

Interim report for the first six months of 2022

Performance highlights for H1 2022

- First A-Series electrolyser units delivered at customer sites to undergo tests in a production environment as part of a full hydrogen production value chain
- The electrolysers show positive initial test data and are producing hydrogen in-line with our expected specifications
- The A-Series platform is being CE certified with involvement from third-party accredited certification body
- Four customer orders totalling 3.2 MW in H1 2022
- Backlog of 13 MW - an increase of 6.5 MW or 2 times compared to end of H1 2021
- Revenue from customer contracts of DKK 0.5 million compared to DKK 1.9 million in H1 2021
- EBITDA of DKK -132 million compared to DKK -67 million in H1 2021 reflecting the organisational scaling and continued investments in activities
- The Board of Directors strengthened with industry competencies and Christian Clausen elected as new Chairman – new Manufacturing & Technology Committee established
- Development of the X-Series platform remains high priority to support the expected future demand for large electrolyser installations. Technology upgrades from the A-Series are taken into account during the design, assembly and test phases for the X-Series. Assembly is initiated and major key components are being installed
- Expansion of production facilities to an initial 400 MW electrolyser capacity progressing ahead of plan and according to budget. Commissioning of production facilities to commence from late 2022 and to be completed by mid-2023

Guidance for 2022

With the recent progress on design corrections and external validation as well as positive operational test data for the A-Series versions delivered for testing at customer sites, the delivery schedule is being updated accordingly. Combined with the financial performance for the first two quarters, and in order for Green Hydrogen Systems to provide updated information to the Company's external stakeholders, guidance for 2022 is resumed as follows:

- Revenue, DKK 1 to 19 million (previously: DKK 75 to 120 million)
- Gross profit, DKK -20 to -15 million (previously: DKK -15 to 15 million)
- EBITDA, DKK -255 to -235 million (previously: DKK -265 to -225 million)
- EBIT, DKK -290 to -270 million (previously: DKK -310 to -270 million)
- CAPEX, DKK 310 to 350 million, of which around DKK 125 million is allocated to the expansion of the production capacity (previously: DKK 390 to 450 million)

The revenue guidance range reflects the uncertainty of the exact timing of the initial electrolysers passing revenue recognition criteria within the 2022 calendar year.

Since announcement of the technical design complications in the HyProvide A-Series platform (company announcement 04/2022), Green Hydrogen Systems has worked on identifying root causes as well as correcting, testing, validating and obtaining third party validation needed for the A-Series to become ready for customer delivery. Due to timing uncertainty of the redesign and consequential impact on the delivery schedule, the guidance for 2022 has been suspended until now.

Further assumptions and risk factors are detailed in the interim report for H1 2022.

Sebastian Koks Andreassen, CEO of Green Hydrogen Systems comments:

“During the second quarter of 2022 our focus has been to identify root causes, build, test, validate, and obtain third party validation of the technical corrections needed for the A-Series to become ready for customer delivery and site tests.

We see positive progress in implementing these technical corrections. The first units are delivered at customer sites as part of a final test schedule before delivery and we are pleased to see, that these initial units are operational and are producing hydrogen in-line with our expected specifications.

This process has required an intensive team effort at our production facility in Kolding, Denmark, involvement of key sub-suppliers and with our customers at their sites. A challenging process conducted in an increasingly complex and non-conductive global supply chain environment for sourcing of components and materials impacting lead times and costs.

I am pleased to report, that we are now ready to resume our guidance for 2022. Despite the headwinds and technical challenges we have faced, we have restarted deliveries of our A-Series pressurised alkaline electrolyzers.

We continue to observe a strong sentiment across global investment communities, industry players and governments towards resilient and sustainable clean energy supply chains as part of addressing climate change. From a European perspective, the RePowerEU plan presented in Q2 2022 singled out green hydrogen and the establishment of electrolyser capacity as crucial for the green energy transition. To meet the demand for green hydrogen in the EU an estimated 240 GW of electrolyser capacity are to be installed by 2030 compared to an estimated global capacity of 0.3 GW by the end of 2021.”

Conference call details

In connection with the announcement of the interim report for H1 2022, Green Hydrogen Systems will host a conference call. The conference call will be held on 25 August 2022 at 9:30 CEST.

Please visit investor.greenhydrogen.dk to access the presentation used for the meeting.

[Link to the webcast](#)

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Forward-looking statements

This announcement contains forward-looking statements. Words such as ‘believe’, ‘expect’, ‘may’, ‘will’, ‘plan’, ‘strategy’, ‘prospect’, ‘foresee’, ‘estimate’, ‘project’, ‘anticipate’, ‘can’, ‘intend’, ‘outlook’, ‘guidance’, ‘target’ and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Statements regarding the future are subject to risks and uncertainties



that may result in considerable deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events which may prove incorrect.

Please also refer to the overview of risk factors in the Annual Report 2021 available at greenhydrogen.dk.

Source: Green Hydrogen Systems

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