

Trading statement Q1 2024



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Business highlights

- In Q1 2024, three A-Series electrolyser units were factory acceptance tested and revenue was recognised for customers in the United Kingdom, Germany and Sweden.
 - In April 2024, the momentum in factory acceptance testing and customer deliveries continued.
- An order of 8.1 MW was signed with an existing customer in the UK for delivery of nine A-Series electrolyser units scheduled for delivery in 2024 and 2025.
- The first assembly of the improved Mark 1.1 A-Series product variant was finalised, and performance testing is ongoing ahead of the first customer delivery.
- The retrofit program for the installed base of A-Series Mark 1.0 progressed as planned.
- The X-Series prototype reached a major milestone with technical proof of concept and third-party performance validation.
- Strong customer interest in the X-Series led to several letters of intent with potential customers.
- A strategic collaboration agreement was signed with the German EPC service provider, Bilfinger.
 - In April, a project collaboration partnership was signed with the Danish EPC service provider, BWSC
- The overall long-term market drivers for hydrogen and electrolysers remain in place, with observed progress in the mid-sized hydrogen and PtX-projects of 10-50 MW and up to 100 MW.
- Interim CEO, Peter Friis was appointed the position of permanent CEO.

Guidance for 2024

Green Hydrogen Systems maintains guidance for 2024 as follows:

Revenue (DKK)

125 to 165
million

EBITDA (DKK)

-260 to -220
million

CAPEX (DKK)

160 to 200
million



Peter Friis, CEO of Green Hydrogen Systems comments:

“We are pleased to continue showing positive momentum in customer deliveries, order intake, and product developments. This momentum is the foundation for our planned accelerated roll-out of the A-Series electrolyser to customers throughout the year and our expected first sales of the X-Series product.”

Conference call details

In connection with this announcement, Green Hydrogen Systems will host a conference call.

The conference call will be held on
29 April 2024 at 10:00-11:00 AM CEST.

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

Link to the webcast ›

DK: +45 89 87 50 45

International dial-in:

+44 20 3936 2999

Participant access code: 550263

For more information please contact:

Investors & Media:

Tina Krüger Lauritsen,
Executive Assistant,
+45 21 15 48 15, tkl@greenhydrogen.dk

Business highlights

Continued momentum in A-Series customer deliveries

In Q1 2024, revenue was recognised for three electrolyser units to customers in the United Kingdom, Germany, and Sweden for various direct hydrogen applications. This is a continuation of the positive progress in customer deliveries from Q4 2023, and Green Hydrogen Systems will support the customers with on-site service, maintenance, and remote support under a multi-year service agreement. The revenue recognised in Q1 2024 was DKK 15.4 million compared to Q1 2023 revenue of DKK 13.8 million.

An 8.1 MW order of nine A-Series units was signed in early February with one of Green Hydrogen Systems' existing customers in the United Kingdom. The nine A-Series units are scheduled for delivery in 2024 and 2025.

In the first three months of 2024, three electrolyser units reached factory acceptance tests at the test facility in Kolding, Denmark, before the on-site customer deliveries. The momentum in factory acceptance testing and customer deliveries continued in April and is expected to increase gradually throughout the year.

The assembly of the improved A-Series Mark 1.1 variant was finalised, and performance testing is ongoing ahead of customer delivery. The A-Series Mark 1.1 variant improves the reliability of the A-Series product. Based on design and quality improvements of the A-Series Mark 1.1, a retrofit program has been initiated to improve the A-Series Mark 1.0 variant. The on-site retrofit program progressed as planned in the quarter.

A fleet optimisation program was initiated in Q1 2024. Through remote monitoring and analytics of data from electrolysers in operation at customer sites, Green Hydrogen Systems will design and implement hardware and software upgrades, increasing the reliability and performance of electrolysers in operation. The program is expected to lead to valuable improvements in technology, sourcing, and production.

X-Series prototype reached technical proof of concept and performance validation

Following the first hydrogen production in December 2023, the X-Series prototype reached a new major milestone with third-party performance validation in February 2024 on-site in Skive, Denmark. A confirmation of the technical design and concept of the 6MW pressurised alkaline electrolyser X-Series prototype was achieved.

Reliability testing continued in March and will continue in Q2 2024 to document the X-Series' performance during stable and dynamic operation and hydrogen production. Technical documentation is ongoing to enable sales of the X-Series Mark 1.0 variant. Sale and delivery of the first X-Series module are expected during 2024, with X-Series production planned to start in Q3 2024.

Green Hydrogen Systems is in positive dialogue with potential customers for the X-Series and has engaged in several letters of intent with potential customers. The first commercial sale is expected to be based on a risk-sharing model to mitigate risks for potential buyers and Green Hydrogen Systems.

A non-exclusive collaboration agreement was signed with the German EPC service provider Bilfinger to support the X-Series market launch and streamline site engineering and execution for future asset owners. In April, a similar collaboration agreement was signed with the Danish EPC and PtX-service provider BWSC.



Market fundamentals

The long-term demand drivers for green hydrogen as a renewable and non-fossil fuel resource remain positive. National and European political support for developing the needed supply, demand, and infrastructure to cater for a new fuel of the future supply is strong.

However, in Q1 2024, Green Hydrogen Systems also observed general market delays in bringing hydrogen and PtX-projects towards the final investment decision. This delay in project progress is especially apparent for multi-MW projects where regulatory clarity, infrastructure availability and large volume offtake certainty are essential for bringing plans forward.

Green Hydrogen Systems continues to see strong customer interest in small-scale projects for the A-Series and mid-sized projects for the X-Series, suggesting the resilience of these market segments.

Key figures

DKK '000	Q1 2024	Q1 2023	Full Year 2023
Customer orders			
Revenue			
Order backlog (MW)	21	20	17
Profit/loss			
Revenue	15,327	13,832	41,979
Operating profit/loss, EBIT	(93,009)	(82,456)	(396,577)
Net financials	(9,819)	(1,367)	(15,119)
Net profit/loss for the period	(101,453)	(82,448)	(406,196)
Balance sheet			
Balance sheet total	2,318,552	1,735,289	2,366,022
Equity	782,459	782,046	881,826
Cash flows			
Operating activities	(62,243)	(80,692)	(280,219)
Investing activities	(22,289)	(55,716)	(799,989)
Hereof investments in property, plant and equipment	(2,236)	(20,840)	(140,833)
Financing activities	134,449	233,959	1,137,844
Net cash flow for the period	49,917	97,551	57,636
Employees			
Average number of employees	307	305	299
Key Ratios			
Solvency ratio (%)	34%	45%	37%
Return on invested capital (%)	(5)%	(5)%	(21)%
Return on equity (%)	(14)%	(9)%	(48)%
Other performance measures			
EBITDA	(69,187)	(73,303)	(267,465)
EBITDA margin	(451)%	(530)%	(637)%
Intangible CAPEX	(28,458)	(39,296)	(138,298)
Tangible CAPEX	(2,236)	(20,840)	(140,833)
Total CAPEX	(30,694)	(60,136)	(279,130)
Net working capital	(54,763)	(51,449)	(71,468)
Free cash flow	(84,532)	(136,408)	(1,080,208)
Cash and cash equivalents*	514,610	135,877	599,142

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

* Including financial assets (listed bonds) that easily can be converted into cash with a repurchase agreement (repo) less related borrowings.

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](https://www.greenhydrogen.dk).