

Company Announcement August 2024

Green Hydrogen Systems – Interim Report for H1 2024

Business highlights

- In the first half of 2024, total revenue, including service revenue, reached DKK 32.6 million. H1 2023 total revenue was DKK 14.0 million.
- In H1 2024, six electrolyser units passed factory acceptance test and were delivered at customer sites in Sweden, Germany, The Netherlands, and the United Kingdom. In addition, two electrolyser units have passed factory acceptance test after H1 and await shipment to customer sites.
- Firm order intake for nine A-Series units totaled 8.1 MW in the first half of 2024 with delivery scheduled for H2 2024 and into H1 2025. The total order backlog by end-June 2024 was 15.0 MW.
- The Company has identified a total of 550 MW of priority 1 larger scale hydrogen-related production projects in development. However, the Company is, along with the market, experiencing delays in the development of these projects and the adoption of green hydrogen technology.
- An optimised manufacturing flow and factory testing facility of the A-Series allows for increased customer deliveries of existing orders in H2 2024.
- The A-Series retrofit, and fleet optimisation program has been implemented with valuable improvements to performance and technology, sourcing, and product developments.
- The X-Series electrolyser product development progressed to reach technical proof of concept supported by third-party performance validation as well as positive results from additional reliability testing at the test site at GreenLab, Skive, Denmark.
- During the second half of 2024 ongoing reliability testing will expectedly lead to further product improvements of the commercial X-Series electrolyser product.
- With the technical proof of concept and positive reliability tests of the X-Series product, the Company is actively pursuing customer contract dialogues based on performance-related price structures or full commercial terms. The ability to obtain orders for the X-Series is material for the Company and its long-term financial and operational success. The Company plans to secure its first binding order for the X-Series before the end of 2024, and its mid-term financial targets are linked to achieving this goal.
- In the first six months of 2024 parts of the expanded production facilities in Kolding, Denmark, have been reconfigured to allow for X-Series module assembly.
- In parallel with the continued reliability testing and customer dialogues and considering the X-series still being in the early stages of commercialisation, the Company has initiated work to optimise production costs, including undertaking a cost-out exercise, to ensure the competitiveness and profitability of the X-series.
- Strategic collaboration agreements were signed with the German EPC service provider, Bilfinger, and the Danish EPC service provider, BWSC, to support the pursuit of sales and delivery into mid-

scale hydrogen production facilities based on the X-Series product.

- Interim CEO, Peter Friis, was appointed permanent CEO, and Torben Hvid Larsen was appointed the position as Chief Technology Officer.
- The medium to long-term market drivers and regulatory development for European hydrogen and electrolysers continue to support the expectation of a significant demand increase, although the industry is experiencing delays in the development of hydrogen projects and the adoption of green hydrogen technology.
- The Company currently projects available capital reserves into 2025. These projections are based on the current business plan, which assumes sales of and accompanying pre-payments for the X-Series to materialise in H2 2024, cf. abovementioned. If such sales should not materialise, the Company may need to take additional measures to prolong the available capital reserves.

Peter Friis, CEO of Green Hydrogen Systems, says:

“We are pleased to report a sustained increase in customer deliveries and revenue growth throughout the first half of 2024, despite a challenged market. Equally important, we have achieved several technical milestones for our X-Series electrolyser and are steadily progressing towards securing our first binding customer agreements.”

Guidance for 2024

Green Hydrogen Systems maintains the guidance for 2024 as announced on 8 February 2024 (company announcement 04/2024).

Guidance for 2024 is summarised as follows:

Revenue, DKK 125 to 165 million
EBITDA, DKK -260 to -220 million
CAPEX, DKK 160 to 200 million

The revenue guidance range reflects the uncertainty of the exact timing of the electrolysers passing revenue recognition criteria within the 2024 calendar year. Furthermore, the exact delivery, site acceptance test (SAT), revenue recognition, and EBITDA may be negatively impacted by, e.g., supply chain disruptions, increasing component and raw material costs, general inflation, delays in product assembly and pandemics.

Conference call details

In connection with this announcement, Green Hydrogen Systems will host a conference call. The conference call will be held on 27 August 2024 at 10:00 AM CET.

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

[Link to the webcast](#)

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Green Hydrogen Systems in Brief

Green Hydrogen Systems is a clean technology company and a leading provider of standardised, modular electrolyzers for producing green hydrogen based on renewable energy. Green hydrogen plays a crucial role in the ongoing fundamental shift in energy systems towards net-zero emissions in 2050. Founded in 2007 and building on years of technology development, Green Hydrogen Systems has a commercially proven and cost-competitive electrolysis technology endorsed by leading green energy companies.

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 2023, available at greenhydrogen.dk.

Source: Green Hydrogen Systems

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