant to the Sale Facility should contact the Company as follows:

John Hunter, COO & CFO, Hydrogen Group PLC, 30-40 Eastcheap, London EC3M 1HD;

Email : johnhunter@hydrogengroup.com

Tel. No. : +44 (0) 20 7002 0000

Shareholders who do not sell their shares pursuant to the Sale Facility by 15th January 2022 or during any extended period that may be made available by the Company, may find it difficult to sell their Ordinary Shares thereafter and may not receive regular information from the Company and would not benefit from regulatory compliance with governance procedures (other than under the Companies Act 2006) as the Ordinary Shares are no longer listed on AIM. Furthermore, there is no guarantee that the Company or any other purchaser would be willing to buy the Ordinary Shares after the expiry of the periods referred to above and any price offered might not reflect the underlying value of the Company's assets.

Shareholders who anticipate greater value in the Ordinary Shares whilst recognising and being willing to accept the risks associated with being a minority shareholder in an unlisted company controlled by the Concert

Party may wish not to sell their shares under the Sale Facility and to remain as minority shareholders of a private company.

Current trading

The recovery in demand levels experienced in the latter months of 2020 and the first half of 2021 has been sustained into the second half. Although growth in activity levels has plateaued over the summer, current trading is satisfactory and in line with management's expectations. However, forward visibility is limited, and the board remains mindful of the potential impact of either renewed Covid-19 induced lockdowns or a more general economic slowdown and continues to manage the Group accordingly.

Disclosure requirements of The Takeover Code (Rule 8)

The Proposals are treated as a transaction covered by the provisions of the Takeover Code as the Concert Party would own 100 per cent of the total voting rights if the Company acquired and subsequently cancelled all of the Ordinary Shares owned by MPM and the other shareholders. The disclosure obligations contained in Rule 8 of the Takeover Code therefore apply.

Rule 2.9 of the Takeover Code

In accordance with Rule 2.9 of the Code, Hydrogen confirms that, as at the close of business on 14 October 2021, and excluding the 1,039,026 ordinary shares currently held in treasury and the 386,036 shares held in the EBT, it had in issue 29,160,575 ordinary shares of £0.01.

Notice of General Meeting

Implementation of the Call Option Agreement is conditional, inter alia, on the passing of the Resolution at the General Meeting to be held at Hydrogen Group PLC, 30-40 Eastcheap, London EC3M 1HD at 10am on 2nd November 2021.

Recommendation

The Directors, who have been so advised by Carntyne Limited ("Carntyne") as to the financial terms of the Proposals, consider the terms of the Proposals to be fair and reasonable. In providing advice to the Directors, Carntyne has taken into account the commercial assessments of the Directors. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolution as the Directors have irrevocably committed to do in respect of their own beneficial holdings (or those of their close relatives and related trusts) of 8,624,598 Ordinary Shares representing in aggregate 29.6 per cent of the voting rights (excluding the 1,039,026 Ordinary Shares held in treasury and the 386,036 Ordinary Shares held by the EBT) as at the close of business on 14 October 2021.

Notwithstanding the Directors' recommendation, Shareholders should only make a decision as to whether to sell their Ordinary Shares based on, among other things, their view of the Company's prospects and their own individual circumstances, including their tax position, and are recommended to seek advice from their duly authorised independent advisers.

If shareholders are in any doubt about the action that they wish to take in respect of the Proposals, they should consult an independent adviser without delay.

Enquiries:

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