

HydrogenOne Capital Growth plc

Q1 2023



Signatory of:



Principles for
Responsible
Investment



GREENHOUSE
GAS PROTOCOL



SUSTAINABLE
DEVELOPMENT GOALS

Investing in clean hydrogen
for a climate-positive impact

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The return target stated herein is a target only and not a profit forecast, based on estimates and assumptions that are inherently subject to significant uncertainties and contingencies. Target returns (if any) are based on the market conditions and the economic environment at the time of assessing the targeted returns. There can be no assurance that any target will be met and they should not be taken as an indication of the Company's expected future results. The Company's actual returns depend upon a number of factors, including but not limited to currency exchange rates, the Company's net income and level of ongoing charges. Accordingly, potential investors should not place any reliance on any target in deciding whether or not to invest in the Company and should decide for themselves whether or not any target NAV total return is reasonable or achievable.

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This document has not been approved for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended. The Company's Investment Adviser, HydrogenOne Capital LLP (FRN: 954060), is an appointed representative of Thornbridge Investment Management LLP (FRN: 713859) which is authorised and regulated by the Financial Conduct Authority.

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

£125m
NAV

**10-15% average
NAV growth¹**

£106m

**invested, generating
£33m revenues 2022
(+110%)**

>£500m

**investment pipeline
supported by macro
tailwinds**

INEOS Energy Strategic investor

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

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

HydrogenOne’s strategy

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

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

Investment Adviser



Dr JJ Traynor
(Managing Partner)

Former senior executive at Shell, BP and Deutsche Bank.



Richard Hulf
(Managing Partner)

Former Fund Manager at Artemis and senior executive at EY and Exxon.



Ben Tidd
(CFO)

ACA qualified former senior executive at Eight Roads (Fidelity), Henderson Group and KPMG.



Elena Costea Lehmann
(Portfolio Manager)

Portfolio management and accounting professional. Previously with Capricorn Capital Partners, working on private equity portfolio.



Eva Bezruchko
(External Affairs)

Former senior manager and consultant to listed companies in the energy sector.



Jonathan Chui
(Analyst)

Top 20 global ranked Financial Modeler, formerly with Cubico Sustainable Investments, UPP, and Operis.

Plc Board



Simon Hogan
(Chairman)

Former Managing Director of Morgan Stanley and COO across Commodities, Fixed income and Equity divisions.



Afkenel Schipstra

COO of Energy at First Hydrogen. Former SVP of Business Development for Netherlands Hydrogen at ENGIE.



Abigail Rotheroe

Former Investment Director at Snowball Impact Management and Director of Threadneedle Investment.



David Bucknall
(Nominee of INEOS Energy)

CEO of INEOS Energy. Former head of the global oil & low carbon trading businesses at BP.

Strategic Adviser

Global engineering and consulting company

ARUP

Advisory Board


8 Advisors:
Capital markets, energy and hydrogen sectors


Strong macro tailwinds underpin hydrogen investment case


Structural drivers of the hydrogen economy...




...step change in policies

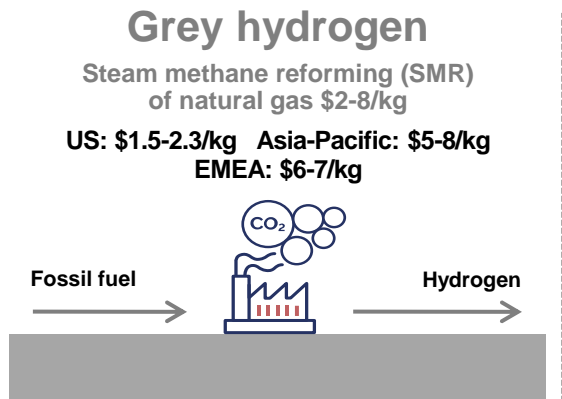
\$8bn 
'hydrogen hubs' +
hydrogen tax credit in
Inflation Reduction Act

>300GW 
REPowerEU 2030
hydrogen target
increased from 80GW

10GW 
UK 2030 hydrogen
target doubled

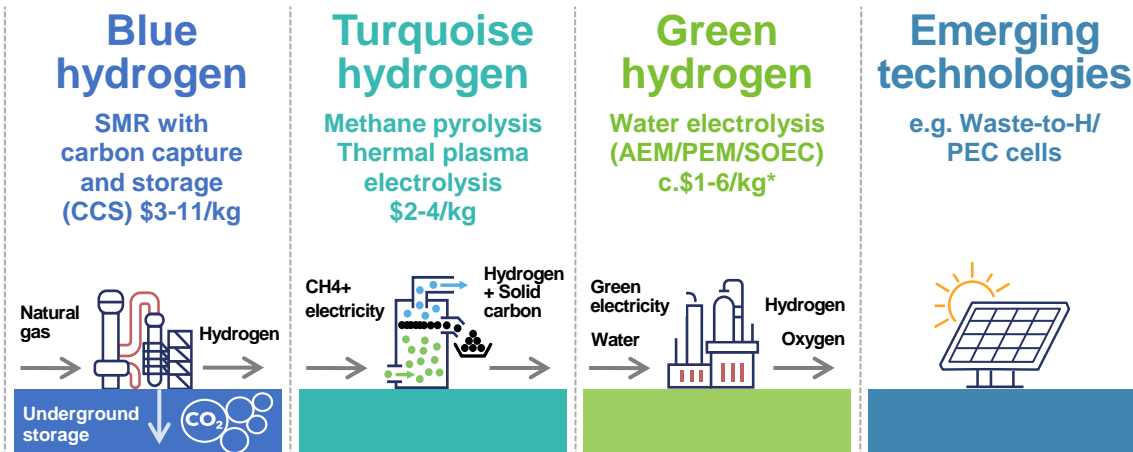
3mtpa 
Japan 2030
hydrogen target

The colours of hydrogen



\$175 billion “grey” market today...

- Industrial gas: refining, steel, cement, ammonia
- Cleaning up 830mtpa GHG emissions



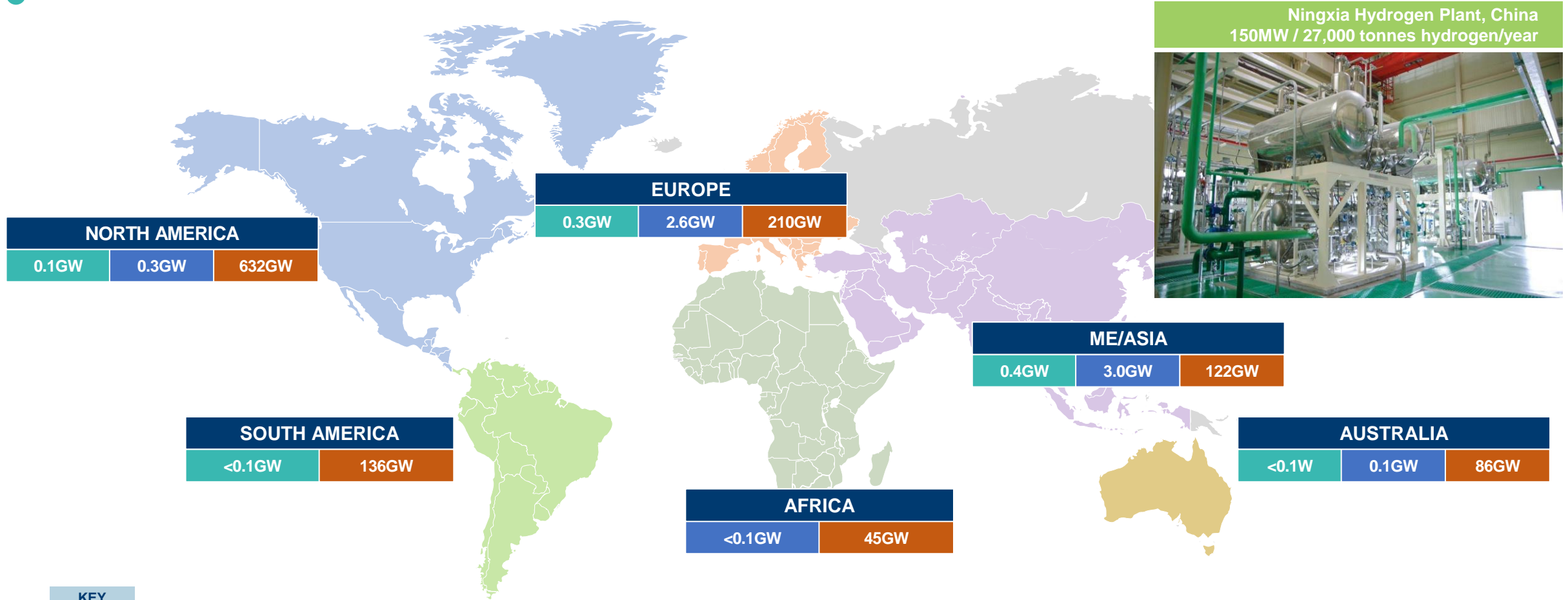
...and >\$2 trillion clean hydrogen growth

- Replacing oil: buses, trucks, ships, forklift, portable power
- Gas grid blending: eventual shift to 100% hydrogen
- Grid balancing via hydrogen storage

Total addressable market, \$b	2030	2050
Hydrogen Production	600	1,650
Storage & Distribution	20	75
Supply Chain	40	525
Hydrogen Applications	30	350
Total	690	2,600

*USA \$1-5/kg including up to \$3/kg green hydrogen tax credit (PTC) under 2022 IRA

Large-scale clean hydrogen deployment is underway

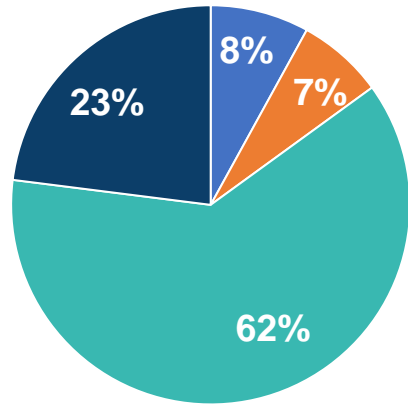


KEY	OPERATIONAL: 0.8GW	UNDER DEVELOPMENT: 6.0GW	PROPOSED: 1,231GW
>860 GREEN HYDROGEN PROJECTS:			
AVOIDED GHG (MTPA)	0.1	7.2	1,400

HydrogenOne has investment rights on >7GW of green hydrogen projects in Germany and Norway

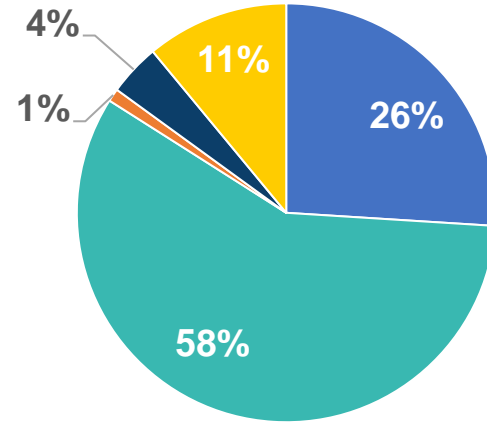
Distinctive and unique hydrogen portfolio

Portfolio segmentation by theme



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

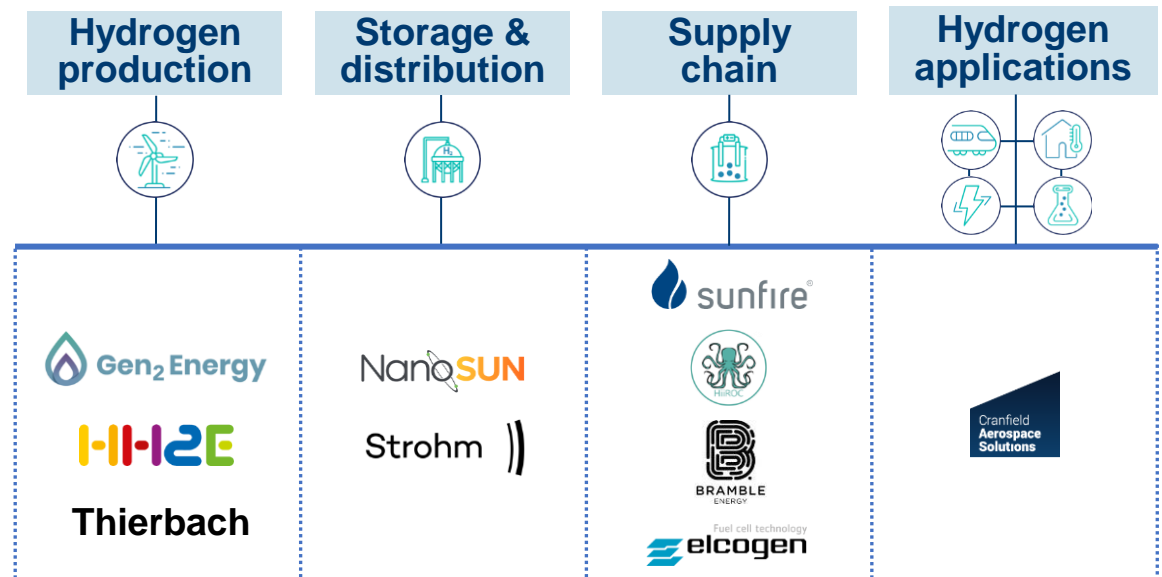
Portfolio segmentation by geography



- Germany
- UK
- France
- Scandinavia
- Netherlands

Where we invest

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

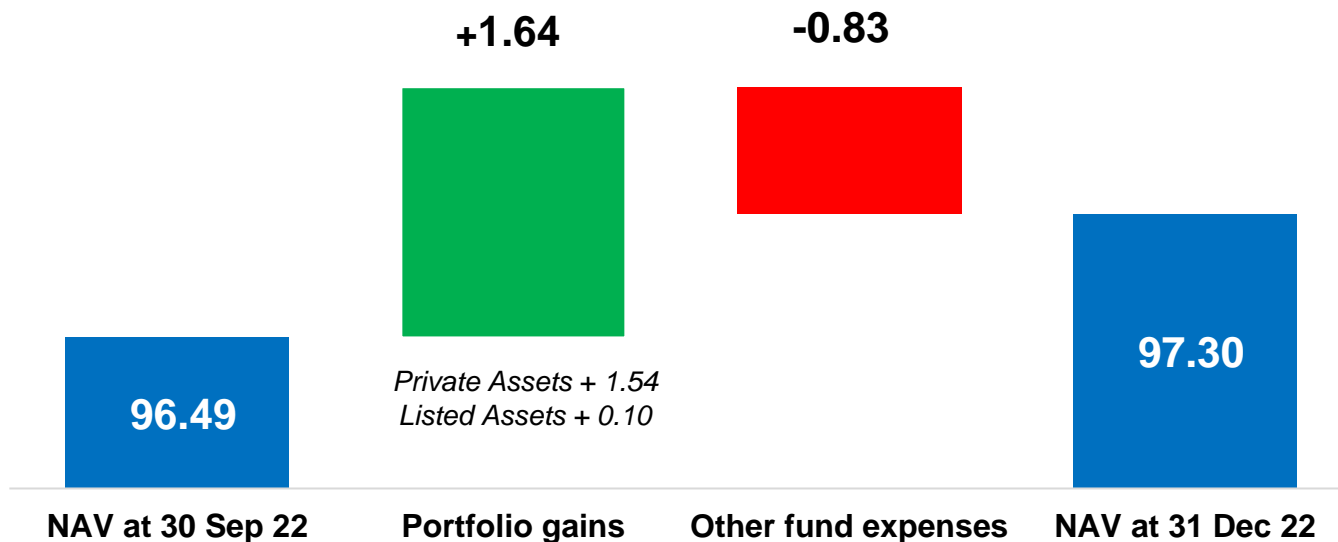


Investing alongside blue-chip industrials and funds

Invested companies	Co-investors
<p>Hydrogen production</p>  	    
<p>Storage & distribution</p>  	    
<p>Supply chain</p>    	              
<p>Hydrogen applications</p> 	  

Key portfolio movements

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



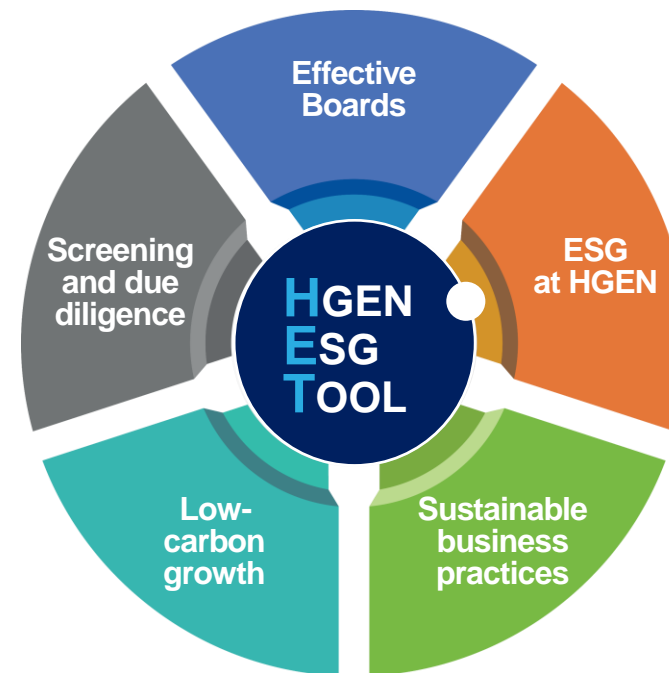
NAV +0.8% Q3-Q4 22

Top fund holdings

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


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

Our ESG Principles



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

Sunfire GmbH investment (Supply chain)

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



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



Sunfire’s solid oxide cell electrolyzer

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

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




Strohm's low carbon footprint pipeline's installation offshore



Strohm's TCP ready for installation offshore

HiiROC Limited investment (Storage & Distribution)

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



HiiROC unit



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

HH2E & Thierbach investments (Hydrogen Production)

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

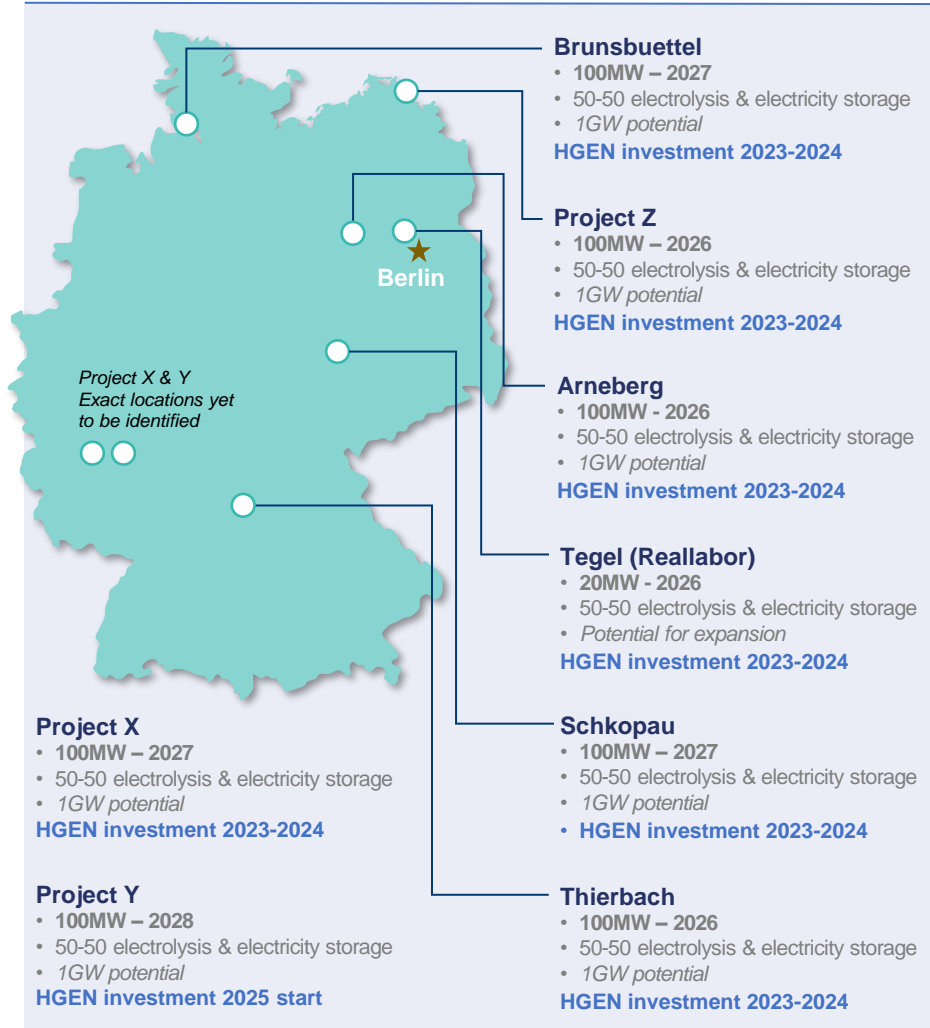


Exclusivity on 10 green hydrogen projects

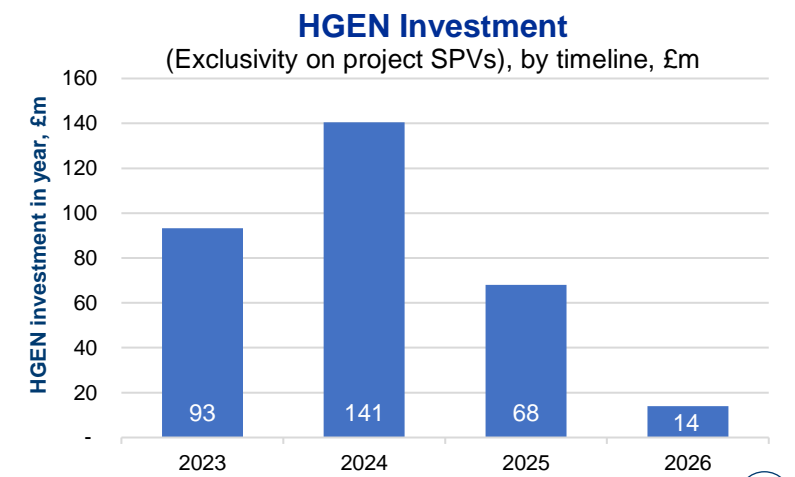
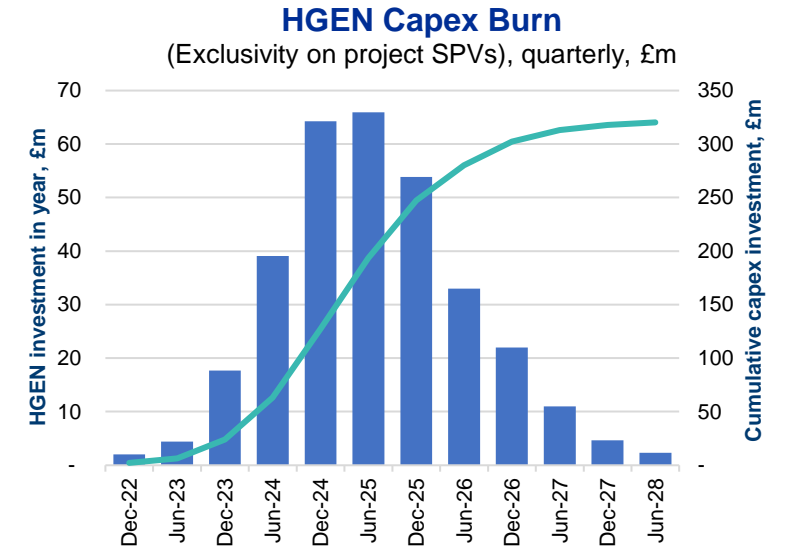
Norway Gen₂Energy

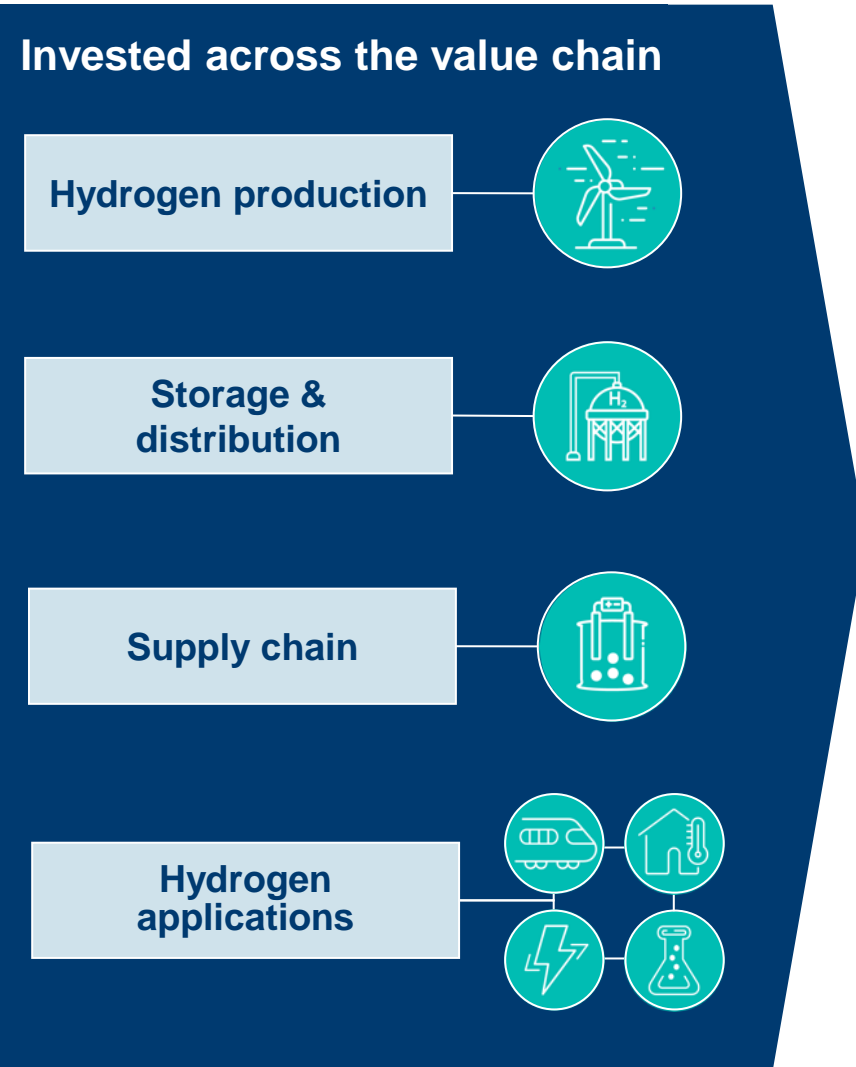


Germany H2E



Total HGEN investment 2023-2024: >£200 million

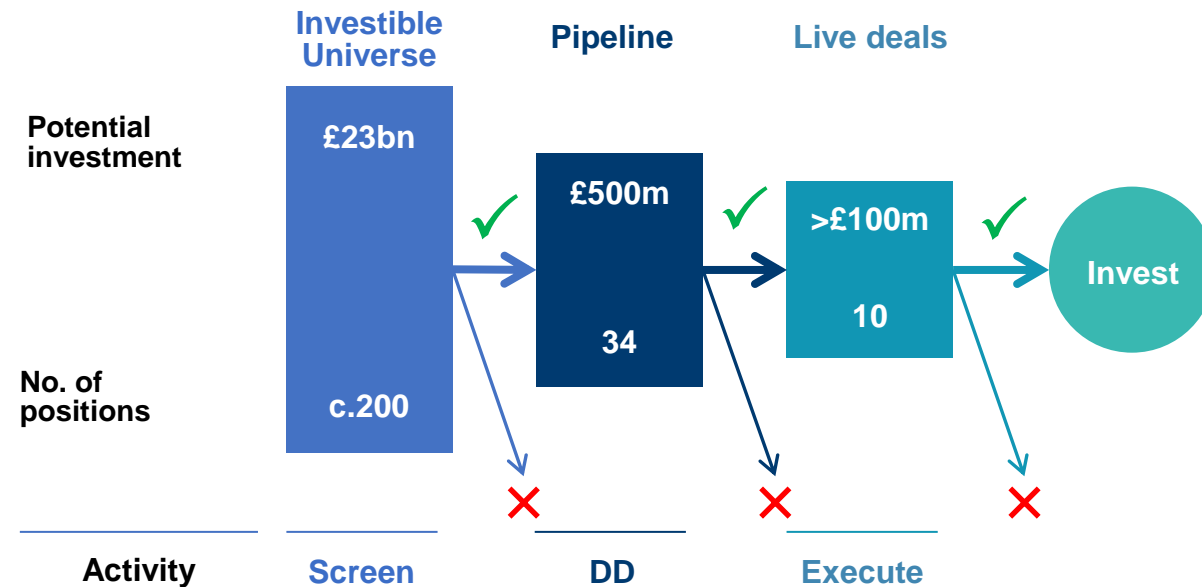


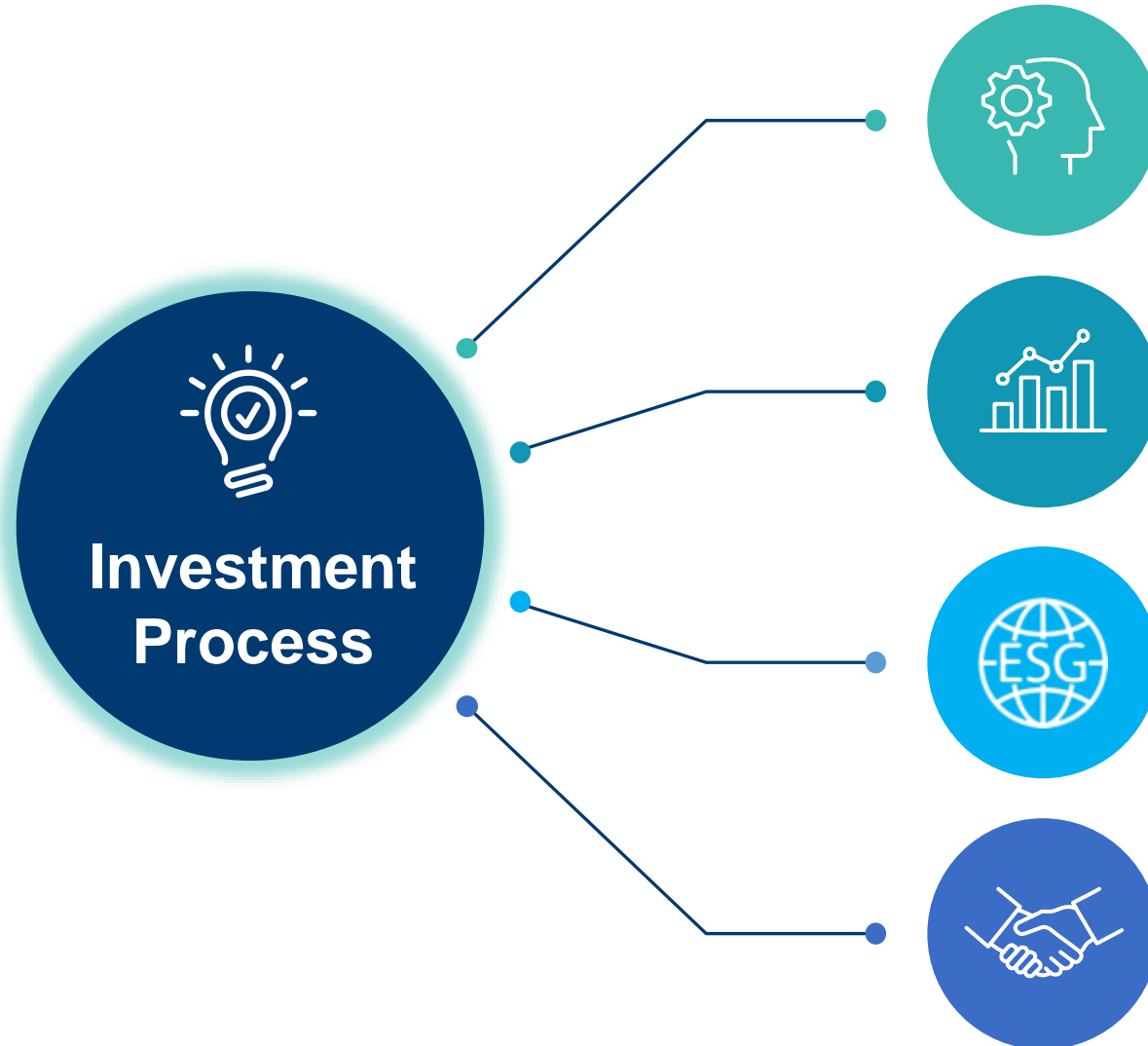


>£20bn private Investible Universe > £500m private Pipeline

- Diversified portfolio across multiple asset classes
- Clean hydrogen supply projects
- Supply chain and developer companies
- <10% allocation to strategic listed companies in £42bn sector

Dynamic management of multiple private opportunities





1. Specialist insights into deal flow

- Investment Adviser networks and track record
- Building out opportunities via our investments
- First mover... “see everything”
- Investing alongside industrials, ESG funds and VC

2. Investment Policy

- Hydrogen and related growth assets
- OECD mandate
- Fossil fuels production excluded

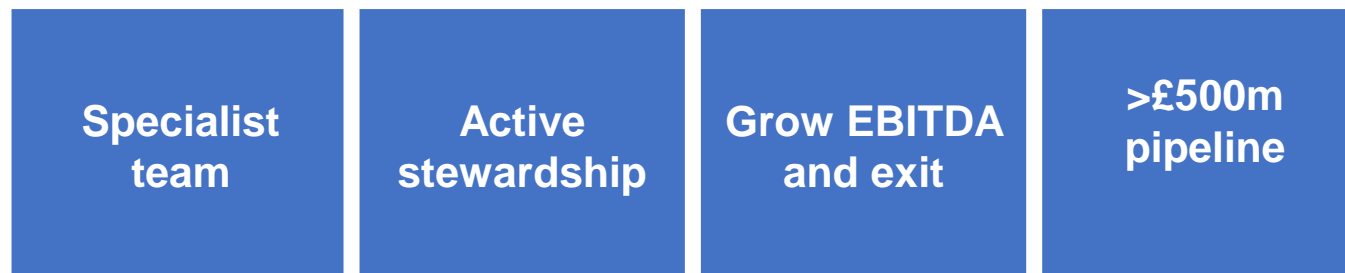
3. ESG Policy

- Investing in low-carbon growth and avoided GHG emissions
- ESG policy integrated in investment decisions and asset monitoring
- Article 9 climate impact fund – robust ESG screening and due diligence, including EU taxonomy assessment

4. Transaction

- Autonomy in investment selection and allocation
- Detailed DD including Advisory Board, Arup and other 3rd parties
- Board / AIFM review ahead of completion

Identifying the best investment opportunities



Clear strategy to grow NAV

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