

7 August 2023

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

Quarterly Portfolio Update
Year on Year Revenue Growth of 170% from Portfolio Companies

HydrogenOne (LON: HGEN), the first London-listed fund investing in clean hydrogen for a positive environmental impact, today announces its quarterly net asset value and portfolio update for the three months ended 30 June 2023 ('Q2-2023' or the 'quarter').

Q2-2023 Key Highlights

- Net Asset Value ('NAV') per share of the Company 100.70 pence; an increase of 0.7% since 31 March 2023 and a 4.0% increase year on year from 30 June 2022
- Positive progress on revenue growth from portfolio companies, delivering an aggregate £52.0 million in total revenue in the 12 month period to 30 June 2023, an increase of 170% compared to the 12 month period to 30 June 2022
- Increased valuations in private assets more than offsetting declines from higher discount rates and in listed hydrogen assets
- Follow-on investments of £2.6 million in the quarter to Thierbach and Cranfield Aerospace Solutions
- Cash and cash equivalents of £8.9 million, and £3.0 million of listed hydrogen companies at the end of the quarter
- The Company has seen some £8 billion of industry investment in green hydrogen year-to-date, underscoring the positive industry outlook and supportive regulatory regimes for clean hydrogen

Net Asset Value

At 30 June 2023, the unaudited NAV per share of the Company was 100.70 pence, representing a quarterly increase of 0.7% from 31 March 2023, and an increase of 4.0% from 30 June 2022. The Company had net assets of £129.7 million at 30 June 2023.

The quarterly increase was driven primarily by valuation uplifts to the Company's portfolio of private investments, positively contributing 2.24 pence (2.2%) per share to the NAV movement compared to 31 March 2023, and 8.27 pence (8.5%) per share to the NAV movement compared to 30 June 2022.

The portfolio weighted average discount rate at 30 June 2023 was 13.7% (30 June 2022: 12.4%; 31 March 2023: 12.8%), resulting in a 7.21 pence per share reduction in NAV between 31 March 2023 and 30 June 2023.

NAV Movements

Opening NAV per share at 31 March 2023	100.00p
Portfolio valuation uplifts	1.72p
Accrual for Investment Adviser carry	1.05p
FX impacts	(1.40)p
Company expenses	(0.67)p
Closing NAV per share at 30 June 2023	100.70p

Financial Summary

	30 June 23	31 March 23	Change	30 June 22	Change
NAV	£129.7m	£128.8m	+0.7%	£124.8m	+3.9%
NAV per share	100.70p	100.00p	+0.7%	96.83p	+4.0%

Q1-2023	Q4-2022	Q3-2022	Q2-2022	Q1-2022	Q4-2021
Portfolio valuation	£120.5m	£117.4m	+2.6%	£95.9m	+25.7%
Portfolio fair value gain on cost	£11.6m	£11.0m	+5.5%	£2.5m	+364.0%
Other net assets (incl cash)	£9.2m	£11.4m	-19.3%	£28.9m	-68.2%

Investment Activity

- The Company made £2.6 million of follow-on investment in two portfolio companies during the quarter
 - The Company will invest £2.5 million (€2.8 million) in development activities at the Thierbach Project alongside other institutional investors and HH2E, of which the Company invested £0.8 million in Q1-2023, and a further £1.1 million in Q2-2023. Thierbach should reach Final Investment Decision ('FID') in H2-2023, subject to technical and commercial studies, and funding. Should the Thierbach Project take FID, and the Company elects to not participate, then its £2.5 million investment in the project will be returned by HH2E.
 - The Company invested £1.5 million in Cranfield Aerospace Solutions Ltd in Q2-2023, alongside Safran Corporate Ventures and the Strategic Development Fund
- After the end of the quarter, the Company invested a further £0.96 million in UK hydrogen transport company NanoSUN to further improve its growth capacity, alongside Westfalen Group and NanoSUN management in a £1.5 million funding round
- The Company had cash and cash equivalents of £8.9 million, and £3.0 million of listed hydrogen companies at the end of the quarter, and remains well funded for its day-to-day activities.

Portfolio Summary

- At 30 June 2023, the Company is invested in ten private investments, in the UK and Europe, representing 97.0% of its invested portfolio by value. Additional investment in strategic, global hydrogen listed equities in revenue generating businesses comprised 3.0% of the invested portfolio
- The portfolio continues to perform in line with the expectations of the Investment Adviser, HydrogenOne Capital LLP
- Eight of the Company's ten private investments are revenue-generating, producing equipment and technology solutions for clean hydrogen production. The unaudited aggregate revenue from these investments was c. £52.0 million in the 12-month period to 30 June 2023, an increase of 170% compared to the 12 months to 30 June 2022, on a pro-forma basis.

Portfolio Company Updates

Sunfire GmbH, the leading German industrial electrolyser producer: (20% of NAV)

- The Bad Lauchstädt Energy Park, a consortium of Terrawatt, Uniper, VNG Gasspeicher, ONTRAS, DBI and VNG, in Central Germany, took Final Investment Decision on a 30MW green hydrogen facility with associated salt cavern storage. The €210 million project will use Sunfire electrolysers, and should replace grey hydrogen in the Leuna refinery and supply transport customers, commencing in 2025
- Sunfire has successfully installed a 2.6MW solid oxide electrolyser, the world's largest, at the Neste MultiPLHY hydrogen project, in Rotterdam. The electrolyser will be integrated into Neste's refinery and will become part of the on-site production of renewable products. Once operational, the electrolyser will produce more than 60kg of green hydrogen per hour.

Strohm Holding B.V., a Netherlands-based hydrogen pipeline company: (15% of NAV)

- Strohm was selected as partner for the Hydrogen Offshore Production for Europe ('HOPE') project. HOPE is an important milestone in the industry trend to produce green hydrogen in the offshore. The project is planned to be 10MW (4 tonnes of hydrogen per day), installed off the port of Ostend, in Belgium. The project has been selected by the European Clean Hydrogen Partnership, under which it has been awarded a €20.0 million grant. HOPE is being coordinated by Lhyfe, and implemented by eight European partners: Alfa Laval, Plug Nederland, Strohm, EDP NEW, ERM, CEA, POM-West-Vlaanderen and DWR eco
- Strohm, alongside BW Offshore, Switch2, MARIN and TU Delft, have received a €3.0 million grant from the Dutch government for project OFFSET, an industrial scale floating green hydrogen and ammonia project, based on the proven concept of a floating production and offloading vessel (FPSO). The objective of the OFFSET project will be to demonstrate a decrease in the cost of green fuel production

and thereby increase its accessibility

- Strohm was awarded a contract by PRIO (formerly known as PetroRio) to provide its composite pipe solutions to support operations at its Frade field, in Brazil.

NanoSUN Limited, a UK-based developer of hydrogen distribution and mobile refuelling equipment: (10% of NAV)

- NanoSUN appointed Dr. Graham Cooley, who was previously the CEO of ITM Power Ltd, as Chairman of the Board. Dr. Meike Schaeffler, from NanoSUN investor Westfalen, was appointed as a Board Member. Neil Tierney, who is the founder of ONZO, a home energy management company that was later acquired by SSE and GEO, and who has had senior roles at UBCO and PURE Electric, focusing on lightweight electric vehicles, was appointed as CEO
- Westfalen and NanoSUN have deployed a Pioneer Hydrogen Refuelling Station in German city Brühl, in the Cologne area, to fuel 6 new Solaris Hydrogen City Buses. The filling station was developed in cooperation between Westfalen Group and NanoSUN. The system will avoid emissions of 393 tons of CO₂ and 0.55 tons of NO_x per year. Filling a fuel cell bus with the Pioneer system less than 20 minutes
- NanoSUN continued collaboration and contract manufacturing with TIS Manufacturing, in Aberdeen, UK, for NanoSUN's Pioneer Hydrogen Refuelling Stations.

Cranfield Aerospace Solutions Ltd ('CAeS'), a UK hydrogen flight innovator: (8% of NAV)

- CAeS announced a Heads of Terms with Britten-Norman, manufacturers of the Islander aircraft, to merge and to create the world's first fully integrated, zero-emissions aircraft, for entry into service in 2026. The proposed combination is subject to due diligence by the Company
- CAeS welcomed Evolito, a ground-breaking UK technology innovator onboard as the motor and inverter supplier for its hydrogen-powered aircraft demonstrator
- CAeS celebrated 75 years of continuous Design Approvals, which have enabled the company to deliver world-leading complex modifications and underpin its future as a global leader in the development of zero-emissions aircraft.

Bramble Energy, a UK-based fuel cell and portable power solutions company: (7% of NAV)

- Bramble Energy has secured £12.0 million UK Government funding to provide fuel cell technology to hydrogen buses. Bramble Energy's innovative, low-cost printed circuit board fuel cell ('PCBFC') technology will power an all-new hydrogen double-decker bus, which will be developed in conjunction with Equipmake, Aeristech and the University of Bath.

Gen2 Energy, a Norwegian green hydrogen project developer: (3% of NAV)

- Gen2 Energy received zoning plan approval for a large-scale, 100MW green hydrogen facility in Mosjøen, Norway
- Gen2 Energy AS and Provaris Energy Ltd signed a collaboration agreement, to study producing and supplying compressed green hydrogen from the Gen2 Energy hydrogen project in Åfjord, Norway, to European ports, using Provaris' marine storage and shipping solutions. Provaris has developed a portfolio of hydrogen shipping and storage solutions, including two sizes of GH₂ Carriers (H₂Neo 26,000 m³ and H₂Max 120,000 m³) and a floating storage (H₂Leo), with a design capacity range of 300 - 600 tonnes hydrogen. The H₂Neo, which is intended to be utilised in the Åfjord project, was granted Design Approval based on an extensive FEED package in December 2022, with final construction approval targeted for early 2024.

Further details on the Company's private investments can be found on its website at <https://hydrogenonecapitalgrowthplc.com/portfolio/private-investments>.

Factsheet and investor webinar

The 30 June 2023 factsheet is now available for viewing on the Company's website at: <https://hydrogenonecapitalgrowthplc.com/investors/factsheets/>.

The Company's Investment Adviser, HydrogenOne Capital LLP, will be hosting a 30-minute live webinar presentation for investors and analysts to discuss its Q2 2023 Portfolio Update commencing at 9am (BST) today. In order to register for the webinar, please follow the link: <https://www.investormeetcompany.com/hydrogenone-capital-growth-plc/register-investor>.

The presentation will also be available on the Company's website at:
<https://hydrogenonecapitalgrowthplc.com/investors/documents-and-publications/>.

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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 focused 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.

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For further information, please visit www.hydrogenonecapitalgrowthplc.com

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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.

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