

HydrogenOne Capital Growth plc (“HGEN”) – investing in clean hydrogen for a climate-positive impact. Article 9 Fund with an ESG policy integrated in investment decisions and asset monitoring.

Key highlights for the period

- Net Asset Value (“NAV”) per share of the Company of 103.60 pence; in line with 31 March 2024 (103.56 pence), and an increase of 2.9% since 30 June 2023;
- Private portfolio companies delivered an aggregate £76 million in total revenue in the 12 months to 30 June 2024, an increase of 44% compared to the 12 months to 30 June 2023;
- Portfolio companies continue to attract fresh capital from strategic investors, with over £140 million of investment completed during the quarter, underscoring the attractiveness of clean hydrogen and the Company’s growth strategy within the sector;
- Elcogen received 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, a global technology leader in patented Thermal Plasma Electrolysis (“TPE”), received a strategic investment to accelerate its expansion into the US, with the carrying value increasing by 13%;
- HH2E completed a corporate consolidation, ahead of an expected external funding round, and added a new green hydrogen project Lubmin, in Germany, to the Company’s portfolio by combination with its holding in HH2E;
- Strohm, a leading company in low carbon pipelines, completed a €30 million funding round, led by new and existing investors; and
- Cash position of £1.7 million as at 30 June 2024, and £0.3 million of listed hydrogen companies.

Investment Adviser’s commentary

The key contributors to the quarterly NAV were valuation uplifts in multiple private holdings including HiiROC, HH2E and Bramble, partly offset by decreases in the valuation of Cranfield Aerospace, Gen2 Energy and Strohm adding 1.17 pence (1.1%) per share to the NAV.

The portfolio weighted average discount rate at 30 June 2024 was 13.3%, lower than 31 March 2024 (14.3%), as a result of a decrease in the small company premiums, increasing NAV by 2.86 pence per share. The portfolio weighted average discount rate at 30 June 2023 was 13.7%, higher than 31 March 2024, increasing 30 June 2024 NAV by 2.05 pence per share.

During the 12 months to 30 June 2024, private portfolio companies delivered an aggregate unaudited £76 million in revenue, an increase of 44% compared to the 12 months to 30 June 2023, and a slight reduction compared to the prior quarter. Revenue growth reflects the build out of capacity to meet strong order books for hydrogen supply chain equipment.

Meanwhile, portfolio companies continue to attract substantial fresh capital from strategic investors, with over £140 million investment completed in the quarter. This underscores the Company’s growth strategy of investing in distinctive clean hydrogen growth technologies alongside industrial companies and specialist investors.

Investments in the quarter totalled £1.2 million in follow-ons in portfolio companies, including Strohm and Cranfield Aerospace. Cash and cash equivalents were £1.7 million, with an additional £0.3 million of listed hydrogen companies at the end of the quarter.

A new strategic investor invested in HiiROC, and combined with further investment from Cemex in 2023, and orders for equipment, has resulted in an increase of 13% in the Company’s carrying value (£23.0 million) at 30 June 2024, compared to 31 March 2024, and an 68% increase compared to 31 December 2023.

A corporate consolidation of HH2E was completed in Q2 2024. The Company has exchanged its development rights for five project SPVs, including the Thierbach SPV, for equity in HH2E. In parallel, the Lubmin SPV, which was previously carved out of the Company’s direct holdings, has also been combined with HH2E in a non-cash transaction for the Company. The 30 June 2024 NAV for HH2E reflects this transaction, by combining previous holdings in Thierbach with HH2E, with a 38% accretion (£3.4 million) in value of the combined position compared to 31 December 2023.

Baker Hughes made a strategic investment in Elcogen, following investment from HD Hyundai in 2023, part of a €140 million total fundraise. This supports the go-ahead of the Elco-1 plant project in Estonia and has resulted in a 22% increase in carrying value (£26.2 million) since 30 June 2023.

Strohm closed a €30 million funding round, led by new and existing investors, including €1.2 million from HydrogenOne through convertibles. The new investment provides funding for further capacity expansion at Strohm’s Netherlands plant, which underpins the Company’s confidence in the medium-term growth outlook, despite near-term delays in revenue delivery.


At 30 June 2024, the Company has invested in a portfolio of private investments, in the UK and Europe, representing 99.8% of its invested portfolio by value. Additional investment in strategic, global hydrogen equities represented 0.2% of the invested portfolio. The Company continues to exit from its listed holdings, and to focus on private investments.

The portfolio continues to perform in line with the expectations of the Investment Adviser, HydrogenOne Capital LLP.

Portfolio news during the quarter

	<p>Sunfire GmbH, a leading German industrial electrolyser producer (21% of NAV)</p> <p>sunfire.de</p>
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- Initiated a front-end engineering and design study ("FEED") for customer's 500 MW hydrogen project in Europe, amongst the largest in the sector, scheduled for operation by 2028. Sunfire's FEED study will enable the customer to take a transparent, comprehensive financial investment decision for the project.
- Secured a term loan of up to €100 million provided by the European Investment Bank to scale the development and industrialisation of its innovative SOEC electrolysers.

	<p>Elcogen AS, a leading innovator and supplier of solid oxide fuel cell and electrolyser components (20% of NAV)</p> <p>elcogen.com</p>
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- Announced a strategic investment by Baker Hughes, part of an overall funding package totalling €140 million to continue to scale up Elcogen's leading solid oxide cell technology for green hydrogen.
- Announced the go-ahead for the construction of a new production facility in Tallinn ('Elco-1') to expand manufacturing capacity to 360 MW, with manufacturing operations scheduled to commence mid-2025.
- Signed a 10-year electricity sales agreement with Enefit Green, under which a direct power connection line will be constructed between the Iru power plant and Elco-1 facility, with construction of the direct power line expected to be completed by January 2025.
- Announced collaboration under the Important Projects of Common European Interest scheme ("IPCEI") with the Dutch Organization for Applied Scientific Research ("TNO") to develop advanced SOE technology for future market demands.

	<p>HiiROC Limited, a UK company with patented Thermal Plasma Electrolysis ("TPE"), which produces affordable, zero-emission hydrogen using biomethane (17% of NAV)</p> <p>hiiroc.com</p>
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- Received a new strategic investment to accelerate HiiROC's expansion into the US. The collaboration will see HiiROC leverage new sales channel partnerships, expertise in energy supply and distribution, and the marketing of 'drop-in fuels' to support this expansion.
- Continued to operate its demonstration and test unit in Lincolnshire, UK, which has been run on methane, natural gas, biomethane and flare gas compositions.

<p>Strohm))</p>	<p>Strohm Holding B.V., a Netherlands-based hydrogen pipeline company (10% of NAV)</p> <p>strohm.eu</p>
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- Successfully completed new €30 million 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. The use of TCP manufactured by Strohm allows clients the ability to significantly reduce the CO₂ footprint of their pipeline infrastructure.
- Added new TCP product based on carbon fibre and polyvinylidene fluoride, to be used for carbon capture and storage applications to its portfolio. As a totally corrosion-free solution, with a 30-year design life and a proven smaller carbon footprint compared to steel, the product is suitable for injecting CO₂ offshore, both in depleted gas fields and aquifers.
- In July 2024, announced the award of a new TCP contract by TotalEnergies, for the deployment of CO₂ specification flowlines in over 2,000 meters of water in Brazil, the first time TCP has been deployed in ultra-deep water.

	<p>Bramble Energy, a UK-based fuel cell and portable power solutions company (9% of NAV)</p> <p>brambleenergy.com</p>
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- 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. The completion of SuRV has seen Bramble Energy simplify its fuel cell stack assembly process through the design of its already trademarked Printed Circuit Board Fuel Cell ("PCBFC™"), which includes integrated membrane electrode assembly into unitised PCB modules (cells).
- Bramble Energy's 'Hydrogen Bus' reached a crucial milestone, taking a significant innovative step toward transforming the transport sector. One year after the £12.7 million landmark project commenced, the concept designs for the hydrogen system and double-decker bus have been completed and are now moving into the manufacturing phase. The project, which was funded by the Advanced Propulsion Centre UK, is expected to save nearly six million tonnes of CO₂ from being emitted.

	<p>HH2E AG, a green hydrogen project developer with a focus on industrial customers in Germany (9% of NAV)</p> <p>hh2e.de</p>
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- Completed its corporate consolidation by the exchange of interests in five SPVs including Thierbach, and interests in a new SPV, Lubmin, for equity in HH2E.
- Alongside other industry partners and Leipzig/Halle Airport presented the results of the economic and feasibility study "NetZeroLEJ" showcasing main insights for SAF production in Germany.
- Post the quarter end, agreed a long-term partnership with BORSIG ZM Compression GmbH ("BZM") for the design and delivery of integrally geared turbo compressors and reciprocating compressors – critical equipment for establishing a green hydrogen production unit. BZM is expected to design and deliver two compressor units capable of handling a 200 MW electrolysis plant, with delivery of the machinery scheduled for 2025. The procurement of key machinery is an important step ahead of the finalization of the Final Investment Decision.

	<p>Cranfield Aerospace Solutions Ltd ("CAeS"), a UK hydrogen flight innovator (9% of NAV)</p> <p>cranfieldaerospace.com</p>
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- The company presented the work on Project Fresson, the development of a scalable hydrogen fuel cell drivetrain, to the Duchess of Edinburgh, who visited Cranfield's facilities in Bedfordshire.

	<p>Gen2 Energy, a Norwegian green hydrogen project developer (3% of NAV)</p> <p>gen2energy.com</p>
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- Entered into an agreement with Suldal municipality for the sale of Gen2's property at Jelsa in Suldal, covering a total of 16,800 sqm, with a combined building mass of 8,100 sqm.
- Appointed Mr Kjetil Bøhn as new CEO to support the company's next phase, when entering FID and large-scale hydrogen project.

Key statistics as at 30 June 2024 (unaudited)

Sector	Renewable Energy Infrastructure
Net asset value (NAV)	£133.5m
NAV per share	103.60p
Share price	53.50p
Premium / (Discount) to NAV	(48.4)%
3-month NAV return	Unchanged
Market capitalisation	£68.9m
Capital deployed in low-carbon growth	£116.3m
Number of shares in issue	128,819,999

Investment Adviser

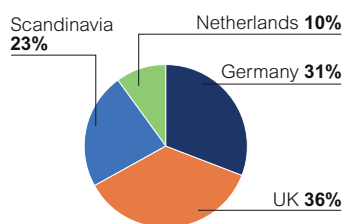


Dr JJ Traynor, Managing Partner
Former senior executive at Shell, BP and Deutsche Bank



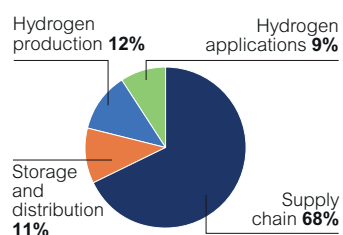
Richard Hulff, Managing Partner
Former Fund Manager at Artemis; senior executive at EY and Exxon

Portfolio segmentation by geography

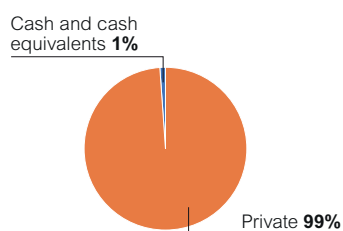


Note: Elcogen is now included within Scandinavia (previously included as UK)

Portfolio segmentation by theme



Portfolio segmentation by asset class



Note: the charts above show fund portfolio at 30 June 2024. Private Hydrogen Assets are valued in accordance with the valuation methodology at each period end.

Private investments % of NAV

Investment	Percentage
1. Sunfire GmbH <i>Supply Chain (Electrolysers)</i>	21%
2. Elcogen AS <i>Supply Chain (Fuel cells)</i>	20%
3. HiiROC Limited <i>Supply Chain (Electrolysers)</i>	17%
4. Strohm Holding B.V. <i>Storage & Distribution (Supply services)</i>	10%
5. Bramble Energy <i>Supply Chain (Portable power units)</i>	9%
6. HH2E AG <i>Hydrogen Production (German project developer)</i>	9%
7. Cranfield Aerospace Solutions Ltd <i>Hydrogen Applications (Aircraft manufacturer)</i>	9%
8. Gen2 Energy <i>Hydrogen Production (Norway project developer)</i>	3%

Company information

Listing	London Stock Exchange (ticker: HGEN)
IPO date	30 July 2021
ISIN	GB00BL6K7L04
SEDOL	BL6K7LO
Year end	31 December
Release of Annual Report	April
Registered address	6th Floor 125 London Wall London EC2Y 5AS
Broker	Barclays Bank PLC
Alternative Investment Fund Manager ("AIFM")	FundRock Management Company (Guernsey) Limited
Public Relations	Burson Buchanan
How to invest	HGEN shares can be traded through any UK stockbroker and most share dealing services, including online platforms that offer investment trusts.
Contact details	HydrogenOne Capital LLP 4 Manchester Square London W1U 3PD E: enquiries@hydrogenonecapital.com
Website	hydrogenonecapitalgrowthplc.com

Investment objective and ESG commitment

- Through investing, directly or indirectly, in a diversified portfolio of hydrogen and complementary hydrogen focused assets, HGEN contributes to climate change mitigation and integrates core ESG principles into its decision making and ownership process;
- At least 90% of the fund will be invested in private equity over time, with the remainder in a focused portfolio of listed hydrogen companies; and
- Strongly orientated to ESG mandates, enabling the avoidance of GHG emissions and exclusion of fossil fuels producers, HGEN is targeting total NAV return of 10-15% per year over time, including proceeds from portfolio divestments*.



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

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