

HydrogenOne Capital Growth plc

Q1 2024 Investor Update



UKSIF
UK Sustainable Investment
and Finance Association

Signatory of:



Principles for
Responsible
Investment



GREENHOUSE
GAS PROTOCOL



DISCLOSURE INSIGHT ACTION



**SUSTAINABLE
DEVELOPMENT GOALS**

ISSB

*Investing in clean hydrogen
for a climate-positive impact*

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- **Q1 2024 results**
- Portfolio update

Q1 2024 highlights

£133m
NAV

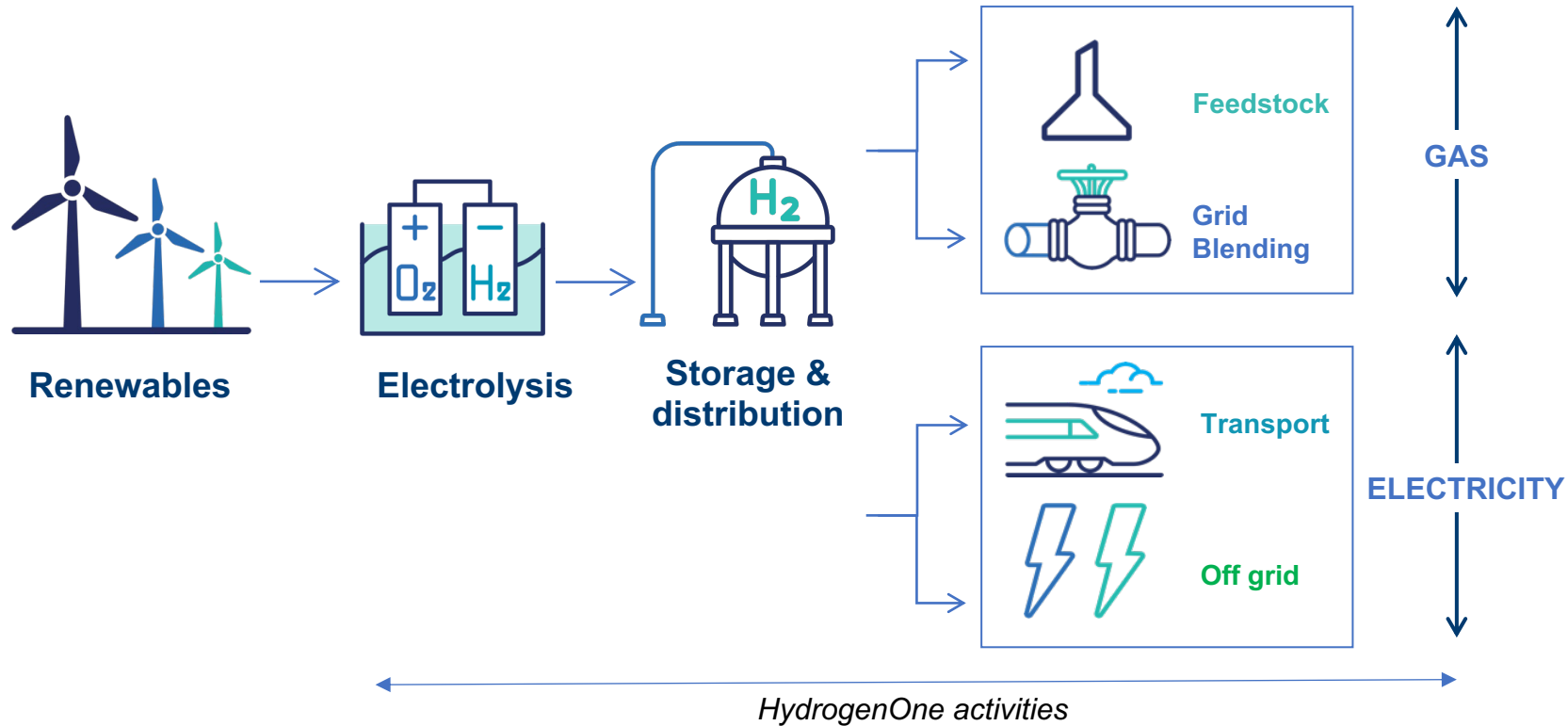
104p
NAV per share

+103%
Portfolio
revenue
increase

£1.4m
New
investment

- Net Asset Value (“NAV”) per share of the Company 103.6 pence; increase of 0.6% from 31 December 2023, and up 3.6% since 31 March 2023
- Growth delivery from private portfolio companies, delivering an aggregate £81m in total revenue in the 12 months to 31 March 2024, an increase of 103% compared to the 12 months to 31 March 2023. Recent transactions underscore and add to the carrying values of portfolio companies, as part of a strategy of co-investing with strategic investors and global corporations
- Sunfire announced equity funding round, part of a wider funding package totalling more than €500 million
- Baker Hughes investment in Elcogen marked the close of a €140 million funding round, underpinning the construction of a new plant in Estonia, leading to a 6% increase in carrying value
- HH2E corporate consolidation adding a new green hydrogen project for HGEN, with the carrying value increasing by 32%
- Strategic investment and collaboration with HiiROC sees a global energy player using thermal plasma electrolysis, with carrying value increased by 49%
- Follow-on investments totalling £1.4m;
- Cash position of £4.1 million as at 31 March 2024, and £0.4 million of listed hydrogen companies

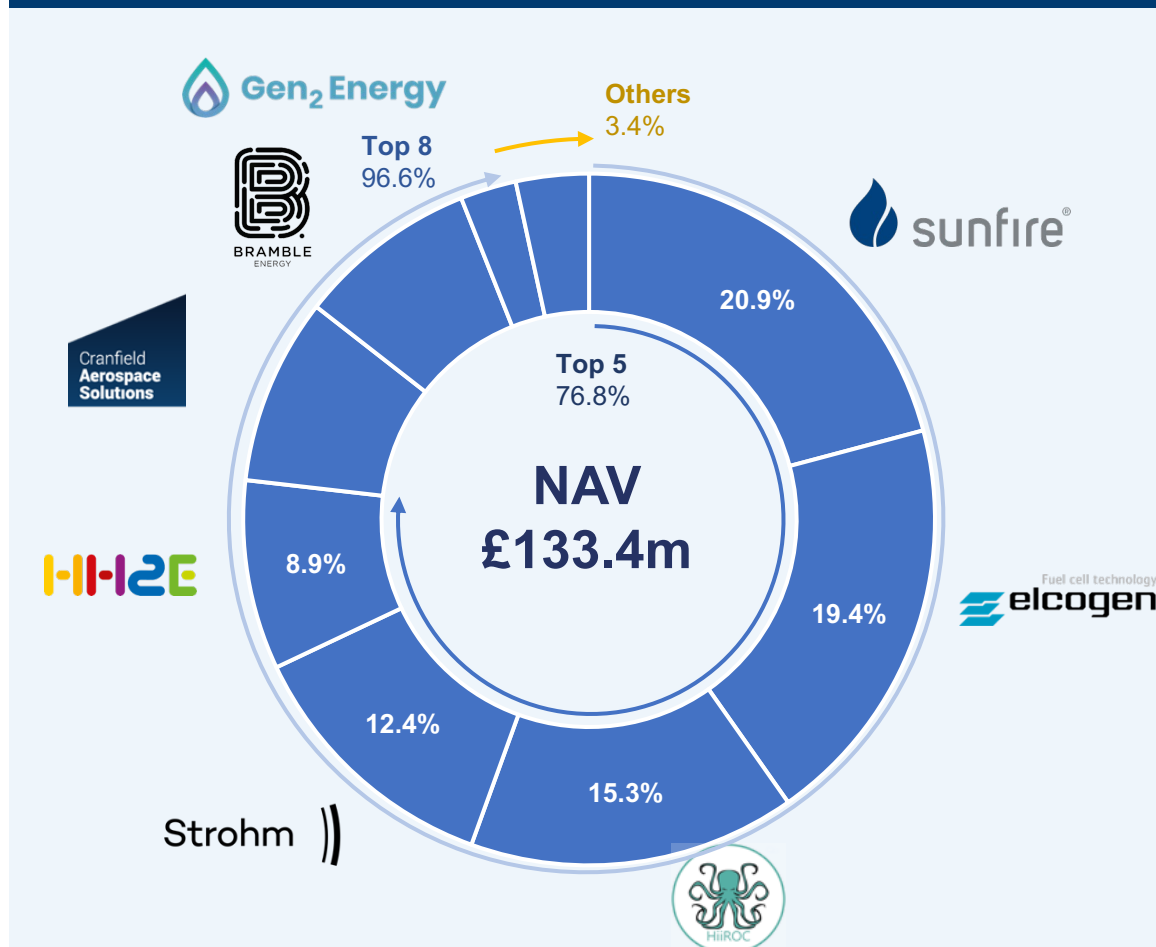
How our portfolio contributes to clean hydrogen



- Conversion of renewables to hydrogen
- Multiple hydrogen applications to replace fossil fuels
- 20 billion tonnes/yr GHG reduction potential

HydrogenOne has a unique and concentrated portfolio, invested across the hydrogen value chain

Access to a distinctive portfolio of private hydrogen businesses



Where we invest

- Revenue-generating equipment businesses
- Hydrogen production projects
- Co-investing with industrial strategics and institutions
- Diversified portfolio and geography
- Clear strategies to exit via IPO or trade sale

NAV at 31 March 2024

Q1 2024 financial highlights

	31 Mar 2024	31 Dec 2023	% change ^{1,2}	31 Mar 2023	% change ^{2,3}
NAV per share	103.56p	102.99p	0.6%	100.00p	3.6%
NAV	£133.4m	£132.7m	0.6%	£128.8m	3.6%
Market Cap	£58.4m	£64.0m	(8.7)%	£60.8m	(3.9)%
Share price premium / (discount) to NAV ²	(56.2)%	(51.8)%	(8.5)%	(52.8)%	(6.4)%
Portfolio valuation	£129.7m	£128.5m	0.9%	£117.4m	10.5%
Portfolio fair value gain / (loss) on cost	£21.1m	£16.9m	24.9%	£11.0m	91.8%
Cash and cash equivalents	£4.1m	£4.7m	(12.8)%	£12.5m	(67.2)%
Other net assets	£(0.4m)	£(0.6m)	33.3%	£3.8m	63.6%

As at 31 March 2024 (unaudited)

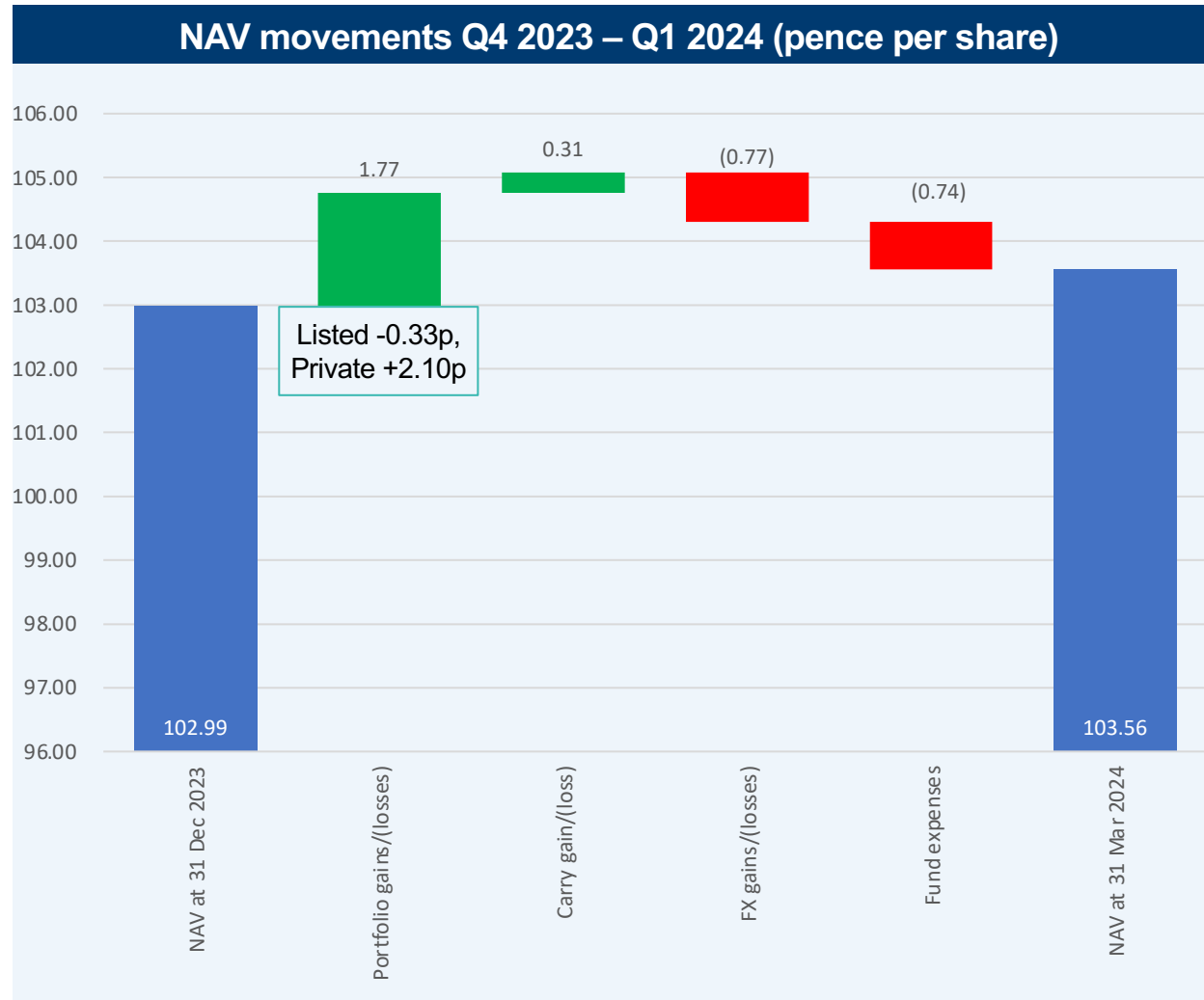
¹Total returns for three months to 31 March 2024

²These are alternative performance measures

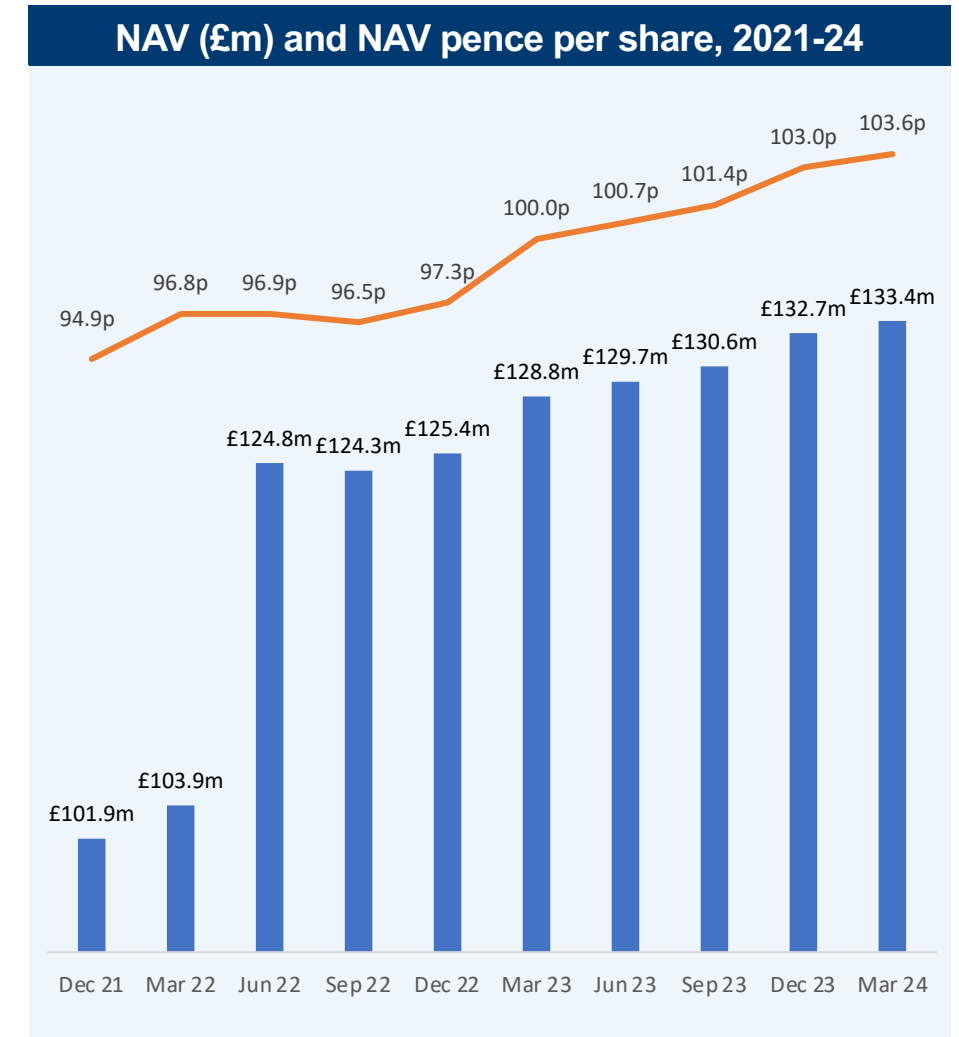
³Total returns for twelve months to 31 March 2024

- NAV per share 103.56p
 - +3.6% Q1 23 – Q1 24
 - +0.6% Q4 23 – Q1 24
- £1.4m follow-on investment in portfolio companies
- Cash and cash equivalents of £4.1m, and £0.4m of listed hydrogen companies at the end of the quarter

Growing our NAV and NAV/share in Q1 2024

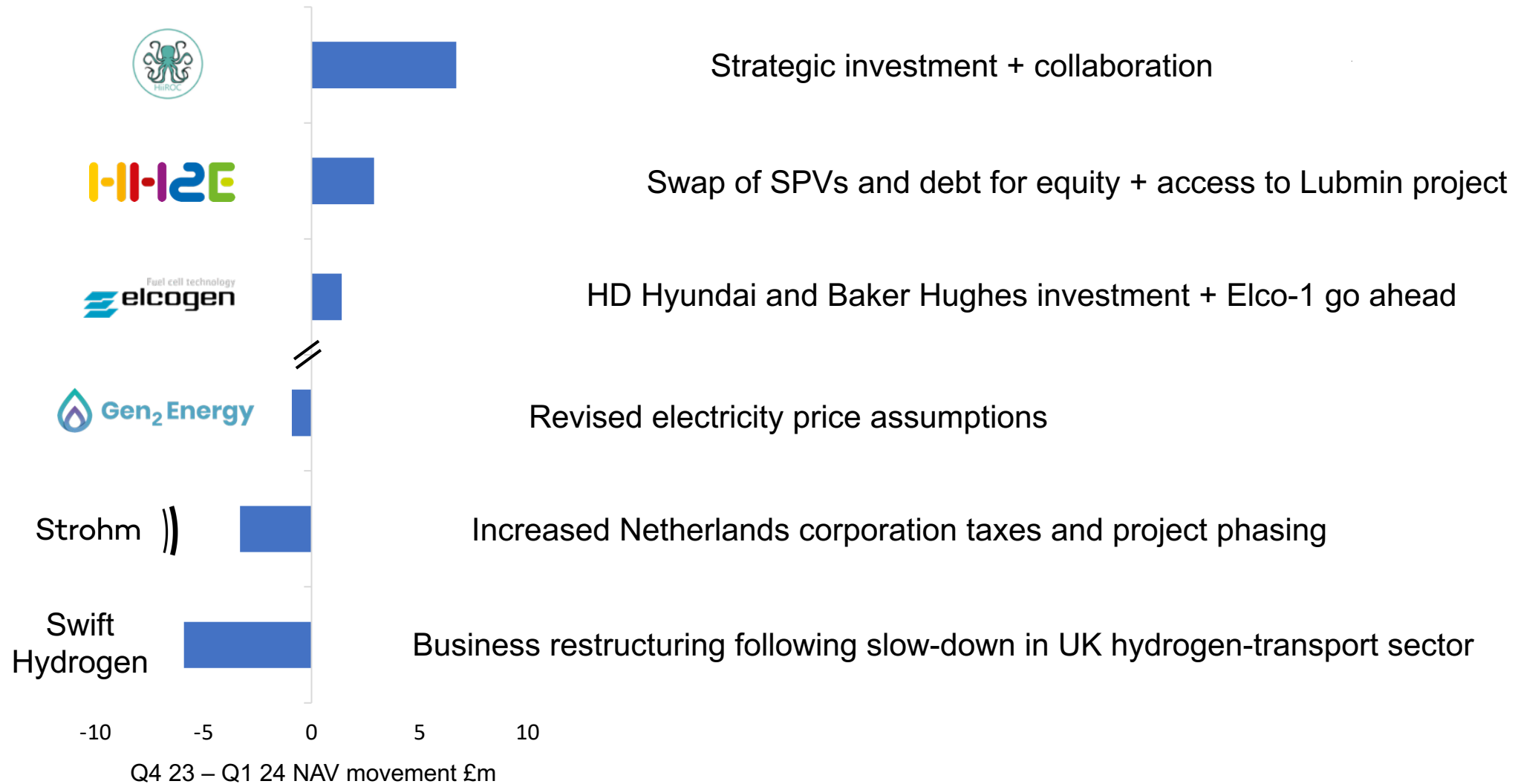


- Growth in portfolio companies, partly offset by FX loss and fund costs



- Steady progression in NAV/share

NAV movements Q4 2023 - Q1 2024

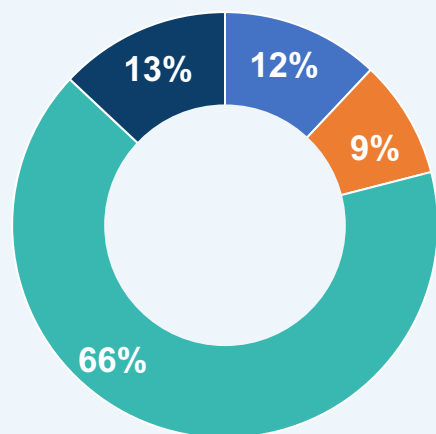


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- Q1 2024 results
- **Portfolio update**

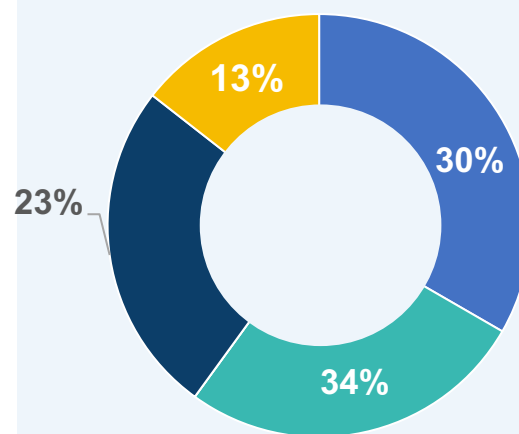
Distinctive and unique hydrogen portfolio

Portfolio segmentation by theme



- Hydrogen production
- Hydrogen applications
- Supply chain
- Storage and distribution

Portfolio segmentation by geography



- Germany
- UK
- Scandinavia*
- Netherlands

*Elcogen is now included within Scandinavia (previously included as UK)

Fund holdings (as of 31 March 24)

Private portfolio	NAV £m	NAV %
Sunfire GmbH	28	21%
Elcogen Plc	26	19%
HiiROC Ltd	20	15%
Strohm Holding B.V.	17	12%
*HH2E AG	12	9%
Cranfield Aerospace Solutions	12	9%
Bramble Energy Limited	11	8%
Gen2 Energy	3	3%
Swift Hydrogen (NanoSUN)	<1	<1%
Private portfolio	129	97%
Listed portfolio	<1	<1%

Total investments	129	97%
Cash and cash equivalents	4	3%
Other assets/(liabilities)	<1	<1%
Net Asset Value	133	100%

*HH2E Thierbach and other project SPVs consolidated into HH2E TopCo

Investing alongside blue-chip industrials and funds

Invested companies		Co-investors				
Hydrogen production	Gen ₂ Energy	Vitol	HÖEGH LNG	Knutsen Group	HYCAP	RACON CAPITAL PARTNERS
	H2E	Foresight FOR A SMARTER FUTURE				
Storage & distribution	Strohm		Shell	Chevron	EVONIK Leading Beyond Chemistry	
Supply chain	sunfire	PlanetFirst PARTNERS	lightrock	NESTE	CIP Copenhagen Infrastructure Partners	CARBONDIRECT
	HURO					amazon
	BRAMBLE ENERGY	Melrose	HYUNDAI	centrica		KIA
	Fuel cell technology elcogen	ipgroup	BGF	Parkwalk Investing in Innovation		
Hydrogen applications	Cranfield Aerospace Solutions	VNT MANAGEMENT	BIOFUEL OÜ	HD HYUNDAI	Baker Hughes	
		SAFRAN	SDF صندوق تنمية القطاعات الاستراتيجية	motus ventures		

Q1 2024 portfolio newsflow

Jan 2024

- Sunfire presents "HyDresden" initiative to the public
- Cranfield signs MoU with Loganair to have the first operational hydrogen-electric Britten-Norman Islander flying in Kirkwall by 2027
- HH2E and Gascade announce pipeline grid connection agreement for hydrogen
- Gen2 signs agreement with Norsk e-Fuel on green hydrogen supply for e-Fuel production in Mosjøen, Norway and appoints Bård Mikkelsen as chairman
- Bramble completes testing of the world's first hydrogen boat powered by printed circuit board fuel cell technology
- Elcogen completes a ground-breaking field test for an industrial scale Solid Oxide electrolyser system and is named on Cleantech Group's 2024 Global Cleantech 100

Feb 2024

- Sunfire installs Finland's first industrial-scale electrolysis plant
- Cranfield selected for the Hydrogen Challenge Sandbox announced by UK Civil Aviation Authority; joins Scottish sustainable aviation innovation project; and announces sale of up to 15 hydrogen propulsion conversion kits to Stratus 9
- HH2E signs cooperation agreement with Siemens Energy for the supply of high-voltage systems and power transformers
- Strohm completes an extensive hydrogen testing programme on its TCP at Tüv-Süd in Germany

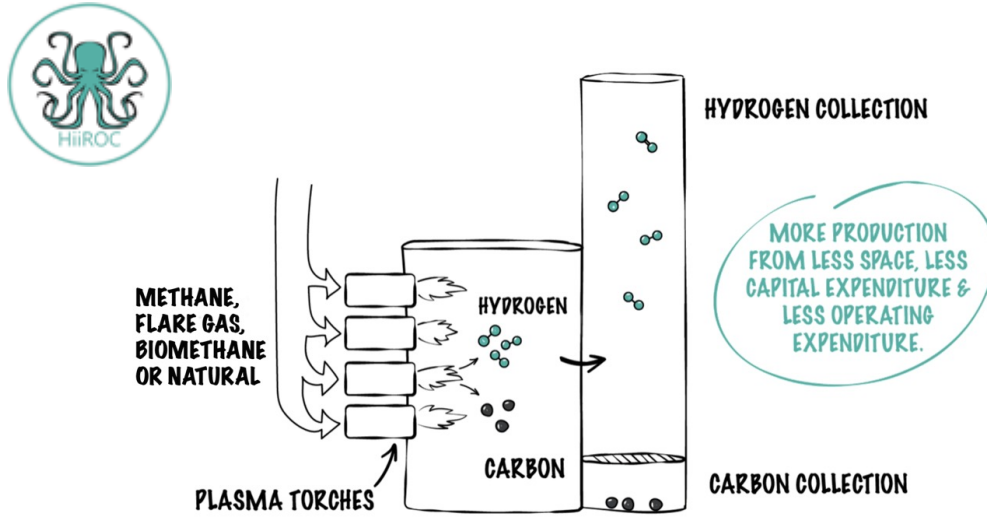
Mar 2024

- Sunfire completes over EUR 500 million funding round and holds topping-out ceremony for its 30 MW large-scale electrolyser
- Cranfield University (a major shareholder in CAeS) receives £69 million boost for hydrogen
- HH2E becomes a member of the aviation initiative aireg
- Work on Thierbach project continues to FID, expected in 2024
- Bramble Energy launches PCBFC™ Gen. 2, the lowest cost fuel cell solution on the market
- HiiROC and Centrica win Hydrogen UK Innovation award at Hydrogen UK's 2024 Awards



HiiROC: Strategic investment to accelerate US expansion (15.3% HGEN NAV)

Thermal Plasma Electrolysis (TPE) production process



HiiROC TPE pilot units at Centrica Brigg site, UK

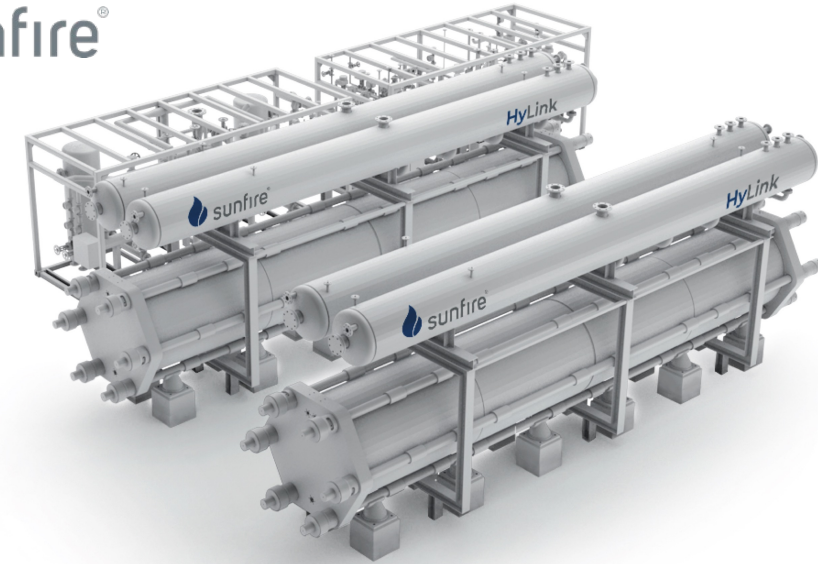


Recent developments

- Technology leader in patented TPE, which produces valuable, high-energy hydrogen and inert, solid carbon black, without creating CO₂ and also be used to mitigate flare and waste gases, and remove atmospheric CO₂ using biomethane
- Strategic investment and collaboration (2024) supports USA market for HiiROC
- Cemex Ventures investment (2023). Intent to deploy TPE at Rugby, UK cement plant and wider EMEAA operations in future

Sunfire: €0.5 billion investment secured (20.9% HGEN NAV)

Sunfire: alkaline and solid oxide electrolyzers

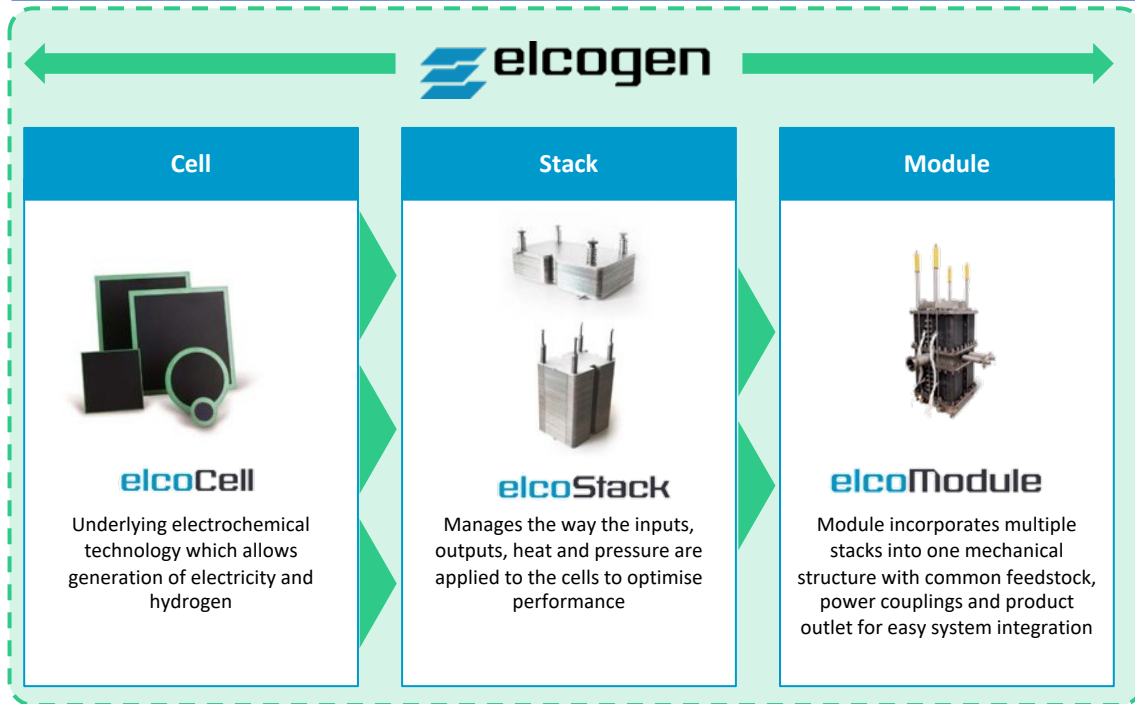


Recent developments

- Industry-leading electrolyser manufacturer based in Germany and Switzerland; 500+ staff
 - Revenues from a growing global customer base
 - Strong product credentials with top in-house engineering and product design
 - 500MW / annum electrolyser production at three sites in EU, expanding to GW scale
- Launched new alkaline electrolysis plant in Solingen, 500MW capacity
 - Started construction of €30m Research and Development Centre at Dresden
 - Post year end, €0.5bn investment secured: €215m from investors, including HGEN, €200m in grants and €100m from European Investment Bank

Elcogen: €140 million funding secured (19.4% HGEN NAV)

Solid oxide cell and stack innovation



- Fuel cell and electrolysis: 160 customers in 30 countries
- “Elcogen Inside” business model

Strategic investor unlocks new growth

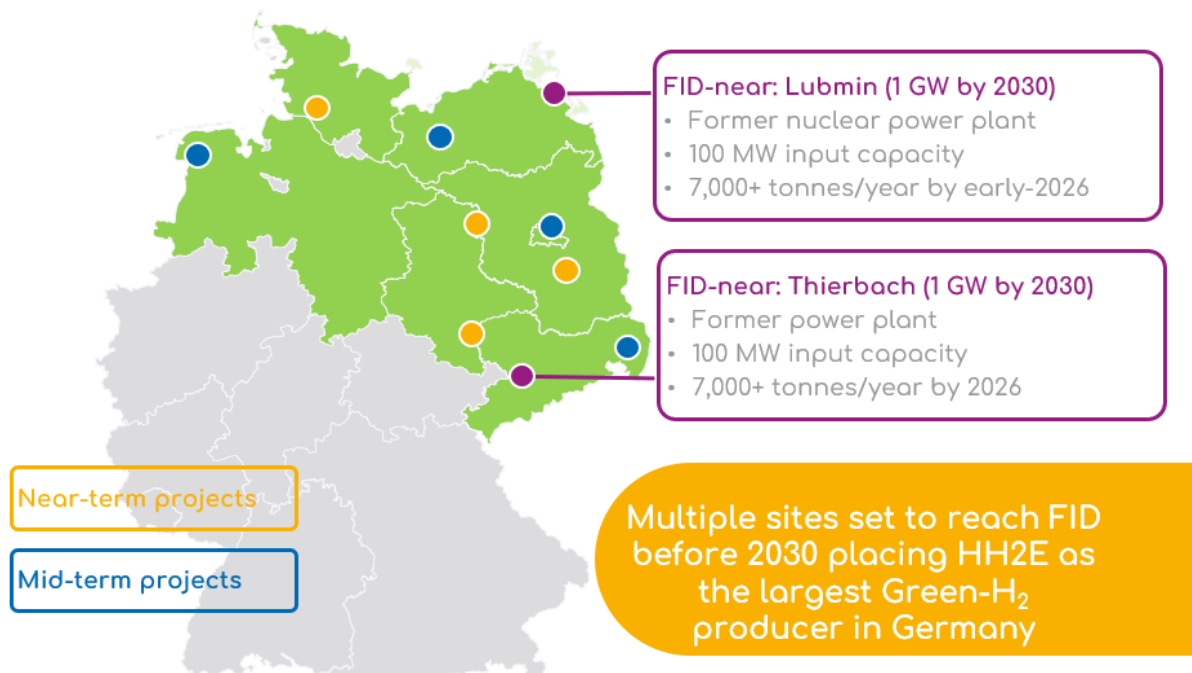


Recent developments

- Strategic investors HD Hyundai Group (2023) and Baker Hughes (2024)
- Site works commenced on new manufacturing facility in Tallinn, Estonia. 100MW Phase 1, increasing to 360MW
- Assessing new cell and stack manufacturing JV in South Korea

HH2E: new corporate structure and access to Lubmin project (8.9% HGEN NAV)

HH2E Germany; 4GW 2030E



Corporate restructuring early 2024

- Simplified corporate structure to facilitate future funding rounds:
 - Previous HGEN interests in project SPVs including Thierbach swapped for HH2E 'Topco'
 - Lubmin SPV to be combined with new structure, giving HGEN direct exposure to new FID, and aligning interests with Foresight Group
 - HGEN equity share unchanged at c. 11% in larger entity in accretive transaction
- **Expected to be accretive to HGEN carrying as projects are developed**

Cranfield Aerospace: hydrogen electric flight innovator (8.7% HGEN NAV)

Cranfield
Aerospace
Solutions

Cranfield Aerospace

- Innovation milestone “Miracle of Packaging”
- Stratus 9 to acquire 10 hydrogen conversion kits for B-N Islander (\$20m)
- Joined Exeter and Kirkwall airports low carbon flight consortia
- Cranfield University awarded £69m to create the Cranfield Hydrogen Integration Incubator (CH2i)

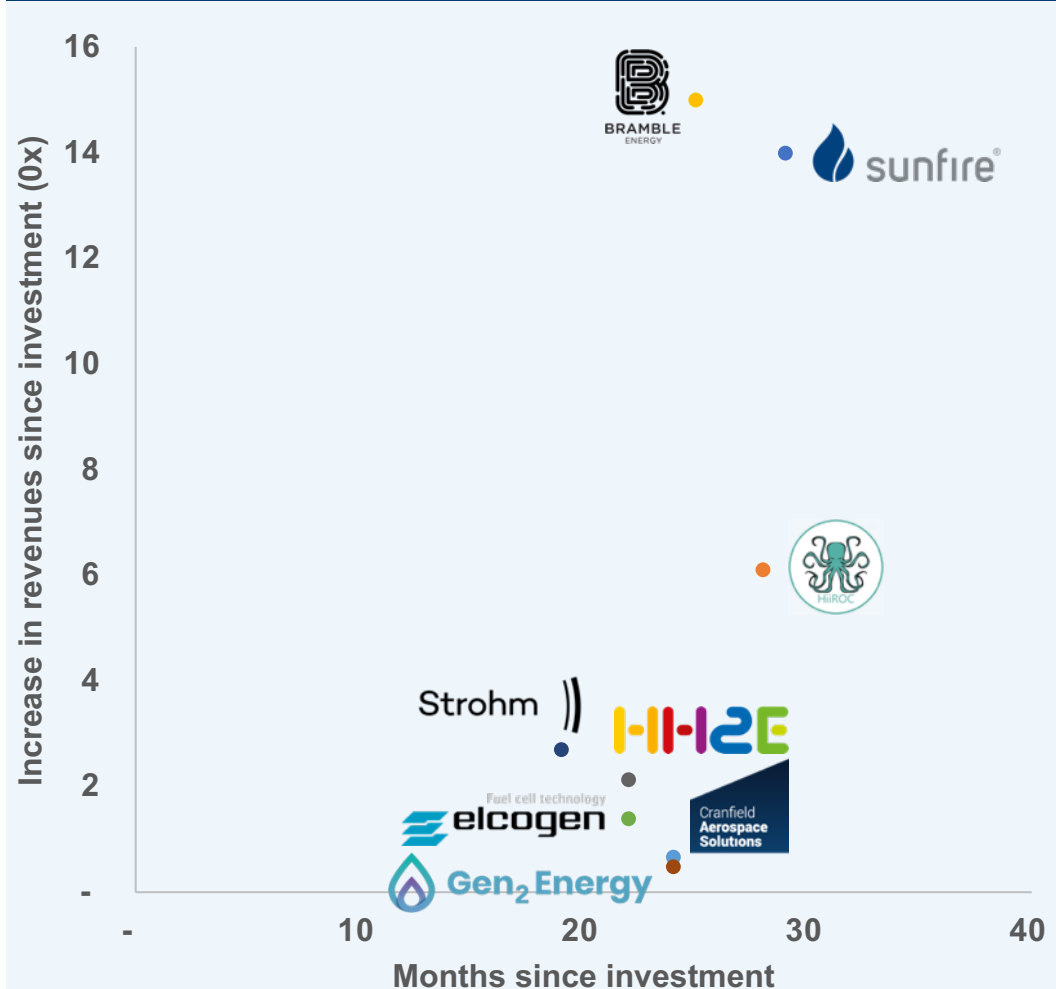


“Miracle of Packaging”

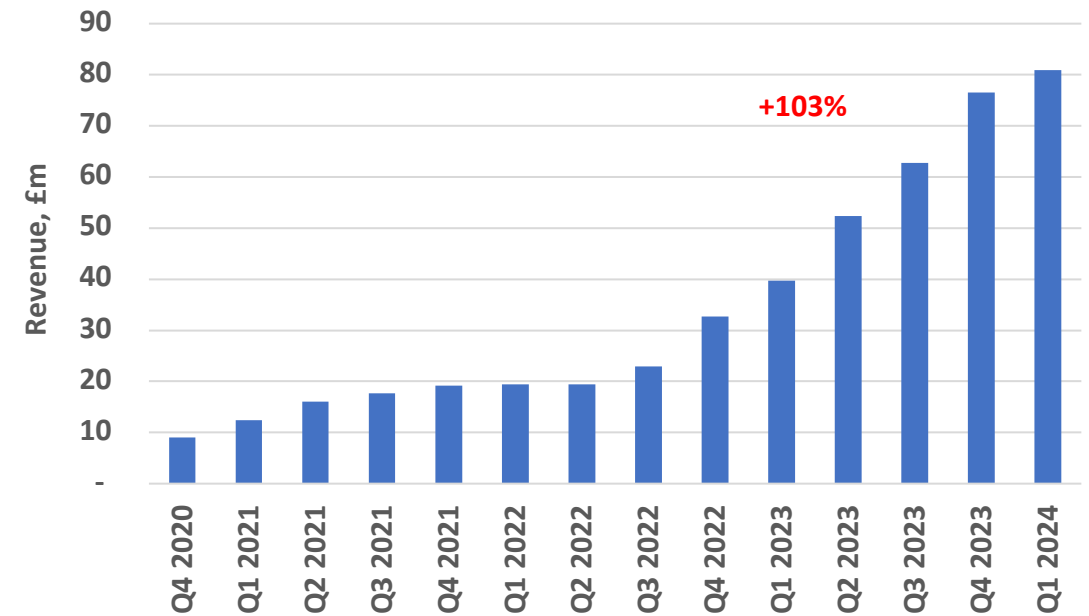
- Hydrogen fuel cell systems, electric motor and thermal management in and around a single engine nacelle
- 110% power of engine it replaces is produced by the Fuel Cell Propulsion System (no battery)

The portfolio is revenue generating and has produced consistent growth

Growth in private portfolio revenues since investment



Private portfolio revenue (100% basis), £m - Trailing 12 months



- The aggregate revenue from private investments c. £81m for 12 months to 31 March 2024; increase of 103% from 12m to Q1 2022
- Robust demand especially transportation and distribution equipment, and electrolyzers, as green hydrogen supply projects and transport sector off-takers expand capacity

Summary

Identifying the best investment opportunities

Specialist team

Active
stewardship

Grow EBITDA
and exit

>£500m pipeline



Revenue-
generating
equipment
suppliers

Distinctive
project
developers

Avoided GHG
potential

10-15% target
return including
exits¹

Clear strategy to grow NAV

(1) For an investor in HGEN at IPO, the total NAV return target is a target only and not a profit forecast. There can be no assurance that this target will be met, or that the Investment Trust will make any distributions or returns at all and it should not be taken as an indication of the Investment Trust's expected future results. The Investment Trust's actual returns will depend upon a number of factors, including but not limited to the size of the Investment Trust, currency exchange rates, the Investment Trust's net income and level of ongoing charges. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Investment Trust and should decide for themselves whether or not the target total NAV return is reasonable or achievable. The illustrative returns has been calculated on the basis of various assumptions and inputs. There can be no assurance that these assumptions and/or inputs will be correct or that the associated potential revenues and returns will be generated.

Q1 2024 highlights

- Net Asset Value (“NAV”) per share of the Company 103.6 pence; increase of 0.6% from 31 December 2023, and up 3.6% since 31 March 2023
- Growth delivery from private portfolio companies, delivering an aggregate £81m total revenue LTM.
- Positive portfolio news flow from multiple private positions - Elcogen, HiiROC, HH2E, Sunfire
- Investments in the quarter totalling £1.4m
- Cash and cash equivalents of £4.1m, and £0.4m of listed hydrogen companies at the end of the quarter
- Recent transactions underscore and add to the carrying values of portfolio companies, as part of a strategy of co-investing with strategic investors and global corporations

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Fund holdings

	As at 31 Mar 2024		As at 31 Dec 2023	
	NAV £m	NAV %	NAV £m	NAV %
Private portfolio				
Sunfire GmbH	28	21%	27	20%
Elcogen Plc	26	19%	24	18%
HiiROC Ltd	20	15%	14	10%
Strohm Holding B.V.	17	12%	20	15%
*HH2E AG	12	9%	7	5%
Cranfield Aerospace Solutions	12	9%	12	9%
Bramble Energy Limited	11	8%	11	8%
Gen2 Energy	3	3%	4	3%
Swift Hydrogen (NanoSUN)	<1	<1%	5	4%
*HH2E Thierbach Project	-	-	2	1%
Private portfolio	129	97%	127	95%
Listed portfolio	<1	<1%	2	2%
Total investments	129	97%	129	97%
Cash and cash equivalents	4	3%	5	4%
Other assets/(liabilities)	<1	<1%	(1)	(1)%
Net Asset Value	133	100%	133	100%

*HH2E project SPVs consolidated into HH2E TopCo from 31 March 2024