

Green Hydrogen Systems A/S announces intention to launch an Initial Public Offering on Nasdaq Copenhagen

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA, JAPAN OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL

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 any offering circular or prospectus published by the Company in connection with the potential offering and admission of such securities to trading and official listing on Nasdaq Copenhagen A/S (“Nasdaq Copenhagen”). Copies of any such offering circular or prospectus (the “Prospectus”) will, following publication, be available at the Company’s registered office and, subject to certain exceptions, through the website of the Company.

Kolding, Denmark, 27 May, 2021 - Green Hydrogen Systems, a leading provider of efficient, standardized and modular electrolysers used in on-site production of green hydrogen using renewable electricity, today announced its intention to launch an initial public offering (“IPO” or “Offering”) of its shares and to apply for its shares to be admitted to trading and official listing on Nasdaq Copenhagen.

Thyge Boserup, Chairperson of Green Hydrogen Systems, said:

“We are in the middle of a fundamental shift in our energy systems towards a net-zero carbon society in 2050, and green hydrogen plays a key role in this transition. Green Hydrogen Systems is well-positioned to become a leading supplier of electrolysers for the production of hydrogen based on renewable electricity. However, it requires further investments to unfold the full potential of the company, and therefore an IPO is a natural next step. In this connection, we are pleased that our existing shareholders Nordic Alpha Partners and Norlys Holding as well as A.P.Møller Holding have decided to convert their recent loan to Green Hydrogen Systems into shares prior to an IPO. Together with new cornerstone investors they will all take part in the future development of the company along with new Danish and international investors.”

Sebastian Koks Andreassen, CEO of Green Hydrogen Systems said:

“There is strong momentum in the market for green hydrogen supported by industrial demand and political decisions to sharply increase installed green hydrogen capacity in the coming years. The Danish government’s recent announcement of two test zones for green hydrogen and Power-to-X solutions, both of which we are providing electrolysis solutions to, is a testimony to this momentum. But to deliver on the demand and targets, it requires that our electrolyser production capacity is scaled up significantly and rapidly. Proceeds from the IPO will enable us to continue to scale our production facilities and organisation, and to accelerate R&D efforts in order to further reduce costs of green hydrogen and make it a compelling energy carrier of the future.”

The contemplated IPO is expected to consist of an offering of new shares to be issued by the Company to raise proceeds of approximately DKK 1 billion plus customary greenshoe which will support the execution of Green Hydrogen Systems' strategy and strengthen its balance sheet to facilitate further growth. The total offer size will be announced in connection with the expected publication of the Prospectus.

Certain new and current investors have undertaken to subscribe for shares in the contemplated IPO based on a pre-money equity valuation of approximately DKK 2 billion. The investors that have undertaken to subscribe for shares comprise of ATP for DKK 200 million, Vækstfonden for DKK 100 million, BankInvest for DKK 100 million, Nordea Asset Management for DKK 100 million, Spar Nord for DKK 45 million and MK Ventures for DKK 25 million (together the "Cornerstone Investors"). Furthermore, Nordic Alpha Partners, A.P. Moller Holding (after conversion of debt to equity as described further down in the announcement), and Norlys Holding intend to remain supportive shareholders of the Company and have undertaken to subscribe for shares corresponding to EUR 5 million (DKK ~37 million), EUR 5 million (DKK ~37 million) and EUR 0.5 million (DKK ~4 million), respectively. In addition, members of the Board of Directors have undertaken to subscribe for shares corresponding to DKK 7.75 million. The total commitment from the Cornerstone Investors, existing shareholders and members of the Board of Directors is approximately DKK 656 million.

Based on current plans, the net proceeds from the contemplated IPO 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.

Over the next two to three 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 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, The A-Series electrolyser units that can operate both stand-alone or as clustered solutions to enable higher capacities of green hydrogen production, while a new and larger X-Series electrolyser platform based on the existing technology will target multi-MW to GW scale projects. Pre-sales of the X-Series are planned to begin later this year with full commercial launch in 2023.

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 companies 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 equipped with equipment and technology to optimize manufacturing and provide the highest levels of quality and safety. The 4,500 m² 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.

Green Hydrogen Systems is currently owned by Nordic Alpha Partners, Norlys Holding, members of the management team and the Board of Directors and several other shareholders. In December 2020, a convertible loan facility of up to EUR 27.7 million was made available to the Company to support the execution of its strategy. The loan facility comprised loan commitments of EUR 6.7 million and EUR 1 million was provided by the existing shareholders Nordic Alpha Partners and Norlys Holding, respectively, while A.P. Moller Holding committed EUR 20 million. The convertible loan facility was made available on a tranche basis, of which the first tranche, comprising 75% of the total loan amount (split pro-rata between the lenders), has been drawn at present. The Company will not draw the remaining tranche prior to the contemplated IPO. The loan agreement does not allow any further drawing or conversion rights after the contemplated IPO.

The convertible loan from A.P. Moller Holding, Nordic Alpha Partners and Norlys Holding will be converted to equity prior to the launch of the contemplated IPO, which entails that the ownership stakes in Green Hydrogen Systems of A.P.Moller Holding, Nordic Alpha Partners and Norlys Holding are expected to be approximately 17.81%, 50.29% and 14.99%, respectively, prior to the contemplated IPO on a non-diluted basis. A.P. Moller Holding, Nordic Alpha Partners and Norlys Holding will all undertake lock-up obligations in connection with the contemplated IPO.

Key strengths of Green Hydrogen Systems

- ***An attractive and commercially proven technology platform with clear pathway to position Green Hydrogen Systems as a leading technology supplier to the hydrogen economy***

Green Hydrogen Systems' established customer and partner base includes several well-reputed multinational companies, including, among others, Ørsted, Siemens Gamesa and Lhyfe. Recently, the Company also received its first orders in the UK, Australia and Chile. Furthermore, the Company has been appointed as exclusive supplier of an initial 12 MW of electrolysis capacity to the anticipated full-scale Power-to-X facility, GreenLab Skive with the possibility of additional electrolyzer deliveries of up to another 12 MW of electrolysis capacity. Moreover, in collaboration with a consortium of stakeholders represented by GreenLab Skive, the Company is party to an application for a grant under the EU's Horizon 2020 Framework Programme (H2020) to support a planned large-scale green hydrogen project called GreenHyScale. As a first step, a 6 MW electrolyzer system will be demonstrated which subject to satisfactory performance will be expected to be expanded to a total of 100 MW capacity electrolysis plant. Several of the Company's projects comprise the first phase of larger projects, constituting a solid potential for additional orders with the same customers.

In addition to an established order backlog of DKK 57 million as of 27 May 2021, Green Hydrogen Systems has a continuously growing and diverse pipeline of potential customers and projects within different application segments and geographies. Furthermore, in response to growing market demand for larger, centralized electrolysis projects, the Company is increasingly focusing on and developing its offering to address larger-scale projects.

- ***Ongoing scale-up of existing production facilities to meet surging demand***

Having focused on commercialization of its product offering in recent years, Green Hydrogen Systems is currently in the process of scaling up production capacity to accommodate its growing order backlog and pipeline. The first phase of the Company's scale-up plans was completed in November 2020, when the new 4,500 m² site was inaugurated. In addition to the capacity of the existing factory, the Company expects to expand the facility at the current location in several expansion phases up to a total area of 30,000 m². A facility of such scale may be able to support a production capacity of more than 1,000 MW per year.

- ***Competitive edge through favorable technological fundamentals and versatile system design***

Having explored multiple different technologies previously, Green Hydrogen Systems decided to base its technology on pressurised alkaline electrolysis, as this technology is well-positioned in terms of reliability, efficiency and physical footprint. In particular, the ability to operate dynamically at variable loads with swift ramp-up and down rates, allows the technology to be highly compatible with renewable electricity sources. Another advantage is that the Company's electrolyzers do not require scarce, emission intensive and price-sensitive materials such as iridium and platinum. Green Hydrogen Systems standardised electrolyzers are based on a modular design, and each module can be used as a stand-alone electrolyser or be combined in clusters for larger multi-MW and GW applications. The testing and ongoing operations at customer sites have further demonstrated a high level of reliability in terms of uptime and durability.

- ***Clear cost-out plan in place to drive down levelized cost of hydrogen (LCOH)***

A key hurdle to the wide-spread application of hydrogen is the higher cost of green hydrogen compared to fossil fuel alternatives. For that reason, Green Hydrogen Systems considers levelized cost of hydrogen (or LCOH) a key performance indicator for electrolyser OEMs. The Company estimates that its LCOH starting point as of today is competitive across different electrolyser technologies and competitors, and is further expecting to continuously reduce the LCOH of its products over the coming years to contribute to making green hydrogen an even more compelling alternative to fossil fuels. The Company can influence several

factors affecting the cost of hydrogen for end-users, including the acquisition cost of the electrolyser, costs to installation, operations and maintenance and the efficiency of the electrolyser in converting electricity to hydrogen - the latter improving the electricity consumption, which is the largest LCOH component.

- ***Organizational backbone and infrastructure in place to capture accelerated growth***

Since its foundation, Green Hydrogen Systems has focused on developing its electrolysis technology and product platform. Following the launch of the Company's current technology platform, additional management resources have been added to the organization representing strong competencies within energy, growth, manufacturing, supply chain, sales and service. Also the Board of Directors has been strengthened with complementary competencies. The Board of Directors include Thyge Boserup (Chairperson), Troels Øberg (Vice Chairperson), Karen-Marie Katholm, Lars Valsøe Bertelsen, Thomas Thune Andersen, Christian Clausen, Jakob Fuhr Hansen and Simon Krogsgaard Ibsen. The Board of Directors represent significant energy sector experience and a broad set of operations and commercial competencies.

Key financials and financial guidance for 2021

Green Hydrogen Systems revenue was DKK 12.2 million in 2020, and EBITDA was a loss of DKK 69.6 million.

For 2021, Green Hydrogen Systems targets:

- Revenue from customer contracts between DKK 40 and 60 million
- Gross profit broadly neutral in absolute terms
- EBITDA (non-IFRS) between DKK minus 105 to minus 115 million
- Operating result (EBIT) between DKK minus 120 to minus 130 million

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.

For more info please contact:

Investors: Jens Holm Binger, Head of IR, +45 6065 6525, jhb@greenhydrogen.dk

Media: Aleksandra Lozinska, Head of Marketing and Media Relations, +45 4414 0344, alo@greenhydrogen.dk

Important notice

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 contains 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 any offering circular or prospectus published by the Company in connection with a potential offering and admission of such securities to trading and official listing on Nasdaq Copenhagen A/S. Copies of any such prospectus will, following publication, be available from the Company’s registered office and, subject to certain exceptions, on the website of the Company.

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 potential 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 potential 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, if published, 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.

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 known 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.