

HydrogenOne Capital Growth plc ("HydrogenOne" or the "Company")

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

21 April 2023

New UK green aircraft business formed to accelerate transition to zero-emissions flight

- Cranfield Aerospace Solutions and Britten-Norman to merge
- Creation of a UK based global leader in green flight - building the world's first fully integrated, zero-emissions aircraft
- Up to £10m new investment from existing shareholders

On 24 March 2022 HydrogenOne, the first London-listed fund investing in clean hydrogen for a positive environmental impact, announced a £7 million investment in Cranfield Aerospace Solutions Ltd ("CAeS").

Today HydrogenOne and its co-investors are pleased to announce that, in an industry first, Britten-Norman, manufacturers of the iconic Islander aircraft, and CAeS, pioneers in hydrogen-electric fuel cell propulsion technology, have signed a Heads of Terms agreement, signaling their intention to merge and to create the world's first fully integrated, zero-emissions sub regional aircraft for entry into service in 2026.

The merger is due to complete in mid-2023, subject to due diligence. In a funding round led by HydrogenOne, a consortium of CAeS investors comprising HydrogenOne, Safran Corporate Ventures (the corporate venture arm of Safran, a leading aerospace company), and the UAE-based venture capital firm Strategic Development Fund will invest up to £10 million in the new company, including up to £5 million investment from HydrogenOne. Britten-Norman's existing owners, including lead investor Alawi Zawawi, will also join the new business. The investment will anchor further funding that is currently being raised to support the growth of the merged entity.

The new entity is responding to the growing demand from airlines and operators for an Original Equipment Manufacturer ("OEM") backed aircraft that will enable their move to zero-emissions operations. By combining CAeS's pioneering development of a hydrogen-electric fuel cell propulsion system with the existing and proven Britten-Norman aircraft technology, a new route to market has been created, with certification for a passenger-carrying service planned for 2026.

The two companies have been collaborating on Project Fresson for over 2 years, a project set up to develop the technologies required to enable the hydrogen propulsion system for the Britten-Norman Islander. The project has been backed by the UK Government, via the UK Aerospace Technology Institute, and has secured over £14 million in private funding from global investors.

Simon Hogan, Chairman, HydrogenOne: *"We are very proud to have led this funding round that will create a new leader in green aircraft manufacturing in the UK. Our commitment to investing in clean hydrogen for a positive environmental impact is central to this investment that will contribute towards moving global aviation towards zero-emissions operations."*

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 with an ESG policy integrated in investment decisions and asset monitoring.

The Company's Investment Adviser, HydrogenOne Capital LLP (FRN: 954060), is an appointed representative of Thornbridge Investment Management LLP (FRN: 713859) which is authorised and regulated by the Financial Conduct Authority.

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relating to their respective future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward- looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements.

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