

Company announcement 1/2021

## **Green Hydrogen Systems publishes prospectus and offer price for its intended Initial Public Offering and listing on Nasdaq Copenhagen**

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This announcement does not constitute an offering circular or a prospectus as defined by Regulation (EU) No. 2017/1129 of 14 June 2017 and nothing herein shall be construed as an offering of securities. No one should purchase or subscribe for any securities in Green Hydrogen Systems A/S ("Green Hydrogen Systems" or the "Company") except on the basis of information in the prospectus (the "Prospectus") published by the Company in connection with the offering and potential admission of the Company's shares to trading and official listing on Nasdaq Copenhagen A/S ("Nasdaq Copenhagen"). Copies of the Prospectus are available at the Company's registered office and, subject to certain exceptions, through the website of the Company.

Kolding, Denmark, 7 June, 2021 - Green Hydrogen Systems, a leading provider of efficient, standardized and modular electrolyzers used in on-site production of green hydrogen using renewable electricity, today published a Prospectus and offer price for its initial public offering ("IPO" or "Offering") and intended subsequent admission to trading and official listing of its shares on Nasdaq Copenhagen. The offer period will commence on 8 June 2021.

Thyge Boserup, Chairman of Green Hydrogen Systems, said:

*"Today is another milestone for Green Hydrogen Systems in our efforts to execute on our ambitious strategy plan to position the company as a key technology provider in the green transition of our energy systems. The fact that a group of prominent cornerstone investors have signed up for more than half of the offering is a vote of confidence in our electrolysis technology, the growth potential and Green Hydrogen Systems as a whole. This support from investors is yet another evidence of the momentum we are seeing in the market for green hydrogen."*

Sebastian Koks Andreassen, CEO of Green Hydrogen Systems said:

*"The investor interest combined with the company's recent commercial activity reinforce our confidence in the potential of green hydrogen in general, and in particular the strengths of our technology and ability to participate in larger scale projects. With the proceeds from the IPO, we firmly believe that Green Hydrogen Systems can now progress to become a leading supplier of electrolyzers for the production of green hydrogen based on renewable electricity."*

## Highlights of the Offering

- A fixed offer price of DKK 40 per share of nominal value of DKK 1 each, corresponding to a total market value of all issued shares of the Company of approximately DKK 3 billion after completion of the Offering (based on the estimated proceeds and excluding any shares issued as a result of exercise of the overallotment option).
- The Offering comprises:
  - An offer of 27,500,000 new shares, each with a nominal value of DKK 1 (the "Offer Shares").
  - An overallotment option to acquire up to 4,125,000 additional shares (the "Option Shares") has been granted by the Company to the Joint Global Coordinators, exercisable, in whole or in part, from the date of admission until 30 days thereafter, solely to cover overallotments or short positions, if any, incurred in connection with the Offering.
  - Assuming that the overallotment option is exercised in full, the Offering will comprise a total of 31,625,000 shares.
  - Assuming that the Offering is completed, the Company expects to raise gross proceeds of DKK 1.1 billion and, after payment of estimated IPO costs, approximately DKK 1 billion in net proceeds (each excluding the Option Shares, if any).
- A group of investors (together the "Cornerstone Investors") have, subject to certain conditions, undertaken to subscribe for Offer Shares at the Offer Price for an aggregate subscription amount of DKK 570 million, corresponding to 51.8% of the Offer Shares (excluding the Option Shares). The undertakings of the Cornerstone Investors are divided as follows: ATP will invest DKK 200 million, Vækstfonden will invest DKK 100 million, Nordea Asset Management on behalf of certain clients will invest DKK 100 million, BankInvest on behalf of certain clients will invest DKK 100 million, Spar Nord will invest DKK 45 million, and MK Ventures will invest DKK 25 million. The Cornerstone Investors will receive full allocation of their commitments.
- Additionally, the Company's three largest shareholders, Nordic Alpha Partners Fund I K/S ("NAP"), APMH Invest XI ApS ("APMHI") and Norlys Holding A/S, have undertaken to subscribe for Offer Shares for a total subscription amount of EUR 10.50 million (exchanged to DKK 78,083,200), corresponding to 7.1% of the Offer Shares (excluding the Option Shares).
- Finally, certain members of the Board of Directors have undertaken to subscribe for Offer Shares corresponding to DKK 7.75 million.
- The total commitment from the Cornerstone Investors, existing shareholders and the relevant members of the Board of Directors is approximately DKK 656 million.
- Green Hydrogen Systems is expected to receive net proceeds of approximately DKK 1 billion (excluding the Option Shares) to support the execution of the Company's strategy and to strengthen its balance sheet to facilitate further growth.
- Following the Offering, the free float is expected to amount to between 42.0% and 44.9% of the Company's share capital, depending on the potential exercise of the over-allotment option.
- The offer period ("Offer Period") commences on 8 June 2021 and will close no later than 21 June 2021 at 17:00 (CET). The Offer Period may be closed prior to 21 June 2021; however, the Offer Period will not be closed in whole or in part before 15 June at 23:59 (CET). The Offer Period for orders up to, and

including, DKK 3 million may be closed before the remainder of the Offering is closed. Any such earlier closing, in whole or in part, will be announced through Nasdaq Copenhagen.

- The announcement of the offer price and allocation is expected to be 22 June 2021 unless moved forward if the Offer Period is closed before 21 June 2021.
- The first day of trading of the temporary purchase certificates representing offer shares on Nasdaq Copenhagen is expected to be 22 June 2021 (the “Admission”) and the last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 24 June 2021. The first day of trading of the Shares on Nasdaq Copenhagen is expected to be 25 June 2021 unless moved forward if the Offer period is closed before 21 June 2021.
- The Offering is expected to be settled on 24 June 2021. Following the settlement date and the admission to trading and official listing of the Shares, the temporary purchase certificates (representing offer shares) will automatically be exchanged for Shares, upon which the temporary purchase certificates will cease to exist.
- Application has been made for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the symbol “GREENH” in the permanent ISIN DK0061540341 and for the Temporary Purchase Certificates to be admitted to trading on Nasdaq Copenhagen under the symbol “GREENH TEMP” in the temporary ISIN DK0061540424.
- The Offering consists of a public offering to retail and institutional investors in Denmark and private placements to institutional investors in certain other jurisdictions (excluding the United States). The International Offering will be made only outside the United States in compliance with Regulation S under the U.S. Securities Act of 1933, as amended.
- The Company’s Executive Management and the Board of Directors have committed to a lock-up arrangement of 360 days from the Admission for the Shares held prior to the IPO. The Company, NAP, APMHI and Norlys Holding A/S have committed to a lock-up arrangement of 180 days from the Admission for the Shares held prior to the IPO.

## Green Hydrogen Systems in brief

Green Hydrogen Systems is a clean technology company and an electrolyser OEM (Original Equipment Manufacturer) established in 2007 and headquartered in Kolding, Denmark. The Company develops and manufactures electrolysis solutions and provides related services for the production of green hydrogen using renewable electricity. Green Hydrogen Systems’ approach to ESG is focused on three key principals: innovation in sustainable technology, safety & health as priority #1 and a strong commitment to corporate governance and social responsibility.

Green hydrogen can play a central role at the heart of a future sustainable energy system covering all parts of global societies. Green hydrogen is an efficient, highly versatile and completely carbon neutral energy carrier. Due to these characteristics, it can be used directly or indirectly in sectors which are otherwise hard to decarbonize, and it can be used to efficiently store and transport renewable energy. As a result, the demand for green hydrogen is surging, requiring a significant scale-up of electrolysis capacity.

The Company’s ambition is to enable the production of cost-competitive green hydrogen for use in a range of applications, including Power-to-X installations, transportation, and industrial facilities. The Company

combines efficient, standardized, and modular electrolysis technology with an industrial approach to sourcing and manufacturing.

Several countries have announced national strategies and implemented policies for the promotion of green hydrogen production. In Denmark, the government recently granted test zone permits to clean energy industrial cluster GreenLab Skive and Siemens Gamesa's Brande hydrogen project, exempting the two projects from national power supply legislation in order to develop and produce green hydrogen and Power-to-X solutions based on renewable energy as part of the green energy transition.

Furthermore, as part of the European Green Deal, the EU has announced a hydrogen strategy targeting 6 GW of installed electrolysis capacity for green hydrogen production by 2024 and 40 GW by 2030, compared to around 0.3 GW of installed capacity in the EU today. The EU estimates that reaching the hydrogen targets for 2030 will require investments in electrolyzers of between EUR 24-42 billion.

Based on the growth in political and industrial interest, Green Hydrogen Systems is experiencing solid commercial momentum and with multiple installations already operating in Northern Europe, the Company is scaling its operations to accommodate further growth. Green Hydrogen Systems has already been selected as electrolysis system provider in several projects involving well-reputed industry players, such as Ørsted and Siemens Gamesa, and has a strong pipeline with increasing magnitude of variety and scale.

Green Hydrogen Systems recently moved into a new combined manufacturing, R&D and office facility in Nordager, Kolding in Denmark. This modern production and testing facility is outfitted with equipment and technology to optimize manufacturing and provide the highest levels of quality and safety. The 4,500 m<sup>2</sup> facility with an expected production capacity of 75 MW per year by the end of 2021 completes the first phase of the Company's expansion plan while a second expansion phase is already planned to increase capacity to 400 MW over the next years. As at 1 May 2021, Green Hydrogen Systems had 90 employees.

Based on current plans, the net proceeds from the Offering are expected to be sufficient to launch the Company's X-Series electrolyzers and potentially cover the capital needs to continue growing the Company for the period until the end of 2025. Green Hydrogen Systems aspires to realize high consecutive revenue growth over the coming years to reach a revenue from contracts with customers of more than DKK 1,000 million in 2025, with the highest absolute growth rates in the middle to later part of the period towards 2025.

In the coming years Green Hydrogen Systems plans to carry out substantial investments in the continuation of R&D efforts, production scale-up, expansion of sales and marketing efforts and organizational ramp-up leading to a planned decline in absolute EBITDA level. However, gradual improvements are expected to enable Green Hydrogen Systems to generate a positive EBITDA in 2025, and the Company aspires to reach a high single-digit EBITDA-margin in 2025.

Green Hydrogen Systems is currently owned by NAP (50.29%), APMHI (17.81%), Norlys Holding (14.99%) as well as members of the management team and the Board of Directors and several other shareholders.

## **Prospectus**

A Prospectus has been prepared. Special attention should be given to the risk factors that are described in the beginning of the Prospectus. The Prospectus is available to eligible investors at no cost at the Company's website [investor.greenhydrogen.dk](http://investor.greenhydrogen.dk).

## Bank syndicate

ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, Carnegie Investment Bank, filial af Carnegie Investment Bank AB (publ), Sverige and J.P. Morgan AG have been appointed to act as Joint Global Coordinators and Joint Bookrunners.

A request for a copy of the Prospectus may be submitted by persons who satisfy the requirements of the applicable selling restrictions from the Managers.

**ABG Sundal Collier** by e-mail: [prospekt-dk@abgsc.dk](mailto:prospekt-dk@abgsc.dk).

**Carnegie** by e-mail: [prospekter@carnegie.dk](mailto:prospekter@carnegie.dk).

## Press Conference

A press conference will be held today, 7 June 2021, at 10:30 in the premises of Carnegie, Overgaden neden Vandet 9B, 1414 København K.

At the press conference, which will be held in Danish, the Chairman Thyge Boserup and CEO Sebastian Koks Andreassen will be giving a presentation followed by a Q&A session and individual interviews as requested.

## For more info please contact:

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## Important notice

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This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by the Company in the United States or any other jurisdiction where such offer or sale would be unlawful and this

announcement and the information contained herein are not for distribution or release, directly or indirectly, in such jurisdictions. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. There is no intention to register any securities referred to herein in the United States or to make any offering of the securities in the United States.

In any member state of the European Economic Area (an “EEA Member State”), other than Denmark, this announcement is only addressed to and is only directed at, investors in that EEA Member State who fulfil the criteria for exemption from the obligation to publish a prospectus, including qualified investors, within the meaning of Article 2(e) of the Prospectus Regulation (EU) No. 2017/1129.

This announcement is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to “qualified investors” (as defined in the UK Prospectus Regulation) who are (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (b) high net worth entities falling within Article 49(2)(a) – (d) of the Order (the persons described in (i) and (ii) above together being referred to as “relevant persons”). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. The “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

ABG Sundal Collier Denmark, Filial af ABG Sundal Collier ASA, Norge, Carnegie Investment Bank, Filial af Carnegie Investment Bank AB (PUBL), Sverige and J.P. Morgan AG (together, the “Managers”) and their respective affiliates are acting exclusively for the Company and no one else in connection with the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the potential offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, the Managers and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase shares and in that capacity may retain, purchase, sell offer to sell or otherwise deal for their own accounts in such shares and other securities of the Company or related instruments in connection with the potential offering or otherwise. Accordingly, references in the Prospectus to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, such Managers and any of their affiliates acting as investors for their own accounts. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

### *Stabilization*

In connection with the Offering, Carnegie Investment Bank, Filial af Carnegie Investment Bank AB (PUBL), Sverige (the “Stabilizing Manager”) (or persons acting on behalf of the Stabilizing Manager) may over-allot securities or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Otherwise, there is no assurance that the Stabilizing Manager (or persons acting on behalf of the Stabilizing Manager) will undertake stabilization. Any stabilization action may begin on or after the date of commencement of trading of the securities on Nasdaq Copenhagen on 22 June



2021 and, if begun, may be ended at any time, but it must end no later than 30 days after the commencement of trading of the securities.

#### *Information for distributors*

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer”(for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares offered in the Offering (the “Offered Shares”) have been subject to a product approval process, which has determined that the Offered Shares are: (i) compatible with an end target market and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”).

Notwithstanding the Target Market Assessment, distributors should note that the price of the Offered Shares may decline and investors could lose all or part of their investment; the Offered Shares offer no guaranteed income and no capital protection; and an investment in the Offered Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering, including the selling restrictions described in “Selling Restrictions” and “Transfer Restrictions” in the Offering Circular. Furthermore, it is noted that, notwithstanding the Target Market Assessment, ABG Sundal Collier Denmark, Filial af ABG Sundal Collier ASA, Norge, Carnegie Investment Bank, Filial af Carnegie Investment Bank AB (PUBL), Sverige and J.P. Morgan AG will only procure investors who meet the criteria of professional clients or eligible counterparties (except for a public offering to investors in Denmark conducted pursuant to a separate prospectus that has been approved by and registered with the Danish FSA (in Danish: *Finanstilsynet*)).

For the avoidance of doubt, the Target Market Assessment does not constitute (a) an assessment for any particular client suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, purchase, subscribe for, or take any other action whatsoever with respect to the Offered Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offered Shares and determining appropriate distribution channels.

#### *Forward looking statements*

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as “believe”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should” and similar expressions, as well as other statements regarding future events or prospects. Specifically, this announcement includes information with respect to projections, estimates and targets that also constitute forward-looking statements. The forward-looking statements in this announcement are based upon various assumptions, many of which in turn are based upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks,

uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this announcement by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice.