

HydrogenOne Capital Growth plc Q4 2022 Investor Update

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



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Investing in clean hydrogen for a climate-positive impact; SFDR Article 9

10-15%

Target 10-15%/year NAV growth¹

**SFDR
9**

>\$100m deployed in low-carbon growth for avoided GHG

>£500m

Investment pipeline supported by macro tailwinds

Clean hydrogen is a >US\$2tn global opportunity

- Replace polluting ‘grey’ hydrogen feedstock in chemicals, fertilizer and refining
- Replace polluting fossil fuels in transport and power sectors

HydrogenOne’s strategy

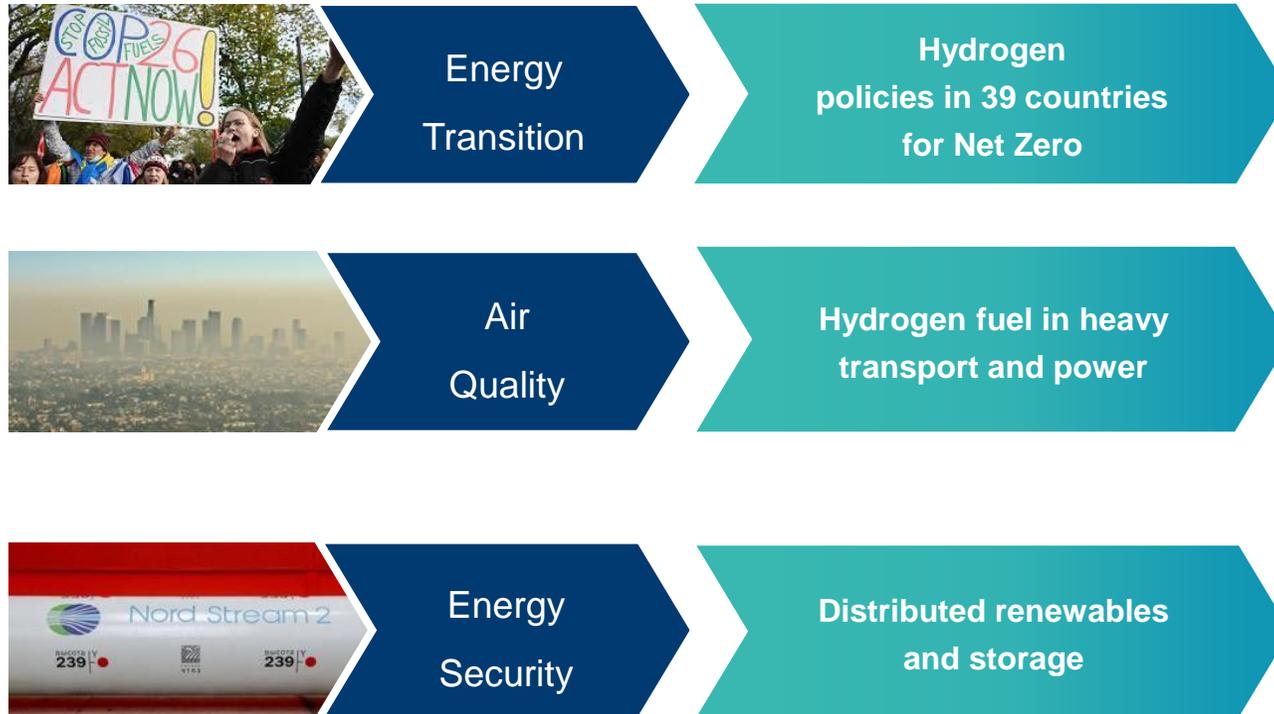
- Specialist investor in diversified hydrogen assets world-wide
- Deploy capital in supply chains and hydrogen production
- Generate returns through IPO or trade sale of invested positions
- Invest for ‘avoided GHG emissions’

INEOS Energy Strategic investor

(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.

Strong macro tailwinds underpin hydrogen investment case

Structural drivers of the hydrogen economy...



...step change in policies

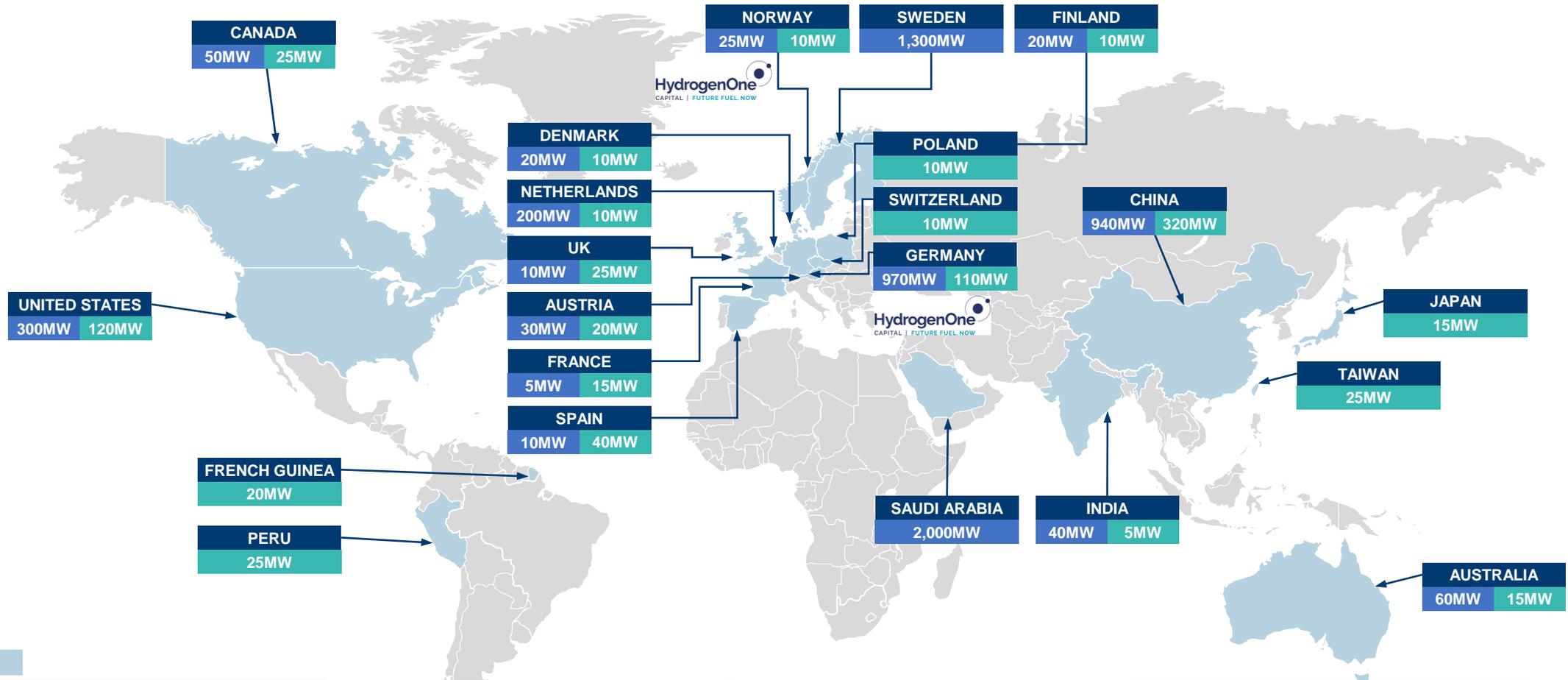
\$8bn 
'hydrogen hubs' +
hydrogen tax credit in
Inflation Reduction Act

>300GW 
REPowerEU 2030
hydrogen target
increased from 80GW

10GW 
UK 2030 hydrogen
target doubled

3mtpa 
Japan 2030
hydrogen target

Large-scale clean hydrogen deployment is underway

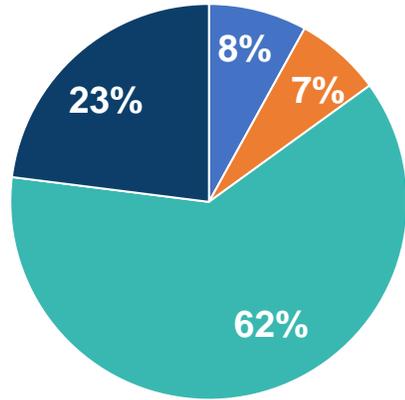


KEY	Onstream: 0.8GW	Under development: 6.0GW	Proposed: 1.23TW
>860 GREEN HYDROGEN PROJECTS:	0.1	7.2	1,400
AVOIDED GHG (MTPA)			

HydrogenOne has investment rights on >5GW of green hydrogen projects in Germany and Norway

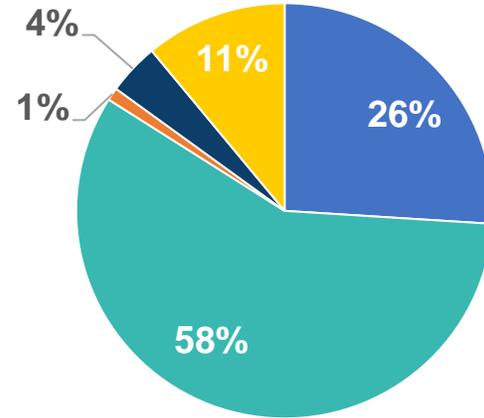
Distinctive and unique hydrogen portfolio

Portfolio segmentation by theme



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

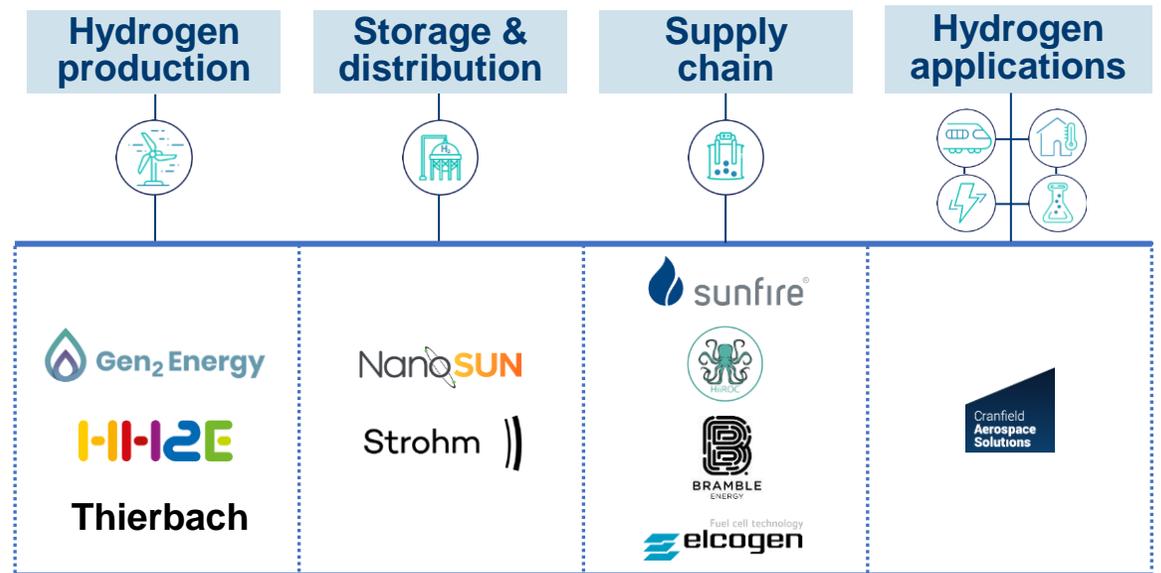
Portfolio segmentation by geography



- Germany
- UK
- France
- Scandinavia
- Netherlands

Where we invest

- Revenue-generating equipment businesses
- Hydrogen production projects
- Co-investing with industrial strategics and institutions
- Diversified portfolio and geography



- SFDR Article 9 classification and signatory of UN PRI
- Strong ESG commitment and robust ESG strategy, with key considerations for climate change mitigation, the SFDR’s Principal Adverse Impact indicators, the EU Taxonomy regulation and regulatory requirements
- Completed EU taxonomy alignment assessment on the private portfolio
- Reporting in accordance with the SFDR and ISSB frameworks (2022 Annual Report)
- Avoided GHG emissions reporting to commence FY22

Our ESG Principles



HydrogenOne's sustainable development goals	3 GOOD HEALTH AND WELL-BEING	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	14 LIFE BELOW WATER	15 LIFE ON LAND
	SDG target 3.9	SDG target 7.1, 7.2, 7.3	SDG target 9.4, 9.5	SDG target 11.6	SDG target 12.6	SDG target 14.3	SDG target 15.3

ESG KPIs | **£106 million** | Invested in low-carbon growth and avoided GHG emissions

Q4 2022 financial highlights

	30 Sep 2022	31 Dec 2022	% change 1,2	31 Dec 2021	% change 2,3
NAV per share	96.49p	97.30p	0.8%	95.75p	1.6%
NAV	£124.3m	£125.3m	0.8%	£102.8m	21.9%
Market Cap	£111.4m	£102.2m	-8.3%	£128.3m	-20.3%
Share price premium/ (discount) to NAV ²	(10.3)%	(18.5)%	-79.6%	24.8%	n/a
Portfolio valuation	£103.3m	£106.8m	2.6%	£47.5m	123.2%
Portfolio fair value gain / (loss) on cost	£3.1m	£5.6m	80.6%	£(1.6)m	n/a
Other net assets (incl cash)	£21.0m	£18.5m	-16.7%	£55.3m	-66.5%

As at 31 December 2022 (unaudited)

1 Total returns for three months to 31 December 2022

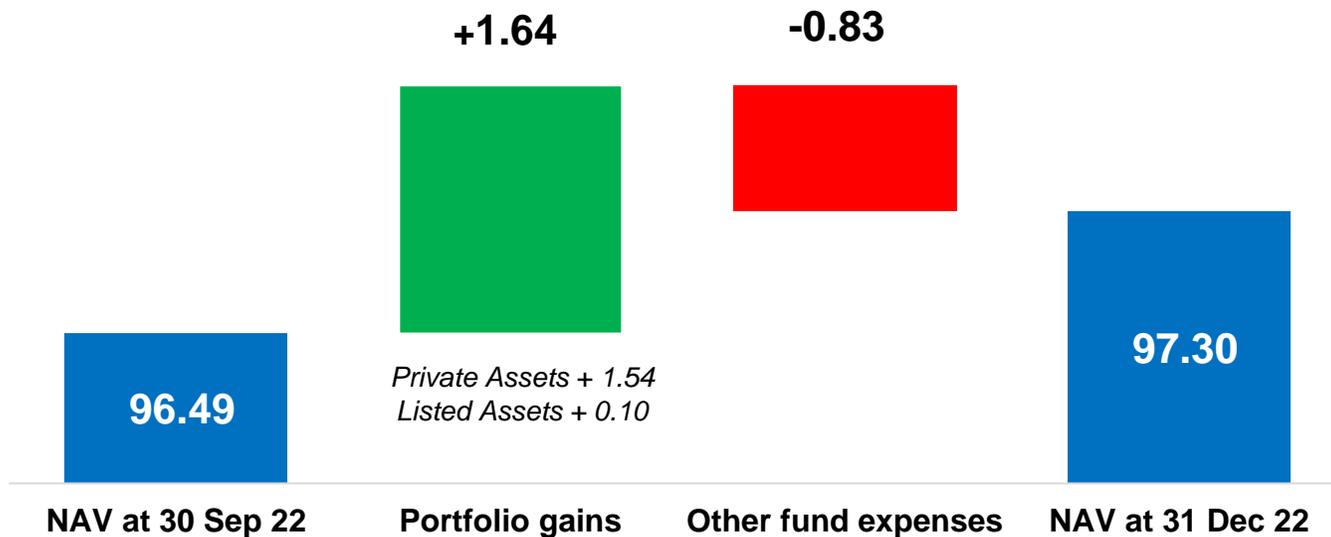
2 These are alternative performance measures

3 Total returns for twelve months to 31 December 2022

- NAV per share +1.6% 2021-2022 and +0.8% Q3-Q4 2022
- £1.1m follow on investment in Strohm £25m funding round completed in the quarter
- Strong growth in hydrogen portfolio
 - Seven private companies generated £33m 2022 revenue; +110% vs 2021 (89% of portfolio)
 - Further two private developers maturing products for mid-decade start up (8% of portfolio)
 - Allocation to revenue-generating listed hydrogen companies (3%)

Key portfolio movements

NAV movements for the quarter to 31 Dec 22 (pence per share)



NAV +0.8% Q3-Q4 22

Top fund holdings

Company	NAV £m	NAV %
Sunfire GmbH	22	17%
Elcogen Plc	20	16%
HiiROC Ltd	13	10%
Strohm Holding B.V	12	9%
NanoSUN Limited	11	9%
Others	30	25%
Total investments	108	86%
Net current assets (Inc cash)	17	14%
Net Asset Value	125	100%

Sunfire GmbH investment (Supply chain)

<p>Company description</p>  <p><i>www.sunfire.de</i></p>	<p>German industrial electrolyzer producer</p>
<p>Investment size / date</p>	<ul style="list-style-type: none"> • £20m / October 21 / 17% of NAV
<p>Co-investors</p>	<ul style="list-style-type: none"> • Planet First Partners, Lightrock, SMS, Neste, CIP, Carbon Direct Capital Management, Blue Earth Capital, Amazon
<p>Why invested</p>	<ul style="list-style-type: none"> • Material, established electrolyzer producer with strong technology and growth potential • +10 year track record • 500MW / annum electrolyzer production site in EU – with a further extension to gigawatt-scale already in planning
<p>Total Addressable Market</p>	<ul style="list-style-type: none"> • >£40bn (by 2030)
<p>Recent developments</p>	<ul style="list-style-type: none"> • Amazon and CIP investment to complete E195m D Series round • Delivered a 250kw solid oxide electrolyser to RWE – world’s largest to date • Manufacturing JV agreed with Vitesco
<p>Key milestones</p>	<ul style="list-style-type: none"> • Conversion of strong revenue growth to EBITDA to underpin exit • >GW scale alkaline + SOEC manufacturing scale up



Sunfire’s alkaline electrolyzer installed at the MPREIS food center in Völs, Austria



Sunfire’s solid oxide cell electrolyzer

Strohm Holding B.V. investment (Storage & Distribution)

<p>Company description</p> <p>Strohm))</p> <p>www.strohm.eu</p>	<p>Netherlands-based hydrogen pipeline company</p>
<p>Investment size / date</p>	<ul style="list-style-type: none"> £10m / Aug & Dec 22 / 9% of NAV
<p>Co-investors</p>	<ul style="list-style-type: none"> Shell Ventures, Chevron Technology Ventures, Evonik Venture Capital, ING
<p>Why invested</p>	<ul style="list-style-type: none"> Industry leaders in offshore hydrogen and CO2 pipelines, where we see significant market growth Thermoplastic Composite Pipe (“TCP”) has c.50% less greenhouse gas emissions than metal. Can transfer up to nine times the amount of hydrogen energy compared to a cable. TCP’s flexibility, lack of corrosion, fatigue and embrittlement make it the superior pipeline solution for offshore wind farms, generating hydrogen
<p>Total Addressable Market</p>	<ul style="list-style-type: none"> c. £700m (2030) to >£1.7b (2040)
<p>Recent developments</p>	<ul style="list-style-type: none"> Completed a €29m investment round including ING EConnect contract for 11km of TCP for the TES Wilhelmshaven Green Gas Terminal in Germany
<p>Key milestones</p>	<ul style="list-style-type: none"> Grow revenues from energy transition including hydrogen to over 50% by 2025



Strohm's low carbon footprint pipeline's installation offshore



Strohm's TCP ready for installation offshore

HiiROC Limited investment (Storage & Distribution)

<p>Company description</p>  <p>www.hiiroc.com</p>	<p>UK-based thermal plasma electrolysis developer</p>
<p>Investment size / date</p>	<ul style="list-style-type: none"> £10m / November 21 / 10% of NAV
<p>Co-investors</p>	<ul style="list-style-type: none"> Melrose Industries, Centrica, Hyundai, Kia, Wintershall Dea, VNG, Cemex
<p>Why invested</p>	<ul style="list-style-type: none"> Unique technology to clean up natural gas and biomethane into solid carbon and hydrogen Application in natural gas grids and global imperative to halt gas flaring Highly scalable modular solution, producing 100kg / day of hydrogen from a single unit through to large plants capable of 100's of tonnes / day of hydrogen, alongside carbon black
<p>Total Addressable Market</p>	<ul style="list-style-type: none"> >£40bn (by 2030)
<p>Recent developments</p>	<ul style="list-style-type: none"> Won the first UK project with Centrica to inject hydrogen at Brigg Gas Fired Power station, as part of the Net Zero Technology Centre's £8m Open Innovation Programme
<p>Key milestones</p>	<ul style="list-style-type: none"> Pilot units contracted for deployment from late 2022 through 2023 across a wide range of hydrogen use cases



HiiROC unit



HiiROC receiving the prestigious KPMG UK's Tech Innovator 2022 award

HH2E & Thierbach investments (Hydrogen Production)

<p>Description</p>  <p>Thierbach</p> <p>www.hh2e.de</p>	<p>Green hydrogen project developer with a focus on industrial customers in Germany. Operator of the Thierbach green hydrogen development project, in which HGEN has a direct investment.</p>
<p>Investment size / date</p>	<ul style="list-style-type: none"> • HH2E: £5m / May 22 / 4% of NAV • Thierbach project: £2m / Jan 23
<p>Co-investors</p>	<ul style="list-style-type: none"> • Foresight Group LLP
<p>Why invested</p>	<ul style="list-style-type: none"> • Assessing 5 new projects for Final Investment Decision (“FID”) • Provides HGEN with investment rights in multiple large-scale industrial decarbonization projects, with first project investment completed (Thierbach)
<p>Total Addressable Market</p>	<ul style="list-style-type: none"> • >£100bn
<p>Recent developments</p>	<ul style="list-style-type: none"> • EUR 13m spend on Front End Engineering and Design (FEED), land purchase, key equipment (<i>Thierbach</i>)
<p>Key milestones</p>	<ul style="list-style-type: none"> • FID – 2023 (<i>Thierbach</i>) • Phase 1 (100MW): c.6,000Htpa ~ 60,000tpa avoided GHGs (<i>Thierbach</i>)



Identifying the best investment opportunities



Clear strategy to grow NAV

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