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Q3 2022 Factsheet and NAV update

HydrogenOne Capital Growth plc ("HydrogenOne" or the "Company"), the first London-listed fund investing in clean hydrogen for a positive environmental impact, provides a quarterly update for the period ended 30 September 2022.

Key highlights

- Policy makers around the world have continued to demonstrate support for the energy transition through a number of new significant energy investment and policy actions, including the Inflation Reduction Act in the United States and the Important Project of Common European Interest in the European Union;
- Net Asset Value ("NAV") per share as at 30 September 2022 was 96.49p, broadly similar to the previous quarter (30 June 2022: 96.85p);
- There was a positive impact of 1.51p (1.5%) on the NAV per share from the re-valuation of multiple positions in the Company's private investments (before the application of revised discount rates);
- Higher yields on Government bonds have resulted in increased discount rates for the Company, negatively impacting NAV per share by 1.43p;
- £103.2m invested to date in low-carbon growth, including £8.4m in a new private equity position in Strohm Holding B.V., bringing the number of private portfolio positions to nine;
- Total net assets of £124.3m at the end of the quarter;
- Cash reserves of £22.4m at the end of the quarter, including the deployment of £8.4m capital in Strohm Holding B.V., divestment proceeds on listed equities, and fund-related costs; and
- As part of its strong ESG commitment, the Company is now classified as an Article 9 Fund under the EU Sustainable Finance Disclosure Regulation and EU Taxonomy Regulation and has become a signatory of the United Nations-supported Principles for Responsible Investment ("PRI").

Chairman, Simon Hogan, commented:

"The Company's invested private businesses continued to make steady progress in the quarter as we deployed further capital within the over £500 million pipeline of high-quality private equity opportunities we've identified. Additionally, we were pleased to see further supportive investment and legislative changes in the hydrogen industry, driving the energy transition. We reaffirmed our sustainable investment objectives by classifying as an Article 9 fund and becoming a signatory of the PRI, which we will continue to hold at the centre of our investment decisions going forward."

Financial summary

Heightened macro-economic volatility has resulted in a challenging environment for investors to determine the impact of key valuation inputs. The Company's valuation reflects the following factors:

- The Company continues to use conservative assumptions when valuing its private assets;
- Stable performance of portfolio companies, despite macro-economic headwinds from supply chain delays and higher energy prices;
- Significant weakening of Sterling against the US dollar and the Euro; and
- Substantial increase in long-term government bond yields over the last six months, particularly in the UK where government bond yields increased sharply over the course of September. The Company aligns country-specific bond yields to its discount rate calculations over the projected investment period for each private invested position. This has led to an increase in the portfolio's weighted average discount rate to 12.84% (30 June 2022: 12.38%).

Breakdown of the movement in NAV per share:

Net Asset Value per share as at 30 June 2022 (unaudited)	96.85p
Listed Portfolio return (incl FX)	0.02p
Private equity portfolio return	
Net impact of performance (incl FX and inflation)	1.51p
Impact of discount rate change	(1.43)p
Other fund expenses	(0.46)p
Net Asset Value per share as at 30 Sept 2022 (unaudited)	96.49p

Notes:

The NAV calculation is based on the Company's issued ordinary share capital as at 30 September 2022 of 128,819,999 ordinary shares.

The Company's cash reserves decreased by £7.5m from the previous quarter to £22.4m, largely as a result of the deployment of £8.4m in a new private equity position in Strohm Holding B.V ("Strohm"), divestment proceeds on listed equities and fund-related costs. Total net assets decreased by 0.4% from the previous quarter to £124.3m.

Key portfolio developments

The Company's invested private businesses continued to make strong progress in the quarter:

- Sunfire GmbH, a German industrial electrolyser producer:

- Successfully completed the EU funded project Green Hydrogen for Green Steel, the world's largest high temperature electrolyser with a record production of almost 100 tons of green hydrogen for the climate-neutral production of green steel.
- Bramble Energy Limited, a UK-based fuel cell and portable power solutions company:
 - Awarded UK Government funding to help decarbonise the maritime sector; and
 - Secured funding from the Advanced Propulsion Centre as part of the Automotive Transformation Fund - a programme supporting large-scale industrialisation to build electrified supply chains in the UK.
- Cranfield Aerospace Solutions Ltd, a UK-based passenger flight innovator powering turboprop flight with hydrogen:
 - Secured investment from the Strategic Development Fund, the investment arm of the Tawazun Economic Council of the UAE, and Motus Ventures, taking the current investment round to £14.4 million.
- NanoSUN Limited, a UK-based developer of hydrogen distribution and mobile refuelling equipment:
 - Launched its new hydrogen cooling technology to deliver a reliable, low-cost, cooling solution for operators of hydrogen transport vehicles and static hydrogen refuelling stations; and
 - Signed an agreement with Czech Republic Partner Hydrogen Systems to deliver sustainable hydrogen refuelling solutions to central Europe.
- HH2E AG, a German green hydrogen project developer with a focus on industrial customers:
 - Continued with proposed development plans of its clean hydrogen projects in Germany.
- Gen2 Energy AS, a Norwegian green hydrogen project developer:
 - Continued with development plans of its two production facilities for large scale production and shipping of green hydrogen in Mosjoen, Norway: 100 MW facility in Nesbruket and 500 MW facility in Holandsvika.

New investments in the quarter

During the quarter, the Company continued to deploy capital in high quality private equity positions and has further developed its >£500m pipeline of opportunities. A new £8.4m private investment in offshore hydrogen and CO² pipeline leader Strohm was completed bringing the number of private portfolio positions to nine.

In total, an aggregate of £103.2m capital has been invested to date in low-carbon growth.

ESG

The Company is committed to delivering an attractive level of capital growth by investing, directly or indirectly, in a diversified portfolio of hydrogen and complementary hydrogen focused assets, whilst contributing to climate change mitigation by integrating core ESG principles into its decision making and ownership process.

During the quarter, the Company was pleased to classify as an Article 9 Fund under the EU Sustainable Finance Disclosure Regulation and EU Taxonomy Regulation, reaffirming the

Company's sustainable investment objective and commitment to reporting greenhouse gas emissions and avoided greenhouse gas emissions on an annual basis. The Company also became a signatory of the PRI.

Market outlook

During the quarter, policy makers around the world continued to demonstrate support for the energy transition through a number of significant energy investment and policy actions expected to act as a catalyst for further investment. These include the US\$369 billion for climate and energy proposals and tax credit of up to US\$3 per kg for "qualified clean hydrogen" depending on the life cycle GHG emissions, introduced by the Inflation Reduction Act (the "IRA") in the US. The proposed tax credit essentially sets the price for green hydrogen and thus removes a key hurdle for investment. In addition to the IRA, the announced H2Hubs programme in the US includes up to US\$7 billion to establish 6-10 regional clean hydrogen hubs across the country.

In Europe, the announced approval of the Important Project of Common European Interest (the "IPCEI") for the hydrogen value chain, is expected to unlock up to EUR 5.4 billion in funding from member states and a further EUR 8.8 billion in private investment. The European Commission has also launched a European Hydrogen Bank, proposed to deploy EUR 3 billion in the hydrogen market.

NAV reporting frequency

At launch, the Company adopted a policy of publishing daily Net Asset Value per Ordinary Share, based on the quarterly valuations of the Private Hydrogen Assets and the daily valuations of the Listed Hydrogen Assets. Now that the weighting to Listed Hydrogen Assets is c. 3%, and following consultation with a number of shareholders, the Company is adopting a quarterly NAV reporting cycle with immediate effect. The next quarterly NAV will therefore be as at 31 December 2022.

The Company's last daily unaudited NAV per ordinary share was therefore as at 14 November 2022 and was 96.24 pence (using the 30 June 2022 Private Hydrogen Assets valuation). This valuation is updated to an unaudited NAV per ordinary share of 96.40 pence when using the 30 September 2022 Private Hydrogen Assets valuation.

Factsheet

The 30 September 2022 factsheet is now available on the Company's website: <https://hydrogenonecapitalgrowthplc.com/investors/factsheets/>.

The Company's LEI is 213800PMTT98U879SF45.

For further information, please visit www.hydrogenonecapitalgrowthplc.com or contact:

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About HydrogenOne:

HydrogenOne is the first London-listed hydrogen fund investing in clean hydrogen for a positive environmental impact. The Company was launched in 2021 with an investment objective to deliver an attractive level of capital growth by investing in a diversified portfolio of hydrogen and complementary hydrogen focussed assets. INEOS Energy is a strategic investor in HydrogenOne. The Company is listed on the London Stock Exchange's main market (ticker code: HGEN). The Company is an Article 9 climate impact fund.

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This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014, as it forms part of UK domestic law ("**MAR**"). Upon publication of this announcement, the inside information is now considered to be in the public domain for the purposes of MAR. The person responsible for arranging the release of this announcement on behalf of the Company is HydrogenOne Capital LLP.