

HydrogenOne Capital Growth plc ("HGEN") – investing in clean hydrogen for a climate-positive impact. Article 9 Fund

Quarterly 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;
- 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").

Strohm Holding B.V.

strohm.eu

Company description Netherlands-based hydrogen pipeline company

Investment size / date £8m / Aug 22

Co-investors Shell Ventures, Chevron Technology Ventures, Evonik Venture Capital

Why invested

- Global market leader in design and manufacturing of Thermoplastic Composite Pipe ("TCP")
- TCP is more cost-effective than steel pipe and has c.50% less greenhouse gas emissions on as-installed basis
- TCP can transfer up to nine times the amount of energy compared to a cable, and can be used to store hydrogen
- TCP's flexibility, lack of corrosion, fatigue and embrittlement make it the superior pipeline solution for offshore wind farms, generating hydrogen

Portfolio news during the quarter



Sunfire, 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, a UK-based fuel cell and portable power solutions company:

- Awarded UK Government funding to help decarbonise the maritime sector
- 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, a UK-based passenger flight innovator powering turboprop flight with hydrogen:

- Secured investment from the Strategic Development Fund ("SDF"), the investment arm of the Tawazun Economic Council of the UAE, and Motus Ventures, taking the current investment round to £14.4 million



NanoSUN, 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
- Signed an agreement with Czech Republic Partner Hydrogen Systems to deliver sustainable hydrogen refuelling solutions to central Europe



HH2E, a German green hydrogen project developer with a focus on industrial customers:

- Continued with proposed development plans of its identified clean hydrogen projects in Germany



Gen2 Energy, 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

Key statistics as at 30 September 2022 (unaudited)

Net asset value (NAV)

£124.3m

NAV per share

96.5p

Share price

86.5p

Premium / Discount to NAV

-10.4%

3-month NAV return

-0.4%

Market capitalisation

£111.4m

Capital deployed in low-carbon growth

£103.2m

Number of shares in issue

128,819,999

Board of Directors

(Non-Executive)

Simon Hogan, Chair

- Former MD of Morgan Stanley & COO across commodities, fixed income and equity

Abigail Rotheroe

- Former Investment Director at Snowball Impact Management

Afkenel Schipstra

- COO of Energy at First Hydrogen

David Bucknall

- Nominee of INEOS Energy
- CEO of INEOS Energy; former head of global oil & low carbon trading at BP

Investment Adviser

HydrogenOne Capital LLP

- Clean hydrogen specialists
- 60 years energy and capital markets track record
- Arup technical adviser

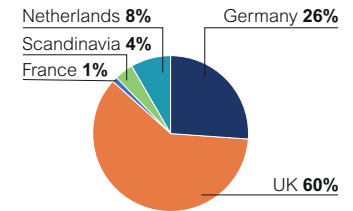
Dr JJ Traynor, Managing Partner

- Former senior executive at Shell, BP and Deutsche Bank

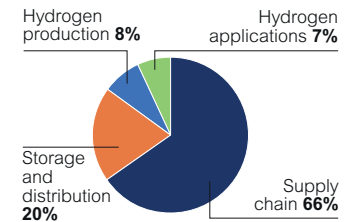
Richard Hulif, Managing Partner

- Former Fund Manager at Artemis; senior executive at EY and Exxon

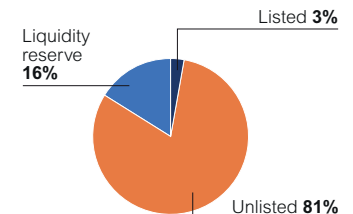
Portfolio segmentation by geography



Portfolio segmentation by theme



Portfolio segmentation by asset class



Top 5 investments % of NAV

1. Sunfire GmbH Supply chain (Electrolysers)	17.1%
2. Elcogen Plc Supply chain (Fuel cells)	16.8%
3. HiiROC Ltd Supply chain (Electrolysers)	10.0%
4. Bramble Energy Limited Supply chain (Fuel cells)	9.7%
5. NanoSUN Limited Storage & Distribution (Supply services)	8.3%

Note: the charts above show fund portfolio at 30 September 2022. Private Hydrogen Assets are valued in accordance with the valuation methodology at each period end.

Company information

Listing

London Stock Exchange (ticker: HGEN)

IPO date

30 July 2021

ISIN

GB00BL6K7L04

SEDOL

BL6K7L0

Year end

31 December

Release of Annual Report

April

Registered address

6th Floor
125 London Wall
London
EC2Y 5AS

Broker

Panmure Gordon (UK) Limited

Alternative Investment Fund Manager (AIFM)

FundRock Management Company
(Guernsey) Limited

Public Relations

FTI Consulting

How to invest

HGEN shares can be traded through any UK stockbroker and most share dealing services, including online platforms that offer investment trusts.

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Investment objective and ESG commitment

- Through investing, directly or indirectly, in a diversified portfolio of hydrogen and complementary hydrogen focused assets, HydrogenOne contributes to climate change mitigation and integrates core ESG principles into its decision making and ownership process. Article 9 Climate Impact Fund
- At least 90% of the fund will be invested in private equity over time, with the remainder in a focused portfolio of listed hydrogen companies

- Strongly orientated to ESG mandates, enabling the avoidance of GHG emissions and exclusion of fossil fuels producers, HGEN is targeting total NAV return of 10-15% per year over time*

Why HGEN?

Unique offering – the first London-listed investment fund dedicated to clean hydrogen

- Significant pipeline of >£500m of potential investments
- Differentiated access to private opportunities
- Hydrogen sector is accelerating faster than anticipated with positive growth outlook
- Investing alongside global blue-chip industrials and partners
- INEOS Energy – strategic investor

* For an investor in HGEN at IPO. The total NAV return target is a target only and not a profit forecast.

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HGEN's ESG Policy – Article 9 Fund

- Investing for a climate-positive environmental impact
- Prioritise this long-term goal over short-term maximisation of shareholder returns or corporate profits
- Backing innovators in low carbon industries

- Strong ethical standards, to deliver positive impacts on the environment and society
- Task Force on Climate-related Financial Disclosures and the EU Taxonomy
- Encourage transparency and alignment of lobbying activities



- Positive and proactive engagement with the boards of Private Hydrogen Assets
- Effective and diverse independent directors
- Simple and transparent pay structures that reward superior outcomes

- KPIs, in particular avoided GHG emissions
- Framing investments around UN SDGs, UN GC, LSE Green Economy Mark and UN PRI
- The Company manages its own direct carbon footprint

HGEN's sustainable development goals



ESG KPI: **£103 million**

Invested in low-carbon growth and avoided GHG emissions

Signatory of:

