

Inside information

Green Hydrogen Systems A/S announces adjusted and clarified guidance for 2024

Kolding, Denmark, January 17th, 2025

In connection with conclusion of the Q4 2024 financials, Green Hydrogen Systems A/S ("Green Hydrogen Systems" or the "Company") revises its EBITDA guidance for 2024 downward and clarifies its revenue and CAPEX guidance

- **EBITDA Guidance:**

- Excluding restructuring costs: Revised to DKK –260 to –275 million (previously DKK -220 to -260 million).
- Including restructuring costs: Revised to DKK –485 to –500 million (previously DKK –300 to –400 million).

- **Revenue and CAPEX Guidance:**

- Revenue: Clarified to DKK 130 to 140 million (previously DKK 105 to 145 million).
- CAPEX: Clarified to DKK 130 to 140 million (previously DKK 130 to 160 million).

The adjustments to the EBITDA guidance excluding restructuring costs mainly stem from R&D costs incurred in Q4 2024. Due to the narrowing of the product focus, these costs cannot be capitalised to the same extent as before and have been expensed in Q4 2024. However, it should be noted that expensing the R&D costs does not affect the Company's cash position, as it is an accounting adjustment.

Regarding the adjustments to the EBITDA guidance including restructuring costs, the new management team, led by René Umlauf, who took over as CEO in November 2024, has undertaken to deliver on the combined cost-out and restructuring program and is performing a thorough streamlining of the company's operations. As part of the streamlining exercise, additional and higher-than-anticipated write-downs are necessary. Further, substantial restructuring costs have been expensed in 2024, which were previously expected to be expensed in 2025. Lastly, management has decided to initiate certain initiatives to secure faster implementation of the actions in the combined cost-out and restructuring program, resulting in additional one-off restructuring costs of DKK 5-10 million. It should be noted that only these additional one-off restructuring costs are impacting the cash position. Hence, the majority of the total additional costs in the combined cost-out and restructuring program are non-cash events, meaning they mainly involve accounting adjustments and periodisation rather than actual cash outflows.

Consequently, the one-off restructuring costs, initially estimated at DKK 100 to 150 million, are now expected to be in the range of DKK 215 to 230 million. However, the vast majority of these costs have been realised in 2024, and only limited costs are expected to impact the 2025 financials.

Hence, the adjustments to the EBITDA 2024 guidance including restructuring costs mainly stem from higher-than-anticipated write-downs, periodisation of restructuring costs, and some extra one-off costs to secure faster implementation of the actions in the financial plan.

Despite these adjustments, Green Hydrogen Systems remains committed to executing its strategy, implementing the combined cost-out and restructuring program, obtaining commercial traction for the HyProvide X-Series, and ensuring the necessary capital reserves to secure a platform that may enable the transition towards profitability and self-sufficiency by the end of 2026.

Future Announcements

- **2024 Financial Results:** Unaudited key figures for 2024 will not be communicated separately. Financial guidance for 2025 will be provided with the release of the 2024 annual report on March 14, 2025.
- **Mid- and Long-Term Targets:** These targets are currently suspended and may be updated in the 2024 annual report.
- **Capital Raise:** The Company plans to initiate a rights issue of at least DKK 300 million, offering pre-emptive subscription rights to existing shareholders, scheduled for March or April 2025.

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About Green Hydrogen Systems

Green Hydrogen Systems is a clean technology company and a leading provider of pressurised alkaline 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.

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