

Company Announcement October 2024

Green Hydrogen Systems: Trading statement Q3

Highlights

Business

- In Q3 2024, Green Hydrogen Systems completed the performance test of the A-Series MK1.1 and delivered the first unit to GeoPura in Nottinghamshire, Ireland. Another A180 unit (MK1.0) was delivered to Ercross in Spain, and two A90 (MK1.0) units were delivered to PRF in Portugal.
- Revenue totaling DKK 33,7 million was recognised during the quarter.
- On October 9, Green Hydrogen Systems launched a combined cost-out and restructuring program aimed at reducing production cost for the X-Series by 40-50% and reducing the operational cost base by 40-50% compared to current levels, affecting around 100 employees.
- Going forward, Green Hydrogen Systems will focus solely on commercialising the X-Series and discontinue new A-Series sales. Green Hydrogen Systems will complete the existing A-Series order backlog by Q1 2025, and continue servicing delivered A-Series units.
- Implementation of the cost-out and restructuring program, which is expected to lead to one-off implementation costs of DKK 100-150 million to be incurred in 2024 and the first quarter of 2025, has been initiated and is progressing according to plan.
- Green Hydrogen Systems is currently breaching its lender covenants and will deplete its capital reserves by early-2025 without additional funding.
- To ensure the necessary capital reserves to complete the implementation of the cost-out and restructuring initiatives, the Company is seeking to strengthen its capital base with up to DKK 300 million by the end of 2024 and is in constructive dialogues with the largest shareholders and lenders to find a solution to the funding requirements.
- As a result of the financial situation in the Company, Green Hydrogen Systems has convened an extraordinary general meeting on November 14 to obtain broad authorisations from its shareholders to issue a number of shares (with or without pre-emption rights), convertible bonds or to issue warrants in connection with a rights issue.

People & Organisation

- The Board of Directors has decided to appoint René Umlauf as new Chief Executive Officer (CEO) of Green Hydrogen Systems A/S. He will replace Peter Friis, who will step down after a year in the position. The Board of Directors would like to thank Peter Friis for his dedicated work in Green Hydrogen Systems A/S. René Umlauf will take over as CEO on 1st of November 2024. He has a Ph.D. in engineering and has previously been managing director and CSO in Rittal, and CEO in MAN Diesel & Turbo and Siemens Renewable Energy, and brings significant business transformation and restructuring experience to the business.
- In September, Green Hydrogen Systems appointed Michael Kaalund as Chief Financial Officer (CFO). Michael Kaalund will assume the position as of 1st of November 2024.
- On October 1, Tina Kaiser joined Green Hydrogen Systems as new Chief People Officer (CPO).

- Green Hydrogen Systems merged its Technology and Operations & Supply Chain into a single Technology and Operations Organisation (CTOO). Led by CTO Torben Lillelund Hvid Larsen, the new structure will be fully implemented by Q4 2024 and streamline operations and project execution in 2024 and 2025.

Guidance

- On October 9, Green Hydrogen Systems adjusted its guidance. The guidance for 2024 is revenue of DKK 105 to 145 million.
- The guidance for 2024 with respect to EBITDA of DKK -260 to -220 million is upheld excluding restructuring costs incurred in 2024. EBITDA incl. restructuring costs is -400 to -300 million dependent, among other things, on the actual timing and amount of the implementation costs realised in 2024.
- The guidance for 2024 with respect to CAPEX is adjusted to DKK 130-160 million (previously DKK 160-200 million) as a consequence of the combined cost-out and restructuring program.
- The mid – and long-term targets have been suspended and updated targets may be communicated later, however, at the earliest in connection with the announcement of the 2024 Annual Report in March 2025.

Thomas Broe-Andersen, chairman of Green Hydrogen Systems' Board of Directors, says:

“Q3 has been a challenging period for Green Hydrogen Systems. With the current situation, Green Hydrogen Systems is facing, we need to execute a different strategy with the purpose of ensuring a sustainable and profitable future for Green Hydrogen Systems. On behalf of the board of directors, I would like to thank Peter Friis for his work and contribution as CEO of Green Hydrogen Systems since 2023. We have agreed to let another profile execute the important coming tasks we will be initiating in this turnaround of the company. We see René Umlauf as the right profile to take over as CEO with competencies from complex industries within the green transition as well as significant business transformation and restructuring experience. Alongside the Board of Directors, René Umlauf will be an important part ensuring a solid foundation for the future.”

René Umlauf, new CEO of Green Hydrogen Systems, says:

“I look forward to take on the position of CEO in Green Hydrogen Systems and get the opportunity to contribute in navigating through the current challenges with my experience and knowhow as CEO from a number of global companies. With the latest strategic decisions from the Board of Directors, I am convinced the company will have a strong future within this important industry, and I look forward to taking on this task alongside my new, talented colleagues.”

Guidance for 2024

Revenue, DKK 105 to 145 million

EBITDA, DKK -260 to -220 million

EBITDA incl. restructuring costs, DKK -400 to -300 million

CAPEX, DKK 130 to 160 million

The revenue guidance range reflects the delay of commercial traction, and the risk of cancellations related to the combined cost-out and restructuring program.

Conference call details

In connection with this announcement, Green Hydrogen Systems will host a conference call. The conference call will be held on 30 October 2024 at 10:00 AM CET.

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

[Link to the webcast](#)

Denmark: +45 89 87 50 45

Norway: +47 815 03 308

Germany: +49 32 221098334

United Kingdom: +44 20 3936 2999

Participant access code: 544736

For more info, please contact:

Lene Rode, Head of Communications & External Relations, +45 4085 2619, lro@greenhydrogen.dk

Green Hydrogen Systems in Brief

Green Hydrogen Systems is a clean technology company and a leading provider of standardised, modular electrolysers 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

Ticker: GREENH

Tag: Company announcement