HydrogenOne Capital Growth plc Annual Report & Accounts 2024

HydrogenOne Capital Growth plc

ANNUAL REPORT & ACCOUNTS 2024

HydrogenOne

CAPITAL | FUTURE FUEL. NOW

Contents

hydrogenonecapitalgrowthplc.com

Company Overview

About us

HydrogenOne Capital Growth Plc ("HGEN" or "the Company") is the first London-listed 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, directly or indirectly, in a portfolio of hydrogen and complementary hydrogen focussed assets, diversified across the value chain, whilst integrating core ESG principles into its decision making and ownership process. The Company is an Article 9 climate impact fund under the Sustainable Finance Disclosure Regulation (the "SFDR").

- A unique offering to investors - leadership in a new green energy technology sector from the first London-listed hydrogen fund.
- Strong orientation to ESG mandates, investing capital in low-carbon growth and enabling the avoidance of GHG emissions.
- Investments and pipeline to deliver 10-15% average NAV growth, including exits*.
- First mover advantage in the Hydrogen sector, which is growing rapidly.
- Investment Adviser's strong track record in energy and capital markets.

£116.4m
Net Asset Value

SFDR Article 9
Climate impact fund

>132,800 tonnes
CO2e emissions avoided in FY2024

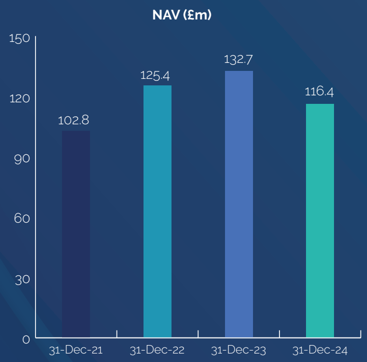
Investing in clean hydrogen for a climate-positive impact

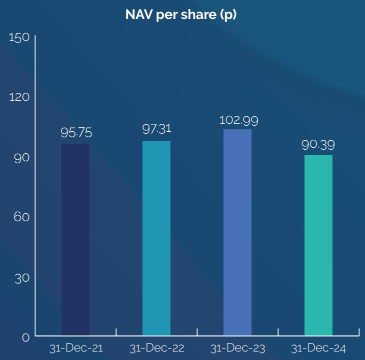
Signatory of:

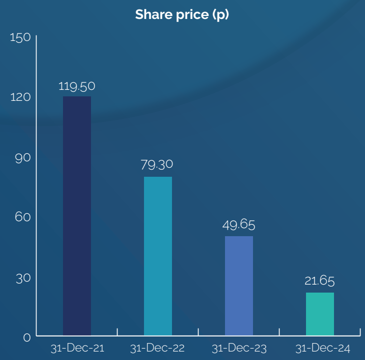
* For an investor in HGEN at IPO. The total NAV return target is a target only and not a profit forecast

Highlights

At a glance







Financial and operational highlights

- NAV decreased from £132.7 million at 31 December 2023 to £116.4 million at 31 December 2024. NAV per share decreased to 90.39p at 31 December 2024;
- Portfolio activity includes exit from green hydrogen developers Gen2 Energy, which was sold, HH2E and Thierbach SPV, which entered self-administration, and restructuring of transport specialist NanoSUN;
- NAV per share reduced by 12.6p, including the write-down of HH2E and Thierbach SPV (6.9p), NanoSUN restructuring (4.2p), exchange rate impacts, fund costs and other portfolio impacts;
- The share price fell from 49.65p to 21.65p and the discount to NAV increased from 52% to 76% as the share prices of growth investment trusts remained subdued, and in addition the Company's share price declined following the write-down of HH2E;
- Positive progress on revenue growth from portfolio companies, delivering an aggregate £85 million in total revenue within the portfolio companies in the year to 31 December 2024, an increase of 14.9% compared to the year to 31 December 2023. Further portfolio revenue growth is expected in 2025;
- Investment activity centred on follow-ons. During the year ended 31 December 2024, the Company made further investments in 4 Private Hydrogen Assets in its portfolio, totalling £2.6 million, and divested from its remaining listed holdings;
- Portfolio companies have raised a total of c. £500 million in new equity, loans and grants in 2024, underpinning the Company's valuations and the attractive sector fundamentals;
- At 31 December 2024, the total invested capital since IPO amounted to £116.3 million;
- The Company and its Group has retained a cash position of £3.1 million as at 31 December 2024;
- Growth in the clean hydrogen sector continued to accelerate, despite recent project announcements, weak macro-economic conditions and political uncertainties. The Investment Adviser assesses that some £9 billion was invested in clean hydrogen in 2024 world-wide, a 50% increase over 2023 levels and that policy announcements in 2024 totalled over $100 billion of sector support. The Company expects green hydrogen production to reach 3.0 million tonnes per annum by 2027, an increase of 15x over 2024 levels, underscoring the positive industry outlook for clean hydrogen.

Environmental, Social and Governance (ESG) highlights

- Classified as an Article 9 Fund under the SFDR;
- 132,839 tonnes of Greenhouse Gas (tCO2e) emissions avoided in the year ended 31 December 2024, over 576 times the combined scope 1, 2 and 3 emissions of the Company in the same period, and 274,534 tCO2e since IPO;
- 91% alignment with EU taxonomy for sustainable activities (the "EU Taxonomy") assessment on Private Hydrogen Assets at 31 December 2024;
- £116.3m deployed in low-carbon growth (since fund inception);
- Potential 537,193 MWh lifetime clean energy capacity in year ended 31 December 2024 and 1,334,487 MWh since IPO;
- 1,333 jobs supported; and
- Continued stewardship activity with portfolio companies to further enhance ESG credentials and reporting, with 6 month reporting of key metrics introduced.

SFDR Article 9

91% EU Taxonomy Aligned

274,534

Avoided GHG Emissions since IPO

£116m

Deployed in Low Carbon Growth

Key statistics as at 31 December 2024	At 31 December 2024[2]	31 December 2023	% change
NAV per Ordinary Share	**90.39p**	102.99p	(12.2)%
NAV	**£116.4m**	£132.7m	(12.2)%
Ordinary Share price	**21.65p**	49.65p	(56.4)%
Market capitalisation	**£27.9m**	£64.0m	(56.4)%
Share price discount to NAV[1]	**76.0%**	51.8%	(46.7)%
Total Shareholder NAV return per Ordinary Share[1]	**(12.2)%**	5.8%	n/a
Ongoing Charges[1]	**2.5%**	2.6%	(1.2)%
Cumulative capital deployed in low-carbon growth since inception	**£116.3m**	£113.7m	2.3%
GHG emissions avoided	**132,839 tCO2e**	91,116 tCO2e	45.7%
The EU taxonomy alignment	**91%**	92%	1%

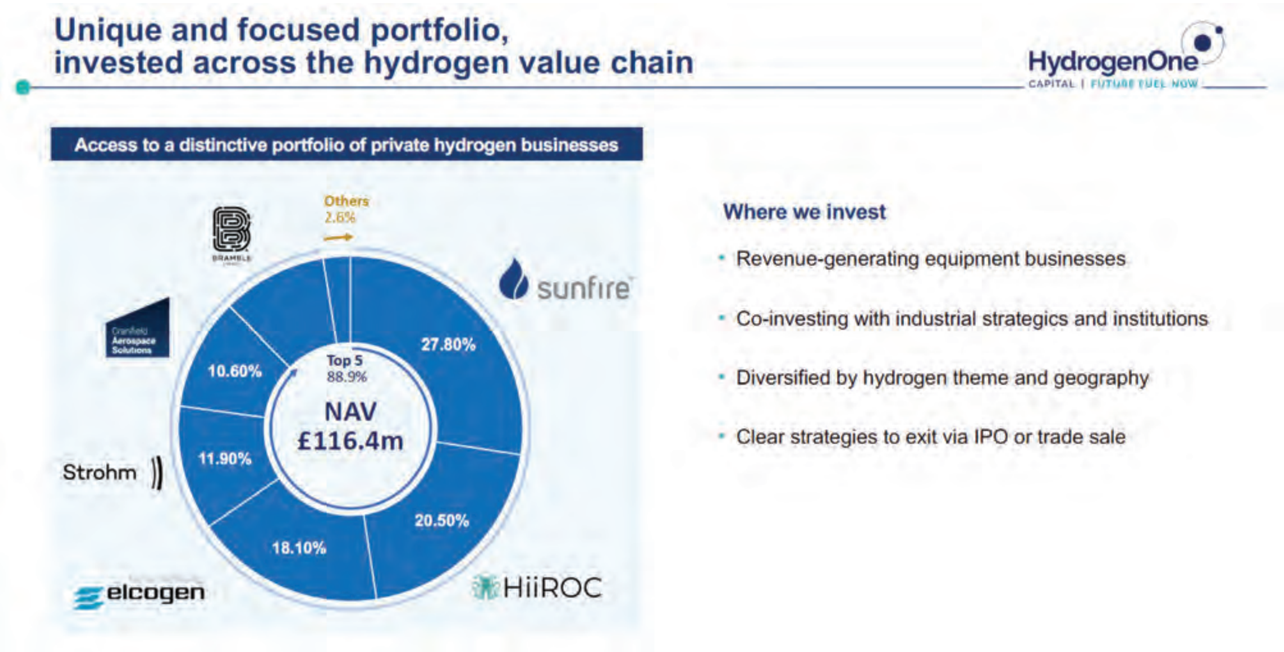
3 Year Performance

Key statistics as at 31 December 2024	At 31 December 2024[2]	31 December 2023	31 December 2022
NAV per Ordinary Share	**90.39p**	102.99p	97.31p
NAV	**£116.4m**	£132.7m	£125.4m
Ordinary Share price	**21.65p**	49.65p	79.3p
Market capitalisation	**£27.9m**	£60.1m	£102.2m
Share price discount to NAV[1]	**76.0%**	51.8%	18.5%
Ongoing Charges[1]	**2.5%**	2.6%	2.5%
Total Shareholder NAV return per Ordinary Share[1]	**(12.2)%**	5.8%	1.6%
Cumulative capital deployed in low-carbon growth since inception	**£116.3m**	£113.7m	£102.9m
GHG emissions avoided	**132,839 tCO2e**	91,116 tCO2e	42,716 tCO2e
The EU taxonomy alignment	**91%**	92%	89%

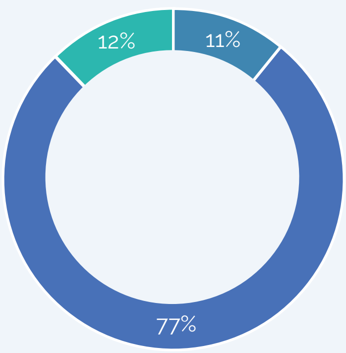
1 *Alternative Performance Measures ("APMs"). The disclosures above are considered to represent the Company's APMs. Definitions of these APMs and other performance measures used by the Company, together with how these measures have been calculated, can be found on page 100.*

Portfolio at a Glance

Portfolio summary as at 31 December 2024

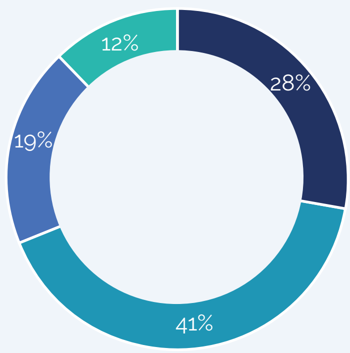


Portfolio segmentation by theme



- Hydrogen applications
- Supply chain
- Storage and distribution

Portfolio segmentation by geography



- Germany
- UK
- Scandinavia
- Netherlands

Chairman's Statement

On behalf of the Board, I am pleased to report on the performance and activities of the Company in 2024.

Simon Hogan *Chairman*

On behalf of the Board, I must acknowledge that the share price remains at a steep discount to the Company's Net Asset Value ('NAV'), as is the case for many listed funds presently. This discount has widened substantially in 2024, while the NAV has also reduced. Despite the headwinds we are experiencing, the long-term outlook for the clean hydrogen sector remains positive and we believe that the portfolio can generate attractive returns over time. We fully support the Investment Adviser's strategy of investing in a portfolio of hydrogen assets, across the value chain, and in their efforts to address the share price performance through successful divestments.

Outlook for 2025

The Board supported the Investment Adviser's plans to combine with Cordiant Capital Inc. ("Cordiant"), to enhance the Company's future development. Cordiant's unexpected decision not to complete this transaction, in April 2025, was both disappointing and disruptive for the Company and its shareholders.

In recent months, the Board has engaged extensively with shareholders who have reaffirmed their support for the Company's distinctive focus on hydrogen. At the same time, shareholders have provided valuable input on alternatives and avenues to improve share price performance and unlock long-term value.

The Board and advisers are considering a wide range of options with urgency, to deliver shareholder value (see more details in Note 2 Basis of Preparation in the Financial Statements), and the Board will provide an update at the AGM.

Hydrogen Industry Landscape

Recent months have been marked by a series of hydrogen project delays and cancellations, as well as substantial US renewables policy changes, which have impacted market sentiment and the funding available to hydrogen companies. Nevertheless, the structural, long-term fundamentals of the sector, underpinned by governmental policy responses to climate change, energy security and air quality remains positive, despite these near-term challenges. Clean hydrogen has a key role today in the decarbonisation of industrial processes such as oil refining and chemicals. Over time, clean hydrogen will also have a role in power generation, heat, the transport sector and natural gas grid blending in some countries. Clean hydrogen is also emerging as a key component in the production of synthetic fuels such as e-methanol, synthetic aviation fuel ("e-SAF"), and green ammonia. Green hydrogen capacity world-wide is set to reach over three million tonnes per annum in the next three years, which is more than double the estimates a year ago. Global industry investment in 2024 topped £9 billion, and some $100 billion of government support was announced world-wide.

There are considerable uncertainties on the macro-economic outlook, particularly for renewables and new tariffs in the United States. Whilst we are not invested directly in the United States, our portfolio companies and their supply chains are not immune from new US tariffs, should they arise. If Russia's war with Ukraine ends in 2025, we would expect reduced volatility in energy prices, and a renewed emphasis on energy security and decarbonisation in many economies, which would be supportive for our sector.

Share Price Discount

Whilst our share price traded at a premium to NAV in 2021 and early 2022, the price weakness that emerged towards the end of 2022 has continued throughout 2023 and 2024. We recognise that the decline in our share price will have been disappointing for our investors and is of a concern to the Board.

Listed investment companies focused on early stage growth companies, including HydrogenOne, are generally trading at discounts to NAV in part due to macro-economic factors that are outside our control. More specifically, hydrogen project delays impacting the supply chain have no doubt have also played a role in widening the discount to NAV.

During the year, we were disappointed to write off HH2E and the Thierbach SPV, when these holdings failed to raise additional investment, which triggered HH2E entering self-administration. The announcement, made at the end of 2024, contributed to a sharp decline in our share price. However, we believe the challenges faced by HH2E were specific to that company and are not reflective of the performance or quality of the broader portfolio.

Chairman's Statement

I hope this Annual Report sets out the progress that we are making with value creation in the Company's portfolio, with businesses that the Board and the Investment Adviser believe can generate substantial value for our investors over time. The Company and the Investment Adviser continue to focus on maximising returns for shareholders through realising the value of the investments and managing costs.

Performance

During the period, the Company's NAV decreased by 12.2%, from £132.7m to £116.4m (102.99 pence per share to 90.39 pence per share), with reductions including the write-down of HH2E (6.9p), exchange rate impacts, fund costs and other portfolio impacts. The Company reported a loss after tax of £16.2 million for the year, equal to 12.6 pence per share. The Company's dividend policy is to only pay dividends in order to satisfy the ongoing requirements under the Investment Trust (Approved Company) (Tax) Regulations 2011. The Company has paid no dividends during the period, as we continue to focus on growth investments.

The majority of the Company's private investments are revenue generating and producing equipment and technology solutions for clean hydrogen production. The aggregate revenue from these investments was £85m in the year to 31 December 2024, an increase of 14.9% from the prior year. This growth is as a result of portfolio companies commercialising their distinctive technologies.

Investment Strategy and Update

The Company is invested in a diversified portfolio of hydrogen related activities, in private companies and with a particular focus on the innovative technologies such as fuel cells, electrolysers and gas pipelines that are needed to unlock profits in clean hydrogen.

With the majority of the Company's capital now deployed, our approach has focused on incremental investments in existing portfolio companies, with £2.4 million invested in 2024 backing these management teams to deliver their growth plans.

At the same time, we sought to divest from green hydrogen developer businesses HH2E and Gen2 Energy in 2024, to realise value and cash for our investors. Major events in 2024 include:

- HH2E and Thierbach SPV write off of £7.1 million and cancellation of our divestment plan
- Divestment of Gen2 Energy for c. £3 million to an existing investor
- Conversion of convertible loan notes in Sunfire £0.3 million as part of £178 million Series E round
- Restructuring of NanoSUN into wholly-owned Swift Hydrogen
- Investment in Strohm of £0.6 million convertible loan notes as part of £25 million Series I round
- Investment in Cranfield Aerospace of £0.6 million convertible loan notes in internal funding round
- Exit from remaining listed hydrogen investments, realising £2 million

Valuation

The Company applies a consistent approach to portfolio valuation, centred on discounted cash flows, using the International Private Equity and Venture Capital Valuation 2022 ("IPEV") Guidelines. The weighted average discount rate at 31 December 2024 was 12.8%, compared to 14.2% at 31 December 2023, largely due to falling interest rates, which increased NAV by £1.2 million or 0.9 pence per share at 31 December 2024. The details of these valuations are set out later in the annual report.

The Board meets quarterly with the Company's Investment Adviser and holds regular meetings to review all of the Company's investment valuations. The Board also has regular contact with the Investment Adviser outside of formal Board meetings.

Environment, Social & Governance

Since our launch in 2021 the Company has invested in clean hydrogen assets which contribute to the energy transition and can lead to avoided GHG emissions and improved air quality. The science behind this approach has not changed, despite shifts in policies and politics. ESG principles are integrated across the investment process. Our commitment to positively contribute to climate change mitigation, whilst integrating core ESG principles into our decision making and ownership process, is at the core of everything that we do as a Company. The Company is classified as an Article 9 Fund, the highest classification under the SFDR regulation. We are a signatory of the PRI, a United Nations supported network of financial institutions that promote sustainable investments, and disclosed GHG information on the Carbon Disclosure Project ("CDP") for the second time in 2024.

The Company's portfolio companies are supplying critical components, such as electrolysers and fuel cells, as well as services such as transportation and storage of hydrogen, to clean hydrogen manufacturing projects and hydrogen end-users. All of this results in the replacement of fossil fuels such as diesel in the energy mix, and avoids greenhouse gas emissions, which have totalled 274,534 tCO2e avoided emissions since our IPO in 2021, an achievement of which the Company is justifiably proud.

We are tracking GHG emissions from portfolio companies, which totalled 230 tCO_2e in 2024 (Scope 1, 2 and 3) and are engaged with these management teams to reduce GHG intensity over time.

The Company is dedicated to further developing and progressing our ESG framework to achieve the highest reporting and performance levels. Alongside this Annual Report, we are publishing a separate Sustainability Report, that sets out our policy and track record in more detail.

Annual general meeting

The Annual General Meeting will be held on 27 June 2025 at 1.00 pm at the Company's registered office, 4th Floor, 140 Aldersgate Street, London, EC1A 4HY, and we look forward to welcoming shareholders to the event in person.

The meeting will consider the formal business of the AGM, as set out in the separate Circular and Notice of AGM, and thereafter the Investment Adviser will provide a presentation on the Company's portfolio.

On behalf of the Board, I would like to thank all of our shareholders for their support, as we continue to develop our portfolio of unique portfolio of clean hydrogen investments and look forward to engaging with them further on their views on next steps for the Company.

Simon Hogan
Chairman

29 April 2025

Key Portfolio Developments 2024

Q1 2024

- Sunfire announces a successful equity funding round, part of a wider funding package totalling more than €500 million;
- NanoSUN restructuring to Swift Hydrogen;

Q2 2024

- Elcogen receives a major investment from Baker Hughes marking the close of a €140 million funding round, underpinning the construction of a new solid oxide plant in Estonia;
- HiiROC receives a strategic investment to accelerate its expansion into the US;
- Strohm completes a €30 million funding round, led by new and existing investors.

Q3 2024

- Sale of Gen2 Energy AS for c.£3 million;
- Sunfire wins a major contract for a 100MW electrolyser at RWE's industrial-scale hydrogen site in Lingen;
- Strohm awarded the largest ever commercial award for pipe supply with TotalEnergies, marking an entry into the ultra-deepwater and high CO2 markets for the first time.

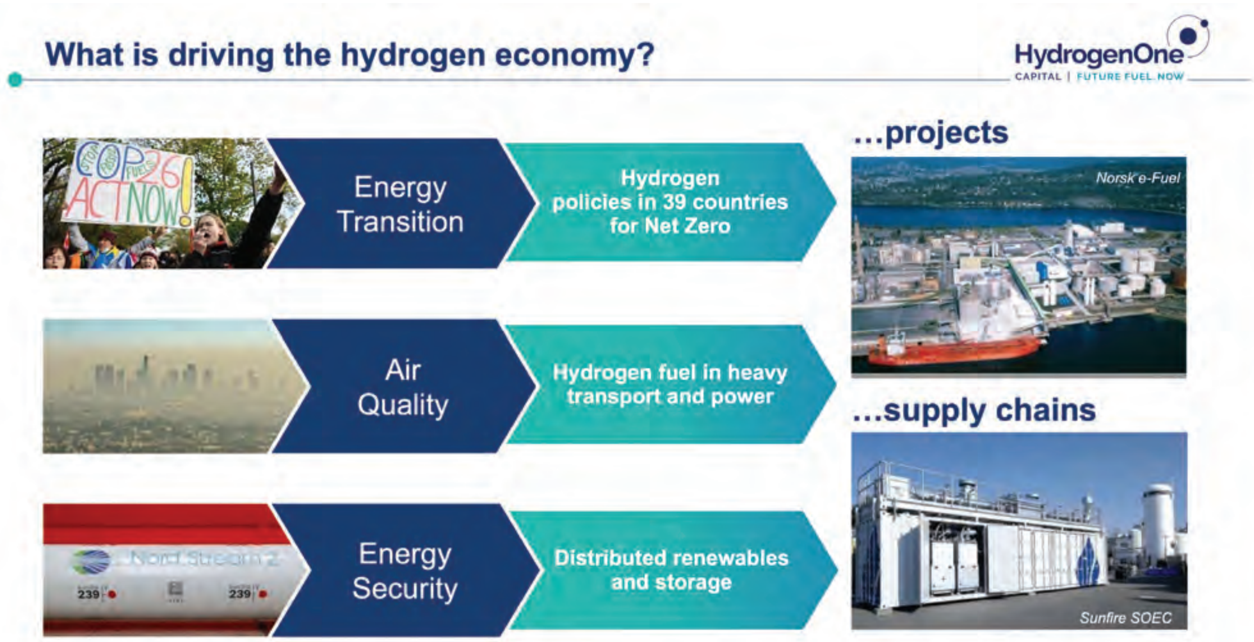
Q4 2024

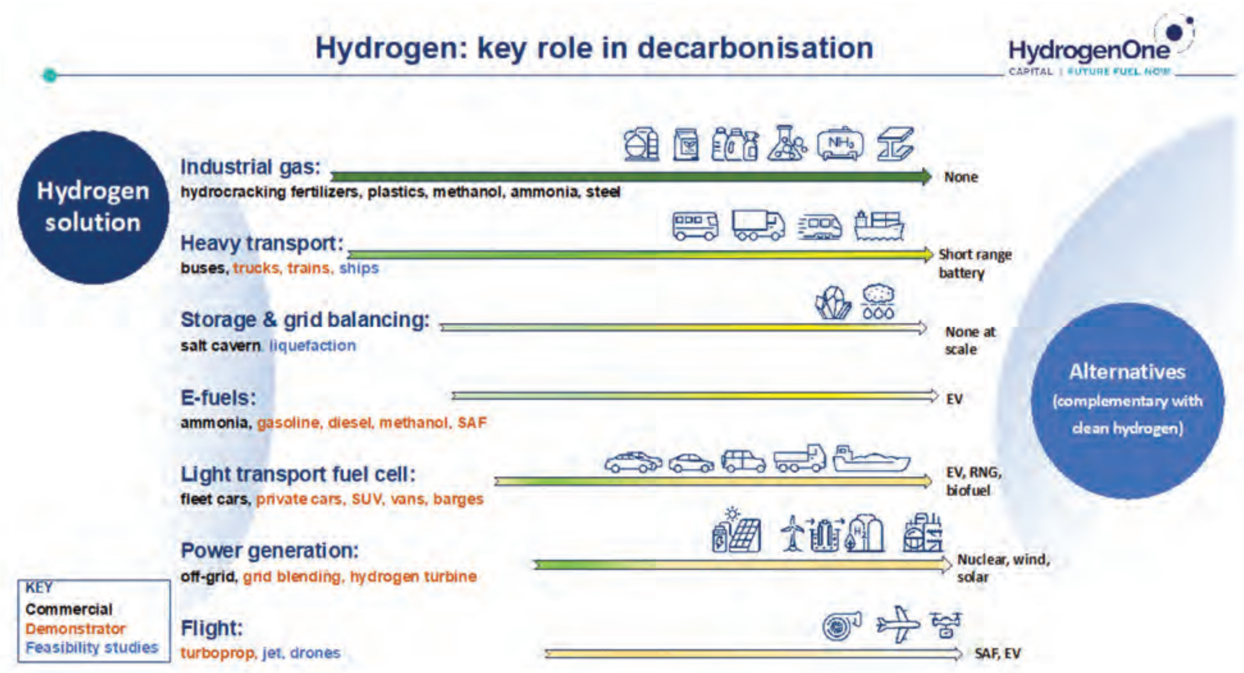
- Sunfire awarded a contract for 50MW electrolyser in Finland
- Elcogen awarded for €24.9 million grant from EU Innovation Fund
- HiiROC and Cemex Ventures announced launch of low carbon hydrogen deployment at industrial scale
- HH2E and Thierbach SPV self-administration announced

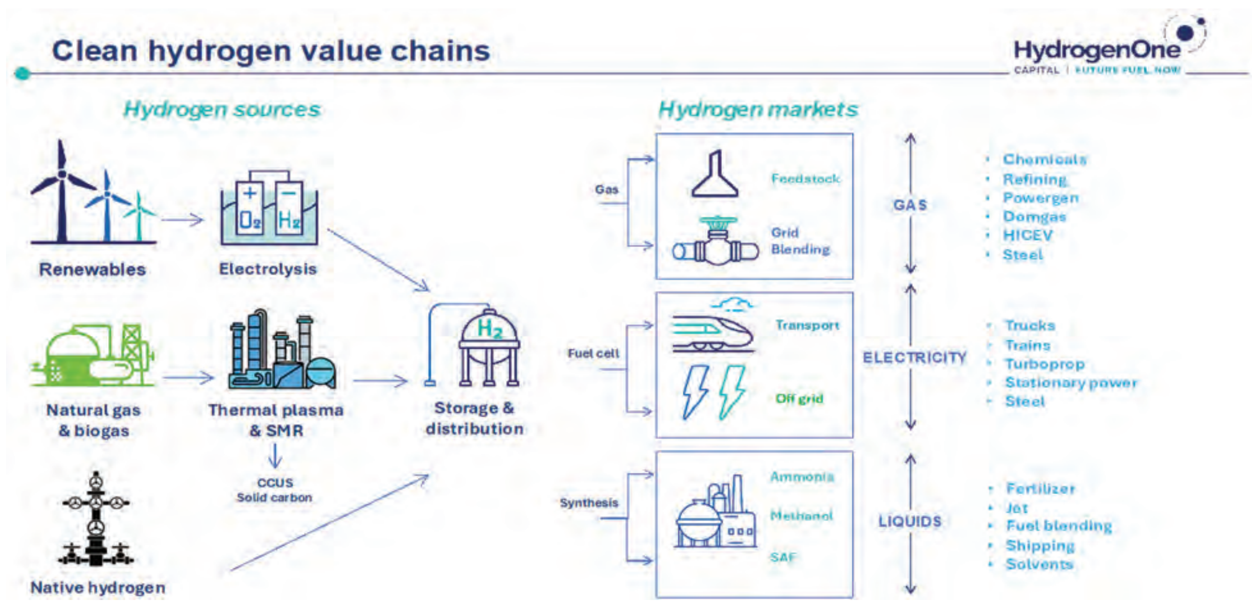
Strategic report

About Clean Hydrogen

- Clean hydrogen displaces fossil fuels, reducing CO2 emissions and improving air quality
- Some 97 million tonnes per annum ("mtpa") of hydrogen is used today in manufacturing of oil products, chemicals and steel. The demand to replace this polluting 'grey' hydrogen with clean hydrogen underpins the clean hydrogen sector
- By 2027, some 3.0 mpta of green hydrogen is expected to be in production, following investment of some £50 billion, representing c. 15x of the current hydrogen market, and predominately used to replace grey hydrogen
- Clean hydrogen can replace fossil fuels in hard to decarbonise sectors such as power generation and transport
- Clean hydrogen is a key component in the manufacture of clean e-fuels, such as e-methanol and synthetic aviation fuel ("e-SAF");
- Clean hydrogen is an energy carrier, that can store and distribute intermittent renewable electricity at a large scale
- Hydrogen, when combined with renewables such as wind and solar provides, a domestic energy supply option for many countries, reducing reliance on imported energy and improving energy security.




Hydrogen: key role in decarbonisation
HydrogenOne CAPITAL | FUTURE FUEL NOW
Hydrogen solution
Industrial gas:
hydrocracking fertilizers, plastics, methanol, ammonia, steel
None
Heavy transport:
buses, trucks, trains, ships
Short range battery
Storage & grid balancing:
salt cavern, liquefaction
None at scale
E-fuels:
ammonia, gasoline, diesel, methanol, SAF
EV
Light transport fuel cell:
fleet cars, private cars, SUV, vans, barges
EV, RNG, biofuel
Power generation:
off-grid, grid blending, hydrogen turbine
Nuclear, wind, solar
Flight:
turboprop, jet, drones
SAF, EV
Alternatives (complementary with clean hydrogen)
KEY
Commercial
Demonstrator
Feasibility studies


Clean hydrogen value chains
HydrogenOne CAPITAL | FUTURE FUEL NOW
Hydrogen sources
Hydrogen markets
Renewables
Electrolysis
Natural gas & biogas
Thermal plasma & SMR
CCUS
Solid carbon
Native hydrogen
Storage & distribution
Gas
Feedstock
Grid Blending
Fuel cell
Transport
Off grid
Synthesis
Ammonia
Methanol
SAF
GAS
ELECTRICITY
LIQUIDS
Chemicals
Refining
Powergen
Domgas
HICEV
Steel
Trucks
Trains
Turboprop
Stationary power
Steel
Fertilizer
Jet
Fuel blending
Shipping
Solvents

Investment objective, policy, process and strategy

Investment objective

The Company's investment objective is to deliver an attractive level of capital growth by investing, directly or indirectly, in a diversified portfolio of hydrogen and complementary hydrogen focussed assets whilst integrating core ESG principles into its decision making and ownership process.

Investment policy

The Company will seek to achieve its investment objective through investment in a diversified portfolio of hydrogen and complementary hydrogen focussed assets, with an expected focus in developed markets in Europe, North America, the GCC and Asia Pacific, comprising:

i. assets that produce clean hydrogen;

ii. large scale energy storage assets;

iii. carbon capture, use and storage assets;

iv. hydrogen distribution infrastructure assets;

v. assets involved in hydrogen supply chains, such as electrolysers and fuel cells; and

vi. businesses that utilise hydrogen applications such as transport, power generation, feedstock and heat (together "Hydrogen Assets").

The Company intends to implement its investment policy through the acquisition of hydrogen and complementary hydrogen focussed assets.

Private Hydrogen Assets

The Company invests in unquoted Hydrogen Assets, which may be operational companies or hydrogen projects (completed or under construction) ("Private Hydrogen Assets"). Investments are expected to be mainly in the form of equity, although investments may be made by way of debt and/or convertible securities. The Company may acquire a mix of controlling and non-controlling interests in Private Hydrogen Assets, however the Company intends to invest principally in non-controlling positions (with suitable minority protection rights to, inter alia, ensure that the Private Hydrogen Assets are operated and managed in a manner that is consistent with the Company's investment policy).

Given the time frame required to fully maximise the value of an investment, the Company expects that investments in Private Hydrogen Assets will be held for the medium to long term, although short term disposals of assets cannot be ruled out in exceptional or opportunistic circumstances. The Company intends to re-invest the proceeds of disposals in accordance with the Company's investment policy.

The Company observes the following investment restrictions, assessed at the time of an investment, when making investments in Private Hydrogen Assets:

- no single Private Hydrogen Asset will account for more than 20 per cent. of Gross Asset Value;
- Private Hydrogen Assets located outside developed markets in Europe, North America, the GCC and Asia Pacific will account for no more than 20 per cent. of Gross Asset Value; and
- at the time of an investment, the aggregate value of the Company's investments in Private Hydrogen Assets under contract to any single Offtaker will not exceed 40 per cent. of Gross Asset Value.

The Company will initially acquire Private Hydrogen Assets via HydrogenOne Capital Growth Investments 1 LP (the 'HydrogenOne Partnership'), a wholly owned subsidiary undertaking of the Company structured as an English limited partnership which is controlled by the Company and advised by the Investment Adviser. The HydrogenOne Partnership's investment policy and restrictions are the same as the Company's investment policy and restrictions for Private Hydrogen Assets and cannot be changed without the Company's consent. In due course, the Company may acquire Private Hydrogen Assets directly or by way of holdings in special purpose vehicles or intermediate holding entities (including successor limited partnerships established on substantially the same terms as the HydrogenOne Partnership) or, if the Company is considered a 'feeder fund' under the Listing Rules, other undertakings advised by the Investment Adviser and, in such circumstances, the investment policy and restrictions will also be applied on a look-through basis and such undertaking(s) will also be managed in accordance with the Company's investment policy.

Listed Hydrogen Assets

The Company also invests in quoted or traded Hydrogen Assets, which will predominantly be equity securities but may also be corporate debt and/or other financial instruments ("Listed Hydrogen Assets"). The Company is free to invest in Listed Hydrogen Assets in any market or country with a market capitalisation (at the time of investment) of at least US$100 million. The Company's approach is to be a long-term investor and will not ordinarily adopt short-term trading strategies. As the allocation to Private Hydrogen Assets grows the Listed Hydrogen Assets are expected to include strategic equity holdings derived from the listing of operational companies within the Private Hydrogen Assets portfolio over time.

The Company observes the following investment restrictions, assessed at the time of an investment, when making investments in Listed Hydrogen Assets:

- no single Listed Hydrogen Asset will account for more than 3 per cent. of the Gross Asset Value;
- each Listed Hydrogen Asset must derive at least 50 per cent. of revenues from hydrogen and/or related technologies; and
- the target allocation to Listed Hydrogen Assets will be approximately 10 per cent or less of Gross Asset Value, subject to a maximum allocation of 30 per cent of Gross Asset Value.

During the year ended 31 December 2024, the Company realised its remaining Listed Hydrogen Assets.

Cash

During the initial Private Hydrogen Asset investment period after a capital raise and/or a realisation of a Private Hydrogen Asset, the Company intends to hold the relevant net proceeds of such capital raise/realisation in cash (in accordance with the Company's cash management policy set out below) pending subsequent investment in Private Hydrogen Assets.

Investment restrictions

The Company, in addition to the investment restrictions set out above, comply with the following investment restrictions when investing in Hydrogen Assets:

- the Company will not conduct any trading activity which is significant in the context of the Company as a whole;
- the Company will, at all times, invest and manage its assets
  - i. in a way which is consistent with its objective of spreading investment risk; and
  - ii. in accordance with its published investment policy;
- the Company will not invest in other UK listed closed-ended investment companies; and
- no investments will be made in companies or projects that generate revenues from the extraction or production of fossil fuels (mining, drilling or other such extraction of thermal coal, oil or gas deposits).

Compliance with the above restrictions is measured at the time of investment and non-compliance resulting from changes in the price or value of Hydrogen Assets following investment will not be considered as a breach of the investment policy or restrictions.

Borrowing policy

The Company may take on debt for general working capital purposes or to finance investments and/or acquisitions, provided that at the time of drawing down (or acquiring) any debt (including limited recourse debt), total debt will not exceed 25 per cent of the prevailing Gross Asset Value at the time of drawing down (or acquiring) such debt. For the avoidance of doubt, in calculating gearing, no account will be taken of any investments in Hydrogen Assets that are made by the Company by way of a debt investment.

Gearing may be employed at the level of a special purpose vehicle ("SPV") or any intermediate subsidiary undertaking of the Company (such as the HydrogenOne Partnership) or, if the Company is considered a 'feeder fund' under the Listing Rules, other undertakings advised by the Investment Adviser in which the Company has invested or the Company itself. The limits on debt shall apply on a consolidated and look-through basis across the Company, the SPV or any such intermediate holding entities (such as the HydrogenOne Partnership) or, if the Company is considered a 'feeder fund' under the Listing Rules, other undertakings advised by the Investment Adviser in which the Company has invested but intra-group debt will not be counted.

Gearing of one or more Hydrogen Assets in which the Company has a non-controlling interest will not count towards these borrowing restrictions. However, in such circumstances, the matter will be brought to the attention of the Board who will determine the appropriate course of action.

Currency and hedging policy

The Company has the ability to enter into hedging transactions for the purpose of efficient portfolio management. In particular, the Company may engage in currency, inflation, interest rates, energy prices and commodity prices hedging. Any such hedging transactions will not be undertaken for speculative purposes.

Cash management

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds ("Cash and Cash Equivalents").

There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and Cash Equivalents position. In particular, the Company anticipates holding cash to cover the near-term capital requirements of the Pipeline of Private Hydrogen Assets and in periods of high market volatility. For the avoidance of doubt, the restrictions set out above in relation to investing in UK listed closed-ended investment companies do not apply to money market type funds.

Investment objective, policy, process and strategy

Investment process

The Company follows a proven and successful process in order to access and execute its distinctive deal flow. The Investment Adviser has specialist insights and strong industry and market networks to access potential investment opportunities. The Company typically invests alongside some of the world's largest industrial corporations and investors. The Investment Adviser's clear investment and ESG policies underpin and guide everything that it does. The Investment Adviser, the Advisory Board, the technical advisors, regulatory and legal counsel all combine to deliver the optimal deal structures for the shareholders.

Well established investment process and access to deal flow

Strategy, business model and KPIs

A highly differentiated strategy, 100% focussed on clean hydrogen

The Company offers distinctive access to private investments, across the full hydrogen value chain, and across the OECD. The investment objective is to deliver an attractive level of capital growth by investing, directly or indirectly, in a diversified portfolio of hydrogen and complementary hydrogen focussed assets whilst, as a SFDR Article 9, PRI and Green Economy Mark company, integrating core ESG principles into our decision making and ownership process, for a positive environmental impact.

As the first UK listed investment company specialising in this sector, the Company has a clear competitive advantage as an early mover into a complex sector, and offers its investors a unique window into the private hydrogen asset market. With its emphasis on Private Hydrogen Assets, the Company, gives investors an opportunity to be exposed to liquidity and portfolio diversity in hydrogen companies and projects, hard to access elsewhere, with strong growth potential.

An investment in the Company offers exposure to the broader hydrogen sector whilst, at the same time, diversifying risk for an investor. By targeting a diversified portfolio of listed and private investments across different jurisdictions and different technologies, the Company seeks to spread some of the key underlying risks relating to clean hydrogen.

A focus on material ESG factors, and especially the deployment of capital to deliver the energy transition to a low carbon economy, is at the heart of what the Investment Adviser does, running hand in hand with a strategy to deliver the target 10-15% per annum NAV growth for the investors.

The Investment Adviser is a specialist investor in this complex and rapidly-developing growth sector. The Company believes that this specialised approach is a competitive advantage that will only grow over time.

By excluding companies or projects that generate revenues from the extraction or production of fossil fuels (mining, drilling or other such extraction of thermal coal, oil or gas deposits) from the portfolio and taking on further ESG screens, the portfolio is expected to be an early mover to Net Zero in the energy transition, and will not be encumbered by the legacy greenhouse gas emissions inherent in other players in the hydrogen sector.

The clean hydrogen industry in the short term is dominated by bespoke sources of hydrogen supply, financed by specialised offtakers, typically at 5MW to 50MW scale. In the period from 2025 to 2030 the Investment Adviser expects these facilities to be upscaled to 100MW to 500MW scale, and ultimately to 1GW to 5GW. The Investment Adviser also believes that energy storage and CCS projects will also increase in scale in this timeframe, with the development of compressed air energy storage followed by hydrogen storage and long-distance transport through pipelines, as liquid hydrogen or as ammonia or e-methanol on ships.

Business model

The Company is an investment company and its purpose, strategy, investment objective and policy are set out in the Annual Report. Any material change to the investment policy requires shareholder approval.

The Company makes its investment in Private Hydrogen Assets through HydrogenOne Capital Growth Investments (1) LP (the "HydrogenOne Partnership" or the "Limited Partnership"), in which the Company is the sole limited partner. The Company may also acquire Private Hydrogen Assets directly or by way of holdings in special purpose vehicles or intermediate holding entities.

The General Partner of the Limited Partnership is HydrogenOne Capital Growth (GP) Limited (the "General Partner"), a wholly owned subsidiary of the Company. During the year, a new wholly owned subsidiary of the Company, HydrogenOne Capital Growth Investments (1A) LP, was incorporated. Further details of the Company and Group structure are given in note 1 to the Parent and Consolidated Financial Statements (the "Financial Statements"). Other than where specified, references to the Company in this document refer to the Company together with its wholly-owned subsidiaries and investment as sole limited partner in the Limited Partnership.

The Company is governed by a Board of Directors (the "Board"), all of whom are non-executive, and it has no employees. The business model adopted by the Board to achieve the Company's objective has been to contract the services of FundRock Management Company (Guernsey) Limited as the Alternative Investment Fund Manager of the Company, pursuant to the AIFM Agreement (the "AIFM"). The AIFM has appointed HydrogenOne Capital LLP to provide investment advisory services in respect of the Company (the "Investment Adviser"). The Investment Adviser will advise on the portfolio in accordance with the Board's strategy and under its and the AIFM's oversight. The Principals of the Investment Adviser responsible for the day-to-day monitoring of the portfolio are Dr John Joseph "JJ" Traynor and Richard Hulf. The Board and the AIFM monitor adherence to the Company's investment policy and regularly reviews the Company's performance in meeting its investment objective.

All administrative support is provided by third parties under the oversight of the Board. Company secretarial and administration services have been delegated to Apex Listed Companies Services (UK) Limited ("Apex" or the "Administrator"); custody services to Northern Trust Company ("Northern Trust"); registrar services to Computershare Investor Services plc ("Computershare"); and effective 12 January 2023, the Company's broker is Barclays Bank PLC ("Barclays" or the "Broker"). Prior to this date the Company's broker was Panmure Gordon (UK) Limited.

The Board reviews the performance of the AIFM, the Investment Adviser and other key service providers on an ongoing basis. Further details of the material contracts of the Company are given in note 14 to the Financial Statements.

Strategy, business model and KPIs

KPIs

Objectives	*Principal risks*
1 **To deliver an attractive level of capital growth** The Company is targeting a Net Asset Value total return of 10 per cent to 15 per cent per annum over the medium to long-term.	• Changes in the legislative and regulatory framework that affect the hydrogen sector • Operational risks in the portfolio • Valuation risks (energy prices/inflation/operational performance) • Investment process fails to identify new opportunities • Lack of future pipeline and/or funding • Increased competition for assets
2 **A diversified portfolio of hydrogen and complementary hydrogen focussed assets**	• Lack of future pipeline and/or funding • Increased competition for assets • Changes in the legislative and regulatory framework that affect the hydrogen sector
3 **Maintenance of a reasonable level of premium or discount of share price to NAV**	• Investment performance • Changes in the legislative and regulatory framework that affect the hydrogen sector • Lack of future pipeline and/or funding
4 **Maintenance of a reasonable level of ongoing charges**	• Costs are inadequately controlled • Failed investment processes leads to high level of abort costs
5 **Environmental, Social and Governance policy integrated in investment decisions and asset monitoring**	Please refer ESG section of the Annual Report for further details.

KPIs		Review
NAV per share 90.39p 2023: 102.99p	**NAV Total return per annum** (12.2) %* 2023: 5.8%*	The Board monitors both the NAV and share price performance. A review of performance is undertaken at each quarterly Board meeting and the reasons for relative under and over performance against various comparators is discussed.
Share price return (56.4)%* 2023: (37.4)%*	**Index** (32.8)% 2023: (36.6)% Return relative to Solactive Hydrogen Economy Index for year ended 31 Dec 2024	
Number of investments 6 2023: 25	**Number of geographies** 4 2023: 7	The Board monitors the portfolio at each quarterly Board meeting and the reasons for relative under and over performance of sectors and geographies invested in, and performance of listed vs. private.
Invested portfolio split by value (Private: Listed) 100%:0% 2023: 98%:2%		
Discount of share price to NAV 76.0%* 2023: (51.8)%*		The Board monitors the premium or discount on an ongoing basis.
Ongoing charges ratio 2.53%* 2023: 2.56%*		Board meetings. The Board reviews the ongoing charges on a quarterly basis and considers these to be reasonable in comparison to peers.
Robust ESG policy with established KPIs Avoided GHG 132,839 tCO2e avoided (2023: 91,116 tCO2e avoided)		The Board reviews compliance with the ESG policy ahead of each investment decision, and in the Company on an on-going basis. The Board additionally monitors developments in the ESG landscape more broadly.

* *The figures above are considered to represent the Company's APMs. Definitions of these APMs and other performance measures used by the Company, together with how these measures have been calculated, can be found on page 100.*

Investment Adviser's Report

Introduction

The Company's Alternative Investment Fund Manager ("AIFM"), FundRock Management Company (Guernsey) Limited, (part of Apex Group), has appointed HydrogenOne Capital LLP as the Investment Adviser to the AIFM in respect of the Company. Its key responsibilities are to originate, analyse, assess and recommend suitable investments within the hydrogen sector, and advise the AIFM accordingly. Additionally, the Investment Adviser performs asset management services in relation to the investments in the portfolio or, to the extent asset management is delegated to third parties, oversees and monitors such asset management.

HydrogenOne Capital LLP was founded in 2020 as an alternative investment firm focussed specifically on investing in hydrogen assets and their role in the energy transition. As a responsible investor, HydrogenOne Capital LLP is committed to contributing to the energy transition through the financing of sustainable investments and by providing investment solutions that reduce carbon emissions.

HydrogenOne Capital LLP employs a fully integrated investment and asset management approach and integrates its focus on ESG criteria throughout the entire investment process.

The Principals of the Investment Adviser

The Principals of the Investment Adviser have in excess of 60 years of combined experience and a track record of success in the energy industry and capital markets which are directly applicable to the hydrogen industry, including acquisitions, mergers and divestments, development of growth energy projects, supervision of profitable energy production, ESG track record, investments in both listed and private companies and board advisory. Their biographies are included on page 46.

The Investment Adviser's team

The Principals have assembled an experienced team to support the Company. This group brings a mixture of finance, technical and sector skills to support the Investment Adviser in its day-to-day activity. The Investment Adviser has established a team which is responsible for financial modelling, corporate and asset valuation analysis, and opportunity assessment for the Company. The Principals anticipate a further increase in headcount should the Company grow its activities.

Advisory Board of the Investment Adviser

The Principals of the Investment Adviser are supported by an experienced team which comprises the Advisory Board.

The Advisory Board has been carefully selected to provide expert advice to the Investment Adviser on the hydrogen sector, project finance and capital markets. The Investment Adviser has appointed the members of the Advisory Board to provide it with advice from time to time. No members of the Advisory Board are directors, officers, employees or consultants of the Company, the AIFM or the Investment Adviser. It is envisaged that the Advisory Board will evolve over time, with additional experts being added or substituted as and when required.

Hydrogen sector landscape

An interplay of government policies and energy pricing continue to underpin the growth rate in the clean hydrogen sector. Governments set frameworks and funding for delivery of energy transition to net zero, improved air quality and energy security. Industrial companies and financial markets seek to capitalise on these policies, in order to offer customers price competitive, safe and reliable energy and feedstocks.

Clean hydrogen has a key role today in decarbonisation of manufacturing process such as oil refining and chemicals. Over time, clean hydrogen will also have a role in heating, the transport sector and natural gas grid blending. Clean hydrogen is also emerging as a key component in the manufacture of synthetic fuels such e-methanol, synthetic aviation fuel ("e-SAF"), and green ammonia.

Despite this key present and future role for the clean hydrogen sector, recent months have been marked by a series of project delays and cancellations in the clean hydrogen sector. Albeit such announcements are typically from higher cost and longer-term clean hydrogen opportunities. Equally, the new US Government, which was elected in 2024, has rolled back on prior policies to stimulate low carbon energy, instead placing renewed emphasis on fossil fuels. Looking ahead to 2025, there is the prospect of lower oil & gas prices, should Russia return to the international market, which could undermine the case for higher cost renewables. However, the attractiveness of renewables for energy security in regions such as the EU, which are importers of fossil fuels, will be supportive. Many of these factors are short term in nature, but are not helpful for market sentiment for the sector or the Company.

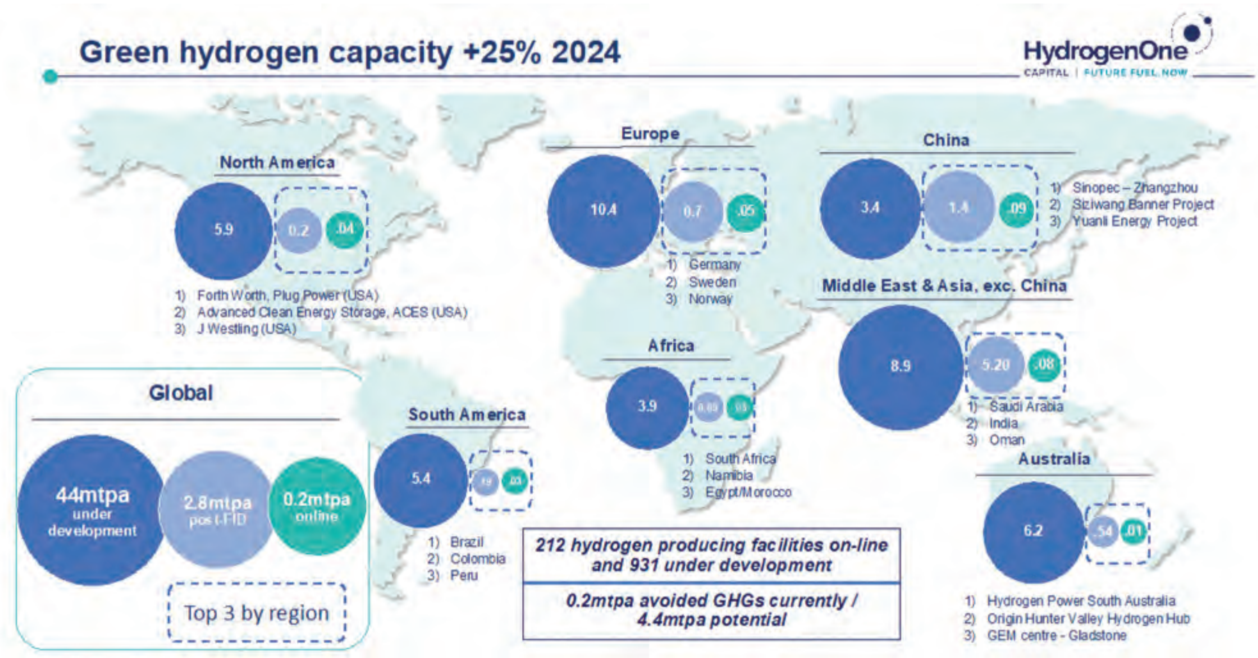
The structural, long-term fundamentals of the sector, remain positive, despite these near-term effects. Evidencing this, landmark project announcements in 2024 include medium term proposals in Rajasthan, India, where Avaada Group is intending to commit $12 billion to a Global Renewable Energy Hub, and a TotalEnergies-led hydrogen and ammonia project in Morocco, costing some $11 billion, and a number of other projects primarily across Africa, Spain and China.

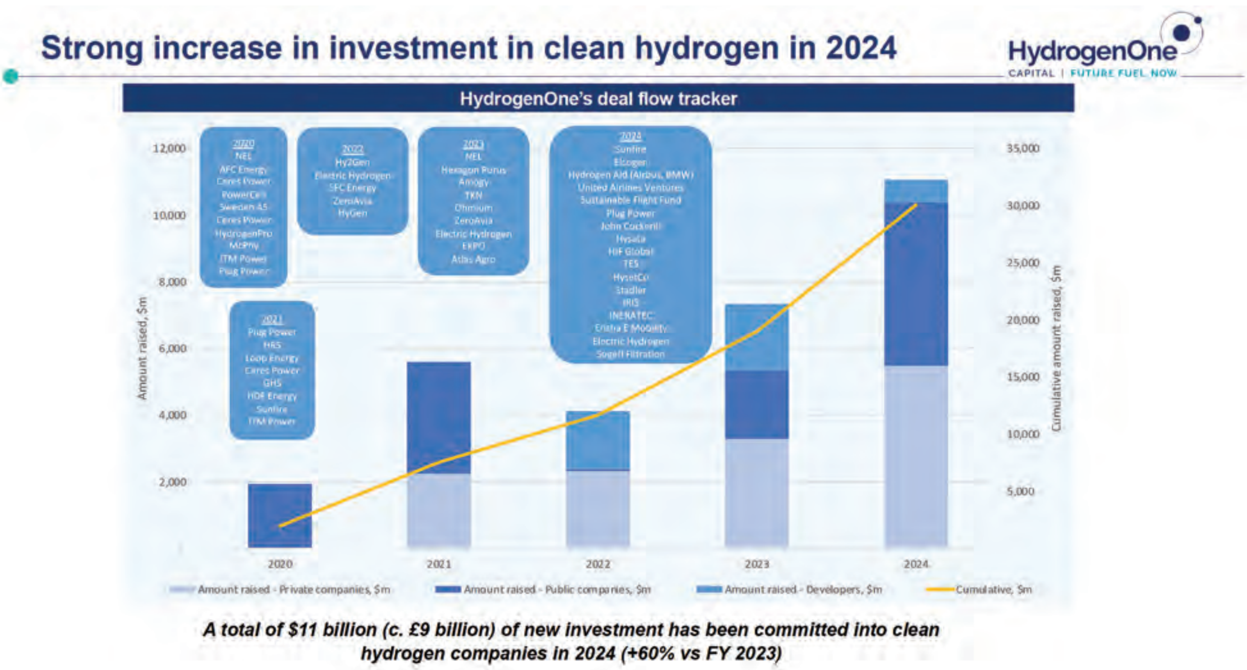
By our estimates, there has been £9 billion of private sector investment in clean hydrogen in 2024 alone, which is a 50% increase over 2023 levels. Policy support announcements around the world exceeded $100 billion in 2024, albeit much of this has yet to be deployed.

Some 200,000 tonnes per year of green hydrogen production (1.5 GW) was online globally at the end of 2024, a 25% increase year-on-year. This includes the start-up of the 110MW Shenghong Petrochemical Green Project, in China and a new 40MW hydrogen plant in Camden County, Georgia, USA. Adding to this, a further 2.8 million tonnes per annum of green hydrogen production (21.5 GW) has passed Final Investment Decision, representing a 15 fold increase in supplies, and a total investment of $69 billion. This represents an approximately threefold increase on the outlook compared to end-2023. In addition, there are some 46.8 mtpa (358GW) of further projects in development world-wide, an increase of over 300GW from 2023, which could result in over 44 mtpa of hydrogen supply and 4.4 mpta avoided greenhouse gas emissions.

All of this underscores the positive industry outlook and supportive regulatory regimes for clean hydrogen. This growth outlook for clean hydrogen demand underpins the order books in many of the Company's investments, particularly in supply chain sectors such as electrolysers, fuel cells, storage and transportation businesses. Many of these businesses have world-wide customer bases for their products, and are attracting investment from international financial and strategic investors.

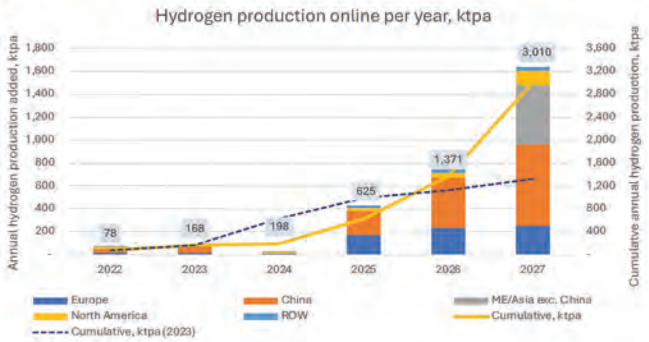
Investment Adviser's Report

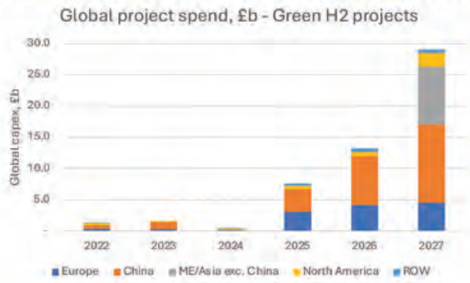


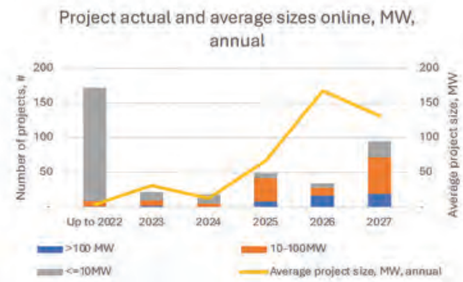


Green hydrogen capacity expected to grow to 3mtpa by 2027

HydrogenOne







- 15X increase in green hydrogen production is under construction
- Project spending set to rise to £30bn/year
- 3X increase in outlook versus end-2023 assessment

*£2.8m/MW capex for green hydrogen project

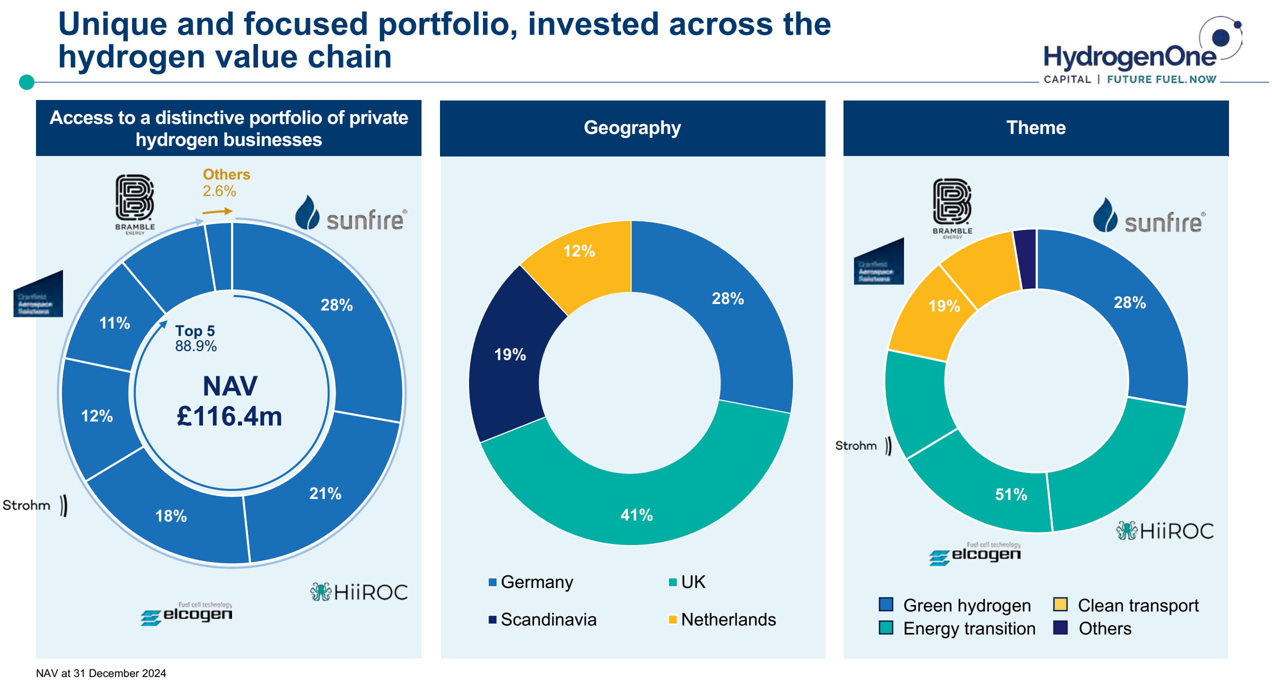
Portfolio summary

Company	Country of incorporation	Value of investment £'000	
Private Hydrogen Assets held by the Limited Partnership at 31 December 2024			
Sunfire GmbH	Germany		32,337
HiiROC Limited	United Kingdom		23,925
Elcogen plc	United Kingdom		21,019
Strohm	The Netherlands		13,885
Cranfield Aerospace Solutions Limited	United Kingdom		12,366
Bramble Energy Limited	United Kingdom		9,908
Swift Hydrogen Limited	United Kingdom		50
Total			**113,490**
Private assets investment held by the Company at 31 December 2024			
HydrogenOne Capital Growth Investments (1) LP	United Kingdom	113,729	97.7
Total investments		**113,729**	**97.7**
Cash		2,833	3.4
Other net liabilities		(123)	(0.1)
Total net assets		**116,439**	**100.0**

Portfolio review, performance and valuation

Capital Deployment since IPO and Pipeline[1]

The Company has invested £116.3 million in ten Private Hydrogen Assets and a portfolio of listed equities since its 2021 IPO to 31 December 2023, directly or via the HydrogenOne Partnership. In 2024, the Company decided to exit from its remaining listed hydrogen holdings and to focus on private assets. The private companies account for 98% of the NAV of the Company and span the full value chain in the clean hydrogen sector. The portfolio is dominated by supply chain businesses, particularly electrolyser and fuel cell makers such as Elcogen and Sunfire. There are further investments in storage and distribution businesses, such as Strohm. Green hydrogen accounts for some 28% of the portfolio, 19.6% in transport-related technologies, and the remaining 50% in businesses that are in the transition between traditional energy activities and clean energy. Whilst the UK accounts for over one third of the portfolio by geography, the Investment Advisor assesses that the bulk of sales from portfolio companies are derived from the EU and the Asia Pacific region.



At the time of its IPO, the Company had an Investible Universe of c.120 Private Hydrogen Assets of private companies and hydrogen production projects. Since the IPO, the Company has seen significant expansion of its opportunity set in both private companies and hydrogen production projects, at least double the number of opportunities identified at IPO, with an investment pipeline of some £500 million available for the Company's investors in the future.

Alongside this expansion in the opportunity set, the Company has seen the arrival of multiple industrial investors into the clean hydrogen sector. These are typically incumbent consumers of grey hydrogen, and companies seeking to access clean hydrogen supplies and technologies. Accordingly, the Company is invested alongside multiple industrial strategic investors today.

[1] *Capital deployed is comprised of the acquisition costs of Listed Hydrogen Assets (2023: £nil, 2022: £nil, 2021: £9.4 million) and Private Hydrogen Assets acquired by the Limited Partnership (2024: £2.6 million, 2023: £10.6 million, 2022: £54.3 million, 2021: £39.2 million).*

Portfolio review, performance and valuation

Valuation

As set out in note 4 of the Financial Statements, the Investment Adviser has carried out fair market valuations of the Private Hydrogen Assets at 31 December 2024, which have been reviewed by the Valuation Committee, and the Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied.

Private Hydrogen Assets at 31 December 2024 have been valued using either the discounted cash flow ('DCF') methodology or net asset values consistent with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. The valuations are also benchmarked against listed peer group valuations.

Listed Hydrogen Assets are valued at fair value, which is the bid market price, or, if bid price is unavailable, last traded price on the relevant exchange. At 31 December 2024, the Company had no Listed Hydrogen Assets.

Our approach to valuation remains consistent and unchanged. Valuations are updated for all Private Hydrogen Assets on a quarterly basis and approved by the AIFM, the Valuation Committee and the Board, and are audited annually by the Company's auditor, KPMG.

Valuation basis and performance since investment

HydrogenOne CAPITAL | FUTURE FUEL. NOW

Valuation basis	At investment	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Sunfire GmbH investment (Supply Chain)	PORI	PORI	PORI	PORI	PORI/DCF	PORI/DCF	PORI/DCF	DCF	DCF	DCF	DCF	DCF	DCF	DCF
Elcogen Plc investment (Supply Chain)	PORI			PORI	PORI	PORI/DCF	PORI/DCF	DCF	DCF	DCF	DCF	DCF	DCF	DCF
Strohm Holding B.V. investment (Storage & Distribution)	PORI				PORI	PORI/DCF	PORI/DCF	PORI/DCF	DCF	DCF	DCF	PORI/DCF	PORI/DCF	DCF
HiiROC Limited investment (Supply Chain)	PORI	PORI	PORI/DCF	PORI/DCF	PORI/DCF	DCF	DCF	DCF	DCF	DCF	DCF	DCF	DCF	DCF
Cranfield Aerospace Solutions Ltd (Hydrogen Applications)	PORI			PORI	PORI/DCF	PORI/DCF	PORI/DCF	DCF	DCF	DCF	DCF	DCF	DCF	DCF
Bramble Energy Limited (Supply Chain)	PORI	PORI	PORI	PORI/DCF	PORI/DCF	PORI/DCF	DCF	DCF	DCF	DCF	DCF	DCF	DCF	DCF
HH2E (TopCo) (Hydrogen Production)	PORI			PORI	PORI	PORI/DCF	PORI/DCF	DCF	DCF	DCF	DCF	DCF	DCF	
NanoSUN Limited (Storage & Distribution)	PORI	PORI	PORI	PORI/DCF	PORI/DCF	PORI/DCF	DCF	DCF	DCF	DCF/Offers/Net Assets	Net assets	Net assets	Net assets	Net assets
Gen2 Energy (Hydrogen Production)	PORI			PORI	PORI	PORI/DCF	PORI/DCF	PORI/DCF	DCF	DCF	DCF	DCF		
HH2E Thierbach Project (Hydrogen Production)	PORI						At cost	At cost	At cost	At cost + accrued interest				

Valuation movement	At investment	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Sunfire GmbH investment (Supply Chain)	-	-	-	↑	↑	↑	↑	↑	↓	↑	↑	↑	↑	↓
Elcogen Plc investment (Supply Chain)	-			↑	↑	↓	↑	↑	↑	↑	↑	↑	↓	↓
Strohm Holding B.V. investment (Storage & Distribution)	-				↑	↑	↑	↑	↑	-	↓	↓	↓	↑
HiiROC Limited investment (Supply Chain)	-	-	↑	↑	↓	↑	↓	↓	↑	↑	↑	↑	↑	↓
Cranfield Aerospace Solutions Ltd (Hydrogen Applications)	-			-	↓	↑	↑	↑	↑	-	↓	↑	↑	↑
Bramble Energy Limited (Supply Chain)	-	-	-	↑	-	↓	↓	-	-	↑	↑	↑	↓	↓
HH2E (TopCo) (Hydrogen Production)	-			↑	↑	↓	↓	↓	-	↑	↑	↑	↓	
NanoSUN Limited (Storage & Distribution)	-	-	-	↑	↑	↑	↑	↓	↑	↓	↓	-	↓	↓
Gen2 Energy (Hydrogen Production)	-			↓	↓	↑	↑	↓	-	↑	↓	-		
HH2E Thierbach Project (Hydrogen Production)	-						-	↑	-	↑				

Valuation movements since investment

HydrogenOne CAPITAL | FUTURE FUEL. NOW

Company performance	At invest-ment	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Sunfire GmbH investment (Supply Chain)	-	-	-	-	↓	-	↓	-	↓	-	↑	↓	↑	↑
Elcogen Plc investment (Supply Chain)	-			-	↓	↓	↓	↑	↑	↑	↑	↓	↓	↓
Strohm Holding B.V. investment (Storage & Distribution)	-				-	↑	↑	↓	↓	↑	↓	↓	↓	↓
HiiROC Limited investment (Supply Chain)	-	-	↑	↓	↑	↓	↓	↓	↑	↑	↑	↓	↓	↓
Cranfield Aerospace Solutions Ltd (Hydrogen Applications)	-			-	↑	↑	↑	↑	↓	↓	-	↓	↓	-
Bramble Energy Limited (Supply Chain)	-	-	-	↑	↓	↓	↓	↓	-	↑	↑	-	↓	↓
HH2E (TopCo) (Hydrogen Production)	-			-	↑	↓	↓	↑	-	↑	↑	↑	↓	
NanoSUN Limited (Storage & Distribution)	-	-	-	↑	↓	-	-	-	↑	-	↓	-	↓	↓
Gen2 Energy (Hydrogen Production)	-			-	↓	↓	↑	↓	↑	↑	↓	↓		
HH2E Thierbach Project (Hydrogen Production)	-						-	-	-	-				

Macroeconomics	At invest-ment	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Sunfire GmbH investment (Supply Chain)	-	-	-	↑	↑	↓	↓	↓	-	↑	↓	↑	↑	↓
Elcogen Plc investment (Supply Chain)	-			↑	↑	↓	↑	↓	-	↑	↓	↓	↓	↓
Strohm Holding B.V. investment (Storage & Distribution)	-				↑	↓	↑	↓	↑	↓	↓	↑	-	↓
HiiROC Limited investment (Supply Chain)	-	-	-	↑	↓	↑	↓	↓	↑	↑	↓	↑	↑	↓
Cranfield Aerospace Solutions Ltd (Hydrogen Applications)	-			-	↓	↑	↑	↓	↑	↓	↓	↑	↑	↓
Bramble Energy Limited (Supply Chain)	-	-	-	↑	↓	↑	↑	↓	↑	↑	↑	↑	↑	↓
HH2E (TopCo) (Hydrogen Production)	-			↑	↑	↓	↓	↓	↓	↓	-	↓	↓	
NanoSUN Limited (Storage & Distribution)	-	-	-	↑	↓	↑	↑	↓	↑	↓	-	-	-	-
Gen2 Energy (Hydrogen Production)	-			↓	↓	↑	↑	-	↓	↓	↑	↓	-	
HH2E Thierbach Project (Hydrogen Production)	-						-	-	-	-				

Company performance valuation movements reflect internal factors including actual and budgeted/forecast financial performance. Macroeconomic valuation movements reflect external factors including inflation, discount rates and FX rates.

Discount rates are calculated using market parameters for each investment domicile. The weighted average discount rate for 31 December 2024 was 12.8% compared with 14.2% at 31 December 2023.

The Company notes that its NAV reflects portfolio company performance and our consistent valuation methodology, driven by organic growth in the Company's private assets, with some offsets from headwinds in the pace of market development, and write downs in 2024.

By contrast, the share prices of listed hydrogen companies, which we track with the SOLGHYD index, have been highly volatile and declining since Q3 2021. Listed hydrogen shares are trading on market expectations rather than bottom-up fundamentals. This share price decline is in a large part due to market allocation away from early-stage technology businesses as interest rates have risen, and a correction to the high valuations seen in the market in 2020-21.

The Company's own share price has tracked this decline in listed hydrogen companies, and listed funds in general. In 2021-22, the Company assessed that many listed hydrogen companies were trading on higher valuations than its private portfolio companies, based on forward multiples of revenues. At the end of 2023, the revenue multiples of the listed hydrogen sector and the Company's private portfolio had converged, as the listed hydrogen sector had de-rated. The Company has identified a basket of listed comparable hydrogen companies for each private portfolio company, and keeps track of their financials using Bloomberg. At the end of 2024, the forward exit revenue multiples of our comparable list of hydrogen companies are trading higher than their respective private portfolio companies. The average revenue exit multiple of the private portfolio companies is 2.1x (based on the Company's valuation models), whereas the average revenue multiple of the listed comparable hydrogen companies is 3.8x (sourced from Bloomberg).

2024 Performance and 2025 outlook

The Company's NAV decreased by 12.2% from £132.7 million at 31 December 2023 to £116.4 million at 31 December 2024. NAV per share decreased to 90.39p at 31 December 2024. The NAV reduced by 12.6p from 31 December 2023 to 31 December 2024, including the write-down of HH2E (6.9p), exchange rate impacts, fund costs and other portfolio impacts.

The Company followed a strategy to exit from green hydrogen developer businesses Gen2 Energy and HH2E and the Thierbach SPV in 2024. The Company invested in the Series A in both of these businesses, which used these funds to prepare large scale green hydrogen projects for Final Investment Decision ("FID"). During 2024, the Company swapped its investment in HH2E's Thierbach SPV for additional equity in HH2E. As Gen2 Energy and HH2E delineated FIDs costing in excess of £100 million, the Company assessed that it would not be in a position to invest at that scale, and hence sought to exit from these businesses at or around the FIDs, in order to crystallise value for shareholders, and provide further cash for the Company.

Gen2 Energy was sold as planned for c. £3 million in November 2024, which reflected the unaudited carrying value at 30 June 2024. However, HH2E's major shareholder's decision to cease funding for HH2E in November 2024 resulted in the business entering self-administration, halting the Company's plans for a divestment, and leading to an 8.4 pence per share write off of the Company's NAV.

HH2E had over-invested in long-lead equipment ahead of its first FID, with some £59m of shareholder loans committed. HH2E was unable to deliver the hydrogen gas offtake agreements that new investors had sought in its Series B funding round. The major shareholder declined to provide further funding to bridge HH2E to its Series B, resulting in HH2E entering self-administration. The Company has assessed that HH2E's write off was due to company-specific issues and should not impact the outlook for the remainder of its portfolio.

Electrolyser companies Sunfire and HiiROC saw increases in valuation in 2024, boosting the Company's NAV, underpinned by fresh investment, order books and financial performance. By contrast, the valuations of low carbon pipeline manufacturer Strohm, and solid oxide fuel cell maker Elcogen were reduced as a result of delays to order books and timing issues on manufacturing capacity ramp ups. Strohm has adapted its strategy to reflect the slower pace in roll out of offshore hydrogen, by focusing on traditional offshore energy and CCS opportunities. Elcogen's strategy was adjusted in 2024 to focus on strong near term growth in stationary power markets, using fuel cell, with reduced near-term emphasis on sold oxide electrolysis offerings. The development of the hydrogen transport sector has slowed, particularly in the United Kingdom, as a result of the push back of Government targets for low carbon transport. As a result, hydrogen transport and distribution company NanoSUN has been restructured, taken out of administration into sole ownership by the Company during 2024, rebranded as Swift Hydrogen, and held as an intellectual property holding company. HiiROC continued to deploy its thermal plasma electrolysis technology at two industrial sites in the UK, with Cemex and Centrica. Cranfield Aerospace continued to develop its hydrogen electric flight technology, and Bramble progressed innovation in printed circuit board fuel cells.

Portfolio review, performance and valuation

Portfolio companies generally require fresh funding in order to sustain their business models. In 2024, portfolio companies in total accessed over £500 million of funding from equity, debt and grants. Despite this, both NanoSUN and HH2E failed to access sufficient capital to continue as going concerns in 2024, due to market conditions, and there can be no certainty that sufficient funding will be available in the future, raising the risk of dilution of the Company's holdings.

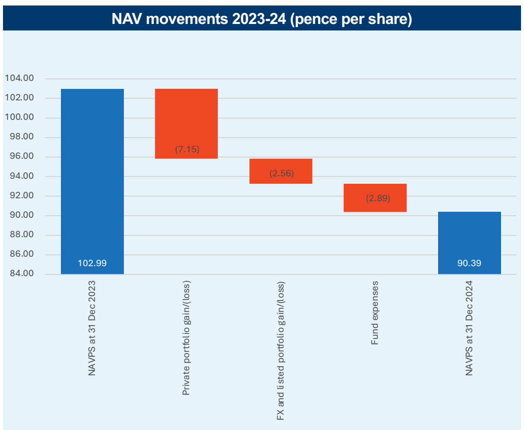
The Company exited its listed hydrogen holdings during 2024, as part of a strategy to focus on cash management.

Portfolio companies delivered an aggregate £85 million in total revenue in the year to 31 December 2024, an increase of 14.9% compared to the year to 31 December 2023. This growth was driven by order books in key technologies such as electrolysers, fuel cells and low carbon pipelines.

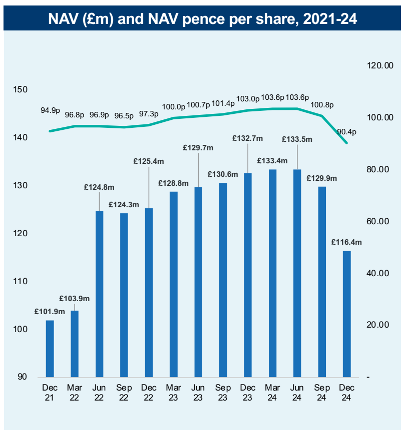
The Company's investment activity centred on follow-ons in existing companies during 2024. During the year ended 31 December 2024, the Company made £2.6 million investments in Sunfire, Strohm, Cranfield and Swift, including investments made as convertible loans, to limit the impact of equity dilution from future funding rounds.

Portfolio companies have raised a total of c. £500 million in 2024, comprising c. £220 million in new equity, secured c. £180 million in grant funding and c. £100 million in debt and bank guarantees, underpinning the Company's valuations and the positive sector fundamentals.

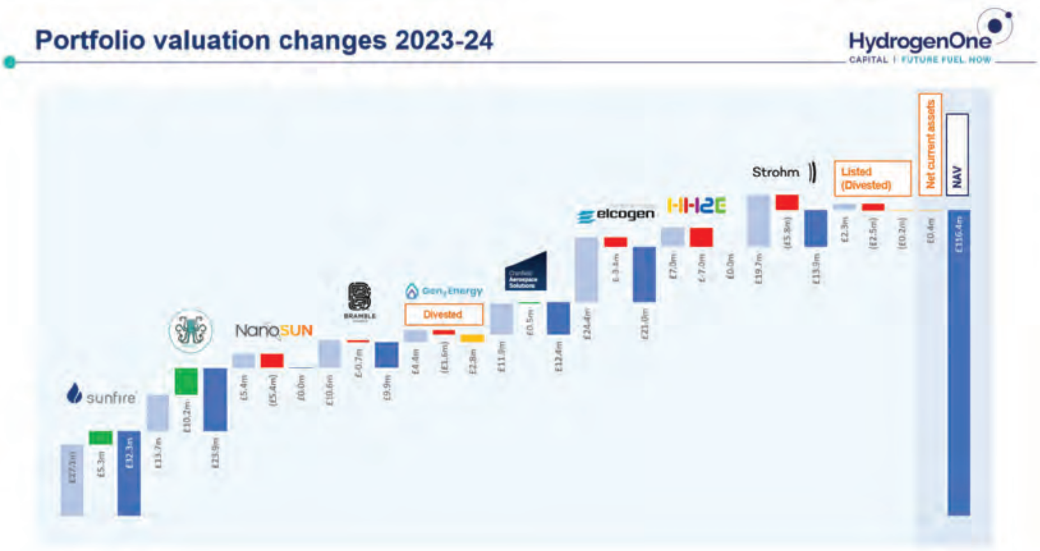
NAV and NAV/share in 2024

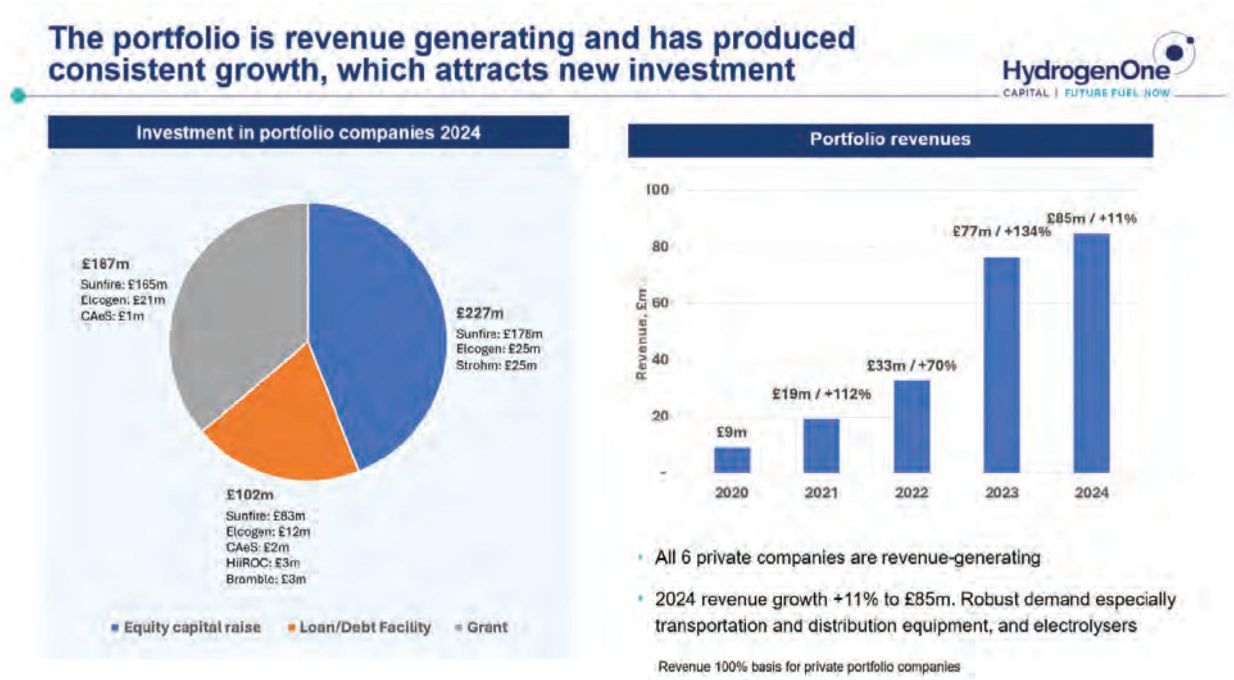


• Portfolio impact: HH2E and Thierbach SPV administration 6.9p; NanoSUN restructuring 4.2p



• NAV/share since IPO





We continue to see strong investment interest from industrial strategic investors in portfolio companies and the hydrogen industry at large, and note that Cemex and Baker Hughes invested in portfolio companies during the year, which underpin the investment cases and bring strategic partnerships to the portfolio.

Private portfolio companies are following strategies to substantially grow their businesses in the short to medium term. The Investment Adviser anticipates further operational and revenue growth from portfolio companies in 2025. The portfolio was in aggregate EBITDA negative in 2024, with EBITDA losses expected to reduce in 2025.

As the Company enters its fourth full year of trading, following its 2021 IPO, the Investment Adviser is maintaining a pipeline of future opportunities, and continuing to focus on cost savings, full or partial exits from the current private portfolio companies.

Portfolio review, performance and valuation

Our portfolio

Sunfire GmbH

www.sunfire.de

A German industrial electrolyser producer, which offers both pressure alkaline (AEL) and solid oxide electrolysers (SOEC)

Total investment value	£32m
% of NAV	28%
Increase in value in 2024	£5m
Date of investment	October 2021
Co-investors	Planet First Partners, Lightrock, SMS, Neste, Copenhagen Infrastructure Partners, GIC, Carbon Direct Capital Management, Blue Earth Capital, Amazon Climate Pledge Fund
Why we invested	• Industry-leading electrolyser manufacturer, investing for growth and technology development. • Material alkaline and solid oxide business, with revenues from a growing international customer base in the global industrial electrolyser market • Strong product credentials backed by existing customer base and generated by high quality in-house engineering and product design • 500MW / annum electrolyser production site in EU – with a further extension to gigawatt-scale already in planning
Company strategy for value creation	Committed to its mission "Electrolysis. Delivered. At Scale.", Sunfire targets installing several gigawatts of electrolysis equipment by 2030 securing a leading position in the fast-growing global electrolyser market. The company is serving large-scale green hydrogen projects with pressurized alkaline (AEL) and solid oxide electrolysers ("SOEC"). With this unique product portfolio and a strong commitment to reliable execution and scaling with best-in-class partners, Sunfire focuses on enabling efficient green hydrogen production at competitive costs across different industrial applications – and thus, making a significant contribution to generating green industrial growth and prosperity.
Company ESG strategy	Sunfire enables industrial clients to decarbonize. The electrolysers the company manufactures substantially contribute to avoiding greenhouse gas emissions by producing renewable hydrogen. With that, Sunfire's electrolysis technologies propel the energy transition in hard-to-abate sectors. Furthermore, Sunfire strives to reduce its own carbon footprint, e.g., by increasing energy efficiency and sourcing green energy. In 2024 Sunfire procured.1.9 gigawatt hours of certified renewable electricity. Also, an ISO 50001 energy management system was successfully implemented and certified at the production side in Solingen.
Milestones delivered in 2024	• Sunfire secured more than €500 million to accelerate its growth, including Series E financing round totalling €215 million in equity, €100 million from European Investment Bank and over €200m from previously approved grant funding. This makes Sunfire one of the best capitalised electrolyser manufacturers in the industry. • Sunfire installed Finland's first industrial-scale electrolysis plant in Harjavalta, with a 20MW pressurised alkaline electrolyser now in place. • Sunfire initiated a front-end engineering and design study ("FEED") for a customer's 500 MW hydrogen project in Europe, amongst the largest in the sector, scheduled for operation by 2028. • Sunfire was awarded a major contract for a 100MW pressurised alkaline electrolyser at RWE's hydrogen site in Lingen, where the company additionally installed and commissioned a 10MW pressurised alkaline electrolyser. • Sunfire secured a contract with Ren-Gas for a 50 MW electrolyser for Ren-Gas's e-methane plant in Tampere, Finland, adding to Sunfire's order book.

Elcogen plc www.elcogen.com

Fuel cell and electrolyser manufacturer with presence in Estonia and Finland

Total investment value	£21m
% of NAV	18%
Decrease in value in 2024	£3m
Date of investment	May 2022
Co-investors	• Hyundai, Baker Hughes, Biofuel OÜ, VNTM Powerfund II
Why invested	• Industry-leading innovator and supplier of solid oxide cells and stacks, with manufacturing facilities in Finland and Estonia, ready for expansion • High end offering based on advanced solid oxide ("SO") technology with low operating temperatures and superior economics • Developed a reversible ceramic technology that converts hydrogen into emission-free electricity and vice versa • Over 10-year track record • Over 60 established industrial customers worldwide
Company strategy for value creation	Elcogen believes in a future fuelled by green hydrogen and its ambition is to become a leading global supplier of the underlying technology that can make this future happen. This will be achieved through continued development of the Group's solid oxide fuel cell ("SOFC") and electrolyser cell ("SOEC") technology platform and manufacturing products at the lowest cost possible by securing the economies of scale that come with volume production. Today, this technology is already making a significant impact, particularly in CHP systems and stationary power units, where the demand continues to grow - especially in APAC and Europe. The technology is also expanding its reach into critical areas such as biogas, data centers, EV charging, and marine applications. Fuel cell applications are a particular focus for the company, with longer term potential in electrolysers.
Company ESG strategy	Elcogen supplies the core technology that sits at the heart of energy security and the transition away from fossil fuels. On route to a fossil-free future, Elcogen's offering enhances energy security with scalable, eco-friendly power solutions that support diverse fuels and offer reliable, localized power with the ability to operate in island mode, ensuring energy supply even during grid disruptions. Elcogen is committed to ensuring it makes a positive contribution to the environment and society, and being sustainable means adopting best practices that are filtered throughout all layers of the Group.
Milestones delivered in 2024	• In April 2024, the Company announced a strategic investment by Baker Hughes in Elcogen, part of an overall funding package totalling €140 million to continue to scale up Elcogen's leading solid oxide cell technology for green hydrogen. • During 2024, Elcogen was awarded a EUR24.9 million grant from the EU Innovation Fund. The grant will support Elcogen's next phase in scaling up its manufacturing capacity of solid oxide electrolyser cells (SOEC) and solid oxide fuel cells (SOFC) in Estonia. • Construction of a new 14000 m2 facility in Loovälja Industrial Park started at the beginning of the year, with operations scheduled to commence in 2026. This new factory will expand Elcogen's manufacturing capacity from 10 MW to 360 MW. • During 2024, Elcogen participated in 19 publicly funded Research and Development (R&D) projects, collaborating with various European technology companies and research institutes. Projects included the PilotSOEL Project, aiming to upscale and automate high-temperature electrolyser manufacturing for green hydrogen production, in partnership with the Technical University of Denmark.

Portfolio review, performance and valuation

Our portfolio

HiiROC Limited	www.hiiroc.com
UK-based thermal plasma electrolysis developer, with world-leading (IP-protected) technology for low-cost, zero-emission hydrogen, also enabling flare/waste gas mitigation and CO2 capture using biomethane	
Total investment value	£24m
% of NAV	21%
Increase in value in 2024	£10m
Date of investment	November 2021
Co-investors	Melrose Industries (GKN Aerospace), Centrica, Hyundai, Kia, Wintershall Dea, VNG, CEMEX
Why invested	• Proprietary technology to convert natural gas, flare gas and biomethane into hydrogen and solid carbon black • Multiple applications across all sectors of hydrogen use from industrial decarbonisation to power management to transport • Opportunity to support emission reduction targets through the global imperative to halt gas flaring and venting • Industrial off-takers of the product such as Centrica, Hyundai and CEMEX also on the shareholder register • Highly scalable modular solution, producing 400kg / day of hydrogen from a single unit through to large plants capable of 100's of tonnes / day of hydrogen, alongside carbon black
Company strategy for value creation	HiiROC is focused on addressing customer challenges – decarbonising production of hydrogen and carbon black and reducing atmospheric GHGs through mitigation and capture. To do this, HiiROC is working with customers to meet their specific needs for hydrogen and carbon black rather than building capacity without offtake. Having demonstrated the versatility of Thermal Plasma Electrolysis (TPE) across a number of use cases and feedstocks in 2023/24, they are moving to the roll out of production plants in the UK and, to follow, in the USA and MENA
Company ESG strategy	HiiROC can help accelerate the transition to Net Zero through the deployment of its technology at scale. HiiROC expects to make its most significant contributions to SDGs 7 (Affordable & Clean Energy), 9 (Industry, Innovation & Infrastructure) and 11 (Sustainable Cities & Communities). In due course, these will be reported-on along with other sustainability performance data, in-line with our Net Zero ambitions.
Milestones delivered in 2024	• In April 2024, new strategic investment to accelerate HiiROC's expansion into the US. • HiiROC and Cemex Ventures announced the launch of low carbon hydrogen deployment using HiiROC's proprietary Thermal Plasma Electrolysis technology. Low carbon hydrogen will be produced at Cemex's cement plant in Rugby, UK, in order to demonstrate commercial deployment of HiiROC technology. • HiiROC is also working with Centrica, at its Brigg Energy Park, and with funding from the NZTC to demonstrate the decarbonisation of the Brigg gas peaker plant using its TPE process. • HiiROC and Siemens signed a Memorandum of Understanding to provide advanced control technology and ensure the safe automation of hydrogen production. • HiiROC secured triple ISO certification from Lloyd's Register Quality Assurance ("LRQA") for Quality Management (ISO 9001), Environmental Management (ISO 14001), and Occupational Health and Safety (ISO 45001), as part of its plans for commercial roll-out

Strohm

Strohm Holding B.V

www.strohm.eu

Netherlands-based low carbon pipeline technology company

Total investment value	£14m
% of NAV	12%
Decrease in value in 2024	£6m
Date of investment	2022 and 2024
Co-investors	Shell Ventures, Chevron Technology Ventures, Evonik Venture Capital, ING Corporate Investments, SENCO Hydrogen
Why invested	• Industry leader in thermoplastic composite pipe ("TCP"), which has c.50% less greenhouse gas emissions than metal, and is being deployed at scale in the offshore oil & gas industry. • TCP has applications in the emerging offshore hydrogen and CO2 sectors, where we see significant market potential in the longer term
Company strategy for value creation	Strohm is enabling the energy transition through proven high end composite pipe technology. Strohm develops its technology on the basis of being able to be used in both conventional energy applications, as well as in renewable energy applications such as CO2 and H2. This includes development, qualification, and building up track record. Today Strohm has the first offshore hydrogen pipeline contract, and the first client qualifications for hydrogen transport. Reflecting a slow-down in offshore hydrogen, Strohm is focused on traditional energy and CCS.
Company ESG strategy	Strohm is proud to be a Climate Neutral Certified organisation, as certified according to the Climate Neutral Certification Standard from the Climate Neutral Group (CNG). We achieved compliance to the CNG standard to become a recognised Climate Neutral Organisation in 2020 by implementing an ESG strategy featuring key CO2 reduction initiatives, including an accredited offsetting programme. Through these efforts, we are making significant progress towards achieving our next goal, to reduce our products CO2 footprint from a product life cycle point of view and invest in product development to support the energy transition. We do this across the parameters of a) reducing the CO2 footprint of pipelines, b) Enabling the transition from fossil fuel to green energy, and c) reducing the CO2 footprint of our own products.
Milestones delivered in 2024	• Secured €30 million in new capital raise. The round was led by a €20 million investment by new investors, as well as existing shareholders, including €1.2 million from HydrogenOne through convertibles • Won third and largest ever thermoplastic composite pipe ("TCP") contract from ExxonMobil Guyana. • Added new TCP product based on carbon fibre and polyvinylidene fluoride, to be used for carbon capture and storage applications to its portfolio. The product is suitable for injecting CO2 offshore, both in depleted gas fields and aquifers. • Announced the award of a new thermoplastic composite pipe ("TCP") contract by TotalEnergies – the largest commercial award for pipe supply in Strohm's 16-year history. The contract is for the deployment of high CO2 specification flowlines in over 2,000 meters of water in Brazil, the first time TCP has been deployed in ultra-deep water. • Successfully completed installation of its TCP Jumper technology at the Deepwater Sabah project offshore Malaysia.

Portfolio review, performance and valuation

Our portfolio

Bramble Energy Limited	www.brambleenergy.com
UK-based fuel cell and portable power solutions company	
Total investment value	£10m
% of NAV	9%
Decrease in value in 2024	£1m
Date of investment	February 2022
Co-investors	IP Group, BGF, Parkwalk, UCL Technology Fund
Why invested	• Pioneering revolutionary fuel cell design and manufacturing techniques • Novel printed circuit board design PCBFC™ - low cost, scalable and recyclable fuel cell modules • Leading global automotive businesses working closely with Bramble to scale up product offering • Developing high-power density, mobility fuel cell systems
Company strategy for value creation	Bramble has developed the world's lowest cost fuel cell, suitable for every application. It is manufacturable globally without capex, in existing third-party facilities. Simplified stacks, means simplified systems, and that means lower cost all round. Joint development agreements will lead to technology licence agreements and royalties.
Company ESG strategy	Bramble Energy has made the SME Climate Commitment which recognises that climate change poses a threat to the economy, nature and society-at-large, our company commits to take action immediately in order to achieve and surpass: • Halving our greenhouse gas emissions before 2030 • Achieving net zero emissions before 2040 • Disclosing our progress on a yearly basis
Milestones delivered in 2024	• Launched PCBFC™ Gen. 2, a fuel cell that represents a 30% cost reduction from Gen 1. • Deployed its PCBFC™ technology in a hydrogen powered boat in the HyTime project, working alongside custom engine builder Barrus. • Successfully completed Scale-up Readiness Validation ("SuRV") programme, funded by the Advanced Propulsion Centre UK. As part of SuRV, Bramble Energy was awarded £1.8 million to develop an optimised fuel cell stack assembly with the capacity to produce up to 2,000 50 kW stacks/year. • As part of SuRV, awarded £2 million to develop an optimised fuel cell stack assembly with the capacity to produce up to 2,000 50 kW stacks/year. The completion of SuRV has seen Bramble Energy simplify its fuel cell stack assembly, which includes integrated membrane electrode assembly into unitised PCB modules (cells) • PCBFC™ technology entered the third generation from inception, with a power density of 5.7kW/L achieved in early phases and an industry leading performance of 7.8 kW/ L achieved by the end of 2024. A new target of 8.5kW/L has been set for 2025 to continue furthering its performance metrics.

Cranfield Aerospace Solutions

Cranfield Aerospace Solutions Limited   www.cranfieldaerospace.com

UK-based passenger flight innovator, powering turboprop flight with hydrogen

Total investment value	£12m
% of NAV	11%
Increase in value in 2024	£0.5m
Date of investment	March 2022, January 2023
Co-investors	• Safran Ventures, Tawazun Strategic Development Fund, Motus Ventures
Why invested	• Cranfield is a technology leader in delivering hydrogen powered turboprop flight. • Aerospace market leader in the design and manufacture of new aircraft design concepts, complex modifications to existing aircraft and integration of cutting-edge technologies • Working on CAA certification of aircraft using hydrogen powered fuel cells supplying electricity to DC motors for rotational power
Company strategy for value creation	The company's mission is to deliver certified zero emission aircraft using H2 fuel cell propulsion. The strategy to achieve this is based on developing hydrogen fuel cell electrically driven powertrains in a modular fashion that can be fitted to a range of air vehicles. The powertrains will range in size from 125Kw through to 500kW enabling them to be used in small passenger aircraft, cargo drones and in auxiliary power units (APUs) for single and twin aisle aircraft.
Company ESG strategy	Cranfield are committed to developing a zero emissions aircraft.. Continuous monitoring and reporting ensure alignment with developing internal ESG standards. By integrating ESG principles into our business model, we strive to create long-term value for stakeholders, mitigate risks, and contribute to a resilient, responsible, and prosperous future. Developing a best practice approach to assessing and minimising the environmental impact of our supply base. To be embedded in our supplier assessment toolkit, the work on ESG will ensure compliance with requirements and disclosure standards, and help develop a resilient supply chain.
Milestones delivered in 2024	• Joined a consortium of 13 partners of the Sustainable Aviation Test Environment, the UK's first low-carbon aviation test centre based at Kirkwall Airport in Orkney. • Cranfield University, a major shareholder in CAeS, was awarded £69 million by Research England's Research Partnership Investment Fund, and industry partners and academic institutions, to create the Cranfield Hydrogen Integration Incubator, which is the largest financial injection for research that Cranfield University has ever secured. • Agreed to partner with Evia Aero in the development of airport infrastructure to enable both electric and hydrogen-electric aircraft operations at regional airports. • Released UK Regional Air Mobility Opportunity report in collaboration with Electric Aviation Maven. The analysis outlines that hydrogen flight can access 90% of the 684 potential routes identified, offering significant economic and environmental benefits.

Portfolio review, performance and valuation

Our portfolio

Listed Hydrogen Assets

The Company fully realised the listed portfolio during 2024.

Analysis of financial results

The Financial Statements of the Company for the year ended 31 December 2024 are set out on pages 70 to 98.

Net assets

Net assets decreased from £132.7 million at 31 December 2023 to £116.4 million at 31 December 2024. The decrease in net assets was driven largely by the write down of the investment in HH2E.

The net assets of £116.4 million comprise £113.7 million portfolio value of investments, including the holding in the HydrogenOne Partnership, and the Company's cash balances of £2.8 million, and other net liabilities of £0.1 million.

The Limited Partnership's net assets of £113.7 million comprise £113.5 million portfolio value of investments (including accrued interest), cash balances of £0.3 million and liabilities of £56,000.

Cash

At 31 December 2024, the Company and the HydrogenOne Partnership (together the 'Group') had a total cash balance of £3.1 million (2023: £4.7 million), including £0.3 million in the Limited Partnership, which is included in the Company's balance sheet within 'investments held at fair value through profit or loss'.

Loss for year

The Company's total loss before tax for the year ended 31 December 2024 is £16.2 million (31 December 2023: profit of £7.3 million), generating a loss per Ordinary Share of 12.60 pence (31 December 2023: return of 5.68 pence per share).

In the year to 31 December 2024, the losses on fair value of investments were £15.1 million (31 December 2023: gains of £9.1 million).

The expenses included in the income statement for the year were £1.3 million, in line with expectations. These comprise £34,000 Investment Adviser fees and £1.2 million operating expenses. The details on how the Investment Adviser fees are charged are as set out in note 6 to the Financial Statements.

Ongoing charges

The ongoing charges ratio is an indicator of the costs incurred in the day-to-day management of the Company.

The ongoing charges percentage for the year to 31 December 2024 was 2.53% (31 December 2023: 2.56%). The ongoing charges have been calculated, in accordance with AIC guidance, as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted Net Asset Value in the period. The calculation is provided on page 100. The ongoing charges percentage has been calculated on the amalgamated basis and therefore takes into consideration the expenses of HydrogenOne Partnership as well as the Company.

Environmental, Social and Governance ("ESG")

ESG Highlights:

HGEN is an SFDR Article 9 impact fund with a sustainable investment objective aligned with the climate change mitigation goal of the EU Taxonomy.

- A unique offering to investors - leadership in a new green energy technology sector from the first London-listed hydrogen fund.
- Strong orientation to ESG mandates, investing capital in low-carbon growth and enabling the avoidance of GHG emissions.
- Reported to the Principles of Responsible Investment ("PRI") for the second time and scored above median average for the peer group in each of the three reported modules, including: Policy, Governance and Strategy; Confidence Building Measures; and Direct Private Equity.
- Reported on Carbon Disclosure Project ("CDP"), SRI Services Fund EcoMarket database ("SRI"), S&P Global Corporate Sustainability Assessment ("CSA") for the second time, in 2024.
- The Company's Board gender diversity remained 50%.
- Full details of the Company's sustainability performance and strategy can be found in a separate Sustainability Report, which will be available on the Company's website.
- 132,839 tonnes of Greenhouse Gas (tCO2e) emissions avoided in FY2024 (FY2023: 91,116 tCO2e) (over 576 times the combined scope 1, 2 and 3 emissions of the Company in the same period) and 274,534 tCO2e (FY2023: 141,695) since IPO.
- Potential 537,193 megawatt-hour (MWh) lifetime clean energy capacity in FY2024 (FY2023: 571,294 MWh) and 1,334,487 MWh (FY2023: 797,294) since IPO;
- 6.70 megawatt (MW) of fuel cell and electrolyser units sold in FY2024 (FY2023: 0.59 MW) and 11.60 MW since IPO (FY2023: 4.9 MW) – all adjusted for the Company's shareholding; and
- Most of the Company's investments either directly or indirectly displace fossil fuels, making a clear contribution to achieving the Paris Accords target of limiting global temperature rises to below 2 degrees and ideally limiting them to 1.5 degrees.

Environmental, Social and Governance ("ESG")

Our Impact:

£116.3 million
Deployed in low-carbon growth;

132,839 tCO2e
Emissions avoided in FY 2024 and 274,534 tCO2e avoided since IPO;

537,193 MWh
Potential MWh lifetime clean energy capacity in FY2024 and 1,334,487 MWh since IPO;

91% EU Taxonomy
Portfolio alignment with the EU taxonomy for FY 24 (92% FY 23);

1.81 tCO2e/£m
Carbon footprint (FY 23 2.22 tCO2e/ £m);

Methodology

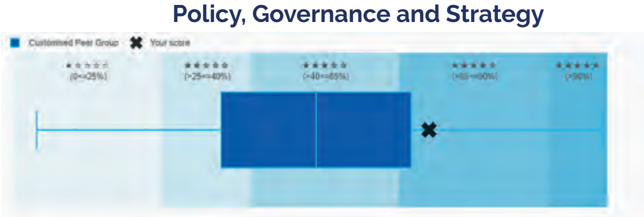
Emissions are calculated in line with the Greenhouse Gas Protocol. The Company has no direct employees, operations, or permanent office space, resulting in zero Scope 1 and 2 emissions. All material emissions are categorised as Scope 3, specifically comprising the investment portfolio of Private Hydrogen Assets, which forms the focus of this report. In alignment with EU SFDR requirements, portfolio emissions are presented on a look-through basis, with emissions aggregated by scope and presented as Scope 1, 2, or 3, rather than being consolidated within Scope 3 category 15 (investments). Further details on the emissions calculation methodology is presented in the Annex.

	2024	2023
Scope 1	26 tCO2e	18 tCO2e
Scope 2	59 tCO2e	81 tCO2e
Scope 3	146 tCO2e	180 tCO2e
Carbon footprint[4]	1.81 tCO2e/£m	2.22 tCO2e / £m Val
GHG Intensity	42.43 tCO2e/£m	55.3 tCO2e / £m Rev
Avoided GHG	132,839 tCO2e	91,116 tCO2e
Avoided Cumulative	274,534 tCO2e	141,695 tCO2e
Energy use – UK[2]	132,839 kWh	268,669 kWh
Energy use - Global[3]	678,000 kWh	2,157,604 kWh

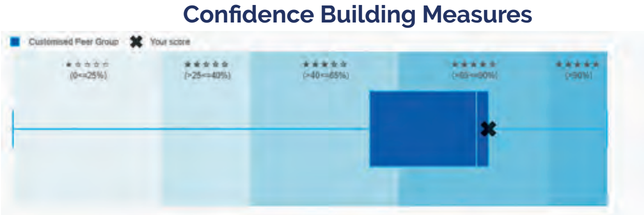
Principles of Responsible Investment

During the year the Company submitted its reporting to the Principles of Responsible Investment. The charts below show the scoring vs the peer group of investment managers in the same jurisdiction with similar assets under management. The results are favourable to the Company with performance above the median average in all three categories and particularly strong results in governance. Further work to enhance responsible investment performance will be undertaken in the current year. No specific energy efficiency actions have been taken by the Company during the year.

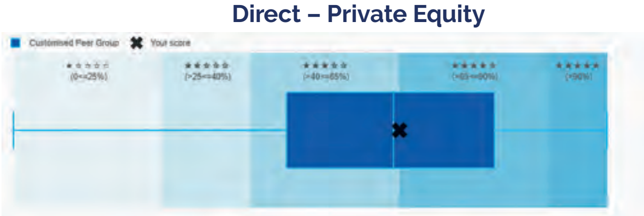
Policy, Governance and Strategy



Confidence Building Measures



Direct – Private Equity



1 *Notwithstanding any mitigation action in the respective supply chains, we expect that scope 3 emissions will increase as data gaps are closed and use of estimates are reduced as more reliable data from Private Hydrogen Assets becomes available.*
2 *This metric reflects the electricity, energy, and fuel consumption (including transportation) of Private Hydrogen Assets located within the UK, presented proportionate to the Company's equity share.*
3 *This metric captures the electricity, energy, and fuel consumption (including transportation) of Private Hydrogen Assets located outside the UK, presented proportionate to the Company's equity share.*
4 *Carbon footprint and GHG intensity are distinct metrics that measure environmental impact. Carbon footprint represents the total emissions of investee companies divided by the current value of all investments, essentially showing emissions per value invested. GHG intensity measures emissions in relation to company revenues, indicating how emissions relate to economic output.*

Stakeholder engagement (Section 172 Statement)

The Directors have a statutory duty to promote the success of the Company, whilst also having regard to certain broader matters, including the need to engage with employees, suppliers, customers, and others to their interests.

The Company has no employees and no customers in the traditional sense. In accordance with the Company's nature as an investment trust the Board's principal concern is the interests of the Company's shareholders taken as a whole. In doing so, it has due regard to the impact of its actions on shareholders, the environment and the wider community.

The Investment Adviser (in addition to the Board) has significant dealings with our stakeholders and, therefore, is an integral point of contact between the Company and our stakeholders. The Company's Corporate Broker, Barclays Bank PLC, are also an integral point of contact between the Company and our shareholders and, together with the Investment Adviser ensure that any shareholder feedback or observations are collated.

The following disclosure describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under s172 of the Companies Act 2006 and forms the Directors' statement required under section 414CZA of the Companies Act 2006.

Stakeholder group	Why is it important to engage?	How has the Board communicated and engaged?	Key topics of engagement and decisions made by the Board
Shareholders	The significant shareholders of the Company are set out in the Annual Report. The Investment Adviser and the Board believe that Shareholders and their support is critical to the continuing existence of the business and delivery of its long-term investment strategy. It is important to the Company's continued success to have the potential to access equity capital in order to expand the Company's portfolio over time in order to further diversify the investment portfolio and create economies of scale.	– Annual and Interim Reports; – Quarterly factsheets; – Investor webcasts and presentations (through the Investment Adviser); – Institutional investor meetings (one-to-one and group), primarily through the Investment Adviser and corporate broker; – Regular institutional investor feedback received from the Investment Adviser and corporate broker; – Research analyst presentations through the Investment Adviser. – AGM; and – Website.	– Market announcements, including quarterly NAV announcements; - Portfolio company valuation, financial performance and Company valuation methodology; - Commentary on macro trends impacting the Hydrogen sector.
Investment Adviser	The Investment Adviser is the most significant service provider to the Company and a description of its role can be found in the Annual Report.	– Board and Committee meetings; – Regular reports and presentations from the Investment Adviser; and – Ad hoc meetings and calls.	In addition to all matters related to the execution of the Company's Investment Objective, the Board engaged with the Investment Adviser in regard to the Company's SFDR reporting and Article 9 classification. The Board holds annual strategy days at which the Investment Adviser is invited to present and discuss with the Board the Company's future strategy.
AIFM	The AIFM is a critical service provider for the Company's long-term success and engages with the Board and the Investment Adviser for the purpose of providing investment advisory services to the Company. The Board regularly monitors the Company's investment performance in relation to its objectives, investment policy and strategy.	– Board and Committee meetings; and – Regular reports and presentations from the AIFM.	The AIFM is responsible for monitoring the risks faced by the Company and these are regularly discussed at meetings.

Stakeholder group	Why is it important to engage?	How has the Board communicated and engaged?	Key topics of engagement and decisions made by the Board
Other key service providers	The Company does not have any direct employees and works closely with a number of key service providers, including the Administrator, Company Secretary, auditor and corporate broker. The independence, quality and timeliness of their service provision is critical to the success of the Company.	– Board and Committee meetings; – Ad hoc meetings and calls; – Annual review of performance based on a questionnaire; and – The Company undertakes regular reviews of all material contracts for service quality and value through the activities of the Management Engagement Committee.	The feedback given by the service providers is used to review the Company's policies and procedures to ensure open lines of communication, and operational efficiency. The Company is able to identify and resolve problems with service provider relationships, should they arise, via this process. During the Company's annual report production, the Audit and Risk Committee has engaged with the Company's external auditors to obtain feedback on the quality and accuracy of the reporting and to ensure the reporting process was undertaken effectively by all service providers.
Portfolio investments	The Board considers each proposal against the Company's investment objective, and investment policy as disclosed in the Annual Report and with consideration for the wider group of stakeholders.	– The Company's Board is presented with potential investment opportunities that have been identified by the Investment Adviser and which have undergone a process of analysis, including considerations relating to environmental, social and governance issues; – The Board reviews the financial and operating performance of the Company's portfolio companies on a regular basis; – In many cases, investments in Private Hydrogen Assets are linked to operational and financial targets, which the Board monitors; and – A quarterly update on performance of portfolio companies is provided in the Investment Adviser's Report within the Board Packs.	As at 31 December 2024, over 95% of the capital raised was invested. No new investments were completed during the year, only follow on investments in existing portfolio companies. Other investment opportunities were reviewed but were rejected as they did not pass the investment screening process. As part of the ongoing portfolio performance monitoring, the feedback given by the Investment Adviser is used to review the Company's policies and procedures to ensure open lines of communication, and operational efficiency regarding its Portfolio Companies.
Society and the environment	Ensuring our investment positively contributes to climate change mitigation with an ESG policy integrated in investment decisions and asset monitoring.	See ESG section of the Annual Report. The Company issues an annual Sustainability Report that sets out the Company policy and track record in more detail.	See ESG section of the Annual Report.

Stakeholder engagement (Section 172 Statement)

Other Matters

Modern slavery disclosure

The Company is committed to maintaining the highest standards of ethical behaviour and expects the same of its business partners. The use of slavery and human trafficking is unacceptable and entirely incompatible with its ethics as a business. The Company believes that all efforts should be made to eliminate it from its supply chains.

The majority of services supplied to or on behalf of the Company are from the financial services, energy and construction industries and other services associated with those industries. Given what the Company understands to be a low risk profile of anyone supplying it with services being involved in slavery and/or human trafficking, it believes its current procedures and ability to rely on regulatory oversight in relation to professional services are sufficient in this regard.

Social, community and human rights issues

The Investment Adviser screens the Company's Investable Universe as part of the Environmental Social and Governance analysis for any breaches of the principles of the UN Global Compact, including human rights, labour rights, environmental breaches and corruption. Any non-compliant companies are excluded from investment.

Anti-bribery and corruption

In accordance with the UK Bribery Act 2010, the Company has developed appropriate anti-bribery policies and procedures. The Company has a zero-tolerance policy towards bribery and is committed to carrying out its business fairly, honestly and openly. The anti-bribery policies and procedures apply to all its officers and to those who represent the Company (including its business partners). The Company expects those providing services to it, or on its behalf, to undertake their business without bribery.

Prevention of the facilitation of tax evasion

The Criminal Finances Act (Commencement No. 1) Regulations 2017 (SI 2017/739) brought Part 3 of the Criminal Finances Act 2017, the corporate offences of failure to prevent facilitation of tax evasion, into force on 30 September 2017. The Company does not tolerate tax evasion in any of its forms in its business. The Company complies with the relevant UK law and regulation in relation to the prevention of facilitation of tax evasion and supports efforts to eliminate the facilitation of tax evasion worldwide, and works to make sure its business partners share this commitment.

Company information

HydrogenOne Capital Growth plc (the "Company" or "Parent") was incorporated in England and Wales on 16 April 2021 with registered number 13340859 as a public company limited by shares and is an investment company within the terms of Section 833 of the Companies Act 2006 (the "Act"). The Company is listed and began trading on the Main Market of the London Stock Exchange on 30 July 2021 (the "IPO"). The Company is an approved investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999.

Asset allocation at year end

The breakdown of the structure of the portfolio at the Company's year-end is shown on pages 96 to 98.

Dividends and dividend policy

The Ordinary Shares carry a right to receive dividends. If a dividend is to be declared, interim dividends are determined by the Board and a final dividend is subject to shareholder approval at the AGM.

Dividend policy

The Company is targeting a Net Asset Value total return of 10 to 15% per annum over the medium to long-term with further upside potential. The Company intends to invest in Hydrogen Assets with cash flow typically re-invested for further accretive growth.

The Company only intends to pay dividends in order to satisfy the ongoing requirements under the Investment Trust (Approved Company) (Tax) Regulations 2011 for it to be approved by HMRC as an investment trust save that, in the medium term, the Company's Hydrogen Assets may also generate free cash flow which the Company may decide not to re-invest and, in such case(s), the Company currently intends to distribute these amounts to Shareholders.

The Company's revenue return after tax for the year amounted to a loss of £1,130,000 (31 December 2023: loss of £1,328,000). The Company made a capital loss after tax of £15,101,000 (2023: gain of 8,645,000). Therefore the total return after tax for the Company was a loss of £16,231,000 (2023: profit of £7,317,000). No dividends have been paid or are proposed for the year to 31 December 2024 (2023: nil).

Risk and risk management

Principal risks and uncertainties

The Board, through delegation to the Audit and Risk Committee, has carried out a robust assessment of the emerging and principal risks facing the Company. These include those that would threaten its business model, future performance, solvency and liquidity (see Audit and Risk Committee Report in the Annual Report). The Audit and Risk Committee reviews ongoing monitoring of both risks and controls. This ensures heightened and emerging risks are identified outside of the normal cycle of Board and Audit and Risk Committee meetings. The Audit and Risk Committee undertook a comprehensive review of the Company's risk management framework and controls during the year. The risks are documented on a risk register and each risk is rated by impact and probability with the assessed risk given a risk score and a residual rating. The risk register is reviewed on an ongoing basis in an attempt to capture all risks and put appropriate mitigation in place. The review takes into account changing factors including, but not restricted to, changes to markets (both macro and micro), stakeholders, operations, regulation and emerging risks. The top risks identified by this process are set out in the table below together with the mitigated approach, and the Board considers these to be the principal risks of the Company.

↑ **Increasing** ↔ **Stable** ↓ **Reducing**

Principal Risks and Uncertainties	Mitigation	
Regulatory Changes in political or environmental conditions in the hydrogen sector (for example, changes in government policy or support) could affect the Company's prospects. In addition, greater regulation in the financial services industry could materially affect the Company's business.	The Board and Investment Adviser has significant experience in the energy sector and is familiar with its volatile political and regulatory environment. Extensive contacts across the sector inform its ongoing monitoring of these risks, which are reported to the Board at least quarterly. More specific due diligence occurs prior to any investments and during the lifetime of their ownership. The Administrator has a strong track record in administering listed companies and the various rules and regulation required to be adhered to.	↔
Policy support The technologies required to produce and use green hydrogen need policy support to underpin the scale needed to drive stand-alone cost competitiveness. Governments worldwide are showing such support today, but that may be volatile over the investment time horizon of the Company.	As noted under 'regulatory', the Investment Adviser has longstanding experience in the energy sector and monitors the policy environment closely. Such experience and awareness is also present among the Company's Non-Executive Directors. The Company's portfolio consists of a range of hydrogen projects in different countries and at different points in the emerging value chain, to further mitigate the risk of policy volatility.	↑
Operational Initial pre-deal due diligence may not uncover all risks associated to a transaction. Investments are subject to operating and technical risks. While the Company will seek investments with creditworthy and appropriately insured counterparties who bear the majority of these risks, there can be no assurance that all risks can be mitigated. In addition, the long-term profitability of hydrogen investments will be partly dependent upon the efficient operation and maintenance of the assets. Inefficiency, or limitations in the skills, experience or resources of operating companies, may reduce revenue. As a result, profitability of the Company may be impaired leading to reduced returns for Shareholders.	The Investment Adviser conducts a vigorous due diligence process and works very closely with external and technically skilled consultancy firms to review all potential transactions, with an aim to provide a fully scoped and informed recommendation. The portfolio is constantly monitored by the Investment Adviser and the AIFM to address risks as they are identified. Diversification in counterparties and service providers ensures any impact is limited. Furthermore, the Company invests in a diversified portfolio.	↑
Performance Underperforming investment or investment strategy can lead to underperformance to the Company's target return and ultimate investment objective. Risk assessment has increased from macroeconomic impacts on portfolio investments.	The Board reviews at least quarterly the portfolio performance as well as underlying key asset risks identified as part of the Company's risk register and how those risks are actively being mitigated which include but is not limited to: • Non Controlling interest risk • Market risk • Interest rate risk • Inflation risk At each Board meeting a report on risks, portfolio performance and any macro and micro considerations is provided by the Investment Adviser and the AIFM, and reviewed accordingly with the aim to mitigate such risks. In addition, the Investment Adviser has representation on each investee board either through a director or board observer position.	↑

Risk and risk management

Principal Risks and Uncertainties	Mitigation	
Future acquisitions and capital raises Ongoing capital raises are intended. The Company's share price trading at an excessive discount to its net asset value may mean it is difficult to raise further capital through share issues for onward investment. Risk assessment has increased due to an increase in the share price discount compared to the net asset value of the Company during the year.	The Company's Broker monitors the market for the Company's shares and reports at quarterly meetings. The Board regularly reviews the relative level of discount against the sector and has the authority to buy back shares. The Board and AIFM oversee the investment pipeline and monitor its progress in relation to Company targets. Certain assets will be identified in advance by the Investment Adviser as being potentially available for acquisition by the Company. The pipeline is managed by the Investment Adviser and monitored by the AIFM, with onward reporting to the Board. The Board is unlikely to agree to capital raises without a strong pipeline.	↑
Liquidity and Refinancing The operational risks of the Company including market, counterparty, credit and liquidity risk. Extreme market volatility can disrupt the capital raising process and ability to raise monies to repay a debt demand in full. Investments in Private Hydrogen Assets are illiquid in nature and may take a longer period of time to realise in order to fund the Company's operations or meet its expenses. The Company has and may continue to be forced to sell liquid assets to meet its expenses at a time when valuations are lower for some assets. Should the Company no longer have sufficient liquid assets available to meet a projected 12 months' worth of expenditure, the going concern status of the company may be called into question (see further details in Note 2 Basis of preparation in the Financial Statements). This risk has increased due to market volatility and the Company's share price trading at a significant discount to net asset value, delaying the Company's ability to raise capital. Higher interest rates will increase the cost of finance to the Company.	The Investment Adviser closely monitors the liquidity in the market and portfolio valuations. Should new credit not be forthcoming, liquidity may be gained through a capital raise, or liquidation of assets. The Investment Adviser, AIFM and the Board continuously monitor forecast and actual cashflows from operating, financing, and investing activities to consider payment of dividends, or further investing activities.	↑
Service providers Disruption to, or failure of the Company's Administrator or other parties to complete their role efficiently, on time and in line with expectation	All counterparties to the Company are reviewed as part of the risk register. A material credit risk is that of banks holding un-invested cash, the credit rating and credit worthiness of these are considered. A review of key operational counterparties, such as the Administrator, looking at operational procedures, disaster recovery and system security is undertaken. Counterparties of Company's Special Purpose Vehicles ("SPV") and underlying assets are carried out as part of the investment due diligence process.	↔
Portfolio valuation Risk that portfolio asset valuations published do not represent the Fair Market Values in accordance with the accounting requirements. Investment valuations are based on modelling / financial projections for the relevant investments and utilises International Private Equity and Venture Capital Valuation ("IPEV") methodologies to calculate fair value. Projections will primarily be based on the Investment Adviser's assessment and are only estimates of future results based on assumptions made at the time of the projection. Actual results may vary significantly from the projections, which may reduce the profitability of the Company leading to reduced returns to Shareholders. A rise in interest rates will lead to an increase in the Discount Rate applied to the Private Hydrogen Assets' valuation, leading to a reduction in the Company's net asset value.	The Investment Adviser has significant experience in valuation of these assets. The discount rate used in the valuations incorporates spot gilt rates for each free cashflow based on maturity and country which mitigates the longer term impact of rises in interest rates. The valuation policies and valuations will be reviewed by the Valuation Committee on a quarterly basis, together with signing off on the Private Hydrogen Asset values.	↔

Principal Risks and Uncertainties	Mitigation	
Key person The Investment Adviser is a small Company with minimum employees. As such, there are significant Key Person risks and should they become unavailable, this could have a negative impact on the Company's ability to achieve its investment objective.	The Investment Adviser is committed to expand its business/staffing levels in order to diversify knowledge across the expanding team. This risk is covered in the risk register and reported on at each Board meeting.	↔
Tax Breaches of Section 1158 of the Corporation Tax Act could result in loss of investment trust status. Changes in tax legislation such as BEPS, WHT rules and structural requirements result in increased tax and resulting in a drop in returns from the Company's investments.	The corporate structure of the Company is reviewed periodically by the Company and its advisors. All investments receive professional structural advice prior to investment.	↔
Political and associated economic risk Exposure to Russia and/or Ukraine and the Middle East within the investment portfolio could lead to losses on investments. The impact on the global equity markets, and hydrogen stocks in particular, of a prolonged downturn caused by the situation in Ukraine and the Middle East, could lead to reduced valuations of the Company. The current US administration's aggressive foreign policy regarding trade tariffs has had significant impact on financial markets and depending on where tariff levels settle, may have a significant impact on the global trade landscape.	The Board and Investment Adviser have reviewed the portfolio for exposure and will continue to keep this under review.	↑

Viability statement

The Directors have assessed the viability of the Group for the period to 31 December 2027 (the "Viability Period"). The Board believes that the Viability Period, being approximately three years, is an appropriate time horizon over which to assess the viability of the Group, particularly when taking into account the long-term nature of the Group's investment strategy, of investing in private equity stakes of unlisted companies with a 3-5 year exit plan for each investment, the principal risks outlined on pages 41 to 43 and the continuation vote due in 2026. The viability period has been reduced from five years on account of the financial situation of the Company and the impending continuation vote. This assessment has been made on the assumption that the cashflow shortfall is resolved by the action plans laid out in Note 2 Basis of Preparation in the Financial Statements, which the Board consider to be achievable, based on the progress on cost cutting made to date and the Company's ability to realise part of its investment portfolio through secondary sales.

Risk and risk management

In accordance with the Articles, the continuation of the Company is subject to the approval of shareholders every five years, with the first vote to be proposed as an ordinary resolution at the Company's AGM in 2026. If passed, the Articles provide that the Directors propose as an ordinary resolution that the Company continue its business as presently constituted at each fifth annual general meeting thereafter that the Company continues its business as presently constituted.

In its assessment of the prospects of the Group, the Board carried out a robust assessment of the emerging and principal risks and considered each of the uncertainties set out in the Annual Report which included consideration of severe but plausible downside scenarios (such as a long-term market downturn, significantly increased costs, delays in the realisation of assets and the liquidity and solvency of the Group).

In the event that continuation vote is not passed, the Directors are required to draw up proposals for shareholders' approval for the reconstruction or reorganisation of the Company, which would require a special resolution of the shareholders.

The Board notes the current liquidity position of the Company and the high discount to NAV of the current share price, and recognises this increases the risk that the continuation vote will not be passed. The Board believe the actions to improve liquidity described in Note 2 Basis of Preparation in the Financial Statements will put the Company in a stronger position over the coming year, and the performance of the remaining Private Hydrogen Assets and the expected growth in the clean energy and hydrogen sectors, driven by increased governmental support, mean the prospects for the Company remain positive and this will be reflected in improved performance of the Company over the next twelve months,

The Investment Adviser continues to implement all options to sustain the financial position of the Company as described in Note 2 Basis of Preparation in the Financial Statements. Measures that are being undertaken include reducing costs, a strategy to divest of portfolio positions in full or in part, and accessing debt as set out in the Company's investment policy.

The Board considered the Group's current financial position and its ability to raise funds to meet the Group's liabilities over the next twelve months and beyond. The Board considered each of the actions currently being taken to address the financial situation, and the likelihood of success for each of the actions. In addition, it considered the impact these actions would have on the viability of the Group.

The Board also considered the Group's income and expenditure projections and cash projections. These metrics were subjected to stress testing of the assumptions to evaluate the potential impact on the Group, longer investment hold periods and increased inflation. Portfolio changes, market developments, level of premium / discount to NAV and share buybacks / share issues are discussed at quarterly Board meetings. The internal control framework of the Group is subject to a formal review on at least an annual basis. The level of the ongoing charges is dependent to a large extent on the level of net assets, the most significant contributor being the Investment Adviser's fee. The Group's cash realisable from the sale of its investments provide cover to the Group's operating expenses, and any other costs likely to be faced by the Group over the Viability Period of their assessment.

The Director's assessment considered the market risks associated with the Russian invasion of Ukraine and the war in the Middle East, along with the likely impact of the current global government policy affecting the hydrogen sector and the tariffs being implemented by the new US administration. The ongoing market volatility and uncertainty this has caused, including higher inflation and interest rates, has been considered and will continue to be monitored. The Investment Adviser has reviewed the investment portfolio for exposure and while limited exposure has been identified the Board will keep the situation under continued review.

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue to operate and to meet its liabilities as they fall due over the Viability Period.

Employees

The Company has no employees. As at the date of this report, the Company had four Directors, of whom two are male and two are female.

Outlook

The outlook for the Company is described in the Chairman's Statement and the Investment Adviser's Report.

Strategic report

The Strategic Report set out in the Annual Report was approved by the Board of Directors on 29 April 2025.

For and on behalf of the Board

Simon Hogan
Chairman

29 April 2025

Governance

Board of Directors and Principals of the Investment Adviser

Simon Hogan[1,3]
(Chairman of the Board and Nomination Committee)
Appointed 20 May 2021

Mr Hogan has significant capital markets, legal and management experience. He was previously a Managing Director of Morgan Stanley and Chief Operating Officer across their Commodities, Fixed Income and Equity divisions. Mr Hogan has held multiple board positions and was a member of the FCA Practitioners committee.

Mr Hogan's contribution is invaluable to the Company in formulating its short-term and long-term strategic direction as well as managing a newly established Board and Company.

Afkenel Schipstra[1,3]
(Chairman of the Audit and Risk Committee and the Valuation Committee)
Appointed 20 May 2021

Mrs Schipstra has over 21 years' experience in Energy in Europe and Sub-Sahara Africa. She is COO Energy of First Hydrogen where she is responsible for the energy business. Afkenel was previously SVP of Hydrogen Business Development for the Netherlands at ENGIE, and held senior positions at Gasunie, Shell and NAM.

Mrs Schipstra's extensive knowledge of hydrogen projects strengthens the Board's commercial knowledge of the sector.

Abigail Rotheroe[1,3]
(Chairman of the Management Engagement Committee and the Remuneration Committee)
Appointed 8 February 2022

Ms Rotheroe has over 25 years of investment experience and was previously Investment Director at Snowball Impact Management, a sustainable and impact focussed asset manager. Ms Rotheroe was a Director of Threadneedle Investment, following positions at HSBC Asset Management and Schroder Capital Management and has experience of institutional and retail investment. Ms Rotheroe is a non-executive director of Baillie Gifford Shin Nippon plc, Templeton Emerging Markets Investment Trust plc and Greencoat UK Wind plc.

Ms Rotheroe also brings knowledge of fund governance, manager selection and impact measurement.

David Bucknall[2,3]
(Non-Executive Director)
Appointed 20 May 2022
Resigned 21 March 2025

Mr Bucknall is the Chief Executive Officer of the INEOS Energy Europe group of companies and has been nominated as the Board representative of INEOS Offshore BCS Limited ("INEOS Energy") pursuant to the relationship and co-investment agreement entered into between, inter alia, INEOS Energy and the Company at launch. Mr Bucknall has a wealth of commercial experience through his role held at INEOS Energy.

Erik Magnesen[2,3]
(Non-Executive Director)
Appointed 21 March 2025

Mr Magnesen is currently Chief Financial Officer of the INEOS Energy Europe group of companies and has been nominated as the Board representative of INEOS Offshore BCS Limited ("INEOS Energy") pursuant to the relationship and co-investment agreement entered into between, inter alia, INEOS Energy and the Company at launch. Mr Magnesen brings a wealth of financial experience through his role held at INEOS Energy.

The Principals of the Investment Adviser

Dr JJ Traynor

Dr John Joseph "JJ" Traynor has extensive experience in energy, capital markets, project management, and M&A. He has held a series of senior energy and banking sector positions, including Executive Vice President at Royal Dutch Shell, where he led investor relations and established the company's ESG programme; Managing Director at Deutsche Bank, where he was the number one ranked analyst in European and Global oil & gas; Geologist at BP, in the North Sea, West Africa and Asia Pacific. He has a Geology BSc from Imperial College, a PhD from Cambridge University. He attended the INSEAD Advanced Management Programme, and is a Fellow of the Geological Society of London.

Richard Hulf

Richard Hulf is a fund manager with corporate finance and engineering background. Richard has 30 years of experience in the Utilities and Energy sectors and is a Chartered Engineer, originally from Babcock Power and latterly Exxon. In addition, his financial experience spans stock broking, corporate finance and fund management with Henderson Crosthwaite, Ernst & Young and Artemis Investment Management, where he invested into renewables companies. He has an MSc in Petroleum Engineering from Imperial College.

1. *Member of the Audit and Risk, Valuation, Management Engagement, Nomination and Remuneration Committees.*
2. *Mr Magnesen and Mr Bucknall throughout the year are not members of the committees of the Board but attend by invitation. Considered independent by the Board. Refer to page 51 for an assessment of independence for Erik Magnesen and Mr Bucknall.*
3. *Each Director has also been appointed as a Director of HydrogenOne Capital Growth (GP) Limited (a wholly owned subsidiary of the Company which has been appointed as the general partner of the Limited Partnership) in order to ensure that the Board are in a position to effectively monitor and manage the performance of the service providers of the HydrogenOne Partnership in accordance with the Listing Rules.*

Directors' Report

The Directors present their report and accounts for the Company and Group for the year ended 31 December 2024.

Strategic report

The Directors' Report should be read in conjunction with the Strategic Report on pages 1 to 44.

Corporate governance

The Corporate Governance Statement on pages 51 to 54 forms part of this report.

Legal and taxation status

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company conducts its affairs in order to meet the requirements for approval as an investment trust under section 1158 of the Corporation Tax Act 2010. The Company has received approval as an investment trust and the Company must meet eligibility conditions and ongoing requirements in order for investment trust status to be maintained. In the opinion of the Directors, the Company has met the conditions and requirements for approval as an investment trust for the year ended 31 December 2024.

Risk and risk management

The Principal Risks and Uncertainties for the Company and their mitigation on pages 41 to 43 forms part of this report.

Viability statement

The Viability Statement is on pages 43 to 44.

Market information

The Company's Ordinary Shares are listed on the London Stock Exchange ("LSE"). The NAV per Ordinary Share is calculated in Pound Sterling. Up to 14 November 2022, the NAV per Ordinary Share was calculated on a daily basis based upon the quarterly valuation of the Private Hydrogen Assets and daily valuation of the Listed Hydrogen Assets. Since 15 November 2022 the NAV per Ordinary Share has been calculated on a quarterly basis based upon the quarterly valuation of the Private Hydrogen Assets and Listed Hydrogen Assets. The quarterly NAV per Ordinary Share is published through a regulatory information service.

Retail distribution promotion

As a result of the Financial Conduct Authority ("FCA") rules determining which investment products can be promoted to retail investors, certain investment products are classified as 'non-mainstream pooled investment' products and face restrictions on their promotion to retail investors.

The Company has concluded that the distribution of its shares, being shares in an investment trust, is not restricted as a result of the FCA rules described above.

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by financial advisers to retail investors and intends to continue to do so for the foreseeable future.

Shareholder relations and Annual General Meeting (AGM)

The Investment Adviser has a programme of meetings with shareholders and reports back to the Board on its findings. The Board also welcomes direct feedback from shareholders. The Chairman is available to meet shareholders and may be contacted by email via the Company Secretary at hydro1cosec@apexgroup.com.

The Board encourages all shareholders to attend the AGM and generally seeks to provide twenty-one clear days' notice of that meeting.

The separate Circular and Notice of AGM sets out the business of the AGM and any special business is explained in the Directors' Report on pages 47 and 48. Separate resolutions are proposed for each substantive issue.

The Company's AGM will be held on 27 June 2025 and the Chairman's Statement on page 7 sets out the arrangements for the meeting have the opportunity to hear a presentation from the Investment Adviser and ask questions of the Board and the Investment Adviser.

All shareholders are advised to submit their proxy form in advance of the AGM. Details of how shareholders can cast their votes can be found in the separate Circular and Notice of AGM which will be sent to all shareholders entitled to receive such notice following the Annual Report.

Special business of the AGM

Authority to issue and purchase own shares

The Board recommends that the Company be granted a new authority to allot up to a maximum of 12,881,999 Ordinary Shares (representing approximately 10% of the Ordinary Shares in issue at the date of this document) and to dis-apply pre-emption rights when allotting those Ordinary Shares and/or selling Ordinary Shares from treasury. Ordinary resolution 10 and special resolution 11 will be put to shareholders at the AGM. Ordinary Shares will be issued under this authority only at the Board's discretion and when it is deemed to be in the best interests of shareholders as a whole to do so. The advantages are to lower the Company's ongoing charges as expenses are diluted and, in the short term, to address volatility in the share price. Unless otherwise authorised by shareholders, new Ordinary Shares will not be issued at less than NAV and Ordinary Shares held in treasury will not be sold at less than NAV.

The maximum number of Ordinary Shares which can be admitted to trading on the London Stock Exchange without the publication of a prospectus is 20% of the Ordinary Shares on a rolling previous 12-month basis at the time of admission of the Ordinary Shares.

The Directors recommend that a new authority to purchase up to 19,310,117 Ordinary Shares (subject to the condition

Directors' Report

that not more than 14.99% of the Ordinary Shares in issue at the date of the AGM are purchased) be granted and special resolution 12 to that effect will be put to the AGM. Any Ordinary Shares purchased will either be cancelled or, if the Directors so determine, held in treasury. Ordinary Shares are purchased at the discretion of the Board and when it is deemed to be in the best interests of shareholders. Ordinary Shares will be purchased for cancellation or for treasury only when the Ordinary Shares are trading at a discount to the Net Asset Value.

The Companies Act 2006 allows companies to hold shares acquired by way of market purchases as treasury shares, rather than having to cancel them. This gives the Company the ability to sell Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. At the year end and at the date of this report, no Ordinary Shares were held in treasury.

Notice of General Meetings

Special resolution 13 in the separate Circular and Notice of AGM is required to reflect the requirements of the Shareholder Rights Directive. The Company is currently able to call general meetings, other than an AGM, on 14 clear days' notice and would like to preserve this ability. In order to be able to do so, shareholders must have given their prior approval.

Special resolution 13 seeks such approval, which would be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Company will ensure that it offers the facility for shareholders to vote by electronic means, and that this facility is accessible to all shareholders, if it is to call general meetings on 14 days' notice. Short notice of this kind will be used by the Board only under appropriate circumstances.

Continuation vote

The Articles of Association require that an ordinary resolution be proposed at every fifth AGM of the Company that the Company should continue as an investment trust for a further five-year period. In accordance with the Articles of Association, the initial vote for the continuation of the Company will be proposed at the AGM to be held in 2026. In the event that such a resolution is not passed, the Directors are required to draw up proposals for shareholders' approval for the reconstruction or reorganisation of the Company, which would require a special resolution of shareholders.

Management

The Board

The independent Board is responsible to Shareholders for the overall management of the Company. The Board has adopted a Schedule of Matters Reserved for the Board which sets out the division of responsibilities between the Board and its various committees, the Chairman and the Chairmen of the various committees, together with the duties of the Board, further details can be found on pages 51 and 52.

Through the Committees and the use of external independent advisers, the Board manages risk and governance of the Company.

Appointment of Board Members

The rules concerning the appointment of Directors are contained in the Company's Articles of Association which require that a Director shall be subject to election at the first AGM after appointment and annual re-election thereafter. Further details of the Board's process for the appointment of Board members can be found on page 52.

Alternative Investment Fund Manager ("AIFM")

FundRock Management Company (Guernsey) Limited has been appointed as the Company's and Limited Partnership's AIFM. The AIFM has delegated the provision of portfolio management services to the Investment Adviser pursuant to the Investment Adviser Agreement.

The AIFM Agreement shall continue in force until terminated by either the AIFM or the Company by giving to the other no less than six months' prior written notice, provided that such notice may not be served earlier than the date being twelve months from the date of the AIFM Agreement. The AIFM Agreement may be terminated earlier by either party with immediate effect in certain circumstances, including, if the other party shall go into liquidation or an order shall be made or a resolution shall be passed to put the other party into liquidation or the other party has committed a material breach of any obligation the AIFM Agreement, and in the case of a breach which is capable of remedy fails to remedy it within 30 days. Details of the fee the AIFM is entitled to receive are given in note 14 to the Financial Statements.

The AIFM shall maintain, at its cost, professional indemnity insurance to cover any professional liability which it may incur under the AIFM Agreement, with a limit not less than £5,000,000. The Company has granted to the AIFM and certain other indemnified parties, a customary indemnity against losses which may arise in relation to the AIFM's performance of its duties under the AIFM Agreement.

The Board confirms that it has reviewed whether to retain FundRock Management Company (Guernsey) Limited as the AIFM of the Company. It has been concluded that it is in the best interests of shareholders as a whole to continue with the AIFM's engagement.

Investment Adviser

The AIFM has appointed HydrogenOne Capital LLP as the Investment Adviser. The Investment Adviser has been given responsibility for investment advisory services in respect of any Private Hydrogen Assets the Company invests in directly or indirectly through holding entities and the Listed Hydrogen Assets (including uninvested cash) in accordance with the Company's investment policy, subject to the overall control and supervision of the AIFM. Details of the Investment Advisory fees are given in note 6 to the Financial Statements. As at 31 December 2024, Dr JJ Traynor held 100,000 Ordinary Shares and Mr Richard Hulf held 100,000 Ordinary Shares in the Company.

The Limited Partnership has entered into a Limited Partnership Investment Adviser Agreement dated 5 July 2021 and as amended on 26 November 2021 (the "Limited Partnership Investment Adviser Agreement") between the General Partner (in its capacity as general partner of the Limited Partnership), the AIFM and the Investment Adviser, pursuant to which the Investment Adviser has been given responsibility for investment advisory services in respect of the Private Hydrogen Assets in accordance with the investment policy of the Limited Partnership, subject to the overall control and supervision of the AIFM.

The Investment Adviser Agreements are for an initial term of four years from the date of Admission and thereafter subject to termination on not less than twelve months' written notice by any party. The Investment Adviser Agreements can be terminated at any time in the event of, inter alia, the insolvency of the Company, the AIFM or the Investment Adviser or if certain key members of the Investment Adviser's team cease to be involved in the provision of services to the Company and are not replaced by individuals satisfactory to the Company (acting reasonably).

The Company and the Limited Partnership have given an indemnity in favour of the Investment Adviser (subject to customary exceptions) in respect of the Investment Adviser's potential losses in carrying on its responsibilities under the Investment Adviser Agreement.

The Board confirms that it has reviewed whether to retain HydrogenOne Capital LLP as the Investment Adviser of the Company and the Limited Partnership. It has been concluded that, given the Investment Adviser's depth of knowledge in the sector and the recent growth and performance record of the Company, it is in the best interests of shareholders as a whole to continue with the Investment Adviser's engagement.

Alternative Investment Fund Portfolio Managers' Directive ("AIFMD")

In accordance with the AIFMD, the AIFM must ensure that an annual report containing certain information on the Company is made available to investors for each financial year. The investment funds sourcebook of the FCA (the "Sourcebook") details the requirements of the annual report. All the information required by those rules are included in this Annual Report or will be made available on the Company's website.

Company Secretary and Administrator

Apex Listed Companies Services (UK) Limited has been appointed to provide company secretarial and administration services to the Company.

Custodian

Throughout the year, The Northern Trust Company acted as the Company's custodian for the Listed Hydrogen Assets, as the Company no longer holds listed assets the Company has now terminated this contract.

Registrar

Computershare Investor Services plc has been appointed as the Company's registrar.

Continuing appointment of service providers

The Board has committed to undertake a detailed review of the continued appointment of these service providers on an annual basis to ensure these are in the best long term interests of the Company's Shareholders and undertook a comprehensive service provider review during the year ended 31 December 2024, concluding it was in the best interest of shareholders to continue to engage the services of the Company's appointed service providers.

Capital structure and voting rights

At the year end and to the date of this report, the Company's issued share capital comprised 128,819,999 Ordinary Shares, with no Ordinary Shares held in treasury. Each Ordinary Share held entitles the holder to one vote. All Ordinary Shares carry equal voting rights and there are no restrictions on those voting rights. Voting deadlines are stated in the Notice of Meeting and Form of Proxy and are in accordance with the Companies Act 2006. There are no restrictions on the transfer of Ordinary Shares, nor are there any limitations or special rights associated with the Ordinary Shares.

Notifiable interest

As at 31 December 2024 and 29 April 2025, the Directors have been formally notified of the following shareholdings comprising 3% or more of the issued share capital of the Company.

Company	Holding of Ordinary Shares – As at 31 December 2024	% Holding – As at 31 December 2024	Holding of Ordinary Shares – As at 29 April 2025	% Holding – As at 29 April 2025
INEOS Offshore BCS Limited	25,000,000	19.40	25,000,000	19.40
Rathbones Investment Management Ltd	12,878,603	9.99	12,878,603	9.99
City of Bradford - West Yorkshire Pension Fund	9,028,000	7.01	9,028,000	7.01
Stichting Juridisch Eigendom Privium Sustainable Impact Fund	6,040,000	4.69	6,040,000	4.69
FS Wealth Management Limited	3,670,000	3.42	3,670,000	3.42

Directors' Report

Political donations

There were no political donations made during the financial year to 31 December 2024.

Disclosure required by listing rule UKLR 6.6.1

The above rule requires listed companies to report certain information in a single identifiable section of their annual financial reports. The Company confirms that, other than the allotment of equity securities for cash (UKLR 6.6.1(6)) which is detailed in note 11 to the Financial Statements, all such reporting applied only to non-applicable events for the year ended 31 December 2024.

Future trends

Details of the main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Investment Adviser's Report section of this Strategic Report. Further details as to the risks affecting the Company are set out in the 'Principal Risks and Uncertainties' on pages 41 to 43.

Directors' indemnities

Subject to the provisions of the Companies Act 2006 and certain provisions contained in the deeds of indemnity issued by the Company, the Company has indemnified each of the Directors against all liabilities which each Director may suffer or incur arising out of or in connection with any claim made or proceedings taken against them, or any application made under sections 661(3), 661(4) or 1157 of the Companies Act 2006 by them, on the grounds of their negligence, default, breach of duty or breach of trust, in relation to the Company or any associated company. The indemnities would provide financial support from the Company after the level of cover provided by the Company's Directors' and Officers' insurance policy has been fully utilised.

Going concern

The Directors have considered the going concern position of the Company and recognise the current financial position of the Company. The actions being taken by the Board and the Investment Adviser as set out in the Viability Statement and Note 2 Basis of Preparation in the Financial Statements have been considered and the Directors believe that together they will improve the financial position of the Company.

The Directors consider that the cash position and outlook mean that there are material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The Company's strategy has been set to address this. Further cost savings are anticipated in 2025. The Company continues to seek both secondary sales of parts of its portfolio, and full exits from portfolio. The Company continues to monitor opportunities for a fresh equity raise, although the discount of the share price to the NAV may prevent this. In addition the Company is engaged with lenders to potentially access debt for the fund. The Board and the Investment Adviser are considering a wide range of options, with urgency, to deliver shareholder value, with confidential discussions underway with third parties.

Please refer to Note 2 Basis of Preparation in the Financial Statements for further details on these plans.

Auditor information

Each of the Directors at the date of the approval of this report confirms that:

(i) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(ii) the Director has taken all steps that he or she ought to have taken as Director to make himself or herself aware of any relevant information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Appointment of auditor

In accordance with Section 489 of the Companies Act 2006, a resolution will be put forward at the forthcoming AGM on 27 June 2025 to re-appoint KPMG Channel Islands Limited ("KPMG") as auditor.

By order of the Board

Helen J Coyne
For and on behalf of
Apex Listed Companies Services (UK) Limited
Company Secretary

29 April 2025

Corporate Governance

Introduction

This Corporate Governance statement forms part of the Directors' Report.

The Listing Rules and the Disclosure Guidance and Transparency Rules of the UK Listing Authority require listed companies to disclose how they have applied the principles and complied with the provisions of The UK Corporate Governance Code 2018 (the "UK Code"), as issued by the Financial Reporting Council ("FRC"). The UK Code can be viewed on the FRC's website.

The Board has considered the principles and provisions of the AIC Code of Corporate Governance 2019 (the "AIC Code") which addresses those set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company, as an investment trust.

The Board considers that reporting against the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders. The AIC Code is available on the AIC website (www. theaic. co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive (provision 14);
- the need for an internal audit function (provision 25); and
- executive Directors' remuneration (provision 33).

The Board considers these provisions are not relevant to the Company, being an externally managed investment company with no employees. The Company has therefore not reported further in respect of these provisions, other than the need for an internal audit function specific to the Company, which has been addressed on page 60.

The Board

Composition

At the date of this report the Board consists of four Non-Executive Directors. The Chairman is Simon Hogan, and the Directors are Afkenel Schipstra, Abigail Rotheroe and Erik Magnesen. David Bucknall served throughout the year and on 21 March 2025, stepped down and was replaced by Erik Magnesen. Simon Hogan, and Afkenel Schipstra were appointed as Non-Executive Directors 22 May 2021, Abigail Rotheroe 8 February 2022 and Erik Magnesen 21 March 2025.

Due to the size and nature of the Company's business, the Board has not deemed it necessary to appoint a Senior Independent Director as the role can be performed by the Board as a whole.

The Board believes that during the year ended 31 December 2024 its composition was appropriate for an investment company of the Company's nature and size. All of the Directors are independent of the Investment Adviser and are able to allocate sufficient time to the Company to discharge their responsibilities effectively.

The Directors have a broad range of relevant experience to meet the Company's requirements and their biographies are provided on page 46.

In accordance with the Co-Investment Agreement between INEOS Energy and the Company, Mr Bucknall throughout the year and now Mr Magnesen have recused themselves from any decision relating to a transaction by the Company or any member of the Group with INEOS Energy or any of its Associates. The Board has noted the inference of the provisions in the AIC Code that Non-Executive Directors who represent a significant shareholder should be presumed not to be independent. However, it is the Board's assessment that the provisions in place to manage actual or potential situational conflicts of interest are sufficiently robust and always promote the success of the Company. The Board has concluded that during the year, Mr Bucknall demonstrated independence of character and judgement. His skills and experience have added significantly to the strength of the Board and his continued service has been invaluable to the long-term success of the Company. The Board believe that Mr Magnesen will be a great addition to the Board and will provide the same independence of character and judgement.

In line with the AIC Code and the Articles of Association, each Director is subject to election at the first AGM following their appointment and annual re-election thereafter by shareholders. The Board recommends all the Directors for election or re-election.

The Directors have appointment letters which do not provide for any specific term. Copies of the Directors' appointment letters are available on request from the Company Secretary. Upon joining the Board, any new Director will receive an induction and relevant training is available to Directors on an ongoing basis.

A policy of insurance against Directors' and Officers' liabilities is maintained by the Company.

The Directors, in the furtherance of their duties, may take independent professional advice at the expense of the Company.

Corporate Governance

Board Committees

The Board decides upon the membership and chairmanship of its committees. Each Committee has adopted formal terms of reference, which are reviewed at least annually, and copies of these are available on the Company's website or on request from the Company Secretary. As the Board is small and comprises of only non-executive Directors, Simon Hogan, Afkenel Schipstra and Abigail Rotheroe are members of each of the Board Committees. Erik Magnesen and David Bucknall throughout the year are invited to attend.

Audit and Risk Committee

A report on pages 59 and 60 provides details of the role and composition of the Audit and Risk Committee together with a description of the work of the Audit and Risk Committee in discharging its responsibilities.

Remuneration Committee

Abigail Rotheroe is the Chairman. The Remuneration Committee has been established to meet formally on at least an annual basis to review the remuneration policy of the Company and consider the fees of the Non-Executive Directors.

The Directors' Remuneration Implementation Report is included on pages 56 and 58.

Management Engagement Committee ("MEC")

Abigail Rotheroe is the Chairman. The MEC has been established to conduct a formal annual review of the AIFM and the Investment Adviser, assessing investment and other performance, the level and method of their remuneration and the continued appointment of them as AIFM and Investment Adviser to the Company. The MEC met and reviewed the AIFM and Investment Adviser's performance and remuneration structure. In conclusion the Committee's recommendation to the Board was that it was in the best interests of shareholders as a whole to continue with their engagements and that the current management fee structure remained appropriate. (See page 56 for further details).

During the year, the MEC also conducted an annual detailed service review of the main service providers to the Company and concluded that their continued appointment remained in the best interest of shareholders.

Nomination Committee

Simon Hogan is the Chairman. The Nomination Committee has been established for the purpose of identifying and putting forward candidates for the office of Director of the Company. The Nomination Committee considers job specifications and assesses whether candidates have the necessary skills and time available to devote to the job. It also undertakes an annual performance evaluation of the Board. An evaluation requiring the Directors to complete detailed questionnaires on the operation of the Board, its committees and the individual contribution of Directors as well as the performance of the Chairman was undertaken during the year. The results of the evaluation were reviewed by the Chairman and discussed with the Board. Based upon the conclusions of the most recent performance evaluation, which were positive and demonstrated that the Directors showed the necessary commitment for the effective fulfilment of their duties, the Committee recommended that each of the Directors be re-elected or elected at the forthcoming AGM.

The Board succession plan is reviewed and maintained through the Nomination Committee to promote regular refreshment and diversity, whilst maintaining stability and continuity of skills and knowledge on the Board.

Valuation Committee

Afkenel Schipstra is the Chairman. The Valuation Committee has been established to meet formally on at least a quarterly basis to formulate valuation policies for investments of the Company, consider whether independent valuation of the portfolio is required and approve the valuations or valuation methodology of the Private and Listed Hydrogen Assets. A summary of the valuation of the Company's investment portfolio is given on page 22.

Meeting attendance

	Board	Audit and Risk Committee	Remuneration Committee	Management Engagement Committee	Nomination Committee	Valuation Committee
Number of meetings held in 2024	7	4	1	1	1	4
Simon Hogan	7	4	1	1	1	4
Afkenel Schipstra	7	4	1	1	1	4
Abigail Rotheroe	7	4	1	1	1	4
David Bucknall[1]	6	4	1	1	1	3
Erik Magnesen[1]	–	–	–	–	–	–

1. *David Bucknall and Erik Magnesen who replaced David Bucknall on 21 March 2025 are not members of the committees of the Board but attend by invitation. David Bucknall was unable to attend one Board meeting during the year due to prior commitments.*

In addition, a number of ad hoc Board and committee meetings were held to deal with administrative matters and the formal approval of documents.

Board diversity

Appointments are based on merit with due regard to the benefits of diversity. The Board considers many factors, including the balance of skills, knowledge, experience, gender, ethnicity, cognitive and personal strengths when reviewing its composition and appointing new Directors. The aim of the policy is to identify those with the best range of skills and experience to complement existing Directors in order to provide effective oversight of the Company and constructive support and challenge to the Investment Adviser. Summary biographical details of the Directors, including their relevant experience, are set out on page 46.

The Board currently comprises four Non-Executive Directors of which two are female thereby constituting 50% female representation and complies with the Hampton Alexander target of 33% female membership. However, although the Board has considered the recommendations of the Davies and Hampton-Alexander reviews as well as the Parker review, it does not consider it appropriate to establish targets or quotas in these regards. The Company has no employees.

The Board take account of the targets set out in the FCA's Listing Rules, that i) 40% of a board should be women, ii) at least one senior role should be held by a woman; and iii) at least one board member should be from a non-white ethnic background as defined by the Office of National Statistics criteria. The Board voluntarily discloses the following information in relation to its diversity. As an externally managed investment company, the Board employs no executive staff and therefore does not have a chief executive officer (CEO) or a chief financial officer (CFO)- both of which are deemed senior board positions by the FCA. However, the Board considers the Chair of the Audit and Risk Committee to be a senior board position and the following disclosure is made on this basis. The other applicable senior board position as recognised by the FCA is Chair of the Board. In addition, the Board has resolved that the Company's year end date be the most appropriate date for disclosure purposes. The following information has been provided by each Director. There have been no changes since 31 December 2024.

Board as at 31 December 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	2	50	1
Women	2	50	1
Prefer not to say	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or Other White (including minority-white groups)	4	100	2
Prefer not to say	–	–	–

The Company has met the Listing Rule targets i and ii in respect of Gender equality but has not yet met the target on ethnic diversity. The Board recognises the benefits of having diverse representation reflecting wider society within the Board and is committed to ensuring that its composition reflects ethnic diversity, and it is looking to make meaningful progress on this front when appropriate and as part of its succession planning. Due to the nature and size of the Company, the Board comprises of four directors. The Board considers this to be the principal reason why the Listing Rule target has not been met.

Tenure policy

It is the Board's policy that all Directors, including the Chairman, shall normally have tenure limited to nine years from their appointment to the Board, except that the Board may determine otherwise if it is considered that the continued participation on the Board of an individual Director is in the best interests of the Company and its shareholders. This is also subject to the Director's re-election annually by shareholders. The Board considers that this policy encourages regular refreshment and is conducive to fostering diversity.

Internal control

The Board is responsible for establishing the Company's system of internal controls and for monitoring their effectiveness. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can provide only reasonable assurance against material misstatement or loss. The Board, through the Audit and Risk Committee, regularly reviews the effectiveness of the internal control systems to identify, evaluate and manage the Company's significant risks. If any significant failings or weaknesses are identified the Board, and where required the Investment Adviser, ensure that necessary action is taken to remedy the failings. Taking into account the principal risks and uncertainties section on pages 41 to 43 during the year, the Board – through the Audit and Risk Committee – established the Company's risk management framework and controls. This identified a detailed number of risks facing the Company and resulted in enhanced risk documentation and reporting to the Board and Audit and Risk Committee. Following its review, the Board is not aware of any significant failings or weaknesses arising in the year under review.

Corporate Governance

The Board believes that the existing arrangements, including those set out below, represent an appropriate framework to meet the internal control requirements. By these procedures the Directors have kept under review the effectiveness of the internal control system throughout the year and up to the date of this report.

Financial aspects of internal control

These are detailed in the Report of the Audit and Risk Committee.

Other aspects of internal control

The Board holds at least four regular meetings each year, plus additional meetings as required. Between these meetings there is regular contact with the Investment Adviser and the Company's Administrator and Company Secretary.

The Administrator, Apex Listed Companies Services (UK) Limited reports separately in writing to the Board concerning risks and internal control matters within its remit, including internal financial control procedures and company secretarial matters. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The contact with the Investment Adviser, the AIFM and the Administrator enable the Board to monitor the Company's progress towards its objectives and encompass an analysis of the risks involved. The effectiveness of the Company's risk management and internal controls systems is monitored regularly and a formal review, utilising a detailed risk assessment programme, takes place at least annually. This includes review of the internal controls reports of the Administrator, the AIFM and the Registrar.

Principal risks

The Directors confirm that they have carried out a robust assessment of the Company's emerging and principal risks, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and how they are being managed are set out in the Strategic Report on pages 41 to 43.

Directors' Remuneration Policy

The remuneration policy (the "Policy") must be put forward for shareholder approval at its first AGM and thereafter at a maximum interval of three years. The Policy was last approved by shareholders at the AGM held on 24 May 2022 and will be submitted for shareholder approval at the forthcoming Annual General Meeting to be held on 27 June 2025. The provisions set out in the Policy apply until they are next submitted for shareholder approval. In the event of any proposed material variation to the Policy, shareholder approval will be sought for the proposed new policy prior to its implementation. The Policy sets out the principles the Company follows in remunerating Directors and the result of the shareholder vote on the Policy is binding on the Company. The Remuneration Committee will take account of any views expressed by shareholders in formulating this policy.

All the Directors are Non-Executive Directors, and the Company has no other employees.

Service contracts

The Directors do not have service contracts with the Company. The Directors have appointment letters and following initial election by shareholders, are subject to annual re-election.

Fees

Directors' fees are determined by the Board according to their duties and responsibilities and by reference to the time commitment required by each Director to carry out their roles effectively. In setting fees, the Board also has regard to the need to recruit and retain Directors with appropriate knowledge and experience, the fees paid to Directors of the Company's peers and industry practice. Directors' fees are also subject to the aggregate annual limit set out in the Company's Articles of Association (the "Articles"), which is £300,000. The aggregate limit of Directors' fees in the Articles can only be amended by an ordinary resolution put to shareholders at a general meeting.

Directors are not eligible for bonuses, pension benefits, share benefits, share options, long-term incentive schemes or other benefits.

Directors' fees are paid at fixed annual rates and do not have any variable elements. Directors are also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in performance of their duties. These expenses are unlikely to be of a significant amount.

Fees are payable from the date of appointment as a Director of the Company and cease on the date of termination of appointment. Any new Directors will be paid at the same rate as existing Directors. Directors are not entitled to compensation for loss of office, and there is no notice period upon early termination of appointment.

No incentive fees will be paid to any person to encourage them to become a Director of the Company. The Company may, however, pay fees to external agencies to assist the Board in the search and selection of Directors or in reviewing remuneration. Where a consultant is appointed, the consultant shall be identified in the Annual Report alongside a statement about any other connection it has with the Company or individual Directors. No consultants were appointed during the year. Independent judgement will be exercised when evaluating the advice of external third parties.

Statement of consideration of conditions elsewhere in the Company

As stated above, the Company has no employees. Therefore, the process of consulting with employees on the setting of the Remuneration Policy is not applicable.

Review of the Policy

This Policy will be reviewed on an annual basis by the Remuneration Committee and any changes approved by the Board. As part of the review, the Remuneration Committee will consider whether the Policy supports the long-term success of the Company and takes into consideration all relevant regulatory requirements.

Any material change to the Policy must be approved by shareholders.

Effective date

The Policy is effective from the date of approval by shareholders.

Current and future policy

Component	Director	Purpose of reward	Operation
Annual fee	Chair of the Board	For services as Chairman of a plc	Determined by the Board
Annual fee	Other Directors	For services as Non-Executive Directors of a plc	Determined by the Board
Additional fee	Chair of the Audit and Risk Committee	For additional responsibility and time commitment	Determined by the Board
Expenses	All Directors	Reimbursement of expenses incurred in the performance of duties	Submission of appropriate supporting documentation

Directors' Remuneration Implementation Report

This Directors' Remuneration Implementation Report ("the Report") has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulation 2013. An ordinary resolution for the approval of this Report will be put forward at the forthcoming AGM.

The Report is put forward for approval by shareholders on an annual basis. The result of the shareholder resolution on the Report is non-binding on the Company, although it gives shareholders an opportunity to express their views, which will be taken into account by the Board and the Remuneration Committee.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures are audited, they are indicated as such. The auditor's opinion is shown on pages 62 to 68.

Remuneration Committee

The Company currently has four (2023: four) Non-Executive Directors.

In accordance with clause 5 of the Relationship and Co-Investment Agreement, INEOS Energy is entitled to nominate one Non-Executive Director for appointment to the Board. Erik Magnesen has been nominated for this purpose, and as set out in his appointment letter, is not remunerated for his role as a Non-Executive Director.

During the year, the annual fee payable to the Chair of the Board was £68,250, the Chair of the Audit and Risk and Valuation Committees, £57,750 and Chair of the Management Engagement and Remuneration Committees, £47,250. The Remuneration Committee reviewed the level of Directors' fees and recommended to the Board that no change should be made to the rate of fees paid to Directors.

The Remuneration Committee believes that the level of fees appropriately reflects prevailing market rates for an investment trust of the Company's complexity and size, the increasing complexity of regulation and resultant time spent by the Directors on matters and will also enable the Company to attract appropriately experienced additional Directors in the future.

The annual fees of the Directors from 1 January 2024 are as follows:

Name	Role	Fee
Simon Hogan	Chair	£68,250
Afkenel Schipstra	Chair of the Audit and Risk and Valuation Committees	£57,750
Abigail Rotheroe	Chair of the Remuneration and Management Engagement Committee	£47,250
David Bucknall	Non-Executive Director	–
Erik Magnesen	Non-Executive Director	–

The Remuneration Committee comprises the whole Board with the exception of Mr Magnesen and Mr Bucknall throughout the year. Further detail on the duties of the Remuneration Committee can be found in the Corporate Governance statement on page 52.

The maximum level of fees payable, in aggregate, to the Directors of the Company is £300,000 per annum as set out in the Company's Articles of Association.

Directors' appointment letters and shareholding rights

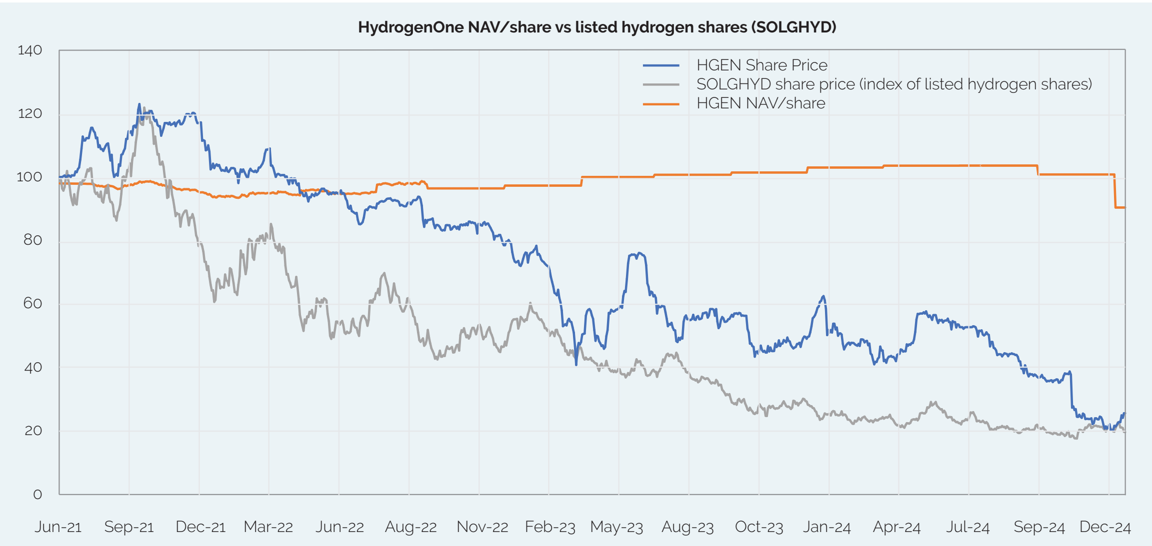
The Directors have appointment letters which do not provide for any specific term. The Directors are not entitled to compensation on loss of office. There are no restrictions on transfers of the Company's Ordinary Shares held by the Directors, or any special rights attached to such shares.

Performance

The chart below shows the performance of the Company's share price by comparison to the Solactive Hydrogen Economy Index on a total return basis. The Company does not have a specific benchmark but has deemed the Solactive Hydrogen Economy Index to be the most appropriate as at least 60% of the companies included in the index generate 100% of their revenue from clean Hydrogen.

Total return performance

HGEN Share Price vs NAV from date of listing to 31 December 2024



HydrogenOne NAV/share vs listed hydrogen shares (SOLGHYD)

Directors' emoluments for the year (Audited)

The Directors who served during the year received the following remuneration for qualifying services, commencing from the date of their appointment. The comparative period is for the year to the 31 December 2023.

	2024			2023		
	Fees £	Taxable benefits £	Total £	Fees £	Taxable benefits £	Total £
Simon Hogan	68,250	–	68,250	68,250	–	68,250
David Bucknall[1]	–	–	–	–	–	–
Abigail Rotheroe[2]	47,250	–	47,250	47,250	–	47,250
Afkenel Schipstra[3]	57,750	8,221	65,971	57,750	4,856	62,606
Erik Magnesen[4]	–	–	–	–	–	–
Total	173,250	8,221	181,471	173,250	4,856	178,106

1. *Mr Bucknall is not remunerated for his services and resigned on 21 March 2025.*
2. *Appointed Chair of the Remuneration and Management Engagement Committees 7 April 2022.*
3. *Appointed Chair of the Audit and Risk and Valuation Committees 7 April 2022.*
4. *Appointed 21 March 2025, he is not remunerated for his services.*

There are no other taxable benefits payable by the Company other than certain expenses which may be deemed to be taxable such as travel expenses. None of the above fees were paid to third parties.

Directors' Remuneration Implementation Report

Annual percentage change in Directors' remuneration (unaudited)

The following table sets out the annual percentage change in Directors' fees for the last four years. Directors' fees were unchanged in the period from inception to 31 December 2021.

	% change from 2023 to 2024	% change from 2022 to 2023	% change from 2021 to 2022
Simon Hogan	–	5.0	72.8
David Bucknall[1]	–	–	–
Abigail Rotheroe[2]	–	5.0	–
Afkenel Schipstra[3]	–	10.5	89.2

1. *Mr Bucknall is not remunerated for his services and resigned on 21 March 2025.*
2. *Appointed Chair of the Remuneration and Management Engagement Committees 7 April 2022.*
3. *Appointed Chair of the Audit and Risk and Valuation Committees 7 April 2022.*

The resolution to approve the Remuneration Report contained in the Annual Report for the year ended 31 December 2023 was put forward at the AGM held on 21 May 2024. The resolution was passed with 99.22% of the shares voted (representing 56,290,981 ordinary shares) being in favour of the resolution, 0.76% against (representing 433,107 ordinary shares) and 148,028 votes withheld.

The Directors' Remuneration Policy was last put forward at the AGM held on 24 May 2022. The resolution was passed with 99.57% of the shares voted (representing 51,494,420 ordinary shares) being in favour, against 0.43% (representing 221,876 ordinary shares) and votes withheld 151,656.

Relative importance of spend on pay

The following table sets out the total level of Directors' remuneration compared to the distributions to shareholders by way of dividends and share buyback.

	2024 £'000	2023 £'000
Spend on Directors' fees	181	173
Distribution paid to shareholders	–	–

The disclosure of the information in the table above is required under The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 with the exception of management fees and other expenses which have been included to show the total operating expenses of the Company.

Directors' holdings (Audited)

At 31 December 2024 and at the date of this report the Directors had the following holdings in the Company. All holdings were beneficially owned.

	Ordinary Shares at 31 Dec 2024	Ordinary Shares at 29 April 2025
Simon Hogan	40,000	40,000
David Bucknall	–	–
Erik Magnesen	–	–
Abigail Rotheroe	10,000	10,000
Afkenel Schipstra	10,100	10,100

There have been no purchases of shares by any of the other Directors since the year end.

Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Remuneration Report and Remuneration Policy summarises, as applicable, for the year to 31 December 2024:

1. the major decisions on Directors' remuneration;
2. any substantial changes relating to Directors' remuneration made during the year; and
3. the context in which the changes occurred, and decisions have been taken.

Abigail Rotheroe
Chair of the Remuneration Committee

29 April 2025

Report of the Audit and Risk Committee

As Chairman of the Audit and Risk Committee (the "Committee"), I am pleased to present the Committee's report to shareholders for the year ended 31 December 2024.

The Audit and Risk Committee

Composition

Afkenel Schipstra is the Chairman of the Audit and Risk Committee. In accordance with the UK Code, the Chairman of the Board should not be a member. However, the AIC Code permits the Chairman of the Board to be a member of but not chair the Committee if they were independent on appointment – which the Chairman was and continues to be. In view of the size of the Board, the Directors feel it is appropriate for him to continue as a member, so that the Committee can continue to benefit from his experience and knowledge.

The members of the Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee. The Committee considers that at least one of its members has recent and relevant financial experience and competence relevant to the sector in which the Company operates.

Role and responsibilities

The main role and responsibilities of the Committee are set out in the Committee's terms of reference. The terms are updated annually and are available on the Company's website or on request from the Company Secretary.

The Committee meets formally at least twice a year for the purpose, amongst other things, of advising the Board on the appointment, effectiveness, independence, objectivity and remuneration of the external auditor. The Committee monitors the integrity of the Financial Statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them. The Committee also reviews the Company's risk management, internal financial controls and internal control systems and reviews the Investment Adviser's whistleblowing arrangements. The provision of non-audit services by the auditor are reviewed against the Committee's policy described overleaf.

Meetings

There were four Committee meetings during the year ended 31 December 2024. In addition, the Committee met the auditor, without any other party present, for a private discussion and the Chairman of the Committee met with the auditor prior to the Audit Committee meeting held in April 2025.

Financial statements and significant accounting matters

The Committee reviewed the Financial Statements and considered the following significant accounting matters in relation to the Company's Financial Statements for the year ended 31 December 2024.

Valuation of Private Hydrogen Assets investments

The Company's investment through the Limited Partnership as at 31 December 2024 was £113,489,979 representing a substantial portion of the Company's net assets and as such is the biggest factor in relation to the accuracy of the Financial Statements. The valuation of the Company's Private Hydrogen Assets held through the Limited Partnership is the most material matter in the production of the Financial Statements.

The Board has appointed a Valuation Committee which sets out the valuation policies and process. The Committee met four times during the year to review the valuations at each quarter end date. The process includes considering and approving valuations or valuation methodology made by the Investment Adviser and provided to the AIFM, using fair market valuations of the Listed and Private Hydrogen Assets on a quarterly basis as at 31 March, 30 June, 30 September and 31 December each year. The valuation principles used to calculate the fair value of the Private Hydrogen Assets are based on IPEV Guidelines.

For Private Hydrogen Assets, as the Company typically invests in early stage, pre or early revenue investments, a number of valuation methodologies in line with IPEV Guidelines have been considered and employed to value the investments including Discounted Cash Flow and Price of Recent Investment. The Valuation Committee reviewed and approved the appropriateness of the valuation methodology employed and the assumptions and made in the calculation of the fair value of each of the Private Hydrogen Assets. Details of the valuation methodology and assumptions used for each of the Private Hydrogen Assets as at 31 December 2024 are given in note 3 to the Financial Statements.

The Audit and Risk Committee reviewed, along with the Valuation Committee, the procedures in place for ensuring the appropriate valuation of investments and approved the valuation of the Company's Private Hydrogen Assets at the year end with the Investment Adviser and AIFM.

Going concern

Preparation of the Financial Statements on a going concern basis and the company viability is the other material matter in the production of the Financial Statements. The Audit and Risk Committee consider the financial situation of the Company at each Committee meeting and review all actions being taken to address the current situation. The Committee reviews the going concern assessment for the Company and long-term viability of it.

The Committee has considered the financial situation of the Company and agree with the plans being undertaken by the Board and Investment Adviser to improve the cash position and outlook of the Company. The Committee also notes the material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Report of the Audit and Risk Committee

Emerging risks

The Committee considered the risks and economic impacts including higher inflation and interest rates arising from the Russian invasion of Ukraine and war in the Middle East, on the Company's ability to continue in operation and impact on the Company's portfolio and concluded that these had been properly reflected in the portfolio companies valuations and the Company's Financial Statements.

As part of the annual report review, the Committee:

- obtained assurances from the Investment Adviser and the Administrator that the Financial Statements had been prepared appropriately;
- reviewed the consistency of, and any changes to, accounting policies;
- reviewed the tax compliance of the Company during the year with the eligibility conditions and ongoing requirements in order for investment trust status to be maintained;
- reviewed the Company's financial resources and concluded that it is appropriate for the Company's Financial Statements to be prepared on a going concern basis with material uncertainty as described in the Directors' Report on page 50;
- considered the risk to the Company from economic conditions such as higher interest rates and inflationary pressures and market volatility arising from the ongoing wars in Ukraine and the Middle East. The Board and the Investment Adviser have reviewed the investment portfolio and identified limited direct impact on the portfolio but continue to monitor any impact to the Company, the Group, its investee companies and overall valuations; and
- concluded that the Annual Report for the year ended 31 December 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Committee reached this conclusion through a process of review of the document and enquiries to the various parties involved in the production of the Annual Report.

The Committee reported the results of this work, including its assessment that the Annual Report is fair, balanced and understandable, to the Board.

External auditor

This year's audit was the fourth conducted by KPMG Channel Islands Limited ("KPMG") and by David Alexander as audit Director, since KPMG was selected as the Company's auditor at the Company's launch and formal appointment on 15 June 2021. The appointment of the auditor is reviewed annually by the Audit and Risk Committee and the Board and is subject to approval by Shareholders. In accordance with the FRC guidance, the audit will be put out to tender within ten years of the initial appointment of KPMG. Additionally, the audit Director must be rotated every five years and is next eligible for rotation in 2026.

Effectiveness of audit

The Committee reviewed the audit planning and the standing, skills and experience of the firm and the audit team. The Committee also considered the independence of KPMG and the objectivity of the audit process. KPMG has confirmed that it is independent of the Company and has complied with relevant auditing standards. No modifications were required to the external audit approach. The Audit Plan was presented to the Audit and Risk Committee at its November 2024 Committee meeting, ahead of the commencement of the Company's year end audit. The Audit Plan set out the audit process, materiality scope and significant risks. A presentation of the results of the audit following completion of the main audit testing was provided at the April 2025 meeting. Additionally, the Committee received feedback from the Investment Adviser and Administrator regarding the effectiveness of the external audit process.

The Committee is satisfied that KPMG has provided effective independent challenge in carrying out its responsibilities. After due consideration, the Committee recommended the reappointment of KPMG and a resolution will be put forward to the Company's shareholders at the 2025 AGM.

Provision of non-audit services

The Committee has put in place a policy on the supply of any non-audit services provided by the external auditor. Non-audit services are considered on a case-by-case basis and may only be provided to the Company if such services meet the requirements of the FRC's Revised Ethical Standard 2024, including: at a reasonable and competitive cost; do not constitute a conflict of interest for the auditor; and all non-audit services must be approved in advance. No non-audit services were provided to the Company during the year to 31 December 2024.

Internal audit

The Audit and Risk Committee has considered the need for an internal audit function and considers that this is not appropriate given the nature and circumstances of the Company as an externally managed investment company with external service providers. The Audit and Risk Committee keeps the need for an internal audit function under periodic review.

Afkenel Schipstra
Audit and Risk Committee Chairman

29 April 2025

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Parent Company Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Group and Parent Company Financial Statements for each financial year. Under that law they are required to prepare the Group Financial Statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company Financial Statements on the same basis.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that year. In preparing each of the Group and Parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates which are reasonable relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual report

The Directors each confirm to the best of their knowledge that:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

For and on behalf of the Board

Simon Hogan
Chairman

29 April 2025

Independent auditor's report

to the members of HydrogenOne Capital Growth plc

Our opinion is unmodified

We have audited the parent and consolidated financial statements of HydrogenOne Capital Growth plc (the "Company") and its subsidiaries (together, the "Group"), which comprise the parent and consolidated statement of financial position as at 31 December 2024, parent and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying parent and consolidated financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's and the Company's loss for the year then ended;
- are properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the Directors on 15 June 2021. The period of total uninterrupted engagement is for the four financial years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Company and Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Material uncertainty relating to going concern

Key audit matter	The risk	Our response
Going concern Refer to the Report of the of the Audit and Risk Committee (page 59). We draw attention to note 2 to the parent and consolidated financial statements which indicates that the Group's and Company's cashflow forecast demonstrates that the Group and Company must implement cost savings, achieve secondary sales of Private Hydrogen Assets and/or obtain further financing in order to provide sufficient cash to fund the Group's and Company's operating activities over the going concern period. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Our opinion is not modified in this respect.	**Disclosure quality:** The parent and consolidated financial statements explain how the Directors have formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Company. That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group's and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the parent and consolidated financial statements. There is little judgement involved in the Directors' conclusion that risks and circumstances described in note 2 to the parent and consolidated financial statements represent a material uncertainty over the ability of the Group and Company to continue as a going concern for a period of at least a year from the date of approval of the parent and consolidated financial statements. However, clear and full disclosure of the facts and the Directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area. Auditing standards require that to be reported as a key audit matter.	**Our audit procedures included:** **Assessing transparency:** • we considered whether the going concern disclosure in note 2 to the parent and consolidated financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks, dependencies, and related sensitivities. **Our assessment of management's going concern assessment also included:** • we challenged the accuracy of cashflow forecasts by assessing the Group's and Company's track record of forecast versus actual cashflows; • we assessed the cashflow forecast to identify the critical factors in determining whether there is a risk of failure and used our knowledge of these inter-dependencies in an assessment of the severe but plausible downside; • we considered sensitivities over the level of available financial resources indicated by the Group's and Company's financial forecasts taking account of plausible (but not unrealistic) adverse effects that could arise from these risks individually and collectively;

Key audit matter	The risk	Our response
		• we critically assessed key assumptions in the base case and downside scenarios relevant to liquidity by comparing them to evidence of cost savings achieved, recent secondary transactions, and our knowledge of the Group and Company and the sector in which they operate; and • we evaluated the achievability of the actions the Directors consider they would take to improve the liquidity position should the risks materialise, which include implementing cost savings, achieving secondary sales of Private Hydrogen Assets, and/ or obtaining further financing, taking into account the extent to which the directors can control the timing and outcome of these actions. **Our results** We found the going concern disclosure in note 2 with a material uncertainty to be acceptable.

Other key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the parent and consolidated financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. Going concern is a significant key audit matter and is described in the 'Material uncertainty relating to going concern' section of our report. We summarise below the other key audit matters (unchanged from 2023), in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the parent and consolidated financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Key audit matter	The risk	Our response
Valuation of Private Hydrogen Assets held through HydrogenOne Capital Growth Investments (1) LP (the "Limited Partnership") **£113,490,000; (2023 £126,206,000)** Refer to the Report of the of the Audit and Risk Committee (page 59), note 3 (significant accounting policies), note 4 (investments held at fair value through profit or loss) and note 15 (financial instruments and capital disclosures).	**Basis:** The Group and Company's investment in the Limited Partnership is carried at fair value through profit or loss and represents a significant proportion of the Group and Company's net assets. The fair value of the Limited Partnership has been determined as its net asset value, the most significant component of which is its underlying portfolio of non-controlling positions in unquoted hydrogen assets valued at £113,490,000 (2023: £126,206,000) ("Private Hydrogen Assets"). As Private Hydrogen Assets are unquoted and illiquid, their fair values are determined through the application of valuation techniques. The application of valuation techniques requires the exercise of judgements in relation to the selection of the valuation technique employed and the assumptions and data used in their application.	**Our audit procedures included:** **Control evaluation** We assessed the design and implementation of the Valuation Committee's review control in relation to the valuation of Private Hydrogen Assets. **Challenging management's valuation approach** For each of the Private Hydrogen Assets, with the support of our KPMG valuation specialist, we: • held discussions with the Investment Adviser to understand the valuation approach; and • assessed and challenged the appropriateness of the valuation approach and methodology applied for compliance with IPEV.

Independent auditor's report

Key audit matter	The risk	Our response
	For the year ended 31 December 2024, Private Hydrogen Assets are valued, in accordance with the International Private Equity and Venture Capital Valuation 2022 ("IPEV") Guidelines using the approach laid out in the "Valuation of the Limited Partnership" policy on pages 78 to 79, utilising either a discounted cash flow ("DCF") technique; or net assets basis, (each a "Valuation Model"). **Risk:** The valuation of Private Hydrogen Assets is a significant risk area of our audit given that they represent a substantial portion of the Group and Company's net assets, and the selection and application of valuation techniques requires the exercise of judgements. The judgements inherent in the valuation approach may also expose the valuation of Private Hydrogen Assets to management bias. Therefore, there is a risk of material misstatement through error as well as a potential for fraud through possible management bias. We determined that the valuation of Private Hydrogen Assets have a high degree of estimation uncertainty giving rise to a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements disclose in note 4 the sensitivities estimated by the Group and Company.	**Valuation Model integrity, inputs and assumptions:** For each of the Private Hydrogen Assets we: • tested the Valuation Model for mathematical accuracy including but not limited to material formula errors; • corroborated material inputs used in the Valuation Model to supporting documentation; • assessed and challenged the reasonableness of the assumptions applied in the Valuation Model; • with the support of our KPMG valuation specialist, for those valued utilising a DCF technique, benchmarked the discount rate and key macro-economic assumptions applied in the Valuation Model to observable market data and our KPMG valuation specialist's experience in valuing similar investments; and • where relevant, considered market transactions in close proximity to the year-end and assessed their appropriateness as being representative of fair value. **Assessing disclosures:** We considered the appropriateness of the Group and Company's investment valuation policies and the adequacy of the Group and Company's disclosures in relation to the use of estimates and judgements in arriving at fair value. We assessed whether the disclosures around the sensitivities to changes in key assumptions reflect the risks inherent in the valuation of the Private Hydrogen Assets. **Our results** As a result of our procedures, we found the valuation of Private Hydrogen Assets and related disclosures to be acceptable.

Our application of materiality and an overview of the scope of our audit

Materiality for the parent and consolidated financial statements as a whole was set at £2,330,000, determined with reference to a benchmark of net assets of £116,439,000, of which it represents approximately 2.0% (2023: 2.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the parent and consolidated financial statements as a whole. Performance materiality for the Group and the Company was set at 75% (2023: 75%) of materiality for the parent and consolidated financial statements as a whole, which equates to £1,745,000. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £116,500, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Group and Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Going concern basis of preparation

The directors have prepared the parent and consolidated financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the parent and consolidated financial statements (the "going concern period").

An explanation of how we evaluated management's assessment of going concern is set out in the "Material uncertainty relating to going concern" section of our report.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the parent and consolidated financial statements is appropriate; and
- we have nothing material to add or draw attention to in relation to the directors' statement in note 2 to the parent and consolidated financial statements on the use of the going concern basis of accounting, and their identification therein of a material uncertainty that may cast significant doubt over the Group and the Company's use of that basis for the going concern period, and that statement is materially consistent with the parent and consolidated financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Group's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of Private Hydrogen Assets. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group and Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias.

Further detail in respect of valuation of Private Hydrogen Assets is set out in the key audit matter section of this report.

Independent auditor's report

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the parent and consolidated financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Group is subject to laws and regulations that directly affect the parent and consolidated financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the parent and consolidated financial statements, for instance through the imposition of fines or litigation or impacts on the Group and the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the parent and consolidated financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the parent and consolidated financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information, which comprises the strategic report, the directors' report and the other information included in the annual report, but does not include the parent and consolidated financial statements and our auditor's report thereon. Our opinion on the parent and consolidated financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our parent and consolidated financial statements audit work, the information therein is materially misstated or inconsistent with the parent and consolidated financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the parent and consolidated financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Implementation Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the parent and consolidated financial statements and our audit knowledge. Other than the material uncertainty related to going concern referred to above, we have nothing further material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement (pages 43 to 44) that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the viability statement (pages 43 to 44) as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on pages 43 to 44 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the parent and consolidated financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our parent and consolidated financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the parent and consolidated financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the parent and consolidated financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and parent and consolidated financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit and Risk Committee, including the significant issues that the Audit and Risk Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group and Company's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 61, the directors are responsible for: the preparation of the parent and consolidated financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of parent and consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the parent and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent and consolidated financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Alexander (Senior Statutory Auditor)
For and on behalf of KPMG Channel Islands Limited (Statutory Auditor)
Chartered Accountants
Guernsey

29 April 2025

Financial statements

Parent and consolidated statement of comprehensive income

For the year ended 31 December 2024

		Year ended 31 December 2024			Year ended 31 December 2023		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	*4*	–	(14,873)	(14,873)	–	9,150	9,150
Losses on currency movements		–	(225)	(225)	–	(5)	(5)
Gross investment (losses)/gains		**–**	**(15,098)**	**(15,098)**	**–**	**9,145**	**9,145**
Income	*5*	128	–	128	212	–	212
Total (losses)/gains		**128**	**(15,098)**	**(14,970)**	**212**	**9,145**	**9,357**
Investment Adviser fee	*6*	(34)	–	(34)	(144)	–	(144)
Other expenses	*7*	(1,224)	(3)	(1,227)	(1,396)	(500)	(1,896)
(Loss)/profit before finance costs and taxation		**(1,130)**	**(15,101)**	**(16,231)**	**(1,328)**	**8,645**	**7,317**
Finance costs		–	–	–	–	–	–
Operating (loss)/profit before taxation		**(1,130)**	**(15,101)**	**(16,231)**	**(1,328)**	**8,645**	**7,317**
Taxation	*8*	–	–	–	–	–	–
(Loss)/profit for the year		**(1,130)**	**(15,101)**	**(16,231)**	**(1,328)**	**8,645**	**7,317**
(Loss)/return per Ordinary Share (basic and diluted)	***12***	**(0.88)p**	**(11.72)p**	**(12.60)p**	**(1.03)p**	**6.71p**	**5.68p**

There is no other comprehensive income and therefore the '(Loss)/profit for the Year' is the total comprehensive income for the year.

The total column of the above statement is the Parent and Consolidated Statement of Comprehensive Income, including the return per Ordinary Share, which has been prepared in accordance with IFRS. The supplementary revenue and capital columns, including the return per Ordinary Share, are prepared under guidance from the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations. The notes on pages 74 to 98 form an integral part of these Financial Statements.

Parent and consolidated statement of financial position

As at 31 December 2024

	Notes	31 December 2024 £'000	31 December 2023 £'000
Assets			
Non-current assets			
Investments held at fair value through profit or loss	*4*	113,729	128,183
Current assets			
Cash and cash equivalents		2,833	4,626
Trade and other receivables	*9*	49	51
Total current assets		**2,882**	**4,677**
Total assets		**116,611**	**132,860**
Current liabilities			
Trade and other payables	*10*	(172)	(190)
Total liabilities		**(172)**	**(190)**
Net assets		**116,439**	**132,670**
Equity			
Share capital	*11*	1,288	1,288
Share premium account		124,928	124,928
Capital reserve		(5,109)	9,992
Revenue reserve		(4,668)	(3,538)
Total equity		**116,439**	**132,670**
Net asset value per Ordinary Share	*13*	**90.39p**	**102.99p**

Approved by the Board of Directors on and authorised for issue on 29 April 2025 and signed on their behalf by:

Simon Hogan
Director

HydrogenOne Capital Growth plc is incorporated in England and Wales with registration number 13340859.

The notes on pages 74 to 98 form an integral part of these Financial Statements.

Parent and consolidated statement of changes in equity

For the year ended 31 December 2024

	Notes	Share Capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 January 2024		1,288	124,928	9,992	(3,538)	132,670
Loss for the year		–	–	(15,101)	(1,130)	(16,231)
Closing balance as at 31 December 2024		**1,288**	**124,928**	**(5,109)**	**(4,668)**	**116,439**

For the year ended 31 December 2023

	Notes	Share Capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance as at 1 January 2023		1,288	124,928	1,347	(2,210)	125,353
Profit/(loss) for the year		–	–	8,645	(1,328)	7,317
Closing balance as at 31 December 2023		**1,288**	**124,928**	**9,992**	**(3,538)**	**132,670**

The notes on pages 74 to 98 form an integral part of these Financial Statements.

Parent and consolidated statement of cash flows

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Cash flows from operating activities			
Interest income		127	211
Dividend income		1	1
Management expenses		(1,261)	(2,040)
Foreign exchange (losses)/gains		(225)	(5)
Decrease in trade and other receivables		2	590
(Decrease)/increase in trade and other payables		(18)	37
Net cash flow used in operating activities		**(1,374)**	**(1,206)**
Cash flows from investing activities			
Purchase of investments		(4,959)	(12,472)
Sale of investments		4,540	112
Net cash flow used in investing activities		**(419)**	**(12,360)**
Decrease in cash and cash equivalents		**(1,793)**	**(13,566)**
Cash and cash equivalents at start of year		4,626	18,192
Cash and cash equivalents at end of year		**2,833**	**4,626**

The notes on pages 74 to 98 form an integral part of these Financial Statements.

Notes to the parent and consolidated financial statements

1. General information

Company information

HydrogenOne Capital Growth plc (the "Company" or "Parent") was incorporated in England and Wales on 16 April 2021 with registered number 13340859 as a public company limited by shares and is an investment company within the terms of Section 833 of the Companies Act 2006 (the "Act"). The Company is listed and began trading on the Main Market of the London Stock Exchange and was admitted to the premium segment of the Official List on 30 July 2021 (the "IPO"). The Company has applied for and been accepted as an approved investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999.

FundRock Management Company (Guernsey) Limited acts as the Company's Alternative Investment Fund Manager ("AIFM").

Apex Listed Companies Services (UK) Limited (the "Company Secretary and Administrator") provides administrative and company secretarial services to the Company.

The Company's Investment Adviser is HydrogenOne Capital LLP.

The Company's registered office is 4th Floor, 140 Aldersgate Street, London, EC1A 4HY.

Investment objective

The Company's investment objective is to deliver an attractive level of capital growth by investing, directly or indirectly, in a diversified portfolio of hydrogen and complementary hydrogen focused assets whilst integrating core environmental, social and governance ("ESG") principles into its decision making and ownership process.

Company structure

The Company makes its investment in unquoted Hydrogen Assets ("Private Hydrogen Assets") through HydrogenOne Capital Growth Investments (1) LP (the "Limited Partnership"), in which the Company is the sole Limited Partner. The Limited Partnership is registered as a private fund limited partnership in England and Wales under the Limited Partnerships Act 1907 with registered number LP021814. The Limited Partnership has been established pursuant to a Limited Partnership Agreement dated 5 July 2021 as amended and restated on 26 November 2021 (the "Limited Partnership Agreement") in order to make investments pursuant to the investment policy of the Limited Partnership. The Limited Partnership's investment policy and restrictions are consistent with the Company's investment policy and restrictions for Private Hydrogen Assets.

The General Partner of the Limited Partnership is HydrogenOne Capital Growth (GP) Limited (the "General Partner"), a wholly owned subsidiary of the Company. The General Partner was incorporated in England and Wales on 19 May 2021 with registered number 13407844. The General Partner undertakes the responsibility for the management, operation and administration of the business and affairs of the Limited Partnership. The General Partner's Profit Share for each accounting period shall be an amount equal to 1.5% per annum of the prevailing NAV of the Limited Partnership, which shall be allocated to the General Partner as a first charge on the profits of the Limited Partnership. For so long as the Company is the sole Limited Partner, the General Partner's Profit Share shall be allocated and distributed to the Company rather than the General Partner.

The carried interest partner of the Limited Partnership is HydrogenOne Capital Growth (Carried Interest) LP (the "Carried Interest Partner") which, in certain circumstances, will receive carried interest on the realisation of Private Hydrogen Assets by the Limited Partnership. The Carried Interest Partner has been set up for the benefit of the principals of the Investment Adviser. Further details of the carried interest fees payable to the Carried Interest Partner are given in Note 6 to the Financial Statements.

During the year, a new wholly owned subsidiary of the Company, HydrogenOne Capital Growth Investments (1A) LP ("Limited Partnership 1A"), was incorporated pursuant to the sale of GEN2 Energy AS. Following the completion of the sale during the year, the Company withdrew as a limited partner of Limited Partnership 1A.

The General Partner of Limited Partnership 1A is HydrogenOne Capital Growth Investments (1A) GP LLP (the "General Partner 1A"), a wholly owned subsidiary of the Company. The General Partner 1A was incorporated in England and Wales on 3 June 2024 with registered number OC452544. The General Partner 1A shares the responsibility for the management, operation and administration of the business and affairs of Limited Partnership 1A with a third party. General Partner 1A is entitled to receive 1% of the proceeds received by Limited Partnership 1A (if any) .

Private Hydrogen Assets

The Company invests via the Limited Partnership in Private Hydrogen Assets, which may be operational companies or hydrogen projects. Investments are mainly in the form of equity, although investments may be made by way of debt and/or convertible securities. The Company may acquire a mix of controlling and non-controlling interests in Private Hydrogen Assets, however the Company invests principally in non-controlling positions (with suitable minority protection rights to, inter alia, ensure that the Private Hydrogen Assets are operated and managed in a manner that is consistent with the Company's investment policy).

The Company acquires Private Hydrogen Assets via the Limited Partnership, directly or by way of holdings in special purpose vehicles or intermediate holding entities (including successor limited partnerships established on substantially the same terms as the Limited Partnership) or, if the Company is considered a 'feeder fund' under the Listing Rules, other undertakings advised by the Investment Adviser and, in such circumstances, the investment policy and restrictions will also be applied on a look-through basis and such undertaking(s) will also be managed in accordance with the Company's investment policy.

Listed Hydrogen Assets

The Company also invests directly in quoted or traded Hydrogen Assets, which are predominantly equity securities but may also be corporate debt and/or other financial instruments ("Listed Hydrogen Assets"). The Company has the ability to invest in Listed Hydrogen Assets in any market or country with a market capitalisation (at the time of investment) of at least US$100 million. The Company's approach is to be a long-term investor and will not ordinarily adopt short-term trading strategies.

Liquidity reserve

During the initial Private Hydrogen Asset investment period after a capital raise and/or a realisation of a Private Hydrogen Asset, the Company intends to allocate the relevant net proceeds of such capital raise/realisation to cash (in accordance with the Company's cash management policy) and/or additional Listed Hydrogen Assets and related businesses pending subsequent investment in Private Hydrogen Assets (the "Liquidity Reserve").

The Company anticipates holding cash to cover the near-term capital requirements of the pipeline of Private Hydrogen Assets and in periods of high market volatility.

2. Basis of preparation

The principal accounting policies are set out below:

Reporting entity

These Parent and Consolidated Financial Statements (the "Financial Statements") present the results of both the Parent; and the Parent, the General Partner and General Partner 1A (together referred to as the "Group").

At 31 December 2024, the statement of financial position of the General Partner and General Partner 1A consisted of issued share capital and corresponding share capital receivable in the amount of £1 (2023: £1) and £10 respectively. The General Partners had no income, expenditure or cash flows for the period.

Due to the immaterial balances of the General Partners there is no material difference between the results of the Parent and the results of the Group. As a result, the Financial Statements as presented represent both the Parent and the Group's financial position, performance, and cash flows.

Basis of accounting

The Financial Statements have been prepared in accordance with UK-adopted international accounting standards ("IFRS") and the applicable legal requirements of the Companies Act 2006.

The Financial Statements have also been prepared as far as is relevant and applicable to the Company and Group in accordance with the Statement of Recommended Practice ('SORP') issued by the Association of Investment Companies ("AIC") in July 2022.

The Financial Statements are prepared on the historical cost basis, except for the revaluation of financial instruments measured at fair value through profit or loss.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company and Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Financial Statements is determined on such a basis.

The Financial Statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Company and Group operate.

The principal accounting policies adopted are set out below. These policies are consistently applied.

Notes to the parent and consolidated financial statements

Accounting for subsidiaries

The Board of Directors has determined that the Company has all the elements of control as prescribed by IFRS 10 in relation to:

1. the Limited Partnership; as the Company is the sole limited partner in the Limited Partnership (100% of the Limited Partnership's commitments are held by the Company), is exposed to and has rights to the returns of the Limited Partnership, and has the ability through its control of the General Partner to affect the amount of its returns from the Limited Partnership; and
2. the General Partner and the General Partner 1A (together the 'General Partners'); as the Company wholly owns the General Partners, is exposed to and has rights to the returns of the General Partners and has the ability through its control of the General Partners' activities to affect the amount of its returns from the General Partners.

The Investment entities exemption requires that an investment entity that has determined that it is a parent under IFRS 10 shall not consolidate certain of its subsidiaries; instead, it is required to measure its investment in these subsidiaries at fair value through profit or loss in accordance with IFRS 9. The criteria which define an investment entity are as follows:

(i) the company obtains funds from one or more investors for the purpose of providing those investors with investment management services;

(ii) the company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

(iii) the company measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company is an investment company, providing investors exposure to a diversified portfolio of hydrogen and complementary hydrogen focussed assets that are managed for investment purposes. The investments were made in line with the stated objective of the Company to deliver an attractive level of capital growth in accordance with the strategy that has been set by the Directors.

In assessing whether the Company meets the definition of an investment entity set out in IFRS 10 the Directors' note that:

(i) the Company has multiple investors with shares issued publicly on the London Stock Exchange and obtains funds from a diverse group of shareholders who would otherwise not have access individually to investing in hydrogen focussed assets;

(ii) the Company's purpose is to invest funds for capital appreciation but with potential for some investment income. The Limited Partnership has a ten-year life however the underlying assets have minimal residual value because they do not have unlimited lives, are not to be held indefinitely and have appropriate exit strategies in place; and

(iii) the Company measures and evaluates the performance of all of its investments on a fair value basis which is the most relevant for investors in the Company. The Directors use fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making.

The Directors assess each new investment carefully to determine whether the Company as a whole continues to meet the definition of an investment entity.

The Board of Directors has determined that the Company meets all the typical characteristics of an investment entity and therefore meets the definition set out in IFRS 10.

Accounting for the Limited Partnership

The Limited Partnership serves as an asset holding entity and does not provide investment-related services. Therefore, when the Limited Partnership is assessed based on the overall structure as a means of carrying out the Company's activities, the Board of Directors has determined that the Limited Partnership meets the definition of an investment entity. Accordingly, the Company is required under IFRS 10 to hold its investment in the Limited Partnership at fair value through the Statement of Comprehensive Income rather than consolidate them. The Company has determined that the fair value of the Limited Partnership is its net asset value and has concluded that it meets the definition of an unconsolidated subsidiary under IFRS 12 and has made the necessary disclosures in these Financial Statements.

Accounting for the General Partners

The General Partners provide investment related services to their respective limited partnership on behalf of the Company. IFRS 10 requires subsidiaries that provide services that relate to the investment entity's investment activities to be consolidated. Accordingly, the Company is required under IFRS 10 to consolidate the results of the General Partners.

The Directors agree that the investment entity accounting treatment outlined above appropriately reflects the Company's activities as an investment trust and provides the most relevant information to investors.

Going concern

The Company and Group had at 31 December 2024 unrestricted cash of £3.1 million (2023: £4.6 million). At the date of approval of these Financial Statements, the Company and Group had cash resources of £2.4 million and annual expenses are estimated to be £3.1 million. Based on the current cash position and the estimated expenses of the Company and the Group over the next twelve months, the Board has determined that there will be a shortfall of cash without any further action. The Directors have concluded that this represents a material uncertainty that may cast significant doubt on the Company and Group's ability to continue as a going concern. The Company's strategy has been set to address this.

Further cost savings are anticipated in 2025. The Company continues to seek both secondary sales of parts of its portfolio, and full exits from portfolio companies. The Company continues to monitor opportunities for a fresh equity raise, although the discount of the share price to the NAV may prevent this. In addition, the Company is engaged with lenders to potentially access debt for the fund.

The Board and the Investment Adviser are considering a wide range of options, with urgency, to deliver shareholder value, with confidential discussions underway with third parties.

The Directors acknowledge that there are risks attached to each of these plans. For example all the cost savings identified may not be achieved and may be offset by inflationary cost rises elsewhere. However the Board and the Investment Adviser are confident a secondary sale of part of one of the investments in the portfolio can be achieved based on the Company's prior experience of realising Gen2 Energy and ongoing secondary transactions in the Private Hydrogen Assets. As such the Board believe the plans are achievable, whether together or in isolation and will cover the cash shortfall.

The Directors also recognise that the continuation of the Company is subject to the approval of shareholders at the Annual General Meeting ("AGM") in 2026, and every fifth AGM thereafter. The Board has considered the long-term prospects of the Company. The Board notes the current liquidity position of the Company as described above, and also the high discount to NAV of the current share price, and recognises this increases the risk that the continuation vote will not be passed. However the Board believe the actions described to improve liquidity will put the Company in a stronger position over the coming year, and the performance of the remaining Private Hydrogen Assets and the expected growth in the clean energy and hydrogen sectors mean the prospects for the Company remain positive and this will be reflected in improved performance of the Company over the next twelve months, In the event that continuation vote is not passed, the Directors are required to draw up proposals for shareholders' approval for the reconstruction or reorganisation of the Company, which would require a special resolution of the shareholders.

Following the declaration of the Company's Net Asset Value as at the 31 December 2024, on 5 February 2025, the Company's share price was 21.95p representing a 75.7% discount to the Net Asset Value (31 December 2024: discount of 76.0%).

Based on the above, the Directors continue to adopt the going concern basis in preparing these Financial Statements. Accordingly, these Financial Statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company and Group were unable to continue as a going concern.

Critical accounting judgements, estimates and assumptions

The preparation of Financial Statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of income and expense during the period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period and future periods if the revision affects both current and future periods.

Judgements

Investment entity

In accordance with the Investment Entities exemption contained in IFRS 10, the Board has determined that the Company satisfies the criteria to be regarded as an investment entity and that the Company provides investment related services and, as a result, measures its investment in the Limited Partnership at fair value.

The Limited Partnership serves as an asset holding entity and does not provide investment-related services. Therefore, when the Limited Partnership is assessed based on the overall structure as a means of carrying out the Company's activities, the Board of Directors has determined that the Limited Partnership meets the definition of an investment entity. Accordingly, the Company is required under IFRS 10 to hold its investment in the Limited Partnership at fair value through the Statement of Comprehensive Income rather than consolidate them.

The General Partners provide investment related services to their respective limited partnership on behalf of the Company. IFRS 10 requires subsidiaries that provide services that relate to the investment entity's investment activities

Notes to the parent and consolidated financial statements

to be consolidated. Accordingly, the Board of Directors have determined that the Company is required under IFRS 10 to consolidate the results of the General Partners. As described in the Reporting Entity section, the Financial Statements as presented represent both the Parent's and the Group's financial position, performance and cash flows.

These conclusions involved a degree of judgement and assessment as to whether the Company, the Limited Partnership and the General Partners met the criteria outlined in the accounting standards.

Going Concern
As noted earlier in this note 2, the Board recognises the current financial situation of the Company and notes the operational resources available to the Company and Group are not currently adequate to cover the expenses of the Company for at least twelve months from the date of approval of these Financial Statements. The Board has reviewed the actions being taken to address the current cash position and have concluded that the criteria for preparing the Financial Statements on a going concern basis have been met.

Estimates

Investment valuations
The key estimate in the Financial Statements is the determination of the fair value of the Private Hydrogen Assets, held by the Limited Partnership, by the Investment Adviser for consideration by the Directors. This estimate is key as it significantly impacts the valuation of the Limited Partnership at the year end. The fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). The key inputs considered in the valuation are described in note 15.

New standards, interpretations and amendments adopted from 1 January 2024

Effective in the current financial year
The Board have assessed those new standards, interpretations, and/or amendments which became effective during the financial year under review and concluded they have no material impact to the Company.

New standards and amendments issued but not yet effective

The relevant new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below.

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027). IFRS 18 will replace IAS 1 Presentation of Financial Statements introduces the following key requirements.
  - Entities are required to classify all income and expenses into five categories in the statement of comprehensive income, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change as a result of applying IFRS 18.
  - Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.
  - Enhanced guidance is provided on how to group information in the financial statements.

  In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Board have assessed new but not yet effective standards applicable to the Company and have concluded that, with the exception of IFRS 18, they will not have a material impact to the Company. The Company is still in the process of assessing the impact of IFRS 18, particularly with respect to the structure of the Company's statement of comprehensive income, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labeled as "other".

3. Material accounting policies

(a) Financial instruments

Financial assets – Classification, recognition, derecognition and measurement
The Company and Group's financial assets principally comprise of: investments held at fair value through profit or loss (Listed Hydrogen Assets and the Limited Partnership); and trade and other receivables, which are initially recognised at fair value and subsequently measured at amortised cost.

Financial assets are recognised in the Statement of Financial Position when the Company or Group become a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Gains and losses resulting from the movement in fair value are recognised in the Statement of Comprehensive Income at each valuation point within 'gains/(losses) on investments'.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company or Group have transferred substantially all risks and rewards of ownership. For Listed Hydrogen Assets, realised (losses)/ gains are calculated using the average cost method. Distributions received from the Limited Partnership are treated as a return of capital and reduce the cost basis of the Company's investment in the Limited Partnership. If the Limited Partnership's cost basis if reduced to nil, any subsequent distributions will be recorded as realised gains

Financial liabilities – Classification, recognition, derecognition and measurement

The Company and Group's financial liabilities include trade and other payables and other short term monetary liabilities which are initially recognised at fair value and subsequently measured at amortised cost.

Financial liabilities are recognised in the Statement of Financial Position when the Company or Group become a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Financial liabilities are subsequently measured at amortised cost.

A financial liability (in whole or in part) is derecognised when the Company or Group have extinguished the contractual obligations, it expires or is cancelled.

Valuation of Listed Hydrogen Assets

Upon initial recognition Listed Hydrogen Assets are classified by the Company and Group 'at fair value through profit or loss'. They are accounted for on the date they are traded and are included initially at fair value which is taken to be their cost. Subsequently they are valued at fair value, which is the bid market price, or if bid price is unavailable, last traded price on the relevant exchange.

Valuation of the Limited Partnership

The Company may make investments in Private Hydrogen Assets directly, via the Limited Partnership and/or by way of holdings in special purpose vehicles or intermediate holding entities. Currently, all the Company's Private Hydrogen Assets are held via the Limited Partnership.

The Company and Group has determined that the fair value of the Limited Partnership is the Limited Partnership's Net Asset Value ("NAV"). The NAV of the Limited Partnership is prepared in accordance with accounting policies that are consistent with IFRS and consists of the fair value of its Private Hydrogen Assets, and the carrying value of its assets and liabilities.

The Investment Adviser values the Private Hydrogen Assets according to IPEV Guidelines. The valuation techniques available under IPEV Guidelines are set out below and are followed by an explanation of how they are applied to the Private Hydrogen Assets:

- Discounted cash flows ("DCF");
- Price of recent investment;
- Multiples;
- Industry Valuation Benchmarks;
- Available Market Prices; and
- Net Assets

The nature of the Private Hydrogen Assets will influence the valuation technique applied. The valuation approach recognises that, as stated in the IPEV Guidelines, the price of a recent investment, if resulting from an orderly transaction, generally represents fair value as at the transaction date and may be an appropriate starting point for estimating fair value at subsequent measurement dates. Consideration is given to the facts and circumstances as at the subsequent measurement date such as changes in the market or performance of the investee company including whether maintainable revenues and/ or earnings have been established. Milestone analysis is used, where appropriate, to incorporate the operational progress of the investee company into the valuation.

As a result, various techniques may be employed to derive the valuations. However, an absence of relevant industry peers may preclude the application of the industry valuation benchmarks technique and an absence of observable prices may preclude the available market prices approach. All valuations are calibrated and are cross-checked for reasonableness by employing relevant alternative techniques.

Private Hydrogen Assets, which are operational companies, are valued using either the price of recent investment; the DCF method; or a combination of the DCF method and the price of recent investment. The valuations are weighted towards the DCF method based on the time since the price of recent investment until the full DCF valuation is applied (typically the valuations

Notes to the parent and consolidated financial statements

are tapered from the price of recent investment to the full DCF valuation over four calendar quarters after the price of recent investment). The impact of this weighted approach is that there will be either an effective discount or a premium to the full DCF valuation over the tapering period. The valuations derived from this approach have been assessed for reasonableness against relevant market comparables, where available, and calibrated against specific milestones for indications of positive or negative performance which may impact valuations. Where negative performance indicates that the valuation of a Private Hydrogen Asset may have deteriorated substantially then alternative valuation approaches may be incorporated into the valuation model that reflect reasonable possible outcomes, such as net assets and indicative offers, and a probability weighting is applied to each.

Private Hydrogen Assets, which are hydrogen project SPVs, are valued based on the underlying project's stage of completion:

- prior to commercial operation date, hydrogen project SPVs are valued using a risk adjusted DCF method;
- post commercial operation date, hydrogen project SPVs are valued in the same way as Private Hydrogen Assets, which are operational companies, as described above; and
- project development loans advanced directly by the Limited Partnership to a project during the project development phase are held at cost plus accrued interest (deemed to approximate fair value), and are reviewed at each valuation date for any indicators that this approach may no longer be representative of fair value.

In a DCF valuation, the fair value represents the present value of the investment's expected future cash flows, based on appropriate assumptions for revenues and costs, and suitable cost of capital assumptions. Judgement is applied in arriving at appropriate discount rates, based on the knowledge of the market, taking into account market intelligence gained from bidding activities, discussions with financial advisers, consultants, accountants and lawyers and publicly available information.

A range of sources are reviewed in determining the underlying assumptions to apply in a DCF valuation used in calculating the fair value of a Private Hydrogen Asset. These sources include but are not limited to:

- macroeconomic projections adopted by the market as disclosed in publicly available resources;
- macroeconomic forecasts provided by expert third party economic advisers;
- discount rates publicly disclosed in the global renewables sector;
- discount rates applicable to comparable infrastructure asset classes, which may be procured from public sources or independent third-party expert advisers;
- discount rates publicly disclosed for comparable market transactions of similar assets; and
- capital asset pricing model outputs and implied risk premia over relevant risk-free rates. Where available, assumptions are based on observable market and technical data.

(b) Foreign currency

Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates, the functional currency. The Financial Statements are presented in Pounds Sterling which is the Company and Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Pounds Sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(c) Income

Dividend income has been accounted for on an ex-dividend basis or when the right to the income is established. Investment interest income for the year is recognised in the Statement of Comprehensive Income using effective interest method calculation. Bank interest income is recognised for the year in the Statement of Comprehensive income on a receipts basis. Special dividends are credited to capital or revenue in the Statement of Comprehensive Income, according to the circumstances surrounding the payment of the dividend. Overseas dividends are included gross of withholding tax recoverable.

(d) Dividend payable

Interim dividends are recognised when the Company pays the dividend. Final dividends are recognised in the period in which they are approved by the shareholders.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses directly related to the acquisition or disposal of an investment (transaction costs) are taken to the Statement of Comprehensive Income as a capital item. All other expenses, including Investment Adviser fees, are taken to the Statement of Comprehensive Income as a revenue item.

(f) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the financial reporting date.

Where expenses are allocated between capital and revenue any tax relief in respect of the expenses is allocated between capital and revenue returns on the marginal basis using the Company's effective rate of corporation taxation for the relevant accounting period.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the financial reporting date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the financial reporting date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the timing differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

Since the General Partners do not have any income or expenditure in the period, the Group tax position is the same as the Company tax position.

(g) Segmental reporting

The Board has considered the requirements of IFRS 8 – 'Operating Segments'. The Company has entered into an Investment Advisory Agreement with the Investment Adviser under which the Investment Adviser is responsible for the management of the Company's investment portfolio, subject to the overall supervision of the Board of Directors. Subject to its terms and conditions, the Investment Advisory Agreement requires the Investment Adviser to manage the Company's investment portfolio in accordance with the Company's investment guidelines as in effect from time to time, including the authority to purchase and sell investments and to carry out other actions as appropriate to give effect thereto. However, the Board retains full responsibility to ensure that the Investment Adviser adheres to its mandate. Moreover, the Board is fully responsible for the appointment and/or removal of the Investment Adviser. Accordingly, the Board is deemed to be the 'Chief Operating Decision Maker' of the Company.

The Directors are of the opinion that the Company is engaged in a single segment of business being investment into the hydrogen focused investments. Segment information is measured on the same basis as that used in the preparation of the Company's Financial Statements.

(h) Cash and cash equivalents

Cash comprises cash and demand deposits. Cash equivalents, include bank overdrafts, and short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risks of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(i) Nature and purpose of equity and reserves:

Share capital represents the 1p nominal value of the issued share capital.

The share premium account arose from the net proceeds of new shares issued. Costs directly attributable to the issue of new shares are charged against the value of the ordinary share premium.

The capital reserve reflects any:

- gains or losses on the disposal of investments;
- exchange movements of a capital nature;
- the increases and decreases in the fair value of investments which have been recognised in the capital column of the Statement of Comprehensive Income; and
- expenses which are capital in nature.

The revenue reserve reflects all income and expenditure recognised in the revenue column of the Statement of Comprehensive Income and is distributable by way of dividend.

The Company's distributable reserves consist of the revenue reserve and the capital reserve. However any gains in the fair value of investments that are not readily convertible to cash are treated as unrealised gains in the capital reserve and are non-distributable.

Ordinary Shares are classified as equity.

Notes to the parent and consolidated financial statements

4. Investments held at fair value through profit or loss

(a) Summary of valuation

	31 December 2024 £'000	31 December 2023 £'000
Investments held at fair value through profit or loss		
Listed Hydrogen Assets	–	2,322
Limited Partnership	113,729	125,861
Closing valuation of financial assets at fair value through profit or loss	113,729	128,183

(b) Movements in valuation

	£'000	£'000
Opening valuation of financial assets at fair value through profit or loss	128,183	106,673
Less opening unrealised gain on investments	(10,606)	(1,426)
Opening cost of financial assets at fair value through profit or loss	117,577	105,247
Additions, at cost – Listed Hydrogen Assets	–	74
Additions, at cost – Limited Partnership	4,959	12,398
Disposals, at cost - Listed Hydrogen Assets	(7,620)	(142)
Disposals, at cost – Limited Partnership	(2,600)	–
Cost of financial assets at fair value through profit or loss at the end of the year	112,316	117,577
Unrealised loss on investments – Listed Hydrogen Assets	–	(5,299)
Unrealised gain on investments – Limited Partnership	1,413	15,905
Closing valuation of financial assets at fair value through profit or loss	113,729	128,183

(c) (Loss)/gain on investments

	£'000	£'000
Movement in unrealised gains/(loss) – Listed Hydrogen Assets	5,299	(1,277)
Movement in unrealised (loss)/gains – Limited Partnership	(14,492)	10,457
Realised loss on investments – Listed Hydrogen Assets	(5,680)	(30)
Total (loss)/gains on investments	(14,873)	9,150

Under IFRS 13 'Fair Value Measurement', an entity is required to classify investments using a fair value hierarchy that reflects the significance of the inputs used in making the measurement decision.

The following shows the analysis of financial assets recognised at fair value based on:

Level 1
The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3
Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Transfers between levels of the fair value hierarchy are recognised as at the end of the reporting period during which the change has occurred. There have been no transfers between levels during the year ended 31 December 2024 (2023: no transfers).

The classification of the Company and Group's investments held at fair value through profit or loss is detailed in the table below:

	31 December 2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed Hydrogen Assets	–	–	–	–
Limited Partnership	–	–	113,729	113,729
	–	–	113,729	113,729

	31 December 2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed Hydrogen Assets	2,322	–	–	2,322
Limited Partnership	–	–	125,861	125,861
	2,322	–	125,861	128,183

The Company and Group's Level 3 investment is the investment in the Limited Partnership. The NAV of the Limited Partnership as of 31 December 2024 is £113,729,000 (2023: £125,861,000). The movement on the Level 3 investments during the year is shown below:

	31 December 2024 £'000	31 December 2023 £'000
Opening balance	125,861	103,006
Investment in Limited Partnership	4,959	12,398
Distribution from Limited Partnership	(2,600)	–
Movement in unrealised gains on investment in Limited Partnership	(14,491)	10,457
Closing balance	**113,729**	**125,861**

Look-through financial information
The NAV of the Limited Partnership consists of the fair value of its Private Hydrogen Assets and the carrying value of its assets and liabilities. As at the year end, the Limited Partnership held seven Private Hydrogen Assets (2023: ten).

The following table reconciles the fair value of the Private Hydrogen Assets and the NAV of the Limited Partnership.

	31 December 2024 £'000	31 December 2023 £'000
Investment in Private Hydrogen Assets	113,490	126,206
Plus/(minus): net other assets/(liabilities)	239	(345)
NAV of the Limited Partnership	113,729	125,861

Notes to the parent and consolidated financial statements

The Level 3 Private Hydrogen Assets are valued by the Investment Adviser using the valuation techniques as outlined in note 3. The key inputs considered in the valuation are described in note 15.

At 31 December 2024, the valuations of the Limited Partnership's underlying investments in Private Hydrogen Assets were determined as follows:

Name	Country of Incorporation	Value of Investment £'000	Primary valuation technique	Significant unobservable inputs	Range input
Sunfire GmbH	Germany	32,337	DCF	Discount rates	10.6-10.7%
Elcogen Group plc	United Kingdom	21,019	DCF	Discount rates	8.6-8.7%
HiiROC Limited	United Kingdom	23,925	DCF	Discount rates	12.8-13.0%
Strohm Holding BV	Netherlands	13,885	DCF	Discount rates	13.5-13.6%
Bramble Energy Limited	United Kingdom	9,908	DCF	Discount rates	15.3-15.5%
Cranfield Aerospace Solutions Limited	United Kingdom	12,366	DCF	Discount rates	16.8-16.9%
Swift Hydrogen Limited*	United Kingdom	50	Net Assets	n/a	n/a

During the year NanoSUN Limited has been restructured, taken out of administration into sole ownership by the Company and rebranded as Swift Hydrogen Limited.

At 31 December 2023, the valuations of the Limited Partnership's underlying investments in Private Hydrogen Assets were determined as follows:

Name	Country of Incorporation	Value of Investment £'000	Primary valuation technique	Significant unobservable inputs	Range input
Sunfire GmbH	Germany	27,068	DCF	Discount rates	11.3%-12.4%
Elcogen Group plc	United Kingdom	24,430	DCF	Discount rates	13.1%-13.9%
Strohm Holding BV	Netherlands	19,719	DCF	Discount rates	14.4%-15.4%
HiiROC Limited	United Kingdom	13,701	DCF	Discount rates	13.8%-14.9%
Cranfield Aerospace Solutions Limited	United Kingdom	11,870	DCF	Discount rates	17.5%-18.6%
Bramble Energy Limited	United Kingdom	10,621	DCF	Discount rates	16.0%-17.1%
HH2E AG	Germany	6,971	DCF	Discount rates (project SPVs & Company)	12.0%; and 16.5%-17.6%
NanoSUN Limited	United Kingdom	5,428	Probability weighted approach incorporating DCF, indicative offers and net assets*	Discount rates applied in DCF	15.3%-15.9%
				Net Assets	n/a
				Weighting	10%-50%
GEN2 Energy AS	Norway	4,443	DCF	Discount rates (project SPVs & Company)	12.0%; and 16.7%-17.6%
HH2E Werk Thierbach GmbH	Germany	1,955	Loan principal and accrued interest	N/a	N/a

In deriving the fair value of NanoSUN a probability weighted approach was applied whereby a valuation for the investment was derived from each technique (DCF, indicative offers and assets), each of which represented management's assessment of the fair value for the investment in the reasonable possible scenarios that may have transpired, as of the valuation date. A percentage likelihood (aggregating to 100% across each of the three techniques) was then applied to each of these valuations, which represented management's view of the probability of each scenario transpiring, as of the valuation date. The range of inputs disclosed represent the lowest and highest discreet percentages applied to the three scenarios.

The following table shows the Directors best estimate of the sensitivity of the Level 3 Private Hydrogen Assets to changes in the principle unobservable input, with all other variables held constant.

Unobservable input	Possible reasonable change in input	Effect on fair value of investments £'000 31 December 2024	31 December 2023
Discount rates applied in full DCF valuation	+1%	(4,624)	(7,767)
	-1%	5,794	8,584
Weighting between DCF, indicative offers and Net Asset valuation	+/- 10% weighting to DCF	-	968/(968)
	+/- 10% weighting to indicative offers	-	124/(124)
	+/- 10% weighting to Net Assets		1,092/(1,092)

The European Central Bank ('ECB') and the Bank of England ('BOE') base rates at 31 December 2024 were 3.15% and 4.75% respectively. We anticipate that the base rates will ease and fall (based on independent research) reaching 2.00% for ECB and 4.00% for BOE by end of 2025. Since long term gilt yields already factor in long term forecasts, we have performed sensitivities of +/- 1% on the discount rate assumptions for any shock events. At 31 December 2023, the ECB and the BOE base rates were 4.5% and 5.25% respectively. We anticipated that the terminal base rate would ease and fall (based on independent research) reaching 2.5% for ECB and 3.0% for BOE and as such, performed sensitivities of +/- 1% on the discount rate assumptions.

For the year ended 31 December 2023, the NanoSUN Limited valuation was weighted between DCF, indicative offers and Net assets based on the expected likelihood of each scenario occurring. We applied a sensitivity of +/- 10% weighting to each scenario, with the movement being shared equally with the remaining two scenarios, as this was deemed to be a reasonable possible shift in the scenario weightings as of the valuation date.

For those investments that have been fair valued using the price of a recent investment based on unadjusted third-party pricing information, the Company is not required to disclose any quantitative information regarding the unobservable inputs as they have not been developed by the Company and are not reasonably available to the Company.

5. Income

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Overseas dividend income	1	1
Bank interest	127	211
Total income	128	212

6. Investment Adviser fee

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment Adviser fee	34	–	34	144	–	144

At 31 December 2024 an amount of £nil (2023: £nil) was payable to the Investment Adviser in respect of the Investment Adviser fee.

Notes to the parent and consolidated financial statements

Investment Adviser fee

The Company has entered into an Investment Adviser Agreement dated 5 July 2021 between the Company, the AIFM and the Investment Adviser (the "Investment Adviser Agreement"), pursuant to which the Investment Adviser has been given responsibility for investment advisory services in respect of any Private Hydrogen Assets the Company invests in directly and the Listed Hydrogen Assets (including Listed Hydrogen Assets forming part of the Liquidity Reserve and uninvested cash) in accordance with the Company's investment policy, subject to the overall control and supervision of the AIFM.

Under the Investment Adviser Agreement, the Investment Adviser receives from the Company, quarterly in advance, an advisory fee equal to:

i. 1.0% of the Net Asset Value per annum of the Listed Hydrogen Assets up to £100 million:

ii. 0.8% of the Net Asset Value per annum of the Listed Hydrogen Assets from £100 million (save that the Investment Adviser has agreed to reduce this fee to 0.5% in respect of the Liquidity Reserve pending their investment in Private Hydrogen Assets for 18 months following Admission to 30 January 2023);

iii. 1.5% of the Net Asset Value per annum of any Private Hydrogen Assets held by the Company directly (i.e. not held by the Limited Partnership or any other undertaking advised by the Investment Adviser where the Investment Adviser is receiving a separate advisory fee); and

iv. for so long as the Company is not considered a 'feeder fund' for the purposes of the Listing Rules, 1.5% per annum of the Net Asset Value of the Private Hydrogen Assets held by the Limited Partnership.

The Limited Partnership has entered into a Limited Partnership Investment Adviser Agreement dated 5 July 2021 (the "Limited Partnership Investment Adviser Agreement") between the General Partner (in its capacity as general partner of the Limited Partnership), the AIFM and the Investment Adviser, pursuant to which the Investment Adviser has been given responsibility for investment advisory services in respect of the Private Hydrogen Assets in accordance with the investment policy of the Limited Partnership, subject to the overall control and supervision of the AIFM.

Under the Limited Partnership Investment Adviser Agreement, the Investment Adviser, if the Company was considered a 'feeder fund' for the purposes of the Listing Rules by virtue of additional investors co-investing via the Limited Partnership in the future, shall receive from the Limited Partnership an advisory fee equal to 1.5% per annum of the Net Asset Value of the Private Hydrogen Assets held by the Limited Partnership, payable quarterly in advance. Advisory fees paid or payable by the Limited Partnership are reflected through the NAV of the Limited Partnership.

No performance fee is paid or payable to the Investment Adviser under either the Investment Adviser Agreement or the Limited Partnership Investment Adviser Agreement but the principals of the Investment Adviser are, subject to certain performance conditions being met, entitled to carried interest fees from the Limited Partnership. Refer to 'Carried Interest Partner Fees' section below.

Carried Interest Partner Fees

Pursuant to the terms of the Limited Partnership Agreement dated 5 July 2021 as amended and restated on 26 November 2021 (the "Limited Partnership Agreement"), the Carried Interest Partner is, subject to the limited partners of the Limited Partnership receiving an aggregate annualised 8% realised return (i.e. the Company and, in due course, any additional co-investors), entitled to a carried interest fee in respect of the performance of the Private Hydrogen Assets.

Subject to certain exceptions, the Carried Interest Partner will receive, in aggregate, 15% of the net realised cash profits from the Private Hydrogen Assets held by the Limited Partnership once the limited partners of the Limited Partnership (i.e. the Company and, in due course, any additional co-investors) have received an aggregate annualised 8% realised return. This return is subject to a 'catch-up' provision in the Carried Interest Partner's favour. Any realised or unrealised carried interest fee paid or payable to the Carried Interest Partner is reflected through the NAV of the Limited Partnership. During the period no carried interest fees (31 December 2023: £403,343) were accrued as payable to the Carried Interest Partner.

20% of any carried interest received (net of tax) will be used by the principals of the Investment Adviser to acquire Ordinary Shares in the market. Any such acquired shares will be subject to a 12-month lock-up from the date of purchase.

General Partner's priority profit share

Under the Limited Partnership Agreement, the General Partner of the Limited Partnership shall be entitled to a General Partner's Profit Share ("GPS"). The GPS for each accounting period shall be an amount equal to 1.5% of the prevailing NAV of the Limited Partnership. For so long as the Company is the sole limited partner of the Limited Partnership, the GPS shall be distributed to the Company rather than the General Partner. The Company is currently the sole limited partner of the Limited Partnership. Therefore, under the Investment Adviser Agreement, the investment adviser fee in relation to the Private Hydrogen Assets held by the Limited Partnership is settled by the Company which for the year totalled £1,957,439 (31 December 2023: £1,723,369). During the year the Limited Partnership did not call any GPS from the Company as the net effect of the calling and distributing GPS from/to the Company is £nil (31 December 2023: £nil).

The General Partner of Limited Partnership 1A is entitled to receive 1% of the proceeds received by Limited Partnership 1A (if any). No GPS was received from Limited partnership 1A during the year.

7. Other expenses

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Administration & Secretarial Fees	209	205
Other expenses	181	191
Directors' Fees	173	173
Audit Fees	168	162
AIFM Fees	109	97
PR & Marketing	107	262
Brokers Fees	60	66
Custodian Charges	50	50
D & O Insurances	44	47
Printing Fees	38	38
Website Fees	32	39
Registrar's Fees	21	21
LSE Fees	20	15
Legal Fees	12	30
Total revenue expenses	1,224	1,396
Expenses charged to capital:		
Capital transaction costs	3	500
Total expenses	1,227	1,896

During the year, no non-audit service fees were paid.

8. Taxation

(a) Analysis of charge in the year

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Overseas tax	–	–	–	–	–	–
Total tax charge for the year	–	–	–	–	–	–

Notes to the parent and consolidated financial statements

Factors affecting total tax charge for the year

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Loss)/profit on ordinary activities before taxation	(1,130)	(15,101)	(16,231)	(1,328)	8,645	7,317
Corporation tax at 25% (2023: 23.55)	(283)	(3,775)	(4,058)	(312)	2,033	1,721
Effects of:						
Non-taxable (gains)/losses on investments	–	3,774	3,774	–	(2,151)	(2,151)
Excess management expenses not utilised in year	283	–	283	312	30	342
Disallowable expenses	–	1	1	–	88	88
Total tax charge	–	–	–	–	–	–

The Company is not liable to tax on capital gains due to its status as an investment trust. The Company and Group has an unrecognised deferred tax asset of £1,246,000 (2023: £963,000) as a result of excess management expenses of £5,103,000 (2023: 3,853,000), based on the long term prospective corporation tax rate of 25%.

This asset has accumulated because deductible expenses exceeded taxable income for the year ended 31 December 2024 and prior periods. No asset has been recognised in the Financial Statements because, given the composition of the Company and Group's portfolio, it is not likely that this asset will be utilised in the foreseeable future.

9. Trade and other receivables

	31 December 2024 £'000	31 December 2023 £'000
Prepayments	42	41
Other receivables	7	10
	49	51

10. Trade and other payables

	31 December 2024 £'000	31 December 2023 £'000
Amounts falling due within one year:		
Accrued expenses	172	190
	172	190

11. Share capital

Allotted, issued and fully paid Ordinary Shares of 1p each:	31 December 2024 No. of shares	31 December 2024 Nominal value of shares (£)	31 December 2023 No. of shares	31 December 2023 Nominal value of shares (£)
Brought forward	128,819,999	1,288,199.99	128,819,999	1,288,199.99
Closing balance as at 31 December	128,819,999	1,288,199.99	128,819,999	1,288,199.99

The Company is permitted to hold Ordinary Shares acquired by way of market purchase in treasury, rather than having to cancel them. Such Ordinary Shares may be subsequently cancelled or sold for cash. No Ordinary Shares have been repurchased during the year therefore there were no Treasury shares at the end of the year.

Each Ordinary Share held entitles the holder to one vote. All shares carry equal voting rights and there are no restrictions on those voting rights.

12. Return per ordinary share

Return per share is based on the weighted average number of Ordinary Shares in issue during the year ended 31 December 2024 of 128,819,999 (2023: 128,819,999).

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Loss)/profit for the year(£'000)	(1,130)	(15,101)	(16,231)	(1,328)	8,645	7,317
Return per Ordinary Share	(0.88)p	(11.72)p	(12.60)p	(1.03)p	6.71p	5.68p

There is no dilution to return per share as the Company has only Ordinary Shares in issue.

13. Net asset value per ordinary share

	31 December 2024 £'000	31 December 2023 £'000
Net Asset Value (£'000)	116,439	132,670
Ordinary Shares in issue	128,819,999	128,819,999
NAV per Ordinary Share	90.39p	102.99p

There is no diluted Net Asset Value per share as the Company has only Ordinary Shares in issue.

Notes to the parent and consolidated financial statements

14. Related party transactions and material contracts

Directors

During the year fees were payable to the Directors at an annual rate of £68,250 to the Chairman (2023: £68,250), £57,750 to the Chairman of the Audit and Risk Committee (2023: £57,750) and £47,250 to the other Directors (2023: £47,250) with the exception of Mr Bucknall who is not remunerated for his role as a Non-Executive Director. These fees were effective from 1 January 2024. Details of the Directors remuneration paid during the year is given in note 7. At the year end, the Directors had the following holdings in the Company:

	Ordinary Shares at 31 December 2024	Ordinary Shares at 31 December 2023
Simon Hogan	40,000	40,000
Afkenel Schipstra	10,100	10,100
Abigail Rotheroe	10,000	10,000
David Bucknall	–	–

Investment Adviser

Fees payable to the Investment Adviser are shown in the Statement of Comprehensive Income. Fees details of the Investment Adviser are shown in note 6. At 31 December 2024, the principals of the Investment Adviser, Dr JJ Traynor and Mr R Hulf, each held 100,000 Ordinary Shares of the Company (31 December 2023: 100,000 Ordinary Shares). Transactions between the Company and the Investment Adviser during the year are disclosed in note 6.

INEOS Energy

The Relationship and Co-Investment Agreement dated 19 June 2021 between INEOS UK E&P Holdings Limited ("INEOS Energy"), the Investment Adviser, the Company and the General Partner (acting in its capacity as the general partner of the Limited Partnership), pursuant to which the parties agreed that: (i) INEOS Energy would subscribe for and/or shall procure that its associates shall subscribe for at least 25 million Ordinary Shares in the IPO; (ii) such Ordinary Shares subscribed by INEOS Energy would be subject to a 12 month lock-up from the date of purchase pursuant to which INEOS Energy agreed that it will not sell, grant options over or otherwise dispose of any interest in any such Ordinary Shares purchased by them (subject to the usual carve-outs); (iii) INEOS Energy was entitled to nominate one Non-Executive Director for appointment to the Board; (iv) prior to making any co-investment opportunity in relation to a Private Hydrogen Assets that is a project to any limited partner of the Limited Partnership, the Company and the Investment Adviser will give INEOS Energy a right of first refusal to acquire up to 100% of such co-investment opportunity (provided that the 'related party transaction' requirements set out in the Listing Rules are complied with); (v) INEOS Energy are provided with certain information rights relating to Private Hydrogen Assets and co-investment opportunities; and (vi) INEOS Energy shall be entitled to second one or more employees to the Investment Adviser from time-to-time. INEOS Energy has agreed that all transactions between INEOS Energy and its associates and any member of the Company and Group and/or the Investment Adviser are conducted at arm's length on normal commercial terms.

At the IPO, INEOS Energy subscribed for and received 25 million Ordinary Shares of the Company. On 31 October 2022, INEOS Energy transferred its holding of 25 million Ordinary Shares to its immediate parent, INEOS Offshore BCS Limited. At 31 December 2024, INEOS Offshore BCS held 25 million Ordinary Shares of the Company (2023: 25 million Ordinary Shares).

Throughout the year David Bucknall, Chief Executive Officer of the INEOS Energy group of companies was the Board representative of INEOS Energy, having been appointed on 20 May 2022 pursuant to the Relationship and Co-Investment Agreement entered into between, inter alia, INEOS Energy and the Company at the Company's launch. On 21 March 2025, David Bucknall stepped down as the Board representative and Erik Magnesen was appointed in his place.

Carried Interest and General Partners

Details of the Carried Interest Partner and General Partner and any applicable fees and unrealised carried interest are shown in note 6.

Alternative Investment Fund Manager

FundRock Management Company (Guernsey) Limited is appointed to act as the Company's and the Limited Partnership's Alternative Investment Fund Manager (the "AIFM") for the purposes of the UK AIFM Rules. The AIFM has delegated the provision of portfolio management services to the Investment Adviser. The AIFM, Company Secretary and Administrator are part of the same Apex Group.

Under the AIFM Agreement between the AIFM and the Company dated 5 July 2021, and with effect from Admission, the AIFM shall be entitled to receive from the Company a fee of 0.05% of Net Asset Value per annum up to £250 million, 0.03% of Net Asset Value per annum from £250 million up to £500 million and 0.015% of Net Asset Value per annum from £500 million, in each case adjusted to exclude any Net Asset Value attributable to any Private Hydrogen Assets held through the Limited Partnership and subject to a minimum annual fee of £85,000.

Under the AIFM Agreement between the AIFM and the Limited Partnership dated 5 July 2021, the AIFM receives from the Limited Partnership a fee of 0.05% of the net asset value of the Limited Partnership per annum up to £250 million, 0.03% of the net asset value of the Limited Partnership per annum from £250 million up to £500 million and 0.015% of the net asset value of the Limited Partnership per annum from £500 million, subject to a minimum annual fee of £25,000. AIFM fees paid or payable by the Limited Partnership are reflected through the NAV of the Limited Partnership.

The AIFM is also entitled to reimbursement of reasonable expenses incurred by it in the performance of its duties.

Administration and Company Secretarial services fee

The Company has entered into an Administration and Company Secretarial Services Agreement dated 5 July 2021 (the "Administrator and Company Secretary Agreement") between the Company and Apex Listed Companies Services (UK) Limited (formerly Sanne Fund Services (UK) Limited (the "Company Secretary and Administrator")) pursuant to which the Company Secretary and Administrator has agreed to act as company secretary and administrator to the Company.

Under the terms of the Administration and Company Secretarial Services Agreement, the Company Secretary and Administrator receives a fee from the Company of 0.06% of Net Asset Value per annum up to £250 million, 0.05% of Net Asset Value per annum from £250 million up to £500 million and 0.025% of Net Asset Value per annum from £500 million and subject to a minimum annual fee of £147,695 plus a further £10,000 per annum to operate the Company's Liquidity Reserve.

Under the terms of the Limited Partnership Administration Agreement 5 July 2021, pursuant to which the Company Secretary and Administrator has agreed to act as administrator to the Limited Partnership, the Company Secretary and Administrator receives an annual fee from the Limited Partnership of £69,867 and of £16,389 (excluding VAT) in respect of the General Partner. Administration fees paid or payable by the Limited Partnership are reflected through the NAV of the Limited Partnership. For so long as the Company is the sole Limited Partner, the administration fee in respect of the General Partner shall be allocated settled by the Company rather than the General Partner.

Custodian fee

The Company had entered into a Custodian Agreement between the Company and The Northern Trust Company (the "Custodian") dated 23 June 2021 (the "Custodian Agreement"), pursuant to which the Custodian had agreed to act as custodian to the Company.

The Custodian was entitled to a minimum annual fee of £50,000 (exclusive of VAT) per annum. The Custodian was also entitled to a fee per transaction taken on behalf of the Company. Post year end, the Custodian Agreement has been terminated following the realisations of the Listed Hydrogen Assets.

Registrar fee

The Company utilises the services of Computershare Investor Services plc (the "Registrar") as registrar to the transfer and settlement of Ordinary Shares. Under the terms of the Registrar Agreement dated 5 July 2021, the Registrar is entitled to a fee calculated based on the number of shareholders, the number of transfers processed and any Common Reporting Standard on-boarding, filings or changes. The annual minimum fee is £4,800 (exclusive of VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time.

Notes to the parent and consolidated financial statements

15. Financial instruments and capital disclosures

Risk Management Policies and Procedures

The Board of Directors has overall responsibility for the establishment and oversight of the Company and Group's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Company and Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company and Group's activities.

The Investment Adviser, AIFM and the Administrator report to the Board on a quarterly basis and provide information to the Board which allows it to monitor and manage financial risks relating to its operations. The Company and Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and operational risk. These risks are monitored by the AIFM. Below is a non-exhaustive summary of the risks that the Company and Group are exposed to as a result of its use of financial instruments:

The objectives, policies and processes for managing the risks, and the methods used to measure the risks, are set out below:

Market Risks

(i) Currency risk

Foreign currency risk is defined as the risk that the fair values of future cashflows will fluctuate because of changes in foreign exchange rates. The financial assets and liabilities are predominantly denominated in Pounds Sterling and substantially all revenues and expenses are in Pounds Sterling. As at the 31 December 2024 and 31 December 2023, the Company and Group had the following currency exposures, all of which are included in the Statement of Financial Position at fair value based on the exchanges rates at the year end.

	31 December 2024				31 December 2023			
Currency	Investments £'000	Cash £'000	Other assets & liabilities £'000	Total £'000	Investments £'000	Cash £'000	Other assets & liabilities £'000	Total £'000
Danish Krone	–	–	–	–	180	–	–	180
Euro	–	–	–	–	806	–	–	806
Korean Won	–	–	–	–	501	–	–	501
Norwegian Krone	–	–	–	–	259	–	–	259
Swedish Krona	–	–	–	–	3	–	–	3
US Dollar	–	–	–	–	213	–	–	213
	–	–	–	–	1,962	–	–	1,962

The Company and Group mitigate the risk of loss due to exposure to a single currency by way of diversification of the portfolio. The Limited Partnership's non-Pound Sterling denominated assets may have currency exposure hedged by Forward Exchange Contracts so that impact from currency exchange rate movements would be mitigated. As at 31 December 2024, the Limited Partnership's non-Pound denominated investments amounted to £67,241,000 (2023: £84,586,000) This increases foreign currency risk and may increase volatility of the Company and Group's net asset value.

Notwithstanding the currency exposure of the Limited Partnership's non-Pound Sterling denominated investments as explained in the preceding paragraph, at 31 December 2024 an exchange rate movement of +/-5% against Pounds Sterling, which is a reasonable approximation of possible changes based on observed volatility during the year, would have increased or decreased net assets and total return by £Nil (2023: £98,100).

(ii) Interest rate risk

The Company and Group's interest rate risk on interest bearing financial assets is limited to interest earned on cash balances. At the year end, the Company and Group had cash balances of £3,100,000 (2023: £4,626,000). An increase in interest rates of 2.0%, which is reasonable based upon changes in interest rates observed in the year, would impact the profit or loss and net assets of the Company and Group positively by £62,000, with a decrease of 2.0% having an equal and opposite effect (2023: an increase or decrease of 2% would have had a positive or negative affect of £92,520).

The Company and Group's interest and non-interest bearing assets and liabilities as at 31 December 2024 and 31 December 2023 are summarised below:

	31 December 2024			31 December 2023		
	Interest bearing £'000	Non-interest bearing £'000	Total £'000	Interest bearing £'000	Non-interest bearing £'000	Total £'000
Assets						
Cash and cash equivalents	2,833	–	2,833	4,626	–	4,626
Trade and other receivables	–	49	49	–	51	51
Investments held at fair value through profit or loss – Listed Hydrogen Assets	–	–	–	–	2,322	2,322
Investments held at fair value through profit or loss – Limited Partnership	–	113,729	113,729	–	125,861	125,861
Total assets	2,833	113,778	116,611	4,626	128,234	132,860
Liabilities						
Trade and other payables	–	(172)	(172)	–	(190)	(190)
Total liabilities	–	(172)	(172)	–	(190)	(190)

(iii) Price risk
Listed Hydrogen Assets
Price risk is defined as the risk that the fair value of a financial instrument held by the Company or Group will fluctuate. Listed Hydrogen Assets are measured at fair value through profit or loss. As of 31 December 2024, the Company and Group held Listed Hydrogen Assets with an aggregate fair value of £nil (2023: £2,322,000).

All other things being equal, the effect of a 10% increase or decrease in the value of the investments held at the year end would have been an increase or decrease of £nil in the Company and Group's loss after taxation for the year ended 31 December 2024 and the Company and Group's net assets at 31 December 2024 (2023: £232,200).

At 31 December 2024, the sensitivity rate of 10% is regarded as reasonable due to the actual market price volatility experienced as a result of the economic impact on the Listed Hydrogen Assets.

Private Hydrogen Assets
The impact of market conditions on the Limited Partnership's portfolio of Private Hydrogen Assets is reflected in the discount rate sensitivity analysis as outlined in the unobservable inputs table in note 4. The valuations may also be affected by the performance of the underlying investments in line with the valuation criteria in note 3.

The Private Hydrogen Assets sensitivity analysis in note 4 recognises that the valuation methodologies employed involve different levels of subjectivity in their inputs primarily driven by changes in discount rate assumptions and weighting of the techniques employed.

Key variable inputs of Private Hydrogen Assets

The variable inputs applicable to each broad category of valuation basis will vary depending on the particular circumstances of each Private Hydrogen Asset valuation. An explanation of each of the key variable inputs is provided below and includes an indication of the range in value for each input, where relevant.

Selection of appropriate discount rates
The selection of an appropriate discount rate is assessed individually for each Private Hydrogen Asset. Publicly disclosed discount rates in the relevant sector and comparable asset classes, which may be procured from public sources or independent third-party expert advisers or for comparable market transactions of similar assets are used where available.

Notes to the parent and consolidated financial statements

Selection of appropriate benchmarks
The selection of appropriate benchmarks is assessed individually for each Private Hydrogen Asset. The industry and geography of each Private Hydrogen Asset are key inputs to the benchmark selection, with either one or two key indices or benchmarks being used for comparison.

Selection of comparable companies
The selection of comparable companies is assessed individually for each Private Hydrogen Asset at the point of investment, and the relevance of the comparable companies is continually evaluated at each valuation point. The key criteria used in selecting appropriate comparable companies are the industry sector in which they operate and the geography of the Private Hydrogen Asset's operations.

Application of valuation basis
Each Private Hydrogen Asset is assessed, and the valuation basis applied will vary depending on the circumstances of each Private Hydrogen Asset. DCF will be considered where appropriate forecasts are available. The valuation will also consider any recent transactions, where appropriate. For those Private Hydrogen Assets where a trading multiples approach can be taken, the methodology will factor in revenue, earnings or net assets as appropriate for the Private Hydrogen Asset.

Estimated sustainable earnings and cash flows
The selection of sustainable revenue or earnings and cash flows will depend on whether the Private Hydrogen Asset is sustainably profitable or not, and where it is not then sustainable revenues will be used in the valuation. The valuation approach will typically assess Private Hydrogen Assets based on the last twelve months of revenue or earnings, as they are the most recent available and therefore viewed as the most reliable. Where a Private Hydrogen Asset has reliably forecasted earnings previously or there is a change in circumstance at the business which will impact earnings going forward, then forward estimated revenue or earnings may be used instead.

Application of liquidity discount
A liquidity discount may be applied either through the calibration of a valuation against the most recent transaction, or by application of a specific discount.

Credit risk

The Company and Group are exposed to credit risk in respect of trade and other receivables and cash at bank. For risk management reporting purposes, the Company and Group considers and aggregates all elements of credit risk exposure (such as individual obligation default risk, country risk and sector risk).

	31 December 2024 £'000	31 December 2023 £'000
Trade and other receivables	49	51
Cash and cash equivalents	2,833	4,626
Total	2,882	4,677

The cash and cash equivalents are held with Northern Trust Bank, EFG International Bank, Royal Bank of Scotland and through the Goldman Sachs- Liquid reserve fund. The Fitch Rating credit rating of Northern Trust Bank is AA (2023: AA), EFG international Bank is A (2023: A), Royal Bank of Scotland A+ (2023: A+) and the Goldman Sachs Liquid reserve fund is AAA (2023: AAA).

At the year end there were no trade and receivables past due. The credit risk exposure is minimised by dealing with financial institutions with investment grade credit ratings.

Liquidity risks

Liquidity risk is the risk that the Company or Group may not be able to meet a demand for cash or fund an obligation when due. The Investment Adviser, AIFM and the Board continuously monitor forecast and actual cashflows from operating, financing and investing activities to consider payment of dividends, or further investing activities.

Financial assets and liabilities by maturity at the year end are shown below:

	31 December 2024			31 December 2023		
	Less than 1 year £'000	1-5 years £'000	Total £'000	Less than 1 year £'000	1-5 years £'000	Total £'000
Assets						
Investments at fair value through profit or loss – Listed Hydrogen Assets	–	–	–	2,322	–	2,322
Investments at fair value through profit or loss – Limited Partnership	–	113,729	113,729	–	125,861	125,861
Trade and other receivables	49	–	49	51	–	51
Cash and cash equivalents	2,833	–	2,833	4,626	–	4,626
Total assets	2,882	113,729	116,611	6,999	125,861	132,860
Liabilities						
Trade and other payables	(172)	–	(172)	(190)	–	(190)
Total liabilities	(172)	–	(172)	(190)	–	(190)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the activities relating to financial instruments, either internally or on the part of service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

Operational risk is managed so as to balance the limiting of financial losses and reputational damage with achieving the investment objective of generating returns to investors. The AIFM works with the Board to identify the risks facing the Company and the Limited Partnership. The key risks are documented and updated in the Risk Matrix by the AIFM. The primary responsibility for the development and implementation of controls over operational risk rests with the Board.

This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers. The Directors' assessment of the adequacy of the controls and processes in place at service providers with respect to operational risk is carried out through having discussions with and reviewing reports, including those on their internal controls, from the service providers.

Capital Management Policies and Procedures

The Company and Group's capital management objectives are to ensure that the Company and Group will be able to continue as a going concern while maximising the return to equity shareholders.

In accordance with the investment objective, the principal use of cash (including the proceeds of the IPO and placings) is investing in hydrogen focused assets, as well as expenses related to the share issue when they occur, ongoing operational expenses and payment of dividends and other distributions to shareholders in accordance with the Company's dividend policy.

The Company and Group considers their capital to comprise share capital, distributable reserves and retained earnings. The Company and Group are not subject to any externally imposed capital requirements. The Company and Group's share capital, distributable reserves and retained earnings are shown in the Statement of Financial Position at a total £116,439,000 (2023: £132,670,000).

Notes to the parent and consolidated financial statements

16. Subsidiary and related entities

Subsidiary

The Company owns 100% of HydrogenOne Capital Growth (GP) Limited and as at 31 December 2024 and 31 December 2023 and HydrogenOne Capital Growth Investments (1A) GP LLP as at 31 December 2024.

Subsidiary name	Effective ownership	Country of ownership	Principal activity	Issued share capital	Registered address
HydrogenOne Capital Growth (GP) Limited	100%	United Kingdom	General partner of HydrogenOne Capital Growth Investments (1) LP	£1	4th Floor, 140 Aldersgate Street, London, EC1A 4HY
HydrogenOne Capital Growth Investments (1A) GP LLP	100%	United Kingdom	General partner of HydrogenOne Capital Growth Investments (1A) LP	£10	4th Floor, 140 Aldersgate Street, London, EC1A 4HY

Related entities

The Company holds Private Hydrogen Assets through its investment in the Limited Partnership, which has not been consolidated as a result of the adoption of IFRS 10: Investment entities exemption to consolidation. At 31 December2024 the Limited Partnership had no exposure to forward currency contracts (2023: nil). There are no other cross guarantees amongst related entities. Below are details of the unconsolidated Private Hydrogen Asset held through the Limited Partnership.

31 December 2024

Name	Purpose of the entity	Country of Incorporation	Value of investment £'000	Total assets as at 31 December 2024 (unaudited) £'000	Effective ownership (% rounded)	Registered address
Sunfire GmbH	Electrolyzer producer	Germany	32,337	250,033	4%	Gasanstaltstraße 2 01237 Dresden, Germany
Elcogen Group plc	Solid oxide fuel cell supply	United Kingdom	21,019	54,600	8%	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH
Strohm Holding BV	Supplier of thermoplastic composite pipe	Netherlands	13,885	63,062	15%	Monnickendamkade 1, 1976 EC IJmuiden
HiiROC Limited	Supplier of clean hydrogen production technology	United Kingdom	23,925	4,225	5%	22 Mount Ephraim, Tunbridge Wells, Kent, TN4 8AS
Cranfield Aerospace Solutions Limited	Aviation design and maintenance	United Kingdom	12,366	13,588	29%	Hanger 2, Cranfield Airport, Cranfield, Bedfordshire, MK43 0AL

Name	Purpose of the entity	Country of Incorporation	Value of investment £'000	Total assets as at 31 December 2024 (unaudited) £'000	Effective ownership (% rounded)	Registered address
Bramble Energy Limited	Printed Circuit Board fuel cell solutions	United Kingdom	9,908	10,303	12%	6 Satellite Business Village, Fleming Way, Crawley, England, RH10 9NE
Swift Hydrogen Limited	Hydrogen storage intellectual property	United Kingdom	50	N/a	100%	6th Floor 125 London Wall, London, England, England, EC2Y 5AS

31 December 2023

Name	Purpose of the entity	Country of Incorporation	Value of investment £'000	Total assets as at 31 December 2023 (unaudited) £'000	Effective ownership (% rounded)	Registered address
Sunfire GmbH	Electrolyzer producer	Germany	27,068	157,197	5%	Gasanstaltstraße 2 01237 Dresden, Germany
Elcogen Group plc	Solid oxide fuel cell supply	United Kingdom	24,430	51,445	9%	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH
Strohm Holding BV	Supplier of thermoplastic composite pipe	Netherlands	19,719	62,082	20%	Monnickendamkade 1, 1976 EC IJmuiden
HiiROC Limited	Supplier of clean hydrogen production technology	United Kingdom	13,701	14,398	6%	22 Mount Ephraim, Tunbridge Wells, Kent, TN4 8AS
Cranfield Aerospace Solutions Limited	Aviation design and maintenance	United Kingdom	11,870	17,291	29%	Hanger 2, Cranfield Airport, Cranfield, Bedfordshire, MK43 0AL
Bramble Energy Limited	Printed Circuit Board fuel cell solutions	United Kingdom	10,621	21,361	12%	6 Satellite Business Village, Fleming Way, Crawley, England, RH10 9NE
HH2E AG	Supplier of green electrolysis and energy storage facilities	Germany	6,971	11,077	11%	HRB 167243, Kaiser-Wilhelm-Straße 93, 20355 Hamburg
NanoSUN Limited	Supplier of mobile hydrogen storage and refueling systems	United Kingdom	5,428	5,045	22%	Abraham Heights Farm, Westbourne Road, Lancaster, LA1 5EF
GEN2 Energy AS	Green Hydrogen development	Norway	4,443	11,203	7%	Raveien 205, 3184 Borre, Norway

Notes to the parent and consolidated financial statements

Name	Purpose of the entity	Country of Incorporation	Value of investment £'000	Total assets as at 31 December 2023 (unaudited) £'000	Effective ownership (% rounded)	Registered address
HH2E Werk Thierbach GmbH	Supplier of green electrolysis and energy storage facilities	Germany	1,955	9,389	15%	HRB 167243, Kaiser-Wilhelm-Straße 93, 20355 Hamburg

The maximum exposure to loss from the unconsolidated entities is the carrying amount of the financial assets held.

During the year the Company did not provide financial support and has no intention of providing financial or other support to the subsidiary and the unconsolidated Private Hydrogen Assets held through the Limited Partnership.

17. Commitments and contingencies

As at 31 December 2024 the Company had no future commitments.

At 31 December 2024 the Company had outstanding undrawn loan commitments of £2,358,399 to the Limited Partnership (2023: £3,638,090).

18. Post balance sheet events

Since 31 December 2024, the Partnership has made additional investments in and commitments to Private Hydrogen Assets amounting to £nil.

Other information

Alternative Performance Measures ("APM")

APMs are often used to describe the performance of investment companies although they are not specifically defined under IFRS. APM calculations for the Company are shown below.

(Discount)/Premium

The amount, expressed as a percentage, by which the share price is less/more than the Net Asset Value per Ordinary Share.

At 31 December		Page	2024	2023
NAV per Ordinary Share (pence)	a	3	90.39	102.99
Share price (pence)	b	3	21.65	49.65
(Discount)/Premium	(b÷a)-1		(76.0)%	(51.8)%

Ongoing charges

A measure, expressed as a percentage of average net assets during the year, of the regular, recurring annual costs of running an investment company.

Year ended 31 December		Page	2024	2023
Average NAV	a	n/a	128,293,373	129,442,151
Annualised expenses	b	n/a	3,245,181	3,308,961
Ongoing charges	(b÷a)		2.53%	2.56%

The ongoing charges percentage is on a consolidated basis and therefore takes into consideration the expenses of the Limited Partnership as well as the Company and is calculated in accordance with the methodology set out by the AIC.

Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

Year ended 31 December 2024		Page	Share price[1]	NAV[2]
Opening at 1 January 2024 (p)	a	n/a	49.65	102.99
Closing at 31 December 2024 (p)	b	3	21.65	90.39
Total return	(b÷a)-1		(56.4)%	(12.2)%

1. Share price total return is based on an opening share price of 79.30p.
2. NAV total return is based on an opening NAV of 97.31p per Ordinary Share.
3. N/a = not applicable.

Year ended 31 December 2023		Page	Share price[1]	NAV[2]
Opening at 1 January 2023(p)	a	n/a	79.30	97.31
Closing at 31 December 2023 (p)	b	3	49.65	102.99
Total return	(b÷a)-1		(37.4)%	5.8%

1. Share price total return is based on an opening share price of 119.50p.
2. NAV total return is based on an opening NAV after launch expenses of 95.75p per Ordinary Share.
3. N/a = not applicable

Glossary

Admission	First admission of the Company's Ordinary Shares to the London Stock Exchange on 30 July 2021.
AIC	Association of Investment Companies.
Alternative Investment Fund or "AIF"	An investment vehicle under AIFMD. Under AIFMD (see below) HydrogenOne Capital Growth plc is classified as an AIF.
Alternative Investment Fund Managers Directive or "AIFMD"	A European Union directive which came into force on 22 July 2013 and has been implemented in the UK.
Annual General Meeting or "AGM"	A meeting held once a year which shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask the Directors questions about the company in which they are invested.
CCS	Carbon Capture and Storage
CLN	Convertible Loan Note
the Company	HydrogenOne Capital Growth plc ("HGEN").
Custodian	An entity that is appointed to safeguard a company's assets.
Discount/premium	The amount, expressed as a percentage, by which the share price is less/more than the net asset value per share.
Dividend	Income receivable from an investment in shares.
Ex-dividend date	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to shareholders.
ESG	Environmental, Social and Governance ("ESG") criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.
Financial Conduct Authority or "FCA"	The independent body that regulates the financial services industry in the UK.
GCC	The Cooperation Council for the Arab States of the Gulf, also known as the Gulf Cooperation Council.
GHG	Greenhouse Gases.
Gross Asset Value or GAV	The aggregate value of the total assets of the Company, including the gross asset value of any investments held in the HydrogenOne Partnership attributable to the Company's interest in the HydrogenOne Partnership on a look-through basis from time-to-time, calculated in accordance with the Company's valuation policy.
Index	A basket of stocks which is considered to replicate a particular stock market or sector.
Investment company	A company formed to invest in a diversified portfolio of assets.
Investment Trust	An investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust.
Liquidity	The extent to which investments can be sold at short notice.
Listed Hydrogen Assets	Investments in quoted or traded Hydrogen Assets, which will predominantly be equity securities but may also be corporate debt and/or other financial instruments.
Net assets or net asset value ("NAV")	An investment company's assets less its liabilities.
NAV per Ordinary Share	Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury).

Glossary

Offtaker	A purchaser of electricity and/or renewable obligation.
Ordinary Shares	The Company's ordinary shares in issue.
Portfolio	A collection of different investments held in order to deliver returns to shareholders and to spread risk.
Private Hydrogen Assets	Investments in unquoted Hydrogen Assets, which may be operational companies or hydrogen projects (completed or under construction).
Relative performance	Measurement of returns relative to an index.
Share buyback	A purchase of a company's own shares. Shares can either be bought back for cancellation or held in treasury.
Share price	The price of a share as determined by a relevant stock market.
TCP	Thermoplastic Composite Pipe
Treasury shares	A company's own shares which are available to be sold by a company to raise funds.
Volatility	A measure of how much a share moves up and down in price over a period of time.

Directors and advisers

Directors (all Non-Executive)

Simon Hogan (Chairman)
Afkenel Schipstra
Abigail Rotheroe
David Bucknall (resigned 21 March 2025)
Erik Magnesen (appointed 21 March 2025)

Administrator and Company Secretary

Apex Listed Companies Services (UK) Limited
4th Floor
140 Aldersgate Street
London
EC1A 4HY

Alternative Investment Fund Manager (AIFM)

FundRock Management Company (Guernsey) Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

Broker

Barclays Bank PLC
1 Churchill Place
London
E14 5RB

Solicitors to the Company

Gowling WLG (UK) LLP
4 More London Riverside
London
SE1 2AU

Registered office*

4th Floor
140 Aldersgate Street
London
EC1A 4HY

**Registered in England and Wales – No 13340859*

Investment Adviser

HydrogenOne Capital LLP
4 Manchester Square
London
W1U 3PD

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Independent Auditor

KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
Guernsey
GY1 1WR

Report of the Alternative Investment Fund Manager

Material change

FundRock Management Company (Guernsey) Limited as AIFM must disclose in the Annual Report, details of material changes to the information set out under AIFMD. For these purposes, there are no material changes effective during the period to be noted to the information set out in the Prospectus.

Remuneration disclosures

The Company is categorised as an EU Alternative Investment Fund ("AIF"). The AIFMD seeks to regulate managers of AIFs, such as the Company. It imposes obligations on AIFMs who manage AIFs in a member state of the European Economic Area ("EEA state"), or who market shares in AIFs to investors who are domiciled, or with a registered office, in an EEA state. Under the AIFMD, an AIFM must be appointed and must comply with various organisational, operational and transparency requirements.

On 5 July 2021, the Company appointed FundRock Management Company (Guernsey) Limited to act as AIFM to the Company. FundRock Management Company (Guernsey) Limited is responsible for fulfilling the role of the AIFM and ensuring the Company complies with the AIFMD requirements. Details of the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and the number of beneficiaries, are made available to Shareholders on request.

FSC
www.fsc.org
MIX
Paper | Supporting responsible forestry
FSC® C022913

Designed and printed by:
perivan
perivan.com

HydrogenOne
CAPITAL | FUTURE FUEL. NOW

hydrogenonecapitalgrowthplc.com