GREEN HYDROGEN SYSTEMS

IMPORTANT NOTICE

THIS PROSPECTUS IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATION S ("**REGULATION S**") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE (A "**MEMBER STATE**") OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**"), A QUALIFIED INVESTOR AS DEFINED BY THE PROSPECTUS REGULATION (DEFINED BELOW) OR IF INVESTORS ARE RESIDENT IN THE UNITED KINGDOM ("**THE UK**") A RELEVANT PERSON (AS DEFINED BELOW).

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached prospectus of Green Hydrogen Systems A/S (the "**Prospectus**") following this notice, and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the Prospectus. Recipients of this electronic transmission who intend to purchase the securities described in the Prospectus are reminded that any purchase may only be made on the basis of the information contained in this Prospectus and the pricing statement to be published in connection thereto. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Company and ABG Sundal Collier Denmark, Filial af ABG Sundal Collier ASA, Norge, Carnegie Investment Bank, Filial af Carnegie Investment Bank AB (PUBL), Sverige or J.P. Morgan AG (collectively, the "**Managers**") as a result of such access. You acknowledge that the delivery of the Prospectus is confidential and is solely for your information and intended for you only, and you agree you will not distribute, forward, reproduce (in whole or in part), disclose or publish the Prospectus to any other person.

IF YOU ARE NOT THE INTENDED RECIPIENT OF THIS ELECTRONIC TRANSMISSION, PLEASE DO NOT DISTRIBUTE OR COPY THE INFORMATION CONTAINED IN THIS ELECTRONIC TRANSMISSION, BUT INSTEAD DELETE AND DESTROY ALL COPIES OF THIS ELECTRONIC TRANSMISSION.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, AND THE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY IN, INTO OR WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE AND LOCAL SECURITIES LAWS. THERE WILL BE NO PUBLIC OFFERING OF THE SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION OTHER THAN DENMARK.

THE PROSPECTUS IS BEING FURNISHED TO YOU SOLELY FOR YOUR INFORMATION AND YOU ARE NOT AUTHORIZED TO, AND YOU MAY NOT, FORWARD, DISTRIBUTE OR DELIVER THE PROSPECTUS, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE THE PROSPECTUS, IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION, DELIVERY OR REPRODUCTION OF THE ATTACHED PROSPECTUS, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL BE UNABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE PROSPECTUS.

The Prospectus and the Offering are only addressed to, and directed at, persons in member states (other than Denmark) of the EEA (each a "**Member State**") who are "qualified investors" ("**Qualified Investors**") within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations) (the "**Prospectus Regulation**"). The information furnished in the Prospectus must not be acted on or relied upon in any Member State by persons who are not Qualified Investors. Any investment or investment activity to which the Prospectus relates is only available to, and will only be engaged with, Qualified Investors in any Member State.

In addition, in the United Kingdom, the Prospectus and any other material in relation to the Offer Shares described herein is for distribution only to, and is directed only at, and any investment or investment activity to which this Prospectus relates is being distributed only to, and is directed only at, persons who are "qualified investors" within the meaning of Article 2 of the Prospectus

Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and who: (i) have professional experience in matters relating to investments falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2) of the Order; (iii) are persons the Company believes on reasonable grounds to be persons to whom Article 43(2) of the Order applies for these purposes; or (iv) are other persons to whom it may lawfully be communicated (all such persons being referred to in (i), (ii), (iii) and (iv) are defined as "**Relevant Persons**"). The information furnished in the Prospectus must not be acted on or relied upon in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which the Prospectus relates is only available to, and will only be engaged with, Relevant Persons in the United Kingdom.

MIFID PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

EEA Product Governance Requirements

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the securities that are the subject of the Offering have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients or eligible counterparties (except for a public offering to investors in Denmark conducted pursuant to a separate prospectus that has been approved by and registered with the Danish FSA (in Danish: Finanstilsynet)).

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

UK Product Governance Requirements

Solely for the purposes of the product governance requirements contained within: (a) Regulation (EU) 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (b) the FCA Handbook Product Intervention and Product Governance Sourcebook, (together, the "**UK MiFIR Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of UK MiFIR) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (a) compatible with an end target market of investors who meet the criteria of eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR; and (b) eligible for distribution through all distribution channels as are permitted by UK MiFIR (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, Managers will only procure investors who meet the criteria of professional clients and eligible counterparties for the purposes of the UK MiFIR Product Governance Rules.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of the UK MiFIR Product Governance Rules; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own UK Target Market Assessment in respect of the Offer Shares and determining appropriate distribution channels.

Confirmation of Your Representation: By accessing the Prospectus, you will be deemed to have represented to the Company and each of the Managers that: (1) you have understood and agree to the terms set out herein; (2) you and any customers you represent are acting on behalf of, or are, an institutional investor that is outside the United States and that the e-mail address to which, pursuant to your request, the Prospectus has been delivered by electronic transmission is utilized by a person not located in the United States; (3) if you are located in the United Kingdom, you and any customers you represent are relevant persons; (4) if you are located in a EEA country (other than Denmark), you and any customers you represent must not be a retail investor and are a qualified investor; (5) the securities acquired in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public; (6) if you are outside the United States, the United Kingdom and a member state of the EEA (and the e-mail addresses that you gave the Company and to which this document has been delivered are not located in such jurisdictions) you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located; and (7) you are a person to whom the Prospectus may be delivered in accordance with the restrictions set out in "Notice to Investors" in the Prospectus.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and, consequently, none of the Managers, any person who controls any Manager, Green Hydrogen Systems A/S (the "**Company**") or any of its subsidiaries and affiliates, nor any director, officer, employer, employee or agent of theirs, or affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and any hard copy or electronic version that is provided to you at a later date or which will be made available to you upon request from the Company or the Managers. By accessing the Prospectus, you consent to its delivery in electronic form (and any amendments or supplements thereto by electronic transmission).

You are reminded that the attached Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver the Prospectus to any other person. You may not transmit the Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Managers. If you receive this document by e-mail, you should not reply by e-mail to this communication. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. You are responsible for protecting against viruses and other destructive items.

The materials relating to the offering of the securities described in the Prospectus (the "**Offering**") do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers are licensed brokers or dealers in that jurisdiction, the Offering shall be deemed to be made by the Managers or such affiliate on behalf of the Company in such jurisdiction.

Access has been limited so that it will not constitute a general solicitation.

No action has been or will be taken in any jurisdiction by the Company or any of the Managers that would, or is intended to, permit a public offering of the securities described in the Prospectus, or possession or distribution of a prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to those securities, in any country or jurisdiction where action for that purpose is required.

The Managers are acting exclusively for the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

Green Hydrogen Systems A/S
Offering of 27,500,000 new shares

(a public limited liability company incorporated in Denmark under company registration (CVR) no. 30548701)

This document (the "**Prospectus**") relates to the initial public offering (the "**Offering**") of 27,500,000 new Shares (the "**Offer Shares**") each having a nominal value of DKK 1 in Green Hydrogen Systems A/S (the "**Company**" or "**Green Hydrogen Systems**"). The Offering is expected to raise gross proceeds to the Company of DKK 1,100 million (excluding the Overallotment Option). Assuming completion of the Offering, the Company's registered share capital will increase by a nominal value of DKK 27,500,000 as a result of the issue of the Offer Shares (excluding the Option Shares) to a total share capital of nominally DKK 76,408,614.

The Offering consists of (i) an initial public offering to retail and institutional investors in Denmark (the "**Danish Offering**"); and (ii) private placements to institutional investors in certain other jurisdictions (excluding the United States) (the "**International Offering**"). The International Offering will be made only outside the United States in compliance with Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**").

In connection with the Offering, the Company has received undertakings subject to certain conditions from the following investors (the "**Cornerstone Investors**") to subscribe for Offer Shares at the Offer Price for an aggregate amount of DKK 570 million, corresponding to 51.8% of the Offer Shares (excluding the Option Shares). The undertakings of the Cornerstone Investors are divided as follows: ATP will invest DKK 200 million, Vækstfonden will invest DKK 100 million, Nordea Asset Management on behalf of certain clients will invest DKK 100 million, BankInvest on behalf of certain clients will invest DKK 100 million, Spar Nord will invest DKK 45 million, and MK Ventures will invest DKK 25 million. The Cornerstone Investors will receive full allocation of their commitments.

Additionally, the Company's three largest shareholders, the Principal Shareholder, APMHI and Norlys Holding, have undertaken to subscribe for Offer Shares in the Offering for a total subscription amount of EUR 10.50 million (exchanged to DKK 78,083,200), corresponding to 7.1% of the Offer Shares (excluding the Option Shares). Moreover, certain members of the Board of Directors have undertaken to subscribe for a total of DKK 7.75 million in the Offering. The Principal Shareholder, APMHI, Norlys Holding and the relevant members of the Board of Directors will also receive full allocation of their commitments.

The aggregate investment commitments from Cornerstone Investors, existing shareholders and certain members of the Board of Directors are approximately DKK 656 million.

The Company has granted the Stabilization Manager, on behalf of the Joint Global Coordinators (as defined herein), an option (the "**Overallotment Option**") to subscribe for up to 4,125,000 additional new Shares (the "**Option Shares**") at the Offer Price (as defined below), exercisable, in whole or in part, from the first day of trading in the Temporary Purchase Certificates (as defined below) until 30 days thereafter, solely to cover overallotments or short positions, if any, incurred in connection with the Offering. As used herein, "**Shares**" shall refer to all outstanding shares of the Company at any given time. If the Overallotment Option is exercised, the term "**Offer Shares**" shall also include the Option Shares.

Prospective investors are advised to examine all the risks and legal requirements described in this document that might be relevant in connection with an investment in the Offer Shares. Investing in the Offer Shares involves a high degree of risk. See "*Risk Factors*" beginning on page 9 for a discussion of certain risks that prospective investors should consider before investing in the Offer Shares.

OFFER PRICE: DKK 40 PER OFFER SHARE

The offer price at which the Offer Shares will be subscribed (the "**Offer Price**") is DKK 40 per share (the "**Offer Price**"). The results of the Offering are expected to be announced through Nasdaq Copenhagen A/S ("**Nasdaq Copenhagen**") no later than 7:30 (CET) on 22 June 2021.

The offer period (the "**Offer Period**") will commence on 8 June 2021 and will close no later than 21 June 2021 at 17:00 (CET). The Offer Period may be closed prior to 21 June 2021; however, the Offer Period will not be closed in whole or in part before 15 June 2021 at 23:59 (CET). The Offer Period in respect of applications for subscriptions for amounts up to and including DKK 3 million may be closed before the remainder of the Offering is closed. If the Offering is closed in whole or in part before 21 June 2021, the announcement of the results of the Offering, allocation and the Admission may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. Any such earlier closing, in whole or in part, will be announced through Nasdaq Copenhagen.

Payment for and settlement of the Offer Shares are expected to take place on 24 June 2021 (the "**Settlement Date**") by way of delivery of temporary purchase certificates under the temporary ISIN DK0061540424 (the "**Temporary Purchase Certificates**") against payment in immediately available funds in Danish kroner in book-entry form to investors' accounts with VP Securities A/S ("**VP Securities**") and through the facilities of Euroclear Bank S.A./N.A., as operator of the Euroclear System ("**Euroclear**"), and Clearstream Banking, S.A. ("**Clearstream**"). Subject to completion of the Offering and registration of the Offer Shares with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*), the Temporary Purchase Certificates will automatically be exchanged in VP Securities for a corresponding number of Shares, which are expected to be delivered two business days after the Settlement Date under the permanent ISIN DK0061540341 in book-entry form to the holders of the Temporary Purchase Certificates' respective accounts with VP Securities and through the facilities of Euroclear and Clearstream. If the Offering is closed before the Settlement Date, the delivery of Temporary Purchase Certificates, the automatic exchange of Temporary Purchase Certificates for Shares and the first day of trading and official listing on Nasdaq Copenhagen may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. The Offering may be withdrawn after Admission (as defined below) and until settlement of the Offering. All dealings in the Temporary Purchase Certificates and/or the Offer Shares prior to settlement of the Offering will be for the account of, and at the sole risk of, the parties involved. Registration of the Offer Shares with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*) will take place following completion of the Offering on the Settlement Date, which is expected to take place on 24 June 2021.

Prior to the Offering, there has been no public market for the Temporary Purchase Certificates or the Shares. Application has been made for the Temporary Purchase Certificates to be admitted to trading on Nasdaq Copenhagen under the symbol "GREENH TEMP" (the "**Admission**") and for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the symbol "GREENH". The Admission is subject to, among other things, Nasdaq Copenhagen's approval of the distribution of the Offer Shares, the Offering not being withdrawn prior to the settlement of the Offering and the Company making an announcement to that effect. The first day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 22 June 2021 and the last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 24 June 2021. The first day of trading of the Shares on Nasdaq Copenhagen under the permanent ISIN is expected to be 25 June 2021. In connection with the Temporary Purchase Certificates being automatically exchanged for Shares, the Temporary Purchase Certificates will cease to exist.

This document has been prepared under Danish law in compliance with the requirements set out in the Consolidated Act No. 1767 of 27 November 2020 on Capital Markets, as amended (the "Danish Capital Markets Act"), Regulation (EU) no. 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended (the "Prospectus Regulation"), Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 as well as Commission Delegated Regulation (EU) 2019/979 of 14 March 2019. This document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer in such a jurisdiction. The Offer Shares have not been, and will not be, registered under the U.S. Securities Act and are only being offered and sold outside the United States in compliance with Regulation S. The distribution of this document and the offer of the Offer Shares in certain jurisdictions are restricted by law. Persons into whose possession this document comes are required by the Company and the Joint Global Coordinators to inform themselves about and to observe such restrictions. For a description of certain restrictions on offers, sales and transfers of Offer Shares and on distribution of this document, see *"Selling and Transfer Restrictions"*.

Joint Global Coordinators and Joint Bookrunners

ABG Sundal Collier | **Carnegie** | **J. P. Morgan**

The date of this Prospectus is 7 June 2021

Important Notice Relating to the Prospectus

In this Prospectus, the "**Company**" refers to Green Hydrogen Systems A/S registered under company registration (CVR) no. 30548701.

No representation or warranty, expressed or implied, is made by ABG Sundal Collier Denmark, Filial af ABG Sundal Collier ASA, Norge ("**ABG Sundal Collier**"), Carnegie Investment Bank, Filial af Carnegie Investment Bank AB (PUBL), Sverige ("**Carnegie**") or J.P. Morgan AG ("**J.P. Morgan**") (collectively, the "**Joint Global Coordinators**" when acting as joint global coordinators and the "**Joint Bookrunners**" when acting as joint bookrunners, and the Joint Bookrunners together with the Joint Global Coordinators, the "**Managers**") as to the accuracy or completeness of any information contained in this Prospectus.

The information in this Prospectus is as of the date printed on the front of the cover, unless expressly stated otherwise. The delivery of this Prospectus at any time does not imply that there has been no change in the Company's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. In the event of any significant new factor, material mistake or material inaccuracy relating to the information in this Prospectus that may affect the assessment of the Offer Shares during the period from the date of this Prospectus and the first day of Admission, such changes will be announced to the extent required pursuant to the rules of the Prospectus Regulation, *inter alia*, which governs the publication of prospectus supplements.

In connection with the Offering, the Company has prepared this Prospectus for purposes of the Danish Offering and the International Offering. The Prospectus has been prepared in compliance with the standards and requirements of Danish law and approved by the Danish Financial Supervisory Authority (the "**Danish FSA**") (in Danish: *Finanstilsynet*) as competent authority under the Prospectus Regulation as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Notice to Investors

In making an investment decision, investors must rely on their own assessment of the Company and the terms of this Offering, as described in this Prospectus, including the merits and risks involved. Any subscription for the Offer Shares should be based on the assessments of the information in the Prospectus that the investor in question may deem necessary, including the legal basis and consequences of the Offering, and including possible tax consequences that may apply, before deciding whether or not to invest in the Offer Shares.

No person has been authorized to give any information or make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Managers or the Company. Neither the Company nor the Managers accept any liability for any such information or representation.

The distribution of this Prospectus and the offer or sale of the Offer Shares in certain jurisdictions are restricted by law. By subscribing for Offer Shares, investors will be deemed to have made certain acknowledgements, representations and agreements as described in this Prospectus. Prospective investors should be aware that they may be required to bear the financial risks of any such investment for an indefinite period of time.

The Offering will be completed under Danish law, and no action has been or will be taken by the Managers or the Company to permit a public offering in any jurisdiction other than Denmark. Persons into whose possession this Prospectus may come are required by the Managers and the Company to inform themselves about and to observe such restrictions. This Prospectus may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorized or is unlawful. For further information with regard to restrictions on offers, sales and transfers of the Offer Shares and the distribution of this Prospectus, see "*Selling and Transfer Restrictions*". This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer. This Prospectus may not be forwarded, reproduced or in any other way redistributed by anyone but the Managers and the Company. Investors may not reproduce or distribute this Prospectus, in whole or in part, and investors may not disclose the content of this Prospectus or use any information herein for any purpose other than considering the subscription for Offer Shares. Investors agree to the foregoing by accepting delivery of this Prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States. The Offer Shares may not be offered, sold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Offer Shares in the United States. The Offer Shares have not been recommended, approved or rejected by any US federal or state securities commission or regulatory authority. Furthermore, the aforementioned authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States. For certain restrictions on transfer of the Offer Shares, see *"Selling and Transfer Restrictions"*.

European Economic Area ("EEA") restrictions

In relation to each Member State of the European Economic Area (other than Denmark) (each a "**Relevant State**"), no Offer Shares have been offered or will be offered pursuant to the International Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Offer Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the Offer Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom restrictions

In relation to the United Kingdom, no Offer Shares have been offered or will be offered pursuant to the International Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the Financial Conduct Authority in the United Kingdom in accordance with the UK Prospectus Regulation and the FSMA, except that offers of the Offer Shares may be made to the public in the United Kingdom at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

a) to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

c) at any time in other circumstances falling within section 86 of the FSMA,

provided that no such offer of Offer Shares shall require the Company or any Manager to publish a prospectus pursuant to Section 85 of the FSMA or Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares, the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, and the expression "**FSMA**" means the Financial Services and Markets Act 2000.

In the United Kingdom, this Prospectus is for distribution only to, and is directed only at, qualified investors (as defined in the UK Prospectus Regulation) who: (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**FSMA Order**"); (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FSMA Order; or (iii) are other persons to whom they may otherwise lawfully be communicated (all such persons, together being referred to as "**relevant persons**").

In the United Kingdom, this Prospectus is directed only at relevant persons and must not be acted on or relied on by anyone who is not a relevant person. In the United Kingdom, any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

Information to distributors

European Union Product Governance Requirements

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the securities that are the subject of the Offering have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: The price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties (except for a public offering to investors in Denmark conducted pursuant to this Prospectus as approved by and registered with the Danish FSA (in Danish: *Finanstilsynet*)).

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

UK Product Governance Requirements
Solely for the purposes of the product governance requirements contained within: (a) Regulation (EU) 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (b) the FCA Handbook Product Intervention and Product Governance Sourcebook, (together, the "**UK MiFIR Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of UK MiFIR) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (a) compatible with an end target market of investors who meet the criteria of eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR; and (b) eligible for distribution through all distribution channels as are permitted by UK MiFIR (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties for the purposes of the UK MiFIR Product Governance Rules.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of the UK MiFIR Product Governance Rules; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own UK Target Market Assessment in respect of the Offer Shares and determining appropriate distribution channels.

Information regarding investors' NPID or LEI number
In order to participate in the Offering, applicants will need a global identification code according to the MiFID II to be able to carry out securities transactions. Physical persons will need a so called NPID-number (National Personal ID or National Client Identifier) and legal entities will need a so-called Legal Entity Identifier ("**LEI**") in order to be able to acquire shares in the Offering. Please note that it is the investor's legal status that determines whether a LEI-code or NPID-number is required, and that the Joint Global Coordinators may not be able to execute the transaction for the person in question if a LEI-code or NPID-number (as applicable) is not presented.

NPID code for physical persons: Physical persons will need a NPID code to participate in a financial market transaction, i.e., a global identification code for physical persons. For physical persons with only a Danish citizenship, the NPID code is the 10-digit personal ID (DK: CPR number). If the person in question has multiple citizenships or another citizenship than Danish, another relevant NPID code can be used. Investors are encouraged to contact their bank for further information.

LEI code for legal entities: Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, which can take some time. Investors should obtain a LEI code in time for the application. Legal entities needing to acquire a LEI-code can turn to any of the suppliers available on the market. Instructions regarding the global LEI-system can be found on *www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations*.

Stabilization

IN CONNECTION WITH THE OFFERING, CARNEGIE, AS THE STABILIZATION MANAGER, OR ITS AGENTS, ON BEHALF OF THE MANAGERS, MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE SHARES FOR UP TO 30 DAYS FROM THE COMMENCEMENT OF TRADING AND OFFICIAL LISTING OF THE SHARES ON NASDAQ COPENHAGEN. SPECIFICALLY, THE MANAGERS MAY OVER ALLOT OFFER SHARES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SHARES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. THE STABILIZATION MANAGER AND ITS AGENTS ARE NOT REQUIRED TO ENGAGE IN ANY OF THESE ACTIVITIES AND, AS SUCH, THERE IS NO ASSURANCE THAT THESE ACTIVITIES WILL BE UNDERTAKEN; IF UNDER-TAKEN, THE STABILIZATION MANAGER OR ITS AGENTS MAY END ANY OF THESE ACTIVITIES AT ANY TIME AND THEY MUST BE BROUGHT TO AN END AT THE END OF THE 30-DAY PERIOD MENTIONED ABOVE. SAVE AS REQUIRED BY LAW OR REGULATION, THE STABILIZATION MANAGER DOES NOT INTEND TO DISCLOSE THE EXTENT OF ANY STABILIZATION TRANSACTIONS UNDER THE OFFERING. SEE *"PLAN OF DISTRIBUTION"*.

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Responsibility Statement

The Company's responsibility

The Company is responsible for this Prospectus in accordance with Danish law.

The Company's statement

We hereby declare that we, as the persons responsible for this Prospectus on behalf of the Company, to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of its contents.

We furthermore declare that this Prospectus has been approved by the Danish FSA (in Danish: *Finanstilsynet*) as competent authority under the Prospectus Regulation. The Danish FSA (in Danish: *Finanstilsynet*) only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

Kolding, 7 June 2021

Green Hydrogen Systems A/S

Board of Directors

Thyge Boserup
Chairman

Troels Øberg
Vice Chairman

Karen-Marie Katholm
Board Member

Lars Valsøe Bertelsen
Board Member

Christian Clausen
Board Member

Thomas Thune Andersen
Board Member

Jakob Fuhr Hansen
Board Member

Simon Krogsgaard Ibsen
Board Member

Thyge Boserup: Professional board member and business advisor
Troels Øberg: Partner at Nordic Alpha Partners ApS
Karen-Marie Katholm: Professional board member
Lars Valsøe Bertelsen: Head of M&A at Norlys Holding A/S and professional board member
Christian Clausen: Professional board member
Thomas Thune Andersen: Professional board member
Jakob Fuhr Hansen: Partner at Nordic Alpha Partners ApS
Simon Krogsgaard Ibsen: Principal at A.P. Møller Holding A/S

Executive Management

Sebastian Koks Andreassen
CEO

Kenneth Bergstrøm-Andersen
CFO

Summary

Section A – Introduction and warnings

Introduction	
Warnings	This summary should be read as an introduction to this Prospectus. Any decision to invest in the Offer Shares should be based on consideration of the Prospectus as a whole by the investor. Prospective investors in the Shares could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, under the national legislation of the European Economic Area member states, the plaintiff investor might have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares.
Issuer information	Green Hydrogen Systems A/S (the "**Company**") is the issuer of the Offer Shares in the Offering under this Prospectus. The Temporary Purchase Certificates will be admitted to trading on Nasdaq Copenhagen under the temporary ISIN DK0061540424 and the Shares will be admitted to trading and official listing on Nasdaq Copenhagen under the permanent ISIN DK0061540341. The Company's company registration (CVR) no. is 30548701. The Company has the LEI no. 984500COESDF699DEC11. The Nasdaq Copenhagen symbol for the Temporary Purchase Certificates is "GREENH TEMP" and for the Shares, "GREENH". The address and contact details of the Company are Nordager 21, DK-6000 Kolding, Denmark, telephone number +45 7550 3500, email info@greenhydrogen.dk.
Competent authority	The Prospectus has been approved on 7 June 2021 by the Danish Financial Supervisory Authority (the "**Danish FSA**") (in Danish: *Finanstilsynet*) as competent authority under the Prospectus Regulation. The address and other contact details of the Danish FSA are Århusgade 110, 2100 Copenhagen Ø, Denmark, telephone number +45 33 55 82 82, email finanstilsynet@ftnet.dk.

Section B – Key information on the issuer

Who is the issuer of the securities?	The Company is incorporated in Denmark and operates as a public limited liability company (A/S) under the laws of Denmark with its registered domicile at Nordager 21, DK-6000 Kolding, Denmark. The Company's company registration (CVR) no. is 30548701. The Company has the LEI no. 984500COESDF699DEC11.
Principal activities	The Company is an electrolyser Original Equipment Manufacturer and clean technology company established in 2007 and headquartered in Nordager, Kolding, Denmark. The Company develops and manufactures electrolysis solutions and related services for the production of green hydrogen. The production of green hydrogen and its wide range of possible applications has the potential to be an important enabler of the ongoing decarbonization of global societies, and, as a result, the demand for green hydrogen is surging, requiring a significant scale-up of electrolysis capacity. The Company combines efficient, standardized, and modular electrolysis technology with an industrial approach to sourcing and manufacturing where assembly production lines can be established for swift product deployment. The Company's ambition is to bring affordable green hydrogen technology to a range of applications, including Power-to-X installations, transportation, and industrial facilities. The A-Series is currently the Company's core product platform, where units can operate stand-alone or as clustered solutions based on several modules to enable larger capacities of green hydrogen production. Based on the A-Series platform, the Company is currently further developing a new electrolyser platform, the X-Series, which will strengthen Green Hydrogen Systems' ability to participate in even larger projects, potentially in the GW scale. With multiple installations already operating in Northern Europe, Green Hydrogen Systems is scaling its operations to accommodate growth. The scaling of operations is supported by recent investments from APMHI, Nordic Alpha Partners, and Norlys Holding, targeting expansion of existing production capacity and establishment of a robust organizational backbone. The Company is experiencing commercial momentum and has delivered electrolysis solutions for different application areas, geographies and project sizes. The Company has further 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 potentially increasing magnitude of variety and scale.

	With its current production facility, the Company expects to be able to deliver a manufacturing capacity of around 25 MW per year as of the end of 2021 with a potential maximum capacity of approximately 75 MW per year based on operation with three manufacturing shifts. The maximum capacity is expected to reach 150 MW in the coming years once development of new, higher-capacity product versions is finalized and production processes and efficiencies have been phased in. Furthermore, the Company plans to expand its production facility in tandem with demand. While no decision has been made as at the time of this Prospectus, the Company believes that the current site allows for an expansion of the production facility sufficient to facilitate a capacity of potentially more than 1,000 MW per year. The Company's revenue was DKK 12.2 million in 2020, and it does not currently generate profits. Investments in R&D and sales and marketing as well as scaling of its production capacity and organization are ongoing and continue to be a focus area for the Company. As at 1 May 2021, the Company's organization counted 90 employees.
Major Shareholders	As of the date of this Prospectus, Nordic Alpha Partners Fund I K/S (the "**Principal Shareholder**") holds 50.29% of the Shares and voting rights in the Company. The Principal Shareholder is a fund controlled by Nordic Alpha Partners. APMH Invest XI ApS (**"APMHI**"), Norlys Holding A/S ("**Norlys Holding**") and Investeringsselskabet af 19. maj 2014 ApS hold 17.81%, 14.99% and 5.92%, respectively, of the Shares and voting rights in the Company.
Managing directors	The Company has a two-tier governance structure consisting of the Board of Directors and the Executive Management. The members of the Board of Directors are: Thyge Boserup, Chairman, Troels Øberg, Vice Chairman, Karen-Marie Katholm, Lars Valsøe Bertelsen, Christian Clausen, Thomas Thune Andersen, Jakob Fuhr Hansen and Simon Krogsgaard Ibsen. The members of the Executive Management are: Sebastian Koks Andreassen, CEO and Kenneth Bergstrøm-Andersen, CFO.
Statutory auditors	The statutory auditors of the Company are PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab. The independent auditors' reports included in the audited Financial Statements were signed by State Authorized Public Accountants, Rasmus Friis Jørgensen and Jacob Brinch.
What is the key financial information regarding the issuer?	The key financial information shown below has been derived from the Company's audited financial statements as at and for the year ended 31 December 2020 with comparative figures for the years ended 31 December 2019 and 2018 (the "**Financial Statements**"). In preparing and reporting the comparative figures for 2019 and 2018 in the Financial Statements included in this Prospectus, certain reclassifications have been made compared to the previously published financial statements for 2019 and 2018 to align them with the presentation and classification applied in the Financial Statements for 2020. Further, compared to the previously published financial statements for 2020, 2019 and 2018, not previously required segment information and disclosures according to IFRS 8 "Operating Segments" have been included in the Financial Statements. The quarterly key financial information shown below has been derived from the Company's interim financial statements for the period 1 January 2021 to 31 March 2021 including comparative figures for the period 1 January 2020 to 31 March 2020. The interim financial statement for the period 1 January 2021 to 31 March 2021 have been reviewed by the Company's independent auditors.

Income Statement

DKK'000	For the period ended 31 March 2021	For the period ended 31 March 2020	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2018
Revenue from contracts with customers	320	92	9,433	14,196	4,179
Other operating income	276	1,340	2,793	1,941	173
Total revenue & operating income	**596**	**1,432**	**12,226**	**16,137**	**4,352**
Changes in inventory of finished goods and work in progress	976	698	36	(1,983)	4,124
Raw materials and consumables used	(3,249)	(3,183)	(17,208)	(10,955)	(8,081)
Work performed by the company and capitalized	6,553	1,190	10,485	1,305	3,162
Employee costs	(23,097)	(4,701)	(39,571)	(8,726)	(4,544)
Other operating expenses	(18,239)	(2,948)	(35,585)	(7,489)	(2,877)
Operating profit/(loss) before depreciation, amortization and impairment losses (EBITDA)	**(36,460)**	**(7,512)**	**(69,617)**	**(11,711)**	**(3,864)**
Depreciation and amortization	(1,736)	(597)	(3,072)	(316)	(278)
Operating profit/(loss) (EBIT)	**(38,196)**	**(8,109)**	**(72,689)**	**(12,027)**	**(4,142)**
Financial income	0	0	2	1	33
Financial expenses	(6,183)	(26)	(2,861)	(84)	(49)
Profit/(loss) before tax	**(44,379)**	**(8,135)**	**(75,548)**	**(12,110)**	**(4,158)**
Income tax	1,375	284	2,307	1,375	1,396
Profit/(loss) for the period	**(43,004)**	**(7,851)**	**(73,241)**	**(10,736)**	**(2,762)**

Balance sheet

DKK'000	For the period ended 31 March 2021	For the period ended 31 March 2020	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2018	1 January 2018
Total non-current assets	94,863	11,849	57,834	7,621	5,694	2,068
Total current assets	131,690	17,978	175,064	33,288	8,800	5,026
Total assets	**226,553**	**29,827**	**232,898**	**40,909**	**14,494**	**7,094**

DKK'000	For the period ended 31 March 2021	For the period ended 31 March 2020	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2018	1 January 2018
Total equity	(41,648)	11,639	(4,077)	20,534	137	926
Total non-current liabilities	210,436	3,588	183,940	3,941	2,916	0
Total current liabilities	57,765	14,600	53,035	16,434	11,441	6,168
Total liabilities	**268,201**	**18,188**	**236,975**	**20,375**	**14,357**	**6,168**
Total equity and liabilities	**226,553**	**29,827**	**232,898**	**40,909**	**14,494**	**7,094**

Cash flow statement

DKK'000	For the period ended 31 March 2021	2020	For the year ended 31 December 2020	2019	2018
Net cash flow from operating activities	(42,633)	(5,815)	(25,172)	(21,682)	(1,302)
Net cash flow from investing activities	(10,882)	(1,230)	(31,625)	(1,412)	(3,821)
Cash flow from financing activities	191	(1,138)	203,338	31,907	4,816
Cash and cash equivalents at end of the period	**102,629**	**1,229**	**155,953**	**9,412**	**599**

What are the key risks that are specific to the issuer?

The risks and uncertainties discussed below are those that the Company's management currently views as material, but these risks and uncertainties are not the only ones that the Company faces. Additional risks and uncertainties, including risks that are not known to the Company at present or that its management currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Offer Shares and a loss of part or all of your investment.

- A commercially viable market for green hydrogen and, by implication, electrolysers is dependent on, *inter alia*, the development of a commercialized market for green hydrogen, including end-use applications for green hydrogen, as well as a long-term coordinated effort by public and private stakeholders, and may, due to a variety of factors, not develop sufficiently or at the expected pace.
- Green hydrogen has not yet reached price parity with fossil fuels and derived energy carriers which is critical for the commercialization of green hydrogen and it may not reach price parity in the foreseeable future or at all.
- The Company is operating in a highly competitive market for electrolysers and is facing competition from both larger and established competitors as well as new market entrants representing both existing and new or emerging technologies, some of which may be able to expand and adapt at a higher pace than the Company and/or may outcompete the Company based on technology or cost-competitiveness.
- Given the short time that the Company's electrolysers have been in operation in the market, the actual operational performance of the electrolysers manufactured from the Company's A-Series platform may deviate from their expected performance and reliability.
- The Company is still developing its products, including both its existing A-Series platform as well as its new electrolyser X-Series and the timely launch of more advanced A-Series electrolysers and/or the X-Series platform may be delayed or less successful than the Company is anticipating.
- The Company does not yet have a steady flow of business opportunities and a lack of participation in projects may damage the Company's forward ability to generate new business opportunities.
- The Company may fail to establish critical industrial partnerships with other electrolysis industry and green hydrogen market stakeholders which could adversely affect the Company's market position.
- The Company may not be able to maintain the cost competitiveness of its electrolysers if the Company's strategy to reduce production and manufacturing costs fails.
- The Company may not succeed in its scaling, including from an organizational and employee-retention perspective, and the Company's reorganization of its assembly and production processes may not be successful.
- The Company may be involved in unanticipated safety and health incidents caused by the hazardous properties of hydrogen or the production of electrolysers which could have immediate economic, legal and reputational consequences for the Company, and the market for green hydrogen may generally suffer a reputational loss due to the occurrence of incidents involving hydrogen or electrolyser production, whether the Company is involved in such incidents or not.
- The Company is a relatively young growth company and the Company's future results may accordingly differ materially from what is expressed or implied by the forecasts of the financial information included in this Prospectus, and investors should not place undue reliance on this information.
- The Company has since its inception focused on development and growth in the electrolysis industry and has consequently incurred significant losses and expects to continue to incur losses, and may not be able to generate a positive cash flow for the foreseeable future or ever. Accordingly, the Company is exposed to the risk of being unable to ensure adequate capital resources on an ongoing basis to sustain its current position and to continue further growth.

Section C – Key information on the securities

What are the main features of the securities?	As of the date of this Prospectus, the Company's registered share capital is nominally DKK 48,908,614 divided into 48,908,614 Shares of nominally DKK 1 each, which are all issued and fully paid up. The Shares, including the Offer Shares, are not divided into share classes. In connection with the Offering, the Company is offering 27,500,000 Offer Shares (excluding the Option Shares). The Temporary Purchase Certificates will be traded under the temporary ISIN DK0061540424. Upon the automatic exchange of the Temporary Purchase Certificates into Shares, the Shares will be traded on Nasdaq Copenhagen under the permanent ISIN DK0061540341. Assuming completion of the Offering, the Company's registered share capital will increase by a nominal value of DKK 27,500,000 as a result of the issue of Offer Shares (excluding the Option Shares) for a total share capital of nominally DKK 76,408,614. The nominal value of each Share is DKK 1.
Rights attached to the Offer Shares	All Shares have the same rights and rank pari passu in respect of, *inter alia*, voting rights, pre-emption rights, redemptions, conversion and restrictions or limitation according to the articles of association of the Company (the "**Articles of Association**") or eligibility to receive dividends or proceeds in the event of dissolution or liquidation. Each Share of nominally DKK 1 entitles its holder to one vote at the general meeting.
Restrictions	The Shares are negotiable instruments, and no restrictions under Danish law apply to the transferability of the Shares.
Dividend policy	The Company has not declared or made any dividend payments since its incorporation. Currently, the Company intends to apply all available financial resources and income, if any, towards the Company's current and future business. As of the date of this Prospectus, the Company does not expect to make dividend payments within the foreseeable future.
Where will the securities be traded?	An application has been made for the Temporary Purchase Certificates to be admitted to trading on Nasdaq Copenhagen under the symbol "GREENH TEMP" and for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the symbol "GREENH". The Admission is subject to, among other things, completion of the Offering, Nasdaq Copenhagen's approval of the distribution of the Offer Shares, the Offering not being withdrawn prior to the settlement of the Offering, and the Company making an announcement to that effect. Trading on Nasdaq Copenhagen of the Temporary Purchase Certificates will commence before such conditions are met and will be suspended if the Offering is not completed. Consequently, all dealings in the Temporary Purchase Certificates prior to settlement of the Offering and the automatic exchange of Temporary Purchase Certificates to Shares, and the Company making an announcement to that effect, will be conditional on the Offering not being withdrawn prior to settlement of the Offering, and the Company making an announcement to that effect, and any such dealings will be for the account of, and at the sole risk of, the parties concerned.
What are the key risks that are specific to the securities?	The key risks that are specific to the Shares are: • Future sales of Shares, or the perception that such sales might occur, could depress the price of the Shares. • There can be no assurance that an active and liquid market for the Company's Shares will develop and the price of the Shares could fluctuate significantly, and investors could lose all or part of their investment. • The Company currently intends to retain all available funds and any future earnings to fund the development and expansion of its products and its business and the Company does not intend to pay dividends. Consequently, shareholders' ability to achieve a return on their investments will depend on an appreciation on the price of the Shares.

Section D – Key information on the offering and the admission

Under which conditions and timetable can I invest in this security?	The Offer Period will commence on 8 June 2021 and will close no later than 21 June 2021 at 17:00 (CET). The Offer Period may be closed prior to 21 June 2021; however, the Offer Period will not be closed in whole or in part before 15 June 2021 at 23:59 (CET). The Offer Period in respect of applications for subscriptions for amounts up to and including DKK 3 million may be closed before the remainder of the Offering is closed. If the Offering is closed in whole or in part before 21 June 2021, the announcement of the results of the Offering, allocation and the Admission may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. Any such earlier closing, in whole or in part, will be announced through Nasdaq Copenhagen. Payment for and settlement of the Offer Shares are expected to take place on 24 June 2021 (the "**Settlement Date**") by way of delivery of Temporary Purchase Certificates against payment in immediately available funds in DKK in book-entry form to the investors' accounts with VP Securities and through the facilities of Euroclear and Clearstream.

Terms and conditions of the Offering	The Company is offering 27,500,000 Offer Shares in order to raise gross proceeds of DKK 1,100 million (excluding Option Shares). Assuming completion of the Offering, the Company's registered share capital will increase by a nominal value of DKK 27,500,000 as a result of the issue of Offer Shares (excluding Option Shares). The Company has granted the Stabilization Manager, on behalf of the Joint Global Coordinators, an Overallotment Option subscribe for up to 4,125,000 Option Shares, exercisable in whole or in part, from the date of Admission until 30 days thereafter, solely to cover overallotments or short positions, if any, incurred in connection with the Offering. For purposes of delivery of the Offer Shares to investors in connection with the Overallotment Option, the Principal Shareholder has agreed to make 4,125,000 existing Shares available under a share lending agreement. The Offer Price is DKK 40 per Offer Share. The minimum subscription amount is one Offer Share. Application by Danish investors to subscribe for amounts of up to and including DKK 3 million should be made to the investor's own account holding bank either electronically through online banking or by submitting the application form enclosed in this Prospectus during the Offer Period or such shorter period as may be announced via Nasdaq Copenhagen. Applications are binding and cannot be altered or cancelled. Investors who wish to invest amounts of more than DKK 3 million can indicate their interest to one or both Joint Global Coordinators during the Offer Period. These declarations of interest become binding applications at the end of the Offer Period. Immediately following the expiration of the Offer Period, investors will normally receive a statement indicating the number of Temporary Purchase Certificates representing Offer Shares allocated, if any, and the equivalent value at the Offer Price unless otherwise agreed between the investor and the relevant account holding bank.
Admittance to trading	The first day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 22 June 2021 and the last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 24 June 2021. The first day of trading in, and official listing of, the Shares, including the Offer Shares, on Nasdaq Copenhagen is expected to be 25 June 2021 under the permanent ISIN DK0061540341. If the Offer Period is closed before 21 June 2021, the Settlement date, the delivery of Temporary Purchase Certificates, the automatic exchange of Temporary Purchase certificates for Shares and the Admission on Nasdaq Copenhagen may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. In connection with the Temporary Purchase Certificates being automatically exchanged for Shares, the Temporary Purchase Certificates will cease to exist.
Plan of distribution	The Company and the Joint Global Coordinators have entered into an underwriting agreement (the "**Underwriting Agreement**"). Subject to certain conditions set forth in the Underwriting Agreement, the Company has agreed to issue new Shares to the investors procured by the Managers or, failing which, to the Managers themselves, and each of the Managers have agreed to procure investors for, or failing such procurement, to subscribe for the percentage of total number of Offer Shares offered listed opposite such Manager's name below.

Managers	Percentage of Offer Shares
ABG Sundal Collier	33.33%
Carnegie	33.33%
J.P. Morgan	33.33%
Total	100%

In the event that the total amount of shares applied for in the Offering exceeds the number of Offer Shares, reductions will be made as follows:

- With respect to applications for amounts of up to and including DKK 3 million, reductions will be made mathematically.
- With respect to applications for amounts of more than DKK 3 million, individual allocations will be made. The Managers will allocate the Offer Shares after agreement upon such allocations with the Board of Directors.
- 14,250,000 Offer Shares will be reserved for the commitments of the Cornerstone Investors to subscribe for at the Offer Price in connection with the Offering.
- 1,952,080 Offer Shares will be reserved for the commitments of the Principal Shareholder, APMHI and Norlys Holding to subscribe for at the Offer Price in connection with the Offering.
- 193,750 Offer Shares will be reserved for the commitments of certain members of the Board of Directors to subscribe for at the Offer Price in connection with the Offering.
- Up to 125,000 Offer Shares will be reserved for employees (who are not already shareholders or warrantholders) of the Company to subscribe for at the Offer Price in connection with the Offering.

Dilution	The existing Shares issued as of the date of this Prospectus will be diluted in connection with the Offering by the issuance of 31,625,000 Offer Shares (assuming full exercise of the Overallotment Option), corresponding to a share capital increase by a nominal value of DKK 31,625,000. Following completion of the Offering, the existing Shares issued and outstanding as of the date of this Prospectus, will make up 60.73% of the Company's outstanding shares and share capital, assuming subscription for all Offer Shares issued in connection with the Offering (including the Option Shares). The Company's nominal share capital may increase with up to an additional DKK 1,453,315 as a result of the exercise of Vesting Pre-IPO Warrants in connection with the Offering.
Estimated expenses	The total expenses in relation to the Offering and the Admission are estimated to be approximately DKK 110 million of which DKK 10 million have been paid. Neither the Company nor the Joint Global Coordinators will charge expenses to investors. Investors will have to bear customary transaction and handling fees charged by their account holdings banks.
Why is this prospectus being produced?	This Prospectus has been produced and published in connection with the Offering of Shares by the Company and the Admission of the Company's Shares to trading and official listing on Nasdaq Copenhagen. The Offering and the Admission are expected to support the Company's operational strategy, advance the Company's public and commercial profile, strengthen the Company's financial profile, and provide the Company with improved access to public capital markets and a diversified international base of institutional shareholders, as well as Danish retail and institutional shareholders.
Net amounts and use of proceeds	The Company estimates that the net proceeds accruing to the Company from the Offering will be approximately DKK 1,000 million (excluding the Overallotment Option). These estimates are subject to the assumptions set forth in "*The Offering – Costs of the Offering*". The Offering is intended to contribute to the funding of Green Hydrogen Systems' execution of its strategy and thereby enable the Company to reach its commercial and financial targets for the future. In addition, the Offering will advance the Company's public and commercial profile, and provide the Company with improved access to public capital markets and a diversified base of new Danish and international shareholders. The Company intends to allocate the net proceeds from the Offer Shares as follows: • Approximately DKK 450 million to the continuation of R&D efforts; • Approximately DKK 400 million to capital expenditure investments to enable production scale-up and in development equipment; and • Approximately DKK 150 million to expansion of sales and marketing efforts, organizational ramp-up and supporting initiatives and to strengthening of balance sheet and general corporate purposes.
Underwriting agreement	See "*—Plan of Distribution*" above.
Material conflicts of interest	Certain members of the Board of Directors, Executive Management and Key Employees hold Shares and/or warrants convertible for Shares in the Company and therefore have an economic interest in the Offering. Moreover, certain members of the Board of Directors, Executive Management and Key Employees will, upon completion of the Offering, be eligible for a one-time cash transaction bonus of up to DKK 2.375 million to be split between the eligible participants. The Joint Global Coordinators and/or their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities related to or issued by the Company or other parties involved in or related to the Offering. Certain of the Joint Global Coordinators and/or their respective affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with the Company or any of its related parties. The Joint Global Coordinators have received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with potential investors' and the Company's interests.

Risk Factors

An investment in the Offer Shares involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before you decide to buy the Offer Shares. This section addresses both general risks associated with the market and industry in which the Company operates and the specific risks associated with its business. If any such risks were to materialize, the Company's business, financial condition, results of operations, cash flow and prospects could be materially adversely affected, resulting in a decline in the value of the Offer Shares and a loss of part or all of your investment. Further, this section describes certain risks relating to the Offering and the Offer Shares which could also adversely impact the value of the Offer Shares.

The risks and uncertainties discussed below are those that the Company's management currently views as material, but these risks and uncertainties are not the only ones that the Company faces. Additional risks and uncertainties, including risks that are not known to the Company at present or that its management currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Offer Shares and a loss of part or all of your investment. The most material risks, as assessed by the Company, taking into account the negative impact on the Company and the probability of their occurrence are set out first in each category.

Risks related to the market in which the Company operates

The market for electrolysis solutions is an emerging market and its development is dependent on the development of a commercialized market for green hydrogen, broad decarbonization efforts, an increase of renewable energy production and technological development of end-user applications of green hydrogen.

1. *A commercially viable market for green hydrogen and, by implication, electrolysers may not, due to a variety of factors, develop sufficiently or at the expected pace.*

The Company produces pressurized electrolysis systems which are used for water electrolysis to produce hydrogen. Hydrogen produced via water electrolysis using renewable energy, i.e., energy generated from wind turbines, hydropower plants or solar plants or from any other renewable source, is called "**green hydrogen**". While the Company is typically not a producer of green hydrogen (except for at its testing facilities and potentially in certain projects where the Company assumes a more general technical and operational responsibility), the demand for the Company's electrolysers and generally the development of the electrolysis industry is strongly dependent on a significant increase in the production of renewable energy and on the development of a downstream market for green hydrogen.

The Company's focus geographic markets comprise select countries in the EU, as well as Australia, Japan and South Korea. For the Company's past two financial years, the Company has generated all of its revenues from its sales within the EU. In the Company's opinion, the challenges pertaining to the development of a market for electrolysers and electrolysis solutions across each focus market are largely identical, albeit the level of commercial development may differ between each market.

From both a global perspective and across the Company's focus markets, the market for green hydrogen and, by implication, the market for electrolysers is at a nascent stage. The Company expects that the green hydrogen market and the market for electrolysis solutions will grow considerably towards 2030 as well as beyond. However, there can be no guarantee that the development of the green hydrogen market will occur at the pace which the Company is expecting, or it may not occur at all. This could result in the demand for electrolysers decreasing or the expected increase in demand for electrolysers not materializing. Any such delay or failure to develop a commercialized green hydrogen market could, accordingly, significantly harm the Company's expected revenues and the Company may be unable to recover any losses or expenses incurred, or which it expects to continue to incur, in the development of its electrolysers and auxiliary solutions.

At present, the market for hydrogen generated by electrolysis (primarily as a by-product of chloride production using fossil fuels and therefore not considered green hydrogen) comprises only approximately 5% of the global hydrogen market, the bulk of which is used for industry feedstock. See also "*Industry – Introduction – Hydrogen production methods*". For green hydrogen to become a viable alternative to hydrogen produced through reforming or gasification of fossil fuels ("**grey hydrogen**") in, for example, ammonia and methanol production, production of green hydrogen must be scaled to ensure a consistent and adequate supply of green hydrogen to such industries. Moreover, green hydrogen and fuels that are derived from green hydrogen must be cost competitive to fossil fuel alternatives - see risk factor number 8 and 9 for the general cost-risks of green hydrogen.

A prerequisite for the necessary scale-up of production of green hydrogen, is a considerable increase in the production of renewable energy which is used for water electrolysis when producing green hydrogen. As per the EU's European Green Deal, the Company is expecting a significant ramp-up of renewable energy production towards 2030 in the EU to facilitate 80-120 GW of solar and wind energy generation capacity. However, such ramp-up is contingent on substantial investments towards construction of new renewable energy plants and upgrade of existing plants which may not come to fruition. In the Company's opinion, similar challenges apply to the Company's other focus geographic markets outside the EU.

Similarly, the green hydrogen market is dependent on the continuous development of technologies for end-use applications, including, but not limited to, fuel cell technologies and synthesis technologies for making e-fuels. If such technologies are not sufficiently developed to reach parity in terms of both costs and ease of use with existing fossil fuel-based solutions, the end-markets for green hydrogen may not become sufficiently tangible and transparent to justify large-scale investments in electrolysers and electrolysis technologies.

If a market for electrolysers never sufficiently develops or develops at a slower rate relative to the Company's expectations, this may have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

2. *Large-scale demand for green hydrogen is dependent on a sustained decarbonization effort and technological development in existing and potential end-use sectors for green hydrogen.*

In the Company's opinion, the demand for electrolysers is strongly correlated to the downstream demand for green hydrogen in various industries and end-user applications. Building up a hydrogen economy in the Company's focus markets requires a full value chain approach. In addition to upscaling production and supply of green hydrogen and establishing a hydrogen infrastructure, there must be a parallel effort to create markets for green hydrogen. The creation of such markets partly relies on green hydrogen becoming cost-competitive with other energy carriers, however, a decarbonization effort across different industries is also a prerequisite for increasing demand for green hydrogen. Significant investments on an EU and member state level and outside the EU, as well as investments from private investors and long-term commitments of businesses, are required to support current and potential green hydrogen end-markets in their transition towards a hydrogen economy.

For example, in the transportation sectors, the Company expects that the demand for green hydrogen will be strongly tied to the parallel development of efficient fuel cells, particularly for heavy-duty road vehicles such as busses and trucks, private fuel cell vehicles ("**FCVs**"), and in the longer term also for trains, marine vessels and aircrafts. If stakeholders in the transportation sectors are unwilling to invest in research into the use of hydrogen and development of fuel cells, a significant potential end-market for green hydrogen may not develop.

The demand for green hydrogen in these end-use sectors is sensitive to, aside from cost aspects of using green hydrogen, technological progress that facilitates the application of green hydrogen in industrial and everyday usage. Such technological progress and willingness to join a transition towards a hydrogen economy requires a committed decarbonization effort across different industries where hydrogen is or has a potential to be used. Additionally, there is a risk that technologies do not develop as expected or at all, making the transition of potential end-use sectors towards green hydrogen more difficult than currently anticipated. If existing and potential end-use sectors do not develop sufficiently in parallel with electrolysis technologies and hydrogen infrastructure, demand for and consumption of green hydrogen may be inadequate for the successful commercialization of green hydrogen which could have a material adverse effect on the electrolysis industry, and thereby in turn on the Company's business, financial condition, results of operations, cash flow and prospects.

The green hydrogen market is dependent on specific changes to regulations and policies which have not yet been developed. Political support for green hydrogen may fade and new policies and regulations that purport to support the green hydrogen market and industries may be inadequate, may not have the desired impact or be impaired by other regulations or may not be developed at all.

3. *Realization of the potential of the market for green hydrogen requires a long-term coordinated effort by public and private stakeholders, and such efforts may be abandoned prematurely.*

The market for green hydrogen and the market for electrolysers remain at a nascent stage. The deployment of green hydrogen in the EU, which currently comprises the largest of the Company's current focus markets, faces important challenges that neither the private sectors nor individual EU member states can address alone. For the EU green hydrogen market to become commercially sustainable, significant investments, enabling regulatory frameworks, new lead markets, sustained research and innovation efforts in existing and new hydrogen technologies, development of end-use applications and end-markets for green hydrogen and a large-scale infrastructure network are necessary, among others. Similar challenges apply to the Company's other focus markets in Australia, South Korea and Japan.

The satisfaction of these prerequisites for a commercially viable green hydrogen market that can sustain an upstream market for electrolysers is contingent on a long-term coordinated effort by public and private actors. Generally, the Company estimates that green hydrogen will take a central role in the transition towards a net-zero emission economy in 2050. This indicates that over the next approximately 30 years, a joint, sustained effort to develop the market for green hydrogen across both the political and industrial spectrum must be maintained. Facilitating and incentivizing private investments in green hydrogen applications in the interim are, in the Company's opinion, therefore crucial objectives of regulatory and political green hydrogen initiatives.

The overarching political regime that underpins this regulatory and political effort is comprised by international conventions and treaties, EU-wide strategies, communications, political agreements, and regulatory initiatives as well as a variety of national plans and strategies designed to foster domestic hydrogen economies. Most of these instruments and policies are not by themselves legally binding (or the extent they purport to be legally binding, are not enforceable) on relevant stakeholders and policymakers. As long as these early regulatory measures have not materialized into hard law policies, the sustained long-term effort required to build a hydrogen economy is hinging on a continued political and private willingness, and not an obligation, to drive forward the market for green hydrogen. Political support may never materialize to tangible regulatory support and such lacking regulatory support could potentially halt the development of the market for green hydrogen and in turn have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

4. *Regulatory measures to support, directly or indirectly, the green hydrogen market and the electrolysis industry may be inadequate or not have the desired impact on the green hydrogen market.*

Regionally and nationally, the green hydrogen market and the electrolysis industry is exposed to the political and regulatory framework surrounding renewable energy and the general green transition. The specific regulatory initiatives that directly affect the green hydrogen market generally comprise various subsidy schemes, CO_2 abatement requirements and the tariff and tax regimes applicable to renewable energy which can also have significant impact on the electrolysis industry. Various regulatory efforts have been made, and are in the making, to support the green transition and, by implication, the commercialization of green hydrogen. These efforts also extend to the electrolysis industry. However, many regulatory efforts remain in their early stages and have not been implemented. Often, their exact contents and scope remain subject to ongoing political debate and adjustments, with consequential uncertainties.

The Company, as a provider of electrolysis solutions, as well as owners and operators of renewable energy plants such as solar plants and wind farms which, among others, are producing green hydrogen via water electrolysis, are often relying on access to subsidy schemes to finance their projects. The Company expects that they will continue to be reliant on such schemes for the foreseeable future. The Company is therefore highly sensitive to any adverse changes to current subsidy schemes from which it or its customers are benefitting. Generally, the development of the green hydrogen market may slow down if subsidies are reduced or otherwise made wholly or partly unavailable.

For example, within the EU, the Company is expecting several policy changes that will support the commercialization of green hydrogen and the electrolysis industry. Among others, these policies include CO_2 abatement requirements and revisions to the tariffs and taxes on renewable electrical power and grid fees. The Company is also expecting that the commercialization of green hydrogen will benefit indirectly from regulatory measures that penalize or disincentivize the use of fossil fuels.

However, significant uncertainty remains as to the exact impact of such initiatives on the green hydrogen market when and if at all implemented. The Company cannot determine whether the expected policy changes will have the desired impact and be sufficiently conducive to the commercialization of green hydrogen and the electrolysis industry. For example, some subsidy schemes may treat different electrolysis technologies differently (e.g., impose different entry-requirements on capital expenditure levels and current density), or they may instead favor other types of low-carbon hydrogen such as hydrogen produced from fossil fuels where the CO_2 is captured and stored (carbon capture and storage, "**CCS**") or captured and used (carbon capture and usage, "**CCU**") ("**blue hydrogen**"), over green hydrogen. More generally, in the Company's opinion, the end-goal for policy makers and regulatory authorities is not necessarily to support green hydrogen specifically, but rather any alternative to fossil fuels that can lower CO_2 emissions and help combat climate change. Accordingly, political focus may shift towards any alternative energy source and/or carrier that is perceived as serving this end-goal.

Policies supporting the commercialization of the green hydrogen market may be changed or not come into existence at all due to any number of reasons, including an absence of political will, political focus shifting towards other alternatives, and/or a lack of public funding. This could cause the development and growth of clean power technologies, including electrolysis technologies, to cease and the market for electrolysers could be materially impaired. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

5. *Access to and development of hydrogen infrastructure requires significant investments and political collaboration across jurisdictions which may not materialize.*

In the short-term, the Company expects that the bulk of the demand for green hydrogen will be met by production relatively close to existing demand-centers or by on-site production. However, in the longer term, the green hydrogen market and the market for electrolysers is expected to become increasingly reliant on expanded infrastructure to support both its production, distribution and its application in various end-use sectors and, more generally, to connect green hydrogen supply centers with demand centers. This may also entail a shift in how the Company delivers its electrolysers and to whom.

The scale of the infrastructure required to support the production, distribution, application and storage of green hydrogen to reach the long-term ambitions for green hydrogen in the EU economy, as well as across other focus markets of the Company, is significant. To generate and keep momentum for green hydrogen production in the future, including production of electrolysers, considerable infrastructure investments are necessary. Key infrastructure includes hydrogen storage facilities, gas pipelines and gas grids, and refueling stations securing access to green hydrogen across end-use sectors such as the transportation sector. Depending on the timing of the projected out-phasing of natural gasses in Europe, parts of existing gas pipelines may be repurposed to transport and distribute pure hydrogen.

Repurposing and upgrading existing power infrastructure and hardware, including gas infrastructure, to accommodate the large-scale distribution and storage of hydrogen across the Company's focus markets likely requires collaboration with, *inter alia*, private and public stakeholders and operators of gas pipelines. These stakeholders may, for example, include entities whose interests are not aligned with the green hydrogen agenda. Additionally, significant funds are likely to be needed to repurpose, amend, and upgrade existing infrastructure and hardware to accommodate the distribution of pure hydrogen to refueling stations and other demand-centers. Any delay in establishing the necessary hydrogen infrastructure to support the commercialization of hydrogen relative to current expectations could result in lowered demand for electrolysers. Any of the foregoing could make the market for electrolysers lose its current growth momentum and in turn have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

6. *Green hydrogen markets may face a rapidly evolving regulatory framework which replaces or alters existing regulatory frameworks, and the dynamics of green hydrogen markets and electrolyser markets may be changed significantly as a result thereof.*

Green hydrogen represents an emerging market with regulatory and political attention only beginning to gain traction over the last few years. The Company expects that this traction will materialize into concrete regulatory initiatives tailored to address specific features and risks relating to the green hydrogen market across its focus markets. This could lead to significant changes to, among other areas, the regulation of energy and gas distribution, access to power infrastructure, safety standards for hydrogen production and distribution, and certification and guarantee of origin instruments. Regulatory changes may also extend to the production, installation and testing of electrolysers.

Accordingly, the Company may at some point in the future have to adapt to a drastically different regulatory landscape relative to the one that it is currently operating in.

It cannot be guaranteed that the Company will be able to adapt to a rapidly evolving regulatory landscape and, hence, may miss out on business opportunities or for any other reasons be unable to compete in a green hydrogen market with new regulations and rules affecting market structures and dynamics, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

7. *State aid and competition rules, as well as restrictions on subsidies in international trade agreements, may limit the effect of regulatory support of the green hydrogen market in the Company's focus markets, and may result in the Company's focus electrolyser markets being disadvantaged relative to other geographical markets.*

The countries in the Company's focus geographic markets are to differing extents subject to relevant state aid and competition rules. Of particular relevance, regulatory support, including subsidies, from the EU and from individual EU member states, must be made in accordance with applicable EU competition and state aid rules. Likewise, international trade agreements such as the WTO Agreement on Subsidies and Countervailing Measures (the "**SCM Agreement**") contain restrictions on subsidies. Contrarily, non-EU jurisdictions (though generally also parties to the SCM Agreement by virtue of WTO membership) may be less restricted in their ability to support their domestic green hydrogen markets. Hence, EU state aid and competition rules may, compared to other jurisdictions, become obstructive to the necessary allocation of funds towards EU green hydrogen market stakeholders, impairing investments into the market and its development.

Further, given the potentially global scale of the green hydrogen market, regional and domestic market structures may be more advantageous to local stakeholders in certain countries compared to the Company's focus markets, resulting in an unfair competitive situation and causing the Company's focus green hydrogen markets to lose their relative momentum.

Restrictive state aid and competition rules may have a detrimental effect on the green hydrogen market and in turn the market for electrolysers in the EU, as well as in the Company's other focus markets, and may have the long-term effect of disadvantaging the Company itself and other stakeholders in the Company's focus markets relative to competitors elsewhere, leaving the Company in a less favorable position to gain market shares outside of the Company's current focus markets and may thereby have a material adverse effect on the Company's business and prospects.

Green hydrogen is currently not cost-competitive to and may not reach price parity with fossil fuels and derived energy carriers.

8. *Green hydrogen has not yet reached price parity with fossil fuels and derived energy carriers which is critical for the commercialization of green hydrogen and it may not reach price parity in the foreseeable future or at all.*

Fundamentally, the green hydrogen market globally is exposed to the risk of green hydrogen not becoming a cost competitive alternative to conventional energy sources and carriers, specifically those derived from fossil fuels (e.g., grey hydrogen and blue hydrogen), or such price parity not being obtained at the rate which the actors in the green hydrogen market, including the Company, expects. Significant demand for green hydrogen may not materialize if green hydrogen is not cost-competitive with fossil-based alternatives which in turn will also reduce the demand for electrolysers.

The direct pricing of green hydrogen is linked to several factors, including, without limitation:

- costs of renewable electricity, including tariffs and taxes on renewable electricity,
- costs of investments in electrolysers, and
- operating expenses of electrolysis systems.

Moreover, the relative pricing of green hydrogen compared to fossil-based alternatives is highly exposed to fluctuations in oil, coal, and natural gas prices as well as the imposition of taxes and CO_2 quotas on fossil fuels and derived energy carriers, as well as on grey hydrogen and blue hydrogen. The development of the price of oil and natural gasses is strongly affected by global macroeconomic and geopolitical conditions as well as the volume of (known) oil and natural gas reserves and their accessibility.

Consequently, there are multiple parameters that must change for green hydrogen to reach price parity with fossil fuels and grey and blue hydrogen which are described in detail in "*Industry – Drivers and indicators of momentum in the market for green hydrogen – Decreasing cost of green hydrogen*" where various components of the levelized cost of hydrogen ("**LCOH**") are detailed. Essentially, the renewable electricity cost-element is comprised both by the price per MWh which for example can be reduced by scaling production of renewable energy and the efficiency of the electrolyser in its electricity consumption. Taxes and tariffs on renewable electricity can be mitigated or reduced depending on the willingness of policymakers to do so, and electrolyser costs can be reduced by upscaling electrolyser production. In terms of the relative price of fossil fuels and derived energy carriers, levying (additional) taxes and fees on fossil fuels as well as imposing CO_2 quotas on grey and blue hydrogen may increase prices of fossil-based alternatives relative to green hydrogen.

There is a risk that, for any number of reasons, including lack of technological advances, failure to upscale production of renewable energy and electrolysers and decreasing prices of fossil fuels, green hydrogen may not become a cost competitive alternative to fossil fuels and derived energy carriers, or that reaching a stage of cost competitiveness is delayed beyond what the Company is currently expecting. Should this risk materialize, the green hydrogen market may not develop and grow at the same rate as current projections show, and this could in turn have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

9. The pricing of green hydrogen is sensitive to the application of tariffs and taxes on clean energy used for electrolysis.

Tariff and taxation regimes across the EU, pose a significant and specific regulatory challenge for green hydrogen to obtain price parity with fossil-based alternatives. For example, in Denmark, tariffs on renewable electricity used for electrolysis comprise 23% of green hydrogen production costs – see "*Industry – Drivers and indicators of momentum in the market for green hydrogen – Decreasing cost of green hydrogen*".

In the Company's opinion, current tariff and tax regimes across the EU applicable to electrical power are not adequately conducive to support demand for renewable energy, and, in turn, green hydrogen. Generally, in EU member states, tariffs and taxes are levied on electrical power consumption with limited regard to how that power is generated (and for what purposes that power is applied). In the Company's opinion, it is therefore imperative that tariff and taxation regimes across the EU become more favorable towards electrical energy consumed for electrolysis purposes to obtain price parity with competing energy sources, but of equal importance, any new tariff and taxation regime should be standardized across EU member states such that the pricing of green hydrogen between jurisdictions is not affected by local tariffs and taxes. For an illustration of the impact of, inter alia, tariffs and taxes (grid fees) on LCOH across select countries, see "*Industry – Drivers and indicators of momentum in the market for green hydrogen – Decreasing cost of green hydrogen – Local LCOH variance*".

The Company is not familiar in detail with the tariff and tax regimes in its other focus markets comprising Australia, Japan and South Korea, however, it is the Company's expectations that to some extent, similar challenges apply to such markets as well.

The required changes to these tariffs and taxes on electrical power may not be implemented or may be implemented later than the Company is anticipating, and any actual changes that are ultimately implemented may not correspond to the Company's expectations. Any failure to implement such revised tariff and taxation regimes, or a delay of such revised regimes, which the Company is anticipating, and which are likely to be conducive to green hydrogen achieving price parity of green hydrogen with fossil and/or low-carbon alternatives may have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

The green hydrogen market is subject to global competition from both established multinational conglomerates and low-cost electrolyser producers.

10. The Company is operating in a highly competitive market for electrolysers and is facing competition from several larger and established competitors, some of which may be able to expand and adapt at a higher pace than the Company.

The Company operates in a highly competitive electrolysis industry with several competitors offering electrolysers and related solutions. The market for electrolysers across the Company's current focus markets primarily consists of international and local competitors, some of which may have longer operating histories, benefit from a larger organization and generally greater research and development ("**R&D**"), manufacturing, sales, marketing, distribution, technical and financial resources than the Company. Moreover, the Company expects that in the future, the electrolysis industry will see new market entrants representing both established and emerging technologies with differing levels of resources.

Some competitors may already be internationally recognized and established businesses with larger financial resources at their disposal enabling them to potentially outcompete the Company on price by, for example, pushing down profit margins or selling their products at a loss to protect or win market shares, be more able to pursue and deliver multi-MW scale projects, to scale their production capacity faster and to pursue R&D programs at a larger scale. They may also have established partnerships or exclusive collaborations with owners and operators of renewable energy plants or turnkey service providers, including, for example, by forming part of a conglomerate where such capacities are also held.

Consequently, the Company's competitors may be in a better position to invest in technologies, to allocate resources towards the exploration of potential new technologies, and they may have product portfolios of established income generating products which allows them to absorb costs and risks that the Company is unable to commit to. Such competitors, whether new market entrants or already established in the electrolysis industry, may consequently also be better positioned to bid on large-scale green hydrogen projects and thus acquire valuable operational experience during the early stages of development of the green hydrogen market. They may also currently have a more wide-reaching international presence, enabling them to be better positioned to participate in larger international green hydrogen projects which in turn may generate more future business opportunities for such competitors compared to the Company.

There is a risk that the Company's competitors may adopt and utilize technological changes to improve their products, or launch new products, that are more efficient than the Company's products and at more competitive prices. Such technological changes may be patented or otherwise protected or by other means legally or practically unavailable for the Company to utilize and the Company may not be able to exploit potential synergies from such new products. If any of the preceding circumstances materialize, they may have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

11. The Company may be exposed to low-cost electrolyser producers gaining a foothold in the Company's focus markets.

Low-cost producers of electrolysers and electrolysis solutions may be able to provide electrolysers at considerably lower costs compared to the Company. Currently, the Company is already aware of certain Chinese producers of electrolysers offering electrolysers at a substantial discount compared to the Company's offering of electrolysers, though low-cost producers of electrolysers are not restricted to China alone. If such low-cost competitors gain general market acceptance in the Company's focus markets and in particular the EU electrolyser market, it could cause significant disruption to current market dynamics and the Company could face severe price competition. The Company may not be able to offer electrolysers at current quality standards at the same price as such low-cost competitors.

Specifically for potential Chinese competitors, in the Company's opinion, the Chinese domestic market for electrolysers allow Chinese low-cost competitors to benefit from economies of scale, automation and a vast cost-competitive labor force which enables them to reduce costs and gain important practical experience in producing electrolysers. This could also facilitate an expedited development and quality improvement of Chinese electrolysis technologies and electrolysers, making them more competitive across multiple aspects in addition to price, and making the entry of Chinese low-cost electrolyser producers into the Company's focus markets more feasible compared to low-cost electrolyser producers from other countries.

If any of the foregoing events were to materialize, this could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

The green hydrogen market is characterized by rapid technological development among electrolysis technologies and from other renewable energy industries that may disrupt the green hydrogen market.

12. The green hydrogen market and electrolysis technologies may face technological competition from other renewable energy industries.

The green hydrogen market, and in turn the electrolysis industry, is generally exposed to competition from other technologies providing decarbonization solutions that are not necessarily derived from the currently established electrolysis technologies. Technological development may spur on any number of new technologies or refinement of existing technologies that could potentially outcompete the established electrolysis technologies or render hydrogen as an energy carrier obsolete.

For example, conventional battery technologies may be improved upon or existing electricity infrastructure and grids may be altered to more efficiently contain, conserve, stabilize and regulate energy distribution and consumption to match the electrical power output from renewable energy sources which could render green hydrogen as an energy carrier obsolete or less advantageous compared to alternative means of conserving and carrying electrical power. Likewise, the potential improvement of existing power grids and investments towards that purpose gives rise to the risk that other opportunities to stabilize power grids enabling a more efficient conservation and distribution of excess renewable energy are revealed, reducing the need for green hydrogen as an energy carrier and in turn the need for electrolysers to produce green hydrogen.

The materialization of any such new technology or technological development in industries that are currently not in direct competition with the electrolysis industry, but which could increase the competitive scope of the electrolysis industry, could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

13. Blue hydrogen and associated technologies may change the green hydrogen market to become a low-carbon hydrogen market where electrolysis is not the primary method for producing low-carbon hydrogen.

Blue hydrogen represents a relatively low-carbon hydrogen alternative to the near zero-carbon green hydrogen. While CCS and CCU technologies are at an emerging stage and only account for negligible volumes of global hydrogen production, research efforts into blue hydrogen technologies may increase significantly as demand for low-carbon hydrogen increases. Currently, 90-95% of greenhouse gas emissions from hydrogen production can be contained via CCS or CCU at a cost, making costs the primary barrier for the growth of blue hydrogen along with current levels of political will to support carbon storing. See also "*Industry – Green hydrogen and its role in the current and future energy system – Introduction to hydrogen – Blue hydrogen*".

However, blue hydrogen may gain recognition as a viable low-carbon hydrogen alternative to green hydrogen. CCS and CCU technologies could evolve to enable blue hydrogen to be competitive with green hydrogen in regard to costs, purity and overall availability. Moreover, blue hydrogen technologies may benefit from substantial private investments and lobbyist support for example from organizations representing the oil and natural gas industries which could result in the political emphasis on green hydrogen shifting towards blue hydrogen.

There is a risk that political focus on blue hydrogen increases and technological developments of CCS and CCU technologies allow for more efficient and cheaper carbon capturing, which could result in green hydrogen losing momentum and in a general low-carbon hydrogen market developing as opposed to a green hydrogen dominant market. Should this risk materialize, it could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

14. *The Company's pressurized alkaline electrolysis technology may not continue to be commercially viable relative to competing green hydrogen technologies.*

While the green hydrogen market is exposed to technological threats from other low-carbon alternatives to green hydrogen, within the electrolysis industry, the Company and other producers of electrolysers and electrolysis solutions also compete against one another based on different technological regimes. The Company is specialized in the pressurized alkaline electrolysis technology.

However, as electrolysis technologies are undergoing rapid development and as the large-scale application of electrolysers is a relatively new phenomenon, there is a risk that competing electrolysis technologies may ultimately prove dominant or better than the Company's by virtue of, inter alia, more successful technological advances or better long-term onsite performance, rendering the Company's pressurized alkaline electrolysis technology unable to remain commercially viable relative to other electrolysis technologies. Which exact parameters, if any, will determine this is unknown, however, the inability of an electrolysis technology to continue being commercially viable could be due to any combination of, *inter alia*:

- being less cost or energy efficient,
- offering less flexibility in terms of transportability,
- being less compatible with other technological developments and/or differing levels of electric load,
- the feasibility of upscaling production capacity,
- the weight and volume of electrolysers,
- the dependence on rare metals or other components in the manufacturing process,
- the circumstances of the installation, such as the ability to utilize heat from the process to reach acceptable total efficiency, or
- For other reasons prove disadvantageous compared to other electrolysis technologies.

For a general overview of the Company's electrolysis technology and other electrolysis technologies, see "*Industry – Green hydrogen and its role in the current and future energy system – Hydrogen production methods – Green hydrogen*".

At the current stage and in the near-term future, it may well be that there is no "one winner" or "one loser" amongst current electrolysis technologies. However, there can be no certainty for the longer term when technologies are tested for longer durations in various applications that a specific technology will prove to be less preferable than other technologies.

Should the Company's electrolysis technology for any reason turn out to be less commercially viable than competing electrolysis technologies or for any other reasons not be favored in line with competing technologies, this may have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

The market for green hydrogen is dependent on supportive macroeconomic conditions to ensure continued investments.

15. *The market for green hydrogen is highly dependent on continuous and long-term outside investments and is consequently dependent on general macroeconomic conditions.*

The market for green hydrogen relies strongly on continuous and long-term outside investments until and if it becomes financially self-sustainable. These investments are necessary both for manufacturers of electrolysers and components thereof, but also for establishing the necessary hydrogen infrastructure as well as investments in end-use applications and for the downstream use of green hydrogen. Similarly, the scale-up of the electrolysis industry may require a corresponding scale-up of renewable energy plants such as wind farms and solar energy plants, which are funded through private and public investments. Accordingly, the green hydrogen market is highly sensitive to any macroeconomic trends that may slow down investment activity.

The electrolysis industry is further characterized by relatively long go-to-market timeframes for products and may not generate any returns on investments in R&D until after approximately 10 to 15 years from the commencement of development of new products. Accordingly, the electrolysis industry is directly and indirectly dependent on the long-term commitment of investors with willingness and financial ability to maintain their investment positions in the longer term, both regarding investments in downstream markets from the green hydrogen market and directly in the electrolysis industry.

Any global recession or economic downturn could have a detrimental effect on the financial capacities and investment capabilities of institutional investors which could have a disruptive effect on the green hydrogen market as a whole and the electrolysis industry. Additionally, end-users may in the event of a recession become more price sensitive towards the energy they consume (and, consequently, less focused on the CO_2 emitted in the production and processing of that energy). That risk becomes more pronounced if green hydrogen has not reached price parity with fossil fuel alternatives, whereby demand for green hydrogen and electrolysers could decrease and expectations as to the future growth of the green hydrogen market may not materialize. Likewise, in a macroeconomic downturn-scenario, policy-makers could potentially shift their attention and priorities away from the ongoing green transition. Should any of these events materialize, each of them may have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

Risks related to the Company's business

The Company's product platform has not been in operation for the full duration of its expected lifetime and its future primary revenue generating products are still under development. The Company's products may be subject to quality deficiencies.

16. *The Company is continuously developing its current A-Series platform as well as its new electrolyser X-Series and the launch of the new A-Series electrolysers and of the of the X-Series platform may be delayed or less successful than the Company is anticipating.*

The Company is a provider of electrolysers and electrolysis solutions to various actors in the green hydrogen market. The Company's primary product has been the Hyprovide™ A-Series (the "**A-Series**") electrolysers since commercial launch in 2017. In addition to the continuous development of its A-Series platform, the Company is also in the process of developing a new electrolyser series, the Hyprovide™ X-Series (the "**X-Series**"), based on the A-Series platform. For a description of the Company's products, current as well as under development, see "*Business – Products and technology*".

The anticipated gradual upgrade of the A-Series electrolyser models is expected to strengthen the Company's ability to deliver to medium and large-scale projects in the near term. Similarly, the X-Series is intended to be used for large-scale green hydrogen projects requiring significant electrolyser capacity and is expected to become a key revenue driver for the Company in the future. As such, the successful and timely development and launch of both new A-Series electrolyser models as well as the X-Series electrolysers are important factors for the Company's continued ability to adapt to demand for and participation in large-scale green hydrogen projects and in general for the Company's future business and financial performance. Similarly, if the Company does not meet its planned launch of the X-Series platform and/or new A-Series electrolysers, this may also have a significant impact on the Company's ability to reach its revenue and profitability targets.

However, the development of new A-Series electrolysers (specifically the A120 and A150 electrolysers) and the X-Series platform remain in their early phases and may be prolonged, which could cause the Company to incur unexpected R&D costs as well as loss of revenue, both which may impair the Company's ability to reach revenue and profitability targets. If on the other hand new A-Series electrolyser models and/or the X-Series platform are launched prematurely or without having been fully developed and/or tested, such new electrolyser models and/or platforms may be subject to defects and malfunctions that forces the Company to temporarily withdraw those electrolyser series and potentially face claims for damages or other liability claims. The latter could also have a negative impact on the reputation of both the A-Series and the X-Series (and potentially the Company as a whole) which could have a lasting detrimental effect on the Company's ability to generate revenue from both its A-Series and X-Series as well as from other products and services. If the Company fails to successfully develop and launch new A-Series models and the X-Series platform, this may have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

17. *The Company's products have not been on the market for the full length of their expected lifetime and the Company's products may not maintain the performance standards that the Company and its customers are expecting.*

The Company's current A-Series product platform and the products developed from that platform have not been in on-site operation for the full duration of their expected system lifetime of +20 years with assumed cell stack replacement of +10 years. There are long-term quality aspects of its products that the Company cannot adequately test for in its own testing facilities, and which may not surface until after extended on-site operation. Such quality aspects include the electrolysers maintaining their expected performance levels, their continued scalability and ability to be serviced and maintained, upgraded with new components, and be linked up with renewable energy plants. Moreover, extended usage may reveal fundamental design defects or defects in other fundamental assembly and production processes in the Company that the Company is currently not aware of.

As new products are also expected to be developed on the basis of the Company's current product platform, any fundamental or inherent flaws or deficiencies to the product platform may be continued in new product series if such issues have not been identified.

The Company's products may turn out to be less durable and less efficient in the long-term, or be more prone to errors, than the Company and its customers are expecting. The Company may incur significant costs in identifying the cause of the unexpected deterioration of product quality over time, in addition to the servicing, maintenance and repairment costs. The Company may in addition incur substantial costs for redesigning or reengineering products and product platforms if any fundamental design defects should surface.

Over time, the Company's products may show inherent flaws or levels of quality depreciation that the Company is not currently anticipating or able to identify, and the Company may incur significant costs as a result thereof or lose current and potential customers. Should any of these events materialize, they could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

18. *Errors may occur in the Company's assembly and production processes, as well as in connection with installation, which could cause the Company's electrolysers to be defective or flawed.*

Errors may occur in the Company's assembly and production processes, as well as in the on-site installation process, whether due to human errors or general inadequacies of the Company's assembly and production line. Moreover, the electrolyser components that the Company sources from third-party suppliers may also be defective and the Company may not be able to fully test and inspect all components prior to assembly. Consequently, the Company's electrolysers may contain defects or other types of quality deficiencies (and some of the Company's early Mk0 electrolyser installations have contained such defects) that may go undetected prior to delivery to the Company's customers, or such deficiencies may arise due to faulty installations of electrolysers.

Any such defects could cause the Company to incur significant replacement costs or re-engineering or re-designing costs, including by diverting critical personnel towards remediation of such defects, which may exceed the warranty provisions made by the Company. Similarly, the delivery of defective products may significantly affect the Company's customer relations and business reputation. Further, defects in electrolysers that are linked up on larger renewable energy plants may have a systemic effect on the entire facility and disrupt operations and green hydrogen production, and may cause physical damage to persons, property, and the environment, which could result in significant financial and reputational liability for the Company.

If the Company delivers defective products or if there is a perception in the market that the Company's products are defective or not sufficiently sustainable, the Company's credibility, brand, reputation, and market recognition as well as the Company's sales could be adversely affected. If any of these events were to occur, they could have a materially adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

The Company's commercial success is highly dependent on the Company's ability to successfully generate business opportunities and partnerships, particularly during the early stages of the green hydrogen market and electrolysis industry.

19. *The Company does not yet have a steady flow of business opportunities and a lack of participation in projects may damage the Company's forward ability to generate new business opportunities.*

The Company currently does not have a portfolio of multiple ongoing projects that are generating a consistent flow of revenues to the Company, nor is the Company currently experiencing a steady inflow of revenue generating projects. Rather, given the emerging stage of the green hydrogen market, the Company is generally presented with business opportunities, such as the opportunity to participate in larger green hydrogen projects, on an irregular basis and in a form where the Company is not in control of the project timeline. From time to time, one project may generate multiple business opportunities for the Company but once that project is completed, participation in a second project may not be immediately available. Accordingly, the Company's ability to generate revenue is highly dependent on individual projects.

In the Company's opinion, successful participation in large green hydrogen projects, particularly pioneer projects during the currently early stages of the green hydrogen market, may not only provide the Company with increased revenues but may also have the effect of putting the Company in a better position when bidding for future projects. For example, larger green hydrogen projects often generate significant industry attention with many potential customers, partners and competitors monitoring the process and performance of such projects. In addition, the Company is likely to obtain valuable data on the on-site operation of its electrolysers from its participation in such projects.

However, the Company's X-Series platform which is being designed specifically for large-scale MW and GW projects is still under development. Consequently, landing contracts for large-scale projects with significant revenue potential for the Company as well as brand value, may be challenging for the Company.

If the Company is not able to participate in early-stage green hydrogen projects, the Company may be in a worse position to generate future business opportunities, and the Company may face extended periods without being able to present any new projects. Lack of participance in such projects would also adversely impact the Company's ability to gain valuable experience and operational know-how. Should this risk materialize, it could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

20. *The Company may fail to establish critical industrial partnerships with other electrolysis industry and green hydrogen market stakeholders which could adversely affect the Company's market position.*

While the eventual dynamics of a commercialized green hydrogen market and its relationship with the market for electrolysers are not yet known, there is, in the Company's experience, a developing tendency towards industrial partnerships between, for example, electrolyser producers, engineering, procurement and construction ("**EPC**") (turnkey) service providers and developers of renewable energy projects. The role and importance of such partnerships in the long-term is uncertain, however, in the Company's opinion, strategic partnerships with certain industrial actors who provide complementary or supplementary services and products to the Company's services and solutions – or *vice versa* – may yield various commercial benefits. Such benefits include, without limitation, a potential strengthening the Company's supply chain as well as its competitiveness when bidding for large-scale projects.

However, the Company may fail to establish such partnerships which could become a strategic disadvantage for the Company and limit the Company in its ability to generate and land business opportunities, or the Company may develop partnerships with certain actors that prove less beneficial than anticipated. If the market for green hydrogen and the electrolyser market evolves towards a partnership model, and the Company has not been able to develop a partnership that enables the Company to compete within that framework, the Company may lose out on income generating business opportunities which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

21. *The Company may not be able to benefit from synergies from localized green hydrogen "hubs" or "Hydrogen Valleys" to the same extent as its competitors.*

Significant research projects into the production and application of green hydrogen are increasingly undertaken at European universities as well as institutions overseas. Often, green hydrogen research and projects are clustered in local hubs with increased activity in the electrolysis industry, for instance due to parallel development of regional green hydrogen ecosystems in the form of larger renewable energy plants with adjacent electrolysis systems. Such ecosystems may also develop from a concentration of demand-side green hydrogen market actors. Examples of current hubs or hubs in development include, without limitation, Energiepark Mainz in Mainz Germany and GreenLab Skive in Skive, Denmark (the latter in which the Company is participating).

Green hydrogen hubs may pose significant advantages and opportunities for electrolyser manufacturers located nearby to collaborate with research teams and other businesses to develop new green hydrogen solutions and to scale their production and products for large-scale renewable energy projects. In the Company's opinion, such hubs could be conducive to the growth and development of green hydrogen technologies and individual businesses.

There is a risk that a hub comparable in scale to other hubs will not develop around the Company's current geographic area or that the Company's current hub will cease operations and development and, consequently, that the Company will not be able to engage with other parties to collaborate on green hydrogen projects. If the Company is unable to achieve a symbiosis with its local environment compared to its competitors in their respective local environments, the Company may miss out on significant business and growth opportunities which could commercially and technologically disadvantage the Company and thereby have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

The Company's efforts to upscale production capacity and other strategies to alter production processes and reduce costs may fail.

22. The Company may not be able to maintain the cost competitiveness of its electrolysers if the Company's strategy to reduce production and manufacturing costs fails.

The Company has launched a comprehensive cost-out program as further detailed in "*Business – Products and technology – Significant cost-out potential – Cost-out program*". The cost-out program consists of multiple individual measures varying from altering the Company's interaction with suppliers and third parties to altering internal production processes and product designs to reduce costs across the Company's value chain. Specifically, these measures include cutting supplier and sourcing costs, scaling production to reduce manufacturing costs, improving electrolyser designs, and making improvements to individual components.

There is no guarantee that the Company will succeed in a sufficient share of the components of its cost-out program, or that a successful implementation of its cost-out program will have the anticipated results, and the Company's pursuit of cutting costs could result in deteriorating supplier relations and product quality if the Company fails to balance costs against the quality of components. If the Company is unable to carry out its cost-out program, or if its cost-out program proves inadequate in terms of reducing costs, and thereby unable to reduce costs to the extent it is anticipated, the Company's products may eventually not become or may cease to be cost-competitive with competitors' products which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

23. The Company may not succeed in its scaling and reorganization of its assembly and production processes.

To meet the expected increase in future demand for electrolysers, the Company is undertaking an ongoing scale-up of its assembly and production. To support this, the Company is both ramping up general production capacity as well as continuously seeking to improve its supply chain management.

The Company has an assembly focused production setup, meaning that it generally obtains various electrolyser components from its suppliers and assembles them in its production facilities. Accordingly, scaling the Company's production is exposed to both external and internal challenges.

From a supply chain perspective, the Company is dependent on the ability of its suppliers to consistently deliver electrolyser components as well as other materials used in the Company's treatment and processing of electrolyser components. Failure to ensure delivery of components and materials required for the Company's assembly and production may impair the Company's ability to scale its production.

In terms of internal challenges of production scaling, the Company is, among others, reliant on its ability to:

- establish a lean assembly and production system emphasizing short production lead time,
- design for manufacturing and assembly, e.g., optimize product designs to enhance production efficiency,

- automatize production sub-processes, and
- maintain product line speed, consistency and quality throughout production scaling measures.

Additionally, over the course of 2021 the Company is expecting to expand on its production facilities, and it may look to continue such expansion past 2021 as well. A variety of challenges may occur in connection such expansion, including, *inter alia*, challenges relating to construction works, the cooperativeness of the Company's landlord in expanding the Company's Nordager facility and obtaining the necessary public permits for such expansion works (the latter being a process primarily between the Company's landlord and Kolding municipality and thus outside the Company's control). There can be no guarantee that a sufficient level of demand for the Company's electrolysers will develop to enable the Company to generate a satisfactory level of return on such an investment in increasing production capacity. In particular, it should be noted that the current district plan for the area of the Nordager facility currently does not allow for the contemplated expansion and no assurance can be given that the relevant governmental and political bodies will support the required changes to the district plan and other necessary regulatory requirements.

If the Company fails to scale its production capacity, whether by optimizing its supply chain management, assembly and production processes or the physical expansion of its production facilities, the Company may find itself more reliant on third party suppliers and its production capacity of electrolysers may reduce significantly resulting in the Company being unable to land contracts for participation in large-scale projects, or it may find itself unable to deliver on contracts that it has won already, in turn adversely affecting the Company's revenues, reputation and prospects. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects.

The Company is exposed to risks relating to its customer relationships and relationships with third-party suppliers.

24. The Company may fail to successfully deliver electrolysers and other services to its customers which may result in delayed or cancelled payments, increased costs, termination of customer contracts, reputational damage and deteriorating customer relationships.

Typically, the projects that the Company is involved in with and for its customers have the potential to generate significant revenue and attention for the Company, as well as to allow the Company to generate future business opportunities. Consequently, failure to deliver on such projects pose a significant reputational risk for the Company, as well as the risk of potentially losing revenue. In particular, large-scale green hydrogen projects entail a significant risk of the Company suffering lasting reputational damage if the project fails to succeed.

The successful delivery and implementation of these projects on the account of the Company is dependent on several factors, including, but not limited to, the timely delivery of materials, components and services from suppliers and contractors, the demand for the Company's products and services from other customers which may restrict its availability for one given project and the availability of skilled and experienced personnel for the Company to carry on its business. Travelling restrictions, restrictions on social gatherings and other measures to respond to pandemics such as COVID-19 may also impair or delay the Company's ability to deliver on projects. Failure to successfully deliver major projects in the early stages of the green hydrogen market, regardless of whether the Company or whomever bears responsibility for such failure, could have a detrimental effect on the reputation and brand of the Company and its products.

As the Company over time delivers products and builds an increasingly large installed base of electrolysers, it is expected to increase the share of its revenue derived from service and maintenance ("**S&M**") activities. S&M activities already constitute a tangible revenue source for the Company, however, failure on the account of the Company to satisfy its customers with its preliminary delivery of electrolysis solutions may result in customers not opting to entering into and/or prolonging S&M agreements with the Company.

Should any of the foregoing events materialize and result in or contribute to a delay in the Company's deliveries to a customer, a failure to deliver at all or the delivery of defective electrolysers, such failure may result in delayed, reduced or cancelled payments from the customer, increased costs due to contractual penalties, loss of future revenue from servicing and maintenance services and/or the customer terminating its contract with the Company. Ultimately such events may result in the Company's loss of a long-term customer as well as a general deterioration of the Company's reputation and brand in the market and may have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

25. The Company is dependent on third-party suppliers, contractors, sub-contractors, and other service providers to deliver its products.

The Company's electrolysers contain various components manufactured by highly specialized third-party suppliers. There are some components where the Company only has one supplier who to the Company's knowledge is also the sole or primary supplier to other electrolyser manufacturers in the electrolysis industry. An increased demand by the Company for certain electrolyser components from third-party suppliers may, in the event of a market-wide surge in demand for electrolysers, collide with demand from the Company's competitors across the electrolysis industry which may result in increased prices and limited availability of a steady supply of the necessary machinery, equipment and components.

Likewise, the Company (and its suppliers) is dependent on access to certain raw materials, in particular nickel. Increased prices for such raw materials or lack of accessibility, whether for the Company itself or those of its suppliers who use nickel in their components, could impair the Company's production capability.

Moreover, if any critical third-party suppliers should cease operations, dissolve their businesses, become the subject of insolvency proceedings, be acquired by a competitor of the Company and cease dealings with the Company, terminate their relationship with the Company or, for any reason, not be able or willing to deliver critical electrolyser components to the Company, the occurrence of any such event or circumstance could limit, delay or halt the Company's production of electrolysers and the Company may not be able to immediately engage with new suppliers and deliveries from such new suppliers may be at higher prices than anticipated by the Company. As a consequence, such events could result in the Company not being able to deliver electrolysers to its customers at the agreed time or at all, or its delivery of electrolysers could be less profitable, if at all profitable, than the Company would otherwise anticipate.

The Company's efforts to find a suitable alternative supplier or in-source production of certain key components to mitigate this risk may not be successful or economically viable. If any of the foregoing events or circumstances were to materialize, they could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

26. The Company often delivers electrolysis solutions to projects where the project is dependent on several other deliveries as well as compatibility of various technologies.

While the Company does not have one specific type of customer, in the Company's experience, it is often engaged by a developer or project owner responsible for the overall development of a renewable energy project who sources EPC services and electrolysis solutions in parallel. Often, the Company's deliveries to such projects are made in the capacity as an original equipment manufacturer ("**OEM**") where the Company primarily – or only – assumes responsibility for its electrolysis solution, e.g., the delivery and installation of electrolysers.

Consequently, the Company may not have control over the performance of the project as a whole whereas the success of the project may still affect the perception of the Company's products. For example, the Company may at some point in the future deliver electrolysers to a wind farm, but it will not be involved in the set-up of the wind farm and linking the electrolysis system to the wind turbines themselves. Any wind turbine malfunctions, inconsistent power supply, mishandling of equipment, errors with installations or any other factor that may detrimentally affect the wind farm may in turn also affect the performance of the Company's electrolysis systems. Similarly, the Company's electrolysis solution may have to be compatible with other systems installed at a given site, such as methanol production facilities, where incompatibility may be a product of any number of factors which the Company may be unable to address.

The commercial failure of a large-scale project that the Company is contributing to, operationally and/or strategically, may, whether or not the Company in actuality bears any fault or responsibility for such failure, have a negative impact on the perception and recognition of the Company's products and on the Company's relationship with its customers. Any such negative impact or non-payment for its products and services could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

27. In some cases, the Company provides EPC services to a given project where the Company is particularly dependent on sub-contractors to fulfil its contractual obligations towards its customers.

While the Company primarily provides electrolyser solutions as an OEM to a given project, in some cases, the Company may in the future assume a more coordinating role as an EPC service provider and more general responsibility for carrying out a given project. In such cases, the Company may have to contract with a variety of sub-contractors and suppliers which may give rise to various practical and administrative challenges.

The Company does not have extensive experience with providing EPC services. Accordingly, projects where the Company is acting as an EPC may constitute a significant risk for the Company as its role in such projects is more complex and the Company is more exposed to the collaboration of other parties, or lack thereof, than in its usual role as an OEM. For example, sub-contractors may fail to deliver the necessary construction works in a timely manner or suppliers may deliver defective products or products that are incompatible with other components in a given project. In any event, the Company may in such cases bear the immediate and/or ultimate responsibility towards its customer for the failure to successfully execute a project.

Should any of the foregoing occur, the Company could suffer reputational damages as well as revenue losses and it could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

28. In the GreenLab Skive project, the Company expects to assume technical and operational responsibilities, entailing a different risk profile than what the Company is exposed to when acting as an OEM (and as an EPC service provider).

As further detailed in the "*Business*" section, the Company has been selected as electrolysis supplier for a contemplated full-scale Power-to-X facility developed by GreenLab Skive. While the commercial terms for the Company's participation in the GreenLab Skive project have yet to be finalized, the Company is expecting to assume a different role in the GreenLab Skive project compared to its role in most other Power-to-X/green hydrogen projects.

For example, as opposed to only delivering electrolysers as an OEM, the Company will retain title to the electrolyser installation which it delivers to the project for at least two years after the project has commenced, and until the facility has been sold to an investor. Moreover, the Company will assume technical and operational responsibility for the electrolysers, including ensuring off-take for the hydrogen produced at the GreenLab Skive facility by entering into supply agreements with various parties for the expected two-year period during which the Company will retain title to the delivered electrolysers.

The profitability of such a contract will generally depend upon the Company's ability to successfully calculate prices by taking into consideration all economic factors, and to manage day-to-day operations under these contracts. Generally, contracts involving technical and operational responsibility are more complex to price due to their scope and complexity. Any such contracts will also require the Company to accurately assess the pricing terms and forecast the operating costs, some of which will be unknown to the Company at the time of entering into the contract and will require extensive time and resources of the Company's management to predict.

In addition, in the future, it may not be possible to divest the facility, or such divestment may be delayed.

These various roles entail that the Company's risk profile in the GreenLab Skive is broadened to also include, but not limited to, exposure to the direct pricing of green hydrogen as well as the pricing of renewable power, direct liability for potential incidents arising from the storing and processing of hydrogen, mechanical failure of electrolysis plant (and potential systemic failure of the entire GreenLab Skive project as a result thereof). Additionally, the potential impact of the risks concerning the GreenLab Skive project materializing is enhanced due to the expected public scrutiny and awareness surrounding the GreenLab Skive project. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

29. The Company's projects may be subject to cost overruns.

The Company expects to regularly participate in large and complex projects with a significant project value and whose execution may take several years. Such projects are awarded on a competitive bidding basis. If awarded, the Company assumes the responsibility for delivering and installing electrolysers to a given project and to some extent servicing such electrolysers. When producing electrolysers for a given project, the Company may have to adhere to specific technical and regulatory requirements, particularly where the Company bids for projects with untested or new technology or for projects in countries where the Company has limited or no experience from previous projects.

In some circumstances, the Company may bear the risk of unanticipated project modifications, shortage of critical personnel, quality problems and, as a general risk, cost overruns due to any combination of unexpected technological or technical problems, unforeseen developments at project sites, unforeseen changes, or difficulties in the regulatory or political environment and/or supplier performance problems.

If the Company becomes subject to cost overruns, particularly in larger projects, and the Company itself bears the risk of such cost overruns, the Company's profits from a given project may be significantly reduced or entirely negated which could have a material adverse effect on the Company's business, financial position, results of operations, cash flow and prospects.

The Company may face organizational and administrative challenges in managing the anticipated growth of its business as well as other general business-related risks.

30. The Company may be unable to successfully manage the anticipated expansion of its operations and organization.

The Company actively pursues various growth opportunities. To support such growth opportunities, the Company scales and professionalizes its organization, including by streamlining and altering internal and administrative processes as well as increasing the number of employees. For example, the number of employees has increased from 18 as of 1 January 2020 to 90 as of 1 May 2021. The substantial increase in the number of employees may give rise to several challenges such as the risk of having hired or hiring individuals who eventually turn out the be a poor match for the Company, as well as straining managerial resources.

The high-paced expansion of the Company's organization may place substantial demands on the Company's managerial, technical, financial and other organizational resources. The Company's organization currently remains relatively small and may not have been fully tested in the day-to-day aspects of being a listed company with an increasing scale of operations.

The Company's organization has undergone and continues to undergo rapid development and some corporate functions in the Company's organization are relatively inexperienced in the Company's area of business. The Company may face a variety of internal organizational and management challenges alongside its external endeavors in which the Company has not yet been fully tested. The occurrence of any such challenges which the Company is unable to successfully manage may have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

31. The Company's risk management policies may be inadequate.

As a growth company, the Company is continuously developing its risk management policies to enable it to manage the general and specific risks associated with the Company's business and operations. However, as the Company is young, there are aspects of its organization that are under development and a considerable share of its employees have been with the Company for a relatively short period of time. These elements of the Company's organization may not be fully equipped to identify and manage risks, particularly in the situations where the Company is participating in projects of a complicated nature due to any combination of political, regulatory, economical and/or technical factors.

Accordingly, there is a risk that the Company may not identify all risks that arise out of or entail from its operations, and it may not be able to adequately manage risks, whether identified or not. Failure to develop, implement and adhere to appropriate risk management policies could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

32. The Company may fail to expand into new geographic markets or fail to manage the challenges arising from such geographic expansion.

In the coming years, the Company expects that it will expand geographically into markets outside of the EU such as, for example, Australia, Japan and South Korea. The Company may, in parallel with experiencing increased business in new geographic markets, have to set up offices as well as production facilities in such new geographic markets. Currently, the Company's activities outside the EU are relatively modest compared to its activities within the EU, and it does currently not have any offices or subsidiaries outside of Denmark other than France.

There can be no assurance that the Company will be able to build and sustain market positions, including production facilities, in regions outside of the EU comparable to the Company's current and projected market position within the EU. The expected geographic expansion is necessary to support the growth of existing, globally focused customers of the Company and to realize new business opportunities in regions outside the EU.

However, these regions may have different market dynamics, language or culture barriers, political or economic instability and restrictions and general different corporate, legal, governance and tax requirements that may make it more challenging for the Company to succeed in such regions. In addition, the Company's electrolysers may be incompatible with technical standards in such regions and may therefore require additional product development to function in those regions. Global expansion will require significant management resources which could harm the Company's existing business in its current market. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

33. Violation of anti-corruption or anti-bribery laws and regulations could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

As the Company expands its geographic presence and as the green hydrogen market grows, the Company expects that it will increasingly become subject to complex regulatory frameworks in areas such as anti-corruption and anti-bribery. The Company may commence operations in less developed and newly industrialized countries that have inherent risks associated with judicial enforcement of contractual rights and obligations, fraud, bribery and corruption. Governments in industrialized countries have increasingly introduced comprehensive legislation to combat unsound international business practices, often referred to as anti-corruption or anti-bribery regulations. The Company may not be able to detect all improper or unlawful conduct by its employees, suppliers or customers given to potential scope of its international operations. In addition, at an operational level, individual employees, agents or distributors may fail to comply with the Company's policies and guidelines and as a result may cause the Company to incur criminal sanctions, compliance costs and cause reputational damage. The occurrence of any of the preceding events could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

34. The Company may fail to comply with environmental, social and governance standards, policies and expectations which could adversely affect the Company's business and reputation.

The Company is increasingly facing more stringent environmental, social and governance ("**ESG**") standards, policies and expectations, and expects to continue to do so as a listed company with growing operations. The Company generally experiences a strong ESG emphasis amongst its customers, partners and competitors in the electrolysis industry and the renewable energy sector generally. These standards regard environmental matters (e.g., climate change and sustainability), social matters (e.g., diversity and human rights) and corporate governance matters (e.g., taking into account employee relations when making business and investment decisions and composition of the board of directors and various committees). There is no guarantee that the Company will be able to comply with applicable ESG standards, policies and expectations, or the Company will from the perspective of other stakeholders and the public appear to be complying with such ESG matters.

As an actor in the green transition, actual or perceived failure to comply with ESG standards may detrimentally affect the Company's business in a variety of ways. Among others, the Company could face challenges with procuring investments and financing, whether for general business purposes of for specific projects, and the Company could be limited in its ability to participate in large-scale green hydrogen projects, particularly where the other participants in such projects adhere to strict ESG principles and apply such principles to their partners as well. Accordingly, failure to establish a sufficiently strong ESG profile relative to its peers, could limit the Company's ability to generate and successfully utilize business opportunities.

The Company's ability to realize projects in the electrolysis industry and generally in the green hydrogen market may be impaired should the Company fail to adhere to the common ESG standards in its industry. Moreover, such failure could result in reputational damage for the Company amongst both potential customers and investors. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

35. A failure in, or cyberattacks on, the Company's IT systems and external cloud solutions could disrupt the Company's business or result in the inappropriate disclosure of confidential information or leakage of trade secrets.

The Company is dependent on reliable and efficient IT system. The Company also routinely transmits and receives confidential and proprietary information by e-mail and other electronic means and therefore relies on the secure processing, storage and transmission of such information. The Company's financial, accounting, data processing, IT, communications or other systems and facilities, and/or third-party infrastructure, such as cloud services and solutions, on which the Company relies may (i) fail to operate properly or become disabled as a result of events that are wholly or partially beyond its control and (ii) be vulnerable to unauthorized access and data loss (from within the Company's organization or by third-parties), computer viruses, malicious code, cyber threats that have a security impact, and the interception or misuse of information transmitted or received by them. There is no assurance that the Company will not suffer such events in the future. If one or more of such events occur, it could result in the loss of the Company's or its customers' confidential and other information, cause interruptions or malfunctions in the Company's, its customers' or third-parties' operations or result in funds being released to cyber criminals. the Company may be required to spend significant resources to modify its protective measures or to investigate and remedy vulnerabilities or other exposures, and it may be subject to litigation, reputational harm and financial losses that are either not insured against or not fully covered through any insurance maintained by the Company. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

Pandemics such as the COVID-19 pandemic and other major events may force the Company to cease operations resulting in reduced productivity and sales and entail travel restrictions and restrictions on social gatherings.

36. *COVID-19 or other pandemics or epidemics may affect the Company's employees and in turn impair the Company's sales, productivity and R&D activities as well as activities related to the development of the green hydrogen market.*

The COVID-19 pandemic continues to be a health and economic threat across the globe and, consequently, also for the Company. The COVID-19 pandemic has also underscored the potential impact of other global events that may paralyze industries and societies temporarily.

During the initial wave of COVID-19 in Denmark in March 2020, due to one employee of the Company having been infected with COVID-19, approximately half of the Company's staff were quarantined for two weeks during which the Company's productivity significantly decreased. In accordance with public recommendations, the Company also suspended its participation in various conferences. The first wave of COVID-19 also resulted in the postponement of a substantial number of customer orders.

Moreover, extended restrictions on travel and social gatherings, whether due to COVID-19 or other events that for any reason impair international travel and communications, may limit the ability of the Company and green hydrogen market stakeholders to engage with other market actors. Technology may facilitate long-distance meetings to compensate for the lack of physical meetings, however, it is the Company's opinion that on-site meetings present a better opportunity to interact with potential customers and investors. Absent the possibility of physically interacting with third-parties, interest in green hydrogen may not spread to the extent otherwise anticipated and required to secure a broad effort to support the commercialization of green hydrogen. In the Company's assessment, COVID-19 continues to pose a risk for the Company's business as well as the electrolysis industry, see also "*Operating and Financial Review – Principal factors affecting the Company's business and results of operations – COVID-19*".

If an employee of the Company were to be infected with COVID-19 or with another disease and for any reason failed to take the necessary precautionary measures to limit further infection, the Company could risk having to temporarily shut down its facilities which could halt the Company's production, sales and overall productivity and R&D activities. Specifically, an outbreak of an infectious disease among the Company's employees could result in illness and temporary interruptions to development and in extreme cases the death of employees, including employees considered critical to the Company. More generally, the occurrence of a pandemic-like event could postpone the execution of various projects and other initiatives. The occurrence of such events could have material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

The Company may not be able to retain employees in critical functions and it may not be able to safeguard its trade secrets.

37. *The Company depends upon its management team and on the expertise of employees in various critical functions and may be unable to attract and retain a highly skilled and experienced workforce.*

The Company's success depends to a significant degree upon the continued contribution of its management team who are critical to the overall management of the Company as well as its culture, strategic direction and operating model. The Company's ability to retain its management team or to attract suitable replacements is dependent upon competition in the labor market and the availability of skilled individuals in the industry in which the Company operates. Furthermore, the loss of one of the Company's members of its management team to a competitor (whether existing or newly formed) could result in a deterioration of the Company's market position and competitiveness. The unexpected loss of the services of any member of the Company's management team could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

Additionally, experienced employees in the electrolysis industry, particularly the Company's senior engineers, programmers and other critical functions to the Company's development of its technology and products are fundamental to the Company's ability to generate, obtain and manage business opportunities and the Company is highly dependent on their continued employment with the Company. The unexpected departure of such employees or temporary inability to work, such as due to disease, could have a detrimental effect on the Company's business. The Company's employees are generally employed in accordance with the provisions of the Danish Salaried Employees Act (in Danish: *funktionærloven*) and their termination notices, etc. are subject to the notices required therein. For additional information on the length of the termination notice for the Executive Management and the Key Employees, respectively, see "*Remuneration and Benefits – Compensation of the Board of Directors, Executive Management and Key Employees*".

The Company's success may make its employees attractive hiring targets for competitors and to retain critical or key personnel the Company may be required to keep pace with increases in the market level of remuneration for individuals with qualifications similar to those of the Company's employees in various critical business areas. It may also be difficult for the Company to find a replacement for experienced employees as they leave the Company which may result in internal organizational problems, which may in turn result in difficulties in meeting the Company's business needs. Failure to attract and retain personnel or to ensure that the experience and knowledge of the Company's employees is retained after employee departures may materially adversely affect the Company's business, financial condition, result of operations, cash flow and prospects.

38. *The Company's intellectual proprietary rights and protective measures may be inadequate to retain the Company's trade secrets and may be difficult to enforce.*

The Company only makes limited use of patents to protect its intellectual property, in part since electrolyser designs are generally difficult to protect with patents or other intellectual property rights, but also due to the publicity risks involved with patents whereby the Company would need to make public the design of its electrolysers which would make the Company's electrolysers exposed to copying, particularly in jurisdictions with less developed patent and intellectual property rights laws. Similarly, knowledge of processes and know-how, which are important trade secrets of the Company, generally cannot be legally protected by way of patents or regarded as intellectual property rights. As such, the Company relies upon a combination of third-party confidentiality and non-disclosure agreements, additional contractual restrictions on disclosure and use of its products, as well as trademark, copyright and other intellectual property laws to establish and protect its proprietary rights as well as maintain the confidentiality of its trade secrets. These laws, procedures and restrictions, however, may only provide limited protection.

The Company's efforts to limit access to and disclosure of its proprietary information by contractual arrangements with its employees and contractors, may not be sufficient to protect the Company in case the employee or the contractor violates the agreement. Enforceability of the confidentiality agreements and the protection of business secrets under the Danish Marketing Practices Act (in Danish: *markedsføringsloven*) and similar foreign laws and regulations is not guaranteed. Accordingly, contractual restrictions could be breached without the Company discovering or without the Company having appropriate legal remedies available.

Policing unauthorized use of the Company's proprietary rights is challenging and legal mechanisms for enforcement of the Company's proprietary rights in certain countries, particularly outside of the EU and North America where the Company is expecting to see increased activity in the future, may not be adequate to protect and enforce the Company's proprietary rights in such jurisdictions.

There is no guarantee that the Company's employees will not leak any trade secrets to the Company's competitors or pass such knowledge along if they were to be recruited by a competitor, or by any other means make their knowledge available to third parties. There is also no guarantee that the Company will be able to maintain the confidentiality of its trade secrets, neither by law nor by contractual arrangements, and depending on the involved jurisdictions, the Company may be unable to enforce its intellectual property rights. Consequently, any leakage of information that could allow the Company's competitors to replicate its products or use the Company's technology to enhance their own products, could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

Risks related to regulatory and legal considerations

39. *The Company's business may be adversely affected if legislative and regulatory authorities, domestically and regionally, fail to establish clear and uniform rules for the green hydrogen market, including safety standards and operating permits, or if the implementation of such rules is delayed.*

The green hydrogen market is in a development phase and is not currently subject to industry specific and uniform government regulations in the EU, Asia and the United States, as well as other jurisdictions, relating to matters such as production, design and installation of electrolysers and hydrogen infrastructure process or the handling, transportation, certification and storage of green hydrogen, and other general safety or classification aspects of the Company's business and the green hydrogen market, including rules relating to the assessment of the environmental impact of green hydrogen. The Company expects that industry specific guidelines will be developed, and laws and regulations will be adopted in the future, however, the primary basis for this expectation is a variety of domestic and regional political agreements as well as plans and goals for the green transition which have yet to materialize into tangible hard law rules.

The production and distribution of electrical power and other commodities has historically been an area of significant national government regulation. Accordingly, there may be diverging perceptions as to the need for and scope of safety and environmental regulations across jurisdictions. These factors may contribute to a prolonged or dragged-out process of attempting to establish clear and uniform rules across geographic markets and may not come to fruition and/or such rules be too strict or otherwise inconducive to the development of a market for green hydrogen. For example, in May 2021, Danish newspaper Børsen reported on an alleged draft EU regulatory framework for green hydrogen which led to one industry organization reportedly indicating that such draft rules could impair the application of green hydrogen.[1]

[1] Børsen – Vindindustrien har set et lækket papir med alt for stramme krav til grøn brint: "Så kommer det ikke til at ske" (4 May 2021).

Generally, the Company may in connection with its ongoing and future geographic expansion encounter industry specific government regulations, or it may have customers who are subject to such regulations which the Company must attempt to accommodate in the jurisdictions and markets in which it operates and those which it intends to penetrate. The Company may also be required to obtain special permits or approvals to operate in certain jurisdictions and any delays in obtaining, or failure to obtain, such permits and approvals could result in the Company having to abandon certain customer projects.

The Company is relying on the future implementation of sensible and uniform rules on manufacturing, safety, processing, usage, transportation and distribution of green hydrogen products and technologies. Unexpected or, in the Company's opinion, insensible regulatory measures, or none, could have a material adverse effect on the Company's business, financial conditions, results of operations, cash flow and prospects.

40. The Company is exposed to potential product liability claims and to the risk of the occurrence of major incidents involving hydrogen.

The Company's products, whether due to defects, malfunctioning, improper installations, mishandling, or for other reasons, may inflict personal and property injury which exposes the Company to the general risk of product liability claims. Incidents involving hydrogen may also occur without the direct or indirect involvement of the Company but where the Company in any event indirectly suffers to the potential detrimental effect of such incidents on the green hydrogen market.

There are several risks relating to hydrogen-associated products given the chemical properties of hydrogen being highly flammable. Even in small amounts, hydrogen mixed with ordinary air may ignite at low volumetric ratio from hydrogen to air. The storage, processing, distribution and use of hydrogen pose a variety of logistical and safety challenges due to leakage risks, low-energy ignition potential, wide range of combustible fuel-air mixtures, buoyancy and hydrogen's ability to embrittle metals. Liquid hydrogen poses additional dangers to persons and property due to its increased density and the extremely low temperatures required for proper storage of liquid hydrogen.

The Company is unable to predict when, or if, any product liability claims could be brought against it, and similarly cannot predict the potential publicity, reputational and financial impact any such claim might have. For example, the Company could be met with claims both for immediate damages to property and persons if such damages were deemed to be caused by the Company's product, but derived losses due to loss of income, sales, etc. may also have a financial impact on the Company. There is a risk that the Company will not have sufficient funds or insurance coverage to absorb a product liability claim, and the Company may incur significant legal costs in connection with such product liability claims. Similarly, the Company may incur significant legal costs in connection with such proceedings and management resources may be diverted away from operational activities towards administrative and coordinating tasks relating to legal proceedings. Any successful assertion of product liability claims against the Company could result in significant monetary damages payable by the Company and a derived loss of credibility, market reputation and income, and the Company's insurances may not be adequate to fully cover such claims for damages. More generally, a major incident involving hydrogen, for example if such incidents results in injuries to persons and/or property, may result in governmental authorities and investors becoming reluctant to invest in green hydrogen which could have a general adverse effect on the green hydrogen market. The occurrence of any of the foregoing events could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

41. The Company may incur significant costs to comply with, or because of, health, safety, environmental and other laws, and regulations.

The Company's operations may to an increasing extent become subject to more stringent regulations. The Company expects that an elaborate regulatory framework will be developed on both an EU-level and on a national level, addressing the various aspects of green hydrogen production, distribution, storage and use, affecting both the supply and demand-sides of the green hydrogen market, which may have a significant impact on the Company's operations.

The Company cannot predict the impact of new or changed laws or regulations relating to health, safety and environmental protection, and any other areas of law that may be of relevance to the Company and the green hydrogen market, and such laws may differ across geographic markets. The Company may therefore incur considerable compliance costs arising from both administrative burdens related to compliance as well as costs in connection with any alteration of its products or production processes to meet new standards.

Due to the chemical properties of hydrogen, being a highly flammable element with a high probability of ignition when exposed to heat or flame, enhanced safety standards may be introduced as the market for green hydrogen expands into other industries. Similarly, special safety requirements may be imposed on electrolysis systems. Specifically for the Company's business, the production of electrolysers (which involve various hazardous materials and high-temperature processing of certain electrolyser components) may also be subjected to increased safety requirements and other regulations governing the use, storage, handling and disposal of hazardous materials. Compliance with such requirements may necessitate that the Company alters its production and installation procedures, or it may have to redesign elements of its electrolysis systems which may result in significant costs being incurred by the Company. Failure to comply with safety requirements may result in incidents, product liability claims and/or regulatory penalties, either of which may again result in significant costs and reputational losses for the Company which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

42. The Company may directly or indirectly be involved in litigation that could have an adverse effect on the Company.

The Company, its customers or third parties may be involved in legal, governmental or arbitration proceedings related to the Company's business, including personal injury litigation, contractual disputes, environmental issues, alleged violation of permits or safety regulations, tax or securities regulations as well as other types of proceedings across jurisdictions. Given the current stage of the development of the green hydrogen market, the electrolysis industry, as well as the Company, each going from a development phase to becoming increasingly commercialized, the Company is exposed to the risk of increasingly being exposed to litigation. The Company may incur significant legal costs in connection with such proceedings and management resources may be diverted away from operational activities towards administrative and coordinating tasks relating to legal proceedings.

The Company may itself file lawsuits for claims relating to, among others, breaches of contract, infringement of intellectual property, employee's breach of employment terms or non-compete clauses, and the Company may be the subject of lawsuits arising out of any number of circumstances. The outcome of any legal proceedings and the potential costs associated with the Company's prosecution of perceived violations of its rights, or with the Company's defense against claims from contractual counter parties, authorities or third parties, could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

43. The Company may face allegations from third parties for alleged infringement of their intellectual property rights.

The Company may from time to time be met with claims from third parties alleging that the Company's technology and products infringe such third parties' intellectual property rights. To the extent the Company gains greater public recognition, the Company may face a higher risk of being the subject of intellectual property infringement claims. Electrolysers across the electrolysis industry are largely produced by assembling various components which have been treated and processed in a specific manner. In some cases, a specific combination and assembly of components which has been processed in a certain manner may be considered the intellectual property of a competitor of the Company. The Company may, inadvertently design an electrolyser or electrolyser platform which infringes on such third-party intellectual property rights.

The Company's Freedom to Operate searches, which are regularly conducted to determine whether its products and technology potentially infringe third-party intellectual property rights, may not be sufficient to identify potential infringements of third-party intellectual property rights by the Company and/or the assessment of any implications of third parties' claimed intellectual property rights may not be correct or adequate.

The potential costs incurred by the Company in its defense against such claims, regardless of their merits, may be significant even if the Company is successful in the legal proceedings and organization and staff resources may be diverted towards legal proceedings and away from the Company's business. If a third-party was to succeed in alleging that the Company has violated certain intellectual property rights, including succeeding with permanently or provisionally injuncting the Company's use of certain intellectual property rights, the Company may be compelled to cease utilizing certain technologies and/or production and sales of certain product series.

Risks related to the Company's financial profile

44. The Company is a relatively young growth company and the Company's future results may accordingly differ materially from what is expressed or implied by the forecast of the financial information included in this Prospectus, and investors should not place undue reliance on this information.

The Company is young and engages in investment activities to develop its products and production capabilities. The Company does not yet have a product portfolio with sufficient cash generation ability to sustain the Company's operations, and its earnings potential is largely based on assumptions and estimates rather than its current financial performance. The Company's ability to generate revenue is dependent on its sales of its existing A-Series product line as well as its future sales of its X-Series once developed. The Company has not been fully tested in commercially operating at the scale contemplated in its strategy which entails a significant increase of its organization, scaling of its production, reorganization of its supply chain, and several other alterations to its business model, the ultimate financial yield of which is unknown, if at all existing.

The Company has based its forecasts, projections and aspirations for its results of operations, including the financial projects set forth in the section ”*Prospective Financial Information for the Financial Year Ending 31 December 2021*” and medium-term targets, upon a number of assumptions and estimates, many of which are outside of the Company's control, associated with uncertainty and may prove to be incorrect, or the data on which they are based may prove to be incorrect, and the Company's actual ability to achieve the results set out in the section ”*Prospective Financial Information for the Financial Year Ending 31 December 2021*” and its medium-term targets may vary significantly from these projections. Such assumptions and estimates are further set out in the sections ”*Prospective Financial Information for the Financial Year Ending 31 December 2021* and ”*Business – The Company's strategy – Medium-term targets*” and include, *inter alia*:

- the future growth of the Company strongly correlates with the future growth of global hydrogen markets which are exposed to a variety of substantial risks outside of the Company's control,
- the competitive environment in the Company's focus markets, including an expansion of the Company's current market share and that the market demand for electrolysers will continue to develop as described in the section "*Industry*",
- the successful continuation of ongoing research and development efforts, including the commercial launch of the X-Series in 2023 and the A120 and A150 in 2022 and 2023 respectively, as set out in "*Business – The Company's strategy*" and that the X-Series will constitute the Company's primary revenue driver from 2023 and onwards,
- the ability to scale its production capacity and sales and marketing efforts appropriately, while operating at a satisfactory level of capacity utilization and throughput time,
- the ability to successfully implement and complete its cost-out program as described in "Business – *Products and technology* – Significant cost-out potential",
- the ability to further develop its order pipeline and delivery of existing order backlog,
- the ability to obtain the targeted customer payment profile as set out in "*Business – Sales and customers – Revenue model and project cash flows*".
- the Company' sales, sales prices, cost structures, profit margins, taxes, prices on component, including nickel, subsidy schemes, overall market price per MW of electrolyser capacity and interest rates,
- regulatory requirements and other measures, incl. taxes and tariffs on green energy and fossil fuels, and
- the commercial acceptance of the Company's existing products and those under development.

The variability and unpredictability of the Company's results of operations could also cause the expectations of the industry, financial analysts or investors for the Company's results of operations to differ from those expressed by the Company and consequently could result in the Company failing to meet such expectations of the industry, financial analysts or investors for any period, which could cause the price of the Company's Shares to decline substantially. Such a share price decline could occur even when the Company has met any previously publicly stated revenue or earnings guidance it may provide.

Multiple factors, some of which may not be described or addressed in this Prospectus, may prove critical to the Company's future results and ability to achieve the results set out in section ”*Prospective Financial Information for the Financial Year Ending 31 December 2021*” and its medium term targets, and potential investors should, when considering whether to invest in the Company, have regard to the general uncertainty regarding the future development of the market for green hydrogen and the Company's business prior to making an investment decision and not place undue reliance on the information contained and risks disclosed in this Prospectus. Any of the foregoing risks and challenges could adversely affect the Company's business, financial condition and results of operations.

45. The Company has since its inception focused on development and growth in the electrolysis industry and has consequently incurred significant losses and expects to continue to incur losses, and may not be able to generate a positive cash flow for the foreseeable future or ever.

Since its inception, the Company has focused on growth in its business and consequently incurred significant losses. For the period 1 January 2021 to 31 March 2021, the Company's net loss was DKK 43 million and the Company had in the same period a cash spend of DKK 53.5 million. For the years ended 31 December 2020, 2019 and 2018, the Company's net losses were DKK 73.2

million, DKK 10.7 million and DKK 2.8 million, respectively, and the Company had in the same years a cash spend of DKK 56.8 million, DKK 23.1 million and DKK 5.1 million, respectively. Substantially, all the Company's losses have resulted from expenses incurred in connection with development and commercialization of the Company's electrolyser offering, along with general and administrative costs associated with its operations.

The Company's expenses will likely increase in the future as the Company develops its offerings and considers various organic growth or expansion opportunities. The Company may fail to achieve the anticipated benefits of such opportunities if they are pursued. In addition, the anticipated benefits of organic growth or expansion may not outweigh the resulting detriments to the Company's business, financial condition, results of operations, cash flow and prospects. The Company may incur greater costs than expected in attempting to achieve the anticipated benefits of such growth or expansion and they may incur additional debt or use proceeds from equity offerings to finance such expansion. Growth or expansion could disrupt the Company's ongoing operations and divert management resources that would otherwise focus on developing the Company's existing business, in which case the Company may need to employ additional personnel or consultants that are knowledgeable of such markets.

Further, penetrating new geographic markets may require that the Company obtains relevant permits and/or licenses, and otherwise complies with regulations that may differ materially from the regulations applicable to the Company and its products in the EU. Additionally, the Company may have to modify its products to comply with specific requirements in a given jurisdiction before it is able to distribute its product in that jurisdiction, and such modification may prove unexpectedly costly or infeasible.

Because the Company has limited historical, financial and operational data and operates in a rapidly evolving market, any predictions about future revenue and expenses may not be as accurate as they would be if the Company had a longer operating history or operated in a more predictable market. If the Company does not obtain the expected financial results, of if the Company does not reach its future ambitions, it could have a significantly negative impact on the Company. The Company's failure to generate revenue from existing and new markets would likely adversely affect its market value and could impair its ability to raise capital, expand its business, obtain market acceptance and continue its operations. The Company expects that its annual operating expenses will increase over the next several years as it expands to new markets, increases its development efforts and operates as a publicly listed company. Accordingly, going forward, the Company expects to continue to incur significant losses from its operations, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

46. *The "lumpy" nature of the Company's business whereby revenues mainly come in individual "chunks" at irregular intervals means that the Company's ability to generate revenues is highly dependent on individual projects.*

The Company's ability to generate revenue is highly dependent on individual business opportunities and projects. The Company does not have a portfolio of ongoing, income-generating projects that can sustain a consistent revenue stream to the Company. Rather, the Company's revenues typically come in individual "chunks" at irregular intervals and deriving from one single project or contract that the Company has won.

Accordingly, failure to win one single important contract may cause the Company to lose significant revenues for an extended period of time, and such failure may have a significant impact on the Company's financial performance for that given period of time. The "lumpy" nature of the Company's business generally amplifies the negative impact of the failure to generate business opportunities which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

47. *The Company cannot assure its investors of the adequacy of its capital resources, including the proceeds from the Offering, to successfully complete its contemplated strategy and the failure to obtain additional capital on commercially favorable terms, when needed, could force the Company to halt its expansion plans.*

As of 31 March 2021, the Company had cash and cash equivalents of DKK 102.63 million. The Company believes that it will continue to spend substantial resources for the foreseeable future and that its annual operating expenses will increase over the next several years as it expands its sales to new and existing markets and scales its production facilities. In addition, the Company will continue to incur expenses in its R&D efforts. Accordingly, as the Company is not able to finance all its projects itself, the Company is heavily reliant on continuous outside investments and support from investors to realize its growth ambitions, including, *inter alia*:

- expand the Company's operations in current and new markets,
- respond to competitive pressure or unanticipated working capital requirements,
- expand production capacity,

- continue R&D efforts including developing and introducing new products,
- hire, train and retain employees, and
- expand sales and market efforts and general administrative functions.

Based on realization of the Company's current business plans and the use of proceeds from the Offering as set forth in "*Background to the Offering and Use of Proceeds*", and anticipated business conditions, including accumulated revenue, the Company estimates that the net proceeds from the Offering accruing to the Company and the Company's existing cash resources are expected to be sufficient to develop and launch the Company's X-Series, and potentially cover the Company's capital needs for the period until the end of 2025, assuming that the Company is able to raise such amount of gross proceeds in the Offering as it is expecting. However, the business plan, the timing thereof and the Company's strategy may change as a result of many factors currently unknown and there is no guarantee that the proceeds of the Offering will suffice for the Company to sustain its operations, execute its expansion plans and continue its R&D activities for the time it takes to become fully commercialized. The Company may therefore look to external financing sources for cash or it may have to consider issuing additional shares and engaging in new public offerings. Whether any external financing sources will be on commercially favorable terms or available to the Company is uncertain.

The continued improvement of the Company's existing technology and products, as well as the development of new products and technologies, requires substantial investments and entails significant risks. Even if the Company succeeds with its current product strategies and manages to reduce manufacturing costs and improve on the efficiency of its electrolysers, such improvements may individually or combined be smaller or less efficient than the relative improvements of other the Company's competitors' simultaneous improvements of their competing or substituting products. Accordingly, significant amounts of capital of the Company may be allocated towards projects or endeavors that do not materialize into actual business opportunities, or the prospects of such business opportunities becoming available may be prolonged beyond what the Company originally anticipated.

If the Company is not provided with adequate capital resources on an ongoing basis to sustain its current basis and to continue its further growth, the Company may have to suspend or delay its commercialization efforts, expansion plans, R&D activities, and other projects, and the Company could lose its current growth momentum and miss out on the general growth of the green hydrogen market and the stake of that market which the Company intends to conquer. Should any of these events or circumstances materialize, they could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

48. *The Company's ability to reach expected revenue targets is, inter alia, dependent on its ability to revenue recognize projects which generally is contingent on completion of site acceptance testing of the Company's electrolysers.*

Revenue from the Company's sales of electrolysers is usually not recognized in the Company's books until completion of a site acceptance test and the relevant customer's site. Completion of such site acceptance test may be delayed due to various factors concerning both the quality and performance of the electrolyser in question as well as factors external to the Company such as site conditions, the customer's ability to properly operate the electrolyser and so forth. Any such delay may result in the revenue recognition of a given sale being delayed and consequently not included in the financial statements for a given year which may have a negative effect on the stock market's and analysts' view on the Company's financial performance and which could in turn have a material adverse effect on the value of the Shares.

49 *As a result of the Offering, the Company may from time to time carry excess liquidity and cash and may consequently be exposed to negative interests and other financial and/or money market risks.*

The Company expects to raise net proceeds of DKK 1,000 million (excluding proceeds from the Option Shares, if any) in the Offering. Given the Company's expectations that the net proceeds will be sufficient for the Company to develop and launch the X-Series and potentially to cover the Company's capital needs towards the end of 2025 – see also "*Background to the Offering and Use of Proceeds*" – in the interim, the Company is likely to hold excess cash from time to time.

To manage such excess cash, the Company intends to place such funds as cash deposits in primarily certain systemically important financial institutions (SIFI) as well as in short-term Danish government bonds or similar low-risk financial instruments, although the Company may also apply cash towards other purposes, such as short or medium term finance of the plant and property build out or participating in projects supporting the commercialization of the Company's electrolysers.

In any event, the Company does not, however, have experience with managing cash resources of that scale and the Company's cash management strategies and policies may fail or prove inadequate and/or the price of such financial instruments may during the time of the Company's investments in those instruments drop and the Company's cash deposits in various financial institutions may be subject to negative interests. Additionally, a financial institution holding the Company's cash deposits may go bankrupt in which case the Company's coverage for its cash deposits with that financial institution may be limited to EUR 100,000 (or EUR 20,000 for deposited securities if a bankrupt financial institution cannot redeliver deposited securities to the Company) as per the rules of the Danish Deposit Guarantee Fund (in Danish: *Garantiformuen*) under the Act on a Depositor and Investor Guarantee Scheme (in Danish: *lov om en indskyder- og investorgarantiordning*). Should one or a combination of more of the aforementioned events materialize, that could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

Risks related to the Offering and the Shares

50. Future sales of Shares, or the perception that such sales might occur, could depress the price of the Shares.

On completion of the Offering, the Principal Shareholder, APMHI and Norlys Holding together are expected to own 55.73% of the Company's Shares (assuming no exercise of the Overallotment Option) or 52.88% of the Company's Shares (assuming that the Overallotment Option is fully exercised). These Shares (except for such Offer Shares subscribed for in the Offering by the Principal Shareholder, APMHI or Norlys Holding) will be subject to lock-up arrangements of 180 days, described in further detail in "*Plan of Distribution—Lock-up Arrangements*". However, such lock-up arrangements provide for certain exceptions and, in any case, these restrictions may be waived, allowing the Principal Shareholder, APMHI and Norlys Holding to sell their Shares at any time after this Offering. Moreover, as these lock-up restrictions end, the market price of the Company's Shares could drop significantly if the Principal Shareholder, APMHI or Norlys Holding sell Shares of the Company or are perceived by the market as intending to sell them.

Any future sale of a substantial number of Shares by the Company or any of the shareholders, or the perception that such sales might occur, may adversely affect the prevailing trading price of the Company's Shares. This could make it more difficult for shareholders to sell their Shares at a time and price which they deem appropriate and for the Company to issue equity securities in the future at a time and a price that the Company deems appropriate.

51. Future issuances of Shares may dilute shareholders' shareholdings and future issuances, or the perception that such issuances might occur, could depress the price of the Shares.

The Company operates in a capital-intensive industry regarding both continuous expansion of production facilities, sales capabilities and ongoing R&D efforts and key peers have raised significant funds through offering of shares. Accordingly, it is possible that the Company may decide to raise additional capital and offer additional Shares in the future to help fund the implementation of its strategic plans. See "*Business—The Company's strategy.*" Any future issue of Shares would dilute the Company's existing shareholders' shareholdings. Further, a future issue, or the perception that such issuance could occur, could adversely affect the market price of Shares and make it more difficult for shareholders to sell their Shares at a time and price which they deem appropriate.

52. Transformation into a listed public company will increase the Company's costs and may disrupt the regular operations of its business, or provide sensitive information to the Company's competitors.

The Company expects to incur additional legal, regulatory, finance, accounting, investor relations and other administrative expenses as a result of having its Shares being admitted to trading on Nasdaq Copenhagen. The Company remains a young company with a growing organization which is being developed and adjusted on an ongoing basis. For example, the majority of the members of the Board of Directors, the Executive Management and the Key Employees have been with the Company for less than a year. The additional demands, scrutiny and transparency associated with being a publicly traded company may disrupt regular operations of the Company's business by diverting the attention of the Company's management team away from operational activities and towards management and administrative tasks, adversely affecting the Company's ability to attract and complete business opportunities and increasing the difficulty both in retaining professionals and managing and growing the Company's business, such being the primary objective of the Company particularly given the current stage of the development of the green hydrogen market and the electrolysis industry. In addition, failure to comply with any laws or regulations applicable to the Company as a publicly traded company may result in legal proceedings and/or regulatory investigations and may cause reputational damage. Moreover, the increased transparency and operational disclosure that comes with listing on a public stock exchange may provide the Company's competitors with sensitive information they would otherwise not have, resulting in a less favorable competitive position for the Company. Any of these circumstances may pose an organizational and commercial challenge for the Company and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flow and prospects.

53. There can be no assurance that an active and liquid market for the Company's Shares will develop and the price of the Shares could fluctuate significantly, and investors could lose all or part of their investment.

Admission should not be taken as implying that there will be a liquid market for the Shares. There is currently no public market for the Shares, and an active and liquid trading market may not develop or be sustained after the Offering and Admission. If an active and liquid trading market does not develop or is not sustained, the liquidity and trading price of the Shares could be materially adversely affected, and investors may have difficulty selling their Shares. The market price of the Shares may subsequently vary from the Offer Price and may be lower than the price paid by investors.

Even if a trading market does develop, the share price of listed companies can be highly volatile and as a result the Offer Price may not be indicative of prices that will prevail in the trading market and investors may not be able to resell the Shares at or above the price they paid. The trading price of the Shares may fluctuate in response to many factors, including extraneous factors beyond the Company's control, which may include, but are not limited to, the risk factors described in this "*Risk Factors*" section of this Prospectus.

In addition, Nasdaq Copenhagen or the global securities markets may experience significant price and volume fluctuations, as they have done in recent years, which, in addition to general economic, political and regulatory conditions, may have a material adverse effect on the market price of the Shares and create a risk that investors may not be able to sell their Shares at the Offer Price or a higher price.

54. The Company currently intends to retain all available funds and any future earnings to fund the development and expansion of its products and its business and the Company does not intend to pay dividends. Consequently, shareholders' ability to achieve a return on their investments will depend on an appreciation on the price of the Shares.

The Company has never declared or paid any dividends on its Shares and the Company currently intends to retain all available financial resources and any earnings generated by its operations for use in its product development and its business and further expansion. The Company does therefore not anticipate distributing any dividends in the foreseeable future. See also "*Dividends and Dividend Policy*". Consequently, a shareholder's ability to achieve a return on the shareholder's investment in the Company will depend upon any future appreciation in the value of the Shares.

Any future determination on the Company's dividend policy and the declaration of dividends, if any, will be made at the discretion of the Board of Directors (and, if relevant, subject to the approval of the Company's general meeting of shareholders) and will depend on a number of factors, including, but not limited to, the result of the Company's operations, financial conditions, future prospects, contractual restrictions, restrictions imposed by applicable law and such other factors as the Board of Directors may deem relevant as well as restrictions in the Company's debt financing arrangements.

55. The Offering may be withdrawn after Admission to trading of the Temporary Purchase Certificates and until settlement of the Offering.

As described in "*The Offering—Withdrawal of the Offering*", the Underwriting Agreement (as defined herein) contains provisions entitling the Managers to terminate the Offering (and the arrangements associated with it) after admission of the Temporary Purchase Certificates to trading on Nasdaq Copenhagen (expected on or around 24 June 2021) and prior to settlement of the Offering by delivery and payment of the Temporary Purchase Certificates representing the Offer Shares (expected on or around 24 June 2021). Such termination rights may only be exercised under certain circumstances, including force majeure and material changes in the financial condition of the Company's business. Such termination rights will lapse upon settlement of the Offering, currently expected to take place on 24 June 2021, except in respect of the Option Shares. The termination rights of the parties to the Underwriting Agreement will lapse, in respect of the Option Shares, upon settlement of the sale of the Option Shares, if the Overallotment Option is exercised.

Nasdaq Copenhagen's approval of the Admission is subject to the distribution of the Offer Shares representing at least 25% of the share capital and amongst at least 500 qualified investors each holding Shares with a value of at least EUR 500, and the termination rights not having been exercised after the announcement of the results of the Offering and prior to settlement of the Offering (excluding any termination rights in respect of the Overallotment Option).

The Underwriting Agreement contains closing conditions which the Company believes are customary for offerings such as the Offering. In addition, the Company has given customary representations and warranties to the Managers. The completion of the Offering is dependent on compliance with all the closing conditions set forth in the Underwriting Agreement. If one or more closing conditions are not met, the Managers may, at their discretion, withdraw the Offering.

If the Offering is terminated or withdrawn prior to settlement, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading of the Temporary Purchase Certificates or the Shares on Nasdaq Copenhagen will be cancelled. Consequently, any trades in the Temporary Purchase Certificates and/or Shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the Temporary Purchase Certificates and/or Shares sold, and investors who have sold or acquired Temporary Purchase Certificates and/or Shares on or off the market may incur a loss. All dealings in the Temporary Purchase Certificates and/or Offer Shares prior to settlement of the Offering will be conditional and for the account of and at the sole risk of the parties involved.

56. The price of the Shares and their trading volume could decline if securities or industry analyst do not publish research or publish inaccurate or unfavorable research about the Company's business.

The trading market for the Shares depends in part on the research and reports that securities or industry analysts publish about the Company. As a newly listed public company, it is expected that a limited number of securities analysts will publish research reports about the Company. In the future, if no or only few securities or industry analysts cover the Company, the trading price for the Shares could be negatively impacted. If one or more of the analysts who cover the Company downgrades the Shares or publishes inaccurate or unfavorable research about the Company, the price of the Shares could decline. If one or more of these analysts ceases coverage of the Company or fail to publish reports on the Company on a regular basis, our downgrade the Shares, demand for their Shares could decrease which could cause the price of the Shares and/or their trading volume to decline.

57. After the Offering, the Principal Shareholder will continue to be able to exercise significant influence over the Company, its management and its operations and its interests may differ from those of other shareholders.

At the date of this Prospectus, the Principal Shareholder holds 50.29% of the Company's issued share capital. Immediately following the Offering, the Principal Shareholder is expected to hold 31.69% of the Company's issued share capital (provided that the Overallotment Option is fully exercised, but not including the Shares resulting from the exercise of Vesting Pre-IPO Warrants, if any). As a result, the Principal Shareholder will be able to exercise significant influence over the Company's shareholders' meetings, management and day-to-day operations, such as in relation to the payment of dividends, mergers or other business combinations, the acquisition or disposal of substantial assets, the issuance of equity or other securities and the appointment of the majority of the directors to its board of directors. The Company cannot assure you that the interests of the Principal Shareholder will coincide with the interests of other investors in the Company.

Furthermore, the Principal Shareholder's significant ownership may:

- delay or deter a change of control of the Company (including deterring a third-party from making a takeover offer for the Company),
- deprive shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company, and
- affect the liquidity of the Shares,

each of which could have a material adverse effect on the market price of the Shares.

Special Notice Regarding Forward-Looking Statements

Certain statements in this Prospectus constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and the Company's anticipated or planned financial and operational performance. The words "targets", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "might", "anticipates", "would", "could", "should", "continues", "estimates" or similar expressions or the negatives thereof, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, under the headings "*Summary*", "*Risk Factors*", "*Background to the Offering and Use of Proceeds*", "*Dividends and Dividend Policy*", "*Industry*", "*Business*", "*Operating and Financial Review*" and "*Prospective Financial Information for the Financial Year Ending 31 December 2021*", and include, among other things, statements addressing matters such as:

- The Company's future results of operations, in particular, the statements relating to its expectations for the financial year ending 31 December 2021;
- the Company's revenue;
- the Company's EBITDA margin;
- the Company's financial condition;
- the Company's working capital, cash flow and capital expenditures;
- the impact of COVID-19 on the Company's business and operations;
- the use of proceeds from the Offering;
- the Company's (future) dividends, dividend policy and share buybacks;
- the Company's business strategy, plans and objectives for future operations and events;
- the Company's medium-term targets;
- general economic trends and trends in the Company's industry; and
- the competitive environment in which the Company operates.

Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, such forward-looking statements are based on the Company's current expectations, estimates, forecasts, assumptions and projections about the Company's business and the industry in which the Company operates are not guarantees of future performance or development. They involve known and unknown risks, uncertainties and other important factors that could cause the Company's actual results, performance, achievements or industry results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others:

- The continued development and commercialization of a market for green hydrogen and electrolysers;
- political, regulatory and private support for continuing decarbonization efforts across possible application sectors for green hydrogen;
- technological development in the electrolysis industry;

- the competitive landscape in the electrolysis industry and other clean technology industries;
- the industry development of levelized cost of hydrogen and the ability to reach parity with the price of fossil fuel alternatives;
- the continued competitiveness of the Company's pressurized alkaline electrolysis technology, including the completion of the Company's cost-out program;
- the Company's development and launch of its existing A-Series product platform as well as future product platforms, including the X-Series;
- the Company's ability to establish partnerships with relevant green hydrogen market stakeholders as well as to generate business opportunities and participate in large-scale green hydrogen projects;
- the Company's ability to continuously scale its production to meet anticipated increases in demands for electrolysers;
- the ability to obtain targeted customer payment terms;
- the Company's ability to attract and retain qualified personnel;
- any negative impact on the Company's reputation; and
- failure to raise sufficient capital resources to the extent required to sustain the Company's R&D efforts, complete the targeted expansion in production capacity and sales and marketing and general operations.

Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. The Company urges investors to read the sections of this Prospectus entitled "*Risk Factors*", "*Business*", "*Operating and Financial Review*" and "*Prospective Financial Information for the Financial Year Ending 31 December 2021*" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates.

The Company does not intend, and does not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law or the rules of Nasdaq Copenhagen. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

Enforcement of Civil Liabilities and Service of Process

The Company is organized under the laws of Denmark. In addition, the majority of the members of the Board of Directors and Executive Management of the Company are residents of Denmark and the Company is domiciled in Denmark. As a result, it may not be possible for investors to effect service of process upon the Company or any of its respective directors and officers or to enforce against any of the aforementioned parties a judgement obtained in a court outside Denmark.

Presentation of Financial and Certain Other Information

For purposes of this Prospectus, an Interim Financial Statement have been prepared for the reporting period 1 January 2021 to 31 March 2021 in accordance with IFRS, including comparative figures for the period 1 January 2020 to 31 March 2020. The Interim Financial Statement for the period 1 January 2021 to 31 March 2021 has been reviewed by the Company's independent auditors, PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, as stated in their report appearing therein.

Further, for purposes of this Prospectus, Financial Statements of the Company have been prepared for the reporting period covering the financial years ended 31 December 2020, 2019 and 2018 in accordance with IFRS and have been audited by the Company's independent auditors, PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, as stated in their report appearing therein. The previously published financial statements covering 2020, which is the first-time adoption of IFRS, have comparative figures for the period 1 December to 31 December 2019 as a result of the changed financial period. Previously published financial statements covering 1 December to 31 December 2019, 1 December 2018 to 30 November 2019 and 1 December 2017 to 30 November 2018 have been prepared in accordance with the Danish Financial Statements Act (in Danish: *årsregnskabsloven*).

Non-IFRS measures/alternative performance measures

This Prospectus contains non-IFRS financial measures. The non-IFRS financial measures presented herein are not defined as measures of financial performance under IFRS, but are measures used by the Company to monitor the performance of its business and operations. None of these measures have been audited or reviewed, and they may not be indicative of the Company's historical results of operations, nor are such measures meant to be predictive of the Company's future results of operations. The Company has presented these non-IFRS financial measures in the Prospectus because they are considered both important supplement measures of the Company's performance and widely used by investors in comparing performance between companies. Unless otherwise indicated, tables with financial measures included in this Prospectus are presented on an IFRS basis.

Not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for financial measures computed in accordance with IFRS.

The non-IFRS financial measures applied by the Company and included in this Prospectus are described in the section "*Operation and Financial Review – Non-IFRS financial measures*".

The Company's non-IFRS measures are:

- Order intake in DKK millions
- Order intake in megawatts
- Gross profit and gross profit margin
- Total R&D spend
- EBITDA and EBITDA margin
- Intangible CAPEX
- Tangible CAPEX
- Net working capital
- Free cash flow

- Cash spend
- Net cash position
- Headcount

Rounding adjustments and percentages

Rounding adjustments have been made in calculating some of the financial information included in this Prospectus. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Trademarks and copyrights

The Company considers the protection of its brand through name trademarks and domains an integral part of its trademarks and copyrights strategy. The Company has the right to the product name "HyProvide" in the EU, the United Kingdom, the United States, Australia, South Korea and Japan.

The Company's main domain is under *www.greenhydrogen.dk* and *www.greenhydrogensystems.dk*.

Foreign currency presentation

The Company publishes its financial information in Danish kroner. Unless the Company notes otherwise, all amounts in this Prospectus are expressed in Danish kroner.

As used herein, references to (i) "Danish kroner" or "DKK" are to the Danish kroner, the lawful currency of Denmark and (ii) "euro", "EUR" or "€" are to the euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community.

Available Information

Copies of the following documents may be inspected and obtained during usual business hours on any day (excluding Saturdays, Sundays and Danish public holidays) at the Company's registered office at Nordager 21, DK-6000 Kolding, Denmark, during the period in which this Prospectus is in effect:

(i) the Company's memorandum of association and the Articles of Association (the "**Articles of Association**");

(ii) the Financial Statements of the Company;

(iii) the Interim Financial Statements of the Company; and

(iv) this Prospectus.

The Prospectus is, subject to certain restrictions, together with the Articles of Association and the Financial Statements of the Company, available on the Company's website ***investor.greenhydrogen.dk***. The information on the Company's website does not form part of the Prospectus, is not incorporated by reference into this Prospectus, and has not been scrutinized or approved by the Danish FSA (in Danish: *Finanstilsynet*), unless otherwise specifically stated herein.

Market and Industry Information

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information has been based on information sourced from a number of sources, including Dansk Energi, Hydrogen Council, McKinsey & Company, Hydrogen Europe, IRENA, The European Commission, The Fuel Cells and Hydrogen Joint Undertaking ("**FCH JU**") and the International Energy Agency (the "**IEA**"), among others. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain, no facts have been omitted which would render the reproduced information provided inaccurate or misleading. However, the Company has not independently verified and cannot give any assurances as to the accuracy of market data as presented in this Prospectus that was extracted or derived from these external sources.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

Unless otherwise indicated in this Prospectus, any references to, or statements regarding, the Company's competitive position have been based on the Company's own assessment and knowledge of the market, regions and countries in which it operates. Additionally, unless otherwise indicated in this Prospectus, any references to or statements regarding customer perception of the Company have been based on the Company's own assessment and knowledge, including customer surveys.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described under "*Risk Factors*" and "*Special Notice Regarding Forward-Looking Statements*" and elsewhere in this Prospectus.

The Company has not commissioned the preparation of any expert reports or statements that are referenced in this Prospectus.

Expected Timetable of Offering and Financial Calendar

Expected timetable of principal events

Offer Period starts	8 June 2021
Offer Period will not be closed in whole or in part before	15 June 2021 at 23:59 (CET)
Offer Period expires	21 June 2021 at 17:00 (CET)
Publication of the results of the Offering and number of Offer Shares subscribed for and sold	22 June 2021 no later than 7:30 (CET)
First day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen under the temporary ISIN (subject to the Offering not being withdrawn prior to settlement and completion of the Offering)	22 June 2021 at 9:00 (CET)
Completion of the Offering, including announcement of completion of the Offering and settlement of the Offer Shares (excluding the Overallotment Option, unless exercised by that date) by way of delivery of Temporary Purchase Certificates	24 June 2021
Registration of the share capital increase regarding the Offer Shares to be issued by the Company pursuant to the Offering with the Danish Business Authority (in Danish: Erhvervsstyrelsen)	24 June 2021
Last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen under the temporary ISIN	24 June 2021
First day of trading and official listing of the Shares on Nasdaq Copenhagen under the permanent ISIN	25 June 2021 at 9:00 (CET)
Automatic exchange of the Temporary Purchase Certificates for Shares in VP Securities	28 June 2021

The timetable above is subject to change. Any such changes will be announced as company announcements.

Trading on Nasdaq Copenhagen will commence before specific conditions to the Admission are met and will be suspended if the Offering is not completed. Consequently, all dealings in the Offer Shares prior to settlement of the Offering, and the Company making an announcement to that effect, will be conditional on the Offering not being withdrawn prior to settlement of the Offering, and the Company making an announcement to that effect, and any such dealings will be for the account of, and at the sole risk of, the parties concerned. For a description of such conditions, see "*The Offering—Trading and official listing on Nasdaq Copenhagen*".

Financial calendar

The Company's financial year runs from 1 January through 31 December. Financial reporting will be published on a semi-annual basis in combination with trading statements for the first and third quarters. The Company currently expects to publish financial reports according to the following schedule:

Interim report for the period ending 30 June 2021	19 August 2021
Trading statement for the period ending 30 September 2021	2 November 2021

Background to the Offering and Use of Proceeds

The Offering is intended to contribute to the funding of the Company's execution of its strategy and thereby enable the Company to reach its commercial and financial targets for the future. In addition, the Offering will advance the Company's public and commercial profile, and provide the Company with improved access to public capital markets and a diversified base of new Danish and international shareholders. Assuming realization of the Company's current business plan, the accumulated revenue and the net proceeds from the Offering are expected to be sufficient to develop and launch the Company's X-Series, and potentially cover the Company's capital needs for the period until the end of 2025. However, the Company may ultimately not be as successful as expected or may decide to accelerate certain investments, which could lead to the Company having to raise additional funds in the future. This estimate is subject to the assumptions set forth in "*Special Notice regarding Forward-Looking Statements*", "*Business – the Company's strategy – Medium-term targets" and "Prospective Financial Information for the Financial Year Ending 31 December 2021*".

The Company estimates that the net proceeds from the Offering will be approximately DKK 1,000 million (excluding the Overallotment Option). If the Overallotment Option is exercised in full, the Company estimates that the net proceeds to the Company from the Offering will be approximately DKK 1,157 million. These estimates are subject to the assumptions set forth in "*The Offering – Costs of the Offering*".

The Company intends to allocate the net proceeds from the Offering of the Offer Shares (excluding the Option Shares, if any) as follows:

- Approximately DKK 450 million to the continuation of R&D efforts;
- Approximately DKK 400 million to capital expenditure investments to enable production scale-up and in development equipment; and
- Approximately DKK 150 million to expansion of sales and marketing efforts, organizational ramp-up and supporting initiatives and to strengthening of balance sheet and general corporate purposes.

Continuation of R&D efforts: Continuation of R&D efforts comprise investments into completing the ongoing development of the Company's X-Series with expected commercial launch and delivery in 2023. Furthermore, the Company will continue its efforts to improve and expand its existing A-Series, including the introduction of versions with higher current density with expected commercial launch during 2022 and 2023. The Company is further expecting to continuously invest into the improvement and development of its product offering, including the development of next-generation products and the improvement of sub-components. Of the total expected R&D spend, the Company expects to capitalize approximately 80%.

Capital expenditure investments to enable production scale-up and in development equipment: The Company is in the process of scaling its production capacity to accommodate a growing order backlog and pipeline. The Company expects to do so by expanding its current facilities in Nordager, Kolding, Denmark. Such an expansion of production capacity will require capital expenditure investments towards production and development equipment. As set out in the section ***"****Business – The Company's strategy – Strategic focus areas and initiatives****"***, the Company expects to commence the next phase of its production capacity expansion during 2021, which is estimated to facilitate a maximum production capacity of 400 MW. Expansion of the Company's production capacity beyond 400 MW is not contained in the intended allocation of net proceeds from the Offering.

Expansion of sales and marketing efforts, organizational ramp-up and supporting initiatives and strengthening of balance sheet and general corporate purposes: Expansion of sales and marketing involves investments towards additional sales personnel and competencies, both at the Company's headquarters in Denmark and through the establishment of local sales offices in the relevant focus markets. Furthermore, an increased focus on promotion and generation of awareness of Green Hydrogen Systems and the green hydrogen industry may entail investments in marketing campaigns and other branding activities.

As the Company progresses with its growth strategy, additional resources and investments, including commercial resources and new hires, will be necessary to support the Company's overall organization, including the R&D and production functions, as well as administrative functions. Assuming full realization of the Company's commercial and financial targets, it is the Company's current expectation that the Company will comprise more than 140 employees by the end of the financial year 2021 and more than 300 employees by the end of the financial year 2025.

Establishment of a strong financial position is considered strategically important for winning large contracts and building confidence with customers. Furthermore, the Company considers it likely that customers may require guarantees for project milestone payments in the future and, finally, a stronger financial position is intended to increase the Company's flexibility and serve as a cushion when executing the strategy. For these reasons, the Company will retain parts of the net proceeds of the Offering.

The allocation and actual use of the cash proceeds from the Offering will take place for a prolonged period. Consequently, the Company may carry excess liquidity during that period. To manage that, the Company intends to place its excess liquidity as cash deposits in up to four Nordic banks classified as systemically important financial institutions (SIFI) combined with placings in short-term Danish government bonds or similar low-risk financial instruments.

Depending on a variety of factors, including those set forth in "*Special Notice regarding Forward-Looking Statements*", "*Business – the Company's strategy – Medium-term targets*" and "*Prospective Financial Information for the Financial Year Ending 31 December 2021*", the Company may need to raise additional funds, obtain debt financing or seek partnerships or other financing arrangements in order to have funds to sustain its operations until the end of 2025.

The foregoing expected use of the net proceeds from the Offering represents the Company's current intentions based upon present plans and business conditions. As of the date hereof, the Company cannot predict with certainty all the particulars of the use of the net proceeds of the Offering or the amounts that the Company will actually spend on the purposes set forth above. Actual expenditures may vary substantially from these estimates and the Company may find it necessary or advisable to reallocate the net proceeds within the above-described categories or to use portions thereof for other purposes, such as short or medium term finance of the plant and property build out or participating in projects supporting the commercialization of the Company's electrolysers. The amounts and timing of the Company's actual use of net proceeds will vary based on numerous factors, including the relative success and cost of its R&D and production scale-up efforts, the general commercialization of the market for green hydrogen, the Company's ability to realize its short- and medium-term strategic goals and the relative success of the Company's technologies over competing technologies developed and/or used by its competitors.

Dividends and Dividend Policy

General

All Shares, including the Offer Shares, have the same rights and the Offer Shares will rank *pari passu* with all other Shares, including in respect of eligibility to receive dividends and participate in share buybacks. Upon the issuance and registration of the Offer Shares to be issued by the Company pursuant to the Offering with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*) (which is expected to take place on completion of the Offering), the Offer Shares will be entitled to receive dividends to the extent any dividends are declared and payable with respect to such Offer Shares.

Dividend policy and share buybacks

The Company intends to apply all available financial resources and revenue, if any, for the purposes of the Company's current and future business. As of the date hereof, the Company does not expect to make dividend payments within the foreseeable future.

Any future determination related to the Company's dividend policy and the declaration of any dividends will be made at the discretion of the Board of Directors and will depend on a number of factors, including results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors that the Board of Directors in its discretion deems relevant. There can be no assurances that the Company's operational and financial performance will facilitate dividend payments, and, in particular, the Company's ability to pay dividends may be impaired if any of the risks described in this Prospectus were to occur. See "*Risk Factors*".

As an alternative, or in addition to, making dividend payments, the Company's Board of Directors may initiate share buybacks. The decision by the Board of Directors to engage in share buybacks, if any, will be made in accordance with the factors applicable to dividend payments set forth above.

The information on the Company's policies relating to dividend and share buybacks constitutes forward-looking statements. Forward-looking statements are not guarantees of future financial performance, and the Company's actual dividends or share buybacks could differ materially from those expressed or implied by such forward-looking statements as a result of many factors, including those described under "*Special Notice regarding Forward-Looking Statements" and "Risk Factors*".

Recent dividends

The Company has not declared and made any dividend payments in respect of the Company's past three financial years ending 31 December 2020, 2019 and 2018 (nor for its other previous financial years ending 30 November 2019 and 2018, respectively).

Legal and regulatory requirements

Dividends

In accordance with the Danish Companies Act (in Danish: *selskabsloven*), dividends, if any, are declared with respect to a financial year at the annual general meeting of shareholders in the following year at the same time as the statutory annual report which includes the audited Financial Statements for that financial year are approved.

Further, the Company's general meeting may resolve to distribute interim dividends or authorize the Board of Directors to decide on the distribution of interim dividends. A resolution to distribute interim dividends within six months after the date of the balance sheet as set out in the Company's latest adopted annual report shall be accompanied by a balance sheet from either the Company's latest annual report or an interim balance sheet which must be reviewed by the Company's auditors. If the decision to distribute an interim dividend is resolved more than six months after the date of the balance sheet as set out in the Company's latest adopted annual report, an interim balance sheet must be prepared and reviewed by the Company's auditors. The balance sheet or the interim balance sheet, as applicable, must in each case show that sufficient funds are available for distribution.

Dividends may not exceed the amount proposed or recommended by the Board of Directors. Moreover, dividends and interim dividends may only be made from distributable reserves and may not exceed what is considered sound and adequate with regard to the Company's financial condition and such other factors as the Board of Directors may deem relevant.

As of the date of this Prospectus, the Board of Directors has not been authorized to distribute interim dividends and does not plan to propose or recommend any distribution of dividends.

Dividends paid to the Company's shareholders may be subject to withholding tax. See "*Taxation*" for a description of Danish withholding taxes in respect of dividends declared on the Shares and certain other Danish income tax considerations relevant to the purchase or holding of Shares.

Share buybacks

In accordance with the Danish Companies Act (in Danish: *selskabsloven*), share buybacks, if any, may only be carried out by the Board of Directors using funds that could have been distributed as dividends at the latest annual general meeting. Any share buyback shall as a main rule be carried out in accordance with an authorization granted by the general meeting. The authorization shall be granted for a specific period of time which may not exceed five years. The authorization shall specify the maximum permitted value of treasury shares as well as the minimum and maximum amount that the Company may pay as consideration for such shares.

As of the date of this Prospectus, the Board of Directors is authorized in the period until 31 May 2026 to approve the acquisition of treasury shares, on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company, for so long as the Company's holding of treasury shares after such acquisition does not exceed 10% of the Company's share capital. The consideration may not deviate more than 10% from the official price quoted on Nasdaq Copenhagen at the time of the acquisition.

Share buybacks will be deemed a sale of shares for Danish tax purposes and as a general rule are not subject to Danish withholding tax, provided that the Company is admitted to trading on a regulated market. See "*Taxation*" for a description of Danish withholding taxes and certain other Danish income tax considerations relevant to the subscription for, purchase or holding of Shares.

Other requirements

Dividends, if any, will be paid in accordance with the rules of VP Securities, as in force from time to time, and will be paid to the shareholders' accounts with their account-holding banks in Danish kroner to those recorded as beneficiaries.

Dividends not claimed by shareholders are forfeited in favor of the Company, normally after three years, under the general rules of Danish law or statute of limitations.

Under the Articles of Association and applicable Danish law, there are no dividend restrictions or special procedures for non-Danish resident holders of Shares.

Capitalization and Indebtedness

The following table sets forth the capitalization and indebtedness of the Company as at 31 March 2021 on an actual basis reflecting the carrying amounts on the balance sheet of the Company and on an adjusted basis to reflect the conversion of the loans under the Convertible Loan Agreement, assuming such conversion was made on 31 March 2021 and including accrued interest up to that date.

See "*Description of the Shares and Share Capital*" for information relating to the Company's issued share capital and number of outstanding Shares. You should read this table in conjunction with the Interim Financial Statement and the Financial Statements of the Company and the notes thereto included in the F-pages of this Prospectus and "*Operating and Financial Review*".

BALANCE SHEET

DKK'000	Actual, 31 March 2021	Adjustments	As pro forma adjusted based on a loan conversion on 31 March 2021
Intangible assets	23,007		23,007
Property, plant and equipment	25,471		25,471
Right-of-use assets	37,858		37,858
Income tax receivables	1,375		1,375
Deferred tax assets	-		-
Deposits	7,152		7,152
Total non-current assets	**94,863**		**94,863**
Inventories	16,736		16,736
Trade receivables	378		378
Income tax receivables	2,527		2,527
Prepayments	1,182		1,182
Other receivables	8,238		8,238
Cash and cash equivalents	102,629		102,629
Total current assets	**131,690**		**131,690**
Total assets	**226,553**		**226,553**

Share capital	36,861	12,047	48,909
Share premium	40,022	(1) 145,740	185,762
Reserve for development costs	16,925		16,925
Accumulated deficit	(135,456)	174	(135,282)
Total equity	**(41,648)**	**157,961**	**116,313**
Borrowings	175,907	(157,961)	17,946
Lease liabilities	33,179		33,179
Provisions	-		-
Other payables	1,350		1,350
Total non-current liabilities	**210,436**	**(157,961)**	**52,475**
Borrowings	4,428		4,428
Trade payables	26,524		26,524
Lease liabilities	4,853		4,853
Contract liabilities	12,355		12,355
Deferred income	2,205		2,205
Provisions	1,610		1,610
Other payables	5,789		5,789
Total current liabilities	**57,765**		**57,765**
Total liabilities	**268,201**	**(157,961)**	**110,240**
Total equity and liabilities	**226,553**		**226,553**

(1) The conversion of the loans under the Convertible Loan Agreement into Shares in the Company illustrates the actual nominal number of Shares issued on 3 June 2021. The loan balance, including accrued interest converted, is shown as per 31 March 2021. The actual share premium booked as per 3 June 2021 also included additional accrued interest for the period from 1 April to the conversion date of 3 June 2021, amounting to EUR 328 thousand equivalent to DKK 2,439 thousand applying the applicable EUR/DKK exchange rate as per 31 March 2021.

Industry

This Prospectus contains statistics, data and other information relating to markets, market sizes, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources. While the Company can confirm that information from external sources has been accurately reproduced, the Company has not independently verified and cannot give any assurances as to the accuracy of market data as presented in this Prospectus that was extracted or derived from external sources. As far as the Company is aware and able to ascertain from this information, no facts have been omitted which would render the information provided inaccurate or misleading.

Introduction

The Company's sole activity is within the production and installation of pressurized alkaline electrolysis systems for production of green hydrogen and related services. As at the time of this Prospectus, the market for green hydrogen is at a nascent stage. However, with an increasing global focus on limiting greenhouse gas ("**GHG**") emissions, both governments and industrial stakeholders are increasingly recognizing the potential for green hydrogen to play a central role in the future decarbonized energy system. Accordingly, the market for electrolysis systems is estimated to grow significantly in the coming years. The following sections therefore introduce:

1. Green hydrogen and its role in the current and future energy system.

2. Drivers and indicators of momentum in the market for green hydrogen.

3. The size of the market for green hydrogen and outlook.

4. Competitive dynamics and landscape.

The Company considers its geographic focus markets to comprise of select EU countries (including the Nordic region, Germany, Benelux, France and Iberia) as well as Australia, South Korea and Japan (together "**OECD Asia**") and further has an opportunistic approach to potential sales outside these geographies. As the potential European market for green hydrogen and electrolyser production is generally well-documented and is seen as an important driver in the development of the global green hydrogen market, the primary focus of this segment is on European market dynamics. However, it should be noted that the Company considers it likely that the general trends observed on the European market are likely to be applicable to other focus markets.

Green hydrogen and its role in the current and future energy system

The growing concern over the contribution of GHG emissions to global climate change has led to an increasing number of initiatives, across both the political and private spectrum, aimed at reducing GHG emissions and in particular CO_2 emissions. Of the 196 UN member states that adopted the Paris Agreement in 2015, 189 have ratified it and made commitments to limit future GHG emissions. The Paris Agreement seeks to keep global warming well below 2 degrees Celsius and preferably below 1.5 degrees Celsius compared to pre-industrial levels. In order to reach the goal of minimizing temperature increases, signatory countries to the Paris Agreement must seek to reach global peak GHG emissions as soon as possible and achieve climate neutrality by mid-century.[2]

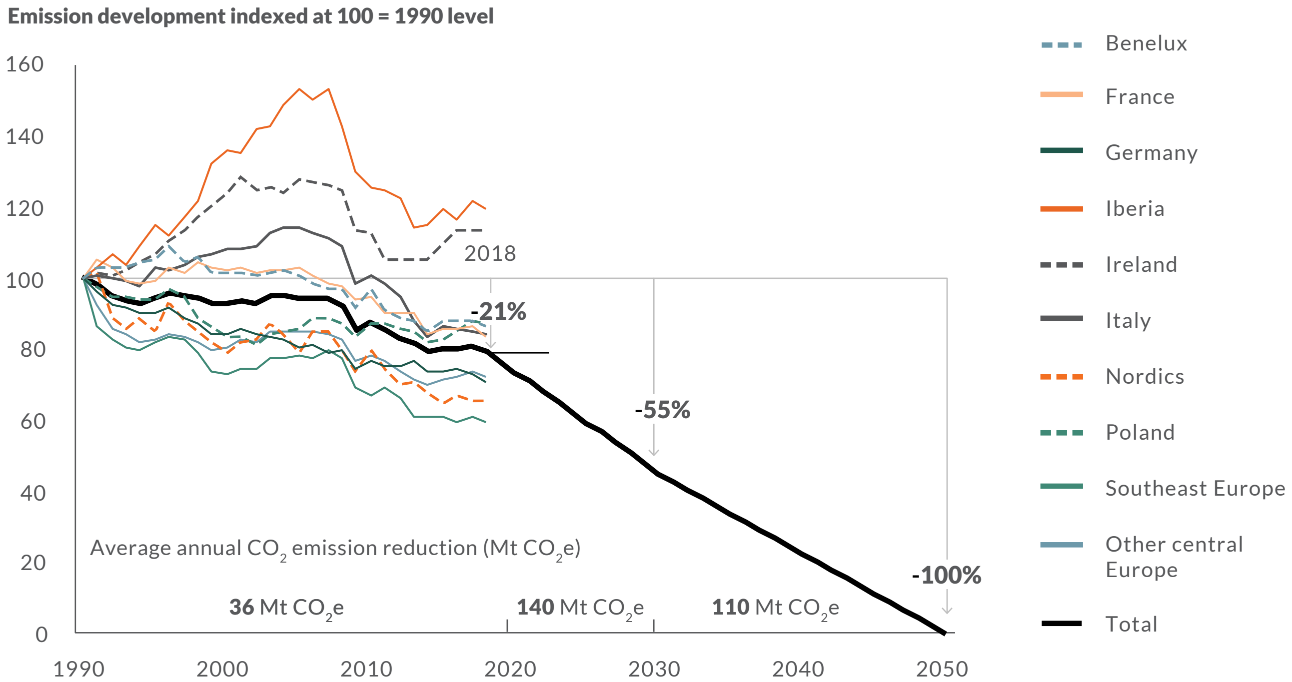
To facilitate this transition towards a net-zero emission economy, EU members signed the European Green Deal in December 2019; a more tangible plan for how the EU can reach net-zero emissions by 2050. In addition to reiterating the climate neutrality goal of the Paris Agreement, the plan includes a suggestion to an intermediate target of 55% reduction of GHG emissions (compared to 1990 levels) by 2030. To support this plan, the EU aims to spur new investments of at least EUR 1 trillion into the green transition over the next 10 years.[3]

Reaching net-zero emissions in the EU and globally would require an acceleration of current GHG emission reduction efforts. Figure 1 shows the development in CO_2 emissions (as measured in CO_2 equivalents, "**CO_2e**") in the EU from 1990 to 2018 and the necessary reduction to be achieved from 2018 to 2050. As the figure shows, reduction in CO_2 emissions would need to accelerate from approximately 36 Mt CO_2e annually from 1990 to 2018 to approximately 140 Mt CO_2e from 2018 to 2030 and 110 Mt CO_2e from 2030 to 2050.

[2] United Nations - Paris Agreement (2015).

[3] European Parliament – Europe's one trillion climate finance plan (2020).

Figure 1: Development in EU27 CO_2e emission levels[4]



Challenges to meeting net-zero emission targets

Currently, power production and consumption in the EU is heavily dependent on fossil fuels. In 2017, the EU had total CO_2 emissions of 3.9 Gt CO_2e (net of the absorption of 0.3 Gt CO_2e from land use, land-use change and forestry ("**LULUCF**")[5]) of which around 80% was CO_2 emissions from fossil fuel combustion. Industry is the largest contributor to CO_2 emissions, making up approximately 30% of total emissions, followed by power production (24%), transportation (28% incl. international transportation which makes up approximately 7%), buildings (13%), and agriculture (12%).[6]

Certain activities in society are difficult to decarbonize with electrification

Certain activities in society responsible for a large part of CO_2 emissions are difficult to decarbonize as they are challenging to electrify directly. This includes the industry and transportation sectors and emissions from residential and commercial buildings,[7] which all remain heavily dependent on fossil fuels with 75-90% of energy consumption being fossil-based. These sectors are further responsible for annual CO_2 emissions totaling 2.6 Gt CO_2e,[8] corresponding to approximately 65% of all EU CO_2 emissions.[9]

Within industrial production, heat used in the production of chemicals and metals accounts for the majority of energy demand and currently relies heavily on fossil fuels. While direct electrification is the primary decarbonization lever for the low- and medium-grade heat segments, electric heaters, boilers and furnaces become less efficient in industrial applications where the temperature requirements are higher. Moreover, the use of electric heaters, boilers and furnaces for high-grade heat segments may require major adaptions and investments to current industrial production processes. For those reasons, direct electrification may not be economically viable, particularly not in the high-grade heat segment. Furthermore, several industrial processes, such as steel production, rely exclusively on fossil fuels and reductants for which few alternatives exist.[10]

4 Data from the European Environment Agency – EEA Greenhouse Gas Data Viewer (2020). Graph shows the development in Mt CO_2 emissions (excluding LULUCF) for member states. Benelux includes Belgium, Luxembourg, and the Netherlands. Iberia includes Spain and Portugal. Nordics include Denmark, Estonia, Finland, Latvia, Lithuania and Sweden. Southeast Europe includes Bulgaria, Greece and Romania. Other central Europe includes Austria, Croatia, Czech Republic, Hungary, Slovakia and Slovenia.

5 LULUCF refers to the ability of forest and other natural land areas to absorb CO_2, contributing to lowering overall CO_2 emissions.

6 Emissions include both direct emissions and emissions from electricity and fuel use in the respective sectors. For Agriculture, emissions include cattle and fertilizers. McKinsey & Company – Net-Zero Europe (2020).

7 Emissions from residential and commercial buildings primarily comprise heating (70%), while the remaining emission comprise emissions from appliances, lighting, cooking, space cooling and other.

8 Excluding industrial emissions from waste management.

9 McKinsey & Company – Net-Zero Europe (2020).

10 FCH JU – Hydrogen Roadmap Europe (2019).

For the majority of the existing European commercial and residential buildings, heating is primarily provided from fossil fuels such as coal or natural gas. While new building stock is typically constructed to facilitate heating with low-carbon solutions such as electrical pumps, district heating and similar systems, retrofitting existing buildings to enable electrical or district heating would often be too expensive and cumbersome. Hence, decarbonizing building heat through direct electrification would, in many cases, not be economically viable.

In the transportation sector, the relatively low energy density of batteries implies that electrification of particularly heavy-duty and long-range transportation, including road transportation, long-haul trucking and shipping would be challenging, as batteries with the required capacity would be too large, heavy, and expensive for wide-spread adoption.[11]

Challenges posed by widescale integration of renewables in the energy system

Energy production further remains largely dominated by fossil fuels which today act as input to approximately 75% of total EU energy production. While the growing availability of at-scale renewable energy means that power production could go through a relatively swift decarbonization process, a common challenge of the most predominant renewable energy sources, wind and solar, is the intermittent supply of renewable electricity combined with the irregular demand of end-consumers. On the supply side, energy production from wind parks and solar plants exhibits substantial short- and long-term variations subject to weather and seasonal changes (and for solar plants also variations subject to the time of day/night). Meanwhile, on the demand side, energy consumption is likewise variable depending on the hour of the day, the day of the week, and generally seasonal changes. A complete integration of renewables into the energy system will thus require both short- and long-term balancing and buffering from week to week and across seasons.

Furthermore, renewable energy capacity is not necessarily available close to centers of demand. For example, North Africa and Southern Europe have unutilized potential renewable capacities far exceeding the actual energy demand of those regions. While transportation of energy is possible via transmission lines, it is both costly and can be difficult to establish due to local and planning issues.[12] Hence, an energy system based completely on renewable energy sources would require a solution for storing energy when excess renewable energy is generated and for transporting energy across distances. Batteries are not considered a viable option to act as buffering and balancing agent for integration in renewable energy infrastructure due their low energy density and inability to store energy efficiently over extended periods of time.[13]

Introduction to hydrogen

Hydrogen is the smallest and lightest of all elements, the most abundant element in the known universe and has a number of qualities, which could enable it to play a central role in achieving targeted emission reductions.

Hydrogen has a high energy density and can efficiently store energy over extended periods of time with limited energy loss, making it a highly efficient energy carrier in both a temporal and geographic sense. With an energy content at around 120 MJ/kg (lower heating value), hydrogen is capable of delivering the highest amount of energy per kilogram of any material - nearly three times that of gasoline (44 MJ/kg).[14] However, as hydrogen is the lightest element in the known universe, the amount of energy per volume in liters is low: liquid hydrogen can deliver just 8 MJ/L, which is much lower than that of gasoline at 32 MJ/L. This means that the density of hydrogen must be increased significantly for storage purposes, something that is usually done through compression and cooling. To put this into perspective, at 700 bar, which is the typical storage pressure required for hydrogen-powered passenger cars, it is estimated that the full tank system for a hydrogen fuel-cell powered passenger car will be able to deliver 9 MJ/kg in the medium to long-term. For batteries, a similar system for a passenger car is estimated to currently be able to deliver 0.3 MJ/Kg, while 1.2 MJ/kg is considered achievable in the medium to long-term. As a consequence, hydrogen powered fuel-cell vehicles can be a better option for longer range transportation relative to battery electric vehicles.[15]

When hydrogen is burned it reacts with oxygen to form water and release energy and similarly, when a fuel cell converts hydrogen into electricity, the only emitted gas is steam.[16] Therefore, if hydrogen is produced via electrolysis using electricity from renewable energy sources such as wind or solar power, the use of such hydrogen will be entirely CO_2 free – from energy source and processing to energy consumption. If hydrogen is burned with air, as would be the case with internal combustion engines or industrial furnaces, nitrogen oxides ("NOx") can be produced in some instances.[17] In such cases the application of hydrogen, while being free of CO_2

11 FCH JU – Hydrogen Roadmap Europe (2019).
12 FCH JU – Hydrogen Roadmap Europe (2019).
13 FCH JU – Hydrogen Roadmap Europe (2019).
14 US Department of Energy – Hydrogen storage (2020).
15 Shell – Hydrogen study (2017).
16 Shell – Hydrogen study (2017).
17 Shell – Hydrogen study (2017).

emissions, will not be entirely free of GHG emissions, however, multiple techniques exist to limit NOx emissions. For example, exhaust gas recirculation has long been used to limit NOx emission from diesel-based internal combustion engines and industrial furnaces are able to manage the flame temperature to reduce NOx emissions.[18]

The above characteristics make hydrogen a highly versatile and accessible chemical and suitable for a broad range of applications across multiple sectors of the economy: Hydrogen can be used both directly as fuel in transportation and in the industry as feed-stock, and indirectly by being combined with other compounds to create synthetic fuels and gasses ("**Power-to-X**"). Furthermore, hydrogen can be used as a medium for energy storage and transportation for extended periods of time and over long distances with little to no loss of energy while stored (not counting the energy lost in electrolysis and catalysis processes) relative to the loss of electrical energy while stored in conventional batteries. For further details on the potential uses of hydrogen produced from renewable energy, please refer to *"Industry – Introduction – The potential role of green hydrogen in the future energy system"*.

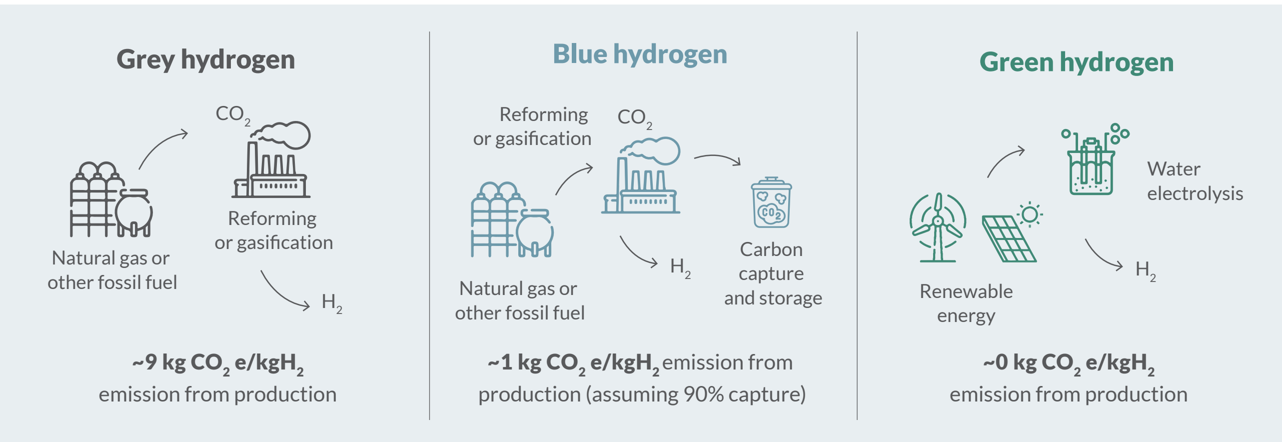
Hydrogen production methods

Although hydrogen is the most abundant element in the known universe, it only rarely exists on Earth in its pure form. In most cases, hydrogen occurs as a compound with oxygen in the form of water molecules or as a carbon compound in living beings or fossil energy sources. Consequently, hydrogen cannot be extracted directly from natural sources in its pure form but must be produced through chemical processes.[19] This is done using one of three general processes: reforming, gasification, or water electrolysis. Depending on the production method and whether the hydrogen is fossil-based or not, the resulting hydrogen is categorized as either grey, blue or green.

Today, nearly all hydrogen (approximately 95%) is produced as grey hydrogen through reforming or gasification of fossil fuel sources. As grey hydrogen has a relatively high CO_2 footprint, solutions for reducing emissions or alternative low-carbon hydrogen production methods have been explored. One method for reducing the CO_2 footprint of the reforming and gasification methods is through blue hydrogen production in which CO_2 emissions from grey hydrogen production are directly captured and stored (carbon capture and storage) or using the captured carbon in other processes (carbon capture and usage). This is an emerging method that currently accounts for negligible volumes of the produced hydrogen. Alternatively, hydrogen can be produced from water electrolysis where the electricity used in this process is derived from renewable energy sources (green hydrogen). Currently, approximately 5% of global hydrogen consumed for industrial purposes or in other end-use sectors is produced via electrolysis, however, this hydrogen is primarily a by-product of chloride production that does not use renewable energy and is therefore not considered green hydrogen.[20]

Figure 2 shows the general principles for grey, blue and green hydrogen, which are further elaborated below.

Figure 2: Illustration of grey, blue and green hydrogen production



18 The Chemical Engineer – Hydrogen: The Burning Question (2019).
19 Shell – Hydrogen study (2017).
20 Mostly as a by-product from chlorine production through electrolysis. IRENA – A renewable energy perspective (2019).

Grey hydrogen

Of the two general methods used in the production of grey hydrogen (reforming and gasification), reforming is the most prevalent method. Reforming is a chemical process that converts hydrocarbons and alcohols into hydrogen, emitting water vapor, carbon monoxide and carbon dioxide as by-products. The primary fuel for reforming is natural gas using steam methane reforming ("**SMR**"). SMR uses natural gas and water to produce hydrogen and emits around 9 kg of CO_2e per kg of H_2 in the process.[21] Gasification is the reaction of a carbon carrier (such as coal) with oxygen and steam under pressure and high temperatures to form synthesis gas which is a mixture of carbon monoxide and hydrogen. Through a subsequent water gas shift reaction, the carbon monoxide is converted into CO_2 and hydrogen.[22]

Blue hydrogen

Blue hydrogen production is fundamentally a direct method for reducing the CO_2 emissions from grey hydrogen production. Through CCS or CCU up to 90-95% of CO_2 emissions from hydrogen production are captured and then stored or reused, thereby reducing CO_2 emissions from hydrogen production to around 1 kg CO_2e per kg H_2.[23] In CCS, the captured CO_2 emissions resulting from reforming or gasification processes using fossil fuels are stored, typically in underground storage tanks.[24] Meanwhile, in CCU the emissions can be reused in other parts of the economy, for example in industrial processes to replace fossil fuel feedstock in the production of hydro-carbon chemicals such as methanol or derived products. The primary barrier to broader adoption of CCS and CCU today is the costs of carbon capture (approximately EUR 90 per ton of CO_2 for small capture plants), along with weak or absent political support for storing CO_2.[25]

Green hydrogen

Green hydrogen is produced through water electrolysis using renewable energy to split water molecules into hydrogen and oxygen. The process emits only negligible amounts of CO_2 and as such, green hydrogen is considered the most CO_2-clean method for producing hydrogen. Additionally, water electrolysis results in a much higher purity of hydrogen compared to reforming and gasification, which means that green hydrogen is generally widely applicable in various end-use sectors without the need for additional purification processes or treatments.

There are currently three electrolysis technologies mature enough for commercial use and with developed systems to support MW capacity range. These technologies include atmospheric alkaline electrolysis, pressurized alkaline electrolysis and polymer electrolyte membrane electrolysis ("**PEM**"). All three methods use water electrolysis to produce hydrogen, with principal differences stemming from the type of electrolyte used and the level of commercial development.

Atmospheric alkaline electrolysis has a long history in the chemicals industry and has been in development since the late 1800's. The fundamental operating principle of an atmospheric alkaline electrolysis system is passing an electrical current though a liquid alkaline electrolyte (typically water with potassium or sodium) from an anode to a cathode. Water molecules are instantly split into hydrogen and oxygen in a ratio of 2:1, with oxygen released into the atmosphere or used in other applications and hydrogen sent on to undergo further treatment depending on application area.

Pressurized alkaline electrolysis uses the same fundamental operating principle but operates at high pressure as opposed to atmospheric pressure. The first pressurized alkaline systems were developed in the 1940s with the Company's systems representing the 4^{th} generation of pressurized electrolysers.

The PEM technology was introduced in the 1960's, but was not developed for commercial use until the early 2000's. The primary difference between PEM and alkaline electrolysers is the use of a solid polymeric membrane as electrolyte instead of a liquid alkaline solution. Furthermore, PEM utilizes rare and noble metals in the anode and cathodes (iridium and platinum respectively), while alkaline electrolysis systems use more widely available materials such as nickel, iron, cobalt and carbon.

New electrolyser technologies

In addition to the well-established technologies on the market, several new types of electrolysers are being developed by both companies and research institutions. Such new technologies include Solid Oxide Electrolyser Cells ("**SOEC**") and Anion Exchange Membrane ("**AEM**") electrolysers, both of which represent emerging technologies at the early stages of commercial development with only a few companies and OEMs involved in their manufacture and commercialization.[26]

21 Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020).
22 Shell – Hydrogen study (2017).
23 Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020).
24 FCH JU – Hydrogen Roadmap Europe (2019).
25 FCH JU – Hydrogen Roadmap Europe (2019).
26 IRENA – Green Hydrogen Cost Reduction (2020).

SOEC is considered to offer high efficiency under the assumption that the steam used in the SOEC electrolysis process can be acquired externally without charge, as the energy required to heat water to steam would decrease overall efficiency. Furthermore, as SOEC typically produces non-pressurized hydrogen, the high efficiency levels further need to be adjusted for the cost and overall efficiency loss from compressing hydrogen downstream.[27] Furthermore, key challenges for SOEC have historically included higher degradation levels compared to alkaline electrolysis[28], mechanically unstable electrodes (including risk of cracking), safety issues and improper sealing.[29] The few commercial data points available to the Company have generally suggested a reduced ability to handle variable loads from renewable electricity sources as well as larger footprint relative to the Company's offering[30], which may in the Company's view, impact LCOH and versatility. SOEC is currently being produced by Sunfire and, as of March 2021, the Danish industrial company, Haldor Topsøe have announced their intent to invest in a new SOEC-electrolyser manufacturing facility with an annual production capacity of approximately 500 MW expected to be operational by 2023.[31]

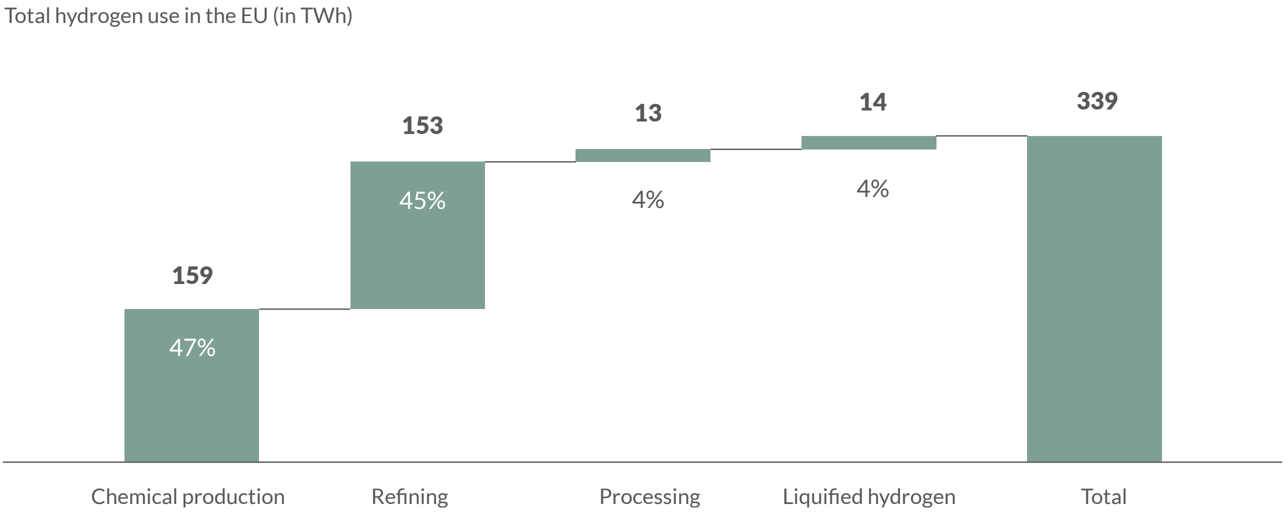
The operating principle of AEM is similar to PEM, however, with the advantage of replacing noble metal electrocatalysts with low-cost and more widely available alternatives. However, the key challenge faced by the AEM technology is that the membrane faces chemical and mechanical stability issues, leading to unstable lifetime profiles. Furthermore, performance is not yet considered in line with expectations, mostly due low conductivity, poor electrode architectures and slow catalyst kinetics. Enhancements to overcome these performance issues have been considered to potentially lead to decreased durability.[32]

For both SOEC and AEM, a further issue is the significantly higher cost levels today compared to atmospheric and pressurized alkaline and PEM. IRENA estimates the stack capital cost in 2020 for SOEC to be more than USD 2,000 per kW, compared to USD 270 per kW for the stacks in alkaline electrolysers and USD 400 per kW per stack for PEM. The comparable figure for AEM is unknown. By 2050, IRENA estimates that the stack capital cost for both alkaline electrolysers, PEM and AEM will have fallen to less than USD 100 per kW, while SOEC is estimated at less than USD 200 per kW per stack.[33]

Hydrogen use in today's economy

Today, global production of hydrogen is almost entirely derived from fossil-fuels with the production of ammonia and oil refining constituting the main applications of hydrogen, making up approximately two-thirds of total global hydrogen use.[34] Likewise, almost all hydrogen produced in the EU today is used as industrial feedstock, with only limited use of liquified hydrogen in other sectors. Thus, chemical production, refining, and industrial processing account for around 96% of hydrogen produced annually in the EU.[35] Figure 3 shows the relative size of current hydrogen usages in the EU.

Figure 3: Hydrogen use in the EU (2019 figures)[36]



27 Company view.
28 Company view based on Hauch et al. – Electrochemistry - Recent advances in solid oxide cell technology for electrolysis (2020).
29 Foteini et al – Progress in Energy and Combustion Science – Electrocatalysts for the generation of hydrogen, oxygen and synthesis gas (2019).
30 For an example based on Sunfire's HYLINK SOEC electrolyser.
31 Haldor Topsoe – Haldor Topsoe to build large-scale SOEC electrolyser manufacturing facility to meet customer needs for green hydrogen production (2021).
32 IRENA – Green Hydrogen Cost Reduction (2020).
33 IRENA – Green Hydrogen Cost Reduction (2020).
34 IEA – The Future of Hydrogen – Seizing today's opportunities (2019).
35 FCH JU – Hydrogen Roadmap Europe (2019).
36 FCH JU – Hydrogen Roadmap Europe (2019).

Potential for decarbonizing existing hydrogen use
Achieving independence from fossil fuels in existing hydrogen industry feedstock application areas will require transitioning to the use of green hydrogen. While decarbonization of current hydrogen applications by itself would have a relatively modest impact on reaching the target of net-zero emissions, existing hydrogen infrastructure (including hydrogen pipeline systems covering multiple countries and regions) and experience in handling hydrogen make the sector highly relevant as part of an economy-wide decarbonization. As existing infrastructure does not need major adaptions to switch from grey to green or blue hydrogen, the decarbonization process could happen gradually by complementing grey hydrogen with low-carbon hydrogen in the form of either green or blue hydrogen.[37] The primary obstacle for a conversion away from grey hydrogen would be for low-carbon hydrogen to reach cost competitiveness.

The potential role of green hydrogen in the future energy system
Green hydrogen is expected to play a central role in the future energy system and may achieve commodity-status on par with the current status of energy and fossil fuels. Achieving this position will further be central to stay below the two-degree global warming target limit and achieve a zero-emission economy as green hydrogen can, inter alia, be used in:

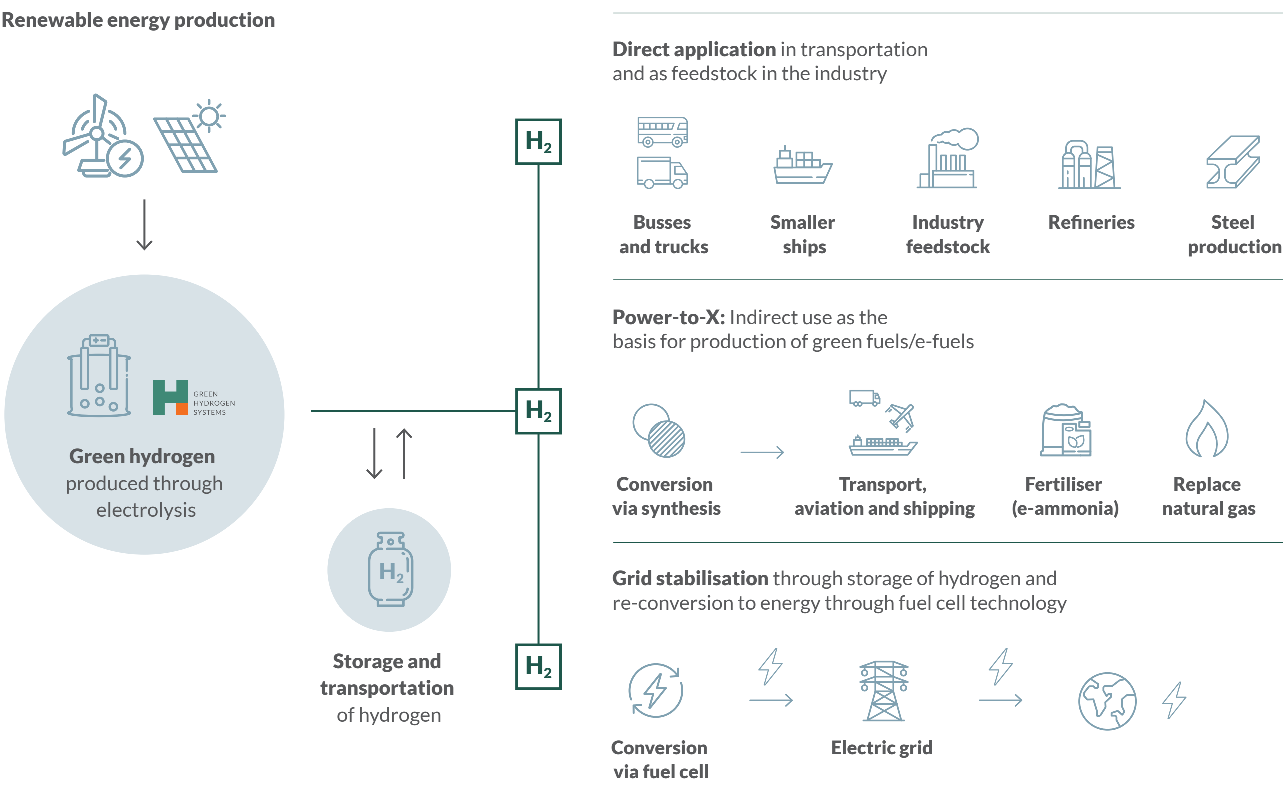
1. Direct applications for decarbonization of industry feedstock and heavy-duty and long-range transportation.

2. Indirect applications through the manufacture of e-fuels, e-ammonia and low-carbon gas through synthesis (Power-to-X) for use in transportation, industry and building heat. and

3. Energy storage and grid stabilization, enabling sufficient scaling of renewable energy to replace fossil fuels, by creating the necessary buffer to increase the resilience of a renewables-based energy system. Further, hydrogen can enable efficient energy distribution across sectors of the economy and across geographical regions.

Figure 4 illustrates the central role of green hydrogen and its application areas in the future energy system.

Figure 4: The role of green hydrogen and its application areas in a future energy system



[37] FCH JU – Hydrogen Roadmap Europe (2019).

Direct applications

The most straightforward application of green hydrogen is in replacing the current use of grey hydrogen. However, green hydrogen has several additional direct applications in both industry and transportation. An area of particular focus is the decarbonization of the steel industry through the gradual replacement of natural gas with hydrogen. The EU steel industry is a major contributor to CO_2 emissions in the EU, with a typical EU steel plant (with an annual steel output of 5 million metric tons) emitting approximately 9 Mt CO_2, corresponding to the emission of around 4.3 million passenger cars. The economic feasibility of decarbonizing steel production using green hydrogen is heavily dependent on the price of renewable electricity to power the electrolysis process, as this constitutes a significant share of the price of producing green hydrogen. At current levels, steel production using green hydrogen would not be cost-competitive with traditional coal-based steel production. Therefore, coordinated action between steel producing countries is likely a requirement for realizing full decarbonization.[38]

In the transportation sector, the higher energy density of hydrogen-powered systems (either in the form of directly hydrogen-powered vehicles or hydrogen fuel cell vehicles) compared to batteries make green hydrogen a more viable option for long-range vehicles as well as heavy-duty transportation. Given the size and weight limitations to energy storage in vehicles, a larger vehicle fueled by hydrogen can drive longer distances and transport heavier payloads than an otherwise similar battery-powered vehicle as the batteries would have to be too large and heavy.[39] Additionally, once a sufficient hydrogen infrastructure has been established, it offers significant end-user convenience over a comparable fast charging network for battery-powered vehicles: Hydrogen refueling speeds are considerably higher than that of fast-charging stations for battery-powered vehicles, which means that a fast-charging station would need approximately 10-15 times the space of a hydrogen refueling station to service the same number of vehicles.[40]

Likewise, while electrification is generally the preferred option for establishing new railroad tracks, it can be very costly to upgrade the existing railroad networks. Because trains operate on predefined routes, the necessary infrastructure for using hydrogen as a fuel can be established relatively quickly and cost-efficiently. Furthermore, through the use of hydrogen-powered or hydrogen fuel cell powered marine vessels, green hydrogen is also a suitable low-CO_2 solution for short-range maritime transportation.

Power-to-X

Hydrogen can be used in the production of low-carbon ammonia, synthetic fuels (also called "**e-fuels**") and gasses (together called Power-to-X), with wide potential application areas in both industrial processes and parts of the transportation sector. In Power-to-X, hydrogen is combined with other compounds through synthesis to create e-ammonia, e-fuels or gasses. Because these combined compounds are similar to their existing fossil-based counterparts, both in terms of chemical composition and energy density, they can be added to the current fuel pool using the existing infrastructure. Such e-ammonia, e-fuels and gasses include:[41]

- E-ammonia, produced by combining hydrogen and nitrogen, for use as fuel in shipping and as fertilizer in the agricultural sector.
- E-diesel, e-dimethyl ether, e-methanol, and e-kerosene, produced by combining hydrogen and carbon, for use in heavy-duty road transportation, shipping, and aviation.
- Blending of hydrogen mixed with methane gas into existing natural gas grids to decarbonize building and industrial heating, which can be done using the existing natural gas pipelines and piping. Furthermore, synthetic gas produced from hydrogen and carbon could replace natural gas without having to upgrade the established infrastructure.

In addition to being low-carbon alternatives, the use of e-ammonia, synthetic fuels and gasses can work as a carbon-sink by using carbon-captured CO_2 in the production process. Implemented at scale, this would offset some of the technical and political issues surrounding the wide-scale storage of carbon from using CCS.

Energy storage and grid stabilization

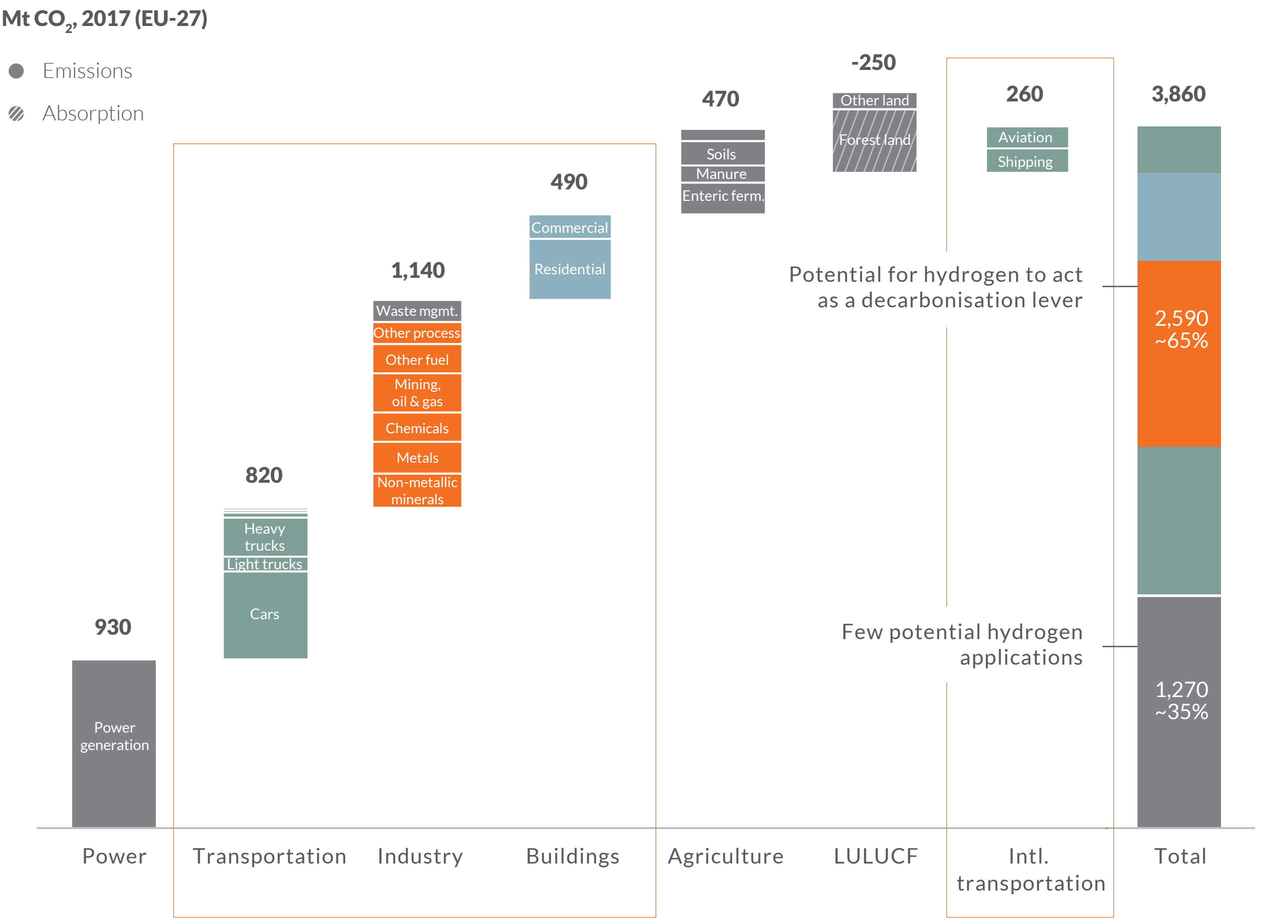
Power generation in the EU is projected to go through a swift decarbonization journey towards 2050, from emitting 935 Mt CO_2e in 2017 (accounting for 25% of total EU emissions) to reaching near-zero emissions by 2050.[42] Furthermore, the path to reach an emissions free economy is anticipated to require large-scale electrification, which will, all else equal, require an increase in overall energy production. Such a shift to, and scale-up of, a renewables-based energy system presents a number of challenges – of which the foremost will be bridging renewable energy supply with variable energy demand and grid stability.[43]

38 FCH JU – Hydrogen Roadmap Europe (2019).
39 FCH JU – Hydrogen Roadmap Europe (2019).
40 FCH JU – Hydrogen Roadmap Europe (2019).
41 Based on Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020).
42 McKinsey – Net-zero Europe (2020).
43 McKinsey – Net-zero Europe (2020).

With its qualities as an energy carrier, green hydrogen can replace fossil fuels as an energy production buffer and act as a grid stabilizer to bridge the gap between supply of renewable energy and electricity demand from end-users in both a geographic and temporal sense. As an example, renewable energy can be generated at large offshore wind farms in the North Sea or at solar power plants in Northern Africa and be converted to hydrogen, which can more easily be transported and distributed. The hydrogen can then be re-converted to energy for end-users based in the EU or elsewhere. Additionally, hydrogen can be produced from excess renewable energy when the supply is high and then be stored for later use with limited loss of energy during the storage phase (not counting the energy lost in electrolysis and catalysis processes).

The CO_2 abatement potential of green hydrogen
By achieving a central position in the energy system, green hydrogen holds significant decarbonization potential. Figure 5 outlines the sectoral contribution to total CO_2 emissions in the EU.

Figure 5: EU sector contributions to total CO_2 emissions[44]



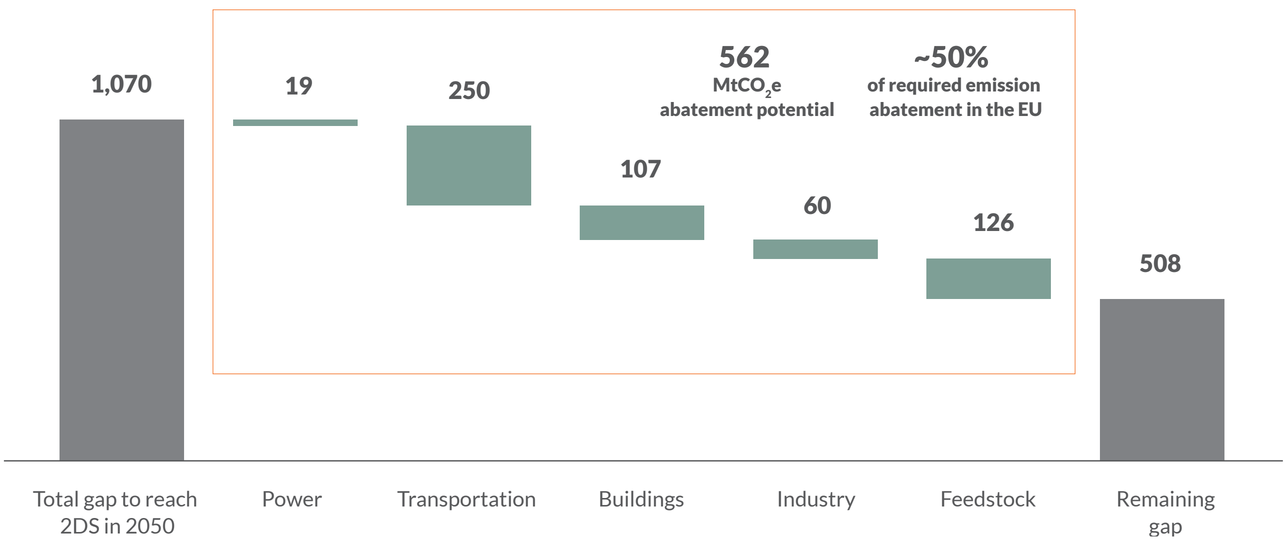
As seen, the sectors in which green hydrogen is considered to hold the highest application potential, namely industry, transportation and buildings, account for approximately 65% of current energy-related CO_2 emissions in the EU (2,590 Mt CO_2e). It should be noted that this is a representation of where hydrogen could potentially find application and not that hydrogen is expected to replace all other sources of energy or energy carriers in each segment.

In the perspective of reaching the goal of net-zero emissions in the EU, including green hydrogen as an integral part of the EU energy system would represent a significant contribution to bringing down EU CO_2 emissions: Towards 2050, the EU must reduce its total annual emissions to approximately 770 Mt CO_2 to reach a two-degree consistent scenario. According to the Reference

44 CO^2 emissions data based on McKinsey – Net-Zero Europe (2020), with application potential based on Hydrogen Council – Hydrogen Path to Competitiveness (2020). Building split based on 70% estimated emissions from residential buildings and 30% commercial.

Technology Scenario of the International Energy Agency, existing energy- and climate-related commitments by the EU member states, which primarily relate to energy efficiency, hold sufficient abatement potential to reach approximately 1,840 Mt CO_2 per year. This would imply a remaining gap of 1,070 Mt CO_2 to reach annual target emissions of 770 Mt CO_2, which will require additional efforts beyond current commitments of the EU and member states.[45]

Figure 6: CO_2 abatement contribution potential of green hydrogen in the EU[46]



As illustrated by figure 6, low-carbon hydrogen is estimated to be capable of contributing up to 562 Mt in CO_2 in abatement potential, corresponding to approximately 50% of the abatement gap. It should be noted that this represents the most ambitious scenario for hydrogen application. Furthermore, while the direct impact of low-carbon hydrogen on CO_2 emissions from power generation is minor, the more systemic role of hydrogen as a power buffer and grid stabilizer connecting supply and demand of renewable energy would enable the shift towards a higher proportion of power generation from renewable energy sources, indirectly contributing to decarbonization beyond the 562 Mt CO_2 abatement potential of green hydrogen.[47]

Drivers and indicators of momentum in the market for green hydrogen

In the past, hydrogen has seen peaks of interest, though a large-scale adoption of green hydrogen in industry and energy infrastructure has not been established yet. Today, green hydrogen is enjoying swiftly growing attention in the EU and globally. Key drivers and indicators of this momentum in the green hydrogen sector include, inter alia:

1. Societal and political pressure to limit CO_2 emissions.
2. Regulatory amendments and execution of national hydrogen strategies.
3. Growing industry alliances supporting large investments.
4. Decreasing cost of green hydrogen.

Each of these are described below.

Societal and political pressure to limit CO_2 emissions

The issues of GHG emissions are believed to potentially have wide-reaching global consequences, including, but not limited to, increased volatility and amplification of extreme weather, heightening water levels resulting in coastal flooding, stronger climate change-induced refugee migration, increased water scarcity, adverse impact to crop nutrition yield and ecosystem loss with further

[45] FCH JU – Hydrogen Roadmap Europe (2019).
[46] FCH JU – Hydrogen Roadmap Europe (2019). Estimated CO2 reduction required to reach a 2-degree consistent pathway in Europe as set out by the Paris Agreement.
[47] FCH JU – Hydrogen Roadmap Europe (2019).

repercussions to global food security and water systems.[48] With the severity of such consequences, awareness and pressure for climate action is growing in the general public: As at 2019, 68% of the global population viewed climate change as a major threat to their country. A figure which has risen significantly in several countries over the past decade.[49]

In response to such growing awareness and pressure for climate action, global governments are increasingly pushing for stronger policy action to limit GHG emissions and particularly CO_2 emissions. As at February 2021, 75 countries had announced their intent of meeting net-zero emissions targets, while 80% of global GDP is covered by some level of CO_2 pricing mechanisms.[50] In addition to the efforts made in the EU, the world's largest single-country economies, the US and China, are further making efforts to reduce their footprint: In February 2021, the US formally rejoined the Paris Agreement[51] and, as part of the Earth Day Summit in April 2021, President Joe Biden further announced that the US will seek to reduce GHG emissions by 50 to 52% (compared to 2005 levels) by 2030. The new US target nearly doubles former President Barack Obama's target of an emissions cut of 26 to 28% (compared to 2005 levels) by 2025.[52] Meanwhile, China continues to invest heavily in sustainable technologies and has made considerable progress towards its climate policy goals of reaching peak emissions by 2030 and achieving CO_2 neutrality before 2060.[53]

In addition to national policy action, multilateral efforts to enable the decarbonization of specific sectors of the economy are further being established. As an example, as part of the Earth Day Summit in April 2021, the U.S. announced that they would work together with Denmark and the International Maritime Organization to develop technologies to decarbonize international shipping. The target for the U.S. is for the global shipping industry to reach carbon neutrality by 2050. This represents a significant step change relative to the current target from the International Maritime Organization which calls for emissions to be halved by 2050 (relative to 2008 levels).[54]

Regulatory amendments and execution of national hydrogen strategies

Governments are increasingly recognizing the potential role hydrogen can play in reaching GHG emission reduction targets, particularly in decarbonizing sectors that would otherwise be nearly impossible to decarbonize.[55] As a result, governments across the EU and globally are implementing a growing number of tangible policies promoting green hydrogen. Almost all EU member states have included plans for green hydrogen in their National Energy and Climate Plans, 26 have signed the Linz Declaration (also called the "Hydrogen Initiative", aimed at promoting the application of green hydrogen technologies across several industries) and 14 member states have included hydrogen in the context of their alternative fuels infrastructure policy frameworks. Lastly, several have already adopted national strategies or are in the process of adopting one.[56] Outside the EU, South Korea, Japan, Australia and Chile have further announced national strategies supporting large-scale adoption of hydrogen. Altogether, it is estimated that the national strategies announced to date correspond to approximately 73% of global gross domestic product.[57]

48 C40 - Summary for Urban Policy Makers – what the IPCC Report on Global Warming of 1.5°C Means for Cities (2018).
49 Pew Research Center – A look at how people around the world view climate change (2019).
50 Hydrogen Council – Hydrogen Insights (2021).
51 BBC – What is the Paris climate agreement and why did the US rejoin? (April 2021).
52 Reuters – U.S., other countries deepen climate goals at Earth Day Summit (April 2021).
53 S&P Global - China's long march to zero carbon (2020).
54 Splash247.com – US to work with Denmark to lead shipping decarbonization (2021).
55 Hydrogen Council – Path to Hydrogen Competitiveness (2020).
56 European Commission – A hydrogen strategy for a climate-neutral Europe (2020).
57 Hydrogen Council – Hydrogen Insights (2021).

Table 1 shows an overview of select national hydrogen roadmaps.

Table 1: Select national hydrogen roadmaps[58]

Green Hydrogen Systems's focus markets

	Planned electrolyser capacity	Funding commitments
Germany	2 GW by 2025 5 GW by 2030	EUR 7bn (+2bn in external partnerships) towards 2030
Spain	4.0 GW by 2030	Close to EUR 9bn towards 2030
France	6.5 GW by 2030	EUR 7bn towards 2030
The Netherlands	0.5 by 2025 3-4 GW by 2030	n.a.
Portugal	2.0 GW by 2030	EUR 8-9bn towards 2030 (~85% from the private sector)
Korea	1.5 GW by 2022 15 GW by 2040	n.a.
Japan	15 GW by 2040	n.a.
Australia	n.a.	AUD 500m towards 2030; further AUD 275.5m in 2021/22
Chile	5 GW by 2025 25 GW by 2030	n.a.

In addition to the individual national hydrogen strategies, the EU has recently dedicated 20% of its combined COVID-19 stimulus spending to green transition projects (the EU Green Deal)[59]. A key focal point of the EU Green Deal is an aggregated hydrogen strategy for the EU, which comprises the following phases:[60]

1. A first phase from 2020 to 2024 with a strategic objective to install at least 6 GW of green hydrogen electrolysers in the EU and the production of up to 1 million metric tons of green hydrogen.

[58] Based on IRENA – Green Hydrogen Cost Reduction (2020); Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020), Hydrogen Europe – Clean Hydrogen Monitor (2020) and Renewables Now – Australian govt earmarks USD 213m for "clean" hydrogen hubs (April 2021).

[59] S&P Market Intelligence – US risks green tech leadership as Europe make play with COVID-19 stimulus (2020).

[60] From European Commission – A hydrogen strategy for a climate-neutral Europe (2020).

2. A second phase from 2025 to 2030 with an objective to install at least 40 GW of green hydrogen electrolysers by 2030 and the production of up to 10 million metric tons of green hydrogen. Furthermore, the EU will actively promote opportunities for cooperation on green hydrogen production in neighboring countries and regions, aimed at establishing 40 GW in additional electrolyser capacity.

3. A third phase from 2030 to 2050, in which green hydrogen should reach maturity and be deployed at large scale to reach all hard-to-decarbonize sectors, where alternatives might not be feasible or have higher costs. Towards 2050, the hydrogen economy in the EU is estimated to establish up to 1 million new jobs, of which 53,000 are estimated to be based in Denmark.[61]

The European Commission estimates that reaching the hydrogen targets for 2030 will require investments in electrolysers of between EUR 24-42 billion. Over the same period, EUR 220-340 billion is estimated to be required to scale up and directly connect 80 to 120 GW of solar and wind energy production capacity to feed the electrolysers. To support such investment levels, the European Clean Hydrogen Alliance has further been established to coordinate the efforts of political forces and the industrial hydrogen value chain.[62]

In addition to direct subsidies and investments, the EU and national governments are further taking steps to ensure a well-functioning market for green hydrogen. Such steps include, among others, the introduction of uniform classification and certification schemes to enable the development of green hydrogen as a commodity, expected changes to CO_2 quotas for emissions from hydrogen production, review of tariffs on renewable energy along with fees and tariffs on fossil fuels.

Growing industry alliances supporting large investments
While governments have been developing specific hydrogen strategies, expanding industry associations further provide evidence of the growing demand for hydrogen. One such association is the Hydrogen Council; a global initiative consisting of energy, transport and industrial companies with a vision and ambition for hydrogen to drive the ongoing energy transition. During 2020 and the first months of 2021, the Hydrogen Council has grown from 60 to more than 100 member companies.[63] Combined, these members account for EUR 6.6 trillion in market capitalization and more than 6.5 million employees globally.[64]

The combination of significant political interest and industrial support is driving a surge in new green hydrogen investment plans and project announcements. From January 2020 to mid-December the same year, the planned establishment of 50 GW of new green hydrogen electrolysis projects were announced globally, comprising 62.5% of the total planned capacity, at that time, of 80 GW. As per mid-April 2021, a series of additional gigawatt-scale projects have been announced – expected to take the planned electrolysis capacity of the 20 largest projects alone to 138 GW, well above the total global estimate at the end of 2020. In terms of geography, the majority of announced projects (approximately 50%) are in the Company's focus markets: Of a global total of approximately 38 GW in announced projects towards 2030, approximately 8 GW are in the EU focus markets and approximately 12 GW are in OECD Asia, the majority of which are in Australia.[65]

The Company is generally observing an industry trend towards larger electrolyser projects. Based on announced projects, the Company estimates that approximately 90% of projects for delivery in 2020 were below 10 MW in scale, while approximately 90% of projects for delivery by 2025 are estimated to be above 100 MW[66].

As of April 2021, the six largest announced projects together comprise 111 GW of planned capacity with an average size of 18.5 GW. The introduction of such large-scale projects implies a significant scale-up relative to current electrolysis-based hydrogen production plants in operation of which the largest, on a global scale as of April 2021, is the 20 MW Bécancour facility in Quebec Canada, inaugurated by Air Liquide.[67] Furthermore, when built, these GW-scale green hydrogen projects are also expected to contain some of the largest renewable energy facilities in the world.[68]

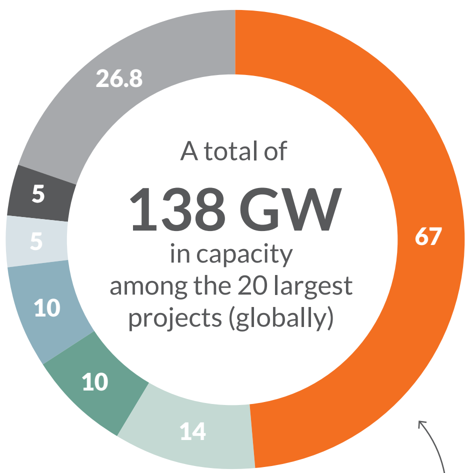
Project consortia
Given the scale of several of these announced projects, construction, ownership and operation is often carried out by consortia involving several private and public actors to enable the significant required investments. As an example, in Denmark, the realization

61 Hydrogen Denmark – VE 2.0 Brint- og PtX-strategi.
62 European Commission – A Hydrogen Strategy for a Climate-Neutral Europe (2020).
63 Hydrogen Council - Hydrogen Insights (2021).
64 Hydrogen Council – Hydrogen Insights (2021).
65 Calculated from IEA – Hydrogen Project Database as at June 2020, and in addition including the Beijing Jingneng Inner Mongolia project (5 GW) from Recharge News – Growing ambition: The world's 20 largest green-hydrogen projects (April, 2021).
66 Company estimate based on IEA – Hydrogen Project Database as at June 2020.
67 Recharge News – World's largest green-hydrogen plant inaugurated in Canada by Air Liquide (January 2021)
68 Recharge News – Growing ambition: The world's 20 largest green-hydrogen projects (April, 2021).

of an artificial energy island in the North Sea (the first of two Danish energy islands), is being tendered under a co-ownership model between the Danish state and private market actors. In the initial phase, the island, which is expected to be operational in 2033, will be able to support 3 GW offshore wind farms and is further intended to provide optimal conditions for innovation and commercialization of new sustainable solutions, including Power-to-X and energy storage technology.[69] Multiple consortia have already announced their intent of bidding on the project, including a consortium comprising Orsted and ATP, as well Consortium Vindø consisting of PFA, Andel, PensionDanmark and Copenhagen Infrastructure Partners.[70]

In Germany, energy company RWE, oil group Royal Dutch Shell, gas grid operator Gascade Gastransport and the Dutch gas network company Gasunie, have signed a declaration of intent regarding their collaboration on the AquaDuctus project – the first German offshore hydrogen pipeline. The project forms part of the larger AquaVentus venture, which envisages the installation of 10 GW of electrolysis capacity in the North Sea by 2035. The AquaVentus electrolysers will generate green hydrogen from offshore wind, with the island of Helgoland serving as the main hub. The green hydrogen will then be transported to the continent via the AquaDuctus pipeline, which will be able to carry up to one million metric tons of hydrogen a year from 2035.[71] In addition to the partners on the AquaDuctus pipeline, AquaVentus further comprises the Helgoland municipality, the energy company E.ON, wind turbine-producer Vestas and Orsted, among more than 40 other partners.[72] Figure 7 illustrates the capacity of the largest currently announced projects out of the global total, along with the developers involved in the projects.

Figure 7: Global green hydrogen largest, gigawatt-scale project announcements (Top 20, project capacity in GW)[73]



The 6 largest projects make up **81%** of the total new capacity from the top 20 projects globally

The 5 largest announced projects

Country	Size (GW)	Timing	Select developers
	67	2030	Snam; Enagás OGE; McPhy Vinci Construction Falck Renewable; Qair
	14	2027/28	InterContinental Energy Vestas CWP MacQuarie
	+10	2040	Groeningen Seaport Equinor Shell Gasunie
	10	2035	Siemens; RWE Shell; E.On Vestas; Vattenfall Northland Power Gasunie
	5	2028	Hydrogen Renewables Australia Copenhagen Infrastructure Partners
	5	2021	Beijing Jingneng

69 Danish Energy Agency – Invitation to market dialogue: Regarding the procurement framework for the commercial co-ownership of the Energy Island in the North Sea (March 2021).
70 Energy Watch – Ørsted, ATP plan to bid on coming North Sea energy isle (April 2021).
71 Renewables Now – RWE, Shell step up cooperation on Germany hydrogen pipeline project (April 2021).
72 AquaVentus – Förderverein: Mitgliedsliste (as at 31 March 2021).
73 Recharge News – Growing ambition: The world's 20 largest green-hydrogen projects (April, 2021).

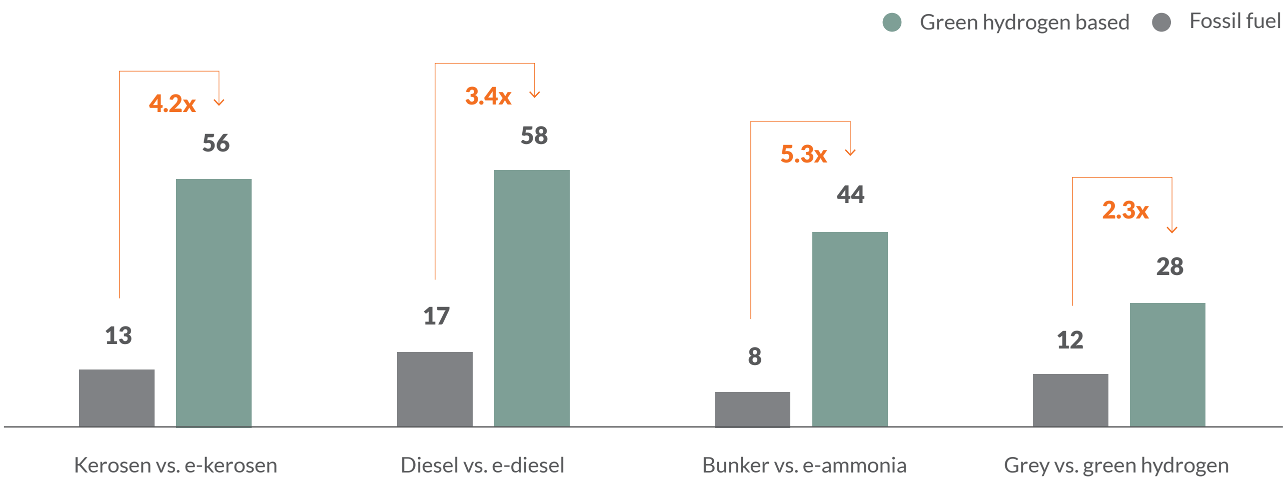
These continuous project announcements and the growing scale of green hydrogen applications are further driving substantial demand formation at the electrolyser producer level: As an example, by January 2021, UK-based electrolyser producer ITM reached record backlog at GBP 124 million, up 144% since January 2020.[74] Likewise, Norwegian producer Nel reached a total order backlog of NOK 1,084.9 million by the first quarter of 2021, up by more than 80% compared to the first quarter of 2020.[75] A similar tendency has been observed in the Company. See "*Business – The Company's competitive strengths - An attractive and commercially proven technology platform with clear pathway to position Green Hydrogen Systems as a leading supplier to the hydrogen economy*".

Decreasing cost of green hydrogen

A key hurdle to reaching wide-spread application of hydrogen is the higher cost of green hydrogen and derived compounds compared to current levels of fossil fuel alternatives. In particular, several end-use applications, which are expected to account for large volumes of hydrogen demand in the short term, comprise price sensitive industries exposed to global competition.[76] For that reason, it is considered unlikely that businesses would be willing to pay several times the price of fossil fuels for green hydrogen-based alternatives.[77]

Figure 8 shows a comparison of the current price of green hydrogen and derived compounds compared to their fossil fuel alternatives. As shown, the price difference is smallest between green and grey hydrogen, with green hydrogen currently being 2.3 times as expensive as grey hydrogen. The differences in price grow more significant for Power-to-X products such as e-methanol, e-ammonia and e-kerosene. The additional cost for production of green hydrogen-based compounds is primarily driven by investments in synthesis plants and low efficiency in the onward refinement process of green hydrogen.

Figure 8: Current price of green hydrogen and derived fuels compared to fossil fuels (in Denmark, EUR/GJ)[78]



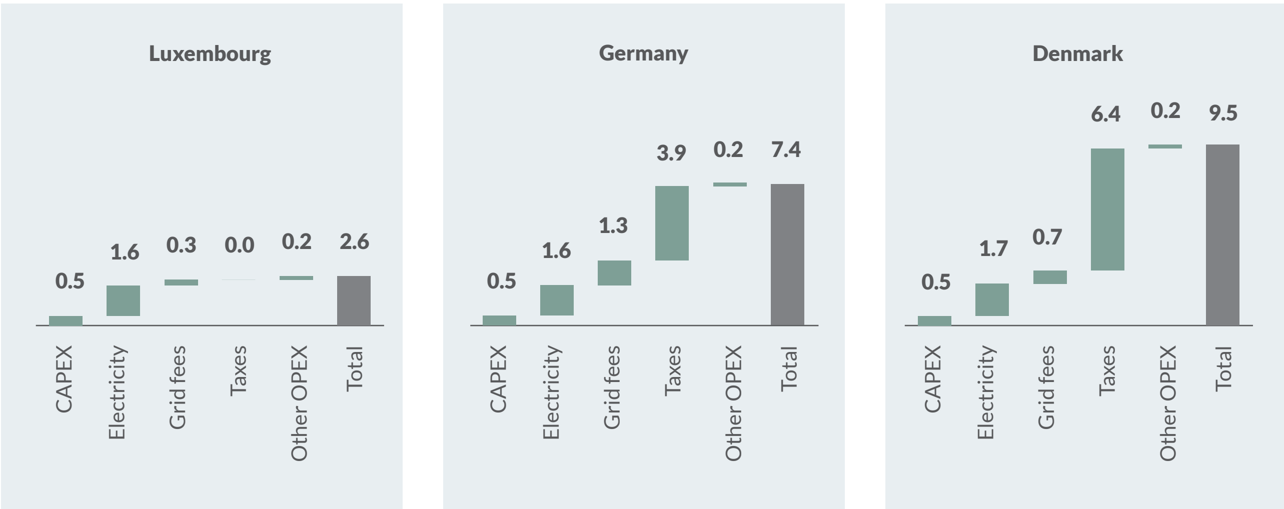
The unit cost of production of hydrogen, or levelized cost of hydrogen is comprised of several factors. Today, estimated LCOH for green hydrogen from an industry-wide, Danish perspective is primarily comprised of costs for renewable electricity (54%) and associated electricity tariffs (23%). In addition, capital expenditure on equipment comprises a significant share of 19%, the majority of which are associated with investments in electrolysers. Other costs include compression of the hydrogen (which is done to reduce storage and transportation costs) of 5%, while fixed costs are estimated to comprise 6%. Excess heat resulting from the production of green hydrogen can potentially be sold for use in district heating, resulting in a cost reduction of 7%.[79]

74 ITM Power – Interim results (January 2021).
75 Nel - Nel ASA: First quarter 2021 financial results (April 2021).
76 Van Ressen – Nature Climate Change – The hydrogen solution? (2020).
77 Based on partnership companies contributing to the report Dansk Energi – Anbefalinger til en dansk strategi for power-to-X (2020).
78 Dansk Energi – Anbefalinger til en dansk strategi for power-to-X (2020).
79 EA Energianalyse – Brint og PtX i fremtidens energisystem (2020).

Local LCOH variance

The LCOH varies significantly between countries, especially if the electrolyser is connected to the electric grid and therefore dependent on grid electricity prices and associated tariffs and taxes. In a European context, the highest estimated LCOH with electrolysis connected to the electric grid is observed in Denmark (EUR 9.5 per kg hydrogen), while the lowest is observed in Luxembourg (EUR 2.6 per kg hydrogen), primarily driven by differences in electricity prices, tariffs and taxes. It should be noted that the competitiveness of green hydrogen and synthetic fuels relative to grey hydrogen or fossil fuels is further dependent on the prices, tariffs and taxes attached to grey hydrogen and fossil fuels. As such, although certain geographies would tend to have higher LCOH, it is not necessarily indicative of a lower competitiveness of green hydrogen and synthetic fuels in such geographies. Figure 9 compares the estimated LCOH for grid-connected electrolysis in Denmark, Germany and Luxembourg in 2019.[80]

Figure 9: Comparison of LCOH with grid connected electrolysis (2019, EUR per kg hydrogen)[81]

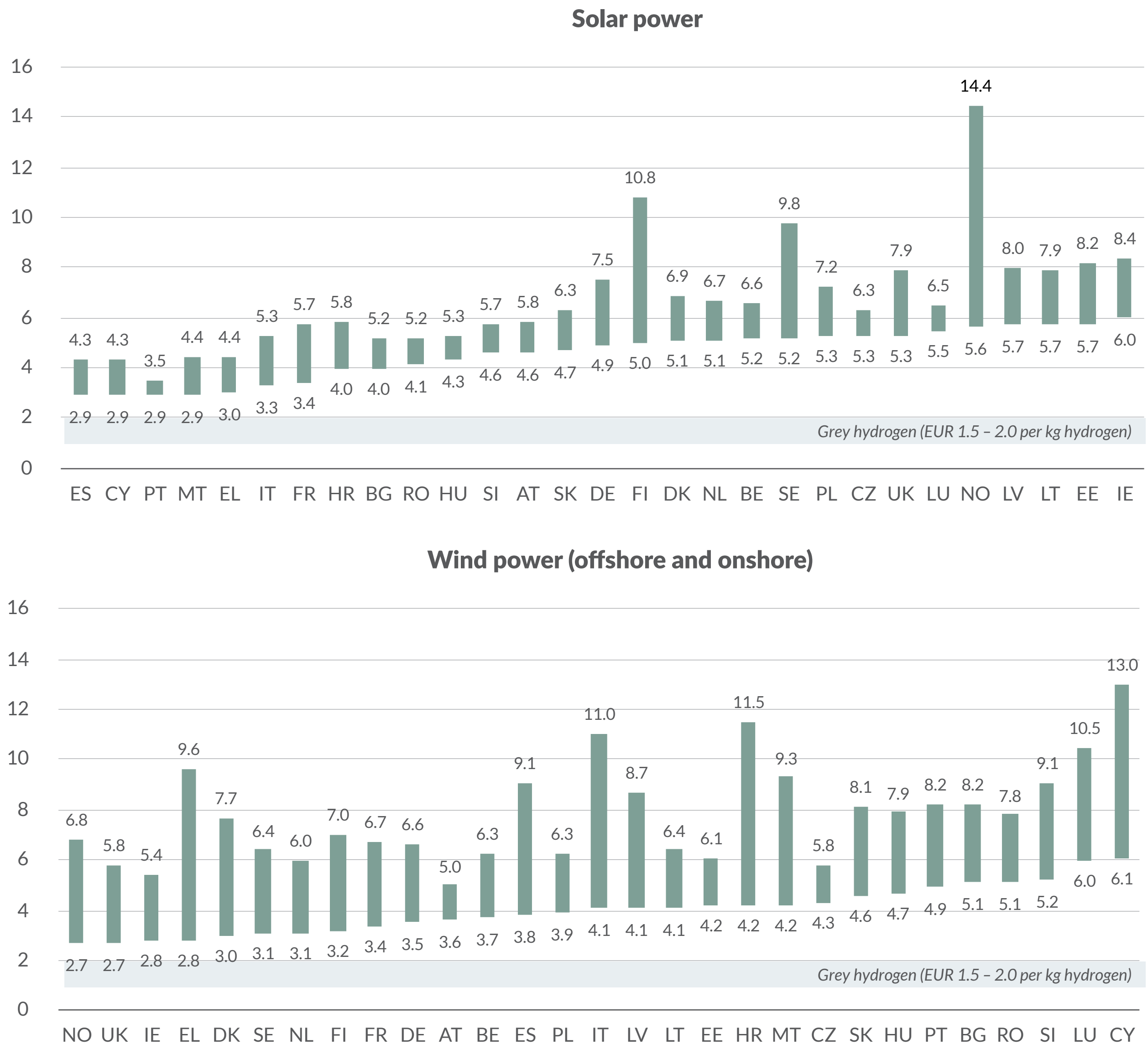


If the electrolyser can be connected directly to a renewable energy source, the LCOH will be free from grid costs, tariffs and taxes. However, the LCOH will instead depend on the capacity factor of the renewable source it is connected to. For an example, an electrolyser connected to a solar power source in Northern Europe would receive significantly fewer full load hours relative to a solar power source in Southern Europe and would therefore have a higher LCOH. Given such differences, estimated LCOH with a direct connection to renewable sources varies significantly between geographies. For most countries, green hydrogen production costs are still 2-3 times higher than the current benchmark set by grey hydrogen, which, depending on natural gas prices, can be as low as EUR 1.5 – 2.0 per kg hydrogen. Figure 10 provides an overview of estimated LCOH in European countries using solar or wind power in 2019, relative to the estimated price of grey hydrogen. The ranges are based on the best wind or irradiation conditions (the lower end of the cost ranges) in a given country and the average conditions available in the country (upper end of the range).

80 Hydrogen Europe – Clean Hydrogen Monitor (2020). The price estimate is based on an assumption of the electrolyser running 4,000 hours per year in off-peak hours, when the electricity price is lowest. If the operating hours were to increase, the impact of CAPEX on LCOH would decrease; however, as more electricity will have to bought at peak hours, the additional electricity price would potentially offset gains resulting from a higher electrolyser capacity factor.

81 Hydrogen Europe – Clean Hydrogen Monitor (2020).

Figure 10: Comparison of LCOH with direct connection to a solar or wind power source (2019, EUR per kg hydrogen)[82]



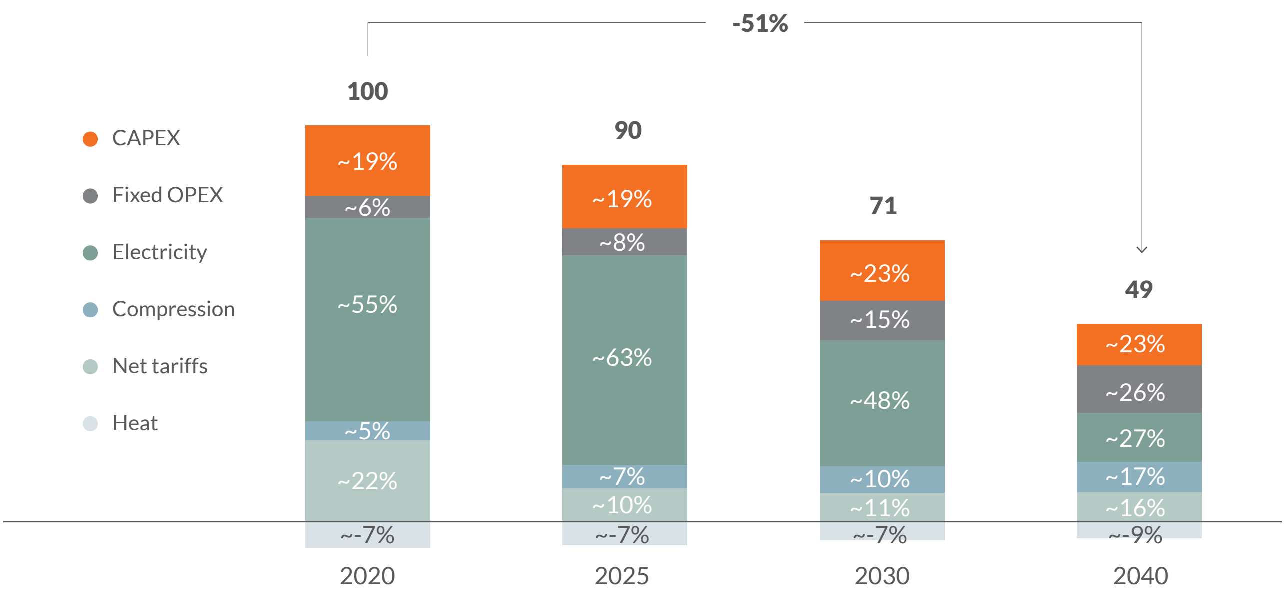
Decreasing cost of renewable energy

As electricity comprises the largest share of LCOH for green hydrogen, the price development of renewable energy is of particular interest in the journey to achieving cost parity with fossil fueled alternatives. Over the past decade, the general cost of solar and wind power is estimated to have decreased by 80%.[83] This means that renewable energy production technologies are now cheaper than their fossil fuel or nuclear alternatives in several areas. In 2020, the global levelized cost of energy for solar, onshore wind and offshore wind were USD 37, USD 40 and USD 87 per MWh, respectively. By comparison gas was estimated at 59 USD per MWh, coal at 112 USD per MWh and nuclear at 163 USD per MWh. It should be noted that these figures represent global unsubsidized price mid points and cover large, regional variations.[84] This downward cost trajectory for renewables is expected to continue and drive further expansion in the availability of renewable energy sources.[85]

82 Hydrogen Europe – Clean Hydrogen Monitor (2020).
83 Hydrogen Council – Path to Hydrogen Competitiveness (2020).
84 Lazard – Lazard Levelized Cost of Energy Analysis, Version 14.0 (2020).
85 Hydrogen Council – Path to Hydrogen Competitiveness (2020).

Decreasing levelized cost of green hydrogen
At an industry-level and in a Danish setting, the levelized cost of green hydrogen is estimated to decline by approximately 51% towards 2040. This price decrease is primarily expected to be driven by lower electricity costs (accounting for 82% of the cost improvement), lower tariffs (accounting for 29%) and lower capital expenditure (15%). Meanwhile other costs, including fixed costs and costs to compression are expected to increase, accounting for a negative contribution to the cost improvement of 25%. Figure 11 shows the estimated indexed development in levelized cost of green hydrogen in Denmark from 2020 to 2040. Percentages indicate how much each constituent part comprises for the year, i.e. for 2025, CAPEX is expected to comprise approximately 19% of total LCOH. This total LCOH is expected to have declined by approximately 10% by 2025 compared to 2020.

Figure 11: Estimated levelized cost of green hydrogen (in Denmark, indexed, 2020=100)[86]



The electricity component of LCOH comprises a product of the amount of electricity consumed and the unit price of such electricity. Of these, electricity consumption is affected by the efficiency of the electrolyser (that is, an increased conversion rate of electricity to hydrogen), while the unit price of electricity is determined by the energy trading market. Hence, the expected decline in the electricity cost component is the result of a combination of increasing electrolyser efficiency, along with decreasing renewable electricity prices. The decreasing average price of electricity is primarily derived from an increased ability to purchase electricity at times when prices are low (that is, avoiding full-load hours where electricity grids can absorb and distribute 100% of the electricity being generated).

Decreasing capital expenditure is primarily expected to be achieved through the widescale commercialization and scale-up of electrolyser production, along with economies of scale effects from civil works, buildings, and systems packaging. Increasing costs to compression and fixed OPEX derive from the assumption that operating with fewer full-load hours (to achieve lower electricity costs) will imply a relatively lower hydrogen output. Fixed OPEX and compression, which are less variable, will then have to be distributed among a lower output, driving up price per kg.

According to the Hydrogen Council, the projected decline in LCOH is currently accelerating relative to previous benchmarks driven by three factors: (i) capital expenditure requirements are dropping due to accelerated cost-out programs and a faster scale-up of electrolyser supply chains; (ii) faster decrease in levelized cost of energy from renewable sources; and (iii) increasing utilization levels on electrolyser installations, primarily driven by a centralization of production, a better mix of renewables and integrated design optimization.[87]

86 EA Energianalyse – Brint og PtX i fremtidens energisystem (2020). Converted to EUR from DKK at a rate of DKK/EUR 7.45.
87 Hydrogen Council – Hydrogen Insights (2021).

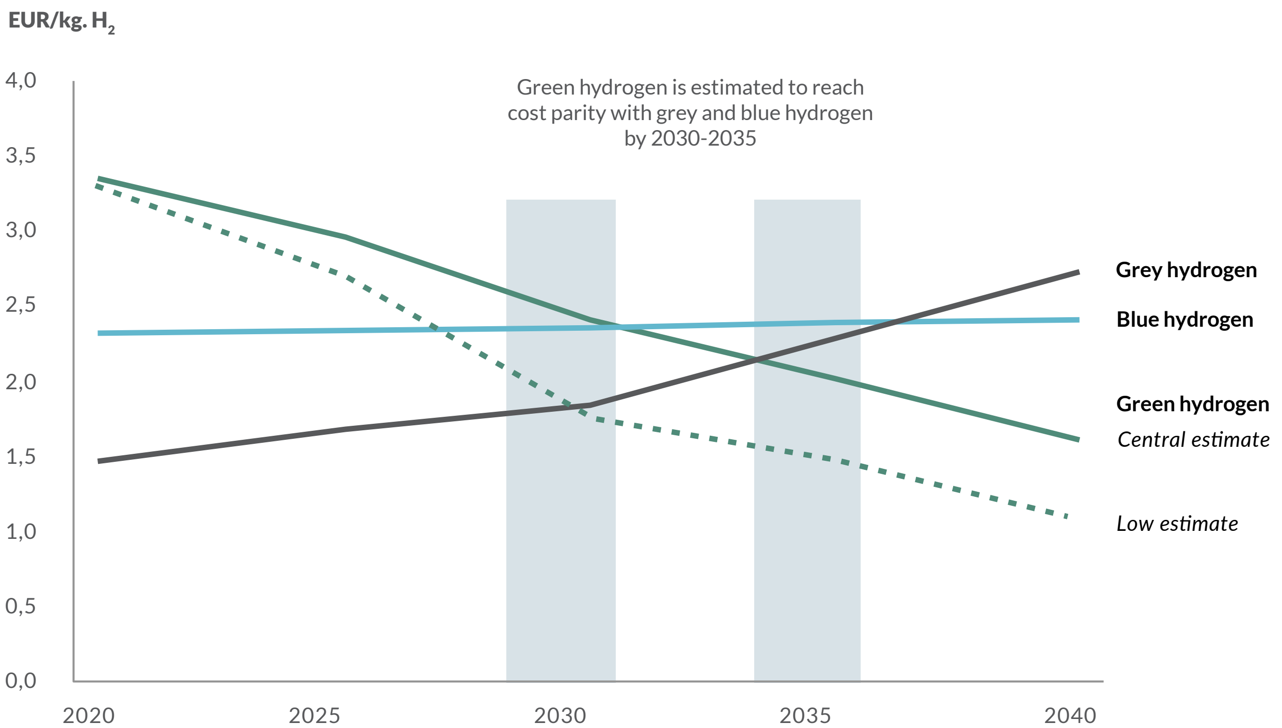
The cost parity pathway for green, grey and blue hydrogen

With the estimated LCOH for green hydrogen expected to decrease considerably, green hydrogen could potentially reach price parity with blue and grey hydrogen between 2030-2035. The exact timing for price parity is contingent on both the exact development in the components of LCOH for green hydrogen, as well as whether grey and blue hydrogen will be allocated CO_2 quotas in the future.

Today, grey hydrogen receives free CO_2 quotas under the EU's Emissions Trading System. The EU is currently reviewing how these quotas should be allocated in the future, which may lead to grey hydrogen no longer receiving free quotas. This would entail that production costs of grey hydrogen would have to include a quota price, which would lead to a substantial price increase. Meanwhile, the price of blue hydrogen is typically calculated as the price for grey hydrogen with a fixed premium for carbon capture (approximately 1 USD/kg hydrogen by 2030).[88] Similar to grey hydrogen, blue hydrogen is likely to experience an additional cost premium from the application of CO_2 quotas, corresponding to the approximately 5-10% CO_2 emissions which cannot be captured with carbon capture.[89]

Figure 12 shows the development in estimated prices for green, grey and blue hydrogen. Green hydrogen has been illustrated with a central estimate, illustrating a balanced estimate for the future price of green hydrogen, as well as a low estimate, which assumes a stronger learning rate in electrolyser production, lower fixed costs and a gradual decline to zero in electricity tariffs towards 2030.

Figure 12: Estimated price development for green, blue and grey hydrogen (for Denmark, EUR/kg H_2)[90]



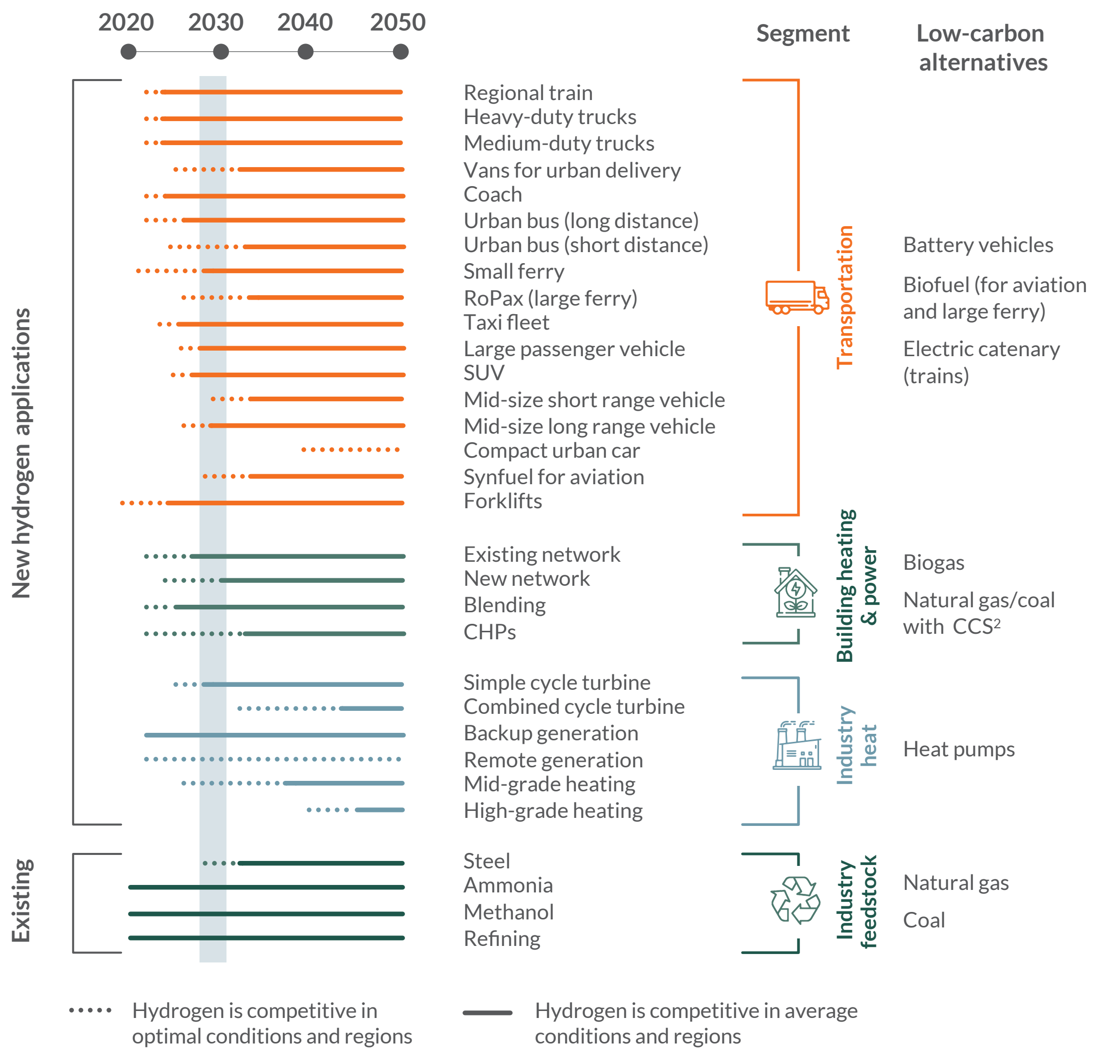
The trajectory for hydrogen cost-parity in end-use applications

Total cost of ownership in end-use applications comprises both LCOH, as well as distribution and end-use equipment costs. In addition to the decreasing levelized cost of green hydrogen, improvements across all parts of the value chain are anticipated as a result of continuous downstream scale-up, higher pipeline network utilization, increased utilization at hydrogen refueling stations and industrialization of fuel cell and hydrogen tank manufacturing. Altogether, this is expected to increase the cost competitiveness of green hydrogen applications over time.[91] Figure 13 shows the point at which low-carbon hydrogen (either green or blue

88 The price premium for CCS is associated with significant uncertainty. A material change in the CCS-premium or alternative production methods may reduce the price of blue hydrogen in the future.
89 Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X.
90 From Dansk Energi – Anbefalinger til en dansk strategi for power-to-X (2020) and EA Energianalyse – Brint og PtX i fremtidens energisystem (2020).
91 Hydrogen Council – Path to Hydrogen Competitiveness (2020).

hydrogen) becomes cost-competitive with the best available low-carbon solution for 31 different use-cases. For industry feedstock applications (excluding steel production), low-carbon hydrogen has already passed the break-even point, since no low-carbon alternative to using blue or green hydrogen exists. It should be noted that this does not imply that low-carbon hydrogen will reach cost competitiveness with conventional fuels at the same time.

Figure 13: Hydrogen trajectories towards cost-parity with other low-carbon options[92]



The break-even point for low-carbon hydrogen applications depends on the region, as each region has unique energy prices, infrastructure readiness and policy frameworks to support scale-up and regulation of hydrogen.

Within a relatively short time horizon (2020 to 2025), low-carbon hydrogen could become competitive in transportation, particularly for larger vehicles with long range uses (including busses, trains, trucks and taxi fleets) and forklifts. In these applications, the primary competing technology (battery electric vehicles) is too costly to be a viable alternative. In addition to transportation, heating for buildings with low-carbon hydrogen can become more prevalent when hydrogen is mixed with natural gas in the existing gas networks. In this initial period, all low-carbon hydrogen applications will likely continue to struggle to compete with fossil fuels and grey hydrogen on pricing.

[92] From Hydrogen Council – Path to Hydrogen Competitiveness (2020)

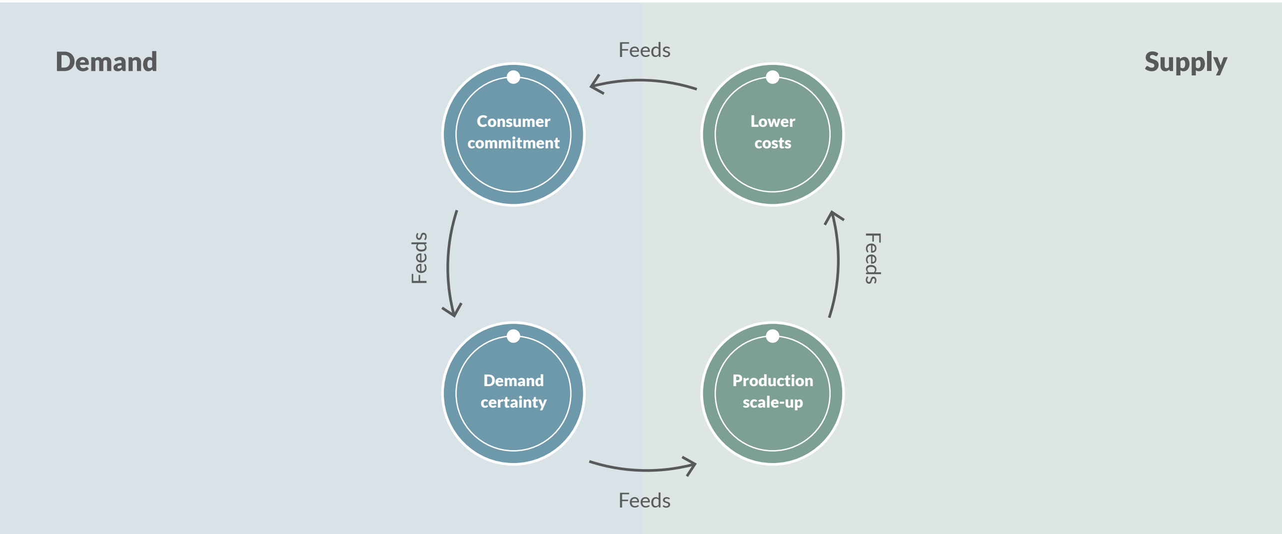
By 2030, low-carbon hydrogen is expected to have reached cost-parity with other low-carbon options in 22 out of the 31 use-cases. These 22 applications are estimated to account for approximately 15% of global energy consumption today with examples including commercial vehicles, trains and long-range transport, which are expected to reach cost-parity due to relatively low end-use equipment and refueling costs. Furthermore, hydrogen boilers are estimated to be competitive against other low-carbon alternatives for building heat, especially for existing buildings served by the natural gas networks. In nine use-cases, low-carbon hydrogen is further expected to be competitive with conventional fuels, including in heavy-duty trucks, coaches with long range requirements and forklifts. In the longer term (towards 2050), most low-carbon hydrogen applications are assessed to become competitive against other low-carbon alternatives.

The size of the markets for green hydrogen and electrolysers and outlook

While governmental, intergovernmental, and industrial interest across the globe in green hydrogen are experiencing significant momentum, the current markets for green hydrogen and electrolysers remain at a nascent stage with limited current sales volumes.[93] The expansion of the market for green hydrogen is considered to contain a structural "chicken or egg" paradox, as the existing market has neither significant production of electrolysers or established downstream demand for green hydrogen or derived synthetic fuels. Hence, in order to grow, the market requires the simultaneous scaling of both the demand and the supply side, both of which are intrinsically dependent on the other.[94]

The paradox arises as, without external support or other incentives, buyers of green hydrogen or e-fuels are not likely to demand such fuels or commit to necessary investments in infrastructure and end-use applications until the price of green hydrogen or derived products reach proximity with its alternatives. However, such price proximity cannot be achieved until production has reached a sufficient level of industrial scale. Meanwhile, the investment into reaching such industrial scale will not take place until suppliers have an adequate degree of consumer commitment and certainty for the downstream demand for their products. This paradox is illustrated in figure 14.

Figure 14: The green hydrogen paradox[95]



Solving this inherent market circularity is deemed to require outside support and investment from both private and public sources.[96] On the demand side, the currently observed expansion in industrial interest and growth in governmental support (in the form of defined national hydrogen roadmaps and expected revision of CO_2 quotas on grey hydrogen and fees and tariffs on fossil fuels) is considered to be creating increasingly tangible consumer commitment and demand certainty. However, additional investments in infrastructure and increased maturity of end-use applications are required to ensure the continued adoption of green hydrogen and e-fuels. Furthermore, as significant future demand is expected to come from price-sensitive industries, sustained consumer commitment continues to require a clear trajectory to price parity.

93 Hydrogen Europe – Green Hydrogen for a European Green Deal – A 2x40 GW Initiative (2020).
94 Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020).
95 Based on Power-to-X paradox as described by Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020).
96 Hydrogen Council – Path to Hydrogen Competitiveness (2020) and van Ressen – Nature Climate Change - The hydrogen solution? (2020).

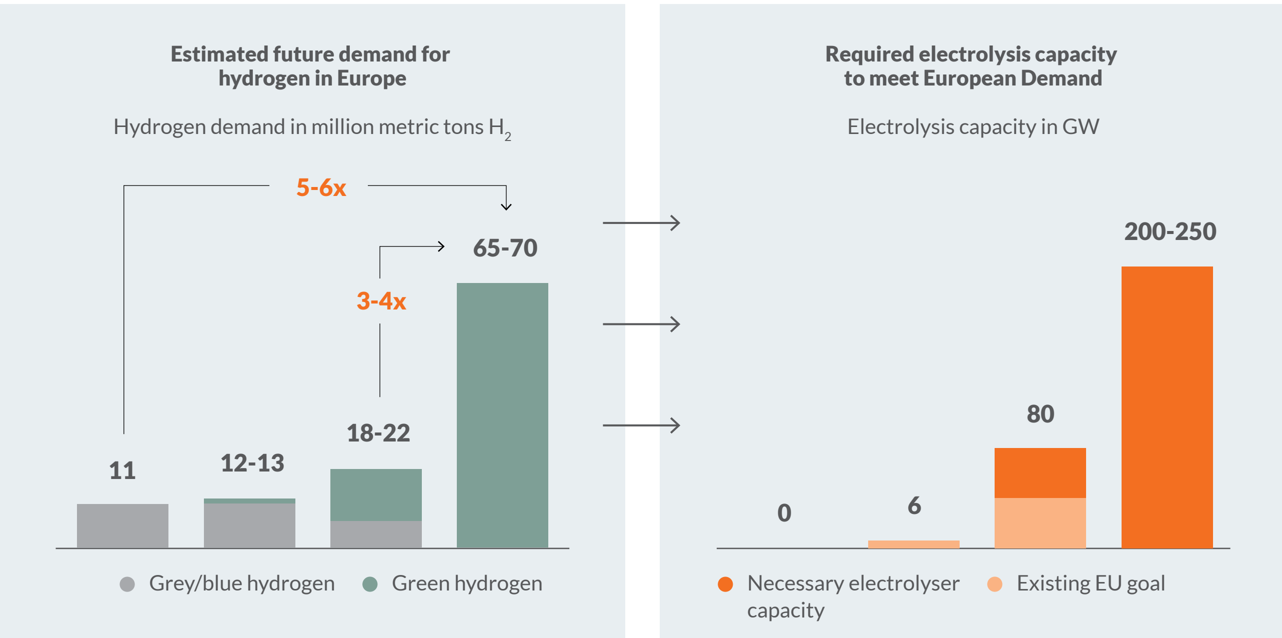
Generally, the pace of transition for the demand side, including the maturity of end-use applications, is anticipated to be more accelerated than the expected timeframe for establishing the required renewable energy and electrolyser capacity.[97] The timeframe for establishing such at-scale renewable energy and electrolyser capacity is estimated at five-to-eight years, with one-to-two years for tender processes, three-to-four years for planning and one-to-two years for development. By comparison, the timeframe for the technical transition to green hydrogen or e-fuels for heavy road transport is estimated at four-to-six years. Hence, investments in electrolyser capacity and the capacity to produce such electrolysers, need to be taken in anticipation of not simply the current demand, but expectation of a continued increase in demand several years into the future. For that reason, suppliers of electrolysers, including the Company, are currently in the process of significantly expanding their production capacity.

Current and estimated demand for green hydrogen and required production capacity
While the Company considers its target market to be global in nature, the European market represents both an important driver in the global development of green hydrogen and is generally well-documented. Therefore, the EU comprises the focal point of the following section on estimated demand. However, it should be noted that the Company considers its potential market to be larger and further believes that the general trend in demand expected in Europe is likely to be observed on other focus markets as well.

Current demand for hydrogen in the EU is estimated at approximately 11 million metric tons, primarily for use as feedstock in industrial processes, such as ammonia production and oil refining.[98] However, emerging hydrogen consumption in multiple sectors as part of the ongoing green transition efforts is expected to drive significant growth in total hydrogen demand and in particular demand for green hydrogen.[99]

Specific estimates for future hydrogen demand vary between sources; however, a general consensus has emerged of a significant expected increase in market demand towards 2050.[100] Figure 15 depicts one such estimate for the forecasted growth in demand for grey and green hydrogen in the EU and the estimated electrolyser capacity necessary to meet this green hydrogen demand. The total demand for hydrogen on an EU-level is estimated to increase five-to-six-fold towards 2050, with a growing share of demand being for green hydrogen. By 2030, total demand in the EU is estimated to reach 18-22 million metric tons of hydrogen per year, with the majority expected to be for green hydrogen. Towards 2050, demand is estimated to increase nearly fourfold compared to 2030, reaching 65-70 million metric tons, comprised entirely of green hydrogen.

Figure 15: Estimated demand for green hydrogen and necessary electrolyser capacity in the EU[101]



97 Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020).
98 Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020).
99 McKinsey – Net-Zero Europe (2020).
100 In addition to Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020), such sources include Bloomberg BNEF – Hydrogen Economy Outlook (2020), Goldman Sachs – Green Hydrogen – the Next transformational driver of the Utilities industry (2020) and McKinsey – Net-Zero Europe (2020) among others.
101 Based on Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020).

Realizing the growing demand for green hydrogen will require a nearly exponential expansion in electrolyser capacity towards 2050. From their modest capacity today at approximately 60 MW[102], the EU has an ambition of producing ten million metric tons of green hydrogen (corresponding to 40 GW electrolyser capacity) by 2030, and additionally import ten million metric tons of green hydrogen. In total, it would require an estimated electrolyser capacity of 80 GW by 2030 to cover the expected demand in the EU at that point. To further cover the estimated demand in the EU by 2050, capacity would be required to expand further to reach 200-250 GW.[103]

Growth in electrolyser production capacity
To supply the growing demand for green hydrogen, the Company and other electrolyser producers are in the process of scaling their production capacity. For example, as of April 2021, Norwegian producer Nel has announced its plan to expand existing annual capacity of 80 MW[104] to 500 MW over the course of 2021 and estimates that the facilities have the potential to be expanded further to reach a total capacity of 2,000 MW per year in the future. Likewise, McPhy announced in May 2021 that it was contemplating the construction of a new factory, aiming for a final investment decision by the end of 2021. The new factory is targeted to start production in the first half of 2024 with gradual ramp-up to a capacity of 1 GW per year. Together with McPhy's existing factory, which is targeting 300 MW in production capacity per year by 2023, McPhy could benefit from a combined capacity 1.3 GW per year.[105]

ITM Power recently inaugurated its new production facilities with an initial capacity of 300 MW p.a. and the potential to reach a total capacity of 1,000 MW by 2024.[106] ITM Power has further announced that a recent capital raise could be used to construct a new factory with up to 2 GW in capacity.[107] Green Hydrogen Systems is equally seeking to expand its production capacity to reach an estimated 25 MW by the end of 2021 which can accommodate a maximum capacity of 75 MW per annum (with operation in three shifts). The Company's further acreage availability allows for possible expansions to more than 1,000 MW per year. For additional details on the Company's plans for expansion of production capacity, please refer to "*Business – The Company's competitive strengths - Ongoing scale-up of existing production capacity to meet surging demand*".

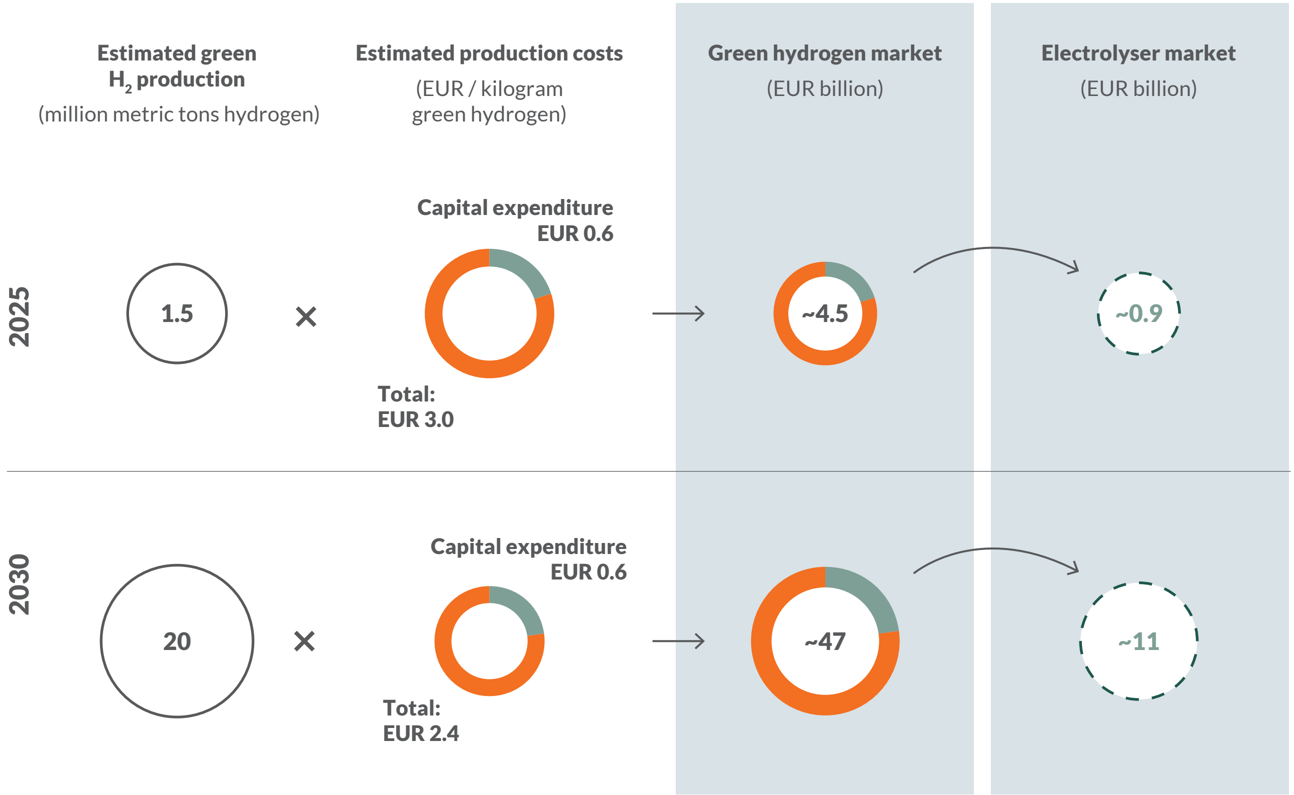
Despite the expected industry-wide expansion of electrolyser production capacity, it is the Company's belief that demand is likely to grow at a faster rate than supply. Hence, the Company considers it to be likely that a future shortfall in the supply of electrolysers relative to demand will be observed.

Estimate for EU market size outlook
The market size for the Company's products is underdeveloped and difficult to estimate. However, a rough estimate of the potential EU market for green hydrogen may be derived from the estimated demand for green hydrogen in million metric tons, multiplied by the expected levelized cost per kilogram of green hydrogen. The EU market for electrolysers would then comprise a subset of this overall market for green hydrogen, corresponding approximately to the capital expenditure-component of the levelized cost of green hydrogen.[108]

For 2025 such an estimation would be based on an anticipated demand in the EU of approximately 1.5 million metric tons of green hydrogen multiplied by an estimated production cost per kilogram of green hydrogen of EUR 3.0.[109] Of this production cost per kilogram of green hydrogen, EUR 0.6 (or 19.5%) is expected to be comprised of capital expenditure to the electrolyser.[110] Altogether, this yields an EU market for green hydrogen of approximately EUR 4.5 billion by 2025, of which the market for electrolysers would account for approximately EUR 0.9 billion. An equal calculation for 2030, based on a hydrogen production of 20 million metric tons green hydrogen, a production cost per kilogram hydrogen of EUR 2.4 and a capital expenditure-component of EUR 0.6 (or 23.3%) yields a green hydrogen market in the EU of EUR 47 billion, of which electrolysers would account for approximately EUR 11 billion. It should be noted that the input price for the product cost per kilogram hydrogen does not include a margin for the electrolyser producer and hence, in the Company's view, represents a conservative estimate for the future value of the European market.

102 Goldman Sachs – Green Hydrogen – the next transformational driver of the Utilities industry (2020).
103 Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020).
104 Combined capacity of Nel's Norwegian and US production facilities.
105 McPhy – McPhy preselects Belfort for the installation of its electrolyser Gigafactory (May, 2021).
106 Based on the company press releases "Manufacturing Commences at the ITM Power Gigafactory" (Jan, 2021) and "Trading update" (June, 2020).
107 Recharge News – Green hydrogen: ITM Power's new Gigafactory will cut costs of electrolysers by almost 40%.
108 The capital expenditure-component further contains minor costs to buildings, civil work and systems packaging; however, according to EA Energianalyse, these costs are expected to be marginal relative to the costs to the electrolysers. Margins to the electrolyser producer is not explicitly included.
109 Based on Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020). 40 GW electrolyser capacity is estimated to produce 10 million tonnes H_2. Hence, electrolyser capacity of 6 GW would produce 1.5 million tonnes H_2.
110 Both total hydrogen production cost and capital expenditure-component is based on estimate from EA Energianalyse – Brint og PtX i fremtidens energisystem (2020). Figures have been converted to EUR from DKK at a rate of DKK/EUR 7.45.

Figure 16: Illustration of approach to sizing the EU market for electrolysers[111]



Competitive dynamics and landscape

The competitive landscape for electrolysers is characterized as being relatively immature and in swift development. Currently, the Company's competitors, comprised primarily of companies based in the EU and the UK, are in the process of scaling their electrolyser production capabilities in order to meet expected surges in demand for electrolysers and electrolysis systems. While this, along with the potential entry of new competitors, would imply increasing competitive pressure in the market, the Company does not necessarily see this as a constraining factor for the Company's development. Rather, the Company believes increased competitor activity, which contributes to the total production capacity in the industry, is likely to increase the downstream confidence in the hydrogen industry as a whole and drive additional demand certainty.

Competitor types

Existing electrolyser manufacturers vary widely in terms of both company size and operational focus; some are or form part of larger and more diversified corporations, of which electrolysis production is a smaller part of a larger offering. Meanwhile, other companies, including Green Hydrogen Systems, focus solely on the green hydrogen sector (so-called "pure-play green hydrogen players") and are typically significantly smaller on a total revenue basis. The Company generally finds that they encounter other pure-play green hydrogen players more often in tender processes, while competition from larger industrial conglomerates is more sporadic. The Company believes that a driver for this market structure is a tendency for the larger corporations and industrial conglomerates to bid on projects that are more intrinsically tied to their existing value chains. Despite this general tendency, Green Hydrogen Systems expects to encounter larger and more diversified competitors to a larger degree going forward as the Company, as well as other pure-play hydrogen players, increasingly focus on larger projects. In particular, Germany-based Siemens, Belgium-based John Cockerill, US-based Plug Power (who acquired US Giner ELX in June 2020[112]) and US-based Cummins (who acquired 81% of the Canadian electrolyser manufacturer Hydrogenics in October 2019[113]) have increased their activity on the Company's focus markets within the same project types as those pursued by the Company.

[111] Based on figures from Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020) and EA Energianalyse – Brint og PtX i fremtidens energisystem (2020).
[112] Plug Power – Plug Power Inc. Completes Acquisitions of United Hydrogen and Giner ELX, continuing to execute on its five-year plan (2020).
[113] Cummins – Cummins closes on its acquisition of Hydrogenics (2019). Remaining 19% is held by French Air Liquide.

A few of the Company's competitors have based their product offering on imported technology from third parties primarily based in China. These include Norwegian Hydrogen Pro (who imports pressurized alkaline electrolysers from China-based Tianjin Hydrogen Equipment Factory[114]) and Belgian John Cockerill (who has established a joint venture with China-based Suzhou Jingli Hydrogen Production Equipment[115] for the global sale of pressurized alkaline electrolysers). It is the Company's impression that these companies are in the process of expanding their activities on the Company's focus markets.

While the Company is focused solely on producing, installing and servicing electrolysers, some pure-play green hydrogen players have further diversified their product offering to include downstream applications. These include Nel, ITM Power and McPhy, all of which have included hydrogen refueling stations to their product offering. In the Company's view, it is not clear whether the inclusion of downstream applications is a competitive advantage for these companies.

Competitor technology choices

Current competitors vary in their choice of technology across the three most mature electrolyser technologies: Atmospheric alkaline, pressurized alkaline and PEM. While the Company itself is focused solely on pressurized alkaline, competition with the other technologies is frequent as all three can often be utilized in the same downstream application areas. On a European level, 68.5% of projects announced for delivery towards 2040 plan to use PEM, 27.1% plan to use alkaline electrolysis and 4.4% plan to use SOEC. However, of these announced projects, PEM is frequently planned for use in smaller projects. Hence, the PEM technology's share of planned capacity is only 21.4%, while 76.0% of the capacity is planned to be provided by alkaline and 2.5% by SOEC.[116] As each technology has its advantages and disadvantages in different applications and demand is expected to significantly outweigh supply, the Company does not view it as likely that one technology will outcompete the others.

Some competitors have elected to focus on several technologies. As an example, Nel has historically produced both atmospheric alkaline and PEM electrolysers and is in the process of developing a pressurized alkaline solution. Similarly, McPhy is primarily focused on pressurized alkaline, but has a smaller PEM-offering. Among the larger and more diversified competitors, there is a tendency to focus solely on one technology, with the exception of Cummins, who has both a pressurized alkaline and PEM offering. The Company has previously offered a PEM solution; however, as the Company considers pressurized alkaline to hold stronger competitive advantages, the PEM offering has been phased out.

There are a number of companies within each technology and competitor type that Green Hydrogen Systems competes with more frequently. Such companies have been highlighted in figure 17 as "key competitors". It should be noted that the competitive landscape primarily represents the competitive situation on the European market and may change quickly and vary over time and between geographies. Hence, the categorization in figure 17 is for illustrative purposes only and associated with uncertainties.

114 Hydrogen Pro – Admission Document (2020).
115 John Cockerill – Cockerill Jingli Hydrogen, world leader in hydrogen, inaugurates its new production center at Suzhou (China) (2019).
116 Hydrogen Europe – Clean Hydrogen Monitor (2020).

Figure 17: Illustration of the competitive landscape by organizational type and technology[117]

	Company	Pressurised alkaline	Atmospheric alkaline	PEM	
Pure-play green hydrogen	Green Hydrogen Systems	✓		✓ Phased out	
Pure-play green hydrogen	Nel	✓ In development	✓	✓	Key competitors
Pure-play green hydrogen	ITM Power			✓	Key competitors
Pure-play green hydrogen	McPhy	✓		✓ Not a focus area	Key competitors
Pure-play green hydrogen	Hydrogen Pro Based on imported technology	✓			
Diversified competitors	Siemens			✓	Key competitors
Diversified competitors	Cummins	✓		✓	Key competitors
Diversified competitors	Plug Power			✓	Key competitors
Diversified competitors	John Cockerill Based on imported technology	✓			
Diversified competitors	Asahi Kasei		✓		
Diversified competitors	Thyssenkrupp		✓		
Diversified competitors	H-Tec			✓	
Diversified competitors	Areva H_2Gen			✓	

Competitive pressure beyond current landscape

In terms of new entrants into the market, the Company believes the industry has several barriers to entry. These include:

- The costly and time-consuming development of technology along with long go-to-market timeframes from development to commercialization. Several companies in the electrolyser market are well-established companies with long operating histories of which several years have been dedicated to technology development and commercialization.

[117] As at December 2020. Based on companies' websites.

- The highly specialized knowledge of production processes and output efficiency optimization, which is built through years of trial-and-error development and therefore difficult to replicate.
- Individual parts of electrolysers, such as electrodes and diaphragms, have solid potential for being patented and several existing players, including the Company, pursue an active patent strategy. The Company believes that the existence of such patents can limit the ability of new entrants to enter the market.

However, given the significant estimated demand growth in the market, the Company deems it likely that new entrants beyond the current landscape will seek to enter the market. At present, the Company considers the most likely sources of such increased competitive pressure to be:

1. new electrolyser technologies as elaborated in the section "*Industry – Hydrogen production methods – Green hydrogen*",
2. entrants from other geographies, and
3. other low-carbon technologies

Entrants from other geographies
While the Company's current target market primarily is served by European producers, the Company considers it likely that producers from other geographies would consider increasing their activity on the Company's target markets. Of announced hydrogen projects in the IEA project database,[118] the global capacity towards 2030 is approximately 38 GW. Of this, Europe accounts for approximately 51% of which approximately 21% percentage points are in the Company's European focus markets. Meanwhile, the Company's focus markets in OECD Asia account for approximately 32%, with the majority from Australia. China comprises 14% of announced projects towards 2030 and the USA of 1%. The remaining 2% is comprised of other countries and regions.

Outside the Company's focus markets, China particularly is considered a likely future challenger within green technology and hydrogen development. This is especially due to the size of the Chinese home market, along with an active domestic hydrogen strategy with the aim of having 10% of total energy be derived from hydrogen by 2050,[119] which may drive significant access to capital for Chinese electrolyser producers. Prominent Chinese electrolyser producers include, among others, Purification Equipment Research Institute of CSIC (PERIC), Tianjin Mainland Hydrogen, Suzhou Jingli Hydrogen (which forms part of a joint venture with Belgium-based John Cockerill[120]) and Beijing CEI Technology.[121] While the Company is experiencing increased activity from European producers importing Chinese technology, the Company has experienced limited to no direct competition from Chinese producers. In the Company's view, the lack of direct Chinese presence on the European market is a reflection of a general disinclination towards Chinese technology, a tendency for the Chinese solutions to be less advanced and reliable and that spare parts can be more difficult to procure.

The US market has seen an increasing focus on downstream hydrogen applications, in particular within fuel cells for long-haul transport; however, federal support for green hydrogen in industrial applications has previously been limited.[122] As part of the new emissions reduction target announced by the US President Joe Biden, an increased focus on addressing the carbon pollution from industrial processes through carbon capture as well as additional support for green hydrogen is being explored[123]. However, it is the Company's impression that the American market will, to a greater extent than Europe, focus on blue hydrogen, which is more compatible with the existing fossil fuel industry in the US. For this reason, the Company expects to see a relatively slower development in the number of established electrolyser producers in the US compared to Europe. Currently, the Company's primary competitive pressure from the US consists of Plug Power and Cummins, who are well-established on the Company's focus markets.

118 Calculated from IEA – Hydrogen Project Database as at the latest available update (June 2020) and including Beijing Jingneng Inner Mongolia project (5 GW) from Recharge News – Growing ambition: The world's 20 largest green-hydrogen projects (April, 2021).
119 S&P Market Intelligence – US risks green tech leadership as Europe make play with COVID-19 stimulus (2020).
120 John Cockerill – Cockerill Jingli Hydrogen, world leader in hydrogen, inaugurates its new production center at Suzhou (China) 2019.
121 IRENA – A Renewable Energy Perspective (2019).
122 S&P Market Intelligence – US risks green tech leadership as Europe make play with COVID-19 stimulus (2020).
123 The White House – Briefing Room – Fact Sheet: President Biden Sets 2030 Greenhouse Gas Pollution Reduction Target Aimed at Creating Good-Paying Union Jobs and Securing U.S. Leadership on Clean Energy Technologies (April 22, 2021)

Other low-carbon technologies

In terms of potential low-carbon substitutes for green hydrogen, the Company views blue hydrogen as the most likely competing technology. Although it is an emerging technology and the market impact is thus difficult to estimate, blue hydrogen shares nearly all advantages of green hydrogen. The primary exception is the CO_2 footprint as current carbon capture technologies cannot capture more than approximately 90-95% of the CO_2 emitted from natural gas reforming. This leaves a CO_2 footprint of approximately 1 kg CO_2 emissions per kg hydrogen produced, compared to nearly zero for green hydrogen.[124] Hence, over the longer term, green hydrogen is expected to be cheaper than blue hydrogen, as the imposition of CO_2 quotas would imply that even with limited emissions, the total cost to blue hydrogen would be driven upwards. However, it remains unclear which production method will be the most cost-effective from 2021 to 2030 and hence what the short-term influence of blue hydrogen will be.[125]

[124] Dansk Energi – Anbefalinger til en dansk strategi for Power-to-X (2020).
[125] McKinsey – Net-Zero Europe (2020).

Business

Investors should read this section in conjunction with the more detailed information contained in this document, including the financial and other information appearing in "Risk Factors" and "Operating and Financial Review".

The following commentary contains forward-looking statements. The Company's actual results could materially differ from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Prospectus, particularly under "Special Notice Regarding Forward-looking Statements" and "Risk Factors".

Overview

Green Hydrogen Systems is an electrolyser Original Equipment Manufacturer and clean technology company established in 2007 and headquartered in Nordager, Kolding, Denmark. The Company develops and manufactures electrolysis solutions and related services for the production of green hydrogen. The production of green hydrogen and its wide range of possible applications has the potential to be an important enabler of the ongoing decarbonization of global societies, and, as a result, the demand for green hydrogen is surging, requiring a significant scale-up of electrolysis capacity.

The Company combines efficient, standardized, and modular electrolysis technology with an industrial approach to sourcing and manufacturing where assembly production lines can be established for swift product deployment. The Company's ambition is to bring affordable green hydrogen technology to a range of applications, including Power-to-X installations, transportation, and industrial facilities. The A-Series is currently the Company's core product platform, where units can operate stand-alone or as clustered solutions based on several modules to enable larger capacities of green hydrogen production. Based on the A-Series platform, the Company is currently further developing a new electrolyser platform, the X-Series, which will strengthen Green Hydrogen Systems' ability to participate in even larger projects, potentially in the GW scale.

Due to the relatively small physical product footprint and the possibility of containerized solutions (where all auxiliary systems are provided together with the electrolyser in a container), the Company's electrolysers can easily be transported to a wide range of customers and feature a plug-and-play installation process at the customers' sites. Furthermore, the modular technology provides the customers with a high degree of demand flexibility, as capacity can be expanded by incrementally increasing the number of units.

With multiple installations already operating in Northern Europe, Green Hydrogen Systems is scaling its operations to accommodate growth. The scaling of operations is supported by recent investments from APMHI, Nordic Alpha Partners, and Norlys Holding, targeting expansion of existing production capacity and establishment of a robust organizational backbone. The Company is experiencing commercial momentum and has delivered electrolysis solutions for different application areas, geographies and project sizes. The Company has further 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.

With its current production facility, the Company expects to be able to deliver a manufacturing capacity of around 25 MW per year as of the end of 2021 with a potential maximum capacity of approximately 75 MW per year based on operation with three manufacturing shifts. The maximum capacity is expected to reach 150 MW in the coming years once development of new, higher-capacity product versions is finalized and production processes and efficiencies have been phased in. Furthermore, the Company plans to expand its production facility in tandem with demand. While no decision has been made as at the time of this Prospectus, the Company believes that the current site allows for an expansion of the production facility sufficient to facilitate a capacity of potentially more than 1,000 MW per year. The Company's scale-up and growth efforts are backed by a strong and growing organization and a management team with experience from listed companies in the energy sector and with scaling businesses. Safety and health of the Company's employees and other stakeholders is the uncompromising priority number one, together with a dedicated focus on environmental standards and quality assurance ("**SHEQ**").

The Company's revenue was DKK 12.2 million in 2020, and it does not currently generate profits. Investments in R&D and sales and marketing as well as scaling of its production capacity and organization are ongoing and continue to be a focus area for the Company. As at 1 May 2021, the Company's organization counted 90 employees.

The Company's competitive strengths

Green Hydrogen Systems believes that the following strengths will support its future prospects to capture a significant part of the green hydrogen market with a vision to pioneer the field of green hydrogen electrolysis to drive a sustainable global energy transition. The key strengths and competitive advantages are outlined below:

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

Following the initiation of its commercialization efforts in 2017, the Company has seen clear positive momentum and, as at 6 May 2021, the Company has received total orders of 22 electrolysers, of which five have been delivered. The remaining orders are included in the order backlog of approximately 7 MW as at 6 May 2021, corresponding to a contract value of approximately DKK 57 million. The Company's established customer and partner base includes several well-reputed multinational companies, including, but not limited to, Ørsted, Siemens Gamesa, Alliander and Lhyfe. Furthermore, the Company has been appointed as 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 electrolyser deliveries of up to another 12 MW of electrolysis capacity as well as supplementary service and maintenance contracts. 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 the established backlog, the Company has a continuously growing and diverse pipeline of potential customers and projects within different application segments and geographies, along with a clear strategy for conversion of the pipeline to order backlog projects.

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. The applicant consortium has been selected for Horizon 2020 funding and is in the grant preparation phase. In brief, the purpose of the GreenHyScale project, which is a parallel project to Green Lab Skive, is to pave the way for large-scale deployment of electrolysis both onshore and offshore. As a first step, a 6 MW electrolyser system will be demonstrated which subject to satisfactory performance will be expected to be expanded to a total of 100 MW capacity electrolysis plant. The initial 6 MW electrolyser system will be delivered by the Company. The Company will also develop and deliver a 7.5 MW electrolysis system for offshore deployment. The electrolysis plant will be located on or adjacent to the GreenLab Skive facility. A potential grant agreement may provide an approximate 50% EU funding rate for the Company's activities in the GreenHyScale project. If the full 100 MW electrolysis capacity is to be delivered to the GreenHyScale project, the Company will be the sole supplier of the necessary electrolysers. The purchasing consortium partner is also eligible for certain EU grants for their activities in the GreenHyScale project.

The Company's go-to-market strategy and prioritization are firmly anchored in the Company's assessment of the market development for green hydrogen. As such, the Company currently focuses its sales efforts on the EU (specifically the Nordic region, Benelux, France, Germany and Iberia) along with high potential markets in the OECD Asia region, including Australia, South Korea and Japan. The Company also pursues sales outside these geographies albeit on a more opportunistic level. Furthermore, in response to growing market demand for larger, centralized electrolysis projects, the Company is increasingly focusing and developing its offering to address such 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, as of the time of this Prospectus, 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 m^2 site in Nordager, Kolding, Denmark was inaugurated. The annualized production capacity of the Nordager facility is estimated to reach approximately 25 MW as at year end 2021 with a potential maximum capacity of approximately 75 MW. Reaching maximum capacity would require the introduction of three production shifts relative to the current operations with one shift. The expected introduction of A-Series versions with higher current densities (A120 and A150 electrolysers) is expected to entail a higher electrolysis capacity per production shift, amplified by expected learning curve effects once industrial production is enabled and continuous improvements implemented. Altogether, such optimized production processes and efficiency improvements may potentially drive further capacity increases towards a maximum capacity of up to 150 MW per annum. The Company expects that facilities will be expanded before operations at maximum capacities are required and where feasible, the Company intends to plan its assembling for two shifts only and keeping three shifts open only if required by special circumstances.

In addition to the capacity of the existing factory, the Company expects to have the possibility of expanding the facility at the current location in several expansion phases up to a total area of 30,000 m^2. The expansion plans entail some degree of uncertainty as they will require significant investments, agreements with the developer as well as approvals from the municipality. Based on an extrapolation of the current maximum production capacity, the continuous optimization of production processes and the introduction of the X-Series, the Company believes that a facility of such scale may potentially be able to support a production capacity of more than 1,000 MW per year. It is further the purpose of the Nordager site to act as a factory blueprint for the potential establishment of additional factories in the future. The Company will consider such new production facilities, including their size and location, once the required investment is commercially substantiated by the order backlog and pipeline.

Competitive edge through favorable technological fundamentals and versatile system design
Green Hydrogen Systems has based its technology on pressurized alkaline electrolysis, which the Company believes is well-positioned to be a competitive technology in the future electrolyser market. The Company's technology has several competitive propositions including flexibility, reliability and efficiency. The flexibility stemming from the capability to switch dynamically between load rates allows the technology to be highly compatible with renewable and variable energy sources required when producing green hydrogen. The testing and ongoing operations at customer sites have demonstrated a high level of reliability in terms of uptime and durability, and reliability remains a continuous focus for the Company. Finally, the Company's cell stack ("**stack**") and electrolysis system have a high efficiency level based on HHV and power consumption, which reduces the amount of electricity required. Altogether, performance on such key parameters supports the competitiveness of Green Hydrogen Systems' product offering.

Furthermore, the Company's system design and technological features allow for modular and versatile solutions that are well-suited for serial production. The Company's standardized and pre-tested electrolyser modules can be added like building blocks in clustered solutions to achieve multi-MW capacity and incremental scaling of projects. The Company's electrolysis systems fit a versatile range of projects and applications due to a small physical footprint of the individual modules, along with high purity and a low dew point of the produced green hydrogen, which meet all requirements in end-use applications, including fuel cells. Given product standardization and an industrial approach to manufacturing, the products further are suited for serial production which enhances production scalability, efficiency, predictability as well as quality assurance and work safety procedures.

Clear cost-out plan in place to drive down levelized cost of hydrogen
Green Hydrogen Systems estimates that its LCOH starting point is competitive across technology regimes and competitors, and that it can significantly influence key factors of LCOH to enable further cost-out potential. The LCOH split of a containerized version of the Company's latest product, the A90 Mk1 introduced in 2021, is approximately 25% capital expenditures, 10% other operating expenses and 65% electricity costs (based on an electricity price of EUR 40/MWh). The initiatives in place to reduce LCOH include output scale-up initiatives and incremental cost optimization initiatives. Output scale-up initiatives are an integral part of the Company's R&D roadmap and include the development of new versions of the A-Series with higher capacities than the current versions and the development of the X-Series, a large-scale product platform entailing an anticipated step-change in capex reduction, lowered maintenance costs and increased efficiency. Within each product version and platform, Green Hydrogen Systems performs incremental cost optimization initiatives encompassing the Company's cost-out program, its efforts to enhance the potential for serial production, and its research into increasing the system energy efficiency of its electrolysers.

The Company has a clear cost-out plan in place. For the A90 Mk1, it estimates a LCOH Capex reduction of approximately 30-40% targeted towards 2024 compared to the capital expenditure level of the A90 Mk1 in 2021 (all other factors being equal). Similarly for the X-Series, a potential LCOH Capex reduction of approximately 60-70% is targeted by 2025 compared to the A90 Mk1 in 2021 (all other factors being equal). The cost-out program includes initiatives to reduce costs for product inputs, improve procurement terms and optimize sub-system designs to ease manufacturing at scale, enhance durability and facilitate the use of cheaper components. Furthermore, the Company works on optimizing its technology, design and assembly processes to increase the suitability for serial production. Product standardization, serial production and learning curve effects are expected to enable further efficiency and cost competitiveness following a scale-up of production. Lastly, the Company is focused on R&D efforts to achieve higher system energy efficiency through reducing cell resistance in the stack and designing the system for higher operating temperatures. While the Company cannot control the price of renewable energy, it has the ability to influence the amount of electricity required for hydrogen production.

Organizational backbone and infrastructure in place to capture accelerated growth
Since its foundation, Green Hydrogen Systems has remained focused on developing its electrolysis technology and product platforms. Following the launch of the A-Series platform, additional management resources have been added to the organization in order to obtain the necessary competencies for a commercial roll-out.

The organization has been strengthened with a growth-oriented CEO, Sebastian Koks Andreassen, who has a background with energy sector companies as well as experience with scaling businesses through both organic and inorganic growth. The Company has also hired Kenneth Bergstrøm-Andersen who is an experienced CFO with full value chain operations experience and international industrial expertise. Moreover, Green Hydrogen Systems has hired Søren Rydbirk as CCO and Troels Hornsved as COO to support and lead a growing sales force and production capacity expansion. CTO and co-founder, Jørgen K. Jensen, has been with the Company since its foundation and has a deep understanding of the Company's technology, competitive advantages, product offering and journey.

Green Hydrogen Systems is a technology and customer-focused organization with the majority of its employees engaged in highly technical functions (approximately 50% of total employees as at 1 May 2021). The Company's location in Nordager, Kolding, Denmark is located in proximity to the Danish wind and energy cluster, which provides ample opportunities to hire relevant talent and establish industrial partnerships.

Besides building additional management resources, a key focus area has been to strengthen the Board of Directors with complementary competencies. Today, the Board of Directors include Thyge Boserup (Chairman), Troels Øberg (Vice Chairman), Karen-Marie Katholm, Lars Valsøe Bertelsen, Thomas Thune Andersen, Christian Clausen, Jakob Fuhr Hansen and Simon Krogsgaard Ibsen. The Board of Directors have large energy sector experience, including from Ørsted, and represent a broad set of competencies.

The Company's strategy

Strategic focus areas and initiatives

Green Hydrogen Systems' ambition is to advance and deploy its modular, standardized, and versatile best-in-class electrolyser technology to drive and develop the green hydrogen market and meet the growing demand from customers and other stakeholders. To deliver on this ambition, Green Hydrogen Systems will seek to establish the necessary platform to accelerate global growth, maintain the competitiveness of its offering and scale the business across the value chain. To support these efforts, the Company has identified a range of specific, strategic focus areas.

Figure 18 illustrates the Company's strategy and primary focus areas which are further elaborated on below.

Figure 18: Green Hydrogen Systems' strategic focus

	A	B	C
1 **Accelerate global growth**	Launch local sales resources in focus markets	Adapt proactive sales efforts to address market demand for larger projects	Promote and increase awareness of GHS and the green hydrogen industry
2 **Maintain offering competitiveness**	Realize LCOH reduction through initiatives across key cost factors	Continue high-priority R&D efforts to maintain competitive edge	Focus on and strength-en the service and maintenance offering
3 **Scale-up across the value chain**	Further scaling of production facilities over multiple phases	Continuous evaluation of potential partner-ships through-out the value chain	Scale organization, support functions and procedures

1: Accelerate global growth

1.A: Launch local sales resources in focus markets

A number of countries have been selected as short-term priorities for the Company to address. Such focus markets include the Nordic region, Benelux, Germany, France and Iberia, along with Australia, South Korea and Japan. In focus markets, prioritized customer targets will be approached proactively and directly by the Company's own sales teams, based on local, dedicated sales resources. The Company is currently in the process of establishing its local sales platform and as at the time of this Prospectus dedicated sales resources are in place in Denmark, while sales managers in Benelux and Germany are in the process of being hired. While the Company will focus its proactive sales efforts on these focus markets, a more opportunistic sales approach will be taken in other markets.

For further detail on the Company's sales approach and go-to-market strategy please refer to the sections *"Business – Sales and customers"*.

1.B: Adapt proactive sales efforts to address market demand for larger projects
The Company's technology and system design allows for a highly versatile and application-agnostic electrolysis offering. As such, the Company does not expect to apply a narrow go-to-market strategy in terms of applications. However, in terms of project sizes, the Company is generally observing an industry trend towards larger electrolyser projects exceeding 10 MW in scale. As the Company's products are modular and scalable, the Company considers itself to be well-positioned to deliver to such larger projects. A position, which will be further strengthened by the launch of the X-Series. To leverage its product offering, the Company expects to increasingly shift its proactive sales efforts towards larger projects, while smaller projects will be considered on a more opportunistic basis.

For further detail on the Company's efforts to address larger projects, please see the section *"Business – Sales and customers – Go-to-market strategy ".*

1.C: Promote and increase awareness of Green Hydrogen Systems and the green hydrogen industry
To support its ongoing sales and marketing efforts, the Company considers it important to drive further promotion and increasing awareness of both the potential role of green hydrogen in the energy system and the key strengths of the Company and its products. As the Company operates in an ecosystem with numerous stakeholders spanning customers and partners, regulatory and political actors, trade organizations and the general public, the Company seeks to employ a wide branding strategy spanning several channels and activities.

In terms of direct sales-oriented awareness among potential customers, the Company will seek to increase pre-sales marketing efforts for the upcoming X-Series, while further scaling efforts for creating market awareness of the existing product lines. Furthermore, the Company aims to leverage local and regional hydrogen networks and trade groups, which provide increased access to key opinion leaders in the industry, complemented by conferences and events with stakeholders across both the industrial, political, and regulatory level. Furthermore, the Company seeks to remain in continuous dialogue with political and regulatory stakeholders in its focus markets to promote the development of favorable market conditions, while employing an active media strategy to increase awareness with the general public.

2: Maintain offering competitiveness
2.A: Realize LCOH reduction through initiatives across key cost factors
On an industry level, LCOH is expected to decline significantly over the coming years. A development, which is considered necessary to enable the cost parity pathway for green hydrogen against fossil fuels and derived energy carriers. To realize an industry-level LCOH reduction and maintain the competitiveness of its offering, the Company is actively seeking to reduce the LCOH of its electrolysers. The Company has control over several central LCOH components and is expecting to be able to drive cost reductions through the combination of a well-defined cost-out program, the realization of serial production and increased operational durability and energy efficiency.

For further details on the Company's cost-out potential please refer to the segment *"Business – Prooducts and technology – Significant cost-out potential".*

2.B: Continue high-priority R&D efforts to maintain competitive edge
To meet the increasing market demand for larger scale projects, a central part of the Company's strategy is the successful development and launch of the X-Series. The development and launch of the X-Series follows the quickest possible timeline that still allows sufficient time for each step of the Company's development process, including scoping and design, assembly and testing, and prototype launch. As of the time of this Prospectus, the Company is expecting pre-sales to begin in 2021, with prototypes for the X-Series to be ready during 2022 and regular sales estimated to begin during 2023. The swift development process is enabled by the principle of applying the existing A-Series technology in the development of the X-Series.

Concurrently with the ongoing development and launch efforts for the X-Series, the Company will continue its focus on improving and expanding the existing A-Series. This includes the launch of versions with higher current density, the A120 and A150 versions, along with continuous efficiency optimization of the existing versions. As at the time of this Prospectus, the Company is expecting to begin pre-sales in 2021 and 2022 for the A120 and A150 versions, respectively. The first prototypes for the A120 are expected to be ready during the first half of 2022, while the prototypes for the A150 are expected to be ready during the second half of 2022. Commercial sales to the market are expected during the second half of 2022 for the A120 and during 2023 for the A150.

2.C: Focus on and strengthen the service and maintenance offering
The Company considers S&M to be an important differentiator, a central element in total project economics and a critical part of the overall customer experience. Over time, the Company further believes that revenue from service contracts will constitute a

noteworthy share of total revenues, reaching approximately 10-15% by 2025, assuming realization of its medium-term targets and the expected product mix. As such, strengthening the S&M offering is a strategic priority for the Company. For further details on the Company's S&M offering, please refer to the section *"Business – Sales and customers – Aftermarket service revenue potential"*.

To support the delivery of relevant S&M solutions to its customers, the Company will seek to expand its ability to leverage data extracted from installed electrolysers. This includes establishing the necessary infrastructure to both store, retrieve and handle data, along with developing the principles for applying such data in surveillance and diagnostics services. Applying a more data-driven approach to its S&M offering is expected to support the Company's ability to perform predictive maintenance service for its customers, conduct targeted performance improvements and further provide real-use data for optimization of the Company's products.

3: Scale-up across the value chain

3.A: Further scaling of production facilities over multiple phases

The Company is currently planning for an expected up-scaling of its production capacity to accommodate future order backlog and pipeline. While the current facilities are estimated to be able to support a maximum production capacity of up to 150 MW per year (assuming operations in three shifts, new product launches and the realization of production efficiencies), the Company is expecting to expand its facilities before reaching operation at maximum production capacity. Further expansion of the production facilities is anticipated to take place over the course of several phases. The first planned expansion phase, which will add 12,500-13,500 m^2 to the Company's site in Kolding, is expected to commence during 2021 with an estimated lead time of 12 to 15 months. The expansion will comprise significant investments in the production line for the X-Series and is estimated to enable an expansion of the maximum production capacity to 400 MW per year. As at the time of this Prospectus, the Company does not have tangible plans for further expansion phases, but is, over time, expecting to expand the site further, potentially reaching a production capacity of more than 1,000 MW per year. While three shifts are theoretically possible, it should be noted that the introduction of a three-shift operation will entail additional increased costs of production and increase risk of production errors, why the Company expects to expand the production capacity prior to reaching maximum capacity.

For further information on the Company's current facilities, please refer to the section *"Business – Production, assembly and supply chain – Production and assembly facilities"*.

3.B: Continuous evaluation of the potential for partnerships throughout the value chain

To meet the estimated growth in demand for electrolysers, the Company seeks to scale its full value chain. Today, the Company covers the majority of its value chain in-house, from R&D and sales and marketing to processing of certain raw materials, production, assembly and testing, delivery, EPC on a more occasional basis, and service and maintenance. However, to scale the business globally at the velocity required to meet the Company's growth plans entails significant resources in both an economic and managerial sense, particularly if all aspects are to be maintained in-house. For that reason, the Company will continuously evaluate the potential for entering into partnerships within select parts of the value chain which are not considered strategically sensitive to the business.

Examples of such potential areas include the development of regional partnerships with dedicated EPC-providers, local sales partnerships in select markets where the Company has limited presence and potential industrial partnerships for processing of certain raw materials and manufacturing of standard components. The Company believes that several partners for different areas of the value chain could potentially be available among suppliers to the existing renewable energy and fossil fuel industries.

3.C: Scale organization, support functions and procedures

To support the strategy and execution thereof, the Company plans to strengthen its organizational capabilities and operational set-up to support the scaling of its activities. In particular, to support increased sales efforts, the continuation of R&D efforts, the build-out of production capacity and the administration of an increasingly global business, a significant scale-up of the employee base is considered necessary. As such, a successful execution of the other strategic initiatives is likely to entail a potential expansion of the number of employees in the Company to reach more than 300 by 2025.

Medium-term targets

Certain statements in this section, including in particular the financial targets described immediately below, constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance and the Company's actual and future results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under "Special Notice Regarding Forward-Looking Statements" and "Risk Factors".

Investors are strongly urged not to place undue reliance on any of the statements set forth below. We can give no assurance that the targets described below will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those described below.

The Company 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. Of its total revenue from contracts with customers in 2025, the Company aims for 10-15% to be derived from service and other revenue sources. Based on the expected development in the market for electrolysers, the Company targets an acceleration of the absolute revenue growth towards 2025 with the highest absolute growth rates observed in the middle to later part of the reference period 2021-2025 following the expected launch of the X-Series.

Based on the realization of cost efficiencies and scale benefits, the Company aspires to realize a steady increase in its gross profit margin, reaching a level of approximately 25% by 2025.

The Company aims 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 affecting the first two to three years, leading to a declining absolute EBITDA level before gradual improvements that enable the Company to generate a positive EBITDA in 2025. In 2025, the Company aspires to reach a high single-digit EBITDA-margin.

The Company's medium-term targets are based on a number of factors, estimates, uncertainties and assumptions, many of which are outside the Company's control or influence and it is likely that one or more of the assumptions that the Company has relied upon will not prove to be accurate in whole or in part. The Company has based its assumptions and estimates on information available when the medium-term targets were prepared.

For the purpose of determining the Company's medium-term targets, the Company has applied the principal assumptions below:

- A significant increase in electrolysers delivered, reaching more than 200 MW in revenue recognized capacity installations in the financial year 2025.
- An expansion of the Company's current market share.
- The Company's ability to scale its production capacity in accordance with the targeted growth in order backlog and sales pipeline, while operating at a satisfactory level of capacity utilization and delivering projects according to the timeline expected by the Company's clients.
- The successful continuation of ongoing research and development efforts, including the commercial launch of the X-Series in 2023 and the A120 and A150 in 2022 and 2023 respectively, as set out in "*Business – The Company's strategy*". It is expected that the X-Series will constitute the Company's primary revenue driver from 2023 and onwards.
- The successful execution of the expansion of sales and marketing efforts and general organizational scale-up as described in "*Business – The Company's strategy*".
- The Company's ability to successfully implement and complete its cost-out program as described in "*Business – Products and technology – Significant cost-out potential*".
- The ability to obtain the targeted customer payment profile as set out in "*Business – Sales and customers – Revenue model and project cash flows*".
- The realization of reduction in throughput times in electrolyser production as set out in "*Business – Production, assembly and supply chain – Assembly-focused production setup*", with no material changes to current supplier payment terms.

The assumptions may also be affected by external factors beyond the Company's control including the following:

- The market demand for electrolysers will continue to develop as described in "*Industry*".
- An overall decline in the market price per MW of electrolyser capacity.
- No material deviation to the development in the competitive landscape as described in "*Industry*".

- The continuous availability of subsidies and other regulatory support in the Company's focus markets.

- A declining trend in prices on components sourced from external suppliers as a result of increasing scale in the Company's procurement and no material changes in the market price of nickel.

- The Company's results will not be adversely affected by abnormal disruptions preventing it from selling, producing and delivering its products and services (including as a result of the COVID-19 pandemic)

History and development of the Company

Green Hydrogen Systems was founded in 2007 in Denmark, and four out of five founders are still shareholders of the Company. The Company has a vision to pioneer the field of green hydrogen to drive a sustainable global energy transition by advancing and deploying its modular, standardized, and versatile best-in-class electrolyser technology. Up until 2017, the Company was solely focused on its R&D activities, including developing its technology and product platform, the HyProvide™ A-Series Mk0. From 2017 to October 2020, commercialization of the technology and product platform was accomplished through signing of the first orders. The commercialization was further enabled by Nordic Alpha Partners' investment in Green Hydrogen Systems in August 2019. Driven by strong market momentum, the Company is undergoing a significant scale-up of its organization and manufacturing capacity supported by recent investments from APMHI, the Principal Shareholder and Norlys Holding.

The table below provides a high-level overview of the Company's history since its incorporation and a brief description of the milestones and events presented.

Table 2: Green Hydrogen Systems timeline

	Year and month	Green Hydrogen Systems key milestones and events
Technology development	2007 – June	Incorporation of Green Hydrogen Systems.
	2009 – October	The first pressurized electrolysers were launched for demonstration projects.
	2011 – December	The HyProvide™ project was initiated – development of a pressurized alkaline electrolyser product and system – in collaboration with Siemens and the Technical University of Denmark.
	2016 – June	Development of the HyProvide™ project was finalized. Green Hydrogen Systems started preparing for commercial launch of its first HyProvide™ product: the A-Series Mk0.
	2017 – October	Following ten years of R&D including vigorous stress testing of the product, the HyProvide™ A-Series Mk0 was ready for commercial launch.
Commercialization	2017 – December	Green Hydrogen Systems received the first order for its A-Series Mk0 electrolysers from Nilsson Energy, a refueling station provider in Gothenborg, Sweden.
	2019 – August	Nordic Alpha Partners invested in Green Hydrogen Systems to support the Company's growth and scale-up journey.
		Green Hydrogen Systems was selected as the sole electrolysis supplier for the Power-to-X green industrial park developed by GreenLab Skive – a 12 MW project to be located in Skive, Denmark with a potential for electrolysis capacity increase. The Company has since then participated in defining the project and applying for funding at the Danish Energy Agency (in Danish: *Energi-styrelsen*). The project was awarded funding of DKK 80 million in December 2019, which will be split among the partners once the project is delivered.
	2020 – September	Siemens Gamesa chose Green Hydrogen Systems as electrolysis partner for a pioneering wind-to-hydrogen project in Denmark.
	2020 – October	Green Hydrogen Systems won a 1.3 MW contract for a Power-to-X project in the Netherlands developed by the Dutch energy company Alliander.

2020 – November	The senior executive competencies were expanded along with accelerated growth of the organization. Sebastian Koks Andreassen started as CEO in the Company following a planned transition of leadership. The former CEO, Niels-Arne Baden, was appointed SVP and Head of Strategy and Public Affairs. Green Hydrogen Systems' new headquarter including administration and production facilities in Nordager, Kolding, Denmark, was finalized (testing facilities finalized in January 2021). Scale-up of production was initiated.
2020 – December	To further support the expansion of Green Hydrogen Systems, APMHI, Nordic Alpha Partners and Norlys Holding made convertible loan facilities of up to EUR 20 million, EUR 6.67 million and EUR 1 million, respectively, available to the Company, of which EUR 20.75 million have been disbursed in the aggregate. Ørsted and Green Hydrogen Systems finalized commercial terms for a 2 MW Power-to-X project called H2RES at Avedøre Holme, Denmark. The project was initiated when Ørsted created a consortium to apply for funding in the Summer 2019, and the consortium received funding of DKK 35 million in December 2019.
2021 – April	Green Hydrogen Systems has received its first order for a hydrogen project in Australia together with its partner and system integrator, Skai Energies. Powered onsite by solar panels, the system is expected to supply a larger industrial area in Australia with green hydrogen through the Company's A90 electrolyser. The first stage of the project is expected to be commissioned in early 2022 and will produce around 60-90 kg green hydrogen per day. The supply of green hydrogen from the project may need to increase over time to meet anticipated growth in demand. Green Hydrogen Systems has received its first order for a hydrogen project in the UK. The order includes supply of two A90 electrolysers with a combined capacity of approximately 1 MW. When fully operational in 2022, the electrolysers are expected to provide 389 kg green hydrogen per day. Green Hydrogen Systems also expects to provide support services including on-site maintenance and remote monitoring as part of a three-year service agreement. While the order has been placed and is expected to be delivered at the end of 2021, the customer's name and project will be disclosed at a later stage in a separate announcement.
2021 - May	Finalization and execution of a master supply agreement (the "**GreenLab Skive MSA**") laying out the primary commercial terms and framework for Green Hydrogen Systems' participation in the GreenLab Skive project. The GreenLab Skive MSA contemplates the division of the GreenLab Skive project into two phases. The role of Green Hydrogen Systems during these phases is broadly expected to be as follows: Phase 1 – Delivery in Q4 2022 of a 12 MW capacity electrolyser plant (expectedly 29 A-Series A90 electrolysers) to the GreenLab Skive facility which will be operated and maintained by Green Hydrogen Systems for the first 24 months after the site acceptance test. Revenue generated from hydrogen sales during the first 24 months of operation is expected to be around EUR 8 to 10 million. The Company expects a neutral working capital effect during this 24-month period. After the first 24 months of operation, ownership and operation of the electrolyser plant will be transferred to Lhyfe and Eurowind Energy A/S against final payment. Green Hydrogen Systems will then offer a parallel service agreement. Phase 1 is a state subsidized project. Phase 2 – Potential additional delivery in 2023 of an additional 12 MW capacity electrolyser plant (expectedly 26 A-Series A90 electrolysers of which the majority is expected to be delivered in Q1 2023 with the remaining, if any, to reach 12 MW electrolysis capacity to be delivered later in 2023) to be owned and operated by Lhyfe and Eurowind Energy A/S. Green Hydrogen Systems will offer a combined service agreement relating to both the 29 initial A-Series A90 electrolysers and the 26 phase 2 A90 electrolysers. Phase 2 will be a purely commercial project without state subsidies.

Shortly prior to the finalization and execution of the GreenLab Skive MSA, the Danish Energy Agency (in Danish: *Energystyrelsen*) issued a decision designating the GreenLab Skive project as a test zone. The test zone permit gives GreenLab Skive dispensation from the Danish Electricity Supply Act (in Danish: elforsyningsloven) in its entirety. Essentially this means that the GreenLab Skive project will be able to operate independently of otherwise applicable electricity grid regulations and explore potential grid balancing methods based on green hydrogen in practice.

Products and technology

Green Hydrogen Systems offers a range of pressurized alkaline electrolysis units and related supporting services. The A-Series is currently the Company's core product platform that has been commercially available since 2017. Based on the A-Series platform, the Company is currently developing a new electrolyser platform, the X-Series, which it expects to launch in 2023.

The Company's current and upcoming pressurized alkaline electrolysis solutions and related services are set out in Figure 19 below.

Figure 19: Green Hydrogen Systems product overview

HyProvideTM A-Series					HyProvideTM X-Series
Current offering			Under development		
A30	A60	A90	A120	A150	X-versions[1]
Power consumption (kW)[2]					Power consumption (kW)[2]
150	300	450	600	750	5-7,500[3]
Units ordered (accumulated as of 6 May 2021)					
3	4	15	n/a	n/a	Upcoming series catering for larger projects (based on A-Series technology)

Ancillary solutions and supporting services

Containerized solutions[4]
Installation and engineering services[5]
Service & Maintenance (contracts) for installed units[5]

Notes: 1) Versions under the X-Series could change as development is progressing; 2) Max module power consumption; 3) 5-7.5 MW maximum module power consumption is the current working assumption (could change as development is progressing); 4) As at 6 May 2021, 21 A-Series units have been ordered for 15 containerized solutions (accumulated units) including 2xA30 in 2x20 foot containers, 2xA60 in 2x20 foot containers, 2xA60 in 1x40 foot container; 6xA90 in 5x20 foot containers, and 9xA90 in 5x40 foot containers; 5) 100% of units sold.

The Company's product offering is thereby expected to consist of two platforms:

i) *A-Series:* The A-Series is currently the Company's core product platform. It is a complete, pressurized alkaline electrolysis solution available in standardized and modular configurations for high product efficiency, versatility and scalability. Being the result of +13 years of R&D, the A-Series builds on a proven pressurized alkaline technology with robust operational performance. The A-Series is available in different production capacity versions of 30, 60 or 90 Nm^3/h (version A30, A60 and A90, respectively) based on the same platform technology, where all units can operate stand-alone or clustered to meet required volumes of green hydrogen with combined power consumption in the multi-MW scale. During the first half of 2021, the entire A-Series will be upgraded from Mk0 to an optimized Mk1. The Mk1 version includes the A90, the HyProManager and plant controller. Furthermore, it has third party CE approval and an improved safety concept according to ISO 12100, EN ISO 13849 and IEC 61508. Lastly, service and usage has been optimized relative to Mk0 based on critical components on the front. The first Mk1 version of the A-Series is expected to be delivered to Alliander in July 2021. As at 6 May 2021, total accumulated orders of the A-Series amounts to 22 units, of which 21 are containerized. Five of these orders have been delivered as at 1 May 2021. The Company is currently optimizing existing technology of the A-Series and expects to introduce two additional A-Series versions: initially a 120 Nm^3/h version followed by a 150 Nm^3/h version (A120 and A150, respectively). The A120 and A150 are expected to be launched in 2022 and 2023, respectively.

ii) *X-Series:* The X-Series is a pressurized alkaline electrolyser module currently under development with expected maximum module power consumption of 5 MW to 7.5 MW, which will enable Green Hydrogen Systems to target large projects potentially in the GW scale. The X-Series platform will be based on the stack technology of the A-Series, with increased electric current density of electrodes, and each X-Series electrolyser is expected to comprise 10 A-Series stacks. The platform will further build on the Company's product principles of optimized modular design entailing seamless system scaling and dynamic operation (pressurized stack system). Green Hydrogen Systems expects that the X-Series will be ready for commercialization in 2023, and it is the expectation that the X-Series will drive cost reductions for its customers' production of hydrogen (LCOH). The expected core savings drivers of the X-Series relative to the A-Series include an increased efficiency of operations and a reduction in the number of interfaces, which implies reduced capital expenditure and maintenance (including installation) costs.

Containerized solutions are offered for all A-Series electrolysers as they all have the same, small footprint, providing the Company with a competitive advantage compared to competing solutions that cannot be containerized. A containerized solution will also be offered for the upcoming X-Series. A containerized system is a plug-and-play solution, which implies ease of transportation and installation. When delivered in a container, the customer is only required to connect the system with power, water and a drain for it to work, since all auxiliary systems are included in the container. This is especially beneficial for projects located close to the renewable energy source. The containerized solutions for the Company's A90 and the upcoming X-Series are illustrated in Figure 20. 20-foot containers can comprise one A90 module and auxiliary systems, whereas 40-foot containers can comprise two A90 modules and auxiliary systems. It is expected that the X-Series module can be contained in a 40-foot container with the auxiliary systems in another 40-foot container next to it.

Figure 20: Green Hydrogen Systems' containerized offerings

HyProvide A-Series containerized solution

20-foot or 40-foot containers comprising 1-2x A90[1] (includes auxiliary systems)

HyProvide X-Series containerized solution[2]

Upcoming 40-foot container comprising 1x X-Series (excludes auxiliary systems)

Notes: 1) 20-foot containers comprises one A-Series unit, whereas 40-foot containers can comprise two units, 2) The X-Series is still under development, and, hence, the final design may deviate from the illustration in Figure 20.

Alternatively, the products are installed in a 'factory floor' manner, which entails that the electrolyser is installed at a hydrogen plant alongside all necessary auxiliary systems. The factory floor solution is often preferred at larger hydrogen projects with above 10 MW capacity where a large plant offers scale economies in terms of, among others, cheaper ventilation and water treatment.

Supporting services include Engineering and Installation services as well as Aftermarket Service and Maintenance.

i) Engineering & Installation consists of delivery and installation of the Company's electrolysis system as well as commissioning and site acceptance, typically all services provided by the Company. In rare cases, EPC services are also provided, where Green Hydrogen Systems assumes responsibility for design and engineering of the customer's site as well as sourcing and process management. In these instances, EPC services are offered to generate increased demand and is only provided in selected markets.

ii) Aftermarket S&M services are provided throughout the electrolyser's product lifetime and include service management and monitoring, predictive maintenance, provision of spare parts and consumables, and incident management and repairs. The service offering ranges from a full-service agreement to other cheaper and less extensive S&M offerings, and the full-service agreement is currently mandatory the first three years. See further details in "*Business – Sales and customers – Aftermarket service revenue potential*". In rare cases, the Company is also expected to assume responsibility for production and sales of hydrogen to an off-taker. This is expected to be the case in the GreenLab Skive project.

The revenue split for a standard project is described in "*Business– Sales and customers – Revenue model and project cash flows*".

Strategically developed pillars of the Green Hydrogen Systems product offering

The Company's product offering and solutions are based on three strategically developed pillars: i) competitive technology offering, ii) modularity, versatility and serial production, and iii) significant cost-out potential.

i) Green Hydrogen Systems' electrolysis system is based on the pressurized alkaline technology that holds several benefits including high flexibility, efficiency, reliability, independency of noble metals, small physical footprint per MW and high system delivery pressure.

ii) The Company's standardized electrolysers have a modular and versatile design and are suited for serial production strengthened by the Company's industrial approach to manufacturing with an assembly-focused setup.

iii) Green Hydrogen Systems has a significant cost-out potential as it has influence over the majority of factors included in LCOH and has a clear cost-out plan in place with a long list of LCOH reduction initiatives identified.

Each of these competitive parameters are further elaborated in the following segments: "*Business– Products and technology – Competitive technology*", "*Business– Products and technology – Modularity, versatility and serial production*", and "*Business– Products and technology – Significant cost-out potential*".

Competitive technology

The Company currently considers three main commercialized technologies in the market for green hydrogen electrolysis: Pressurized alkaline (focus of Green Hydrogen Systems), atmospheric alkaline, and PEM. Whilst the Company assesses that its pressurized alkaline technology has several competitive propositions compared to PEM and atmospheric alkaline, it also believes that all these technologies have a justified future in the green hydrogen market.

Competing electrolyser technology regimes

The Company considers pressurized alkaline to be a well-positioned, competitive technology for the future electrolyser market. As the Company believes that electrolyser capital expenditures are expected to converge across technology regimes in the longer term, technological viability has the potential to be a key competitive differentiator going forward. As such, long-term market differentiators could be centered around technological flexibility, efficiency (main electricity usage and operating expenses), reliability and physical product footprint, which are all considered to be important factors for technological viability. Flexibility, in particular, is important when the energy source is renewable energy. Renewable energy is variable, and therefore, the ability to operate dynamically at variable load rates is important. In that regard, pressurized alkaline and PEM are better positioned than atmospheric alkaline.

The main electrolyser technology regimes including pressurized alkaline, PEM, and atmospheric alkaline are benchmarked across critical competitive dimensions in Figure 21. The assessment of the competitive dimensions is based on currently available products across technologies.

Figure 21: Benchmarking of competing electrolysis technology regimes[126]

Competitive dimension	Pressurized alkaline	PEM	Atmospheric alkaline	GHS performance
Flexibility Capacity to operate dynamically at variable load rates	✓ [1]	✓ *Key for utilisation of renewable energy sources*	✗	Dynamic load between ~17% and 100%
Reliability System uptime and durability	✓	(✓)[2]	✓	Expected stack lifetime of ~10 years and +8,000 hours of stack testing with no recorded issues
Efficiency Competitive energy to hydrogen conversion	✓	✓	✓ [3]	Stack efficiency of 82% compared to HHVx
Footprint Minimal footprint compared to other electrolyser technologies	✓	✓	✗	Electrolyser skid frame of 2.1 x 1.3 x 2.4 meters enabling 20" containerized solutions
Independency of scarce resources Noble metals not an input in process	✓	✗	✓	No dependency on noble metals
Water purity Lower water purity required in process	✓	✗	✓	Lower water purity required in electrolysis process
Independency of lye The chemical lye is not contained in the electrolyser	✗	✓	✗	Lye is contained in the electrolyser to increase efficiency

Notes: 1) Flexibility on par with PEM for a system with multiple stacks, achieved through modularity of the electrolysers; 2) The PEM technology is less mature, and no project references are found old enough to prove the same stack lifetime as pressurized and atmospheric alkaline; 3) Efficiency may be challenged as there is a need for compression when higher output pressures are demanded.

Pressurized alkaline is characterized by providing a high level of operating flexibility. Green Hydrogen Systems demonstrates this in terms of static as well as dynamic flexibility. Static flexibility is measured by the static range, which is understood as the minimum and maximum range of electric loads at which the electrolyser can continue operations without risk of crossover.[127] The Company's A90 electrolyser has the ability to operate at variable load rates between approximately 17% and 100% per unit. The ability to combine multiple of the Company's stacks can furthermore facilitate a higher system static range, e.g. a range between approximately 4% and 100% in a system with four stacks. This ability makes the Company's flexibility competitive across technologies and competitors. Dynamic flexibility is measured by the ramp-up/ramp-down rate of the electrolyser, which is determined by the possible percentage change in load per second. Green Hydrogen Systems has demonstrated an ability to go from a load of 0% to 100% in four seconds, which leads to a ramp-up rate of 25%/second. This is a competitive ramp-up rate that matches renewable power output fluctuations in e.g., a wind farm and thereby qualifies the Company's systems to work with different renewable energy sources. The technology is also well-positioned in terms of reliability, efficiency, physical product footprint and independency of scarce resources. It requires a lower water purity than in the electrolysis process based on the PEM technology, which decreases capital expenditure and operating expenses. On the other hand, lye is contained in the electrolyser and sometimes added in connection with service and maintenance, which also affects costs.

Similar to pressurized alkaline, atmospheric alkaline is an established and commercially proven technology with high reliability, independency of noble metals and with lower water purity required than in the electrolysis process based on the PEM technology. However, the atmospheric technology system typically needs to be assembled on-site, has a relatively large system footprint and does not have as high a capacity to operate dynamically at variable load rates. Furthermore, the scalability of atmospheric alkaline systems is assumed to be hindered by the need for on-site assembly and the large system footprint.

126 Company information.

127 During operation, especially at lower loads, hydrogen can permeate through the diaphragm towards the oxygen side (crossover), increasing the risk of oxyhydrogen production.

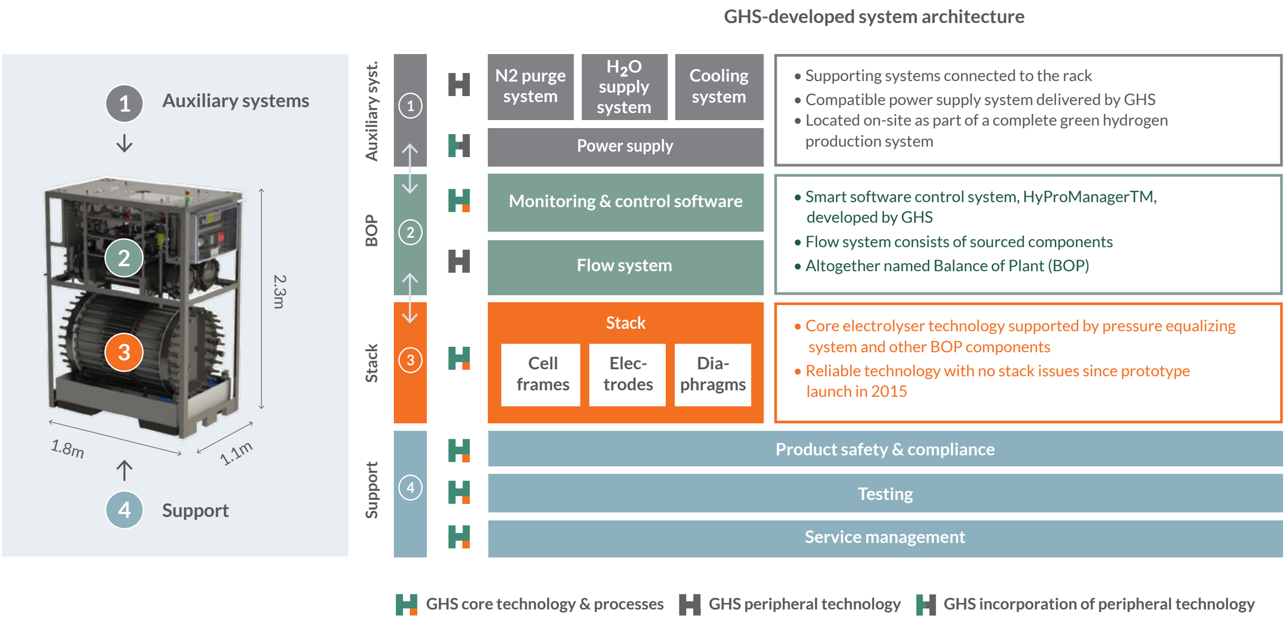
PEM is an emerging technology in a commercial setting but the available electrolysers based on the PEM technology are more suitable than the electrolysers based on atmospheric alkaline to handle dynamic operation with variable load. The PEM technology furthermore has a relatively small system footprint and high electric current density. However, PEM is dependent on noble metal catalysts (iridium and platinum), which may represent a bottleneck for scaling manufacturing of PEM electrolysers. According to an IRENA report from 2020,[128] global production of platinum and iridium constitutes approximately 200 metric tons[129] and 7 to 7.5 metric tons per year, respectively. The report also states that hydrogen production based on PEM technology requires approximately 1 g platinum and approximately 1-2.5 g iridium per kW electrolysis capacity. This would lead to an estimated maximum global annual PEM electrolysis capacity of approximately 80 GW based on global platinum supply and 2.8 to 7.5 GW based on iridium supply. Compared to expected demand, iridium is thereby expected to represent a bottleneck for PEM electrolysis. Another drawback of the PEM technology is that the technology is less mature, and therefore, no project references are found old enough to prove the same stack lifetime and reliability as for pressurized and atmospheric alkaline.

In summary, the Company's chosen technology, pressurized alkaline technology, is well-positioned on important parameters. The electrolysers based on pressurized alkaline technology have the capacity to operate at variable load rates and have small physical footprints as with the electrolysers based on PEM while being independent of noble metals and while having a reliable system uptime as is the case for the atmospheric alkaline technology.

Green Hydrogen Systems' product technology

The Company's electrolysis platform is based on the pressurized alkaline technology and is built on a Green Hydrogen Systems-developed system architecture. The system architecture combines three well-tested and mature subsystems including the stack, the balance of plant ("**BOP**"), and auxiliary systems, exemplified by the A-Series depicted in Figure 22. The stack and the BOP constitute the platform's rack, which is a module containing core elements and constitute the electrolyser. A core competence of the Company is its system architecture that ensures efficient interplay between the different subsystems.

Figure 22: Green Hydrogen Systems' platform system architecture and subsystems for the A-Series



1. Auxiliary systems include the power supply as well as nitrogen purge systems, water supply systems and cooling systems. The systems are connected to the rack in a container or at the factory floor. The power supply unit converts AC supply voltage from the utility to DC current and voltage for the stack. The power supply is based on IGBT (insulated-gate bipolar transistor) and have an active front-end to avoid harmonic distortion on the grid. The power supply is always delivered by Green Hydrogen Systems, whereas the other auxiliary systems are only delivered by Green Hydrogen Systems when the electrolysis system is provided in a container. The cooling system removes the heat that is generated in the stack and power supply due to unavoidable inefficiencies. It furthermore cools the gas to condensate saturated water vapor and, in coordination with the drying of the gas in the dryers, achieve a low dew point of minus 70 degrees Celsius.

[128] IRENA – Green hydrogen cost reductions (2020).
[129] Global platinum production can potentially be increased through recycling of catalytic reformers in cars and electronic equipment.

2. The balance of plant consists of a flow system and it will also include a monitoring and control software system that is currently under development. The flow system facilitates the direction of flows of water and electricity input as well as hydrogen output. The flow system thereby regulates the system pressure of the electrolyser. It is based on standard components including valves, sensors, piping, and pumps sourced from external suppliers. The balance of plant will also include a smart control system, the HyProManager™ software system, which will continuously monitor and control main system parameters. The system is currently being developed by Green Hydrogen Systems and will be considered core technology.

3. Designed and developed in-house by the Company, the stack is the heart of the electrolyser system. It includes cell frames, electrodes and diaphragms, as well as standard components. The Company has conducted more than 8,000 hours of testing of the stack including durability tests at different loads and operating patterns, performance tests at different operating patterns, at load jumps and at overload as well as abnormal tests including pressure tests of the stack until it fails, tests at high temperature and abnormal tests of the individual components of the electrolysis system. With no recorded issues since prototype launch in 2015, the Company's stack has demonstrated its reliable operational performance in unison with the other main subsystems. For further details, see *"Business – Products and technology – Competitive technology – The Green Hydrogen Systems electrolyser stack"*.

4. The A-Series subsystems are supported by three in-house processes including product safety and compliance processes, testing processes, and service management. Product safety and compliance processes ensure the quality and reliability of the product offering, which is further enhanced by the Company's extensive testing processes. The service management processes enable preventive monitoring and maintenance as well as incident management and repairs, which enhances the customers' operations and is valuable given the technological complexity of the systems.

The A-Series currently includes three different electrolyser versions based on the same product platform. The available products share the same system architecture and skid frame dimensions (210 x 130 x 240 cm), where the only differences inside the rack are the stack size (number of cell frames in the stack) and the electric current density. The varying stack size and electric current density enable different levels of maximum module power consumption, stack current, and hydrogen production rates. The main specifications of the A-Series products are set out in the Table below.

Table 3: A-Series products

Electrolyser unit	A30	A60	A90
Hydrogen pressure (bar)	35	35	35
Hydrogen purity (%)	>99.998	>99.998	>99.998
Hydrogen dew point (°C)	-70	-70	-70
Oxygen purity (%)	>99	>99	>99
Maximum module power consumption (kW)	150	300	450
Stack voltage (DC)	250	250	250
Stack current at 100% load (A)	1,200	1,200	1,800
Hydrogen production rate (Nm^3/hour)	30	60	90
Maximum hydrogen production per day (kg)	65	130	194

As at 31 December 2020, the A30, A60 and A90 versions have been operating approximately 2,000, 10,000 and 800 hours, respectively, including test hours of the stack and system as well as operating hours at customers' sites. This demonstrates that the electrolyser versions are tested extensively for commercial application and robust operational performance. The Company's systems furthermore operate in a highly controlled environment and are designed for optimal and secure operation.

The Green Hydrogen Systems electrolyser stack
The stack is the core component of the A-Series electrolyser and is the key driver behind the efficiency and scalability of the Company's technology. The stack technology offers several competitive features outlined below. The competitive features and the efficiency are facilitated by the Company's overall system architecture, implying that the stack would not be as efficient in another system.

i) The stack of the A90 has a high electric current density of 600mA/cm^2. Furthermore, the Company has the ability to increase the current density further up to 1,000mA/cm^2 based on existing technology and without increasing the footprint, which enables higher hydrogen output capacity.

ii) The operating temperature is currently high at 80 degrees Celsius, and the Company expects that it can be increased to 100 degrees Celsius in a controlled manner in order to increase hydrogen production efficiency of the electrolysis system.

iii) The cell frames in the stack have an optimal combination of mechanical strengths and dielectric properties, which enables a 35 bar hydrogen output pressure. The high pressure allows for a small product footprint and lower compression costs for the Company's customers.

iv) The stack has an optimized flow system that secure an optimal distribution of temperature and the reactant lye. The optimized flow system enables higher durability and reliability of the system as well as higher efficiency.

The competitive features of the stack technology can be summarized as three central differentiators. Firstly, the design and technology of the stack allows for a dynamic operation as the stack is designed with a gasket system that minimizes the crossover between H_2/O_2 at low power. This is beneficial to enhance the production of hydrogen, and the design is thereby critical to accommodate the input fluctuations that come from renewable energy sources. Secondly, the hydrogen output capacity can be scaled by increasing the number of cells in the stack or by connecting a number of stacks. The scalability feature of the stack is key for targeting larger hydrogen projects. Lastly, the Company has a proprietary electrode technology. As the technology behind the production of electrodes and other core technologies are developed in-house based on many years of trial-and-error, backward engineering of Green Hydrogen Systems' technology is difficult to achieve for market incumbents or new entrants. See *"Business– Research and development – Intellectual property strategy".*

Competitor benchmarking

Benchmarking comparable green hydrogen electrolyser offerings on important, publicly available parameters 1) stack and system efficiency, 2) product footprint and 3) system delivery pressure, the Company assesses that its A-Series is well-positioned. The benchmarking is outlined in the Figure below.

The Figure below is for illustrative purposes only. Data availability is limited to publicly available information (primarily from company websites) and the data is based on market research, which itself is based on sampling and subjective judgements. As a result, the data is subject to a high degree of uncertainty and risk and no assurance can be given that such information is reliable indicators of the current or future performance of the Company's competitors' products.

Figure 23: Benchmarking of comparable electrolyser offerings

Company	Technology	Product[1]	Efficiency (HHV)[2]	Product footprint (sqm./MW)	System delivery pressure (bar)
Green Hydrogen Systems	PAWE	HyProvide-A90	82%[3]	6[4]	35
Thyssenkrupp	AWE	10 MW	82%	n.a.	n.m.[5]
Nel	AWE	A485	80%	105	n.m.[5]
Areva H2Gen	PEM	E200	80%	34 (C)	35
Nel	PEM	MC500	79%	13 (C)	30
McPhy	PAWE	McLyzer 800-30	79%	45	30
Siemens	PEM	Silyzer 300	75% (System-based (rather than stack))	25	n.m.[5]
H-TEC	PEM	ME 450	72% (System-based (rather than stack))	30 (C)	30
ITM Power	PEM	HGAS3SP	71% (System-based (rather than stack))	7 (C)	20
AsahiKASEI	AWE	FH2R	71% (System-based (rather than stack))	n.a	n.m.[5]
Cummins	PEM	HyLYZER-500-30	69% (System-based (rather than stack))	12	30
Cummins	PAWE	HySTAT-100-10	66% (System-based (rather than stack))	59 (C)	10[6]
			Reduces use of electricity	**Impacts versatility, LCOH and ease of use**	**Impacts cost of versatility**

C Footprint for a containerized solution

Notes: 1) To the Company's knowledge, the most recent, marketable product has been included in the benchmarking. If a product of multiple identical modules is offered (e.g. 4x the same module), the single-module product is shown, because Green Hydrogen Systems' A90 is a single-module product; 2) HHV = Higher heating value. Efficiency is stated in % and calculated as 39.35 kWh/kg (a HHV constant) divided by the product's power consumption in units of kWh/kg; 3) Green Hydrogen Systems' system-based efficiency equals 75% excluding dryer losses and 73% including dryer losses; 4) Factory floor solution excluding power supply. Green Hydrogen Systems' containerized solution includes all auxiliary systems and has a footprint of 33 sqm./MW. However, it is not directly comparable with other containerized solutions which do not include all auxiliary systems; 5) Not a pressurized technology; 6) 27 bar optional.

With a stack efficiency of 82% and a system efficiency of 75%[130] measured at HHV, the Company's A90 Mk1 electrolyser represents what the Company considers a competitive technology. A high efficiency reduces the required use of electricity, and the benchmarking shows that the Company is well-positioned against peers that disclose stack efficiency as well as those that disclose system efficiency. Furthermore, the Company' electrolyser has a small physical product footprint measured as square meters per MW (sqm./MW). In combination with the easy scalability enabled by the modular technology, the small footprint serves as a competitive selling proposition. A small footprint allows for easy and cost-efficient transportation and use in a versatile range of applications. It is also expected to affect LCOH as customers will need to deploy smaller areas when installing the A90 Mk1 electrolysis system. Lastly, the Company's A90 Mk1 operates with a high system delivery pressure, which allows for a small product footprint and lower compression costs for the Company's customers. It thereby enhances versatility as pressurized hydrogen is necessary in many downstream applications, including hydrogen for transmission pipelines, underground storage, busses and trucks, passenger vehicles and tanks. If the hydrogen is not pressurized from the electrolysis process, the energy penalty for compressing from 1 to 30 bar is about 3.5% to 4% equivalent of hydrogen lower heating value.[131] Furthermore, the cost for compressing from 1 to 30 bar is approximately USD 50/kW.[132]

130 75% system efficiency excluding dryer losses and 73% including dryer losses. The calculations for system efficiency can differ across competitors as not all players include the same auxiliaries in their delivered systems (such as dryers), which will have to be added after.

131 IRENA – Green Hydrogen Cost Reduction (2020).

132 IRENA – Green Hydrogen Cost Reduction (2020).

Modularity, versatility and serial production

Modularity

The Company's electrolysis system has a modular design, which allows customers to scale their hydrogen projects incrementally and combine several electrolysers into one solution. The standardized and pre-tested modules can quickly and easily be added and installed in clusters like building blocks, which facilitate demand flexibility and scale. Customers can initiate their hydrogen production by investing in one or a few of the Company's electrolysers and later expand capacity by acquiring more electrolysers as market requirements change. Any number of modular units can be connected in a cluster to supply multi-MW solutions. The monitoring and control of the individual electrolysers is expected to be integrated via Green Hydrogen Systems's software solution, the HyProManager™, which is currently under development. The HyProManager™ software will enable control of individual units, clustered units and all units as a group. The HyProManager™ software system is thereby expected to provide automatic operation of the full electrolysis system with reduced manpower requirements. It will furthermore be easily integrated into supervisory control and data acquisition control systems (on-site or remote) as well as grid balancing/grid management systems.

Aside from the opportunity for incremental project build-out and integration of electrolysers into clustered solutions, advantages of the modular platform design and clustering of units include: i) dynamic utilization of required inputs to the production of hydrogen, ii) automated redundancy, iii) easy service and maintenance, and iv) rapid system diagnostics.

i) The platform modularity and the HyProManager™ software system enable dynamic utilization of the Company's electrolysers. Optimal hydrogen production is reached at approximately 50% load capacity, which can be achieved more consistently by having multiple units. Furthermore, multiple units can automatically balance the load factor to achieve a specified level of hydrogen production, which is critical when receiving variable input. For instance, having several modules at a green hydrogen plant allows for flexibility in situations where the renewable energy production is low, because selected modules can then be on standby while others can run at a low load. Thereby, a combination of modules can reach a lower load than one, larger module. Finally, dynamic utilization and load balancing could increase the life span of the products because modules expectedly benefit from not being turned off. The small modules provide the possibility of keeping the modules running at low load when renewable energy production is low.

ii) Modularity and the HyProManager™ software system also facilitate automated redundancy where stable production is secured if one unit is temporarily out of operation. This enables smooth operations during downtime.

iii) Similarly to (ii), modularity enables continued and stable production while servicing individual units as production from other units can be increased while the units serviced are turned off.

iv) Lastly, the modularity and the HyProManager™ software system allow for monitoring of each individual unit, which enables precise and rapid system diagnostics and problem-solving. This can enable predictive maintenance and has the potential to enhance the service offering for customers.

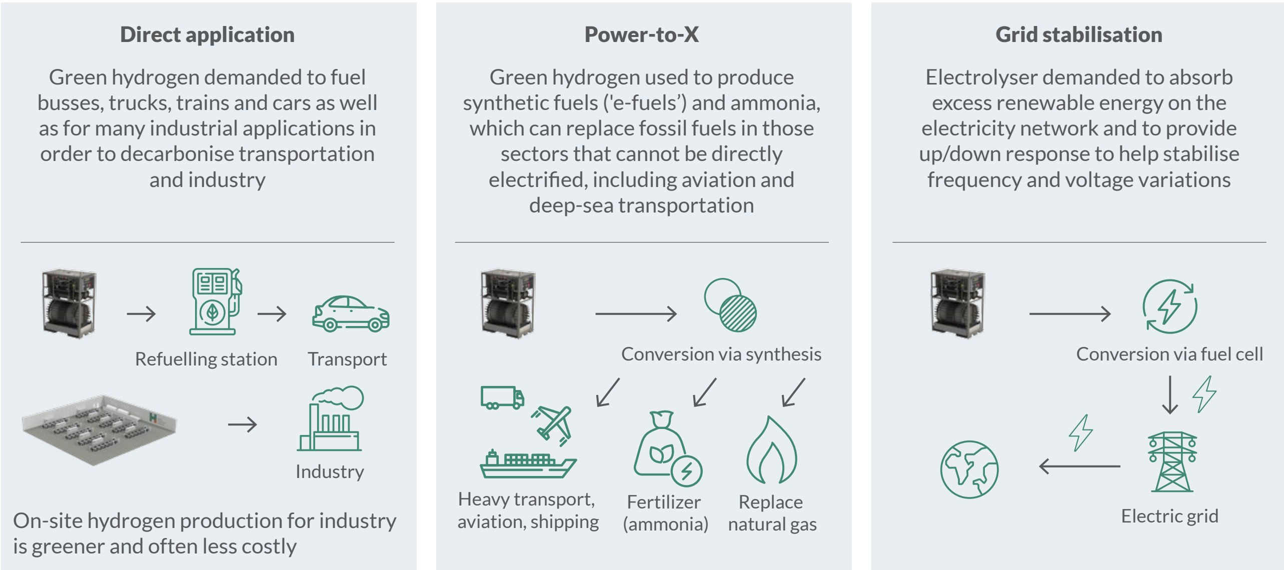
The Company's modular platform and its scalability potential are expected to enable increasingly large breakthrough projects. As the Company's electrolysers can be combined in large clusters that support multi-MW solutions, the Company and its customers have the ability to target larger projects over time. The Company's first commercial A-Series project was ordered in December 2017, and it led to an installment in the beginning of 2019 of an A60 electrolyser in Mariestad, Sweden to fuel approximately 20 hydrogen cars with electrolysis capacity of 0.30 MW. In August 2019, the Company was selected as the exclusive supplier to provide 12 MW electrolysis capacity[133] based on 29 A90 Mk1 electrolysers to GreenLab Skive. This is seen as a commercial breakthrough to participate in larger-scale projects. GreenLab Skive is expected to become a large-scale green industrial park, which through its Power-to-X facility will produce green methanol and hydrogen for industry and transportation usage with the target of reaching GW scale. In 2023, the X-Series is expected to be ready for commercialization, and clusters of the X-Series electrolysers are expected to enable GW-scale solutions beyond 2025.

Versatility

The Company's products are considered to be versatile as the electrolysis systems can be applied across many different market segments for green hydrogen production. The Company's product versatility enables its electrolysis systems to be used to produce hydrogen for various applications including direct applications, Power-to-X and grid stabilization illustrated in Figure 24 and described in detail in "*Industry – Introduction – The potential role of green hydrogen in the future energy system*". The Company can also in many cases provide standardized solutions for special projects that do not fit into easily definable categories.

[133] Electrolysis capacity is slightly lower than max module power consumption of 29 A90 Mk1 electrolysers to alleviate the effects of potential reduction in efficiency over product lifetime.

Figure 24: Product applications



The Company's electrolysis systems have been installed for direct hydrogen applications at fueling stations in Mariestad, Sweden and Aalborg, Denmark. The fueling station in Mariestad fuels approximately 20 hydrogen cars, and the fueling station in Aalborg fuels three fuel cell electric busses. Furthermore, the Company's electrolysis systems are used by Siemens Gamesa in a pioneering wind-to-hydrogen project near Brande, Denmark in combination with a 3 MW wind turbine. The hydrogen produced is to be stored for subsequent distribution and use as a fuel for hydrogen-powered buses, taxis and cars.

The Company is furthermore in the process of delivering its electrolysis system to a Power-to-X project in Oosterwolde, the Netherlands, where Alliander, a Dutch energy company, will use electrolysers to convert excess solar or wind energy into hydrogen, which is to be stored and sold for use in transportation, industry, heating and other areas.

The versatility of the products is primarily enabled by i) the standardized and compact product design, ii) the high purity of the hydrogen produced with the Company's products, and iii) the low dew point of the hydrogen produced with the Company's products.

i) The small product footprint of the Company's electrolysers along with the modular nature of the units enable the Company's products to fit a versatile range of projects and applications. It is for example beneficial for customers running hydrogen fueling stations to have small, compact units on-site that can be gradually scaled as demand increases. In other cases, for instance with production of hydrogen for industrial plants, customers need to be able to produce larger quantities of hydrogen. The modularity of the Company's electrolysis systems enables them to do so by acquiring additional units and combining them.

ii) The green hydrogen produced with the Company's electrolysis systems has a high purity level of >99.998% at 35 bar. This purity level exceeds the requirements for any application area, including fuel cells, and is practical for direct storage, further compression as well as immediate use. The automotive industry has the highest requirements for purity, and all of Green Hydrogen Systems' products achieve a purity level above these standards.

iii) Furthermore, the hydrogen produced with the Company's electrolysis systems has a low dew point of -70 degrees Celsius, which means that the hydrogen produced is easily kept dry. This reduces the risk of ice forming in fuel cells, storage and pipe systems, which makes the Company's products applicable in many different areas. The automotive industry has more strict requirements for hydrogen dryness than any other industry, and all of Green Hydrogen Systems' products exceed these requirements.

Suited for serial production
The Company's modular technology and standardized electrolysis design makes its products suited for serial production, which in turn enables production scalability, efficiency and predictability, smooth installation at customer sites, and standardized quality assurance.

The Company's electrolysis systems require limited product customization as the same modules can be used for containerized and 'factory floor' solutions for many different applications. Furthermore, the small physical footprint relative to other electrolysers in the market entails a simpler production and assembly process. The small footprint of the Company's electrolysis solution also reduces the need for on-site construction as the modules are easily transported. The Company's products thereby support an industrial approach to sourcing and procurement as well as a manufacturing strategy where assembly production lines can be established for rapid product deployment. The industrial approach is coupled with a LEAN-based production setup in order to enable short throughput times, high efficiency and high predictability.

Serial production entails a range of benefits including increased efficiency and an enhanced scalability of operations stemming from fewer unplanned production abruptions. The expected increase in efficiency and scalability support cost reductions and an increase in production capacity that will allow the Company to accommodate the expected increase in demand. Furthermore, the standardized nature of the product offering enables a smooth, 'plug-and-play' installation at the customers' sites along with quality assurance derived from the fact that the standardized products have been pre-tested and have proven reliable at other sites.

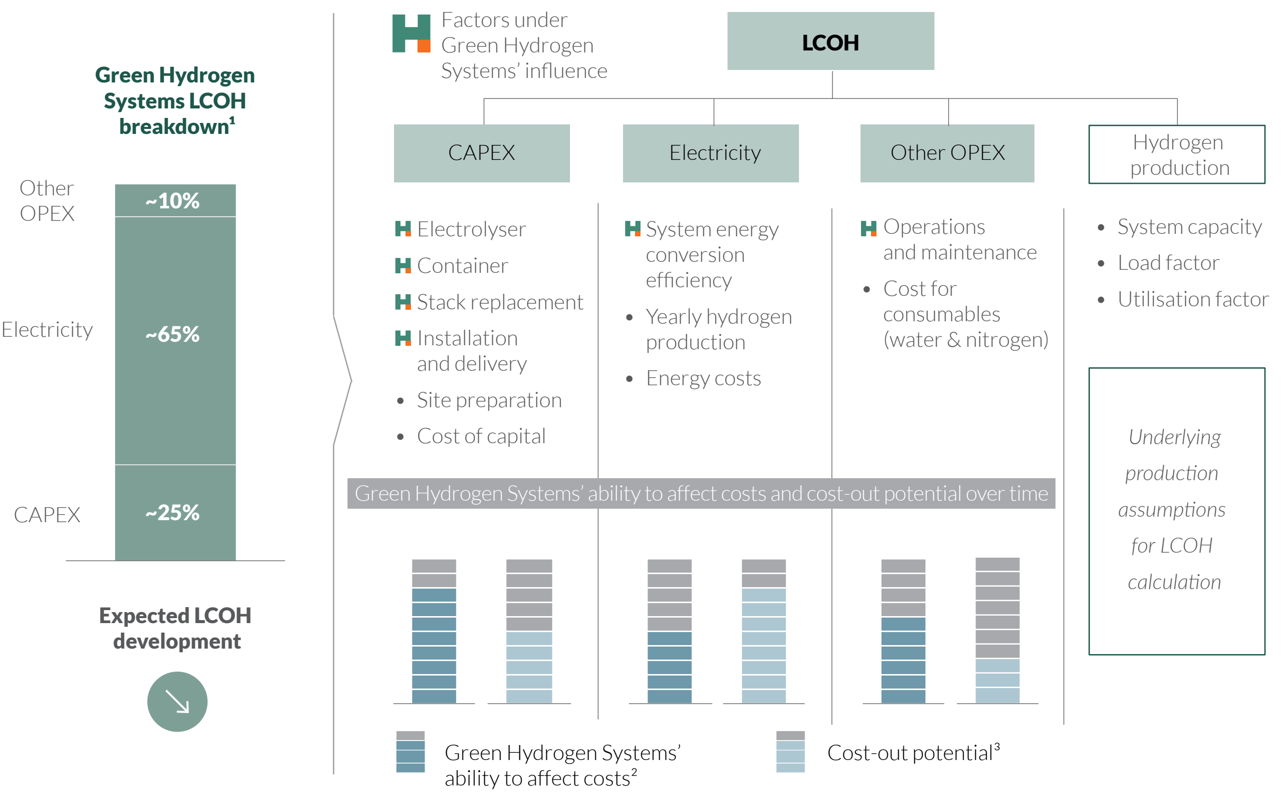
Significant cost-out potential

Green Hydrogen Systems has influence over the majority of factors that drive LCOH which allows for significant cost-out potential. The Company has a well-defined ongoing cost-out program, an industrial approach to production and assembly, and a R&D roadmap in place to realize cost component reductions as well as increased operational durability and efficiency.

Levelized cost of hydrogen

When evaluating cost competitiveness in the hydrogen market, the key performance metric is LCOH. LCOH is the average net present cost per kg of hydrogen produced, incurred by the owner of a hydrogen project during its lifetime. The costs include capital expenditures, electricity costs and other operating expenses. In the context of Green Hydrogen Systems' A90 Mk1, capital expenditures, electricity, and other operating expenses currently constitute approximately 25%, 65% and 10%, respectively, of LCOH. The Company's LCOH breakdown as well as the factors included in LCOH are presented in Figure 25.

Figure 25: Levelized cost of hydrogen[134]



Notes: 1) LCOH for Green Hydrogen Systems calculated based on estimated 2021 production cost side (i.e. without margins) for one A90 Mk1 containerized unit (90 Nm3/h), assuming electricity input price of 40 EUR/MWh; 2) Indicative illustration of Green Hydrogen Systems' ability to affect costs based on influence over LCOH factors; 3) Indicative illustration of expected impact on LCOH over time.

[134] Company information.

The capital expenditure share holds a significant cost-out potential as it comprises elements where the Company expects to have the highest ability to affect costs. Among capital expenditures, the Company expects to be able to affect the cost of the electrolyser, the container, the stack replacement, and the installation and delivery services.

Electricity usage makes up the largest cost component of LCOH, for which reason it is an important element for cost-out potential. The Company cannot affect the cost of renewable energy, but the cost of renewable electricity used for electrolysis is expected to decrease over time, primarily driven by an increased ability to purchase electricity at times when prices are low. The expected decline in the average renewable electricity price used for electrolysis in combination with an increase in electrolysis efficiency in the market is expected to decrease average electricity costs per kg hydrogen by up to 82% towards 2040.[135] The Company expects to be able to increase its system energy efficiency through development of the existing and coming product platforms and thereby reduce the electricity usage in its electrolysis systems.

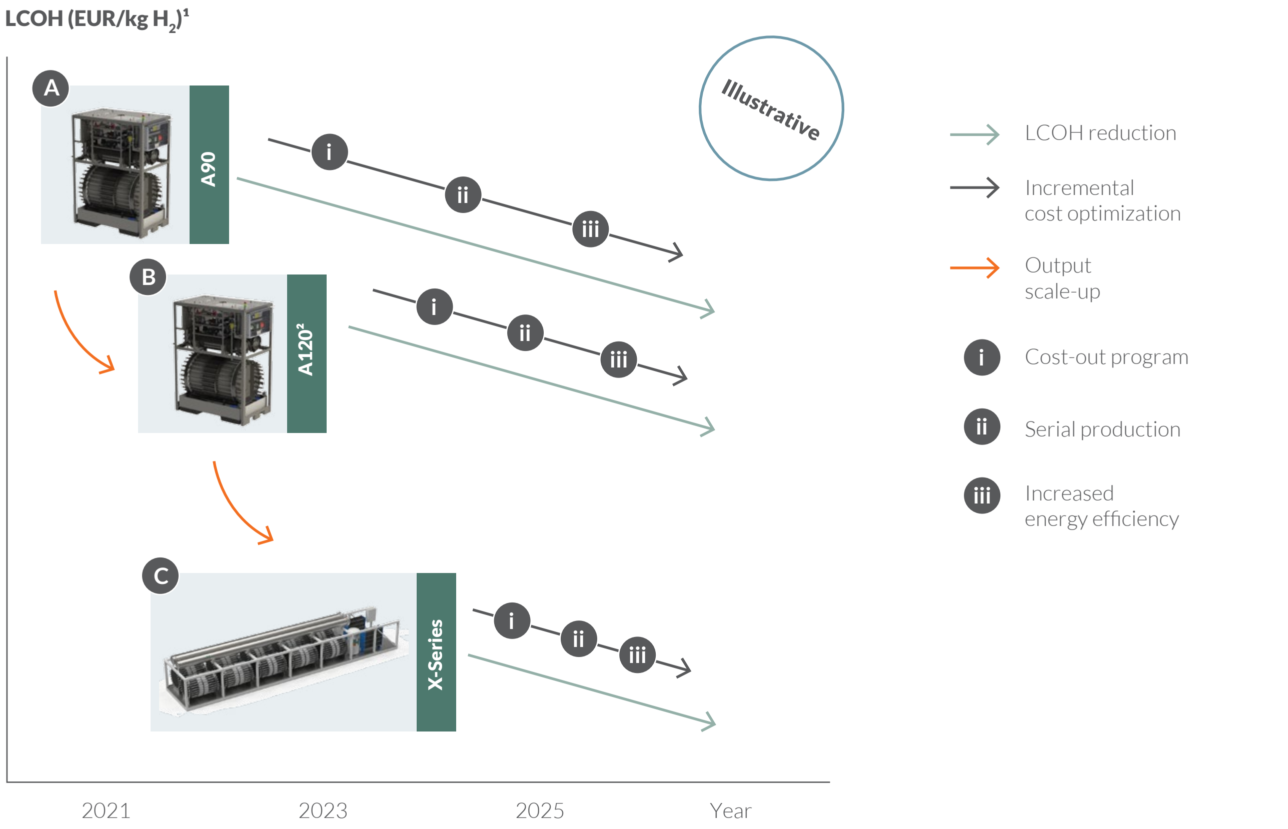
Other operating expenses include operations and maintenance costs as well as costs of consumables including water and nitrogen. The Company expects to be able to reduce the costs of operations and maintenance to some extent by improving the uptime, durability and lifetime of its products.

Initiatives to reduce LCOH across key cost factors

The Company expects to realize LCOH reductions in the future through initiatives across the key LCOH elements focused on incremental cost optimization and output scale-up. The output scale-up is based on new versions of the Company's existing product platform and a development of new product platforms and is expected to lead to a step-change reduction in LCOH. The initiatives and expected timing are illustrated in the Figure below.

The Figure below is for illustrative purposes only. The A120 and X-Series are only in the preliminary phases of development and no assurances can be given that the performance will be as the Company expects or as illustrated below.

Figure 26: Initiatives to reduce LCOH over time



Notes: 1) The LCOH scale between the products is illustrative; 2) A150 represents a similar cost-out opportunity.

[135] EA Energianalyse – Brint og PtX i fremtidens energisystem (2020).

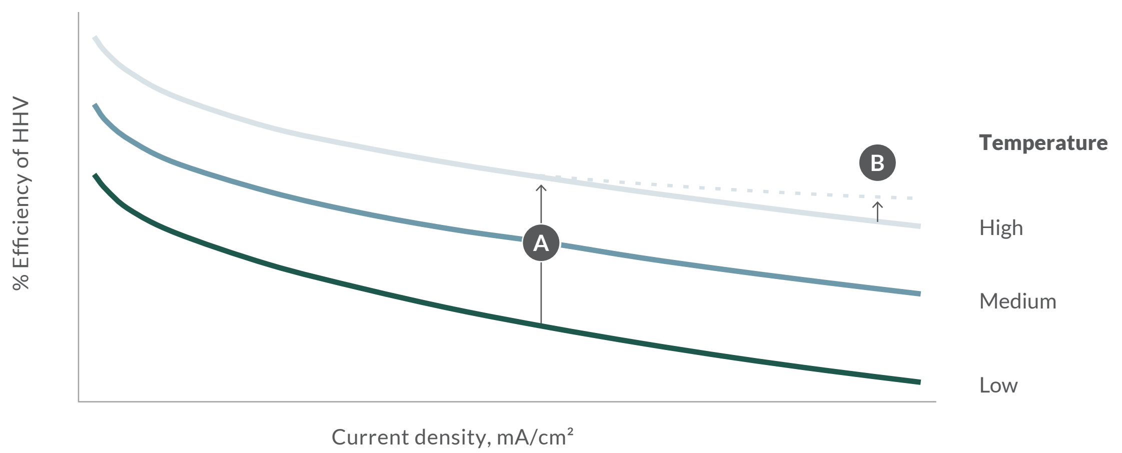
The newest version of the A-Series is the A90 Mk1, and the Company is currently optimizing this version with three incremental cost optimization initiatives including i) the Company's cost-out program, ii) serial production, and iii) increased system energy efficiency.

i) The Company's cost-out program include should-cost analysis, sourcing optimization and 'design to cost' initiatives. See *"Business – Products and technology – Significant cost-out potential – Cost-out program".* The cost-out program is expected to affect all LCOH factors. The capital expenditure will be affected through savings on system components and commodity parts as well as through a more optimal design of its electrolysers. For the A90 Mk1, a capital expenditure cost-out potential of approximately 30-40% is targeted towards 2024 compared to the capital expenditure level for the A90 Mk1 in 2021 (all other factors being equal). Furthermore, the design to cost initiatives are expected to, for instance, optimize product design, which could lower operating expenses. The design to cost initiatives are also expected to enhance the general efficiency of the Company's electrolysis systems, which will potentially reduce electricity costs.

ii) The Company continuously seeks to optimize its production processes as well as refine its system design to increase suitability for serial production. See "*Business – Products and technology – Modularity, versatility and serial production – Suited for serial production*". The Company expects that serial production will entail a higher level of efficiency in its production and assembly processes. Thereby, Green Hydrogen Systems expects to be able to reduce capital expenditure. Through continued standardization of products, an increase in product quality is expected. Thus, the other operating expenses element of LCOH will potentially decrease.

iii) Increasing the system energy efficiency is a part of the Company's ongoing R&D efforts. The efforts are expected to reduce electricity costs. It involves further development of the A-Series system design enabling a) higher temperatures and b) cell resistance reduction stemming from thinner diaphragms and improved electrolyte conductivity. Higher temperatures facilitate higher efficiency per electric current density, and cell resistance reduction reduces the slope of the linear part of the efficiency curve as illustrated in Figure 27.

Figure 27: Illustration of increased system energy efficiency



Furthermore, the Company is in the process of developing new versions of its A-Series, the A120 and A150, with increased electric current density. A higher electric current density increases output while operating at a lower efficiency. The net effect is a higher output for the same investment, ultimately leading to a lower LCOH (referring back to (B) in Figure 26).

Finally, a new system platform, the X-Series, is expected to lead to a step-change in the Company's system efficiency, affecting all elements of LCOH. This is achieved by optimizing the balance of plant and stack, enabling greater scale economics and hydrogen output at a lower unit cost (referring back to (C) in Figure 25). For the X-Series, a capital expenditure cost-out potential of approximately 60-70% is targeted towards 2025 compared to the A90 Mk1 in 2021 (all other factors being equal).

The three incremental cost optimization initiatives, i) to iii), can be performed for each new product version and platform (as illustrated in Figure 26).

Cost-out program
The Company has a clear and defined plan in place to realize LCOH reductions and strengthen its competitive position over time. The Company's cost-out program has three main activities: i) 'Should-cost' analyses and implementation, ii) sourcing evaluation and iii) 'design to cost' initiatives. Within the three main activities, the Company has currently identified approximately 80 cost-out initiatives with expected positive bill-of-material impact corresponding to a potential reduction of approximately 30-40% in capital expenditures towards 2024 for the A90 Mk1 compared to the capital expenditure of the A90 Mk1 in 2021 (all other factors being equal). The capital expenditure level of a factory floor A90 Mk1 in 2021 amounted to DKK <6,500/kW (USD <1,000/kW). The identified initiatives are expected to be implemented in waves to ensure adequate testing of products prior to product release.

i) The 'should-cost' analyses are performed with an ambition to reduce costs for product inputs. The analyses are based on thorough review of cost dimensions for the Company's key cost-driving components. It entails bottom-up mapping of suppliers' manufacturing processes to understand all cost drivers in the production. For the Mk1, approximately 15 initiatives of savings potential have been identified under the 'should-cost' analysis activity area. As an example, the Company has reviewed the cost dimensions of a key stack component currently accounting for approximately one percent of total A90 Mk1 material costs. The component is sourced from a third-party, and the should-cost analysis has revealed saving potential of the component corresponding to between 50 and 60%. The example is not necessarily representative for the outcomes of all other should-cost analyses to be performed, but the Company expects that the efforts will have significant cost-out impact. Furthermore, the analyses of 'should-cost' have resulted in design optimization ideas.

ii) The sourcing evaluation is performed with an ambition to improve the Company's current procurement terms by engaging in ongoing supplier negotiations as well as identifying alternative suppliers. The Company has identified approximately 30 sourcing initiatives with potential to reduce costs for the A-Series Mk1. Examples of sourcing initiatives are efforts to obtain price discounts with current vendors through placement of larger orders and competitive procurement and negotiation. Furthermore, the Company seeks to change to cheaper vendors in e.g. Eastern Europe.

iii) With its 'design to cost' initiatives, the Company has an ambition of optimizing sub-system designs to ease manufacturing at scale and improve component design in order to facilitate the use of cheaper components. The Company has identified approximately 35 design-to-cost initiatives for the A-Series Mk1 consisting of approximately 15 initiatives to ease manufacturing at scale and thereby optimize the manufacturing process and approximately 20 initiatives related to component optimization. Examples of initiatives to ease manufacturing at scale include changing the cooling system for the power supply and optimizing the control box architecture to reduce the number of sensors and valve wires. Optimization of the control box architecture will lead to higher direct costs, but the Company expects that a reduction in operating expenses due to a more robust setup that is easier to service, test and troubleshoot will outweigh the increasing capital expenditure, thereby lowering LCOH. Component optimization centers around removing redundant items or replacing them with better or less expensive ones. Examples of initiatives to optimize component design include implementing casting of stack end flanges instead of machining to reduce raw material and machining cost and changing niche components to generally available standard industrial components where applicable.

Research and development
Green Hydrogen Systems is a technology company that invests significantly in R&D in order to stay at the technological forefront and drive down LCOH over time. It has a three-pronged approach to R&D consisting of continuous product and process optimization, research in core technologies, and an intellectual property and know-how strategy. The Company's business and technology are founded on its R&D efforts, including accumulated investments and funding of DKK 188 million as at 31 December 2020 in combination with more than 153,000 hours (corresponding to 89 man years) invested since 2008.[136] The Company's R&D activities are performed by 35 employees (as at 1 May 2021) constituting approximately 39% of total employees. Green Hydrogen Systems expects to grow its R&D team to approximately 40 to 50 employees during the course of 2021 in order to undertake future R&D projects. R&D spending (including external R&D costs and R&D employee costs) consisted of approximately DKK 20 million in 2020, which made up approximately 216% of revenue from contracts with customers in 2020.

The Company has two research teams and R&D sites located in Nordager, Kolding, Denmark and Lyngby, Denmark, respectively, which are both in close proximity to skilled labor, education institutes and research partnerships. The R&D team in Nordager is located at the Company's headquarter, and as at 1 May 2021, the team consists of 29 employees working with product and component development with a focus on process, mechanical, and electrical areas of electrolysis. The team in Lyngby is co-located with Technical University of Denmark, which is seen as an innovation cluster, and as at 1 May 2021, the team consists of six employees

[136] R&D investments accumulated since 12 December 2008 and R&D hours based on employees employed in R&D since beginning of 2008, assuming 144 working hours per month per employee.

working with R&D of electrodes, other materials and processes. The Company's location in Nordager is located in proximity to the wind and energy cluster in Jutland, which provides ample opportunities to hire relevant talent and establish partnerships.

In connection with its continued development and R&D activities, the Company intends to apply for appropriate grants and subsidies to help finance and cover partly the costs of such activities.

Research and development roadmap

Green Hydrogen Systems expects to create and maintain its competitive edge through high-priority efforts laid out in a R&D roadmap. Currently, customers in most target segments are looking for large-scale, modular electrolysis systems with limited footprint. The overall R&D strategy is therefore to develop the Company's concept further with a focus on improving the scalable platform for larger output volumes at a lower cost. This is achieved by focusing on continuous improvement of current product series as well as development of new product series.

Continuous improvement of existing products and processes is an important part of the Company's R&D in order to meet performance criteria related to system uptime, durability and efficiency. The efforts are also a part of the Company's cost-out program, where R&D are used to evaluate process design in order to keep costs at a competitive level. See "*Business – Products and technology – Significant cost-out potential*".

The Company's approach to developing new product series is focused around research in core technologies. Core technologies include elements of the stack, particularly the electrode and diaphragms, the BOP, and the system architecture that combines all elements. The research activities related to the stack and the BOP are supported by computational fluid dynamics ("**CFD**") modelling to simulate the stack operations and thereby verify reliability of the stack once developed.

Specifically, the Company operates with a five-year R&D roadmap initiated in 2020 with a clear and detailed plan for the development phases to be implemented for each project. The R&D roadmap consists of the following projects:

i) Current projects: Include continuous optimization of the A-Series versions and the stack electrode technology, for example the development of two additional A-Series versions: Initially a 120 Nm3/h version and later followed by a 150 Nm3/h model (version A120 and A150, respectively). Pre-sales are expected to be possible in 2021 and 2022 for the A120 and A150, respectively, and the prototypes are expected to be ready for both versions during 2022. Green Hydrogen Systems expects to sell the A120 from 2022 and the A150 from 2023.

ii) Platform projects: Include development and commercialization of the upcoming X-Series platform, which is to be based on the A-Series. It is of high priority to the Company in order to address the increasing demand for multi-MW capacity solutions, and pre-sales of the X-Series are expected in 2021. The Company expects to have an X-Series prototype ready in 2022 with expected launch in 2023. For the X-Series, and subject to a successful production scale-up and launch of the A120 and A150 products, as well as the X-series, a potential reduction of approximately 60-70% in capital expenditures is targeted towards 2025 compared to the A90 Mk1 in 2021 (all other factors being equal).

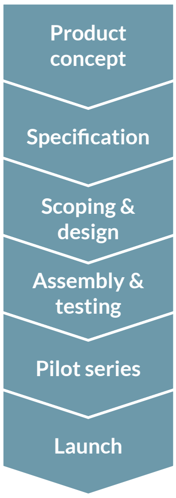
iii) Next-gen projects: Include high-temperature alkaline projects, which are expected to enable higher efficiency per electric current density. Feasibility studies are planned in the current R&D plan, and HyProvide EEEHy is one of several early-stage initiatives for increasing temperatures in the electrolysis process through improved system design.

The development of each new product platform is an extensive process eased by the experience and trial-and-error know-how accumulated during the development of the Company's A-Series. The development of the A-Series platform took four years, and then two years were spent on vigorous stress testing and pilot projects. The development of the X-Series is expected to be faster as it builds on the Company's existing technology and because the Company has a well-founded product development roadmap in place based on experience from the A-Series.

Product development roadmap

The Company's development of a product platform is a process performed in six phases illustrated in the Figure below:

Figure 28: Green Hydrogen Systems' product development process



- Product concept, KPIs and high level architecture
- Resource plan and commercialization roadmap
- Product specifications and detailed business case
- Detailed product design, supplier list and validation strategy
- Prototype assembly and full testing & validation
- Pilot first prototypes at client sites and optimize design based on market feedback
- Hand-over from project to volume production and commercialization of platform

It is expected that the process for developing new versions of the existing A-Series platform will be significantly faster as some phases are not required. This is demonstrated by the development of the A90 Mk1 launched in first half of 2021. The process was faster, because the Company was able to initiate the development at the scoping and design phase as the product concept and specification phases were very similar to the existing A-Series products. Furthermore, each of the phases were conducted faster due to large similarities between the versions in the A-Series. The main changes of the A90 Mk1 compared to the A60 were an increased electric current density and a system that allowed for higher operating temperatures, which enabled an increase of approximately 50% in hydrogen output per unit. Similarly, the Company will begin the development of the coming A120 and A150 at the scoping and design phase.

Intellectual property strategy

The Company's technological competitiveness is based on developing and maintaining core knowledge in-house supported by an IP protection strategy. The IP protection strategy consists of three pillars: i) Creation of a relevant patent portfolio, ii) strict confidentiality approach for key trade secrets, and iii) full product ownership to avoid infringement.

The Company is in the process of creating a relevant patent portfolio with a commercial focus. The electrolysis system as a whole cannot be patented or otherwise legally protected because the pressurized alkaline electrolysis technology is based upon a proven and mature technology and is generally know-how based. However, various components and processes developed by the Company has been or are assessed to have the potential to be patented. The Company currently holds two patents related to stack design. While the patents are deemed relevant, the Company is not dependent on these patents. The Company has additionally identified 19 new patent candidates in the areas of electrocatalysis, electrodes, design and process control and is currently in the process of finding an external partner to investigate the patentability of them and to develop the IP strategy. Patents are, however, only pursued when they are expected to be of high value, because patent applications include risks stemming from publication of detailed component and process descriptions. See list of current patents in the Table below.

Table 4: Patents

Patent	Priority date	Object
Patent DK-178317 B1 Electrolyser stack divided in sub-stacks	2014-09-05	Provide an electrolysis stack that reduces the energy losses including the stray currents.
Patent DK-178796 B1 Pressurized Electrolysis Stack	2014-09-05	Provide an electrolysis stack that is capable of being operated at elevated pressure, where thickness of the cell frame may be reduced.

The second pillar of the Company's IP strategy is the strict confidentiality policy that the Company has put in place. The Company is focused on keeping trade secrets not protected by IP rights strictly in-house and confidential. For that purpose, the Company has a principle of not sharing know-how externally and only sharing it in-house on a 'need to know' basis. In practice, the Company believes it is difficult to replicate the Company's technology in an external environment as the Company's technology is based on several years of trial-and-error complicating backward engineering. The team behind the technology development consists of a number of engineers with long experience of services to the Company, and the Company focuses on incentivizing key personnel important for the Company's development.

Finally, Green Hydrogen Systems has full ownership across its product portfolio including its software, which is developed and maintained in-house. The Company is regularly conducting checks of its Freedom to Operate to determine whether its products and technology potentially infringe third-party intellectual property rights. At the date of this Prospectus, it is the Company's assessment that it does not violate any third-party intellectual property rights.

Production, assembly and supply chain

Green Hydrogen Systems has an assembly-focused production setup with most components being sourced externally and core components being processed or designed in-house at the Company's production facility. In all aspects of production and assembly, safety and health is the uncompromising priority number one. Green Hydrogen Systems continuously promotes an organizational culture with the safety mindset "take care" in all production processes in order to sustain awareness and actions for a safe working environment. The Company monitors safety on a daily basis, and registers and handles possible incidents to track and improve health and safety aspects. Furthermore, the Company has a strong focus on environmental standards and quality assurance. Promoting a sustainable environment is a core aspect of the Company's vision statement, and its assembly-focused setup ensures a less complex production process and thereby a reduced environmental footprint. Quality assurance is also an integral part of the Company's activities from product development to sourcing through production and to sales and service. A new ERP system (SAP Business ByDesign ERP) has been implemented in January 2021 to serve as a backbone for proactive quality control processes, including control plans and traceability in supply chain, production, testing, delivery and commissioning.

Green Hydrogen Systems expects to receive ISO certifications across the three areas in Q3 2021 as the gap analysis for the certification process has been conducted in January 2021. The ISO certifications are ISO 450001 for occupational health and safety systems, ISO 14001 for environmental management systems, and ISO 9001 for quality management system standards.

Production and assembly facilities

The Company produces its electrolysers in a new, modern production facility in Nordager, Kolding, Denmark. The production has been operational since November 2020. It comprises an area of 4,500 m^2, of which approximately 2,000 m^2 are built for office purposes. The production space is rented for DKK 725 per square meter per year, whereas office space is rented for DKK 950 per square meter per year.

At the end of 2021, the annualized manufacturing capacity is expected to be 25 MW per year, however with a potential to increase to approximately 75 MW per year depending on the number of shifts the Company operates. 75 MW capacity per year is expected to be possible with the introduction of three production shifts relative to the current production setup with one production shift. Current production facilities are expected to allow for further increase of the annual production capacity once new, higher-capacity A-Series versions (A120 and A150) are ready for commercialization and planned production processes and efficiencies are phased in. Gradual implementation of the new A-Series versions, industrial production principles and learning curve effects are expected to drive up capacity towards 150 MW per year. The increase in capacity will require additional external warehousing space, and the Company considers it likely that facilities will be expanded before operating at the current maximum capacity is required. Where feasible, the Company intends to plan its assembling for two shifts only and keeping three shifts open only if required by special circumstances.

The Company plans to build out its production facility in tandem with demand. The next expansion phase, expected to commence during 2021, involves a significant upfront investment in the X-Series production line with an expansion of the production facility of between 12,500 and 13,500 m2. While the assembly of the X-Series electrolysers requires a separate production line, the current stack assembly and test line can be expanded and used for both the A-Series and X-Series. The Company has not yet obtained definitive agreements nor approvals regarding the development and construction of additional facilities to support the required increase in production capacity. Yet, the Company expects to be able to enter into such agreements and obtain relevant approvals based on positive dialogues with the developer and the Municipality of Kolding. The Company expects that the lead time of the expansion will be 12 to 18 months, and the expansion is expected to facilitate a maximum annual production capacity of approximately 400 MW. The maximum production capacity is based on three manufacturing shifts, production efficiencies and the introduction of the X-Series. The production capacity is limited to 400 MW despite the large facility scale-up, because certain bottlenecks including warehousing space limit the capacity. The Company therefore expects that the production capacity can be further increased for a rather limited investment once substantiated by the order backlog and pipeline.

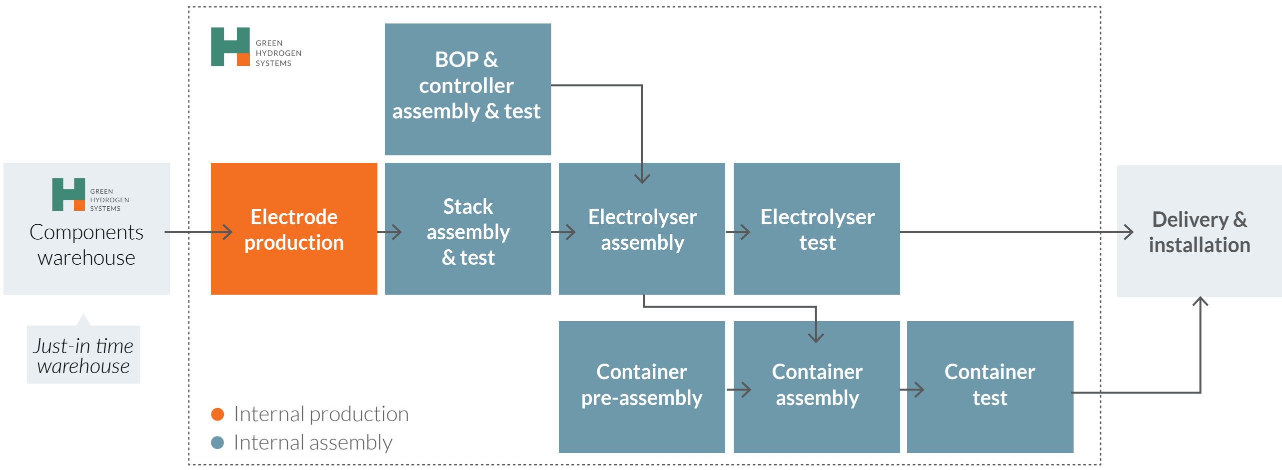
The Company's current location has the capacity to expand to a total area of approximately 30,000 m^2 of which the Company plans to allocate at least 50% to production facilities. Expansion towards 30,000 m^2 is planned in multiple phases and is entailed with some degree of uncertainty as it will require significant investments, agreements with the developer as well as approvals from the municipality. Based on an extrapolation of current maximum production capacity, the continuous optimization of production processes and the introduction of the X-Series, the Company believes that a facility of such scale will be able to support a production capacity of more than 1,000 MW per year.

It is further the purpose of the Nordager site to act as a factory blueprint for the potential establishment of additional factories in the future. The Company will consider such new production facilities once the required investment is commercially substantiated e.g., if a project of substantial magnitude involves local content requirements.

Assembly-focused production setup
Production of the Company's electrolysers follows an assembly-based process with all systems being manufactured in Nordager, Kolding, Denmark. In addition to internal assembly of sourced components, the Company carries out certain value-add processes such as involvement in the final production of the electrodes. Internal production of select parts of the system ensures that core intellectual property and knowledge is kept in-house and confidential.

The Figure below shows the flow of the current production facility:

Figure 29: Assembly-focused production setup



- *Components warehouse*: Just-in-time warehouse with a limited amount of components stored.
- *Electrode production*: Green Hydrogen Systems is involved in the production of the electrodes, which are a key differentiator of the Company's technology. The processes performed are conducted in-house and based on development over many years.
- *Stack assembly & test*: The stack is assembled from the electrodes and a range of sourced, standardized and Green Hydrogen Systems designed components. The stack undergoes a test phase to ensure that it operates according to its specifications before assembly with the flow system, power supply and control system.
- *Electrolyser assembly*: Assembly of the rack, flow system, power supply and control system.
- *Electrolyser test*: The final system undergoes tests before delivery and installation.
- *Delivery and installation*: The system is delivered and installed at the customer's premises by Green Hydrogen Systems' techni-cians.
- *Side-track for containerized solutions*: In parallel to the assembly of the electrolysers, the container is pre-assembled, which consists of the installation of the power supply and other auxiliary systems included in the containerized solutions. Once the Green Hydrogen Systems electrolyser has been assembled, it is installed in the container. Finally, the containerized solution is tested before it is delivered and installed at the customer's premises by Green Hydrogen Systems' technicians.

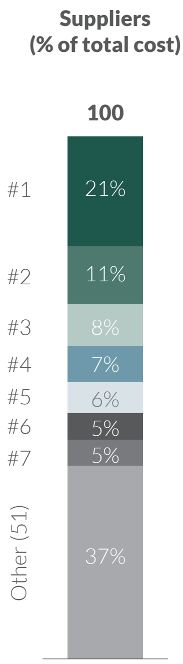
The assembly-focused pull production setup is beneficial for the Company as it is agile to meet demand and allows for serial production being a significant enabler of cost-out. The Company spends resources on R&D to improve production processes and components used in the production that will enable further cost-out.

The production setup is a fit-for-purpose facility regardless of whether an electrolysis system is produced for installation at a factory floor or as a containerized solution. The internal throughput time is currently around three months and is expected to be three to four weeks by the end of 2021 once planned production processes and efficiencies are phased in. An additional week is required for production of a containerized solution.

Supply chain and suppliers
Green Hydrogen Systems' electrolysers are for the most part assembled and manufactured from standardized components generally available in the European market as well as Green Hydrogen Systems-designed components sourced from capacity suppliers. Today, suppliers are a combination of local and European companies, but the Company has extensive freedom to design its supply chain as most components are standard and hence widely accessible.

Green Hydrogen Systems maintains a strong relationship with its main suppliers, which comprise a subset of its comprehensive supplier base. The Company's seven main suppliers together represent 63% of the Company's costs for its A-Series Mk1. As of the date of this Prospectus, a dual sourcing strategy is in place for the majority of components by either actively buying from several suppliers or benchmarking and ensuring competition between multiple suppliers. The cost breakdowns by suppliers and eight cost component categories are illustrated in Figure 30.

Figure 30: Component cost breakdown by suppliers and cost categories[1]



Component cost categories (% of total)

19%	**Power supply components**	Sourced from major European suppliers
17%	**Electrodes**	Electrodes, bipolar and perforated plates designed by GHS and sourced from primary global manufacturers
16%	**Gas system components**	Valves, fittings, sensors etc.
12%	**Mechanical parts**	Both components designed by GHS and sourced from capacity suppliers as well as standard components [2] [3] [4]
11%	**Pressure vessels**	Designed by GHSand manufactured by external suppliers
11%	**Control system components**	Standard components such as PLC, sensors, cabling etc. that are commercially available
8%	**Metal components**	Machine and sheet metal components sourced from capacity suppliers (designed by GHS)
6%	**Cooling system components**	Standard components such as pumps, motors, fans etc.

Critical · Standard · GHS design · GHS specifications · Supplier design · Dual sourcing strategy in place[5]

Notes: 1) Based on the cost of producing one Mk1 A90 factory floor unit; 2) Mix of critical and standard components, 3) Mix of components with dual sourcing strategy in place and sourced from single supplier; 4) Supplier design for standard components; 5) At the time of the Prospectus, a dual sourcing strategy is in place by either actively buying from several suppliers, or benchmarking and ensuring competition between multiple suppliers.

Currently, the Company sources the majority of its components on an order-by-order basis with the exception of some key components with long delivery time where the Company has negotiated frame agreements. The Company expects to engage in new supplier partnerships and negotiate additional frame agreements and contracts along with the ongoing scale-up and evaluation of its supplier network.

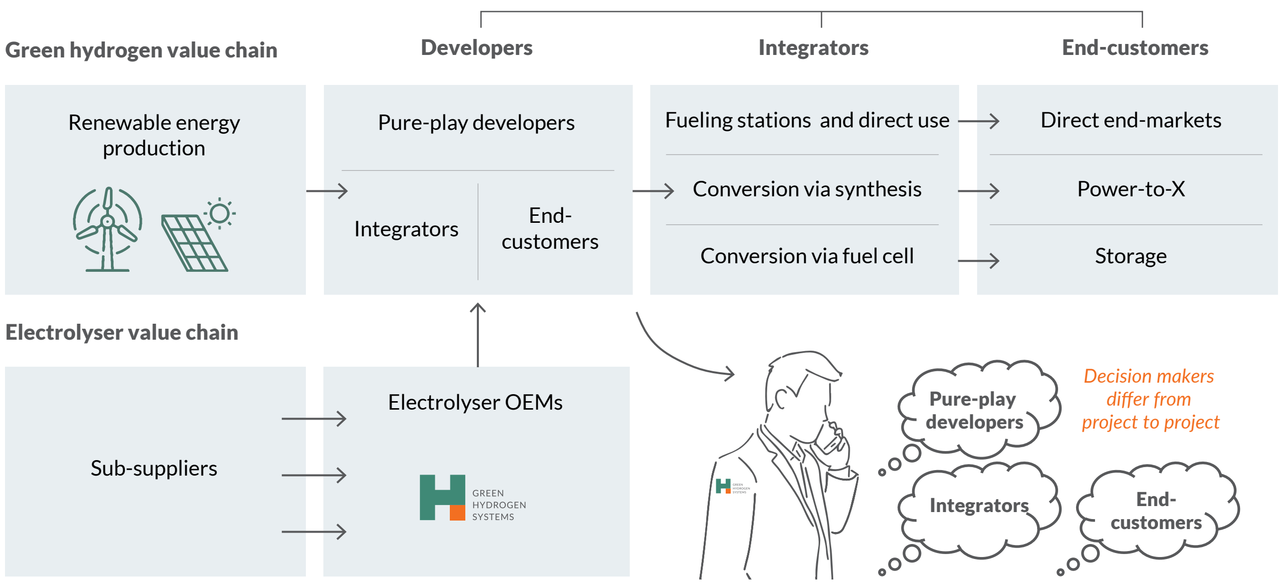
The raw materials used for the electrolyser production are primarily steel, nickel, and nickel-based materials as well as various generally available materials including plastics and rubber. Total nickel cost makes up approximately 4% of the electrolyser cost, providing a limited exposure to fluctuations in nickel prices.

Sales and customers

Green Hydrogen Systems has been chosen as the electrolysis system provider in several projects involving key industry players, including Ørsted and Siemens Gamesa. The Company has delivered electrolysis solutions for different application areas, geographies and project sizes, and it has a strong pipeline with a potentially increasing magnitude of variety and scale. See "*Business – The Company's competitive strengths – Commercially proven platform with clear pathway to position Green Hydrogen Systems as a leading supplier to the hydrogen economy*".

Decision makers vary from project to project and can be either developers, integrators, or end-customers. The green hydrogen value chain with examples of decision makers in the Company's focus markets is illustrated in the Figure below.

Figure 31: Green hydrogen value chain



Green Hydrogen Systems considers its focus markets to comprise of select EU countries (including the Nordic region, Germany, Benelux, France, and Iberia) as well as Australia, South Korea and Japan. The Company has an opportunistic approach to potential sales outside these geographies.

Sales approach and process

The Company's choice of sales approach depends on the nature of the targeted project, which can vary across application area, geography, size and project proximity to hydrogen production. Strategic partnerships, where Green Hydrogen Systems approaches potential customers in collaboration with relevant partners, is a proven model in e.g. new market entries. It is also a relevant approach when the targeted project requires a fueling station or in certain industrial projects where a large EPC provider will enhance the chances of winning the project. Green Hydrogen Systems approaches potential customers directly when the value proposition is strong without a partner. The direct sales approach is typically the chosen approach in current focus markets, where the Company is working to enhance its positioning and visibility through local partners and stakeholders including memberships in relevant hydrogen organizations. Finally, a sales approach is to bid on public tender offers, where the Company either submits bids alone or joins forces with other industry players in consortiums (typically backed by public funding).

For any given sales approach, the Company' sales process consists of three overall stages of touchpoints with the customer: i) Marketing and sale, ii) assembly and on-site installation, and iii) S&M.

i) Marketing and sale include marketing, lead generation, pipeline management, offer and quotation management as well as negotiation and contract signing. The lead time from sale to delivery is currently four to seven months during which the Company sources relevant components and completes assembly and product tests. See *"Business – Production, assembly and supply chain – Assembly-focused production setup"*.

ii) Once the electrolyser is produced, the Company delivers and installs it at the customer's site. In some cases, the Company also provide EPC services, meaning that the Company assumes responsibility for design and engineering of the customer's site.

iii) S&M include service management and monitoring, predictive maintenance, and incident management and repairs. The services are recurring and the offering ranges from a full-service agreement to other cheaper and less extensive S&M offerings. The full-service agreement is currently mandatory the first three years.

Below, the sales process is exemplified by two ongoing customer cases: i) the H2RES project in Avedøre, Denmark with Ørsted and ii) the Power-to-X project in Oosterwolde, the Netherlands with Alliander:

i) The H2RES project in Avedøre led by Ørsted is a pilot project using offshore wind and the Company's electrolysis system to produce renewable hydrogen to power road transports. It is the pilot project for the 1.3GW 2030 Avedøre project announced by Ørsted and its partners. Green Hydrogen Systems was invited to participate in a consortium in 2019 to assist with defining the pilot project and applying for funding from the Danish Energy Agency (in Danish: *Energistyrelsen*). The Company's role in the consortium and funding track was as a development and engineering consultant, and the consortium received funding of approximately DKK 35 million in December 2019. In parallel to the funding track, a commercial track was initiated entailing a direct sale of five A90 Mk1 electrolysers to Ørsted. The sale was concluded in December 2020. The 2 MW electrolysis system is expected to be installed on-site in December 2021 and will be powered by two 3.6 MW offshore wind turbines located at the Avedøre Power Station. The project will enable approximately 1,000 kg of daily hydrogen production and daily fuel for 20-30 busses and constitutes the first phase of a larger project.

ii) The Power-to-X project in Oosterwolde, the Netherlands was initiated in 2019 when Green Hydrogen Systems submitted a 'Request for Information' and thereby participated in a tender offer to provide an electrolysis solution to Alliander, a Dutch energy company. In May 2020, Green Hydrogen Systems participated in the next tender round by submitting a 'Request for Quotation'. In July, Green Hydrogen Systems was selected as the electrolysis provider. The Company signed the contract with Alliander for three A90 Mk1 electrolysers in August with delivery in July 2021 in Oosterwolde, facilitating 1.3 MW electrolysis capacity. The project is being developed and run together with the solar energy developer, GroenLeven, and involves using electrolysers to convert excess solar or wind energy into hydrogen with the purpose of storing the energy for reducing grid load (grid stabilization) and for later sale in transportation, industry, heating and other areas.

Revenue model and project cash flows

Currently, Green Hydrogen Systems' revenue streams and project cash flows for a standard project include both i) milestone payments for the electrolysis system, ii) payment for engineering and installation services, and iii) recurring payments based on a S&M agreement:

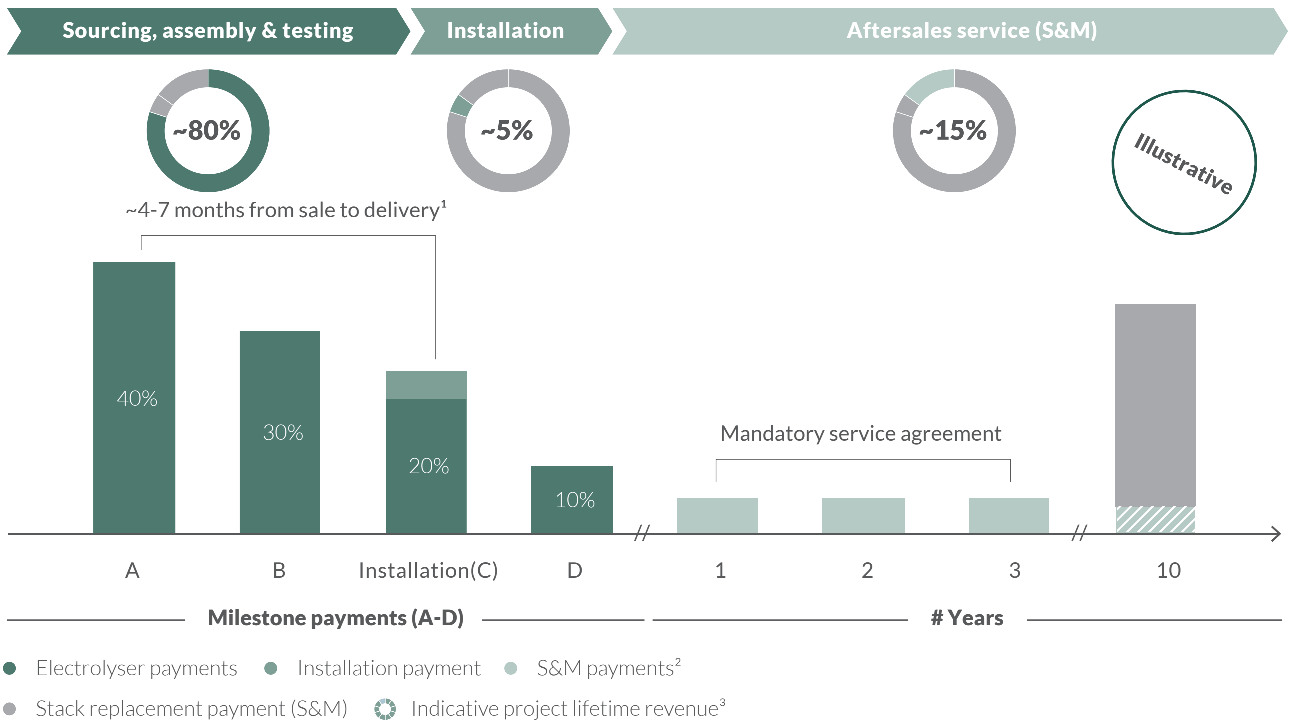
i) Sale of the electrolysis system typically accounts for approximately 80% of order lifetime revenue. An expected standard agreement divides payment into four installments based on milestones. The first two installments are typically received prior to product delivery, the third installment at time of delivery and the last installment after delivery. The installments are expected to consist of 40%, 30%, 20%, and 10%, respectively, of the electrolysis system price, but other variations may also apply. The electrolysis system payments are typically recognized as revenue after completion of the site acceptance test. It is the Company's ambition for the end of the year 2021 that payment for the Company's electrolysis equipment and related services sold will fall due between the sourcing phase and one month after delivery during a period of approximately four to eight months (lead time of five months) from sale to delivery.

ii) Engineering & installation service sales accounts for approximately 5% of order lifetime revenue. The payment is received at completion of product installation and recognized as revenue after completion of the site acceptance test.

iii) S&M sales (including spare parts) generally accounts for approximately 15% of order lifetime revenue, and the recurring payments are most often received on an annual basis. An additional payment is also provided in the event of stack replacement (expected to be approximately every 10 years). Full-service S&M is currently mandatory the first three years following the installation of the electrolysis solution. Subsequently, the customer can choose between keeping the full-service S&M agreement or shifting to other S&M agreements offered by the Company. The Company is currently reviewing its S&M offering. For further details on the Company's considerations regarding the S&M offering, see *"Business – The Company's strategy – Strategic focus areas and initiatives - Strengthen the operations service and management offering"*.

The timing and relative sizes of the cash flows and revenue streams vary from project to project and typically constitutes part of the negotiation process. However, the below Figure illustrates a standard project based on the Company's targeted milestone payment structure and three years of S&M sales:

Figure 32: Cash flows for a standard A-Series project (complete electrolyser system)



Notes: 1) Electrolyser payments are expected to usually fall between sourcing phase to one month after delivery during a period of approximately four to eight months (lead time of five months from sale to delivery is a year-end target for 2021). Electrolyser payments are typically recognized as revenue after the site acceptance test; 2) Revenue from service is recognized following site acceptance test and is periodic, but exact timing varies from project to project; 3) Project revenue split based on an average A90 Mk1project quote (factory floor unit), including three years of mandatory full service agreement (i.e. not accounting for potential stack replacement). Revenue split varies between projects depending on a range of parameters, including, but not limited to, type of product, project size and service contract length.

Aftermarket service revenue potential
S&M revenue accounted for approximately 9% of revenue from customer contracts in 2020, and the Company expects to increase its S&M revenue share gradually as the installed base grows.

After the first three years, where full-service S&M is mandatory, the Company expects that the customers will be offered to choose between full-service covering annually preventive maintenance visits, repairs, surveillance and remote support or three less extensive S&M offerings: i) scheduled maintenance, ii) remote service agreement, and iii) spare parts kit (level 1 and 2):

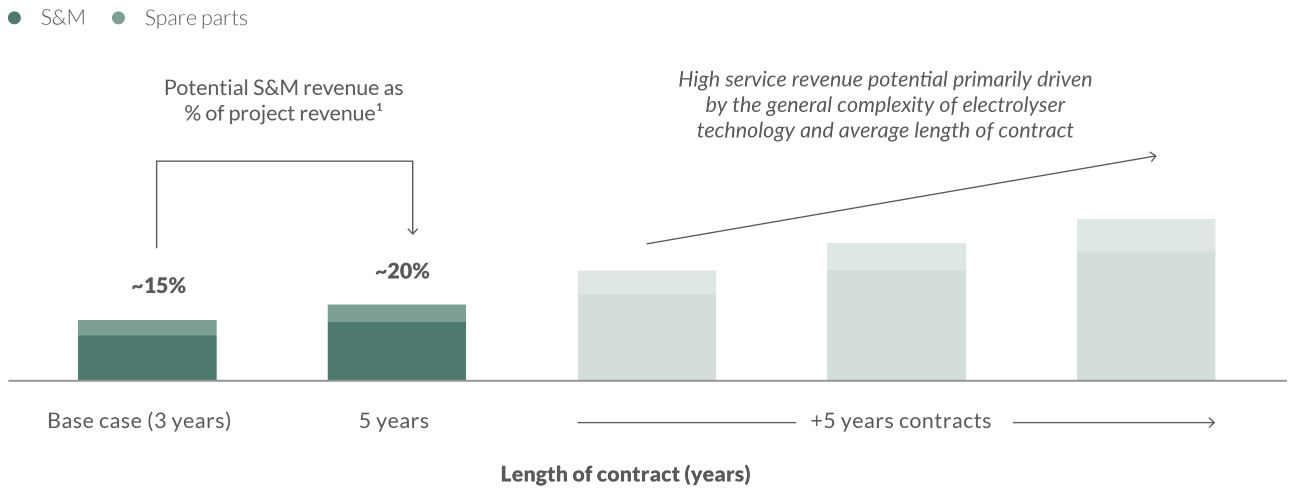
i) Scheduled maintenance includes periodic preventive maintenance, remote monitoring and support via a hotline.

ii) Remote service agreement includes remote monitoring and on-demand support via a hotline. On-site services are performed in case of malfunction.

iii) Spare parts kit includes two different packages of spare parts that are estimated to cover two to five years of operation. If the customer chooses the spare part kit solution, the Company does not provide the service offering, only the spare parts.

Given the complexity of the Company's technology, it is expected that many customers will choose the full-service S&M model. It is therefore expected that aftermarket services will be a key driver of growth and profitability in the future. The S&M revenue potential depends on the length of the service contract exemplified in the Figure below where full-service revenue is presented as a share of order lifetime revenue given the different lengths of contracts. However, it should be noted that given the Company's limited installed base and the uncertainty relating to customer needs and preferences, the commercial and financial profile of the S&M concept may be subject to change.

Figure 33: Revenue potential of S&M full-service agreement



Notes: 1) S&M revenue (full service including average price for spare parts kit) as share of total electrolyser revenue including engineering revenue. The project revenue split is based on a standard A90 Mk1 project quote (factory floor unit) including a three years' service agreement and spare parts kit (i.e. not accounting for stack replacement) as base case. In the extension beyond the first mandatory three years, S&M and spare parts kit are assumed to be priced at 50% and 33%, respectively, on an annual basis compared to prices in base case (not accounting for annual inflation).

As presented in Figure 33, the base case consists of the mandatory S&M period of three years, which is expected to lead to a service revenue share of approximately 15% of the total lifetime order revenue. S&M orders of five years have also been seen, which is expected to lead to a service revenue share of approximately 20%. If customers choose longer S&M contracts, service revenue will make up larger shares of order lifetime revenue dependent on the chosen S&M offering. S&M is therefore deemed to enable significant revenue potential.

An expected large number of full-service contracts will drive an increasing service revenue share of total revenue. Further potential is consistent with the level of service revenue generated by more mature companies with a similar business model in the green hydrogen industry or by companies operating in the broader energy industry. These companies report service revenues of approximately 14-20% per year.[137]

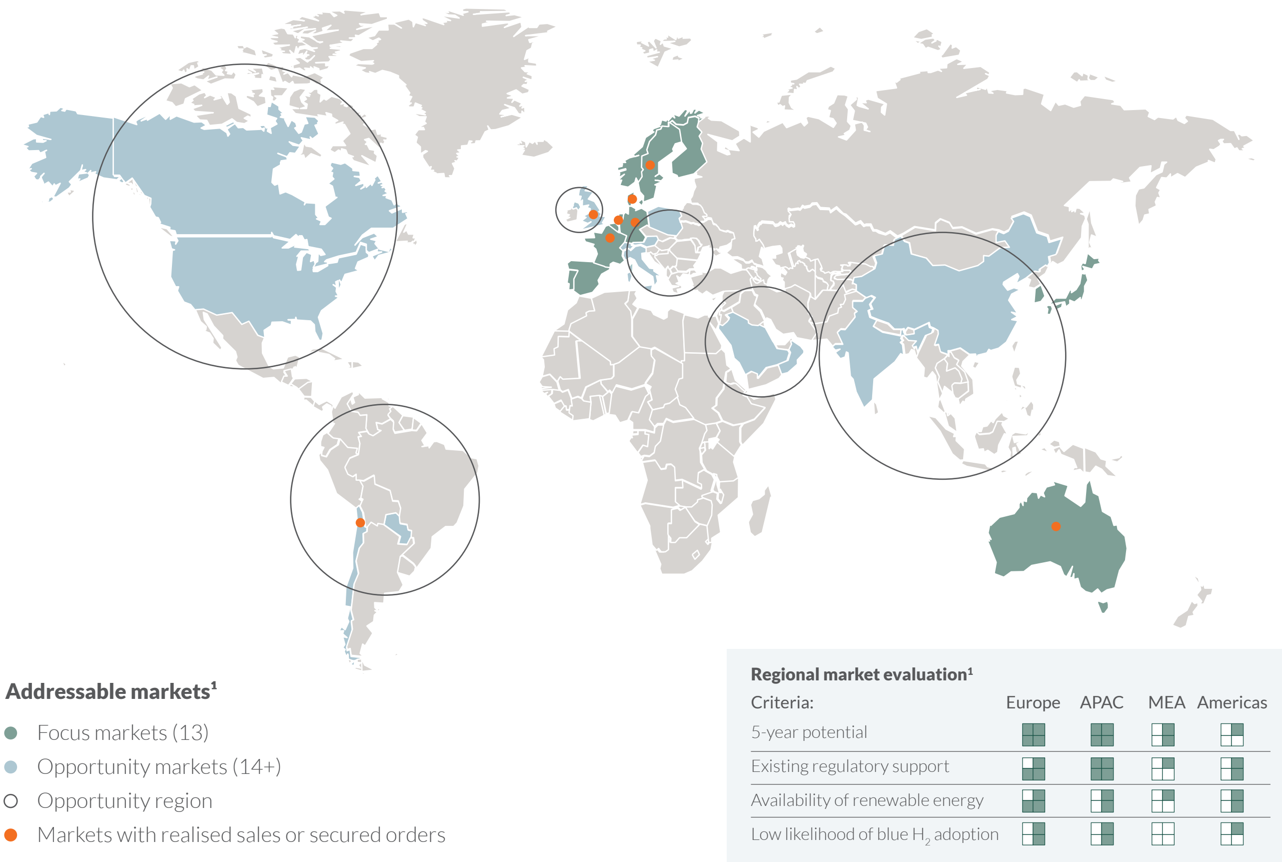
Go-to-market strategy
Green Hydrogen Systems is in the process of adapting its go-to-market strategy to address new markets and the increasing demand for large-scale projects.

Green Hydrogen Systems has identified a range of focus and opportunity markets in Europe, OECD Asia, the Americas and the Middle East and Africa presented in Figure 34. A number of countries have been selected as short-term priorities for the Company to address. Such focus markets include the Nordic region, Benelux, Germany, France and Iberia, along with Australia, South Korea and Japan. These markets have been selected based on the assessed market potential over a five-year horizon, the existing regulatory support, the availability of renewable energy, the likelihood of blue hydrogen playing a large role in the market and the assessed market accessibility for Green Hydrogen Systems. Currently, more than 50% of the globally announced projects towards 2030 are

[137] Based on service revenue share noted in the most recent annual reports of Nel, Vestas, and Siemens Gamesa (as of the date of this Prospectus).

in the EU and OECD Asia, which amplifies the relevance of the regions of the Company's focus markets.[138] While the Company will focus its proactive sales on these focus markets, opportunistic sales in other markets will also be considered. The Company will re-evaluate its market prioritization on a continuous basis due to the development pace of market trends.

Figure 34: Green Hydrogen Systems' focus and opportunity markets



Notes: 1) Green Hydrogen Systems management evaluation; 2) Based on announced projects in the IEA Hydrogen Projects Database (as at June, 2020) Beijing Jingneng Inner Mongolia (5GW) manually added (from Recharge News – Growing ambition: the world's 20 largest green hydrogen projects (2021)).

In focus markets, prioritized targets will be approached proactively and directly by Green Hydrogen Systems' own sales teams. Furthermore, such markets will typically have dedicated sales resources, including a business development manager. As at the time of this Prospectus, the Company has orders in Denmark, Sweden, Germany and the Netherlands. Furthermore, the Company has dedicated sales resources in Denmark and is in the process of hiring sales managers in Benelux and Germany. Technical service support is expected to be established at a later stage when Green Hydrogen Systems' installed capacity in the country or region has increased.

While the two Asian focus markets, Japan and Korea, have large, existing hydrogen eco-systems, cultural, regulatory and other differences to other focus markets will entail a longer and more difficult path to success. Consequently, the Company's strategy for these markets is to seek to collaborate with local partners rather than building its own sales force.

In non-focus markets with limited, if any, proactive outreach from Green Hydrogen Systems' sales teams, the Company expects to rely on strategic partners and industrial conglomerates to identify high value opportunities.

138 Based on announced projects in the IEA Hydrogen Projects Database (as at June, 2020) Beijing Jingneng Inner Mongolia (5GW) manually added (from Recharge News – Growing ambition: the world's 20 largest green hydrogen projects (2021)).

Adaptation of sales efforts to address increasing demand for large project sizes
In terms of project sizes, Green Hydrogen Systems has previously focused on smaller projects below 10 MW in scale. However, the Company is generally observing an industry trend towards larger electrolyser projects and believes that the future market will be dominated by larger projects. Across announced hydrogen projects, there is a clear shift from a majority of smaller projects with approximately 90% of projects delivered in 2020 in the scale below 10 MW towards larger projects with approximately 90% of projects currently announced for delivery in 2025 above 100 MW.[139] With the expected launch of the X-Series in 2023 and the modularity and scalability of the Company's technology, Green Hydrogen Systems considers itself to be well-positioned to deliver to such larger projects.

Hence, over the coming years, the Company will increasingly shift its proactive sales efforts towards larger projects exceeding 10 MW in scale. Similarly, the Company expects that the targeted projects to a larger extent will be driven by customers' intentions to produce hydrogen for distribution and exports rather than for on-site use. Meanwhile, smaller projects for on-site use will continue to be considered on a more opportunistic basis. In addition to the launch of the X-Series, efforts to support the proactive sales approach include developing a key account structure in focus markets and further an evaluation of the potential for creating partnerships to win projects that are considered strategically significant.

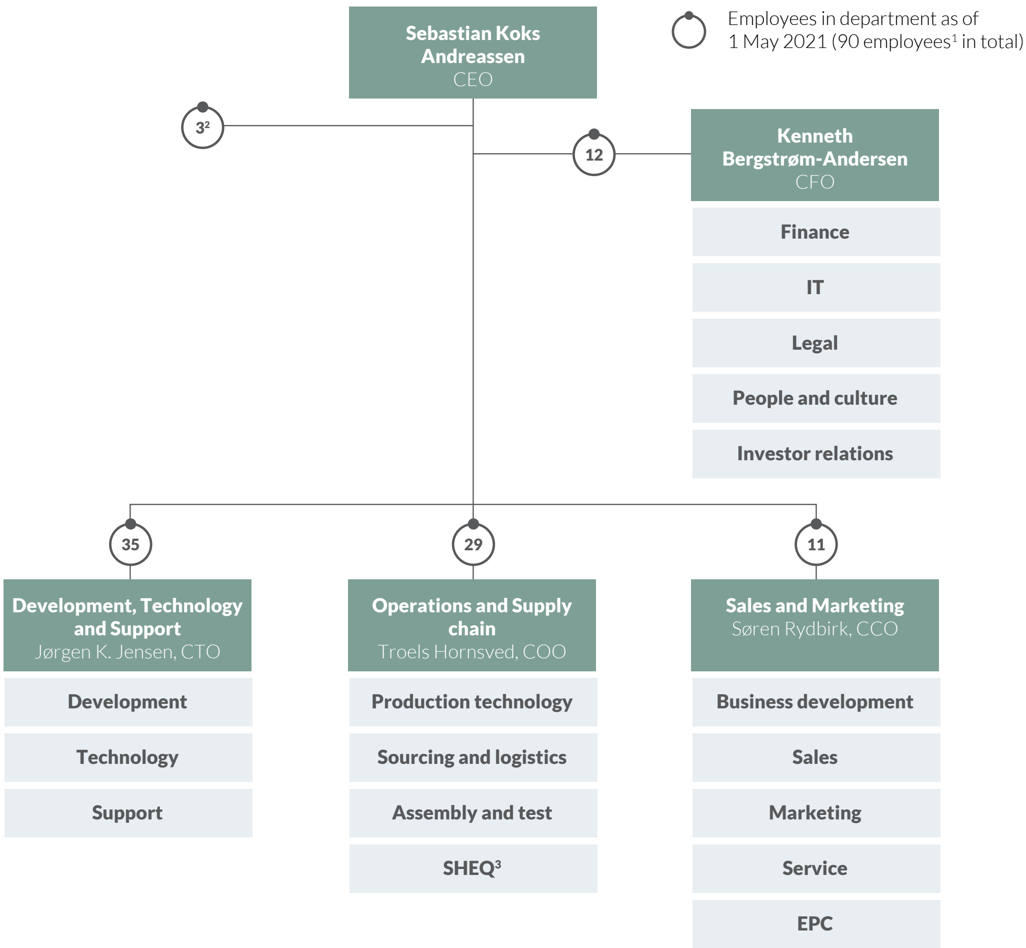
To support its ongoing sales and marketing efforts, the Company considers it important to drive further promotion and increase awareness of both the potential role of green hydrogen in the energy system and the key strengths of the Company and its products, in particular for large-scale projects. As the Company operates in an eco-system with multiple stakeholders spanning both industrial interests, regulatory and political actors, trade organizations and the general public, the Company seeks to employ a wide branding strategy spanning several channels and activities.

Organization and employees

The Company's line organization is presented in the Figure below. The largest personnel resource areas are currently assembly and test as well as development and technology. As of 1 May 2021, the Company employed a total of 90 employees, and approximately 50% of the employees are employed in highly technical functions including R&D and technical aspects of operations such as production technology, test and service. All personnel are employed in Denmark.

[139] Company estimate based on IEA hydrogen project database (2020). It is necessary to consider some 'announcement bias' i.e., larger projects may be announced earlier and may be more likely to be tracked.

Figure 35: Organization



Notes: 1) The number of employees is calculated on the basis of total ATP contribution paid. The amount is then divided by the rate for a full-time employee. Employees outside of Denmark are added to this number; 2) Including CEO Sebastian Koks Andreassen and three additional supporting employees (i.e., under no direct department); 3) Safety and Health, Environmental standards, and Quality assurance.

The Company has grown its organization aggressively in recent years, and the number of employees has increased by more than five times since the end of 2019. The highest employee growth has been in Development, Technology and Support and Operations and Supply Chain with a ramp-up of 25 in each department. As the Company develops, the number of employees in various areas is expected to increase, and the Company expects to employ more than 300 employees in 2025.

The Executive Management and Key Employee team consists of five persons and is presented in the section *"Board of Directors, Executive Management and Key Employees"*. The executive competencies have been expanded recently along with the accelerated growth of the organization. The recently onboarded senior management team bring experience from listed companies in the energy sector and experience with scaling businesses organically and inorganically. Other personnel with a deep understanding of the Company's technology, product offering and journey continue at critical positions with Green Hydrogen Systems.

Material contracts entered into by the Company outside the ordinary course of business

Save as disclosed below, there are no contracts (other than those entered into in the ordinary course of business) to which the Company is a party which (i) are, or may be, material to the Company and which have been entered into in the two years immediately preceding the date of this Prospectus; or (ii) contain any obligations or entitlements which are, or may be, material to the Company as of the date of this Prospectus.

Financing arrangements

Danish Green Investment Fund Loan Agreements

The Company has entered into two loan agreements with the Danish Green Investment Fund (in Danish: *Danmarks Grønne Investeringsfond*) (the "**Loan Agreements**"). The Loan Agreements provide for a loan facility of up to DKK 3,900,000 and DKK 15,000,000, respectively.

The Loan Agreements contain terms regarding interest, fees, repayment and prepayment, as well as customary event of default provisions. Moreover, the Company has made certain covenants and representations to the Danish Green Investment Fund in connection with entering into each of the Loan Agreements.

The Company has provided security for its obligations under the Loan Agreements, including, *inter alia*, a DKK 18,400,000 floating charge over certain asset classes and a negative pledge, both registered in the Danish Personal Property Register (in Danish: *Personbogen*).

The Company intends to apply part of the proceeds of the Offering towards full repayment of the principal amounts then outstanding under the Loan Agreements whereby all security granted thereunder will be released.

Convertible Loan Agreement
In December 2020, the Company entered into a convertible loan agreement with the Principal Shareholder, Norlys Holding A/S ("**Norlys Holding**") and APMH Invest XI ApS ("**APMHI**") as lenders (the "**Convertible Loan Agreement**"). The purpose of the Convertible Loan Agreement was to raise capital for the Company for general business and operational needs, including investments in R&D. Pursuant to the Convertible Loan Agreement, a loan facility of EUR 27,667,667 was made available to the Company. The total amount of the loan disbursed to the Company under the Convertible Loan Agreement was EUR 20,750,000 split between the lenders as follows:

	EUR
APMHI	15,000,000
The Principal Shareholder	5,000,000
Norlys Holding	750,000

In accordance with the terms of the Convertible Loan Agreement, the total outstanding loan amount thereunder (plus accrued interest) has been converted to Shares in the Company prior to the date of this Prospectus. The shareholdings after the conversion are disclosed in the section "*Ownership Structure and Shareholders – Ownership structure – Current ownership*".

Further, the lenders under the Convertible Loan Agreement have undertaken to subscribe for Offer Shares in the Offering for the cash amounts as disclosed below:

	EUR	
The Principal Shareholder	5,000,000	
APMHI	5,000,000	(always provided that the Principal Shareholder subscribes for at least the same cash amount)
Norlys Holding	500,000	

Sydbank A/S credit and leasing framework agreements
In April 2021, the Company entered into to a credit framework agreement and a leasing framework agreement with Sydbank A/S. The credit framework agreement provides for a credit facility of up to DKK 20,000,000 (or the equivalent amount in EUR, GBP or USD). The credit facility is primarily intended for the issuance of bank guarantees for customers and trading partners of the Company. The leasing framework agreement provides for a credit facility of up to DKK 4,000,000 to be used for various financial leasing arrangements entered into by the Company with Sydbank A/S.

As security for the Company's obligations to Sydbank A/S, the Company has pledged a bank account, including the balance of the account and any accrued interest, in favor of Sydbank A/S. The balance of the pledged bank account must at all times be at least 125% of the amount drawn under the DKK 20,000,000 credit facility (whether drawn as cash or as bank guarantees).

Underwriting agreement
For a description of the Underwriting Agreement relating to this Offering, see "***Plan of Distribution***".

Other material contracts

GreenLab Skive MSA

In May 2021, the Company entered into a master supply agreement (the "**GreenLab Skive MSA**") concerning its supply, operation, servicing and maintenance of electrolysers with up to 24 MW capacity to the GreenLab Skive project. The purchasers under the GreenLab Skive MSA are Lhyfe and Eurowind Energy A/S

Pursuant to the GreenLab Skive MSA, the Company expects to deliver an initial 29 A-Series A90 electrolyser units for the first phase of the GreenLab Skive project, tentatively in October/November 2022, and 26 A-Series A90 electrolyser units for the second phase, tentatively in January 2023, each delivery batch with an expected green hydrogen production capacity of 194 kg per day.

For the first phase covering the initial 24 months of operation, the Company will be responsible for the operation of the 29 A90 electrolysers. 24 months after delivery, expectedly in December 2024, Lhyfe and Eurowind Energy A/S will take over ownership and operational responsibility for the initial 29 A90 electrolysers against final payment. Ownership and operational responsibility for the second phase delivery of 26 A90 electrolysers is to transfer to Lhyfe and Eurowind Energy A/S on delivery and expectedly in January 2023. The first phase of the GreenLab Skive project is dependent on state subsidies whereas the second phase is a purely commercial project. Payment for the phase 1 delivery is expected to be revenue recognized by Q4 2024 (with a slightly positive working capital effect as a result of certain prepayments of the purchase price expected to be made prior to December 2024 and subsidies expected to being received already during manufacturing of the electrolyser units) and payment for the phase 2 delivery is expected to be revenue recognized by Q1 2023. Equipment, service and other supplementary agreements is expected to be finalized in June 2021.

In addition to the activities contemplated by the GreenLab Skive MSA, during the first two years of operation of electrolysers, the Company also expects to enter into a number of agreements regarding its production, processing and sale of green hydrogen, including, but not necessarily limited to, a power purchase agreement, off-take agreement as well as appropriate hedging agreements.

H2RES/Avedøre agreement

Pursuant to a supplier agreement and a S&M agreement, the Company has been chosen as electrolysis technology partner in a 2MW Power-to-X project known as H2RES at Avedøre Holme in Denmark operated by Ørsted Wind Power A/S.

The aim of the H2RES project is to produce renewable hydrogen fuel for heavy-duty road transport. A 2MW electrolysis plant will be built around the Company's modular electrolysers powered by two 3.6 MW offshore wind turbines located at the Avedøre Power Station. The plant is expected to start production in late 2021, and to produce around 1,000 kg of green hydrogen per day.

In accordance with the agreements, the Company will be delivering and installing its electrolysis solution to the H2RES project as well as providing S&M-services relating to the Company's electrolysis solution.

Regulatory and compliance matters

Below is a summary of certain laws, rules and regulations applicable to the Company and its activities. The summary has been included for illustrative purposes only and is not intended as an exhaustive description of all laws, rules and regulations applicable to the Company. In addition to the rules summarized below the Company is generally subject to, among others, Danish company and tax laws which are not described in this section of the Prospectus.

General

In Denmark, the Company is generally required to comply with, among others, the following rules and regulations, 1) environmental regulations, including the Danish Environmental Protection Act (in Danish: *miljøbeskyttelsesloven*), the Danish Soil Contamination Act (in Danish: *jordforureningsloven*) and the Danish Act on Damage to the Environment (in Danish: *miljøskadeloven*), 2) emergency management regulations, including the Danish Executive Order on Technical Regulations for Gasses (in Danish: *bekendtgørelse om tekniske forskrifter for gasser*) and the Danish Gas Safety Act (in Danish: *gassikkerhedsloven*), and 3) work safety regulations, including the Danish Working Environment Act (in Danish: *arbejdsmiljøloven*), the Danish Executive Order on Work with Chemical Agents (in Danish: *bekendtgørelse om arbejde med stoffer og materialer (kemiske agenser)*) and guidelines on work with chemical substances and materials prepared pursuant to the Danish Working Environment Act (in Danish: *arbejdsmiljøloven*) by the Danish Working Environment Authority (in Danish: *Arbejdstilsynet*).

While the production of electrolysers in Denmark as of the date of this Prospectus is not subject to any specific rules or regulations, the Company has obtained a permit for electrolysis testing facilities granted by the Danish Emergency Management Agency (in Danish: *Beredskabsstyrelsen*) pursuant to the Danish Executive Order on Technical Regulations for Gasses (in Danish: *bekendtgørelse om tekniske forskrifter for gasser*).

Finally, the Company is also required to comply with various terms pursuant to a test zone permit providing for a dispensation from Danish electricity grid regulations in the Danish Electricity Supply Act (in Danish: *elforsyningsloven*) in respect of its participation in the GreenLab Skive project. The test zone permit has been issued by the Danish Energy Agency (in Danish: *Energistyrelsen*).

To ensure compliance with the rules and regulations applicable to the Company and its business, the Company has established various internal policies and safety guides for its employees. Moreover, the Company has various policies in place to prevent unethical business conduct of its employees and sales representatives and to ensure compliance with all applicable anti-corruption and anti-bribery regulations.

Environmental regulations

The Company's assembly and production processes include treating electrolyser components with various chemical substances, including, for example, lye. The Company's handling, storing and disposal of such chemical substances, as well as any potential environmental damage caused by the Company, is subject to the Danish Environmental Protection Act (in Danish: *miljøbeskyttelsesloven*), the Danish Act on Damage to the Environment (in Danish: *miljøbeskyttelsesloven*) and the Danish Soil Contamination Act (in Danish: *jordforureningsloven*) to prevent and manage damages to the environment.

The Company generally seeks to comply with all applicable environmental regulations and to take the appropriate precautionary and preventive measures to avoid any environmental damage.

The Danish Environmental Protection Act

The Danish Environmental Protection Act (in Danish: *miljøbeskyttelsesloven*) provides a general framework for the prevention and management of environmental hazards, pollution, waste and contamination air, water and soil. The purpose of the Danish Environmental Protection Act (in Danish: *miljøbeskyttelsesloven*) is to contribute to the protection of nature and the environment to facilitate the sustainable development of society.

A fundamental principle of the Danish Environmental Protection Act (in Danish: *miljøbeskyttelsesloven*) is the "polluter pays-principle" meaning that the polluter is liable for any contamination or pollution of its surrounding environment as well as for any preventive measures.

The Danish Environmental Protection Act (in Danish: *miljøbeskyttelsesloven*) generally applies to all businesses that in some manner process substances or dispose of waste that pose a hazard to the environment, including businesses that process hazardous materials where incidents may result in pollution.

The Danish Soil Contamination Act

The Danish Soil Contamination Act (in Danish: *jordforureningsloven*) seeks to prevent, eliminate and limit soil contamination and to prevent the harmful effect of soil contamination on nature and the environment. In addition to providing for various guidelines and standards regarding contamination of soil, the Danish Soil Contamination Act (in Danish: *jordforureningsloven*) also introduces a variety of obligations on, for example, the operator of a production facility where the production activities have resulted in soil contamination. These include an obligation to immediately take the necessary preventive and remedying measures to address an imminent or occurred contamination of soil and to generally comply with the orders of the relevant public authorities.

The Danish Act on Damage to the Environment

The Danish Act on Damage to the Environment (in Danish: *miljøskadeloven*) seeks to ensure that the responsible party for environmental damages or imminent environmental damages is held liable for the damages and takes the necessary preventive measures to mitigate the situation and carries all costs related thereto.

The Danish Act on Damage to the Environment (in Danish: *miljøskadeloven*) applies to actual or imminent environmental damages where the party who has caused the damage must remedy the damages and must be held liable. The Danish Act on Damage to the Environment (in Danish: *miljøskadeloven*) only applies where the competent authority under another act, such as the Danish Environmental Protection Act (in Danish: *miljøbeskyttelsesloven*) or the Danish Soil Contamination Act (in Danish: *jordforureningsloven*), has decided that a given case needs to be handled under the Danish Act on Damage to the Environment (in Danish: *miljøskadeloven*) which is administrated by the Danish Environmental Protection Agency (in Danish: *Miljøstyrelsen*).

The Danish Environmental Protection Agency (in Danish: *Miljøstyrelsen*) may order the responsible party to provide security for its financial obligations to assess, prevent or remedy environmental damages and to cover the expenses of the Danish Environmental Protection Agency (in Danish: *Miljøstyrelsen*). The Danish Environmental Protection Agency (in Danish: *Miljøstyrelsen*) may also instruct the entity responsible for the environmental damage to take such preventive and remedying measures as ordered by the Danish Environmental Protection Agency (in Danish: *Miljøstyrelsen*).

Regulatory authorities
The general supervisory authority which administrates Danish environmental regulations is delegated to the individual municipalities in Denmark. Kolding Municipality (in Danish: *Kolding Kommune*), the municipality in which the Company is located, has, among others, issued certain guidelines for the storing of hazardous materials to prevent pollution which the Company generally seeks to comply with. In some cases, the administrative regions of Denmark or the relevant state agencies may also administrate certain aspects of Danish environmental regulation.

The Danish Environmental Protection Agency (in Danish: *Miljøstyrelsen*) holds the general administrative responsibility for the Danish Environmental Protection Act (in Danish: *miljøbeskyttelsesloven*), the Danish Soil Contamination Act (in Danish: *jordforureningsloven*) and the Danish Act on Damage to the Environment (in Danish: *miljøskadeloven*).

Emergency management regulations
In connection with the Company's production and testing of electrolysers, the Company is handling various dangerous substances, including hydrogen which is highly flammable. Accordingly, the Company is subject to various regulations regarding management of fire hazards and gasses administrated by the Danish Emergency Management Agency (in Danish: *Beredskabsstyrelsen*), local fire departments and the Danish Safety Technology Authority (in Danish: *Sikkerhedsstyrelsen*). The Company has received a permit to establish its electrolysis testing facilities due to the production of hydrogen at that facility.

In accordance with its permit as well as any other applicable regulation, including the Danish Executive Order on Technical Regulation for Gasses (in Danish: *bekendtgørelse om tekniske forskrifter for gasser*) and the Danish Gas Safety Act (in Danish: *gassikkerhedsloven*), as well as the executive orders issued thereunder, the Company generally seeks to comply with all technical and safety standards and regulations applicable to its production and testing facilities.

The Danish Executive Order on Technical Regulations for Gasses
The Danish Executive Order on Technical Regulations for Gasses (in Danish: *bekendtgørelse om tekniske forskrifter for gasser*) contains various technical regulations as to the storing of flammable gasses, including storage temperatures, container pressure levels as well as guidelines for the transportation and release of flammable gasses. In addition to providing technical specifications, the Danish Executive Order on Technical Regulations for Gasses (in Danish: *bekendtgørelse om tekniske forskrifter for gasser*) also sets out various permit and approval procedures regarding the establishment of facilities where flammable gasses are produced.

The Danish Gas Safety Act
The Danish Gas Safety Act (in Danish: *gassikkerhedsloven*) is a framework act which contains general regulations as to the safety aspects of gas facilities and gas installations. While the scope of the Danish Executive Order on Technical Regulations for Gasses (in Danish: *bekendtgørelse om tekniske forskrifter for gasser*) is largely concerned with mitigating fire hazards by providing for certain technical standards, the Danish Gas Safety Act (in Danish: *gassikkerhedsloven*) introduces more broad requirements on gas facilities, e.g., facilities where gas is produced, and gas installations, e.g., installations where gas is used, to ensure the general safety of people and property.

Pursuant to the Danish Gas Safety Act (in Danish: *gassikkerhedsloven*), the Danish Safety Technology Authority (in Danish: *Sikkerhedsstyrelsen*) has issued two executive orders providing in-depth guidance on the safety requirements and standards for gas facilities and gas installations, respectively.

Permits
The Company has been granted a permit to establish and operate its electrolysis testing facilities by the Danish Emergency Management Agency (in Danish: *Beredskabsstyrelsen*) and Kolding Municipality (in Danish: *Kolding Kommune*). Among other factors, the permit has been granted on the basis of the Company not storing any hydrogen or oxygen produced via electrolysis at the testing facilities but instead releasing such gasses into the open space.

The permit sets forth various physical features and requirements to the operation of the Company's testing facilities that must be complied with. These include, *inter alia*, general exercise of due care when testing electrolysers, marking of areas subject to explosion risks or fire hazards, ample access to and exit from the testing facilities, compliance of gas installations with the Danish Gas Safety Act (in Danish: *gassikkerhedsloven*) and the installation of various fire safety and management applications such as fire extinguishers and gas and smoke detectors which when triggered automatically shut down the electrolysis testing systems.

Regulatory authorities
The Danish Emergency Management Authority (in Danish: *Beredskabsstyrelsen*) is the primary supervisory authority in regard to the emergency management aspects of the Company's business. The Danish Emergency Management Authority (in Danish: *Beredskabsstyrelsen*) may liaise with regional fire departments such as, in the case of the Company, the fire department of the munic-

ipalities of Vejle, Kolding, Fredericia, Middelfart, Billund and Vejen (in Danish: *Trekantsområdets Brandvæsen*), which may inspect the Company's facilities and provide in-depth instructions as to the management of potential hazards, fire exits, etc.

The Danish Safety Technology Authority (in Danish: *Sikkerhedsstyrelsen*) administrates the Danish Gas Safety Act (in Danish: *gassikkerhedsloven*).

Work safety regulations

As most other Danish workspaces, the Company is generally subject to the provisions of the Danish Working Environment Act (in Danish: *arbejdsmiljøloven*). In addition, as the Company's employees working in its production and testing facility routinely interact with various heavy machinery and equipment as well as dangerous chemical substances and flammable gasses, the Company is also subject to special regulations pertaining to working environments that include managing chemical substances.

The Company generally seeks to comply with all applicable work and work safety regulations to ensure the safety and well-being of its employees.

The Danish Working Environment Act

The purpose of the Danish Working Environment Act (in Danish: *arbejdsmiljøloven*) it to facilitate a safe and healthy work environment in Danish workspaces. The Danish Working Environment Act (in Danish: *arbejdsmiljøloven*) is a framework act which sets out the relationship between various labor market organizations, common duties owed by employers to their employees and provides general rules that seek to ensure a safe working environment.

The Danish Executive Order on Work with Chemical Agents

The Danish Executive Order on Work with Chemical Agents (in Danish: *bekendtgørelse om arbejde med stoffer og materialer (kemiske agenser)*) is an executive order issued by the Danish Working Environment Authority (in Danish: *Arbejdstilsynet*) pursuant to the Danish Working Environment Act (in Danish: *arbejdsmiljøloven*). The Danish Executive Order on Work with Chemical Agents (in Danish: *bekendtgørelse om arbejde med stoffer og materialer (kemiske agenser)*) generally provides that employers are obligated to plan and coordinate any work with chemical agents to ensure that it can be carried out by their employees in an appropriate manner and with none or minimum risk of exposure to dangerous substances and materials. Moreover, it provides that such employers must have contingency plans prepared in the event of an emergency or evacuation. Employers are also required to routinely conduct safety exercises.

In the event that an incident is caused by the presence of dangerous substances and materials, employers are obligated to immediately adopt measures to mitigate the consequences of such incident and to inform its employees of the incident as well as the adopted measures.

Guidelines on work with chemical substances and materials prepared pursuant to the Danish Working Environment Act by the Danish Working Environment Authority

The Danish Working Environment Authority (in Danish: *Arbejdstilsynet*) has issued a set of supplementary guidelines to the Danish Working Environment Act (in Danish: *arbejdsmiljøloven*) and the Danish Executive Order on Work with Chemical Agents (in Danish: *bekendtgørelse om arbejde med stoffer og materialer (kemiske agenser)*). The guidelines seek to help prevent or limit the risk of exposure to dangerous substances and materials and largely elaborate on the duties laid out by the Danish Working Environment Act (in Danish: *arbejdsmiljøloven*) and the Danish Executive Order on Work with Chemical Agents (in Danish: *bekendtgørelse om arbejde med stoffer og materialer (kemiske agenser)*).

Regulatory authorities

The Danish Working Environment Authority (in Danish: *Arbejdstilsynet*) is the administrative authority under the Danish Working Environment Act (in Danish: *arbejdsmiljøloven*) and regulations and guidelines issued pursuant to that act.

Electricity grid and test zone regulations

While the Company itself is not directly subject to the Danish Electricity Supply Act (in Danish: *elforsyningsloven*), the GreenLab Skive project in which the Company participates relies on a decision from the Danish Energy Agency (in Danish: *Energystyrelsen*) in which GreenLab Skive is given a dispensation from the Danish Electricity Supply Act (in Danish: *elforsyningsloven*) and is designated as a test zone. As a test zone, and thus not being subject to otherwise applicable electricity grid regulations and tariff systems, allows the GreenLab Skive consortium to test new business models and technologies for Power-to-X applications and grid stabilization within the GreenLab Skive facility.

The test zone permit has been given pursuant to section 2(4), 1st sentence, of the Danish Electricity Supply Act (in Danish: *elforsyningsloven*). The test zone permit is valid for 10 years and is subject to continuous compliance with various terms by both GreenLab Skive as a whole and the individual consortium participants.

Internal compliance policies

The Company maintains a variety of internal policies to ensure the Company's compliance with environmental, emergency management and worker safety regulations and to prevent incidents and damage to the environment as well as the Company's employees.

The Company moreover maintains a set of policies to ensure the Company's compliance with various anti-bribery and anti-corruption regulations applicable to it in Denmark as well as abroad.

Property, plant and equipment

The Company's headquarters are located at Nordager 21, DK-6000 Kolding, Denmark which also houses its production facilities. The total area of the Company's Nordager production site is 4,500m^2 of which 2,000m^2 is used for administration and offices. In addition, the Company also has an office situated in the DTU (Technical University of Denmark) Science Park. The Company leases its production facilities and offices and does not own any real property.

In the ordinary course of business, the Company operates various machinery and equipment located at the Company's production site which it either owns or leases.

Insurances

The Company maintains insurances of the type and in the amounts that it believes are commercially reasonable based on the Company's business and organization as well as the practice of other actors in the Company's industry. In particular, the Company maintains a directors and officers (D&O) insurance, workers' compensation insurance, liability insurance, business interruption insurance, cyber insurance, travel insurance and machinery insurance as well as certain other insurances as deemed appropriate by the Company.

Legal proceedings

As of the date of this prospectus, the Company is not, and during the previous 12 months has not been, involved in any material governmental, legal or arbitration proceeding which may have or had in the recent past significant effects on the Company's financial position, other than tax audits undergone in the Company's ordinary course of business.

Environmental, Social and Governance ("ESG")

With a vision to pioneer the field of green hydrogen to drive a sustainable global energy transition, it is at the core of Green Hydrogen Systems to contribute to curb climate change. As set out in the section *"Industry – The abatement potential of green hydrogen"*, green hydrogen is estimated to be able to contribute to closing up to 50% of the necessary European CO_2 reduction gap towards reaching a 2-degree consistent pathway (as set out by the Paris Agreement), due to the near-zero emissions of green hydrogen when produced and consumed, combined with a high energy density and the ability to easily be stored and transported. The Company is committed to promoting the availability of affordable green hydrogen for the purpose of supporting the ongoing adaption of the global energy system towards renewable energy sources. Thereby, Green Hydrogen Systems contributes to the sustainable transition of hard-to-decarbonize sectors, such as transportation, industry and power generation.

Green Hydrogen Systems bases its electrolysis systems on the pressurized alkaline technology, which is independent of scarce and emission-intensive resources such as iridium and platinum. Instead, it uses nickel as catalysts, which is widely available and less than a 1,000th times as emission-intensive as iridium and platinum; both metals which are used in PEM technology.[140] Furthermore, the Company's assembly-based manufacturing ensures a production process with low complexity and thereby a reduced environmental footprint. In January 2021, Green Hydrogen Systems initiated an ISO 14001 certification process to implement a new standard for its environmental performance, and it expects to receive the certification in Q3 2021.

Green Hydrogen Systems is highly aware of its social impact, and health and safety is the uncompromising priority number one in all aspects of the Company's business. Green Hydrogen Systems continuously promotes an organizational culture with the safety mindset "take care" across all business operations to sustain awareness and actions for a safe and responsible working environment throughout the supply-chain. The Company has implemented health and safety procedures for taking due and proper care of its employees and to offer a healthy and embracing workplace. The Company believes it is fundamental to provide its employees with a healthy and safe working environment and strives to enhance the safety of its employees to the greatest extent possible. The Company monitors safety daily, and registers and handles possible incidents on- or off-site to track and improve health and safety aspects. Furthermore, quality assurance is an integral part of the Company's activities from product development to sourcing through production and to sales and service. A new ERP system (SAP Business ByDesign ERP) has been implemented in January 2021 to serve as a backbone for proactive quality control processes, including control plans and traceability in supply chain, production, testing, delivery and commissioning. In January 2021, Green Hydrogen Systems has initiated the certification processes

[140] IRENA – Green Hydrogen Cost Reduction (2020).

to receive the ISO 450001 for occupational health and safety systems and ISO 9001 for quality management system standards, which is another step in the Company's continuous work with safety and health.

To ensure compliance with the rules and regulations applicable to the Company, Green Hydrogen Systems has established internal policies and safety guides for its employees. In addition, the Company has various policies in place to prevent unethical business conduct and to ensure compliance with all applicable anti-corruption and anti-bribery regulations.

The Company considers tolerance and respect to be fundamental values necessary to achieve the best working environment and it strives towards a diverse and inclusive work environment. Green Hydrogen Systems believes that a diverse workforce steers and drives creativity, innovation, decision-making and ultimately stronger financial performance. The starting point is providing equal opportunity for everyone pursuing a career in the Company. Furthermore, inclusion and diversity are inherent parts of the Company's way of working, both internally and externally. Specifically, all members of the Executive Management team and the senior management team are required to prepare plans for ensuring that proper diversity and inclusion measures are duly implemented within the organization of the Company, and Green Hydrogen Systems continuously monitors and tracks the level of diversity and inclusion within the organization, specifically at management level.

As at 1 May 2021, the underrepresented gender is female and constitutes approximately 16% of the workforce, and there are no women in the senior management team. As the Company believes that diversity and inclusion must be anchored at management level in order to ensure that the entire organization ultimately will reflect the Company's values and principles for diversity and inclusion, the Board of Directors and the Executive Management are continuously evaluating the composition of the management bodies of the Company when assessing how new competencies and qualification can be brought into play. Furthermore, the Board of Directors has prepared target figures for increasing the share of the underrepresented gender and prepared a policy to increase the share of the underrepresented gender at all management levels of the Company. The Board of Directors consists of seven men and one woman. The Company aims to increase the share of the underrepresented gender in the Board of Directors to meet the Company's target of minimum 40% female members of the Board of Directors elected by the ordinary general meeting 2024.

In 2021, Green Hydrogen Systems will become a signatory to the UN Global Compact, reinforcing its commitment to the ten principles of human rights, labor rights, anti-corruption, and the environment, that serve as the foundation of the Company's work with sustainability. The Company's adopted policies and procedures concerning corporate social responsibility and ESG are furthermore described in its Sustainability Policy, Tax Policy, whistleblower scheme, Data Ethics Policy and Diversity Policy. Furthermore, the Company is reporting on matters pertaining to sustainability, CSR and ESG in its sustainability report as part of the Company's annual report.

Operating and Financial Review

The following is a discussion of the Company's financial condition and results of operations as at and for the years ended 31 December 2020, 2019 and 2018 and quarters ended 31 March 2021 and 2020.

For purposes of this Prospectus, an Interim Financial Statement have been prepared for the reporting period 1 January 2021 to 31 March 2021 in accordance with IFRS, including comparative figures for the period 1 January 2020 to 31 March 2020. The Interim Financial Statement for the period 1 January 2021 to 31 March 2021 have been reviewed by the Company's independent auditors, Pricewaterhouse-Coopers Statsautoriseret Revisionspartnerselskab, as stated in their report appearing therein.

For purposes of this Prospectus, Financial Statements of the Company have been prepared for the reporting period covering the financial years ended 31 December 2020, 2019 and 2018 in accordance with IFRS and have been audited by the Company's independent auditors, PricewaterhouseCoopers *Statsautoriseret Revisionspartnerselskab, as stated in their report appearing therein. The previously published financial statements covering 2020, which is the first-time adoption of IFRS, have comparative figures for the period 1 December to 31 December 2019 as a result of change in the financial period. Previously published financial statements covering 1 December to 31 December 2019, 1 December 2018 to 30 November 2019 and 1 December 2017 to 30 November 2018 have been prepared in accordance with the Danish Financial Statements Act (in Danish: årsregnskabsloven).*

In preparing and reporting the comparative figures for 2019 and 2018 in the Financial Statements included in this Prospectus, certain reclassifications have been made compared to the previously published financial statements for 2019 and 2018 to align them with the presentation and classification applied in the Financial Statements for 2020. Further, compared to the previously published financial statements for 2020, 2019 and 2018, not previously required segment information and disclosures according to IFRS 8 "Operating Segments" have been included in the Financial Statements.

You should read the following operating and financial review of the Company on a combined basis in conjunction with the section entitled "Presentation of Financial and Certain Other Information" as well as the Financial Statements of the Company and the related notes included elsewhere in this Prospectus. This discussion may contain forward-looking statements, which are subject to risks and uncertainties, including, but not limited to, certain risks described in the "Risk Factors" section of this Prospectus. Actual results could differ materially from those expressed or implied in any forward-looking statements. See the section entitled "Special Notice Regarding Forward-Looking Statements" in this Prospectus.

The overview of financial performance as well as the segment information below has been derived from the Company's regularly maintained records and operating systems. Additionally, certain measures presented herein are not measures of financial performance under IFRS and investors are cautioned not to place undue reliance on these measures. Investors should read the following data together with the Financial Statements of the Company, including the notes to those financial statements and the section in this Prospectus entitled "Presentation of Financial and Certain Other Information".

Overview of financial performance

The tables below set out selected financial information extracted from the Company's Financial Statements.

The Financial Statements included in this Prospectus have been prepared in accordance with IFRS and additional requirements of the Danish Financial Statements Act (in Danish: *årsregnskabsloven*), except for non-IFRS financial measures listed in the section *"Non-IFRS financial measures"* or as otherwise stated. For further information, including a reconciliation of the non-IFRS measures presented in this Prospectus to the nearest IFRS measure see the section *"Non-IFRS financial measures"*.

Quarterly income statement

DKK'000	For the period ended 31 March 2021	2020
Revenue from contracts with customers	320	92
Other operating income	276	1,340
Total revenue & operating income	**596**	**1,432**
Changes in inventory of finished goods and work in progress	976	698
Raw materials and consumables used	(3,249)	(3,183)
Work performed by the company and capitalized	6,553	1,190
Employee costs	(23,097)	(4,701)
Other operating expenses	(18,239)	(2,948)
Operating profit/(loss) before depreciation, amortization and impairment losses (EBITDA)	**(36,460)**	**(7,512)**
Depreciation and amortization	(1,736)	(597)
Operating profit/(loss) (EBIT)	**(38,196)**	**(8,109)**
Financial expenses	(6,183)	(26)
Profit/(loss) before tax	**(44,379)**	**(8,135)**
Income tax	1,375	284
Profit/(loss) for the period	**(43,004)**	**(7,851)**

DKK'000	For the period ended 31 March 2021	2020
Earnings per share attributable to shareholders	(1.17)	(0.31)
Diluted earnings per share attributable to shareholder	(1.17)	(0.31)

Statement of comprehensive income

DKK'000	For the period ended 31 March 2021	2020
Profit/(loss) for the period	(43,004)	(7,851)
Other comprehensive income for the period	0	0
Total comprehensive income for the period	**(43,004)**	**(7,851)**

Quarterly balance sheet

DKK'000	For the period ended 31 March 2021	31 December 2020	31 March 2020
Intangible assets	23,007	16,459	7,819
Property, plant and equipment	25,471	20,635	208
Right-of-use assets	37,858	14,535	600
Income tax receivable	1,375	0	0
Deposits	7,152	6,205	3,222
Total non-current assets	**94,863**	**57,834**	**11,849**
Inventories	16,736	7,611	10,226
Trade receivables	378	4,052	1,485
Income tax receivables	2,527	2,527	1,658
Prepayments	1,182	227	222
Other receivables	8,238	4,694	3,158
Cash and cash equivalents	102,629	155,953	1,229
Total current assets	**131,690**	**175,064**	**17,978**
Total assets	**226,553**	**232,898**	**29,827**

DKK'000	For the period ended 31 March 2021	31 December 2020	31 March 2020
Share capital	36,861	36,805	22,204
Share premium	40,022	39,328	18,115
Reserve for treasury shares	0	0	(1,020)
Reserve for development costs	16,925	12,147	5,672
Accumulated deficit	(135,456)	(92,357)	(33,332)
Total equity	**(41,648)**	**(4,077)**	**11,639**
Borrowings	175,907	170,287	3,321
Lease liabilities	33,179	12,303	0
Other payables	1,350	1,350	267
Total non-current liabilities	**210,436**	**183,940**	**3,588**
Borrowings	4,428	4,089	509
Trade payables	26,524	25,358	2,589
Lease liabilities	4,853	2,228	602
Contract liabilities	12,355	7,889	5,645
Deferred income	2,205	3,239	3,452
Provisions	1,610	984	645
Other payables	5,789	9,248	1,158
Total current liabilities	**57,765**	**53,035**	**14,600**
Total liabilities	**268,201**	**236,975**	**18,188**
Total equity and liabilities	**226,553**	**232,898**	**29,827**

Quarterly cash flow statement

DKK'000	For the year ended 31 March 2021	2020
Profit/(loss) for the period	(43,004)	(7,851)
Changes in net working capital	(10,704)	1,810
Adjustments	11,900	347
Interests paid	(825)	(120)
Income taxes paid/received	0	(1)
Net cash flow from operating activities	**(42,633)**	**(5,815)**
Payment for property, plant and equipment	(4,385)	(40)
Payment for development costs	(6,497)	(1,190)
Net cash flow from investing activities	**(10,882)**	**(1,230)**
Principal elements of lease payments	(559)	(88)
Proceeds from share issues	750	0
Purchase of treasury shares	0	(1,050)
Cash flow from financing activities	**191**	**(1,138)**
Net cash flow for the period	(53,324)	(8,183)
Cash and cash equivalents, beginning of the period	155,953	9,412
Cash and cash equivalents at end of the period	**102,629**	**1,229**

Income Statement

DKK'000	2020	2019	2018
	For the year ended 31 December		
Revenue from contracts with customers	9,433	14,196	4,179
Other operating income	2,793	1,941	173
Total revenue & operating income	**12,226**	**16,137**	**4,352**
Changes in inventory of finished goods and work in progress	36	(1,983)	4,124
Raw materials and consumables used	(17,208)	(10,955)	(8,081)
Work performed by the company and capitalized	10,485	1,305	3,162
Employee costs	(39,571)	(8,726)	(4,544)
Other operating expenses	(35,585)	(7,489)	(2,877)
Operating profit/(loss) before depreciation, amortization and impairment losses (EBITDA)	**(69,617)**	**(11,711)**	**(3,864)**
Depreciation and amortization	(3,072)	(316)	(278)
Operating profit/(loss) (EBIT)	**(72,689)**	**(12,027)**	**(4,142)**
Financial income	2	1	33
Financial expenses	(2,861)	(84)	(49)
Profit/(loss) before tax	**(75,548)**	**(12,110)**	**(4,158)**
Income tax	2,307	1,375	1,396
Profit/(loss) for the year	**(73,241)**	**(10,736)**	**(2,762)**

DKK'000	2020	2019	2018
	For the year ended 31 December		
Earnings per share attributable to shareholders	(2.47)	(0.77)	(0.34)
Diluted earnings per share attributable to shareholder	(2.47)	(0.77)	(0.34)

Statement of comprehensive income

DKK'000	2020	2019	2018
	For the year ended 31 December		
Profit/(loss) for the year	(73,241)	(10,736)	(2,762)
Other comprehensive income for the year	0	0	0
Total comprehensive income for the year	**(73,241)**	**(10,736)**	**(2,762)**

Balance sheet

DKK'000	For the year ended 31 December 2020	2019	2018	1 January 2018
Intangible assets	16,459	7,011	5,470	1,935
Property, plant and equipment	20,635	195	179	88
Right-of-use assets	14,535	370	0	0
Deposits	6,205	45	45	45
Total non-current assets	**57,834**	**7,621**	**5,694**	**2,068**
Inventories	7,611	8,016	4,741	581
Trade receivables	4,052	12,601	1,175	381
Income tax receivables	2,527	1,375	1,396	378
Prepayments	227	226	102	146
Other receivables	4,694	1,658	787	2,634
Cash and cash equivalents	155,953	9,412	599	906
Total current assets	**175,064**	**33,288**	**8,800**	**5,026**
Total assets	**232,898**	**40,909**	**14,494**	**7,094**

DKK'000	For the year ended 31 December 2020	2019	2018	1 January 2018
Share capital	36,805	22,204	9,291	7,391
Share premium	39,328	18,115	0	0
Reserve for development costs	12,147	5,002	3,640	1,110
Accumulated deficit	(92,357)	(24,787)	(12,794)	(7,575)
Total equity	**(4,077)**	**20,534**	**137**	**926**
Borrowings	170,287	3,315	2,916	0
Lease liabilities	12,303	133	0	0
Provisions	0	226	0	0
Other payables	1,350	267	0	0
Total non-current liabilities	**183,940**	**3,941**	**2,916**	**0**
Borrowings	4,089	509	0	0
Trade payables	25,358	5,641	1,123	1,676
Lease liabilities	2,228	239	0	0
Contract liabilities	7,889	5,645	6,721	2,257
Deferred income	3,239	3,374	2,948	1,003
Provisions	984	419	192	0
Other payables	9,248	607	457	1,232
Total current liabilities	**53,035**	**16,434**	**11,441**	**6,168**
Total liabilities	**236,975**	**20,375**	**14,357**	**6,168**
Total equity and liabilities	**232,898**	**40,909**	**14,494**	**7,094**

Cash flow statement

DKK'000	For the year ended 31 December 2020	2019	2018
Profit/(loss) for the year	(73,241)	(10,736)	(2,762)
Changes in net working capital	31,307	(11,411)	2,017
Adjustments	15,957	(417)	(919)
Interests received	2	1	33
Interests paid	(572)	(515)	(49)
Income taxes paid/received	1,375	1,396	378
Net cash flow from operating activities	**(25,172)**	**(21,682)**	**(1,302)**
Payment for property, plant and equipment	(20,647)	(106)	(147)
Payment for development costs	(10,978)	(1,306)	(3,674)
Net cash flow from investing activities	**(31,625)**	**(1,412)**	**(3,821)**
Principal elements of lease payments	(1,008)	(21)	0
Proceeds from borrowings	202,997	5,400	2,916
Repayment of borrowings	(745)	(4,500)	0
Proceeds from share issues	3,144	31,028	1,900
Purchase of treasury shares	(1,050)	0	0
Cash flow from financing activities	**203,338**	**31,907**	**4,816**
Net cash flow for the year	146,541	8,813	(307)
Cash and cash equivalents, beginning of the year	9,412	599	906
Cash and cash equivalents at end of the year	**155,953**	**9,412**	**599**

Segment information

Green Hydrogen Systems operates in one segment, which is inherent in the way Executive Management considers and operates the Company. The costs related to the main nature of the business, being development and production of electrolysers for on-site hydrogen production, are not attributable to any specific revenue stream or customer type and are therefore not allocated to any specific revenue stream or customer type. The results of the single reporting segment, comprising the entire company, are shown in the statements of comprehensive income.

Green Hydrogen Systems furthermore monitors revenue based on the geography (based on the location of the respective customers), product offering and application.

The following table displays external revenue by geographical areas:

DKK'000	For the period ended 31 March 2021	2020	For the year ended 31 December 2020	2019	2018
Europe	320	92	9,433	14,196	3,951
Asia-Pacific	0	0	0	0	0
Rest of the World	0	0	0	0	228
Total revenue	320	92	9,433	14,196	4,179

The following table displays external revenue by product offering:

	For the period ended 31 March		For the year ended 31 December		
DKK'000	**2021**	**2020**	**2020**	**2019**	**2018**
Product revenue	260	22	5,303	8,699	3,863
Service and other revenue	60	70	4,130	5,497	316
Total revenue by product offering	**320**	**92**	**9,433**	**14,196**	**4,179**

The following table displays external revenue by application:

	For the period ended 31 March		For the year ended 31 December		
DKK'000	**2021**	**2020**	**2020**	**2019**	**2018**
Power-to-X	0	0	8,810	14	1,877
Transportation	60	70	523	12,240	459
Industry	260	22	100	1,942	1,843
Total revenue by product application	**320**	**92**	**9,433**	**14,196**	**4,179**

Revenues of approximately DKK 7,983 thousand are derived from a single customer in 2020 (2019: DKK 8,899 thousand and DKK 3,341 thousand respectively from two customers; 2018: DKK 1,716 thousand from a single customer).

Principal factors affecting the Company's business and results of operations

Prospective investors should also refer to "*Risk factors*", "*Industry*" and "*Business*" for further information relating to factors, which may affect Green Hydrogen Systems' business, financial condition and results of operations.

The following factors have affected, and will continue to affect, the Company's business and results of operations.

Green hydrogen market

As at the time of this Prospectus, the market for green hydrogen is at a nascent stage, and the expected future growth of the Company's operations and results is based upon the expectation that the market for electrolysis systems will grow significantly in the coming years. The key drivers and indicators of momentum in the market for green hydrogen are i) societal and political pressure to limit CO_2 emissions, ii) regulatory amendments and execution of national hydrogen strategies, iii) growing industry alliances supporting large investments, and iv) decreasing cost of green hydrogen and are described in detail in "*Industry – Drivers and indicators of momentum in the market for green hydrogen*".

The expansion of the market for green hydrogen is considered to contain a structural "chicken or egg" paradox as the existing market has neither significant production of electrolysers or established downstream demand for green hydrogen or derived synthetic fuels. Hence, in order to grow, the market requires the simultaneous scaling of both the demand and the supply side, both of which are intrinsically dependent on the other. It is expected that demand is likely to grow at a faster rate than supply as the pace of transition for the demand side is anticipated to be more accelerated than the expected timeframe for establishing the required renewable energy and electrolysis capacity. In order to meet the expected surge in demand, the Company is currently investing heavily in the organization and production capacity. These investments have impacted the Company's profitability negatively in the periods under review with the expectation to impact the Company's results positively in the future.

The Company and several competitors are expecting to significantly lower the cost of electrolysers over the coming years through a combination of cost-out programs and increasing production scale. The Company expects that this development will cause the market sales price per MW in electrolyser capacity to decline over time. Such a decline in market sales price may impact the Company's future revenue and the Company's result of operations, if the Company is not able to decrease its production costs at a similar pace as competitors.

The Company mainly focuses on select EU countries (the Nordic region, Germany, Benelux, France and Iberia) as well as Australia, South Korea and Japan. The future growth of the Company's operations is dependent on the development of the green hydrogen market in those focus markets.

The general economic conditions in the Company's focus markets might affect its revenues and results of operations. Regionally and nationally, the green hydrogen market and the electrolysis industry is exposed to the political and regulatory framework surrounding renewable energy and the general green transition including subsidies supporting the development of the market. Political support for green hydrogen may fade if, for instance, the economy experiences a setback where other agendas become more pressing. This entails a risk that the green hydrogen market will not grow as much and at as accelerated a pace as anticipated, but Green Hydrogen Systems expects that demand will nonetheless materialize over time. More information on the risks that could affect future income and operating results is described in the section "*Risk factors*".

Competitive environment

The competitive landscape for electrolysers is characterized by being relatively immature with only a few handfuls of electrolyser manufacturers having a fully developed and marketable product. The industry is, however, seeing significant interest from local and international companies, some of which have longer operating histories, benefit from larger organizations and generally have greater R&D, manufacturing, sales, marketing, distribution, and financial resources than the Company. Competitors in the green hydrogen market are expected to scale their electrolyser production capabilities in order to meet the expected surge in demand, which, along with potential new entrants, will imply increasing competitive pressure in the market.

Green Hydrogen Systems does not necessarily see the competitors' scale-up of production capacity as a constraining factor for its own development. Rather, the Company expects that an increase in competitor activity, which contributes to the total production capacity in the industry, is likely to increase the downstream confidence in the hydrogen industry as a whole and drive additional demand certainty. In addition, the Company expects that several technologies including the Company's pressurized alkaline technology have a justified future in the green hydrogen market. In sum, a fragmented landscape of competitors and technologies is anticipated.

The development of the competitive environment will inevitably affect the Company's future revenue and operating result, but the financial impact from increasing competitive pressure is uncertain. Further information on the risks related to the competitive environment is provided in the section "Risk factors".

Launch of new products

Historically, Green Hydrogen Systems has not offered a wide product portfolio, and up until the time of the Prospectus, the Company's revenue has relied entirely on the launch, commercialization and performance of the A-Series and related services. Since 2017, the A-Series has been the Company's core product platform and has been developed continuously to consist of three different capacity versions today. As of 2021, the entire A-Series has furthermore been upgraded from Mk0 to an optimized Mk1 entailing an optimized design and usage. Whilst the upgrade has resulted in investments in the period under review, the Company expects that it will be able to improve the competitiveness of the A-Series and hence impact the Company's future operating results positively. The Company is currently developing two additional larger-scale A-Series capacity versions. The finalization of the development will affect the Company's operations as it will allow for a larger annual production capacity, which in turn is expected to result in increased revenues.

The Company expects to launch a new product platform in 2023, the X-Series. The products in the X-Series are expected to enable up to 7.5 megawatts capacity per module, which will allow the Company to target projects above 100 megawatts and potentially in the gigawatts scale. The new product platform is expected to be important for the Company's ability to gain market share as customers are expected to increasingly demand large-scale solutions as described in further details in "*Industry - Drivers and indicators of momentum in the market for green hydrogen*". In addition, the X-Series is considered likely to enable cost savings relative to the A-Series through a capital expenditure reduction, reduction in engineering and installation costs and less maintenance time due to fewer critical parts to inspect. Consequently, the Company's ability to successfully develop and commercialize its new product platform, the X-Series, as well as future products and services in its relevant markets is of great importance to the Company's long-term results and ability to deliver returns for its shareholders.

LCOH reduction including cost-out program

The competitiveness of the green hydrogen industry as a whole as well as the Company's products are dependent on the ability to reduce LCOH over time. Reaching cost parity between green hydrogen and fossil fuel alternatives will be a key enabler for achieving widespread adoption of green hydrogen. Similarly, the LCOH associated with Green Hydrogen Systems' electrolysers must decrease significantly to remain competitive, ultimately reducing sales prices.

Green Hydrogen Systems' initiatives to reduce LCOH, further elaborated in the section "*Business – Significant cost-out potential – Initiatives to reduce LCOH across key cost factors*", shall ensure profitable sales in a market with declining prices. As an example, the Company's ongoing cost-out program is initiated to reduce, among others, direct materials costs and direct labor costs. In addition, the Company's ability to increase scale and efficiency of its products will affect, among others, competitiveness (i.e., sales volumes). Conclusively, successful implementation of initiatives to reduce LCOH is expected to impact future revenue and operating results.

Investments in research and development
The Company is currently making significant investments in research and development concerning its product development and cost-out initiatives in order to meet customer demands, reduce LCOH, and expand its operations to include larger-scale projects. This has impacted operating results and cash flow in the periods under review negatively and is expected to continue to do so in the short to medium term. However, investments in research and development are crucial in terms of facilitating and increasing future revenue and operating results.

The Company's expenses for research and development are attributable to developing more efficient products and products with larger capacities, and approximately 50% of the costs are capitalized historically. In the coming years, the Company expects to increase the capitalized share of research and development costs to more than 90%. The Company's total research and development expenses, including capitalized expenses, in 2020 amounted to DKK 20,385 thousand of which DKK 10,997 thousand was capitalized. In 2019 and 2018, total research and development expenses amounted to DKK 5,601 thousand and DKK 4,640 thousand respectively, of which DKK 1,745 thousand in 2019 and DKK 3,244 thousand in 2018 were capitalized. R&D expenses comprise both salaries, material costs and indirect production costs.

The total investments in research and development are expected to increase significantly compared with the periods under review driven by the continued development of the Company's product portfolio and specifically the development of the X-Series. The total expenses depend on a variety of factors, including but not limited to the Company's ability to drive projects forward according to plan and innovation.

Growth strategy
The Company is currently in a scale-up phase with the ambition to contribute to the development of the green hydrogen market while meeting the growing demand from customers and other stakeholders. The growth strategy has required and will in the short to medium term require significant investments in scaling of the Company's organization, expansion of its production capacity, maintaining research and development efforts as well as promoting and increasing awareness of green hydrogen. The investments in growth will affect the Company's operating results negatively in the short-term. For example, scaling of the organization entails a significant ramp-up of the sales department, which will impact personnel costs related to sales and marketing. The investments are, however, crucial in terms of facilitating and increasing future sales and are also expected to have a positive impact on the Company's future profitability.

Currency fluctuations
The Company has its registered office in Denmark and recognizes its financial position and earnings in DKK. The Company is currently only to a lesser extent affected by currency fluctuations as its current orders are denominated in either DKK or EUR, to which the DKK is pegged. Most of its costs are denominated in DKK, with nickel being the only significant cost, including commodities used in the production, that is denominated in USD. As a result, there are no significant impacts from currency fluctuations to the financial position and earnings in the periods under review.

In the future, the Company may accommodate customers and suppliers with local currency or USD invoices for which reason changes in exchange rates may affect the Company's financial statements.

Commodity and component prices
The Company is exposed to fluctuations in commodity prices (principally electricity and nickel). Electricity is consumed by the Company in its production processes and its research and development activities, especially during testing. Furthermore, the price of electricity from renewable sources is the single largest component of LCOH, which is a key factor for the competitiveness of green hydrogen electrolysers. In summary, fluctuations in commodity prices, in particular electricity prices, may benefit or adversely affect future income and operating results.

Further, the Company is exposed to the development in prices for components sourced from external suppliers. The Company's electrolysers are for the most part assembled and manufactured from standardized components generally available in the European market as well as Green Hydrogen Systems-designed components sourced from capacity suppliers. The Company's cost breakdown by suppliers and cost categories are described in detail in the section "*Business – Production, assembly and supply chain – Supply chain and suppliers*". Changes in prices on components sourced from external suppliers may affect the Company's financial statements and specifically the Company's gross profit (non-IFRS).

COVID-19

The COVID-19 pandemic and related counter-measures and restrictions imposed by governments (in the Company's focus markets and other markets) including, without limitation, business closures, restrictions on non-essential business activities, travel restrictions, quarantines and cancellations of gatherings and events have impacted how the Company conducts its business. COVID-19 has impacted the Company in several ways, including, but not limited to: (1) physical internal and external conferences / meetings have been postponed and/or replaced by online events; (2) physical presence of staff at the office and factory has been limited to essential staff only; (3) travelling has been significantly limited resulting in fewer than usual sales meetings outside Denmark; (4) installation of electrolysers and related site acceptance tests have been impacted ultimately resulting in revenue recognition being postponed; and (5) decisions to proceed with projects may be postponed by project decision makers including governmental bodies due to the inherent uncertainties caused by COVID-19.

Principal factors affecting the comparability of the Company's business and results of operation

Implementation of new or amended accounting standards

The Financial Statements of the Company for 2020, including comparative figures for 2019 and 2018, included in the Prospectus, have been prepared in accordance with IFRS applicable at the end of 2020. The Company has used the same accounting policies in its opening IFRS statement of financial position as of 1 January 2018 (i.e., from the transition date to IFRS used for the purpose of the Financial Statements of the Company included in the prospectus) and throughout all periods presented in the Financial Statements of the Company included in the prospectus.

The Company has not early adopted any of the new or amended accounting standards and interpretations that are not mandatory for 31 December 2020 reporting periods.

Summary of the key financial development for the first quarter of 2021 (the financial period ended 31 March 2021) compared to the first quarter of 2020 (the financial period ended 31 March 2020)

Prospective investors should also refer to " – *Description of key income statement line items*" for further information on recognition in the income statement.

Income statement

Total revenue & operating income for the three months ended 31 March 2021 totaled DKK 596 thousand compared to DKK 1,432 thousand for the three months ended 31 March 2020. The decrease in total revenue & operating income was primarily driven by a decrease in other operating income from DKK 1,340 thousand for the three months ended 31 March 2020 to DKK 276 thousand for the three months ended 31 March 2021 attributable to a decrease in development costs eligible for grants. Other operating income comprises grants and subsidies for development projects, for example from the Danish Energy Agency (in Danish: *Energistyrelsen*) and Innovation Fund Denmark (in Danish: *Innovationsfonden*). Revenue from contracts with customers increased from DKK 92 thousand for the three months ended 31 March 2020 to DKK 320 thousand for the three months ended 31 March 2021 due to an increase in delivery of orders.

Changes in inventory of finished goods and work in progress for the three months ended 31 March 2021 amounted to DKK 976 thousand compared to DKK 698 thousand for the three months ended 31 March 2020 and raw materials and consumables used for the three months ended 31 March 2021 amounted to DKK (3,249) thousand compared to DKK (3,183) thousand for the three months ended 31 March 2020. The change was primarily driven by an increase in the production activities.

Work performed by the Company and capitalized for the three months ended 31 March 2021 amounted to DKK 6,553 thousand compared to DKK 1,190 thousand for the three months ended 31 March 2020. The increase primarily originated from an increase in development activities including enhancements to existing A-Series electrolysers and utilization of higher capacity electrolysers in the A-Series.

Employee costs for the three months ended 31 March 2021 amounted to DKK (23,097) thousand compared to DKK (4,701) thousand for the three months ended 31 March 2020, primarily attributable to the increase in employees, from 26 employees at 31 March 2020 to 77 employees at 31 March 2021, to accommodate the activities of the Company.

Other operating expenses comprise costs related to facilities, sales & marketing and administrative expenses. Other operating expenses for the three months ended 31 March 2021 amounted to DKK (18,239) thousand compared to DKK (2,948) thousand for the three months ended 31 March 2020, primarily originating from the increased activity of the company and costs related to capital raising activities.

Depreciation and amortization for the three months ended 31 March 2021 was DKK (1,736) thousand compared to DKK (597) thousand in for the three months ended 31 March 2020. The increase was primarily driven by initiated depreciation of development projects taken into use and depreciation of new right-of-use assets.

Financial expenses for the three months ended 31 March 2021 was DKK (6,183) thousand compared to DKK (26) thousand for the three months ended 31 March 2020. The increase was primarily driven by an increase in loans over the period especially from the Danish Green Investment Fund (in Danish: *Danmarks Grønne Investeringsfond*), APMHI, the Principal Shareholder and Norlys Holding.

Income tax for the three months ended 31 March 2021 was an income of DKK 1,375 thousand compared to DKK 284 thousand for the three months ended 31 March 2020. Current tax on losses for the periods are originating from the tax credit scheme for research and development costs, under which the tax value of accumulated tax losses up to DKK 25 million are paid to the Company. As Executive Management expects the Company to incur research and development costs amounting to at least 25% of the DKK 25 million limit each quarter, the related income tax benefit is recognized on a straight-line basis.

Profit for the three months ended 31 March 2021 was DKK (43,004) thousand compared to DKK (7,851) thousand for the three months ended 31 March 2020.

Balance sheet

Total non-current assets as of 31 March 2021 were DKK 94,863 thousand compared to DKK 57,834 thousand as of 31 December 2020. The development was primarily driven by an increase in intangible assets from DKK 16,459 thousand as of 31 December 2020 to DKK 23,007 thousand in the first quarter 2021 due to an increase in development activities and technology, an increase in property, plant and equipment from DKK 20,635 thousand in as of 31 December 2020 to DKK 25,471 thousand in the first quarter 2021 originating from acquired test facilities and equipment, an increase in right-of-use assets from DKK 14,535 thousand as of 31 December 2020 to DKK 37,858 thousand in the first quarter 2021 due to lease of a new domicile and cars.

Total current assets as of 31 March 2021 were DKK 131,690 thousand compared to DKK 175,064 thousand as of 31 December 2020. Cash and cash equivalents decreased from DKK 155,953 thousand as of 31 December 2020 to DKK 102,629 thousand in the first quarter 2021, due to increased activities and a decline in the net working capital as well as increased investments in tangible and intangibles assets.

Total equity as of 31 March 2021 was DKK (41,648) thousand compared to DKK (4,077) thousand as of 31 December 2020. Changes to equity were due to a loss in the first quarter 2021 of DKK 43,004 thousand, capital increases, share-based payments and transaction costs for anticipated equity issuance.

Total non-current liabilities as of 31 March 2021 were DKK 210,436 thousand compared to DKK 183,940 thousand as of 31 December 2020. The increase occurred primarily due to an increase in lease liabilities due to lease of a new domicile and cars, and an increase in borrowings due to addition of interests.

Total current liabilities as of 31 March 2021 were DKK 57,765 thousand compared to DKK 53,035 thousand as of 31 December 2020. The development was primarily driven by increasing prepayments from customers (contract liabilities).

Cash flow

Net cash flow from operating activities for the three months ended 31 March 2021 was DKK (42,633) thousand compared to DKK (5,815) thousand for the three months ended 31 March 2020. Net cash flow from operating activities was primarily affected by a decrease in profit/loss from DKK (7,851) thousand for the three months ended 31 March 2020 to DKK (43,004) thousand for the three months ended 31 March 2021, and changes in net working capital from DKK 1,810 thousand for the three months ended 31 March 2020 to DKK (10,704) thousand for the three months ended 31 March 2021 due to decreasing trade receivables and increasing trade payables and liabilities. Adjustments to cash flow from operating activities primarily comprise income tax, warrants, depreciations and amortizations and fair value adjustment of derivative elements in borrowings.

Cash flow from investing activities for the three months ended 31 March 2021 amounted to DKK (10,882) thousand compared to DKK (1,230) thousand for the three months ended 31 March 2020. Investing activity was primarily caused by investments related to the Company's new domicile, investments in test equipment and production equipment for the new production facility and increasing development activities.

Cash flow from financing activities for the three months ended 31 March 2021 was DKK 191 thousand compared to DKK (1,138) thousand for the three months ended 31 March 2020. The cash flow from financing activities for the three months ended 31 March 2021 was mainly affected by lease payments and proceeds from share issues.

Summary of the key financial development in the financial year ended 31 December 2020 compared to the financial year ended 31 December 2019

Prospective investors should also refer to "*Description of key income statement line items*" for further information on recognition in the income statement.

Income statement

Total revenue & operating income for the financial year ended 31 December 2020 totaled DKK 12,226 thousand compared to DKK 16,137 thousand in 2019. The decrease in total revenue & operating income was primarily driven by a decrease in revenue from contracts with customers from DKK 14,196 thousand in 2019 to DKK 9,433 thousand in 2020 due to delivery of orders that were postponed from 2020 to 2021. In other operating income there was an increase from DKK 1,941 thousand in 2019 to DKK 2,793 thousand in 2020 due to an increase in development costs eligible for grants. Other operating income comprises grants and subsidies for development projects, for example from the Danish Energy Agency and Innovation Fund Denmark.

Changes in inventory of finished goods and work in progress for the year ended 31 December 2020 amounted to DKK 36 thousand compared to DKK (1,983) thousand in 2019 and raw materials and consumables used for the year ended 31 December 2020 amounted to DKK (17,208) thousand compared to DKK (10,955) thousand in 2019. The change in the two was driven by a general clean-up and write-down of inventory, test of components and build-up of fixed assets.

Work performed by the Company and capitalized for the financial year ended 31 December 2020 amounted to DKK 10,485 thousand compared to DKK 1,305 thousand in 2019. The large increase was primarily driven by an increase in development activities especially related to enhancements to existing A-Series electrolysers and expanding the A-Series with higher capacity electrolysers.

Employee costs for the financial year ended 31 December 2020 amounted to DKK (39,571) thousand compared to DKK (8,726) thousand in 2019, corresponding to an increase of 353 percent, primarily driven by the large increase in employees, from 18 employees on 1 January 2020 to 55 employees on 31 December 2020, to accommodate the activities of the Company. Further, the employee costs in 2020 were impacted by a value adjustment on warrants.

Other operating expenses comprise costs related to facilities, sales & marketing and administrative expenses. Other operating expenses for the financial year ended 31 December 2020 amounted to DKK (35,585) thousand compared to DKK (7,489) thousand in 2019, corresponding to an increase of 375 percent, primarily driven by increased activity, costs connected to the Offering and general capital raising activities.

Depreciation and amortization for the financial year ended 31 December 2020 was DKK (3,072) thousand compared to DKK (316) thousand in 2019. The increase was primarily driven by initiated depreciation of development projects taken into use and depreciation of new right-of-use assets.

Financial expenses for the financial year ended 31 December 2020 was DKK (2,861) thousand compared to DKK (84) thousand in 2019. The increase was primarily driven by an increase in loans over the period especially from the Danish Green Investment Fund (in Danish: *Danmarks Grønne Investeringsfond*).

Income tax for the financial year ended 31 December 2020 was an income of DKK 2,307 thousand compared to DKK 1,375 thousand in 2019. The effective tax rate for the financial year ended 31 December 2020 was 3.1 percent compared to 11.4 percent in 2019. The variance from the Danish corporation tax rate of 22 percent is caused by non-deductible costs, additional deductions of R&D costs and changes in unrecognized deferred tax assets.

Profit for the financial year ended 31 December 2020 was DKK (73,241) thousand compared to DKK (10,736) thousand in 2019 corresponding to a decrease of 582 percent.

Balance sheet

Total non-current assets as of 31 December 2020 were DKK 57,834 thousand compared to DKK 7,621 thousand as of 31 December 2019. The development was primarily driven by an increase in intangible assets from DKK 7,011 thousand in 2019 to DKK 16,459 thousand in 2020 due to an increase in development activities and technology, an increase in property, plant and equipment from DKK 195 thousand in 2019 to DKK 20,635 thousand in 2020 originating from acquired test facilities and equipment, an increase in right-of-use assets from DKK 370 thousand in 2019 to DKK 14,535 thousand in 2020 due to lease of a new domicile and cars and an increase in deposits from DKK 45 thousand in 2019 to DKK 6,205 thousand in 2020 related to the lease of a new domicile.

Total current assets as of 31 December 2020 were DKK 175,064 thousand compared to DKK 33,288 thousand as of 31 December 2019. Cash and cash equivalents increased from DKK 9,412 thousand in 2019 to DKK 155,953 thousand as of 31 December 2020, due to significant proceeds from borrowings being the primary driver of the increase in total current assets.

Total equity as of 31 December 2020 was DKK (4,077) thousand compared to DKK 20,534 thousand as of 31 December 2019. Changes to equity in 2020 were due to a loss for the period of DKK 73,241 thousand, capital increases and cancellation of treasury shares of DKK 35,784 thousand, and share-based payment of DKK 12,486 thousand.

Total non-current liabilities as of 31 December 2020 were DKK 183,940 thousand compared to DKK 3,941 thousand as of 31 December 2019. The increase occurred primarily due to proceeds from new borrowings of DKK 202,997 thousand and a conversion of loans to equity of DKK 33,690 thousand. Total non-current liabilities mainly comprise loans from the Danish Green Investment Fund of DKK 15,000 thousand, from APMHI of DKK 111,975 thousand and from the Principal Shareholder and Norlys Holding of DKK 42,924 thousand which is also reflected in the higher cash & cash equivalents in 2020.

Total current liabilities as of 31 December 2020 were DKK 53,035 thousand compared to DKK 16,434 thousand as of 31 December 2019, corresponding to an increase of DKK 36,601 thousand. The development was primarily driven by an increase of DKK 19,717 thousand in trade payables corresponding to the increasing costs, increasing prepayments from customers (contract liabilities) and increasing other payables related to increasing payroll liabilities and derivative elements in borrowings.

Cash flow

Net cash flow from operating activities for the financial year ended 31 December 2020 was DKK (25,172) thousand compared to DKK (21,682) thousand for the financial year ended 31 December 2019. Net cash flow from operating activities was primarily affected by a decrease in profit/loss for the year from DKK (10,736) thousand in 2019 to DKK (73,241) thousand in 2020, and an increase in changes in net working capital from DKK (11,411) thousand in 2019 to DKK 31,307 thousand in 2020 due to positive effects from increasing accounts payables and other payables. Adjustments to cash flow from operating activities primarily comprise income tax, warrants, depreciations and amortizations and fair value adjustment of derivative elements in borrowings.

Cash flow from investing activities for the financial year ended 31 December 2020 amounted to DKK (31,625) thousand compared to DKK (1,412) thousand for the financial year ended 31 December 2019. Investing activity during the financial year 2020 was primarily caused by investments related to the Company's new domicile, investments in test equipment and production equipment for the new production facility and increasing development activities.

Cash flow from financing activities for the financial year ended 31 December 2020 was DKK 203,338 thousand compared to DKK 31,907 thousand for the financial year ended 31 December 2019. The cash flow from financing activities in 2020 was mainly affected by proceeds from borrowings of DKK 111,975 thousand from APMHI, DKK 65,285 thousand from the Principal Shareholder, DKK 11,099 thousand from Norlys Holding and DKK 14,638 thousand from the Danish Green Investment Fund (in Danish: Danmarks Grønne Investeringsfond).

Summary of the key financial development in the financial year ended 31 December 2019 compared to the financial year ended 31 December 2018

Income statement

Total revenue & operating income for the financial year ended 31 December 2019 was DKK 16,137 thousand compared to DKK 4,352 thousand in 2018. The increase in total revenue & operating income was primarily driven by an increase in revenue from contracts with customers from DKK 4,179 thousand in 2018 to DKK 14,196 thousand in 2019 due to an increase in the number of delivered electrolysis systems. In other operating income there was an increase from DKK 173 thousand in 2018 to DKK 1,941 thousand in 2019 due to increased development activities partly funded with grants.

Changes in inventory of finished goods and work in progress for the year ended 31 December 2019 amounted to DKK (1,983) thousand compared to DKK 4,124 thousand in 2018 and raw materials and consumables used for the year ended 31 December 2019 amounted to DKK (10,955) thousand compared to DKK (8,081) thousand in 2018. The change in the two was driven by a re-invoicing in 2019 driving the change in inventory of finished goods and work in progress down.

Work performed by the Company and capitalized for the financial year ended 31 December 2019 amounted to DKK 1,305 thousand compared to DKK 3,162 thousand in 2018. The decrease was primarily driven by fewer investments in development projects eligible for capitalization.

Employee costs for the financial year ended 31 December 2019 amounted to DKK (8,726) thousand compared to DKK (4,544) thousand in 2018, corresponding to an increase of 92 percent, primarily driven by a doubling of employees.

Other operating expenses for the financial year ended 31 December 2019 amounted to DKK (7,489) thousand compared to DKK (2,877) thousand in 2018, corresponding to an increase of 160 percent, primarily driven by increased activity.

Depreciation and amortization for the financial year ended 31 December 2019 amounted to DKK (316) thousand compared to DKK (278) thousand in 2019. The small increase was primarily driven by new right-of-use assets.

Financial expenses for the financial year ended 31 December 2019 were DKK (84) thousand compared to DKK (49) thousand in 2018. Income tax payable for the financial year ended 31 December 2019 amounted to DKK 1,375 thousand compared to DKK 1,396 thousand in 2018. The effective tax rate for the financial year ended 31 December 2019 was 11.4 percent compared to 33.6 percent in 2018. The significant deviation in 2018 from the corporate tax rate in Denmark at 22% was due to changes in unrecognized deferred tax assets.

Profit for the financial year ended 31 December 2019 was DKK (10,736) thousand compared to DKK (2,762) thousand in 2018 corresponding to a decrease of 289 percent.

Balance sheet

Total non-current assets as of 31 December 2019 was DKK 7,621 thousand compared to DKK 5,694 thousand as of 31 December 2018. The development was primarily driven by an increase in intangible assets from DKK 5,470 thousand in 2018 to DKK 7,011 thousand in 2019 due to a capitalization of development costs.

Total current assets as of 31 December 2019 were DKK 33,288 thousand compared to DKK 8,800 thousand as of 31 December 2018. Trade receivables increased from DKK 1,175 thousand in 2018 to DKK 12,601 thousand in 2019 due to timing of invoicing and cash and cash equivalents increased from DKK 599 thousand in 2018 to DKK 9,412 thousand in the financial year ended 31 December 2019, due to proceeds from share issues being the primary driver of the increase in total current assets.

Total equity was DKK 20,534 thousand as of 31 December 2019 compared to DKK 137 thousand as of 31 December 2018. The increase in equity occurred in particular due to capital increases during the year 2018 increasing the share capital by DKK 12,913 thousand as well as an increase by share premium of DKK 18,115 thousand and share-based payment of DKK 105 thousand, partly offset by a loss for the period of DKK 10,736 thousand.

Total non-current liabilities as of 31 December 2019 were DKK 3,941 thousand compared to DKK 2,916 thousand as of 31 December 2018. The increase was primarily driven by proceeds from borrowings of DKK 900 thousand.

Total current liabilities as of 31 December 2019 were DKK 16,434 thousand compared to DKK 11,441 thousand as of 31 December 2018, corresponding to an increase of DKK 4,993 thousand. The development was primarily driven by an increase of DKK 4,518 thousand in trade payables due to increased costs.

Cash flow

Net cash flow from operating activities for the financial year ended 31 December 2019 was DKK (21,682) thousand compared to DKK (1,302) thousand for the financial year ended 31 December 2018. Net cash flow from operating activities was primarily affected by a decrease in profit/loss during the year from DKK (2,762) thousand in 2018 to DKK (10,736) thousand, and a decrease in changes in net working capital from DKK 2,017 thousand in 2018 to DKK (11,411) thousand in 2019 due to increasing inventories and trade receivables as a consequence of growth.

Cash flow from investing activities for the financial year ended 31 December 2019 amounted to DKK (1,412) thousand compared to DKK (3,821) thousand for the financial year ended 31 December 2018. Investing activity during the financial year 2019 primarily related to payment for development costs.

Cash flow from financing activities for the financial year ended 31 December 2019 was DKK 31,907 thousand compared to DKK 4,816 thousand for the financial year ended 31 December 2018. The cash flow from financing activities in 2019 was mainly affected by an increase in proceeds from share issues of DKK 31,028 thousand related to the investment of Nordic Alpha Partners (the Principal Shareholder).

Non-IFRS financial measure

The following definitions apply throughout the Prospectus and include reconciliations from the relevant IFRS financial measures to the defined non-IFRS financial measures:

Order intake (non-IFRS)

Order intake is defined as the sales value in DKK millions of products and as the electrolyser capacity in megawatts of signed orders during the year. Executive Management considers order intake (non-IFRS) to be a useful measure to monitor the performance of the sales organization including the effect of sales initiatives.

The following table provides an overview of order intake in DKK millions and in megawatts in each of the periods indicated:¨

	For the period ended 31 March		For the year ended 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
Order intake in DKK millions	0	7.1	41.8	4.3	14.3
Order intake in megawatts	0	0.45	4.6	0.5	0.6

Gross profit (non-IFRS)

Gross profit is defined as revenue from customer contracts, less direct product and labor costs. Executive Management considers gross profit (non-IFRS) to be a useful measure to monitor the underlying performance because by excluding all indirect costs such as administrative and sales costs, depreciation, amortization and impairment, the measure is not impacted by capital investments and indirect costs when measuring performance.

The following table provides a reconciliation of revenue (defined as revenue from customer contracts) to gross profit (non-IFRS) for each of the periods indicated:

	For the period ended 31 March	
DKK'000	**2021**	**2020**
Revenue from contracts with customers	320	92
Net direct materials costs	(704)	(56)
Net direct labor costs	0	(108)
Service costs	(302)	0
Gross profit	**(686)**	**(72)**
Gross profit excluding one-offs	**(317)**	**(147)**

DKK'000	For the year ended 31 December 2020	2019	2018
Revenue from contracts with customers	9,433	14,196	4,179
Net direct materials costs	(11,772)	(12,017)	(3,123)
Net direct labor costs	(682)	(1,505)	(186)
Gross profit	**(3,021)**	**674**	**870**
Gross profit excluding one-offs	**1,388**	**715**	**893**

Gross profit margin (non-IFRS)

The following table presents the calculation of this measure:

(DKK'000, except %)	For the year ended 31 March 2021	2020
Gross profit	(686)	(147)
Gross profit excluding one-offs	(317)	(72)
Divided by: Revenue	320	92
Gross profit margin	**(214%)**	**(78%)**
Gross profit margin excluding one-offs	**(99%)**	**(160%)**

(DKK'000, except %)	For the year ended 31 December 2020	2019	2018
Gross profit	(3,021)	674	870
Gross profit excluding one-offs	1,388	715	893
Divided by: Revenue	9,433	14,196	4,179
Gross profit margin	**(32%)**	**5%**	**21%**
Gross profit margin excluding one-offs	**15%**	**5%**	**21%**

Total R&D spend (non-IFRS)

Total R&D spend (non-IFRS) is defined as costs of raw materials, direct product and labor costs as well as indirect production costs and capitalized borrowing costs originating from research and development activities. Executive Management considers total R&D spend (non-IFRS) to be a useful measure to monitor the combined investments in research and development activities.

The following table provides a reconciliation of expensed research and development costs and capitalized development costs to total R&D spend (non-IFRS) for each of the periods indicated:

DKK'000	For the year ended 31 March 2021	2020
Expensed research and development costs	1,712	3,521
Capitalized development costs	6,553	1,290
Investment in development equipment	1,295	0
Total R&D spend	**9,560**	**4,811**

DKK'000	For the year ended 31 December 2020	2019	2018
Expensed research and development costs	9,388	3,856	1,396
Capitalized development costs	10,997	1,745	3,244
Total R&D spend	**20,385**	**5,601**	**4,640**

EBITDA (non-IFRS)

EBITDA (non-IFRS) is defined as earnings before interest, tax, depreciation and amortization (EBITDA). Executive Management considers EBITDA (non-IFRS) to be a useful measure to monitor the underlying performance because by excluding such depreciation, amortization and impairment, the measure is not impacted by capital investments when measuring performance.

The following table provides a reconciliation of EBIT (defined as earnings before interests and taxes) to EBITDA (non-IFRS) for each of the periods indicated:

DKK'000	For the period ended 31 March 2021	2020
Operating profit/(loss) (EBIT)	(38,196)	(8,109)
Depreciation and amortization	(1,736)	(597)
Operating profit/(loss) before depreciation, amortization and impairment losses (EBITDA)	**(36,460)**	**(7,512)**

DKK'000	For the year ended 31 December 2020	2019	2018
Operating profit/(loss) (EBIT)	(72,689)	(12,027)	(4,142)
Depreciation and amortization	3,072	316	278
Operating profit/(loss) before depreciation, amortization and impairment losses (EBITDA)	**(69,617)**	**(11,711)**	**(3,864)**

EBITDA margin (non-IFRS)

The following table presents the calculation of this measure:

(DKK'000, except %)	For the period ended 31 March 2021	2020
EBITDA	(36,460)	(7,512)
Divided by: Revenue	320	92
EBITDA margin	**(11,394%)**	**(8,165%)**

(DKK'000, except %)	For the year ended 31 December 2020	2019	2018
EBITDA	(69,617)	(11,711)	(3,864)
Divided by: Revenue	9,433	14,196	4,179
EBITDA margin	**(738%)**	**(82%)**	**(91%)**

Intangible CAPEX (non-IFRS)

Intangible CAPEX (non-IFRS) is defined as costs for development activities. Executive Management considers Intangible CAPEX (non-IFRS) to be a useful measure to monitor investments in development of products and technologies.

The following table provides an overview of investments in intangible CAPEX for each of the periods indicated:

	For the period ended 31 March	
DKK'000	**2021**	**2020**
Development projects in progress	6,586	1,290
Other intangibles	512	0
Total intangible CAPEX	**7,098**	**1,290**

	For the year ended 31 December		
DKK'000	**2020**	**2019**	**2018**
Development projects in progress	10,997	1,745	3,244
Other intangibles	493	0	512
Total intangible CAPEX	**11,490**	**1,745**	**3,756**

Tangible CAPEX (non-IFRS)

Tangible CAPEX (non-IFRS) is defined as payments for property, plants and equipment, reflecting investments in facilities and equipment for test and production. Executive Management considers Tangible CAPEX (non-IFRS) to be a useful measure to monitor investments in production capacity and facilities.

The following table provides an overview of investments in Tangible CAPEX for each of the periods indicated:

	For the period ended 31 March	
DKK'000	**2021**	**2020**
Leasehold improvements	2,544	0
Other fixtures and fittings, tool and equipment	764	40
Plant and machinery	1,316	0
Assets under construction	707	0
Total tangible CAPEX	**5,331**	**40**

	For the year ended 31 December		
DKK'000	**2020**	**2019**	**2018**
Leasehold improvements	10,117	18	49
Other fixtures and fittings, tool and equipment	10,530	88	98
Total tangible CAPEX	**20,647**	**106**	**147**

CAPEX (non-IFRS)

CAPEX (non-IFRS) is defined as investments in Intangible and Tangible CAPEX (non-IFRS). Executive Management considers CAPEX (non-IFRS) to be a useful measure to monitor total investments in product development, production capacity and facilities.

The following table provides a reconciliation of CAPEX to Intangible and Tangible CAPEX (non-IFRS), respectively, for each of the periods indicated:

	For the period ended 31 March	
DKK'000	**2021**	**2020**
Intangible CAPEX	7,098	1,290
Tangible CAPEX	5,331	40
Total CAPEX	**12,429**	**1,330**

	For the year ended 31 December		
DKK'000	**2020**	**2019**	**2018**
Intangible CAPEX	11,490	1,745	3,757
Tangible CAPEX	20,647	106	147
Total CAPEX	**32,137**	**1,851**	**3,904**

Net Working Capital (non-IFRS)

Net Working Capital (non-IFRS) is defined as deposits, inventories, trade receivables and payables, prepayments, contract liabilities, deferred income and other receivables and payables. Executive Management considers Net Working Capital (non-IFRS) to be a useful measure to monitor short term liquidity.

The following table provides a reconciliation of deposits, inventories, trade receivables and payables, prepayments, contract liabilities, deferred income and other receivables and payables to Net Working Capital (non-IFRS) for each of the periods indicated:

	For the period ended 31 March	
DKK'000	**2021**	**2020**
Deposits	7,152	3,222
Inventories	16,736	10,226
Trade receivables	378	1,485
Prepayments	1,182	222
Other receivables	8,238	3,158
Trade payables	(26,524)	(2,589)
Contract liabilities	(12,355)	(5,645)
Deferred income	(2,205)	(3,452)
Other payables	(5,789)	(1,158)
Net Working Capital	**(13,187)**	**(5,469)**

DKK'000	For the year ended 31 December 2020	2019	2018
Deposits	6,205	45	45
Inventories	7,611	8,016	4,741
Trade receivables	4,052	12,601	1,175
Prepayments	227	226	102
Other receivables	4,694	1,658	787
Trade payables	(25,358)	(5,641)	(1,123)
Contract liabilities	(7,889)	(5,645)	(6,721)
Deferred income	(3,239)	(3,374)	(2,948)
Other payables	(10,598)	(874)	(457)
Net Working Capital	**(24,295)**	**7,012**	**(4,399)**

Free cash flow (non-IFRS)

Free cash flow is defined as cash flow from operating activities less cash flow from investing activities and cash flow financing activities. Executive Management considers free cash flow to be a useful measure to monitor the cash flow generated from the Company's activities.

DKK'000	For the period ended 31 March 2021	2020
Cash flows from operating activities	(42,633)	(5,815)
Cash flow from investment activities	(10,882)	(1,230)
Cash flow from financing activities	191	(1,138)
Free cash flow	**(53,324)**	**(8,183)**

DKK'000	For the year ended 31 December 2020	2019	2018
Cash flows from operating activities	(25,172)	(21,682)	(1,302)
Cash flow from investment activities	(31,625)	(1,412)	(3,821)
Cash flow from investment activities	203,338	31,907	4,816
Free cash flow	**146,541**	**8,813**	**(307)**

Cash spend (non-IFRS)

Cash spend (non-IFRS) is defined as cash flows from operating and investment activities.

The following table provides a reconciliation of Cash spend (non-IFRS) to cash flows from operating and investment activities for each of the periods indicated:

DKK'000	For the period ended 31 March 2021	2020
Cash flows from operating activities	(42,633)	(5,815)
Cash flow from investment activities	(10,882)	(1,230)
Cash spend	**(53,515)**	**(7,045)**

DKK'000	For the year ended 31 December 2020	2019	2018
Cash flows from operating activities	(25,172)	(21,682)	(1,302)
Cash flow from investment activities	(31,625)	(1,412)	(3,821)
Cash spend	**(56,797)**	**(23,094)**	**(5,123)**

Net cash position (non-IFRS)
Headcount (non-IFRS) is defined as the numerical number of employees of the Company at any given time. The headcounts referenced for Q1 2020 and Q1 2021 are the number of employees at 31 March. The headcounts referenced for 2018, 2019 and 2020 are the number of employees at 31 December in each of those years. Executive Management considers headcount to be a useful measure to monitor workforce-levels.

DKK'000	For the period ended 31 March 2021	2020
Cash and Cash Equivalents	102,629	1,229
Gross interest-bearing debt	(218,367)	(4,432)
Net cash position	**(115,738)**	**(3,203)**

DKK'000	For the year ended 31 December 2020	2019	2018
Cash and Cash Equivalents	155,953	9,412	599
Gross interest-bearing debt	(188,907)	(4,196)	(2,916)
Net cash position	**(32,954)**	**5,216**	**(2,317)**

Headcount (non-IFRS)
Headcount (non-IFRS) is defined as the numerical number of employees of the Company at any given time. The headcounts referenced for 2018, 2019 and 2020 are the number of employees at 31 December in each of those years. Executive Management considers headcount to be a useful measure to monitor workforce-levels.

DKK'000	For the period ended 31 March 2021	2020
Headcount	**77**	**26**

	For the year ended 31 December 2020	2019	2018
Headcount	**55**	**18**	**9**

Working capital statement

The Company's present working capital is not sufficient to meet the Company's present requirements, considering a twelve months' period after the Prospectus date with the current business plan. The working capital need will be covered by the Offering.

The shortfall in working capital is expected to occur at the end of November 2021 and is for the remainder of the twelve-month period from now expected to amount to approximately DKK 182 million, based on the existing business plan.

If the share issue is completed, the Company considers based on current knowledge that it has sufficient working capital to meet its present requirements for at least twelve months of planned activities.

In the event that the Offer is not completed, the Company will continue the current business plan focused on accelerated growth utilizing additional liquidity to be provided by the existing shareholders and/or lenders.

Off-balance sheet arrangements

In the financial year ended 31 December 2020, the Company's off-balance sheet arrangements consisted of payments relating to leases not recognized. As of 31 December 2019, there was one lease arrangement with a six-month non-cancellable period and a yearly lease payment of DKK 230 thousand. As of 31 December 2020, there were two lease arrangements, one with a six-month non-cancellable period and a yearly lease payment of DKK 235 thousand, and the other with a three-month non-cancellable period and a yearly lease payment of DKK 742 thousand.

Significant current and future investments

Significant current investments

The Company's most significant investments are related to research and development of its electrolysers and associated investments in production and test facilities as well as employees to accommodate the expected increased level of activities. During 2021, the Company expects a total R&D spend of DKK 75-85 million, whereof approximately DKK 2.8 million will be expensed and the remainder capitalized on the balance sheet. Further, for 2021 the Company expects investments in property, plant and equipment in the level of DKK 30-35 million.

Significant future investments

Towards 2025, the Company expects a total R&D spend of approximately DKK 450 million (including the total expected R&D spend for 2021), of which approximately 10% will be expensed and the remainder capitalized on the balance sheet. Furthermore, the Company expects investments in production and development equipment in the level of approximately DKK 400 million (including the total investments in production and development equipment during 2021). For further detail, please refer to the section *"Background to the Offering and Use of Proceeds"*.

No significant change

As at the date of this Prospectus, there have been no significant changes to the Company's financial condition and operating result since the end of the period covered by the Company's 2020 Financial Statements.

Description of key income statement line items

Revenue from contracts with customers

Revenue from contracts with customers primarily comprises sales of electrolysers and related add-ons as part of EPC. Secondly, revenues comprise services directly or indirectly related to electrolysers.

Revenue from contracts with customers is in general recognized when control of such equipment and services are transferred to the customer. The amount recognized reflects the consideration the Company expects to be entitled to in exchange for such equipment and/or services. Project revenues (i.e., electrolysers including service agreements) are consequently divided into at least two performance obligations and revenue is recognized accordingly. Revenue split varies between projects depending on a range of parameters, including, but not limited to, type of product, project size and service contract length.

Other operating income

Other operating income comprises income from government grants recognized corresponding to the related costs. Related costs are R&D expenses that are either capitalized or recognized in the income statement depending on whether the R&D activities meet the criteria for capitalization.

Changes in inventory of finished goods and work in progress
Changes in inventory of finished goods and work in progress comprise the periods change in value of inventories of finished goods and work in progress. This includes indirect production costs.

Raw materials and consumables used
Raw materials and consumables used include costs of raw materials and consumables related to both sales projects and R&D.

If consumption is related to sales projects through work-in-progress/inventories this is reflected in the Income Statement Line Item "*Changes in inventory of finished goods and work in progress*".

If consumption is related to development projects that meet the criteria for capitalization the capitalization is reflected in the Income Statement Line Item "*Work performed by the Company and capitalized*".

Work performed by the Company and capitalized
Work performed by the Company and capitalized includes the amount of raw materials and consumables used and employee costs incurred, which during the year have been capitalized as part of the Company's development projects.

Employee costs
Employee costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, made to the Company's employees, net of refunds made by public authorities.

Other operating expenses
Other operating expenses include expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts and payments under operating leases.

Operating profit before depreciation and amortization (EBITDA)
Operating profit before depreciation and amortization (EBITDA) include total revenue and operating income, changes in inventory of finished goods and work in progress, raw materials and consumables used, work performed by the company and capitalized, employee costs and operating expenses.

Depreciation and amortization
Depreciation and amortization comprise depreciation charges recorded in relation to the routine use of property, plant and equipment and amortization charges recorded in relation to the routine use of intangible assets.

Operating profit (EBIT)
Operating profit (EBIT) represents operating profit depreciation and amortization (EBITDA) after special items less depreciation and amortization.

Financial income
Financial income comprises interest income and other finance income.

Financial expenses
Financial expenses comprise interest expenses, early repayment fees and other finance costs. Financial expenses are deducted capitalized borrowing costs.

Profit before tax
Profit before tax represents operating profit (EBIT) plus financial income less financial expenses.

Tax on profit
Tax for the year comprises current tax and changes in deferred tax for the year.

Profit for the year
Profit for the year represents profit before tax net of tax on profit.

Prospective Financial Information for the Financial Year Ending 31 December 2021

Statement by the Board of Directors and Executive Management

We have prepared and presented the prospective financial information for the financial year ending 31 December 2021, including the principal assumptions stated under "*—Methodology and assumptions*". The accounting policies applied are in accordance with the accounting policies set out in the Notes to the Company's 2020 Financial Statements included in this Prospectus, except to the extent new accounting policies are required to be adopted in 2021 as disclosed in Note 1 to the Company's 2020 Financial Statements included in the F-pages of this Prospectus. The prospective financial information for the financial year ending 31 December 2021 is prepared for the purpose of this Prospectus.

The prospective financial information for the financial year ending 31 December 2021 is based on a number of factors, including certain estimates and assumptions. The principal assumptions upon which we have based the prospective financial information for the financial year ending 31 December 2021 are described under "*— Prospective financial information - Methodology and assumptions*". The prospective financial information for the financial year ending 2021 is based on a number of assumptions, and many of the significant assumptions we have used in preparing this information are outside of the Company's control or influence.

The prospective financial information for the financial year ending 2021 represents the best estimates of the Board of Directors and Management at the date of publication of this Prospectus. Actual results are likely to be different from the prospective financial information for the financial year ending 31 December 2021 since anticipated events may not occur as expected and the variation may be material. You should read the prospective financial information for the financial year ending 31 December 2021 in this section in conjunction with "*Risk Factors*" included elsewhere in this Prospectus. See also "*Special Notice Regarding Forward-Looking Statements*".

Kolding, 7 June 2021

Green Hydrogen Systems A/S

Board of Directors

Thyge Boserup
Chairman

Troels Øberg
Vice Chairman

Karen-Marie Katholm
Board Member

Lars Valsøe Bertelsen
Board Member

Christian Clausen
Board Member

Thomas Thune Andersen
Board Member

Jakob Fuhr Hansen
Board Member

Simon Krogsgaard Ibsen
Board Member

Executive Management

Sebastian Koks Andreassen
CEO

Kenneth Bergstrøm-Andersen
CFO

Prospective financial information

Introduction

The Company's Board of Directors and Executive Management have prepared the prospective financial information for the financial year ending 31 December 2021 which is included in this Prospectus, in accordance with applicable laws, rules and regulations.

While this prospective financial information is presented with numerical specificity, this information is based upon a number of assumptions and estimates, which the Company considers reasonable. As a result, this prospective financial information is inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, and based upon future business decisions that are subject to change.

The Company's expectations presented in the prospective financial information as to future developments may deviate substantially from actual developments, and the Company's actual results of operations are likely to be different from the prospective financial information since anticipated events may not occur as expected, or may materially differ from the forecast provided. Accordingly, shareholders and potential investors should treat this information with caution and not place undue reliance on the expectations set forth below.

Methodology and assumptions

The prospective financial information reflects the actual performance of the Company's business for the three months ended 31 March 2021 and the Company's estimates and assumptions concerning its performance for the periods thereafter. The prospective financial information has been prepared on the basis of the Company's accounting policies, which are in accordance with IFRS as adopted by the EU and presented in the Financial Statements included in this Prospectus.

The prospective financial information is prepared in accordance with the Company's normal forecasting and budgeting procedures and on a basis comparable to the historical financial information included elsewhere in this Prospectus. However, the prospective financial information is based on a large number of estimates made by the Company based on assumptions on future events, which are subject to numerous and significant uncertainties, for example, caused by business, economic and competitive risks and uncertainties, which could cause the Company's actual results to differ materially from the prospective financial information presented herein.

Certain of the assumptions, uncertainties and contingencies relating to the prospective financial information are outside of the Company's control, including those relating to changes in market, political, legal, fiscal or economic conditions, currency fluctuations and actions by customers or competitors.

While the Company has presented below the principal assumptions on which the prospective financial information is based, it is likely that one or more of the assumptions the Company has relied upon will not prove to be accurate in whole or in part.

The Company's actual results of operations could deviate materially from its forecasts as a result of other factors, including, but not limited to, those described under "*General Information— Special Notice Regarding Forward-Looking Statements*" and "*Risk Factors*". For more information regarding principal factors that the Company expects could have a substantial effect on its results of operations, see "*Operating and Financial Review—Principal factors affecting the Company's financial condition and results of operations*".

For the purpose of preparing the prospective financial information for the year ending 31 December 2021, the Company has applied the principal assumptions set forth below.

Revenue

The Company's estimate of revenue is based on the following assumptions:

- The Company's estimate of revenue for the financial year ending 31 December 2021 is, to some extent, based on reported revenue of DKK 0.6 million for the three months ending 31 March 2021. The estimated revenue is further, to a significant extent, based on the expected volume of electrolysers sold and delivered during the nine remaining months of the financial year 2021 and service agreements on installed electrolysers. The Company's estimate for the financial year 2021 assumes:
    - As at the time of this Prospectus, the Company has a total order backlog of approximately 7 MW, corresponding to approximately DKK 57 million in value, for delivery during 2021 and 2022. This assumption regarding delivery of the existing order backlog is partially within the Company's control.
    - Reaching its expected revenue is dependent on the ability to revenue recognize as expected prior to the end of the financial year. Revenue recognition is contingent on completion of site acceptance testing of the Company's electrolysers which

can be subject to delays due to factors endogenous or exogenous to the Company. This assumption is partially within the Company's control.

  - Based on the Company's order pipeline and the generally growing market demand for electrolysers, the Company expects to be able to further expand its order backlog during 2021. This assumption is partially within the Company's control.

- The Company assumes the average sales price per electrolyser for the remainder of the financial year 2021 will be in line with the level observed in 2020; however, direct comparability is encumbered by anticipated differences in configurations of delivered products, including whether the electrolysers are containerized. This assumption is partially within the Company's control.

- The Company assumes revenue of DKK 0.4 million from service agreements for the financial year 2021. This assumption is partially within the Company's control.

The Company's estimate for the financial year ending 31 December 2021 is primarily based on historic experience, existing order backlog, sales pipeline and current market expectations. Such estimates are dependent on a wide range of factors, some of which are partially within the Company's control and some of which are out of its control. In part, the Company's revenue trajectory is influenced by the Company's ability to convert its pipeline of projects to order backlog and to deliver the backlog without interruption or disruption which is partially within the Company's control. It is also based on assumptions that are outside or substantially outside the Company's control, including assumptions relating to the general growth in market demand for electrolysers, the competitive environment, political and regulatory changes, macro-economic conditions and customer behavior. The Company's estimates assumes that there will not be any material change in the competitive or regulatory landscape, and/or other external actions by the Company's customers which are significantly outside the Company's control and that could have an adverse effect on the Company's ability to continue its revenue trajectory. The Company's estimates further assume that results will not be adversely affected by abnormal disruptions preventing it from selling, producing and delivering its products and services (including as a result of the COVID-19 pandemic).

Gross profit (non-IFRS), EBITDA (non-IFRS) and operating profit (EBIT)
In addition to the Company's assumptions to revenue growth in the financial year 2021, the Company's expectations regarding gross profit (non-IFRS), EBITDA (non-IFRS) and EBIT are based on the following assumptions:

- Reported gross profit (non-IFRS), EBITDA (non-IFRS) and operating profit (EBIT) of DKK (0.7) million, DKK (36.5) million and DKK (38.2) million, respectively, for the three months ending 31 March 2021.

- Given the increase in revenue, the Company assumes an increasing absolute level of net direct material costs, service costs, provisions for guarantees, net direct labor costs and other variable production costs. The Company expects that such increasing costs will result in a broadly neutral gross profit (non-IFRS) level. This assumption is partially within the Company's control.

- The Company assumes no material changes to the market price of nickel. This assumption is largely outside the Company's control.

- Commencement of organizational ramp-up and expansion of sales and marketing efforts as presented in *"Background to the Offering and Use of Proceeds"*. As such, the total headcount in the Company is expected to increase to more than 140 over the course of the financial year 2021, increasing employee costs. The speed at which people with the right skillset and experience can be identified, hired and on-boarded has a significant impact on the expected employee costs. This assumption is partially within the Company's control.

- The Company assumes increasing investments in research and development as presented in *"Background to the Offering and Use of Proceeds"*. Investments in research and development are assumed to be a combination of employee costs and external R&D costs. During 2021, the Company expects a total R&D spend of DKK 75-85 million, of which approximately DKK 2.9 million will be expensed. The capitalized share of research and development costs will increase both raw materials and consumables used and work performed by the entity and capitalized. The majority of the expensed share of research and development costs are related to employee costs. Hence, employee costs are expected to increase further as a result of expensed research and development costs. In total, the Company expects employee costs to increase to approximately DKK 88.4 million during 2021. This assumption is mostly within the Company's control.

- Commencement of capital expenditure investments to enable production scale-up as presented in *"Background to the Offering and Use of Proceeds"*. During 2021, these investments are estimated to be in the range DKK 30-35 million. This assumption is mostly within the Company's control.

- An increase in leasing costs to right-of-use assets of approximately DKK 5.5 million relative to the financial year 2020, including both the depreciation and interest expense, as a result of expansion of the Company's facilities during the end of 2020 with further expansion anticipated during 2021.

- Higher absolute levels of depreciation and amortization compared to 2020 driven by increased investment levels including both research and development and property, plant and equipment, as well as increased leasing costs related to right-of-use assets. As such, total depreciation and amortization are expected to be approximately DKK 16 million in 2021. This assumption is mostly within the Company's control.

Additional assumptions

- The Company incurs share-based payment costs related to its warrant programs, described in the segment "*Remuneration and benefits – Incentive programs*". For the year 2021, the Company expects employee costs of DKK 12.9 million in relation to warrants.

- In relation to the Offering, IPO costs (exclusive of fees to the Managers) of approximately DKK 25.6 million are expected. Approximately DKK 20.5 million of the DKK 25.6 million is expected to be recognized in the income statement for the full year 2021. This assumption is mostly within Company's control.

- A capital raise from the Offering of DKK 1,000 million in net proceeds to finance the expected growth and the execution of the Company's strategy.

- The Company assumes the payment terms in the 2021 estimate with the actual payment profile according to the terms in the signed orders.

- The Company expects currency exchange rates to be in line with the exchange rates seen at the end of 2020.

- The Company assumes an 8% interest rate on negative cash balances.

- The Company expects that there will be no changes in existing political, legal, fiscal, market or economic conditions or in applicable legislation, regulations or rules, or tax-related outcomes which, individually or in the aggregate, have a material adverse effect on the operations.

Non-IFRS financial measures

Gross profit (non-IFRS) and EBITDA presented within the Prospective Financial Information are not defined as or a measure of financial performance under IFRS, but are measures used by the Company to monitor the performance of its business and operations. The Company has presented these non-IFRS measures within the Prospective Financial Information because they are considered both important supplement measures of the Company's expected performance and are widely used by investors in comparing performance between companies.

Not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS measures contained in the Prospective Financial Information and it should not be considered a substitute for financial measures computed in accordance with IFRS.

The non-IFRS financial measures gross profit (non-IFRS) and EBITDA are defined in sections *"Operating and Financial Review – Gross profit (non-IFRS)" and "Operating and Financial Review – EBITDA (non-IFRS)".*

Expectations for the year ending 31 December 2021
Based principally on the assumptions and methodology set out above, the expectation for the Company's performance for the year ending 31 December 2021 are:

- The Company expects revenue from contracts with customers to be between DKK 40 million and DKK 60 million.
- The Company expects a broadly neutral gross profit level (non-IFRS).[141]
- The Company expects EBITDA (non-IFRS)[142] of between DKK (105) million and DKK (115) million.
- The Company expects an operating result (EBIT) of between DKK (120) million and DKK (130) million.
- The EBITDA (non-IFRS) and EBIT includes share-based payments of DKK 16.5 million and IPO costs of DKK 25.6 million as described under additional assumptions above.

See "*Special Notice Regarding Forward-Looking Statements*".

The Company's financial and operational performance is affected by various factors. See "*Operating and Financial Review – Principal Factors Affecting the Company's Business and Results of Operation*". For a discussion of certain factors that may have an adverse effect on the Company's operational and financial performance, see "*Risk Factors*".

[141] The expected neutral gross profit (non-IFRS) for 2021 is reconciled to revenue from contracts with customers by add back of net direct materials costs, service costs, provision for guarantees, net direct labor costs and other variable production costs, in total expected to correspond approximately to the value of revenue from contracts with customers.

[142] The expected EBITDA (non-IFRS) range for 2021 of between DKK (105) million and DKK (115) million is reconciled to EBIT by add back of DKK 15 million depreciation and amortization to the expected EBIT range for 2021 of DKK (120) million and DKK (130) million.

Board of Directors, Executive Management and Key Employees

Overview

The Company has a two-tier governance structure consisting of the Board of Directors and the Executive Management. The two bodies are separate and have no overlapping members. The Executive Management, consisting of Sebastian Koks Andreassen and Kenneth Bergstrøm-Andersen, is supported by the key employees in its senior management team Jørgen Krogsgaard Jensen, Troels Hornsved and Søren Rydbirk (the "**Key Employees**"), who together with the members of the Executive Management, comprise the Company's management team.

Board of Directors

The Board of Directors is responsible for the overall and strategic management and proper organization of the Company's business and operations and it supervises the Company's activities, management and organization. The Board of Directors appoints and dismisses the members of the Executive Management, who are responsible for the day-to-day management of the Company.

In accordance with article 10.1 of the Articles of Association, the general meeting of the Company shall elect not less than four and not more than eight members to the Board of Directors. The Board of Directors elects a chairperson (generically the "**Chairperson**" and when referring to Thyge Boserup, the "**Chairman**") and a vice chairperson (generically the "**Vice Chairperson**" and when referring to Troels Øberg, the "**Vice Chairman**") of the Board of Directors among its members. If the Chairperson resigns during a term of election, the Vice Chairperson shall take up the position as Chairperson until a new Chairperson is elected among the members of the Board of Directors. See article 10.3 of the Articles of Association.

The members of the Board of Directors elected by the general meeting are elected for a term of one year until the next annual general meeting. Members of the Board of Directors may be re-elected.

The following table presents an overview of the members of the Board of Directors:

Name	Position	Independent	Year of first appointment	Expiration of term
Thyge Boserup	Chairman	Independent	2020	2022
Troels Øberg	Vice Chairman	Not independent	2020	2022
Karen-Marie Katholm	Board member	Independent	2021	2022
Lars Valsøe Bertelsen	Board member	Independent	2019	2022
Christian Clausen	Board member	Not independent[1]	2020	2022
Thomas Thune Andersen	Board member	Independent	2020	2022
Jakob Fuhr Hansen	Board member	Not independent	2019	2022
Simon Krogsgaard Ibsen	Board member	Independent	2020	2022

[1] Christian Clausen will be considered an independent board member after the completion of the Offering.

The Company has based its assessment of the individual independence of the members of the Board of Directors on the criteria set out in the Corporate Governance Recommendations (as defined below). As of the date of this Prospectus, five members of the Board of Directors have been assessed by the Company to be independent whereas the remaining three members, Troels Øberg, Christian Clausen and Jakob Fuhr Hansen, of the Board of Directors are not considered independent by the Company. Troels Øberg and Jakob Fuhr Hansen are both partners of Nordic Alpha Partners and therefore each of them represents the interests of the Principal Shareholder, while Christian Clausen is a member of the advisory board of Nordic Alpha Partners. However, the Board of Directors consider that upon completion of the Offering, Christian Clausen will be regarded as an independent board member.

The Company believes that the present members of the Board of Directors possess the professional skills and experience required to serve as board members of the Company and to supervise and manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

Biographies

Other than as presented below, none of the members of the Board of Directors have been a member of the administrative, management or supervisory bodies of a company or a partnership or been a partner in a partnership outside the Company within the past five years.

Thyge Boserup (full name: Thyge Boserup, born 1970, Danish nationality) has been the Chairman and a member of the Board of Directors since February 2020. Thyge Boserup holds a Master's degree in Economics (cand. polit) from the University of Copenhagen and a Master of Science in Economics and Finance from the University of Warwick.

Thyge Boserup is currently the sole proprietor of ReNew Advisory (*since 2020*).

For the past five years, Thyge Boserup has held the following directorships and management positions:

Chairman	Ørsted Wind Power TW Holding A/S (*2018-2020*)
Director/board member	Orsted Korea Limited (2018-2020), Orsted Japan K.K. (*2019-2020*)
Senior vice president/senior director	Ørsted A/S (*2016-2020*)
Sole proprietor	ReNew Advisory (*2015-2016*)

Troels Øberg (full name: Troels Øberg, born 1978, Danish nationality) has been Vice Chairman and a member of the Board of Directors since December 2020. Troels Øberg holds a Master of Science in Marketing & Strategy and a Bachelor of Science in Economics, Philosophy and Social Science, both from Copenhagen Business School, and has supplemented his education with the Executive Education course "Finance for Executives" from INSEAD.

Troels Øberg is currently a member of the executive management in Nordic Alpha Partners ApS (*since 2017*), Nordic Alpha General Partner I ApS (*since 2017*) and Nordic Alpha Management Invest I ApS (*since 2017*) as well as the vice chairman of the board of directors in Mater A/S (*since 2021*), a member of the board of directors in Agro Intelligence ApS (*since 2020*) and the CEO of Oeberg Holding ApS (*since 2014*). Further, Troels Øberg is chairman of the board of directors in Kong Christian den IX og Dronning Louises Børnehave (*member since 2017 and chairman since 2018*).

For the past five years, Troels Øberg has held the following directorships and management positions:

Chairman	Crosseyes ApS (*2016-2017*)
Director/board member	Arts Consolidated ApS (*2016-2017*) and Crosseyes ApS (*2016*)
Chief executive officer	Flokk A/S (*2013-2017*)

Karen-Marie Katholm (full name: Karen Marie Katholm, born 1967, Danish nationality) has been a member of the Board of Directors since February 2021. Karen-Marie Katholm holds a Master of Science in Engineering from the Technical University of Copenhagen, a Graduate Diploma in Business Administration from the University of Southern Denmark, Kolding, and an Executive MBA from Aarhus Business School.

Karen-Marie Katholm is currently the chairman of the board of directors in Agro Intelligence ApS (*since 2021*) and a member of the board of directors in NTG Nordic Transport Group A/S (*since 2020*) and Terma A/S (*since 2018*).

For the past five years, Karen-Marie Katholm has held the following directorships and management positions:

Director/board member	Dupont Nutrition Biosciences ApS (2019-2020)
Manager	Dupont Nutrition Biosciences ApS (2019-2020)
Chief operating officer	DuPont Nutrition & Biosciences (2015-2021)
Unlimited liability partner	Horsfoldlund I/S (2009-2020)

Lars Valsøe Bertelsen (full name: Lars Valsøe Bertelsen, born 1967, Danish nationality) has been a member of the Board of Directors since April 2019. Lars Valsøe Bertelsen holds a Master of Science in Economics and Business Administration and a Master of Science in Finance and Accounting both from Aarhus University, School of Business and Social Sciences.

Lars Valsøe Bertelsen is currently a senior director at Norlys Holding A/S (*since 2019*) and a manager at ArosBay Invest ApS (*since 2018*) and is the chairman of the board of directors of each of Eniig City Solutions A/S (*since 2020*) and Eniig Energiteknik A/S (*since 2020*). Moreover, he is a member of the board of directors of Aros Capital Fondsmæglerselskab A/S (*since 2018*).

For the past five years, Lars Valsøe Bertelsen has held the following directorships and management positions:

Director/board member	Eniig City Solutions A/S (*2019-2020*) and Eniig Energiteknik A/S (*2019-2020*)
Executive director	Ernst & Young (*2008-2017*)
Senior management positions	Eniig Holding A/S (*2018-2019*)

Christian Clausen (full name: Christian Clausen, born 1955, Danish nationality) has been a member of the Board of Directors since December 2020. Christian Clausen holds a Master of Science in Economics from the University of Copenhagen and has supplemented his education with Executive Education courses from INSEAD.

Christian Clausen is currently the manager and chairman of the board of directors of Clausen Capital ApS (*since 2018*), CEO of C2Capital ApS (*since 2019*), member of the board of directors of the Sorø Academy Foundation (*since 2020*), Sampo Plc. (*since 2016*), BW Group (*since 2016*) and Blackrock Group Ltd (*since 2016*), respectively. Christian Clausen is further the sole proprietor of CC advisory (*since 2016*).

Christian Clausen has not held any other directorships or management positions within the past five years.

Thomas Thune Andersen (full name: Thomas Thune Andersen, born 1955, Danish nationality) has been a member of the Board of Directors since December 2020. Thomas Thune Andersen holds a Graduate Diploma in International Economics and Foreign Relations from Copenhagen Business School and has supplemented his education with a Senior Management Programme from Columbia University and an Advanced Executive Programme in economics from Harvard Business School.

Thomas Thune Andersen is currently the chairman of the board of directors of VKR Holding A/S (*since 2020*), Ørsted A/S (since 2014), Lloyd's Register Group Ltd. (since 2010) and Lloyd's Register Foundation (*since 2012*), respectively. Moreover, Thomas Thune Andersen is currently a member of the board of directors in IMI Plc. (*since 2018*), BW Group (*since 2019*) and the Ebbe Munck Foundation (*since 2017*) and Det Østasiatiske Kompagnis Almennyttige Fond (*since 2021*) as well as the sole proprietor of T Andersen Consulting v/Thomas Thune Andersen (*since 2010*) and a member of the committee of the Danish Committee on Corporate Governance (*since 2018*).

For the past five years, Thomas Thune Andersen has held the following directorships and management positions:

Chairman	DeepOcean Group Holding B.V. (*2011-2016*)
Vice chairman	VKR Holding A/S (*2011-2020*)
Director/board member	Petrofac Ltd. (*2010-2017*), BW Offshore Ltd. (*2016-2019*) and AS Solvarmeservice A/S (*2016-2020*)

Jakob Fuhr Hansen (full name: Jakob Fuhr Hansen, born 1974, Danish nationality) has been a member of the Board of Directors since August 2019. Jakob Fuhr Hansen holds a Master of Science in Business Administration – Finance and Accounting from Aarhus University, School of Business and Social Sciences.

Jakob Fuhr Hansen is currently a member of the executive management in Nordic Alpha Partners ApS (*since 2017*), Nordic Alpha General Partner I ApS (*since 2017*) and Nordic Alpha Management Invest I ApS (*since 2017*). Additionally, he is the manager of each of JFH Capital ApS (*since 2017*) and Brightstone Invest ApS (*since 2006*) as well as a member of the board of directors of Mater A/S (*since 2021*), Happy Day Group ApS (*since 2021*), Agro Intelligence ApS (*since 2020*), RE-MATCH A/S (*since 2020*) and RE-MATCH Holding A/S (*since 2019*), respectively.

For the past five years, Jakob Fuhr Hansen has held the following directorships and management positions:

Chairman	Microshade A/S (*2012-2017*), Arts Consolidated ApS (*2015-2016*), Crosseyes ApS (2016) and Happy Day Group ApS (*2020-2021*)
Director/board member	Crosseyes ApS (*2016-2017*), IPVISION A/S (2014-2017), Carheal ApS under konkurs (*2018-2020*), Carheal Holding ApS under konkurs (*2018-2020*), Hortensienplatz ApS (*2010–2016*), Billetto ApS (*2012-2017*), Iconfinder ApS (*2013-2016*), Rushfiles A/S (*2014-2017*), Arts Consolidated ApS (*2016-2017*), Datoselskabet af 28. januar 2004 A/S (*2011-2016*), Deskwolf A/S (*2013-2016*) and NRGR A/S under konkurs (*2014-2018*)
Partner	Vækstfonden (*2014-2017*)

Simon Krogsgaard Ibsen (full name: Simon Krogsgaard Ibsen, born 1987, Danish nationality) has been a member of the Board of Directors since December 2020. Simon Krogsgaard Ibsen holds a Master of Science in Economics and Business Administration – Finance and Strategic Management and a Bachelor of Science in International Business and Politics, both from Copenhagen Business School.

Simon Krogsgaard Ibsen is currently a principal at A.P. Møller Holding A/S (*since 2018*) and a member of the executive management in KKWSH ApS (*since 2019*), Migo ApS (*since 2019*), APMH Invest XI ApS (*since 2020*), APMH Invest IX ApS (*since 2020*), APMH Invest XIII ApS (*since 2021*), Faerch Debtco ApS (*since 2021*), Faerch Midco ApS (*since 2021*) and Faerch Bidco ApS (*since 2021*). Additionally, a member of the board of directors of KK-Group A/S (*since 2019*), KKWSH ApS (*since 2020*), KK Wind Solutions Holding A/S (*since 2020*), APMH Invest IX ApS (*since 2020*) and Faerch Group A/S (*since 2021*).

For the past five years, Simon Krogsgaard Ibsen has held the following directorships and management positions:

Director/board member	Faerch A/S (*2021*)
Manager	Stormgade I ApS (*2019*), Stormgade II ApS (*2019*), and KK Wind Solutions Holding A/S (*2019-2020*)
Investment professional	EQT Partners (*2015-2018*)

Executive Management

According to article 10 of the Company's Articles of Association, the Board of Directors appoints an Executive Management committee consisting of one to three members. The primary task of the Executive Management committee is to carry out the day-to-day management of the Company with the support of the Key Employees.

The following table presents an overview of the current members of the Executive Management committee:

Name	Position	Year of first employment with the Company	Year of appointment to current position
Sebastian Koks Andreassen	CEO	2020	2020
Kenneth Bergstrøm-Andersen	CFO	2020	2021

The Company believes that the members of the Executive Management committee possess the professional skills and international experience required for their positions in the Company and to manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

Biographies

Other than as presented below, the members of the Executive Management committee have not been member of the administrative, management or supervisory bodies of a company or a partnership or a partner in a partnership outside the Company within the past five years.

Sebastian Koks Andreassen (full name: Sebastian Koks Andreassen, born 1973, Danish nationality) has been a member of the Executive Management since November 2020. Sebastian Koks Andreassen holds a Bachelor of Science in Economics and Business Administration from Copenhagen Business School and has supplemented his education with Executive Education diplomas from INSEAD and the University of Pennsylvania, The Wharton School.

Sebastian Koks Andreassen is currently a member of the board of directors of PtX Trekantområdet (*since 2021*) and a member of the executive management of PR-Wise Holding ApS and PR-Wise ApS (*both since 2016*).

For the past five years, Sebastian Koks Andreassen has held the following directorships and management positions:

Chairman	INEOS EP Norge AS (*2016-2017*) and INEOS E&P DK A/S (*2017-2018*)
Deputy chairman	DONG E&P Grønland A/S (*2016-2018*) and INEOS EP Norge AS (*2016*)
Director/board member	INEOS E&P Føroyar P/F, Faroe Islands (*2012-2018 and 2019-2020*), DONG E&P (Siri) UK Limited (Ltd), England and Wales (*2014-2018*), INEOS EP Norge AS (*2015-2016 and 2018-2020*), INEOS E&P DK A/S (*2019-2020*), INEOS E&P Grønland A/S (*2012-2016 and 2019-2020*), INEOS E&P (Siri) UK Limited (Ltd), England and Wales (*2019-2020*),INEOS E&P A/S (*2017-2018 and 2019-2020*) and Oil Gas Denmark (*2019-2020*)
Chief executive officer	INEOS Oil & Gas Norway (*2018-2019*), INEOS Oil & Gas Scandinavia (*2019-2020*), INEOS E&P DK A/S (*2019-2020*), INEOS E&P Grønland A/S (*2019-2020*), and INEOS E&P A/S (*2019-2020*)
Chief financial officer	DONG Energy Oil & Gas A/S (*2012-2017*) and INEOS Oil & Gas (*2017*)
Manager	INEOS E&P Føroyar P/F, Faroe Islands (*2019-2020*)
Branch manager	Siri, Branch of INEOS E&P (Siri) UK Limited, England and Wales (*2019-2020*)
Daily management positions	INEOS EP Norge AS (*2018-2020*).

Kenneth Bergstrøm-Andersen (full name: Kenneth Bergstrøm-Andersen, born 1963, Danish nationality) has been employed with the Company since September 2020 and has been a member of the Executive Management since March 2021. Kenneth Bergstrøm-Andersen holds a Bachelor of Science in Economics from Copenhagen Business School and an Executive MBA from SIMI and has supplemented his education with Graduate Diploma courses from Copenhagen Business School in the courses "Transfer Pricing" and "Business Taxation", as well as Diploma courses "Being Innovative" and "Digital Disruption" from IMD, and a Diploma course from INSEAD in "Strategy in the age of Digital Disruption".

Kenneth Bergstrøm-Andersen is currently the sole proprietor of Pantheos (*since 1991*).

In the past five years, Kenneth Bergstrøm-Andersen has held the following directorships and management positions:

Senior management positions	Tajco Group A/S (*2014-2016*), Jeld-Wen Danmark A/S (*2016*), Tvilum A/S 2018 (*2018-2019*) and Dovista A/S (*2019-2020*)

Key Employees

The Key Employees are comprised of three experienced senior officers in the Company's senior management team who will support the Executive Management in the day-to-day management of the Company with responsibility for their respective functional areas.

The following table presents an overview of the Company's current Key Employees:

Name	Position	Year of first employment with the Company	Year of appointment to current position
Jørgen Krogsgaard Jensen	CTO	2008	2014
Troels Hornsved	COO	2020	2020
Søren Rydbirk	CCO	2021	2021

Biographies

Other than as presented below, none of the Key Employees have been members of the administrative, management or supervisory bodies of a company or a partnership or a partner in a partnership outside the Company within the past five years.

Jørgen Krogsgaard Jensen (full name: Jørgen Krogsgaard Jensen, born 1961, Danish nationality) has been chief technical officer ("**CTO**") of the Company since October 2014. Jørgen Krogsgaard Jensen has been employed by the Company since 2008. Jørgen Krogsgaard holds a Bachelor of Science in Electrical Engineering from Aarhus School of Engineering.

Jørgen Krogsgaard Jensen has not held any other directorships or management positions within the last five years.

Troels Hornsved (full name: Troels Hornsved, born 1974, Danish nationality) has been the chief operating officer ("**COO**") of the Company since January 2020. Troels Hornsved holds a Master of Science in Engineering, Industrial Management from Aalborg University and a Master of Business Administration (MBA) from Aarhus University.

For the past five years, Troels Hornsved has held the following directorships and management positions:

Vice president of operations and supply chain	Universal Robots A/S (*2014-2019*)

Søren Rydbirk (full name: Søren Rydbirk, born 1977, Danish nationality) has been the chief commercial officer ("**CCO**") of the Company since February 2021. Søren Rydbirk holds a Master's degree in Strategy and Management from Aarhus School of Business Social Sciences and and has as an exchange student completed bachelor courses in Business Administration at the University of Alberta.

Søren Rydbirk is currently a member of the board of directors of Brintbranchen / Hydrogen Denmark (*since 2021*).

For the past five years, Søren Rydbirk has held the following directorships and management positions:

Senior management positions	Vestas Wind Systems A/S (*2014-2019*) and FLSmidth A/S (*2019-2021*)

Business address

The business address of the members of the Board of Directors, the Executive Management and the Key Employees is: c/o Green Hydrogen Systems A/S, Nordager 21, DK-6000 Kolding, Denmark.

Statement on past records

During the past five years, none of the members of the Board of Directors, the Executive Management or any of the Key Employees have been (i) convicted of fraudulent offenses; (ii) directors or officers of companies that have entered into bankruptcy, receivership or liquidation except as set out immediately below; or (iii) subject to any public incrimination and/or sanctions by statutory regulatory authorities (including designated professional bodies), and have not been disqualified by a court from acting as a member of an issuer's board of directors, executive board or supervisory body or being in charge of an issuer's management or other affairs.

Jakob Fuhr Hansen was a member of the board of directors of NRGR A/S under konkurs until May 2018. Bankruptcy proceedings were commenced against NRGR A/S in May 2019. Jakob Fuhr Hansen was a member of the board of directors of Carheal ApS under konkurs until August 2020. Bankruptcy proceedings were commenced against Carheal ApS under konkurs in January 2021. Jakob Fuhr Hansen was a member of the board of directors in Carheal Holding ApS under konkurs until August 2020. Compulsory winding-up procedures were commenced against Carheal Holding ApS under konkurs in January 2021 and the company has since February 2021 been taken under bankruptcy proceedings. In addition, Jakob Fuhr Hansen was a member of the board of directors of Datoselskabet af 28. januar 2004 A/S until March 2016. Datoselskabet af 28. januar 2004 was dissolved after liquidation in October 2019. Further, Jakob Fuhr Hansen was chairman of the of the board of directors of Crosseyes ApS in 2016 and a member of the board of directors until September 2017 which was dissolved after bankruptcy in February 2019. Jakob Fuhr Hansen was also a member of the board of directors of Deskwolf A/S until June 2016 which was dissolved after declaration in August 2019.

Sebastian Koks Andreassen was a member of the board of directors and manager of INEOS E&P Føroyar P/F, Faroe Islands until its liquidation in October 2020.

Troels Øberg was chairman of the board of directors of Crosseyes ApS until November 2017. Crosseyes ApS was dissolved after bankruptcy in February 2019.

Statement on conflicts of interest

There are no family ties among the members of the Board of Directors, the Executive Management or any of the Key Employees.

With the exception of Troels Øberg, Jakob Fuhr Hansen, Lars Valsøe Bertelsen, Christian Clausen and Simon Krogsgaard Ibsen, the Company is not aware of any member of the Board of Directors, or the Executive Management or any of the Key Employees having been appointed to their current position pursuant to an agreement or understanding with any of the Company's major shareholders, customers, suppliers or other parties.

Troels Øberg and Jakob Fuhr Hansen are both partners at Nordic Alpha Partners and thus each of them represent the interests of the Principal Shareholder due to their affiliation with Nordic Alpha Partners. Christian Clausen is a member of the advisory board of Nordic Alpha Partners and has been introduced to the Company by the Principal Shareholder. Lars Valsøe Bertelsen represents the interests of Norlys Holding on the Board of Directors and Simon Krogsgaard Ibsen represents the interests of APMHI.

None of the members of the Board of Directors, or the Executive Management or any other Key Employees have conflicts of interest with respect to their duties as members of the Board of Directors, or the Executive Management or as Key Employees. See also "*Ownership Structure and Shareholders*" for a description of the current ownership interest in the Company held by members of the Board of Directors, or the Executive Management and any of the Key Employees.

None of the members of the Board of Directors, the Executive Management or the Key Employees have positions in other companies which could result in a conflict of interest vis-à-vis such companies, either because the Company has an equity interest in such company or because the Company and the company concerned have an ongoing business relationship, except as disclosed under "*Related Party Transactions*". However, the Company may do business in the ordinary course with companies in which members of the Board of Directors, or the Executive Management, or the Key Employees may hold positions as directors or officers.

It follows from the Rules of Procedure of the Board of Directors and the Danish Companies Act (in Danish: *selskabsloven*) that a member of the Board of Directors or the Executive Management shall not participate in the preparation, discussions or the decision-making process concerning (a) an agreement between the Company and the member in question, (b) legal proceedings between the member in question and the Company or, (c) an agreement between the Company and any third-party or legal proceedings brought against any third-party if the member in question has a significant interest therein that may conflict with the Company's interests.

Board Practices

Board practices and committees

The Board of Directors has resolved that the following board practices and committees shall become effective from the day of Admission.

The Board of Directors plans to convene 6-8 regular board meetings annually. Extraordinary board meetings are convened by the Chairperson when considered necessary by the Chairperson or when requested by a member of the Board of Directors, a member of the Executive Management or by the Company's auditors.

The Board of Directors forms a quorum when more than 50% of all members of the Board of Directors, including the Chairperson or the Vice Chairperson, are present. Resolutions of the Board of Directors are passed by a simple majority. In case of equality of votes, the Chairperson – or in his/her absence the Vice Chairperson – shall have a casting vote.

On an annual basis, the Board of Directors shall conduct an evaluation of the effectiveness, performance, achievements and competencies of the Board of Directors, including an evaluation of the performance of each individual member of the Board of Directors and of the collaboration with the Executive Management.

The following board committees have been established by the Board of Directors, each of which has a charter setting forth its purpose and responsibilities. All the committees report and make recommendations to the Board of Directors.

Audit Committee

The Company's audit committee (the "**Audit Committee**") shall review accounting and audit matters that by decision of the Board of Directors or the Audit Committee require a more thorough evaluation and assess the internal controls and risk management systems of the Company. Its duties also include supervision of the Company's auditors and review of the audit process.

In accordance with the Recommendations on Corporate Governance of the Danish Committee on Corporate Governance issued on 2 December 2020, as amended, (the "**Corporate Governance Recommendations**"), the Company has decided that the Chairperson of the Board of Directors may not also be the chairperson of the Audit Committee and that a majority of the members of the Audit Committee are required to meet the independence requirements set out in the Corporate Governance Recommendations. In addition, at least one member shall have accounting or audit qualifications and between them, the members shall at all times possess adequate competencies and experience, individually as well as collectively, for ensuring that the Audit Committee is able to carry out its tasks satisfactorily. The Audit Committee shall consist of no less than three members appointed by and among the Board of Directors, and is expected to consist of Christian Clausen as chairperson and Karen-Marie Katholm and Jakob Fuhr Hansen as members.

The Audit Committee shall meet three times every year or as often as considered necessary by the Chairperson or when requested by a member of the Audit Committee, a member of the Board of Directors or by the Company's auditors. The Company's CEO and/or other members of the Executive Management shall participate in the meetings of the Audit Committee, if required. Further, other internal or external participants, e.g. advisors may participate in meetings of the Audit Committee if so requested by the Audit Committee. The Company's external auditors shall attend at least one meeting per year, or the relevant part hereof, where the Executive Management is not present.

Remuneration and Nomination Committee

The Company's remuneration and nomination committee (the "**Remuneration and Nomination Committee**") shall assist the Board of Directors with matters related to the remuneration of the Board of Directors and Executive Management, including reviewing and updating the Company's remuneration policy in accordance with Sections 139 and 139a of the Danish Companies Act (in Danish: *selskabsloven*), evaluating and making recommendations for the remuneration of the members of the Board of Directors and the Executive Management as well as the preparation of the remuneration report in accordance with Section 139b of the Danish Companies Act (in Danish: *selskabsloven*). Further, the Remuneration and Nomination Committee shall assist the Board of Directors with ensuring that appropriate plans and processes are in place for nomination of candidates to the Board of Directors, the Executive Management and the board committees. The Remuneration and Nomination Committee shall evaluate the composition of the Board of Directors and the Executive Management, which includes making recommendations for nomination or appointment of members of (a) the Board of Directors, (b) the Executive Management and (c) the board committees established by the Board of Directors.

The Remuneration and Nomination Committee shall consist of no less than three members appointed by and among the Board of Directors and consists of Thyge Boserup as chairperson and Troels Øberg and Thomas Thune Andersen as members. The majority of the members of the Remuneration and Nomination Committee shall meet the independence requirements set out in the Corporate Governance Recommendations.

The Remuneration and Nomination Committee shall convene three times every year or as often it is deemed necessary by the chairperson or when requested by a member of the Remuneration and Nomination Committee. Members of the Board of Directors and the Executive Management, relevant employees and external parties (e.g. advisors) may participate in the meetings of the Remuneration Committee upon invitation. The Company's CEO and/or other members of the Executive Management shall attend the meetings of the Remuneration and Nomination Committee, if requested.

Disclosure Committee

The Company's disclosure committee (the "**Disclosure Committee**") shall assist the Board of Directors and the Executive Management in ensuring compliance with the Company's disclosure obligations and other obligations in relation to inside information. Particularly, the Disclosure Committee shall (a) identify inside information, (b) provide recommendations on immediate disclosure or delay of disclosure of inside information, and (c) assist in drafting and publication of company announcements so as to ensure the Company's compliance with its disclosure obligations.

The Disclosure Committee shall consist of no less than three members and consists of the Company's CFO as chairperson and the Company's general counsel and the Company's head of IR as members.

The Disclosure Committee shall convene regularly and on ad-hoc basis or when deemed necessary by the chairperson of the Disclosure Committee, any member of the Disclosure Committee or any members of the Board of Directors or Executive Management. The Committee will endeavor to meet ahead of meetings of the Board of Directors at which financial statements (annual and/or interim) and quarterly trading statements are to be discussed. Members of the Board of Directors and the Executive Management and relevant employees and external parties (e.g. advisors) may participate in the meetings of the Disclosure Committee, except in relation to matters which concern the relevant member, or the relevant member otherwise is subject to a conflict of interest. Members of the Executive Management shall attend the meetings of the Disclosure Committee, if requested.

Corporate governance

The Company is committed to exercising good corporate governance at all times and the Board of Directors will regularly assess rules, policies and practices according to the Corporate Governance Recommendations. Nasdaq Copenhagen has incorporated the Corporate Governance Recommendations in Nordic Main Market Rulebook for Issuers of Shares on Nasdaq Copenhagen of 1 February 2021 (the "**Issuer Rules of Nasdaq Copenhagen**"). Accordingly, as a company with shares admitted to trading and official listing on Nasdaq Copenhagen, the Company will be required to comply with or explain deviations from the Corporate Governance Recommendations as also required pursuant to Section 107b of the Danish Financial Statements Act (in Danish: *årsregnskabsloven*).

In connection with the Offering and with effect from the Admission, the Board of Directors has prepared a statutory statement on corporate governance that reflects the compliance of the Company with each of the Corporate Governance Recommendations.

The Company intends to comply in all material respects with 39 out of the 40 Corporate Governance Recommendations.

With respect to recommendation 1.1.3 which the Company is expected to deviate from, the Company will not publish quarterly reports, but will instead publish trading statements for Q1 and Q3. The Company believes that trading statements will provide investors and other stakeholders with sufficient information on the financials of the Company.

The Company's corporate governance practices are also accounted for in the statutory statement on corporate governance, which is available on the Company's website.

Description of internal control and financial reporting procedures

The Board of Directors, the Audit Committee and the Executive Management are ultimately responsible for the Company's risk management and internal controls in relation to its financial reporting and approve the Company's general policies in that regard.

The Audit Committee assists the Board of Directors in overseeing the reporting process and the most important risks involved in this respect. The Executive Management is responsible for the effectiveness of the internal controls and risk management and for the implementation of such controls aimed at mitigating the risk associated with the financial reporting.

The Company has internal control and financial reporting procedures aimed at enabling it to monitor its performance, operations, funding and risk. Currently, the Company does not have any internal audit function. The Board of Directors will continuously review the need for such function.

While the Company continues to improve its procedures and internal control, including documentation of the internal control systems, the Company believes that its reporting and internal control systems are sufficient to comply with the rules and to be compliant with disclosure obligations applying to issuers of shares admitted to trading and official listing on Nasdaq Copenhagen. The Company's internal control and financial reporting procedures include, among other things:

- Monthly financial information, including income statement, balance sheet, cash flow results and actual amounts compared with budgeted performance, latest forecast and explanations of any material deviations,

- Monthly highlight reports from business and operating segments,

- Liquidity and working capital is continuously monitored by the finance function to ensure that adequate controls are in place, and

- Centralized planning processes, including a centrally driven budget process with bottom-up input from all operating segments, quarterly updated "full year estimates".

The Company has adopted a whistle-blower policy.

External audit

The Company's independent auditors are appointed for a term of one year by the shareholders at the Company's annual general meeting upon recommendation from the Board of Directors. The Board of Directors assesses the independence and competencies and other matters pertaining to the auditors. The framework for the auditors' compensation and duties, including audit and non-audit tasks, is agreed annually between the Board of Directors and the Company's auditors and will going forward be based on recommendation from the Audit Committee. The Company has regular dialogue and exchange of information with its auditors.

Remuneration and Benefits

Compensation of the Board of Directors, Executive Management and Key Employees

The remuneration policy prepared in accordance with Section 139 of the Danish Companies Act (in Danish: *selskabsloven*) and applicable to the Board of Directors and the Executive Management of the Company has been approved at an extraordinary general meeting (the "**Remuneration Policy**"). The compensation of the Board of Directors and the Executive Management of the Company described herein for 2021 has been determined in accordance with the principles set out the Remuneration Policy.

The Remuneration Policy is available on the Company's website. Information included on the Company's website does not form part of and is not incorporated by reference into this Prospectus, unless otherwise specifically stated herein.

Compensation of the Board of Directors

Members of the Board of Directors receive fixed annual fees which will be presented for approval by the Company's shareholders at the annual general meeting. The proposed fee levels will be aligned to market practice in listed companies of comparable size and complexity, and the proposed fees for committee work will be based on market-aligned multiples of the fixed annual base fee, reflecting the additional work and responsibilities which the committee memberships entail. The members of the Board of Directors will not participate in any incentive schemes, however, part of the fixed fee may be paid in time-only restricted shares or in ordinary shares.

In respect of the financial year ending 31 December 2020, the members of the Board of Directors received DKK 170,862 in total annual fees of which DKK 150,862 was paid to the Chairman and DKK 20,000 to a former member of the Board of Directors. None of the other members of the Board of Directors received any remuneration for the financial year ending 31 December 2020. In addition, the Chairman received fees of in total DKK 1,130,000 for the financial year ending 31 December 2020 for his full-time contribution to the Company in his capacity as Chairman of the Board of Directors.

The Company's extraordinary general meeting has approved a resolution that the members of the Board of Directors for the financial year 2021 will receive a fixed annual base fee of DKK 300,000 while the Chairperson receives 2.5 times the fixed annual base fee and the Vice Chairperson receives 1.5 times the fixed annual base fee for their duties. The fees are payable on a pro-rated basis for the remainder of 2021 from 1 June 2021, except for certain members of the Board of Directors who shall receive their respective fees on a pro-rated basis from the date of their appointment to the Board of Directors, or, if appointed before 1 January 2021, from 1 January 2021. Members of the Audit Committee and the Remuneration and Nomination Committee will receive a supplementary annual fee of 0.33 times and 0.25 times the fixed annual base fee, respectively, and the chairperson of the Audit Committee and the Remuneration and Nomination Committee will receive a supplementary annual fee of 0.66 times and 0.33 times the fixed annual base fee, respectively. Supplementary annual fees for committee work shall be calculated on a pro-rated basis for the remainder of 2021 with effect from the date of the Company's extraordinary general meeting held on 1 June 2021.

Further, for 2021, the Chairman has received ordinary fees in the amount of DKK 72,916.67 (corresponding to 5/12 of the annual base fee for the Chairman prior to 1 June 2021) and extraordinary fees in the amount of DKK 1,100,000 for the period from 1 January 2021 to 1 June 2021.

In the event that a member of the Board of Directors on request from the Board of Directors takes on ad hoc tasks, such member may be offered an ad hoc fee for the work carried out. Any ad hoc fee must be presented at the following general meeting for approval.

Reasonable expenses such as travel and accommodation relating to board and committee meetings and relevant training may be reimbursed by the Company if approved by the Board of Directors or the Chairperson. In addition, the Company may offer to cover social security contributions within the EU to the extent imposed by foreign national authorities in relation to board fees and reimbursable expenses.

The Company has not granted any loan, issued any guarantees or undertaken any other similar obligations to or on behalf of the members of the Board of Directors. The Company has not allocated any funds or made provisions for any pension benefits, severance scheme or the like for members of the Board of Directors and has no obligation to do so. No member of the Board of Directors is entitled to any kind of compensation upon resignation as a member of the Board of Directors.

Compensation of Executive Management

The following table presents an overview of the compensation booked by the Company to the Executive Management in respect of the financial year 2020:

DKK	Sebastian Koks Andreassen(1)	Kenneth Bergstrøm-Andersen(2)
Fixed salary	366,244	315,466
Cash bonus	0	60,000
Share based payments	N/A	N/A

(1) The CEO joined the Company in November 2020.
(2) The CFO joined the Company in September 2020. The CFO became a part of the Executive Management in March 2021.

For the financial year 2021, the compensation to Executive Management will consist of a fixed annual salary and variable remuneration. The variable remuneration is comprised by a short-term incentive program and a long-term incentive program.

The fixed salary serves the purpose of being able to attract and retain high-performing members of the Executive Management with the ability to implement the Company's strategy and deliver long-term shareholder value. Furthermore, the fixed salary enables the members of the Executive management to make decisions with a long-term perspective in mind without undue considerations for short- or long-term incentives.

The fixed salary level is set annually by the Board of Directors on the basis of a recommendation of the Remuneration and Nomination Committee.

The variable remuneration is designed to promote performance in line with the Company's strategy, long-term performance and sustainability. The variable remuneration is based on a number of targets, which must be achieved before the remuneration to the member of the Executive Management is earned and paid. These targets are aligned with strategic priorities in the Company's strategy and aim to ensure that short- and long-term goals are achieved. Further information on the short- and long-term incentive plans is found below.

The CEO is entitled to a notice period of 12 months if the employment is terminated by the Company. The CEO may terminate the employment with a notice period of 6 months. If the CEO due to illness has been unable to work for the Company in a total period of 6 months, or 6 months total within the past 12 months, the Company may terminate the CEO's employment with 6 months' notice.

Under the CEO's employment contract, the CEO is subject to non-competition and non-solicitation clauses for a period of 12 months after expiry of the termination notice period in case the employment is terminated by the Company and the CEO has given reasonable cause for the dismissal or if the CEO terminates the employment without cause.

The CFO is entitled to a notice period of 12 months if the employment is terminated by the Company. The CFO may terminate the employment with a notice period of 6 months. If the CFO due to illness has been unable to work for the Company in a total period of 120 days within the past 12 months, the Company may terminate the CFO's employment with 1 months' notice.

Under the CFO's employment contract, the CFO is subject to non-competition and non-solicitation clauses for a period of 12 months after expiry of the termination notice period in case the employment is terminated by the Company and the CFO has given reasonable cause for the dismissal or if the CFO terminates the employment without cause. During the restricted period, the CFO is entitled to compensation corresponding to 60% of the CFO's salary at the time the employment is terminated. The compensation will be reduced if the CFO finds other another occupation during the restricted period.

The CFO's employment contract also imports various terms similar to those provided by the Danish Salaried Employees Act (in Danish: *funktionærloven*).

The Company has not granted any loan, issued any guarantees or undertaken any other similar obligations to or on behalf of the Executive Management. The Company has not allocated any funds or made provisions for any pension benefits, severance scheme or the like for the Executive Management and has no obligation to do so. No member of the Executive Management is entitled to any kind of compensation upon resignation as a member of the Executive Management.

Compensation of Key Employees
For the financial year ending 31 December 2020, the Key Employees received compensation, which consisted of a fixed salary, pension contributions and cash bonusses, in the aggregate amount of DKK 2,466,055 as well as customary benefits in accordance with market standards. This does not include Søren Rydbirk who joined the Company in February 2021.

In respect of all three Key Employees, the statutory termination notice period pursuant to the Danish Salaried Employees Act (Da: *funktionærloven*) has per agreement been mutually extended by an additional three months. The employment of the Key Employees may otherwise be terminated in accordance with the statutory provisions of the Danish Salaried Employees Act (Da: *funktionærloven*), including, among other, if a Key Employee within a 12-month period has received salary during illness in a total of 120 days.

Under the respective employment contracts of the Key Employees, each Key Employee is subject to non-competition and non-solicitation clauses for a period of 12 months after expiry of the termination notice period. A Key Employee is entitled to receive 60% of its salary during the period in which the non-competition clause is in effect, subject to a potential reduction to 24% of the salary if the Key Employee finds appropriate employment elsewhere during the term of the non-competition clause.

The Company has not granted any loan, issued any guarantees or undertaken any other similar obligations to or on behalf of the Key Employees. The Company has not allocated any funds or made provisions for any pension benefits, severance scheme or the like for the Key Employees and has no obligation to do so. No Key Employee is entitled to any kind of compensation upon resignation as a Key Employee.

The Remuneration Policy does not cover remuneration to the Key Employees.

Incentive programs

Offering transaction bonus
The CEO as well as the Chairman of the Board of Directors and certain Key Employees and one other employee may be eligible to receive a cash-based extraordinary bonus in connection with and subject to successful completion of the Offering. The aggregate maximum cash-based extraordinary bonuses to be paid in connection with and subject to successful completion of the Offering will not exceed DKK 2.375 million. The up to DKK 2.375 million bonus is expected to be allocated as follows:

Name	Title	Amount (DKK)
Thyge Boserup	Chairman	625,000
Sebastian Koks Andreassen	CEO	1,000,000
Troels Hornsved	COO	325,000
Jørgen Krogsgaard Jensen	CTO	325,000
Niels-Arne Baden	SVP	100,000

Pre-IPO Warrants
The Company has issued a total of 3,388,115 warrants (the "**Pre-IPO Warrants**") pursuant to a warrant program originally from 2020. The Pre-IPO Warrants have been issued without payment. Pursuant to a resolution by the Company's general meeting, a total of 1,934,800 Pre-IPO Warrants held by the Chairman, the Executive Management and the Key Employees have been re-issued (and granted to the same individuals) in May 2021 and will not vest until 360 days after the Admission (the "**Continuing Pre-IPO Warrants**"). The remaining 1,453,315 Pre-IPO Warrants, which have been granted to certain other former and current employees and associates to the Company, will vest in connection with the Offering (the "**Vesting Pre-IPO Warrants**"). Accordingly, in connection with the Offering, an exercise window will be opened during which the Vesting Pre-IPO Warrants may be exercised (or lapse if not exercised) and converted into one Share each. The strike price per Pre-IPO Warrant converted into one Share is DKK 2.469.

For a distribution of the Continuing Pre-IPO Warrants between the relevant members of the Board of Directors, the Executive Management and Key Employees, see "*Ownership Structure and Shareholders – Ownership structure – Pre-IPO Warrants*".

The capital increase related to the exercise of the Vesting Pre-IPO Warrants, if any, is expected to take place in connection with settlement of the Offering, i.e., on or around the Settlement Date being 24 June 2021.

CEO share-based post IPO bonus
In connection with the employment of the CEO, it was agreed to reward the CEO for his long-term value creation for the Company. Accordingly, and pursuant to the employment contract of the CEO, the CEO is entitled to receive such number of Shares in the Company that corresponds to 0.75% of the outstanding share capital of the Company at, and to be delivered on, the Grant Date. The "Grant Date" refers to the earlier of (i) the date falling 720 days after the Admission of the Temporary Purchase Certificates to trading on Nasdaq Copenhagen, (ii) the date falling 720 days after an independent third party's acquisition of a controlling interest in the Company, or (iii) the date for a sale of at least 90% of the Shares in the Company to an independent third party.

The maximum value of the bonus is capped at DKK 37.5 million. The Company may opt to pay a) a number of share options which will be unconditional and immediately exercisable, or b) a cash amount corresponding to the market value of the relevant equity stake, however, in any event at a maximum value of DKK 37.5 million. The Board of Directors has been authorized by the Company's general meeting to issue such number of new Shares to cover the CEO's share bonus. See also "*Description the Shares and share capital – Authorizations to increase the share capital*".

The extraordinary share-based bonus to the CEO is contingent on the CEO's continued employment with the Company on the Grant Date and that no notice of termination has been given prior to the Grant Date. If the CEO's employment with the Company has terminated or notice of termination has been given prior to the Grant Date and if this is due to i) the CEO having terminated the employment due to a material breach of the employment by the Company, ii) the employment being terminated by the Company where such termination is not due to the CEO's material breach of the employment, or iii) the CEO has terminated the employment due to the CEO's own, spouse's or child's death or lasting illness, the CEO will be entitled to receive a proportional number of shares/options (or a proportional cash bonus) based on the period from commencement as CEO and until the termination of the employment relative to the period from commencement as CEO and until the Grant Date.

Post-IPO retention bonus
One Key Employee along with certain other employees of the Company are participating in a post-IPO retention cash bonus scheme of in total up to approximately DKK 2,131,000. The main criterium for eligibility is the participant's employment with the Company for a duration of six months after the Admission. The participating Key Employee's potential bonus is the equivalent of three times the Key Employee's monthly base salary.

Short-term incentive program
The members of the Executive Management, and certain Key Employees participate in the Company's short-term cash-based bonus scheme. The participants are eligible for an annual performance cash bonus, which for Executive Management and the eligible Key Employees is based on the achievement of certain predefined financial targets (which determine more than half of the bonus outcome) as well as individual targets determined by the Board of Directors from year to year.

Certain other employees in the Company also participate in the short-term cash-based bonus scheme, where the Company financial targets are aligned to those set by the Board of Directors for Executive Management, and where individual targets are set by the Company's Executive Management from year to year.

For all participants, the short-term cash bonus opportunity is based on each participant's role and associated responsibilities, relevant market practice levels for the given role, and calculated as a percentage of each participant's base salary. No bonus is paid in cases where the targets (both financial and individual) are not met.

For members of the of Executive Management, the performance-based cash bonus may have a maximum of up to 100% of the annual fixed salary, however the typical target bonus level is 20-40% (and up to 50% for the CEO) of the annual fixed salary, with maximum being two times the target bonus level.

Long-term share-based incentive program
Subject to the completion of the Offering, the Board of Directors has decided to implement a new long-term incentive plan (the "**LTIP**") for the Company's Executive Management and certain other employees. The purpose of this new plan is to ensure that these employees have an appropriate and market-aligned incentive to drive value creation for the shareholders after the Offering, and that they are rewarded for Company performance and retained. It will also act as a tool for the Company to attract and retain top talent.

The members of the Executive Management participating in the new long term incentive plan will be required to agree to shareholding requirements, so that the members of Executive Management must hold a minimum of half of their annual base salary after tax. All members of the Executive Management have five years to achieve the minimum shareholding. The current CEO and CFO already fulfil these requirements.

Upon completion of the Offering or within the first year thereafter, and subject to any amendments by the Board of Directors, members of the Executive Management can receive annual restricted Performance Share Unit ("**PSUs**") grants when commenced for such individuals. The intention is to align the grants under the new LTIP to the vesting of Continuing Pre-IPO Warrants, so that an appropriate incentive to drive value creation for the shareholders is maintained.

The number of PSUs initially granted (expressed as the target level) will be based on each participant's role and associated responsibilities, relevant market practice levels for the given role in comparable companies and calculated as a percentage of each participant's base salary.

The target and maximum number of PSUs for each participant will be based on the market value of Company's Shares at the time of the grant, and the value of these PSUs at target and maximum for members of Executive Management will follow the levels outlined in the Company's Remuneration Policy. Accordingly, the members of Executive Management may be granted PSUs of a value that may not exceed 100% of the annual fixed salary for each member of the Executive Management at the time of the grant. PSU grant levels will typically be targeted at 20-40% of the annual fixed salary, with maximum being two times the target level.

Each year, other selected employees who are critical to the Company's success may also be eligible to receive one-off long-term incentive grants, as determined by the Board of Directors based on a proposal from the Executive Management.

The PSUs will vest after a three-year vesting and performance period. Vesting is conditional upon the achievement on financial or strategic targets defined by the Board of Directors for each grant. For the first year, the defined targets are financial only, and linked to the Company's long-term financial performance on revenue growth over the period. Exceptional performance towards these targets can result in the vesting of up to two times the target number of PSUs granted, while performance below the threshold level will result in no PSUs vesting at all.

Vesting is also conditional upon continued employment with the Company and bad leavers will forfeit their right to PSUs (both granted and not granted).

Each PSU that vests represents a right to receive free of charge one Share upon vesting. Unvested PSUs do not entitle the participant to any shareholder rights such as dividends or voting rights.

The LTIP is expected to be treated as an equity-settled share-based incentive program and expensed over the three-year vesting period, based on a number of conditions, e.g., fair value at grant calculated based on the Black-Scholes formula. As the LTIP will include non-market-based performance criteria (KPIs), the cost will be re-valued over the period subject to the expectations of KPI performance. The Company expects to cover Shares delivered under the LTIP either through the Company's existing authorization to issue new Shares, or through the purchase and holding of treasury Shares.

Ownership Structure and Shareholders

Ownership structure

Current ownership

On the date of this Prospectus, the Company's share capital consists of one share class and has a nominal value of DKK 48,908,614 divided into 48,908,614 Shares of nominally DKK 1 each, which are all issued and fully paid up.

Nordic Alpha Partners Fund I K/S (the "**Principal Shareholder**") currently holds 24,595,265 Shares corresponding to 50.29% of the Company's current share capital and voting rights. APMH Invest XI ApS ("**APMHI**") currently holds 8,708,967 Shares corresponding to 17.81% of the Company's current share capital and voting rights, Norlys Holding A/S ("**Norlys Holding**") currently holds 7,329,274 Shares corresponding to 14.99% of the Company's current share capital and voting rights and Investeringsselskabet af 19. maj 2014 ApS current holds 2,895,741 Shares corresponding to 5.92% of the Company's current share capital and voting rights.

Pursuant to a convertible loan agreement from December 2020 (the "**Convertible Loan Agreement**"), APMHI, the Principal Shareholder and Norlys Holding have on 3 June 2021 each converted loans in the amount of originally EUR 15,000,000, EUR 5,000,000 and EUR 750,000, respectively, granted to the Company in December 2020 (and an outstanding loan amount including accrued interests as of the conversion date of EUR 15,573,288, EUR 5,191,096 and EUR 778,664, respectively) to Shares in the Company. The resulting Shares have been included in the respective shareholdings of the Principal Shareholder, APMHI and Norlys Holding as disclosed above and in "*– Table of shareholders*". For further details on the Convertible Loan Agreement, see "*Business – Material contracts entered into by the Company outside the ordinary course of business – Convertible Loan Agreement*". See also "*Description of the Shares and Share Capital – Movement in the share capital*".

Certain members of the Board of Directors, Executive Management and the Key Employees collectively hold 2,495,425 Shares corresponding to 5.10% of the Company's current share capital and voting rights and other existing shareholders of the Company together hold 2,883,942 Shares corresponding to 5.90% of the Company's current share capital and voting rights. As detailed in "*– Table of shareholders*", certain members of the Board of Directors have undertaken to subscribe for a total of DKK 7.75 million in the Offering.

Pre-IPO Reorganization

Prior to the date of this Prospectus, the Company's share capital consisted of two share classes: Class A shares and Class B shares. These two share classes were consolidated into one single share class on 1 June 2021 (the "**Pre-IPO Reorganization**").

Pre-IPO Warrants

The Company has issued a total of 3,388,115 warrants (the "**Pre-IPO Warrants**"). A total of 1,453,315 Pre-IPO Warrants, which have been granted to certain other former and current employees and associates to the Company, may be exercised (or lapse if not exercised) in connection with the Offering (the "**Vesting Pre-IPO Warrants**"). The maximum nominal capital increase resulting from the exercise of the Vesting Pre-IPO Warrants is DKK 1,453,315. The capital increase related to exercise of the Vesting Pre-IPO Warrants, if any, is expected to take place in connection with settlement of the Offering, i.e., on or around the Settlement Date being 24 June 2021. The Company will apply for the Shares resulting from the exercise of the Vesting Pre-IPO Warrants, if any, to be admitted to trading and official listing on Nasdaq Copenhagen, expectedly on or around 25 June 2021.

As of the date of the Prospectus, 1,934,800 Pre-IPO Warrants that will not vest in connection with the Offering (the "**Continuing Pre-IPO Warrants**") have been granted to members of the Board of Directors, Executive management and Key Employees, which among those individuals are distributed as follows:

Name	Title	No. of Continuing Pre-IPO Warrants
Thyge Boserup	Chairman	265,402
Sebastian Koks Andreassen	CEO	276,036
Kenneth Bergstrøm-Andersen	CFO	199,052
Jørgen Krogsgaard Jensen	CTO	265,402
Søren Rydbirk	CCO	132,701
Troels Hornsved	COO	796,207

The 1,453,315 Vesting Pre-IPO Warrants are distributed among other former and current employees of the Company.

The strike price for any one Pre-IPO Warrant converted into one Share is DKK 2.469.

Subscriptions by major shareholders pursuant to the Convertible Loan Agreement
Pursuant to the Convertible Loan Agreement, as further described in "*Business – Material contracts entered into by the Company outside the ordinary course of business – Convertible Loan Agreement*", the Principal Shareholder, APMHI and Norlys Holding together have undertaken to subscribe for Offer Shares in the Offering for a total subscription amount of EUR 10.50 million (exchanged to DKK 78,083,200), corresponding to 7.1% of the Offer Shares (excluding the Option Shares).

Cornerstone Investors
In connection with the Offering, the Company has received undertakings subject to certain conditions from the following investors (the "**Cornerstone Investors**") to subscribe for Offer Shares at the Offer Price for an aggregate amount of DKK 570 million, corresponding to 51.8% of the Offer Shares (excluding the Option Shares). The undertakings of the Cornerstone Investors are divided as follows: ATP will invest DKK 200 million, Vækstfonden will invest DKK 100 million, Nordea Asset Management on behalf of certain clients will invest DKK 100 million, BankInvest on behalf of certain clients will invest DKK 100 million, Spar Nord will invest DKK 45 million, and MK Ventures will invest DKK 25 million. The Cornerstone Investors will receive full allocation of their commitments.

Shares outstanding after the Offering
At the time of completion of the Offering, the Company will issue 27,500,000 Offer Shares to raise gross proceeds of DKK 1,100 million (excluding the Overallotment Option). Assuming completion of the Offering, the Company's registered share capital will increase by a nominal value of DKK 27,500,000 as a result of the issue of Offer Shares (excluding the Option Shares).

The existing Shares issued as of the date of this Prospectus will be diluted in connection with the Offering by the issuance of 31,625,000 Offer Shares, corresponding to a nominal value of DKK 31,625,000 (assuming full exercise of the Overallotment Option). Following completion of the Offering, the existing Shares issued and outstanding as of the date of this Prospectus will make up 60.73% of the Company's share capital (assuming full exercise of the Overallotment Option). If all Vesting Pre-IPO Warrants are exercised in connection with the Offering, the Company's share capital will increase by an additional DKK 1,453,315. In that case, the existing Shares issued and outstanding as of the date of this Prospectus, will make up 59.65% of the Company's share capital (on the same assumptions as above).

Table of shareholders
The following table sets forth the information regarding the Company's ownership structure on the date of this Prospectus and at the Settlement Date assuming a) that none of the existing shareholders subscribe for any Offer Shares in the Offering (except for the subscription by the Principal Shareholder, APMHI and Norlys Holding pursuant to the Convertible Loan Agreement as disclosed above and in "*Business – Material contracts entered into by the Company outside the ordinary course of business – Convertible Loan Agreement*" and for the subscription by certain members of the Board of Directors as disclosed in the notes to the following table), and b) exercise of all Vesting Pre-IPO Warrants in connection with the Offering. In case the percentages do not sum to 100% in the following tables, this is due to rounding.

	Prospectus Date		Settlement Date			
			No exercise of the Overallotment Option		Full exercise of the Overallotment Option	
Shareholders	**No. Shares**	**%**	**No. Shares**	**%**	**No. Shares**	**%**
Principal Shareholder[1]	**24,595,265**	**50.29**	**25,524,827**	**32.78**	**25,524,827**	**31.13**
APMHI[1][2]	**8,708,967**	**17.81**	**9,638,529**	**12.38**	**9,638,529**	**11.76**
Norlys Holding A/S[1]	**7,329,274**	**14.99**	**7,422,230**	**9.53**	**7,422,230**	**9.05**
Investeringsselskabet af 19. maj 2014 ApS	**2,895,741**	**5.92**	**2,895,741**	**3.72**	**2,895,741**	**3.53**
Board of Directors	**606,657**	**1.24**	**800,407**	**1.03**	**800,407**	**0.98**
Thyge Boserup[3][4]	235,383	0.48	260,383	0.33	260,383	0.32
Troels Øberg[5]	-	0	-	0	-	0
Karen-Marie Katholm[4]	56,373	0.12	68,873	0.09	68,873	0.08
Jakob Fuhr Hansen[5]	-	0	-	0	-	0
Christian Clausen[3][4]	216,825	0.44	341,825	0.44	341,825	0.42
Thomas Thune Andersen[3][4]	98,076	0.20	129,326	0.17	129,326	0.16
Lars Valsøe Bertelsen	-	0	-	0	-	0
Simon Krogsgaard Ibsen[6]	-	0	-	0	-	0
Executive Management	**295,286**	**0.60**	**295,286**	**0.38**	**295,286**	**0.36**
Sebastian Koks Andreassen[3]	78,461	0.16	78,461	0.10	78,461	0.10
Kenneth Bergstrøm-Andersen[3]	216,825	0.44	216,825	0.28	216,825	0.26
Key Employees	**1,593,482**	**3.26**	**1,593,482**	**2.05**	**1,593,482**	**1.94**
Jørgen Krogsgaard Jensen[3]	1,393,514	2.85	1,393,514	1.79	1,393,514	1.70
Troels Hornsved	121,507	0.25	121,507	0.16	121,507	0.15
Søren Rydbirk[3]	78,461	0.16	78,461	0.10	78,461	0.10
				5.57		
Other existing shareholders and/or warrant holders[3][7]	**2,883,942**	**5.90**	**4,337,257**	**5.57**	**4,337,257**	**5.29**
New shareholders	**-**	**0**	**25,354,170**	**32.56**	**29,479,170**	**35.96**
Total	**48,908,614**	**100**	**77,861,929**	**100**	**81,986,929**	**100**

(1) The expected Settlement Date shareholdings of the Principal Shareholder, APMHI and Norlys Holding factor in their respective investments in the Offering of EUR 5 million, EUR 5 million and EUR 0.5 million, respectively, pursuant to the Convertible Loan Agreement on the assumption that these investments will be converted from EUR to DKK at an EUR/DKK exchange rate of 7.4365.
(2) APMHI may, following the Settlement Date, reallocate certain Shares held or to be held directly by it to certain minority investors in APMHI whereby such investors will become direct shareholders of the Company.
(3) A total of 1,137,684 A and B-shares (each corresponding to one Share after the Pre-IPO Reorganization) were purchased by certain members of the Board of Directors, Executive Management, Key Employees and other existing shareholders from a former shareholder of the Company in January 2021 at a total purchase price of DKK 14,500,000, or a purchase price of DKK 12.7452 per A or B-share (each corresponding to one Share after the Pre-IPO Reorganization).
(4) Thyge Boserup, Karen-Marie Katholm, Christian Clausen and Thomas Thune Andersen have undertaken to invest for a total of DKK 7.75 million in the Offering. Their individual commitments are distributed as follows: Thyge Boserup, DKK 1 million – Karen-Marie Katholm, DKK 0.5 million – Christian Clausen, DKK 5 million – Thomas Thune Andersen, DKK 1.25 million.
(5) Troels Øberg and Jakob Fuhr Hansen both have economic interests in the Principal Shareholder.
(6) Simon Krogsgaard Ibsen holds an indirect minority economic interest in APMHI.
(7) This group holds a total of 1,453,315 Vesting Pre-IPO Warrants which will vest in connection with the Offering.

The Company's current major shareholders

The Principal Shareholder

Nordic Alpha Partners Fund I K/S is a Danish limited partnership with its registered address at Strandvejen 114A, DK-2900 Hellerup, Denmark and registered under company registration (CVR) no. 39012618.

Nordic Alpha Partners Fund I K/S is managed by its general partner, Nordic Alpha General Partner I ApS and its investment manager, Nordic Alpha Partners ApS.

Nordic Alpha Partners is a Northern European venture/growth capital fund, targeting high potential SME companies.

APMHI

APMH Invest XI ApS is a Danish private limited liability company with its registered address at Esplanaden 50, DK-1263 Copenhagen K, Denmark and registered under company registration (CVR) no. 41840404.

APMH Invest XI ApS is controlled by A.P. Møller Holding A/S through its investment company APMH Invest A/S. Approximately 20% of APMH Invest XI ApS is owned by certain minority investors affiliated with A.P. Møller Holding A/S. Following the Settlement Date, APMH Invest XI ApS intends to transfer a number of Shares to such minority investors equal to the minority investors' indirect pro-rata ownership of Shares in the Company, whereby the minority investors will become direct shareholders of the Company.

Norlys Holding

Norlys Holding A/S is a Danish public limited liability company with its registered address at Tietgensvej 4, DK-8600 Silkeborg, Denmark and registered under company registration (CVR) no. 25482190.

Norlys Holding A/S is a part of the Norlys-group, a cooperatively owned energy and telecommunications association.

Investeringsselskabet af 19. maj 2014 ApS

Investeringsselskabet af 19. maj 2014 ApS is a Danish private limited liability company with its registered address at Industrivej 8, DK-7430 Ikast, Denmark and registered under company registration (CVR) no. 30536851.

The shareholdings of Investeringsselskabet af 19. maj 2014 ApS were transferred to Investeringsselskabet af 19. maj 2014 ApS from a founder of the Company, Nordtec-Optomatic A/S, in 2014. Approximately 80% of the share capital in Investeringsselskabet af 19. maj 2014 ApS is indirectly owned by partners in Nordtec-Optomatic A/S, including Preben Jakobsen, a former member and chairman of the Board of Directors in the Company, whereas the remaining approximately 20% are owned by minority investors. Investeringsselskabet af 19. maj 2014 ApS is expected to hold less than 5% of the outstanding share capital of the Company upon the Settlement Date.

Agreements related to the ownership of the Company

The Shareholders' Agreement

The current shareholders of the Company have entered into a shareholders' agreement dated 14 December 2020 (the "**Shareholders' Agreement**"). The Shareholders' Agreement, other than for certain customary terms *inter alia* related to confidentiality, will in accordance with its terms cease to have effect upon completion of the Offering.

Related Party Transactions

The members of the Board of Directors, the Executive Management and the Key Employees as well as the Principal Shareholder are considered to be related parties to the Company as they exercise significant influence over the Company's operations. Related parties also include such persons' relatives as well as undertakings in which such persons have significant interest.

As of the date of this Prospectus, the Principal Shareholder owns 50.29% of the Company's share capital and has representatives on the Board of Directors. Moreover, APMHI and Norlys Holding, currently holding 17.81% and 14.99%, respectively, of the Company's share capital, also have representatives on the Board of Directors.

Except as set out in "*Remuneration and Benefits*" on remuneration paid to the members of the Board of Directors and Executive Management and the Key Employees, and pursuant to the Convertible Loan Agreement described in "*Business – Material contracts entered into by the Company outside the ordinary course of business – Convertible Loan Agreement*" and "*Ownership Structure and Shareholders – Ownership structure – Current ownership*", the Company has not undertaken any significant transactions with the Board of Directors, the Executive Management, the Key Employees or the Principal Shareholder, or with any undertakings outside of the Company's organization in which related parties have interests for the years ended 31 December 2020, 2019 and 2018, nor for the time in 2021 until the date of this Prospectus.

Description of the Shares and Share Capital

The following is a summary of material information relating to the Company's share capital, including a summary of certain provisions of the Articles of Association in effect as of the date hereof. This summary does not purport to be exhaustive and should be read in conjunction with the full text of the Articles of Association, as well as in the context of applicable Danish law. See "*Appendix A—Articles of Association of the Company*".

The Company is a public limited liability company incorporated on 20 June 2007 and is organized under the laws of Denmark under the name Green Hydrogen Systems A/S with its registered office at c/o Green Hydrogen Systems A/S, Nordager 21, DK-6000 Kolding, Denmark.

The Company is registered with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*) under company registration (CVR) no. 30548701.

Registered share capital

As of the date of this Prospectus, the Company's share capital has a nominal value of DKK 48,908,614, divided into 48,908,614 Shares of nominally DKK 1 each or multiples thereof. All Shares are issued and fully paid up.

The Shares are as of the date of this Prospectus not divided into share classes, and all Shares have the same rights and rank *pari passu* in respect of voting rights, pre-emption rights, redemption, conversion and restrictions or limitations according to the Articles of Associations or eligibility to receive dividend or proceeds in the event of dissolution and liquidation. No Shares carry special rights, restrictions or limitations pursuant to the Articles of Association.

Each Share of the nominal value DKK 1 gives the holder the right to one vote at the Company's general meetings.

The Company has not issued any securities that are convertible, exchangeable nor has warrants attached to them.

Prior to the date of this Prospectus and the Pre-IPO Reorganization, the Company's share capital consisted of two share classes: Class A Shares and Class B Shares. The two share classes have been consolidated into one single class of shares (the "**Shares**"), with each Share having equal voting rights.

Immediately after payment of the Offer Shares to be issued by the Company pursuant to the Offering (excluding the Option Shares) and registration of the related capital increase, the Company's registered share capital will have a nominal value of DKK 76,408,614, divided into 76,408,614 Shares of nominal value DKK 1 each. Assuming that all Vesting Pre-IPO Warrants are exercised in connection with the Offering, the Company's share capital will increase by an additional DKK 1,453,315.

Movement in the share capital

The table set forth below presents the development of the Company's share capital from 1 January 2018 to the date of this Prospectus including movements resulting from the Pre-IPO Reorganization.

Date of approval	Transaction type	Share capital before change	Share capital change	Share capital after change	Price(1)	Number of shares after change(2)
		(DKK)	(DKK)	(DKK)		
29 June 2018	Capital increase by cash contribution	7,390,971	1,300,000	8,690,971	100	8,690,971
1 October 2018	Capital increase by cash contribution	8,690,971	600,000	9,290,971	100	9,290,971
30 April 2019	Capital increase by cash contribution	9,290,971	572,500 27,500	9,890,971	100 200	9,890,971
28 August 2019	Capital increase by cash contribution – share capital divided into share classes	9,890,971	Class A Shares: 0 Class B Shares: 12,312,677	22,203,648	Class A Shares: N/A Class B Shares: 246.90	Class A Shares: 9,890,971 Class B Shares: 12,312,677
29 June 2020	Capital increase by cash contribution and debt conversion – transform to public limited liability company	22,203,648	Class A Shares: 414,530 85,470 Class B Shares: 14,260,771	36,964,419	Class A Shares: 100 200 Class B Shares: 246,90	Class A Shares: 10,390,971 Class B Shares: 26,573,448
7 July 2020	Capital increase by cash contribution and exercise of warrants	36,964,419	Class A Shares: 121,507 739,097 Class B Shares: 0	37,825,023	Class A Shares: 246.90 100 Class B Shares: N/A	Class A Shares: 11,251,575 Class B Shares: 26,573,448
13 August 2020	Capital decrease(3)	37,825,023	Class A Shares: (1,020,186) Class B Shares: 0	36,804,837	Class A Shares: 102.92 Class B Shares: N/A	Class A Shares: 10,231,389 Class B Shares: 26,573,448
26 February 2021	Capital increase by cash contribution	36,804,837	Class A Shares: 56,373 Class B Shares: 0	36,861,210	Class A Shares: 1,330.42 Class B Shares: N/A	Class A Shares: 10,287,762 Class B Shares: 26,573,448
1 June 2021	Pre-IPO consolidation of share classes	36,861,210	0	36,861,210	N/A	36,861,210
3 June 2021	Capital increase by conversion of loans under the Convertible Loan Agreement(4)	36,861,210	12,047,404	48,908,614	1,329.79	48,908,614

(1) Calculated in accordance with the practice of the Danish Business Authority whereby payment of an amount equivalent to the nominal value of a Share is set at index price 100.

(2) The nominal value of each Share of the Company, including the previous A shares and B-shares, has been DKK 1 per Share throughout all of the listed capital increase and decrease, as applicable, events.

(3) Share capital decrease of nominal DKK 1,049,975 by cancellation of the Company's own treasury A shares which had been repurchased from a shareholder. The capital decrease occurred at a price of 102.92 meaning that in addition to the amount nominally decreased, the Company paid out DKK 29,789.43 to the former shareholder.

(4) For a description of the Convertible Loan Agreement and the terms thereof, see "*Business – Material contracts entered into by the Company outside the ordinary course of business – Convertible Loan Agreement*".

Authorizations to increase the share capital

The Board of Directors has pursuant to the Articles of Association been granted the following authorizations to increase the Company's share capital:

(i) In accordance with article 5.1 of the Articles of Association, the Board of Directors is, until 31 May 2026, authorized to increase the share capital for the Company in one or more issues of new Shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount up to DKK 20,000,000. The capital increase shall take place at or above market price and may be effected by cash payment, conversion of debt or by contribution of assets other than cash.

(ii) In accordance with article 5.2 of the Articles of Association, the Board of Directors is, until 31 May 2026, authorized to increase the share capital for the Company in one or more issues of new Shares with pre-emption rights for the Company's existing shareholders by up to a nominal amount up to DKK 20,000,000. The capital increase shall be effected by cash payment at a subscription price to be determined by the Board of Directors.

(iii) In accordance with article 5.3 of the Articles of Association, the Board of Directors is, until 31 July 2021, authorized to increase the share capital of the Company in one or more issues without pre-emption rights for the existing shareholders of the Company by up to a nominal amount of DKK 48,902,892 in connection with issue of new Shares. The capital increase shall be effected by cash payment at a subscription price to be determined by the Board of Directors.

(iv) In accordance with article 5.4 of the Articles of Association, the Board of Directors is, until 31 May 2026, authorized to increase the share capital of the Company in one or more issues without pre-emption rights for the Shareholders of the Company by up to a nominal amount of DKK 2,000,000 in connection with issue of new Shares to members of the Board of Directors, Executive Management and/or employees of the Company. The capital increase shall be effected by cash payment at a subscription price to be determined by the Board of Directors.

Pursuant to articles 5.5 of the Articles of Association, the total amount of capital increases pursuant to articles 5.1-5.2 of the Articles of Association cannot exceed a nominal value of DKK 20,000,000.

Shares issued pursuant to the Board of Directors' authorizations shall be fully paid up, shall be issued in the name of the holder, shall be recorded in the holder's name in the Company's register of shareholders, shall be negotiable instruments and shall in every respect carry the same rights as the existing Shares. The Board of Directors is authorized to lay down the terms and conditions for capital increases pursuant to the above authorizations. The Board of Directors is also authorized to amend the Articles of Association as required in connection with the utilization of the above authorizations.

Authorization to acquire treasury shares

As of the date of this Prospectus, the Board of Directors is authorized in the period until 31 May 2026 to approve the acquisition of shares (treasury shares), on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company. The consideration paid for such Shares may not deviate more than 10% from the official price quoted on Nasdaq Copenhagen at the time of the acquisition. The Company does not hold any treasury shares as of the date of this Prospectus.

Authorization to distribute interim dividends

As of the date of this Prospectus, the Board of Directors has not been authorized by the Company's general meeting to distribute interim dividends.

For further details on dividends and the Company's dividend policy, see "*Dividends and Dividend Policy*".

Articles of Association

Objective

Pursuant to article 2.1 of the Articles of Association, the Company's objects are development, production, sale, installation, operation and servicing of hydrogen systems, production and sale of hydrogen and any related activities.

Provisions concerning members of the Board of Directors and the Executive Management

Reference is made to "*Board of Directors, Executive Management and Key Employees*".

General meetings and voting rights

The Company's general meetings must be held in the region of its registered office, or in Greater Copenhagen.

The Company's annual general meeting shall be held each year early enough for the audited and adopted annual report to be submitted to and received by the Danish Business Authority (in Danish: *Erhvervsstyrelsen*) and no later than four months after the closing of the financial year. No later than eight weeks before the contemplated date of the annual general meeting, the Company shall publish the date on which it intends to hold the general meeting as well as the date by which requests filed by Shareholders wishing to have specific items included on the agenda must be submitted.

Extraordinary general meetings shall be held at the request of the Board of Directors when deemed appropriate or upon request of the Company's external auditor or Shareholders holding a minimum of 5% of the share capital of the Company. The request shall be made in writing to the Board of Directors and contain a list of the issues to be dealt with at the general meeting.

General meetings shall be convened by the Board of Directors with a maximum notice of five weeks and a minimum notice of three weeks. An extraordinary general meeting shall be convened within 14 days after a proper request has been received by the Board of Directors. The notice shall be published on the Company's website.

Furthermore, a notice of the general meeting shall be sent all Shareholders recorded in the Company's register of shareholders who have requested such notice. If the information contained in the register of shareholders is insufficient or incorrect, the Board of Directors shall not be obliged to rectify the information or to give notice in any other way.

In accordance with Danish law, the notice shall specify the time and place of the general meeting and the agenda containing the business to be transacted at the general meeting. If a proposal to amend the Articles of Association is to be considered at the general meeting, the main contents of the proposal shall be specified in the notice.

The Company's general meetings shall be held in English. The Board of Directors may decide to offer simultaneous interpretation into Danish. Documents prepared in connection with or following a general meeting shall be in Danish and, if decided by the Board of Directors or required by applicable law, in English. Annual reports and interim reports shall be prepared in English and, if decided by the Board of Directors, in Danish.

The right of a Shareholder to attend a general meeting and to vote is determined by the Shares held by the Shareholder on the record date. The record date is one week before the general meeting. The Shares held by each Shareholder are determined on the record date based on the number of Shares held by that Shareholder as registered in the Company's register of shareholders and any notification of ownership received by the Company for the purpose of registration in its register of shareholders, but which have not yet been registered.

At the general meeting, each Share of the nominal value of DKK 1 shall carry one vote. No shareholders have any special or difference voting rights pursuant to the Articles of Association.

Any shareholder who is entitled to attend the general meeting pursuant to the Articles of Association and who wishes to attend the general meeting shall notify the Company no later than three days before the date of the general meeting. A shareholder may, subject to having registered in accordance with the Articles of Association, attend in person or by proxy, and the shareholder or the proxy may attend together with an advisor.

The right to vote may be exercised by a written and dated instrument of proxy in accordance with applicable law. A shareholder who is entitled to participate in the general meeting pursuant to the Articles of Association may vote by correspondence in accordance with the provisions of the Danish Companies Act (in Danish: *selskabsloven*). Such votes by correspondence must be received by the Company no later than the business day before the general meeting. Votes by correspondence cannot be withdrawn.

Resolutions by the general meetings and amendments to the Articles of Association

Resolutions at general meetings shall be passed by a simple majority of votes cast, unless otherwise prescribed under the Danish Companies Act (in Danish: *selskabsloven*) or by the Articles of Association.

Adoption of changes to the Articles of Association, dissolution of the Company, merger or demerger requires that the resolution is adopted by at least 2/3 of the votes cast as well as of the share capital represented at the general meeting.

The provisions in the Articles of Association relating to a change of the rights of shareholders or a change to the capital are not more stringent than required by the Danish Companies Act (in Danish: *selskabsloven*).

Takeover bids

No public takeover offers have been made by any third-party in respect of the Company's Shares during the past or current financial year.

The proposed Articles of Association do not contain provisions that are likely to have the effect of delaying, deferring or preventing a change in control of the Company. Consistent with the Corporate Governance Recommendations, the Board of Directors has adopted a set of guidelines for the handling of takeover bids.

The Shares

Type and class of the Shares

The Company has one class of shares. Application has been made for the Temporary Purchased Certificates to be admitted to trading to Nasdaq Copenhagen under the temporary ISIN code DK0061540424 and for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the ISIN code DK0061540341.

Governing law and jurisdiction

The Shares will be issued in accordance with Danish law. The Prospectus has been prepared in compliance with the standards and requirements of Danish law. Any dispute that may arise as a result of the Offering is subject to the exclusive jurisdiction of the Danish courts.

Currency

The Shares are denominated in DKK.

Registration of Shares

The Shares will be registered and delivered in book-entry form through allocation to accounts with VP Securities through a Danish bank or other institution authorized as custodian. Investors that are not residents of Denmark may use a VP Securities member directly or their own bank's correspondent bank as their account holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The Shares are issued in dematerialized form through VP Securities. The name and address of VP Securities is VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark.

The Shares shall be fully paid up, issued in the name of the holder and recorded in the holder's name, in the Company's register of shareholders through the holder's custodian bank. The Company's register of shareholders is kept by VP Securities.

Share issuing agent

The Company's share issuing agent is Sydbank A/S.

Rights attached to the Shares

Dividend rights

Each Share of DKK 1 nominal value entitles its holder to receive distributed dividends. See "***Dividends and Dividend Policy***" for further information on dividends.

Voting rights

See "*—General Meetings and Voting Rights*".

Pre-emption rights

Under Danish law, the shareholders generally have pre-emption rights if the general meeting of the Company resolves to increase the share capital by way of cash payment. However, the pre-emption rights of the shareholders may be derogated by a majority comprising at least 2/3 of the votes cast and of the share capital represented at the general meeting if the share capital increase is made at market price or at least 90% of the votes cast as well as at least 90% of the share capital represented at the general meeting if the share capital increase takes place below market price, unless (i) such capital increase below market price is directed at certain but not all shareholders (in which case all Shareholders must consent); or (ii) such capital increase below market price is directed at the Company's employees (in which case a majority comprising at least two thirds of the votes cast as well as at least two thirds of the share capital represented at the general meeting is required). The Board of Directors is authorized to increase the Company's share capital in one or more issues with or without pre-emption rights to the shareholders. See "*Description of the Shares and Share Capital—Authorizations to increase the share capital*".

The exercise of pre-emption rights may be restricted for shareholders resident in certain jurisdictions, including but not limited to the United States, Canada, Japan and Australia.

The Company intends to evaluate at the time of any issuance of Shares subject to pre-emption rights or in a rights offering, as the case may be, the cost and potential liabilities associated with complying with any local requirements, as well as the indirect benefits to the Company of enabling the exercise of non-Danish shareholders of their pre-emption rights to Shares or participation in any rights offer, as the case may be, and any other factors considered appropriate at the time, and then to make a decision as to whether to comply with any local requirements. No assurances are given by the Company that local requirements will be complied with so as to enable the exercise of such shareholders' pre-emption rights or participation in any rights offer.

Redemption and conversion provisions

Except as provided for in the Danish Companies Act (in Danish: *selskabsloven*), see "*The Danish Securities Market—Mandatory redemption of shares*", no shareholder is under an obligation to have his/her/its Shares redeemed in whole or in part by the Company or by any third-party, and none of the Shares carry any redemption or conversion rights or any other special rights.

Dissolution and liquidation

In the event of dissolution and liquidation, the shareholders are entitled to participate in the distribution of assets in proportion to their nominal shareholdings after payment of the Company's creditors.

Negotiability and transferability of the Shares

The Shares are negotiable instruments, and no restrictions under the Articles of Association or Danish law apply to the transferability of the Shares. However, see "*Selling and Transfer Restrictions*" for certain restrictions applicable to the Offer Shares.

Disclosure of information

The Board of Directors has adopted a set of internal rules aiming, inter alia, at ensuring that the disclosure of information complies with the applicable stock exchange regulations and rules applicable to the Company's securities listed on Nasdaq Copenhagen. All company announcements are published via the Company's news provider, Intrado Digital Media AB, GlobeNewswire, and can subsequently be accessed from the Company's and Nasdaq Copenhagen's websites as well as the Danish FSA (in Danish: *Finanstilsynet*).

All company announcements will be published in English and, if decided by the Board of Directors, in Danish. The annual report and any interim reports will be prepared in English and, if decided by the Board of Directors, in Danish.

Investor presentations and telephone conferences are expected to be held following the publication of each interim and annual report to give participants the opportunity to ask questions to the Executive Management. Audio casts of such presentations will subsequently be available on the Company's website. Investors may also contact the Company's investor relations department to obtain additional information subject to any restrictions under applicable law.

Certain information concerning the Danish securities market

For certain information concerning the Danish securities market including information on certain provisions of Danish law and Danish securities market regulations regarding disclosure of major shareholdings, short-selling, mandatory tender offers and mandatory redemption of shares in effect on the date of this Prospectus see "*The Danish Securities Market*".

Taxation

Danish tax considerations

The following is a summary of certain Danish income tax considerations relating to an investment in the Shares. The Danish tax legislation as well as the tax legislation of investors' member states may have an impact on the income received from the Shares.

The summary is for general information only and does not purport to constitute exhaustive tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to an investment in the Shares. The summary is based solely upon the tax laws of Denmark in effect on the date of this Prospectus. Danish tax laws may be subject to change, possibly with retroactive effect.

The summary does not cover investors to whom special tax rules apply and, therefore, may not be relevant, for example, to investors subject to the Danish Pension Yield Tax Act (in Danish: *pensionsafkastbeskatningsloven*), including pension funds, life insurance companies and individual pension savings, insurance companies, and investors trading in securities, including banks and stockbrokers. Further, the summary only sets out the tax position of the direct owners of the Shares and assumes that the direct investors are the beneficial owners of the Shares and any dividends thereon. Sales are assumed to be sales to a third-party.

Potential investors in the Shares are advised to consult their tax advisers regarding the applicable tax consequences of acquiring, holding, and disposing of the Shares based on their particular circumstances. Investors who may be affected by the tax laws of other jurisdictions should consult their tax advisers with respect to the tax consequences applicable to their particular circumstances, as such consequences may differ significantly from those described herein.

Taxation of Danish tax resident shareholders

Sale of shares – individuals

For the calendar year 2021, gains from the sale of shares are taxed as share income at a rate of 27% on the first DKK 56,500 (for cohabiting spouses, a total of DKK 113,000) and at a rate of 42% on share income exceeding such threshold. Such amounts are subject to annual adjustments and include all share income (i.e. all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Gains and losses on the sale of shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sales price. The purchase price is generally determined using the average method, which means that each share is considered acquired at a price equivalent to the average acquisition price of all the shareholder's shares in the issuing company.

Losses incurred in relation to the sale of shares admitted to trading on a regulated market can only be offset against other share income deriving from shares admitted to trading on a regulated market (i.e. received dividends and capital gains on the sale of shares admitted to trading on a regulated market). Excess losses will be offset against a cohabiting spouse's share income deriving from shares admitted to trading on a regulated market. Any remaining losses after the above deduction can be carried forward indefinitely and offset against future share income deriving from shares admitted to trading on a regulated market.

Losses on shares admitted to trading on a regulated market can only be set off against other share income derived from other shares admitted to trading on a regulated market as outlined above if the Danish Tax Agency (in Danish: *Skattestyrelsen*) has received certain information concerning the ownership of the shares before expiry of the tax return filing deadline for the income year in which the shares were acquired. This information is normally provided to the Danish Tax Agency (in Danish: *Skattestyrelsen*) by the securities dealer or custodian if the securities dealer or custodian is resident in Denmark.

Individuals investing through an investment savings account (Aktiesparekonto)

Gains and losses on shares owned through an investment savings account (in Danish: *Aktiesparekonto*) are calculated using the mark-to-market principle, i.e., as the difference between the market value of the assets in the account at the beginning of the tax year and the market value of the shares at the end of the tax year adjusted for further deposits on the account and adjusted for withdrawals from the account.

Taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the shares owned through an investment savings account are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the shares at the beginning of the income year and the realization sum. If the shares owned through an investment savings account are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income year.

Any annual gain will be subject to 17 percent taxation, and any loss may be carried forward. In 2021, the account is limited to a deposit of DKK 102,300. Tax is settled by the account institute.

Sale of shares – companies
Tax on the sale of shares by companies is subject to different regimes depending on whether the shares are considered as Subsidiary Shares, Group Shares, Tax-Exempt Portfolio Shares or Taxable Portfolio Shares defined as follows:

"**Subsidiary Shares**" are generally defined as shares owned by a company shareholder holding at least 10% of the nominal share capital of the issuing company.

"**Group Shares**" are generally defined as shares in a company in which the company shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law.

"**Tax-Exempt Portfolio Shares**" are generally defined as shares not admitted to trading on a regulated market owned by a company shareholder holding less than 10% of the nominal share capital in the issuing company. Tax-Exempt Portfolio Shares are not relevant in respect of this Offering and will not be described in further detail.

"**Taxable Portfolio Shares**" are shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares, i.e., listed shares in companies in which a company shareholder holds less than 10% of the equity.

Gains or losses on disposals of Subsidiary Shares, Group Shares and Tax-Exempt Portfolio Shares are not included in the taxable income of the company shareholder.

Special rules apply with respect to Subsidiary Shares and Group Shares in order to prevent circumvention of the 10% ownership requirement through pooling of shareholdings in a holding company, just as other anti-avoidance rules may apply under Danish law. These rules will not be described in further detail.

Capital gains from the sale of Taxable Portfolio Shares are taxable at the corporate income tax rate of 22% (2021). Losses on such shares are generally deductible.

Gains and losses on Taxable Portfolio Shares are, as a general rule, calculated in accordance with the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning of the tax year and the value of the shares at the end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the Taxable Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the value of the Taxable Portfolio Shares at realization. If the Taxable Portfolio Shares have been acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the Taxable Portfolio Shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the Shares at the end of the income year.

A change of status from Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares to Taxable Portfolio Shares (or vice versa) is for tax purposes deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status.

Dividends—individuals
For the calendar year 2021, dividends received by individuals are taxed as share income. Share income is taxed at a rate of 27% on the first DKK 56,500 (for cohabiting spouses, a total of DKK 113,000) and at a rate of 42% on share income exceeding such threshold. Such amounts are subject to annual adjustments and include all share income (i.e. all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Dividends paid to individuals are generally subject to currently 27% withholding tax rate.

Dividends for individuals investing through an investment savings account (Aktiesparekonto)
Dividends from Shares invested through an investment savings account will be part of the return received and subject to the general tax principles for the account as described above.

Dividends—companies
Dividends received on Taxable Portfolio Shares are subject to the standard corporate tax rate of currently 22% (2021) irrespective of ownership period.

The general withholding tax rate is 27%, however a 22% (2021) tax rate applies to dividends distributed to Danish resident companies. Should the distributing company withhold at the higher rate, the shareholder can claim a refund of the excess tax paid. A claim for repayment must be filed within two months from the date of the decision to distribute the dividend; otherwise the excess tax will be treated as a tax paid on account and credited in the corporate income tax for the year.

Dividends received on Subsidiary Shares and Group Shares are not subject to taxation irrespective of ownership period, subject, however, to certain anti-avoidance rules that will not be described in further detail.

Taxation of shareholders tax resident outside Denmark
Sale of shares – individuals and companies
Denmark does not tax non-resident shareholders on capital gains realized on the sale of shares, irrespective of the ownership period. If an investor holds the shares in connection with a trade or business conducted from a permanent establishment in Denmark, gains on shares may be included in the taxable income of such activities pursuant to the rules applicable to Danish tax residents as described above.

Dividends – individuals
Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at a rate of 27%. A request for a refund of Danish withholding tax may, however, be made by the shareholder in the following situations:

1) Double Taxation Treaty

   In the event that the dividend receiving individual is a tax resident of a state having a double taxation treaty with Denmark, the shareholder may claim a refund from the Danish Tax Agency (in Danish: *Skattestyrelsen*) of the tax amount exceeding the treaty rate through certain application procedures. Denmark has executed double taxation treaties with approximately 85 countries, including almost all members of the EU. The double taxation treaties generally provide for a 15% tax rate. The refund is sought by completing an online claim form and filing it with the Danish Tax Agency (in Danish: *Skattestyrelsen*). The form can be completed and filed from the Danish Tax Agency's (in Danish: *Skattestyrelsen*) website.

When claiming such refund the shareholder must be able to document, *inter alia,* (i) that the shareholder is subject to limited or no tax liability to Denmark, (ii) that a withholding tax on the Danish dividend tax has actually been withheld, (iii) that the shareholder was the beneficial owner of the shares when the dividend distribution was approved and (iv) that the tax withheld exceeds the final tax payable according to an applicable double taxation treaty or the final tax payable according to current Danish law.

The documentation requirements can be found on the website of the Danish Tax Agency (in Danish: *Skattestyrelsen*). According to these requirements it will be necessary to provide a tax residence certificate certified by the tax authorities in the jurisdiction of the claimant.

2) Relief under Danish tax law

   In addition, if the individual shareholder holds less than 10% of the nominal share capital of the company and the shareholder is a tax resident in a jurisdiction which has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obliged to exchange information with Denmark, dividends are generally subject to tax at a reduced rate of 15%. If the shareholder is an individual tax resident outside the EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate. Thus, the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

Where a non-resident of Denmark holds shares, which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applicable to Danish tax residents described above. See "—*Taxation of Danish tax resident shareholders*".

Dividends for individuals investing through an investment savings account (Aktiesparekonto)

Individuals with tax residency outside Denmark will be subject to 15 percent taxation on any dividend on shares owned through an investment savings account. In 2021, the account is limited to a deposit of DKK 102,300.

For shareholders residing outside Denmark, only dividends paid in respect of shares in Danish companies are included in the 15 percent taxation.

Dividends – companies

Dividends received on Subsidiary Shares are exempt from Danish withholding tax provided the taxation of the dividends is to be waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU as amended by 2015/121/EU) or in accordance with a tax treaty with the jurisdiction in which the company investor is resident.

Dividends received on Group Shares are exempt from Danish withholding tax provided the company investor is a resident of the EU or the EEA and the taxation of dividends should have been waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU as amended by 2015/121/EU) or in accordance with a tax treaty with the country in which the company investor is resident had the shares been Subsidiary Shares.

Denmark applies a withholding tax at the statutory rate of 27% (2021) on all dividend distributions on Portfolio Shares (Taxable as well as Tax Exempt). Holders of Subsidiary Shares and Group Shares can be exempt from withholding by registering their holding percentage with the distributing company. The withholding tax applies irrespective of ownership period. It should be noted that Denmark applies a beneficial owner approach and participation exemption as well as the reductions available under treaties and domestic Danish law (described below) are therefore subject to Danish anti-avoidance rules.

A request for a refund of Danish withholding tax can be made by the shareholder in the following situations:

1) All foreign corporate shareholders

   All foreign corporate shareholders can claim a refund from the Danish tax authorities of the tax amount exceeding 22% (2021), subject to applicable anti-avoidance rules.

2) Double Taxation Treaty

   In the event that the dividend receiving company is a resident of a state with which Denmark has entered into a double taxation treaty, the shareholder may claim a refund from the Danish Tax Agency (in Danish: *Skattestyrelsen*) of the tax amount exceeding the treaty rate, through certain certification procedures. Denmark has executed double taxation treaties with approximately 85 countries, including almost all members of the EU. The double taxation treaties generally provide for a 15% tax rate. The refund is sought by completing an online claim form and filing it with the Danish Tax Agency (in Danish: *Skattestyrelsen*). The form can be completed and filed from the Danish Tax Agency's (in Danish: *Skattestyrelsen*) website.

When claiming such refund the shareholder must be able to document, *inter alia*, (i) that the shareholder is subject to limited or no tax liability to Denmark, (ii) that a withholding tax on the Danish dividend tax has actually been withheld, (iii) that the shareholder was the beneficial owner of the shares when the dividend distribution was approved and (iv) that the tax withheld exceeds the final tax payable according to an applicable double taxation treaty or the final tax payable according to current Danish law.

The documentation requirements can be found on the website of the Danish Tax Agency (in Danish: *Skattestyrelsen*). According to these requirements, it will be necessary to provide a tax residence certificate certified by the tax authorities in the jurisdiction of the claimant.

3) Relief under Danish tax law

In addition, if the shareholder holds less than 10% of the nominal share capital of the company and the shareholder is a tax resident in a jurisdiction which has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obliged to exchange information with Denmark, dividends on portfolio shares (taxable as well as non-taxable) are generally subject to tax at a reduced rate of 15% (2021). If the shareholder is a tax resident outside the EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate. Thus, the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

Where a non-resident of Denmark holds shares, which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applicable to Danish tax residents described above, see *"—Taxation of Danish tax resident shareholders"*.

Share transfer tax and stamp duties
No Danish share transfer tax or stamp duties are payable on transfer of the shares.

Withholding tax obligations
As issuer of the Shares, the Company is obligated to withhold the taxes described above on all distributions of dividends.

The Offering

Joint Global Coordinators

The Offering is being arranged by ABG Sundal Collier, Carnegie and J.P. Morgan in their capacity as Joint Global Coordinators and Joint Bookrunners and also referred to herein as the "**Managers**":

ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge
Forbindelsesvej 12, st.
DK-2100 Copenhagen
Denmark

and

Carnegie Investment Bank, filial af Carnegie Investment Bank AB (publ), Sverige
Overgaden Neden Vandet 9B
DK-1414 Copenhagen K
Denmark

and

J.P. Morgan AG
Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

The Offering

The Offering consists of (i) the Danish Offering comprising an initial public offering to retail and institutional investors in Denmark (the "**Danish Offering**") and (ii) the International Offering comprising private placements to institutional investors in certain other jurisdictions (excluding the United States) (the "**International Offering**"). The Offering is being made only outside the United States in compliance with Regulation S under the U.S. Securities Act.

The Company is offering 27,500,000 new Shares in order to raise gross proceeds of DKK 1,100 million (excluding the Overallotment Option) (the "**Offer Shares**"). Assuming completion of the Offering, the Company's registered share capital will increase by a nominal value of DKK 27,500,000 as a result of the issue of Offer Shares (excluding the Option Shares) to a total share capital of DKK 76,408,614.

In connection with the Offering, the Company has received undertakings subject to certain conditions from the following investors (the "**Cornerstone Investors**") to subscribe for Offer Shares at the Offer Price for an aggregate amount of DKK 570 million, corresponding to 51.8% of the Offer Shares (excluding the Option Shares). The undertakings of the Cornerstone Investors are divided as follows: ATP will invest DKK 200 million, Vækstfonden will invest DKK 100 million, Nordea Asset Management on behalf of certain clients will invest DKK 100 million, BankInvest on behalf of certain clients will invest DKK 100 million, Spar Nord will invest DKK 45 million, and MK Ventures will invest DKK 25 million. The Cornerstone Investors will receive full allocation of their commitments.

Additionally, pursuant to the Convertible Loan Agreement, as further described in "*Business – Material contracts entered into by the Company outside the ordinary course of business – Convertible Loan Agreement*", the Principal Shareholder, APMHI and Norlys Holding together have undertaken to subscribe for Offer Shares in the Offering for a total subscription amount of EUR 10.50 million (exchanged to DKK 78,083,200), corresponding to 7.1% of the Offer Shares (excluding the Option Shares). Moreover, certain members of the Board of Directors have undertaken to subscribe for a total of DKK 7.75 million in the Offering. The individual commitments of the relevant members of the Board of Directors are set out in "*Ownership Structure – Table of shareholders*". The Principal Shareholder, APMHI, Norlys Holding and the relevant members of the Board of Directors will also receive full allocation of their commitments.

The aggregate investment commitments from Cornerstone Investors, existing shareholders and certain members of the Board of Directors are approximately DKK 656 million.

The Company has granted the Stabilization Manager, on behalf of the Joint Global Coordinators, an Overallotment Option to subscribe for up to 4,125,000 new Shares (the "**Option Shares**") at the Offer Price, exercisable, in whole or in part, from the date of Admission until 30 days thereafter, solely to cover overallotments or short positions, if any, incurred in connection with the Offering, see "*Plan of Distribution*". The number of Option Shares will be adjusted if less than the maximum number of Offer Shares are subscribed for in the Offering, such that the number of Option Shares will not exceed 15% of the number of Offer Shares subscribed for, see "*Plan of Distribution*".

Offer Price

The Offer Price is free of brokerage charges and is DKK 40 per Offer Share. The Offer Price has been set by the Board of Directors after consultation with the Managers, taking into account, among other things, the Company's historic and projected revenue and earnings, the Company's objective to establish an orderly after-market in the Offer Shares and prevailing market conditions.

Offer Period

The Offer Period will commence on 8 June 2021 and will close no later than 21 June 2021 at 17:00 (CET). The Offer Period may be closed prior to 21 June 2021; however, the Offer Period will not be closed in whole or in part before 15 June 2021 at 23:59 (CET). The Offer Period in respect of applications for subscriptions for amounts up to and including DKK 3 million may be closed before the remainder of the Offering is closed. If the Offering is closed in whole or in part before 21 June 2021, the announcement of the results of the Offering, allocation and the Admission may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. Any such earlier closing, in whole or in part, will be announced through Nasdaq Copenhagen.

Submission of subscriptions

Applications to subscribe for amounts of up to and including DKK 3 million

Applications by Danish investors to subscribe for amounts of up to and including DKK 3 million should be made by submitting the application form enclosed in the Prospectus to the investor's own account-holding bank either electronically through online banking or by submitted the application form enclosed to the Prospectus during the Offer Period or such shorter period as may be announced through Nasdaq Copenhagen. Applications are binding and cannot be altered or cancelled. Applications should be made for a number of Temporary Purchase Certificates representing Offer Shares or for an aggregate amount rounded to the nearest DKK amount. Only one application will be accepted from each account in VP Securities. For binding orders, the application form must be submitted to the investor's own account-holding bank in complete and executed form in due time to allow the investor's own account-holding bank to process and forward the application to ensure that it is in the possession of Sydbank A/S or Nordnet Bank, no later than 17:00 (CET) on 21 June 2021, or such earlier time at which the Offering is closed in whole or in part.

Subscription applications submitted via Nordnet Bank may, subject to the relevant user terms of Nordnet Bank, be withdrawn until at such time where the retail offering is closed.

Applications to subscribe for amounts of more than DKK 3 million

Investors who wish to apply to subscribe for amounts of more than DKK 3 million can indicate their interest to one or more of the Managers during the Offer Period. During the Offer Period, such investors can continuously change or withdraw their declarations of interest, but these declarations of interest become binding applications at the end of the Offer Period. Immediately following the allocation of Offer Shares, investors will be allocated a number of Temporary Purchase Certificates representing Offer Shares at the Offer Price within the limits of the investor's most recently submitted or adjusted declaration of interest. All applications made will be settled at the Offer Price following allotment, if any.

Minimum and maximum subscription amounts

The minimum subscription is one Offer Share. No maximum subscription amount applies to the Offering. However, the number of shares is limited to the number of Offer Shares in the Offering (including the Offer Shares pursuant to the Overallotment Option, if exercised).

Allocation and reduction

In the event that the total amount of shares applied for in the Offering exceeds the number of Offer Shares, reductions will be made as follows:

- With respect to applications for amounts of up to and including DKK 3 million, reductions will be made mathematically.
- With respect to applications for amounts of more than DKK 3 million, individual allocations will be made. The Managers will allocate the Offer Shares after agreement upon such allocations with the Board of Directors.
- 14,250,000 Offer Shares will be reserved for the commitments of the Cornerstone Investors to subscribe for at the Offer Price in connection with the Offering.
- 1,952,080 Offer Shares will be reserved for the commitments of the Principal Shareholder, APMHI and Norlys Holding to subscribe for at the Offer Price in connection with the Offering.
- 193,750 Offer Shares will be reserved for the commitments of the certain members of the Board of Directors to subscribe for at the Offer Price in connection with the Offering.
- Up to 125,000 Offer Shares will be reserved for employees (who are not already shareholders or warrantholders) of the Company to subscribe for at the Offer Price in connection with the Offering.

It is expected that the result of the Offering and the basis of the allocation will be announced through Nasdaq Copenhagen no later than 7:30 (CET) on 22 June 2021. If the Offer Period is closed before 21 June 2021, announcement of the results of the Offering and allocation will be brought forward accordingly.

Following the expiration of the Offer Period, investors will receive a statement indicating the number of Temporary Purchase Certificates representing Offer Shares allocated, if any, and the equivalent value at the Offer Price unless otherwise agreed between the investor and the relevant account-holding bank.

Orders as well as indications of interest may not result in an allocation of Offer Shares.

If the total applications in the Offering exceed the number of Offer Shares, a reduction will be made. In such event, the Managers reserve the right to require documentation to verify that each application relates to a single account in VP Securities. Further, the Managers reserve the right to require documentation to verify the authenticity of all orders, to demand the name of each subscriber, to pass on such information to the Company, and to make individual allocations if there are several orders that are determined to have originated from the same investor. To the extent several orders are determined to have originated from the same investor, only the largest order in DKK will be taken into consideration and all other orders will be rejected. Potential investors may be allocated fewer Offer Shares than what they have indicated in their application forms.

Authorization

The Board of Directors passed a resolution on 6 June 2021 pursuant to the authorization in article 5.3 of the Articles of Association granted to the Board of Directors at the extraordinary general meeting held on 3 June 2021 (see "*Description of the Shares and Share Capital—Authorizations to increase the share capital*"), to increase the Company's share capital by 27,500,000 new Shares with a total nominal value of DKK 27,500,000. The capital increase will be made by way of cash payment and without pre-emption rights to the existing shareholders.

On the same date, the Board of Directors passed a resolution pursuant to the authorization given to the Board of Directors at an extraordinary general meeting to increase the Company's share capital by a maximum of up to 4,125,000 new Shares with a total nominal value of DKK 4,125,000 (in case the Overallotment Option is exercised in full). The capital increase will be made by cash payment and without preemption rights to the Company's existing shareholders.

Dilution

The existing Shares issued as of the date of this Prospectus will be diluted in connection with the Offering by the issuance of 31,625,000 Offer Shares (assuming full exercise of the Overallotment Option), corresponding to a share capital increase by a nominal value of DKK 31,625,000. Following completion of the Offering, the existing Shares issued and outstanding as of the date of this Prospectus, will make up 60.73% of the Company's outstanding shares and share capital, assuming subscription for all Offer

Shares issued in connection with the Offering (including the Option Shares). The Company's nominal share capital may increase with up to an additional DKK 1,453,315 as a result of the exercise of Vesting Pre-IPO Warrants in connection with the Offering. If all Vesting Pre-IPO Warrants are exercised, the existing Shares issued and outstanding as of the date of this Prospectus, will make up 59.65% of the Company's share capital (on the same assumptions as above).

Trading and official listing on Nasdaq Copenhagen

Application has been made for the Temporary Purchase Certificates to be admitted to trading on Nasdaq Copenhagen under the symbol "GREENH TEMP" and for the Shares to be admitted to trading and official listing under the symbol "GREENH" on Nasdaq Copenhagen. The Admission is subject to, among other things, Nasdaq Copenhagen's approval of the distribution of the Offer Shares representing at least 25% of the share capital and amongst at least 500 qualified investors each holding Shares with a value of at least EUR 500, the Offering not being withdrawn prior to the settlement of the Offering, and the Company making an announcement to that effect. Trading on Nasdaq Copenhagen will commence before all such conditions are met and will be suspended if the Offering is not completed. Consequently, all dealings in the Offer Shares or the Temporary Purchase Certificates prior to settlement of the Offering, and the Company making an announcement to that effect, will be conditional on the Offering not being withdrawn prior to settlement of the Offering, and the Company making an announcement to that effect, and any such dealings will be for the account of, and at the sole risk of, the parties concerned.

The first day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 22 June 2021 under the temporary ISIN DK0061540424 and the last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 24 June 2021. The first day of trading of the Shares on Nasdaq Copenhagen is expected to be 25 June 2021 under the permanent ISIN DK0061540341. If the Offering is closed before 21 June 2021, the Admission, the Settlement Date, the delivery of Temporary Purchase Certificates, the automatic exchange of Temporary Purchase Certificates for Shares and the first day of trading and official listing of the Shares on Nasdaq Copenhagen may be moved forward accordingly subject to agreement with Nasdaq Copenhagen.

Payment for and settlement of the Offer Shares are expected to take place on or around 24 June 2021 by way of delivery of Temporary Purchase Certificates. Upon completion of the Offering and after payment for the Temporary Purchase Certificates representing the Offer Shares, the capital increase relating to the Offer Shares to be issued by the Company pursuant to the Offering will be registered with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*) which is expected to take place on the Settlement Date.

Subject to completion of the Offering and registration of the Offer Shares with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*), the Temporary Purchase Certificates will automatically be exchanged in VP Securities for a corresponding number of Shares, which are expected to be delivered on 28 June 2021. In connection with the Temporary Purchase Certificates being automatically exchanged for Shares, the Temporary Purchase Certificates will cease to exist.

If the Offering is not completed, no Temporary Purchase Certificates or Offer Shares will be delivered to investors. Consequently, any trades in the Temporary Purchase Certificates or the Shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the Temporary Purchase Certificates or the Shares sold and investors who have sold or acquired Temporary Purchase Certificates or Shares on or off the market may incur a loss. Any such dealings will be at the sole risk of the parties concerned.

If the Offering is terminated or withdrawn, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and official listing of the Shares on Nasdaq Copenhagen will be cancelled. Consequently, any trades in the Temporary Purchase Certificates or the Shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the Temporary Purchase Certificates or the Shares sold, and investors who have sold or acquired Temporary Purchase Certificates or Shares on or off the market may incur a loss. All dealings in the Temporary Purchase Certificates and/or Offer Shares prior to settlement of the Offering are for the account of, and at the sole risk of, the parties concerned.

Identification

Permanent ISIN for the Shares: DK0061540341

Temporary ISIN for Temporary Purchase Certificates: DK0061540424

The temporary ISIN code will be used for the settlement of Temporary Purchase Certificates representing the Offer Shares in VP Securities and on Clearstream and Euroclear in connection with the Offering.

Nasdaq Copenhagen Symbol for the Shares: "GREENH"

Nasdaq Copenhagen Symbol for the Temporary Purchase Certificates "GREENH TEMP"

Share lending agreement

The Principal Shareholder has agreed with the Managers that the Principal Shareholder will make available up to 4,125,000 existing Shares for purposes of delivery of the Option Shares to investors in connection with the Overallotment Option. The Company has agreed to issue up to a corresponding number of new Shares that the Managers will subscribe for and redeliver to the Principal Shareholder.

As a result thereof, the Principal Shareholder's direct holdings may for a period of time fall below 1/3 of the total share capital and voting rights in the Company. When the Shares lent to the Managers are returned to the Principal Shareholder, the Principal Shareholder's direct holdings may increase to 1/3 or more of the share capital and voting rights in the Company which may trigger an obligation to launch a mandatory offer pursuant to the Danish Capital Markets Act (in Danish: *kapitalmarkedsloven*) and the Danish Executive Order on Takeover Bids (in Danish: *bekendtgørelse om overtagelsestilbud*). The Principal Shareholder will, if deemed necessary, apply for an exemption from such mandatory offer obligation with the Danish FSA (in Danish: *Finanstilsynet*).

Registration and settlement

The Temporary Purchase Certificates and Offer Shares will be registered in book-entry form electronically with VP Securities, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark. All Temporary Purchase Certificates and Shares are registered on accounts with account-holding banks in VP Securities. Investors that are not residents of Denmark may use a Danish bank directly or their own bank's Danish correspondent bank as their account-holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

Payment for and settlement of the Offer Shares are expected to take place on 24 June 2021 two business days after the announcement of the results of the Offering and allocation (i.e., the "**Settlement Date**") under the permanent ISIN DK0061540341 by way of delivery of Temporary Purchase Certificates against payment in immediately available funds in DKK in book-entry form to investors' accounts with VP Securities and through the facilities of Euroclear and Clearstream. Registration through the holder's account holding bank will take place as soon as practically possible thereafter.

Subject to completion of the Offering and registration of the Offer Shares with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*), the Temporary Purchase Certificates will automatically be exchanged for a corresponding number of Shares, which are expected to be delivered two business days after the Settlement Date in book-entry form to the holder of the Temporary Purchase Certificates' account with VP Securities and through the facilities of Euroclear and Clearstream. If the Offering is closed before 21 June 2021, the Settlement Date, the delivery of Temporary Purchase Certificates, the automatic exchange of Temporary Purchase Certificates for Shares and the first day of trading and official listing of the Shares on Nasdaq Copenhagen may be moved forward accordingly subject to agreement with Nasdaq Copenhagen.

The account-holding bank will normally send a statement to the name and address registered in VP Securities showing the number of Temporary Purchase Certificates representing the number of Offer Shares subscribed for by the investor unless otherwise agreed between the investor and the relevant account-holding bank. This statement also constitutes evidence of the investor's holding.

All dealings in the Temporary Purchase Certificates and/or the Offer Shares prior to settlement of the Offering will be for the account of, and at the sole risk of, the parties involved.

Withdrawal of the Offering

Completion of the Offering is conditional upon Nasdaq Copenhagen's approval of the distribution of the Offer Shares representing at least 25% of the share capital and amongst at least 500 qualified investors each holding Shares with a value of at least EUR 500, the Offering not being withdrawn prior to settlement of the Offering (including registration of the capital increase with respect to the Offer Shares with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*)) and the Company making an announcement to that effect. The Offering may be withdrawn by the Company or the Managers at any time before announcing the results of the Offering and first day of trading of the Shares on Nasdaq Copenhagen take place. The Offering may also be withdrawn if Nasdaq Copenhagen is not satisfied that there will be a sufficiently broad distribution of the Shares to investors or if, for other reasons, the Temporary Purchase Certificates or the Shares cannot be admitted for trading and/or official listing on Nasdaq Copenhagen.

In addition, the Underwriting Agreement contains a provision entitling the Managers (acting jointly, in good faith and reasonably and after having consulted with the Company) to terminate the Offering (and the arrangements associated with it) at any time prior to settlement of the Offering by delivery and payment for the Temporary Purchase Certificates representing the Offer Shares expected on or around 24 June 2021 (including after Admission) in certain circumstances, including force majeure and material changes in the financial condition of the Company's business.

The termination rights of the parties to the Underwriting Agreement will lapse on the Settlement Date, currently expected to take place on 24 June 2021, except in respect of the Option Shares. The termination rights of the parties to the Underwriting Agreement shall lapse, in respect of the Option Shares, upon settlement of the sale of the Option Shares, if the Overallotment Option is exercised.

Nasdaq Copenhagen's approval of the Admission on Nasdaq Copenhagen is subject to such termination rights not being exercised after the announcement of the results of the Offering and prior to Settlement (other than any termination rights in respect of the Overallotment Option). Until publication by the Company of the announcement that the Offering has completed, expectedly on 24 June 2021, the trading of the Temporary Purchase Certificates to trading on Nasdaq Copenhagen will remain conditional.

The Underwriting Agreement contains closing conditions which the Company believes are customary for offerings such as the Offering. In addition, the Company has given usual representations and warranties to the Managers. The completion of the Offering is dependent on compliance with all of the closing conditions set forth in the Underwriting Agreement. If one or more closing conditions are not met, the Managers may withdraw the Offering. If the Offering is terminated or withdrawn, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and official listing of the Temporary Purchase Certificates or the Shares on Nasdaq Copenhagen will be cancelled. All dealings in the Temporary Purchase Certificates and/or the Shares prior to settlement of the Offering are for the account of, and at the sole risk of, the parties involved.

Any withdrawal of the Offering will be announced immediately through Nasdaq Copenhagen.

Investors' withdrawal rights

In the event that the Company is required to publish a supplement to this Prospectus, between the date of publication of this Prospectus and Admission, investors who have submitted orders to subscribe for Offer Shares in the Offering shall have two working days following the publication of the relevant supplement within which the investors can withdraw their offer to subscribe for Offer Shares in the Offering in its entirety. If a supplemented to this Prospectus is published at such time where there is less than two working days until expiry of the Offer Period, the Offer Period will be extended accordingly. The right to withdraw an application to subscribe for Offer Shares in the Offering in these circumstances will be available to all investors in the Offering, provided the obligation to publish a supplement to this Prospectus was triggered before the closing of the Offer Period and provided no Offer Shares have been delivered. If the order is not withdrawn within the stipulated period any order to subscribe for Offer Shares in the Offering will remain valid and binding.

Subscription applications for amounts of up to and including DKK 3 million submitted via Nordnet Bank may, subject to the relevant user terms of Nordnet Bank, be withdrawn until at such time where the retail offering is closed.

Costs of the Offering

The total expenses in relation to the Admission and Offering payable by the Company are estimated to be approximately DKK 110 million (including certain potential performance fees and excluding fees related to the potential exercise of the Overallotment Option and certain other potential performance fees) of which approximately DKK 10 million have been paid.

Further, the Company has agreed to pay a selling commission to account holding banks (unless such account holding bank is a Joint Global Coordinator) equivalent to 0.25% of the Offer Price of the Offer Shares that are allocated in respect of orders up to and including DKK 3 million submitted through the account holding banks (except for the Joint Global Coordinators) to be paid by the Company based on the number of Offer Shares that are sold.

Neither the Company nor the Managers will charge expenses to investors. Investors will have to bear customary transaction and handling fees charged by their account-holding banks.

Issuing and settlement agent

Sydbank A/S
Peberlyk 4
DK-6200 Aabenraa
Denmark

Retail selling agent for the Danish Offering

Nordnet Bank, filial af Nordnet Bank AB, Sverige
Havneholmen 25, 7.
DK-1561 Copenhagen V
Denmark

A request for a copy of the Prospectus in the form of either the Prospectus and may be submitted by persons who satisfy the requirements of the applicable selling restrictions from the Managers.

ABG Sundal Collier by e-mail: *prospekt-dk@abgsc.dk*.
Carnegie by e-mail: *prospekter@carnegie.dk*.

In addition, the Prospectus is available, subject to certain restrictions, on the Company's website (*investor.greenhydrogen.dk*). Information included on the Company's website does not form part of and is not incorporated into this Prospectus.

The distribution of this Prospectus and the offer or sale of the Offer Shares in certain jurisdictions is restricted by law. Persons possessing this Prospectus are required by the Company and the Managers to inform themselves about and to observe any restrictions. This Prospectus does not constitute an offer to sell or a solicitation of an offer to subscribe for any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer in such jurisdiction.

Interests of natural and legal persons involved in the Offering

As described in "*Board of Directors, Executive Management and Key Employees—Statement on conflicts of interest*" and in "*Ownership Structure and Shareholders*", certain members of the Board of Directors, the Executive Management and the Key Employees as well as other former and current employees are shareholders, directly or indirectly, in the Company, or hold economic interests therein, and therefore have direct economic interests in the Offering. Certain members of the Board of Directors also represent the Principal Shareholder and, similarly, APMHI and Norlys Holding each have representatives on the Board of Directors as well.

In addition, the CEO as well as the Chairman of the Board of Directors and certain Key Employees and one other employee of the Company may be eligible to receive a cash-based extraordinary bonus in connection with and subject to successful completion of the Offering. The aggregate maximum cash-based extraordinary bonuses to be paid in connection with and subject to successful completion of the Offering will not exceed DKK 2.375 million. The expected allocation of the up to DKK 2.375 million offer transaction bonus is set out in "*Remuneration and Benefits – Incentive programs – Offer transaction bonus*".

Moreover, ATP, Vækstfonden and MK Ventures, who are among the Cornerstone Investors, are also investors in the Principal Shareholder and, accordingly, their economic interests in the Offering are derived both directly from their cornerstone commitments as well as their indirect interest in the Company via the Principal Shareholder.

Pursuant to the terms of the CEO's employment contract, the CEO's annual cash salary will increase by approximately 33% as from the first coming month after the first trading day. Pursuant to the terms of the CFO's employment contract, the CFO's annual cash salary will increase by approximately 33% as from the first trading day.

See "*Remuneration and Benefits—Incentive Programs*". See also "*Plan of Distribution*" for a description of certain interests of the Managers in the Offering.

The Company is not aware of any other potential interests of natural or legal persons involved in the Offering who may have a material interest in the Offering.

Governing law

The Shares are issued in accordance with Danish law.

The Danish Securities Market

Set forth below is a summary of certain information concerning the Danish securities market including information on certain provisions of Danish law and Danish securities market regulations in effect on the date of this Prospectus. Such summary is qualified in its entirety by reference to the applicable Danish law and securities market regulations.

Nasdaq Copenhagen

Nasdaq Copenhagen is a company incorporated and organized under the laws of Denmark. Trading on Nasdaq Copenhagen is conducted by authorized firms, which include major Danish banks and other securities brokers, as well as certain mortgage credit institutions and the Danish Central Bank (in Danish: *Danmarks Nationalbank*).

The trading system for equities trading in Denmark on Nasdaq Copenhagen operates between 9:00 and 16:55 (CET) on weekdays. After the end of the continuous trading there is a pre-closing call between 16:55 to 17:00 (CET). An after trade "post trade" session exists from 17:00 to 17:20 (CET). Before the continuous trading begins, there is a second after trade "pre-open" session from 8:00 to 9:00 (CET) and a morning call session from 8:45 to 9:00 (CET) for the purpose of establishing fair opening prices. After the opening prices have been presented, the continuous trading begins.

Registration process

In connection with an initial public offering, a company's shares are registered in book-entry form on accounts maintained in the computer system of VP Securities, which acts as an electronic central record of ownership and as the clearing center for all transactions in Denmark. The address of VP Securities is Weidekampsgade 14, DK-2300 Copenhagen S, Denmark.

Danish financial institutions, such as banks, are authorized to keep accounts for each specific investor with VP Securities, including for Euroclear and Clearstream. All Danish shares listed on Nasdaq Copenhagen are dematerialized, "non-certificated" and registered in VP Securities. The account is maintained through an account- holding bank.

The account-holding bank has the exclusive right to make transactions and registrations on these accounts on behalf of its customers.

Shares shall be registered in the name of the holder through the account-holding bank.

Nominees

An account may be kept on behalf of one or more owners, meaning that a shareholder may appoint a nominee.

A nominee shareholder is entitled to receive dividends and to exercise all subscription and other financial and administrative rights attached to the shares held in its name with VP Securities. The relationship between the nominee shareholder and the beneficial owner is regulated solely by an agreement between the parties, and the beneficial owner must disclose its identity, if any, if the aforementioned rights are to be exercised directly by the beneficial owner.

The right to appoint a nominee does not eliminate a shareholder's obligation to notify the Company and the Danish FSA (in Danish: *Finanstilsynet*) of a major shareholding. See "*The Danish Securities Market—Disclosure of major shareholdings*" below.

Settlement process

Settlement in connection with trading on Nasdaq Copenhagen normally takes place on the second business day after effecting a sale or purchase transaction. The account-holding bank sends a statement to the name and address recorded in VP Securities, showing the amount of shares held in that name, which provides the holder with evidence of its rights. Settlement can also take place through the clearing facilities of Euroclear and Clearstream.

Disclosure of major shareholdings

Shareholders in Danish companies with shares admitted to trading and official listing on Nasdaq Copenhagen are, pursuant to Section 38 of the Danish Capital Markets Act (in Danish: *kapitalmarkedsloven*), required to give simultaneous notice to the company and the Danish FSA (in Danish: *Finanstilsynet*) of the shareholding in the company, when the shareholding reaches, exceeds or falls below thresholds of 5%, 10%, 15%, 20%, 25%, 50% or 90% and limits of one-third or two-thirds of the voting rights or nominal value of the total share capital.

A shareholder in a company means a natural or legal person who, directly or indirectly, holds: (i) shares in the company on behalf of himself/herself/itself and for his/her/its own account; (ii) shares in the company on behalf of himself/herself/itself, but for the account of another natural or legal person; or (iii) depository receipts, where such holder is considered a shareholder in relation to the underlying shares represented by the depository receipts.

The duty to notify set forth above further applies to natural and legal persons who are entitled to acquire, sell or exercise voting rights which are:

(i) held by a third-party with whom that natural or legal person has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the issuer in question (common duty to inform for all parties to the agreement);

(ii) held by a third-party under an agreement concluded with that natural or legal person providing for the temporary transfer of the voting rights in question in return for consideration;

(iii) attached to shares which are lodged as collateral for that natural or legal person, provided the person controls the voting rights and declares an intention of exercising them;

(iv) attached to shares in which that natural or legal person has a lifelong right of disposal;

(v) held, or may be exercised within the meaning of (i) to (iv), by an undertaking controlled by that person or entity;

(vi) attached to shares deposited with that natural or legal person and which the person can exercise at his own discretion in the absence of specific instructions from the shareholders;

(vii) held by a third-party in its own name on behalf of that person; or

(viii) exercisable by that person through a proxy where that person may exercise the voting rights at his/her/its discretion in the absence of specific instructions of the shareholder.

The duty to notify set forth above also applies to anyone, who directly or indirectly holds: (i) financial instruments that afford the holder either an unconditional right to acquire or the discretion as to his/her/its right to acquire existing shares (e.g., share options); and/or (ii) financial instruments based on existing shares and with an economic effect equal to that of the financial instruments mentioned in (i), regardless of them not affording the right to purchase existing shares (e.g., cash-settled derivatives linked to the value of the shares in question). Holding these kinds of financial instruments counts towards the thresholds mentioned above and may thus trigger a duty to notify by themselves or when accumulated with a shareholding.

The notification shall be made promptly but no later than four weekdays after the shareholder was aware or should have become aware of the completion of the transaction, and in accordance with the provisions of the Danish Executive Order no. 1172 of 31 October 2017 on Major Shareholders. The shareholder is deemed to have become aware of the completion of the transaction two weekdays after the completion of the transaction. The shareholder shall disclose the change in voting rights and shares, including the number of voting rights (and the distribution of voting rights among share classes, if applicable) and shares held directly or indirectly by the shareholder following the transaction. The notification shall further state the transaction date on which the threshold was reached or no longer reached and the identity of the shareholder as well as the identity of any natural or legal person with the right to vote on behalf of the shareholder and in the case of a group structure, the chain of controlled undertakings through which voting rights are effectively held. The information shall be notified to the company and simultaneously submitted electronically to the Danish FSA (in Danish: *Finanstilsynet*). Failure to comply with the notification requirements is punishable by fine or suspension of voting rights in instances of gross or repeated non-compliance.

When an obligation to notify rests on more than one natural or legal person the notification may be made through a joint notification. However, use of a joint notification does not exempt the individual shareholders or natural or legal persons from their responsibilities in connection with the obligation to notify or the contents of the notification.

After receipt of the notification, the company shall promptly, but not later than three weekdays thereafter, publish the contents of the notification.

A similar duty, as set forth above, also applies to a company's holding of treasury shares. A Danish company with shares admitted to trading and official listing on Nasdaq Copenhagen is required to promptly, but not later than four weekdays thereafter, publish an announcement specifying the company's, direct or indirect, holding of treasury shares, when the holding reaches, exceeds or falls below the thresholds of 5% or 10% of the voting rights or the nominal value of the share capital. This duty applies regardless of whether the company holds the treasury shares itself or through a person acting in his/her/its own name but on the company's behalf.

Furthermore, the general duty of notification under Section 55 of the Danish Companies Act (in Danish: *selskabsloven*) in respect of notification of significant holdings (similar to the thresholds set out in Section 38 of the Danish Capital Markets Act (in Danish: *kapitalmarkedsloven*)) applies, including when the limit of 100% of the share capital's voting rights or nominal value of the company is reached or are no longer reached. Section 58 of the Danish Companies Act (in Danish: *selskabsloven*) provides that a company shall publish information related to major shareholdings received pursuant to Section 55 of the Danish Companies Act (in Danish: *selskabsloven*) in an electronic public register of shareholders which is kept by the Danish Business Authority (in Danish: *Erhvervs-styrelsen*).

Short selling

The Short Selling Regulation (236/2012/EU) includes certain notification requirements in connection with short selling and imposes restrictions on uncovered short selling of shares admitted to trading on a trading venue (including Nasdaq Copenhagen).

When a natural or legal person reaches or falls below a net short position of 0.2% of the issued share capital of a company that has shares admitted to trading on a trading venue, such person shall notify the relevant competent authority, which in Denmark is the Danish FSA (in Danish: *Finanstilsynet*). The obligation to notify, moreover, applies in each case where the net short position reaches or falls below each 0.1% threshold above the 0.2% threshold. In addition, when a natural or legal person reaches or falls below a net short position of 0.5% of the issued share capital of a company that has shares admitted to trading on a trading venue and each 0.1% threshold above that, such person shall make a public announcement of its net short position. The notification requirements apply to both physical and synthetic short positions. In addition, uncovered short selling (naked short selling) of shares admitted to trading venue is prohibited.

A natural or legal person is prohibited from entering into a short sale of shares admitted to trading on a trading venue unless one of the following conditions is satisfied: (i) the natural or legal person has borrowed the share or has made alternative provisions resulting in a similar legal effect; (ii) the natural or legal person has entered into an agreement to borrow the share or has another absolutely enforceable claim under contract or property law to be transferred ownership of a corresponding number of securities of the same class so that settlement can be effected when it is due; or (iii) the natural or legal person has an arrangement with a third-party under which that third-party has confirmed that the share has been located and has taken measures vis-à-vis third parties necessary for the natural or legal person to have a reasonable expectation that settlement can be effected when it is due. Certain exemptions apply to the prohibition, such as in the case of market-makers or in connection with stabilization in accordance with the Commission Delegated Regulation (EU) 2016/1052.

Mandatory tender offers

The Danish Capital Markets Act (in Danish: *kapitalmarkedsloven*) and the Danish Executive Order no. 636 of 15 May 2020 on Takeover Bids (in Danish: *bekendtgørelse om overtagelsestilbud*) includes rules concerning public offers for the acquisition of shares admitted to trading on a regulated market (including Nasdaq Copenhagen).

If a shareholding is transferred, directly or indirectly, in a company with one or more share classes admitted to trading on a regulated market, to an acquirer or to persons acting in concert with such acquirer, the acquirer and the persons acting in concert with such acquirer, if applicable, shall give all shareholders of the company the option to dispose of their shares on identical terms, if the acquirer, or the persons acting in concert with such acquirer, as a result of the transfer, gains control over the company as a result of the transfer.

Control exists if the acquirer, or persons acting in concert with such acquirer, directly or indirectly, holds at least one-third of the voting rights in the company, unless it can be clearly proven in special cases that such ownership does not constitute control. An acquirer, or persons acting in concert with such acquirer, who does not hold at least one- third of the voting rights in a company, nevertheless has control when the acquirer has or persons acting in concert with such acquirer have:

(i) the right to control at least one-third of the voting rights in the company according to an agreement with other investors; or

(ii) the right to appoint or dismiss a majority of the members of the central governing body of the company.

Voting rights attached to treasury shares shall be included in the calculation of voting rights.

The Danish Capital Markets Act (in Danish: *kapitalmarkedsloven*) contains specific exemptions from the obligation to submit a mandatory takeover offer, including transfers of shares by inheritance or transfer within the same group and as a result of a creditor's debt enforcement proceedings. Exemptions from the mandatory tender offer rules may be granted under special circumstances by the Danish FSA (in Danish: *Finanstilsynet*).

Mandatory redemption of shares

Where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, such shareholder may, pursuant to Section 70 of the Danish Companies Act (in Danish: *selskabsloven*), decide that the other shareholders have their shares redeemed by that shareholder. In this case, the other shareholders must be asked, by notice given in accordance with the rules governing notices for general meeting, to transfer their shares to the shareholder within four weeks after the request to transfer their shares. In addition, the other shareholders shall by notice published through the Danish Business Authority's (in Danish: *Erhvervsstyrelsen*) IT system be requested to transfer their shares within the same four-week period. Specific requirements apply to the contents of the notices to the other shareholders regarding the redemption. If the redemption price cannot be agreed upon, the redemption price must be determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Companies Act (in Danish: *selskabsloven*). However, the redemption price will be deemed fair under any circumstances, provided that (i) the redemption takes place in continuation of a voluntary tender offer by which the bidder obtained at least 90% of the share capital carrying voting rights, or (ii) the redemption takes place after a mandatory tender offer. To the extent any minority shareholders have not transferred their shares to the acquiring shareholder before the expiry of the four-week period, the redeeming shareholder shall, as soon as possible thereafter, via VP Securities, as the issuing central securities depository, pay the amount required for redemption to the remaining minority shareholders. Upon payment through VP Securities, the shares of such minority shareholders will have been redeemed and the minority shareholders shall in such case through the Danish Business Authority's (in Danish: *Erhvervsstyrelsen*) IT system be notified that the right to require determination of the redemption price by the independent expert expires at the end of a period, which cannot be less than three months pursuant to Section 72 of the Danish Companies Act (in Danish: *selskabsloven*). Expenses relating to the determination of the redemption price must be paid by the shareholder requesting such determination. If the valuation is higher than that offered by the redeeming shareholder, the court may order the redeeming shareholder to pay the expenses relating to determination of the redemption price in full or in part.

Furthermore, where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, the other shareholders may require such shareholder to acquire their shares pursuant to Section 73 of the Danish Companies Act (in Danish: *selskabsloven*). If the redemption price cannot be agreed upon, the redemption price must be determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Companies Act (in Danish: *selskabsloven*). Expenses relating to the determination of the redemption price must be paid by the shareholder requesting such determination. If the valuation is higher than that offered by the redeeming shareholder, the court may order the redeeming shareholder to pay the expenses relating to determination of the redemption price in full or in part.

Disclosure requirements for companies admitted to trading and official listing on Nasdaq Copenhagen

As a company with its securities admitted to trading on a regulated market, the Company will under Regulation (EU) no. 596/2014 on Market Abuse (the "**Market Abuse Regulation**") and the Issuer Rules of Nasdaq Copenhagen be obliged to inform the public and the Danish FSA (in Danish: *Finanstilsynet*) of inside information, as defined in Article 7 of the Market Abuse Regulation, as soon as possible if such information directly concerns the Company. Inside information must be disclosed as soon as possible unless the Company is in a position to delay such disclosure to the public with reference to Article 17(4) of the Market Abuse Regulation.

In addition, the Company will be obliged to disclose certain other information to the public pursuant to the Danish Capital Markets Act (in Danish: *kapitalmarkedsloven*), the Danish Executive Order no. 1173 of 31 October 2017 on Issuers' Duty to Provide Information and the Issuer Rules of Nasdaq Copenhagen (in Danish: *bekendtgørelse om udstederes oplysningsforpligtelser*), regardless of whether this information amounts to inside information.

Plan of Distribution

The Offering

The Company and the Managers have entered into an underwriting agreement on □ June 2021 (the "**Underwriting Agreement**"). Subject to certain conditions set forth in the Underwriting Agreement, including, but not limited to, the execution and delivery by the Company and the Managers of an agreement relating to the number of Offer Shares and the Option Shares (the "**Allocation Agreement**") as well as the approval by the Danish FSA (in Danish: *Finanstilsynet*) of this Prospectus and the delivery to the Managers of certain customary legal opinions and comfort letters, the Company has agreed to issue, to the subscribers procured by the Managers or, failing which, to the Managers themselves; and each of the Managers, severally but not jointly, will agree to procure subscribers for, or failing such procurement, to subscribe from the Company the percentage of total number of Offer Shares offered listed opposite such Manager's name below.

Managers	**Percentage of Offer Shares**
ABG Sundal Collier	33.33%
Carnegie	33.33%
J.P. Morgan	33.33%
Total	**100%**

The Underwriting Agreement provides that the obligations of the Managers are subject to: (i) entry into the Allocation Agreement between the Company and the Managers, which will contain the the exact number of Offer Shares; (ii) receipt of opinions on certain legal matters from counsel; and (iii) certain other conditions, including receipt of auditor letters and reports and officer certificates. The Company has agreed to indemnify the Managers against certain losses and liabilities arising out of or in connection with the Offering.

The Underwriting Agreement provides that, upon the occurrence of certain events, such as the general suspension of all trading on Nasdaq Copenhagen, a material adverse change in the Company's business, results of operations or financial condition or in the financial markets and under certain other conditions, the Managers may elect to terminate their several commitments and have the right to withdraw from the Offering before settlement of the Offering (i.e. payment for and settlement of the Offer Shares by way of delivery of Temporary Purchase Certificates). If the Managers elect to terminate their several commitments, the Offering may be cancelled, and if it is cancelled, no Temporary Purchase Certificates or Offer Shares will be delivered. All dealings in the Temporary Purchase Certificates and/or the Offer Shares prior to settlement of the Offering are at the sole risk of the parties concerned.

Pursuant to the Underwriting Agreement, the Company has granted the Stabilization Manager on behalf of the Managers an option to subscribe for an aggregate of up to an additional 4,125,000 Option Shares, solely to cover overallotments or short positions, if any, exercisable for a period of 30 days after Admission. The number of Option Shares will be adjusted if less than the maximum number of Offer Shares (excluding the Option Shares) is subscribed for in the Offering, such that the number of Option Shares will equal 15% of the number of Offer Shares (excluding the Option Shares). If any Option Shares are agreed to be subscribed for under this option, each Manager will be obligated, subject to certain conditions contained in the Underwriting Agreement, to subscribe for a number of additional Option Shares proportionate to that Manager's initial percentage of Offer Shares reflected in the table above, and the Company will be obligated to issue a number of new Shares proportionate to the additional Option Shares over which it has granted this option. The Principal Shareholder has agreed with the Managers that the Principal Shareholder will make available a number of existing Shares equal to the number of Option Shares for purposes of delivery of the Offer Shares to investors in connection with the Overallotment Option.

Subscribers for the Offer Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Offer Price.

Prior to the Offering, there has been no public market for the Shares. Application has been made for the Temporary Purchase Certificates to be admitted to trading and for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen. The Admission is subject to, among other things, Nasdaq Copenhagen's approval of the Offering and the Company making an announcement to that effect.

The Offer Shares are expected to be delivered on or around 24 June 2021 by way of delivery of Temporary Purchase Certificates against payment in immediately available funds in DKK to investors' accounts with VP Securities and through the facilities of Euroclear and Clearstream. Subject to completion of the Offering and registration of the Offer Shares with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*), the Temporary Purchase Certificates will automatically be exchanged for a corresponding number of Shares, which are expected to be delivered two business days after the Settlement Date in book-entry form to the holder of the Temporary Purchase Certificates' account with VP Securities and through the facilities of Euroclear and Clearstream. Trading in the Temporary Purchase Certificates is expected to commence on 22 June 2021 provided that the announcement of the results of the Offering and allocation has been published through Nasdaq Copenhagen no later than 7:30 (CET) on 22 June 2021. The last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 24 June 2021. The first day of trading of the Shares on Nasdaq Copenhagen under the permanent ISIN is expected to be 25 June 2021. In connection with the Temporary Purchase Certificates being automatically exchanged for Shares, the Temporary Purchase Certificates will cease to exist. All dealings in the Temporary Purchase Certificates and/or the Offer Shares prior to settlement of the Offering will be for the account of and at the sole risk of the parties involved.

In connection with the Offering, the Company has received undertakings subject to certain conditions from the following investors (the "**Cornerstone Investors**") to subscribe for Offer Shares at the Offer Price for an aggregate amount of DKK 570 million, corresponding to 51.8% of the Offer Shares (excluding the Option Shares). The undertakings of the Cornerstone Investors are divided as follows: ATP will invest DKK 200 million, Vækstfonden will invest DKK 100 million, Nordea Asset Management on behalf of certain clients will invest DKK 100 million, BankInvest on behalf of certain clients will invest DKK 100 million, Spar Nord will invest DKK 45 million, and MK Ventures will invest DKK 25 million. The Cornerstone Investors will receive full allocation of their commitments.

Additionally, pursuant to the Convertible Loan Agreement, as further described in "*Business – Material contracts entered into by the Company outside the ordinary course of business – Convertible Loan Agreement*", the Principal Shareholder, APMHI and Norlys Holding together have undertaken to subscribe for Offer Shares in the Offering for a total subscription amount of EUR 10.50 million (exchanged to DKK 78,083,200), corresponding to 7.1% of the Offer Shares (excluding the Option Shares). Moreover, certain members of the Board of Directors have undertaken to subscribe for a total of DKK 7.75 million in the Offering. The individual commitments of the relevant members of the Board of Directors are set out in "*Ownership Structure – Table of shareholders*". The Principal Shareholder, APMHI, Norlys Holding and the relevant members of the Board of Directors will also receive full allocation of their commitments.

The aggregate investment commitments from Cornerstone Investors, existing shareholders and certain members of the Board of Directors are approximately DKK 656 million.

In connection with the Offering, the Managers and any affiliates acting as investors for their own account may take up the Shares and in that capacity may retain, purchase or sell the Shares, for their own account and may offer or sell such securities otherwise than in connection with the Offering, in each case, in accordance with applicable law. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

No action has been or will be taken in any jurisdiction other than Denmark that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of such country or jurisdiction.

Prior to the Offering, the Shares have never been listed, and there is currently no public market for the Shares or the Temporary Purchase Certificates. The Offer Price has been determined by the Board of Directors in consultation with the Joint Global Coordinators, on the basis of a number of factors, including the following:

- the orders, in terms of price and quantity, received from potential institutional and retail investors;
- prevailing market conditions;
- the Company's historical, operational and financial performance;
- estimates of the Company's business potential and earning prospects; and

- the market valuation of publicly traded common shares of comparable companies.

The results of the Offering are expected to be announced no later than at 7:30 (CET) on 22 June 2021. There can be no assurance that an active trading market will develop for the Shares or that the Shares will trade in the public market after the Offering at, or above, the Offer Price. See also *"Risk Factors – Risks Relating to the Offering and the Shares"*.

Lock-up arrangements

The Company has agreed with the Managers that it will not, except as set forth below, for a period of 180 days from Admission, without the prior written consent of the Managers: (i) issue, offer pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (or publicly announce such action), directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) submit to the Company's shareholders a proposal to effect any of the foregoing. The foregoing shall not apply to the issue of Offer Shares and the grant and transfer of Shares or share-based instruments in connection with the terms of the Company's incentive programs as described in this Prospectus.

The Principal Shareholder, APMHI and Norlys Holding have agreed with the Managers that they will not, except as set forth below, for a period starting on the date hereof and until (a) 180 days after Admission, without the prior written consent of the Managers, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of (or publicly announce such action), directly or indirectly, any of their Lock-Up Shares (the total number of Lock-Up Shares held by the Principal Shareholder, Norlys Holding and APMHI being 40,633,506 Shares) held as of Admission (excluding any Offer Shares subscribed for in connection with the Offering), or any securities convertible into or exercisable or exchangeable for Lock-Up Shares; or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Lock-Up Shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Lock-Up Shares or such other securities, in cash or otherwise; or (b) 180 days after Admission, without the prior written consent of the Managers, propose any general meeting of the Company, or convene or take action to convene any general meeting for the purpose of proposing, any resolution of the Company authorizing the issue of any Shares or warrants to subscribe for Shares.

The lock-up arrangements in respect of the Principal Shareholder, APMHI and Norlys Holding will not apply, among other exceptions, to (i) any sale or transfer of Shares to their direct or indirect shareholders or any wholly-owned subsidiaries, (ii) any sale or transfer of Shares to a related party, (iii) any sale or transfer to which the written consent of the Managers has been obtained, (iv) any sale or transfer of Shares subscribed for or acquired in connection with the Offering or on or after the Admission, (v) the lending of Shares under the share lending agreement;; (vi) any sale of subscription rights received in connection with a rights issue or other pre-emptive share offering by the Company; (vii) any sale or transfer of Shares in accordance with any order made by a court of competent jurisdiction or required by law or regulation; (viii) transfer of any Shares related to (a) an acceptance of a takeover offer for Shares in the Company; or (b) the provision of an irrevocable undertaking to accept such an offer; or (ix) an offer by or on behalf of the Company to repurchase Shares in connection with a general buy-back program.

In addition, the members of the Board of Directors, Executive Management and Key Employees who hold Shares in the Company have agreed with the Company that, for a period of 360 days from the date of Admission, in respect of the Shares owned as of Admission, they will be subject to substantially the same restrictions as those of the Principal Shareholder, APMHI and Norlys Holding as set forth above. The Lock-Up Shares held by members of the Board of Directors, Executive Management and Key Employees comprise a total of 2,495,425 Shares. Moreover, the lock-up arrangements in respect of the members of the Board of Directors, Executive Management and Key Employees also apply to the 1,934,800 Continuing Pre-IPO Warrants held by these individuals (and which will in any event not vest until 360 days after the Admission).

Price stabilization and short positions

In connection with the Offering, Carnegie, as the Stabilization Manager, or its agents, on behalf of the Managers, may engage in transactions that stabilize, maintain or otherwise affect the price for up to 30 days from the Admission. Any profits from stabilization actions will be afforded to the Company.

Specifically, the Managers, the Company have agreed that the Stabilization Manager on behalf of the Managers may over allot Offer Shares by accepting offers to subscribe for a greater number of Offer Shares than for which they are obligated to procure subscribers under the Underwriting Agreement, creating a short position. A short sale is covered if the short position is no greater than the number of Offer Shares available for subscription by the Stabilization Manager on behalf of the Managers under the Overallotment Option.

The Managers can close out a covered short sale by exercising the Overallotment Option or purchasing Shares in the open market. In determining the source of Shares to close out a covered short sale, the Managers will consider, among other things, the open market price of Shares compared to the price available under the Overallotment Option.

As an additional means of facilitating the Offering, the Stabilization Manager or its agent may effect transactions to stabilize the price of the Shares. These activities may support the market price of the Offer Shares at a level higher than that which might otherwise prevail. Such transactions may be effected on Nasdaq Copenhagen, in the over-the-counter markets or otherwise.

The Stabilization Manager and its agents are not required to engage in any of these activities, and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilization Manager or its agents may end any of these activities at any time, and they must be brought to an end at the end of the 30-day period mentioned above. Save as required by law or regulation, the Stabilization Manager does not intend to disclose the extent of any stabilization transactions under the Offering.

Other relationships

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the Managers and their respective affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with the Company or any of the Company's or respective related parties. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. The Managers have received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with potential investors' and the Company's interest.

In addition, in the ordinary course of business, the Managers and their respective affiliates may make or hold a broad array of investments including serving as counterparties to certain derivative and hedging arrangements and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers; and such investment and securities activities may involve securities and/or instruments of the Company. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling and Transfer Restrictions

United States

The Offer Shares are being offered only outside the United States in reliance of Regulation S of the U.S. Securities Act. The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States. The Offer Shares may not be offered, sold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

European Economic Area

In relation to each Relevant State, no Offer Shares have been offered or will be offered pursuant to the International Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Offer Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Offer Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to subscribe for any Offer Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

In relation to the United Kingdom, no Offer Shares have been offered or will be offered pursuant to the International Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the Financial Conduct Authority in the United Kingdom in accordance with the UK Prospectus Regulation and the FSMA, except that offers of the Offer Shares may be made to the public in the United Kingdom at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

a) to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

c) at any time in other circumstances falling within section 86 of the FSMA,

provided that no such offer of Offer Shares shall require the Company or any Manager to publish a prospectus pursuant to Section 85 of the FSMA or Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to subscribe for any Offer Shares, the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, and the expression "**FSMA**" means the Financial Services and Markets Act 2000.

In the United Kingdom, this Prospectus is for distribution only to, and is directed only at, qualified investors (as defined in the UK Prospectus Regulation) who: (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**FSMA Order**"); (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FSMA Order; or (iii) are other persons to whom they may otherwise lawfully be communicated (all such persons, together being referred to as "**relevant persons**"). In the United Kingdom, this Prospectus is directed only at relevant persons and must not be acted on or relied on by anyone who is not a relevant person. In the United Kingdom, any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

Canada

The Offer Shares are not being offered and may not be sold to any purchaser in a province or territory of Canada other than the provinces of Alberta, British Columbia, New Brunswick, Nova Scotia, Ontario, Prince Edward Island and Quebec.

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offering.

General

No action has been or will be taken in any country or jurisdiction other than Denmark that would, or is intended to, permit a public offering of the Offer Shares, or the possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Prospectus comes are required by the Company and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Offer Shares or have in their possession or distribute such offering material, in all cases at their own expense. Neither the Company nor the Managers accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of any of the Offer Shares, of any such restrictions.

Legal Matters

Certain legal matters in connection with the Offering will be passed upon for the Company by Bech-Bruun Law Firm P/S, Danish legal counsel to the Company and by Fried, Frank, Harris, Shriver & Jacobson (London) LLP, United States legal counsel to the Company. Certain legal matters in connection with the Offering will be passed upon for the Managers by Plesner advokatpartner-selskab, Danish legal counsel to the Managers.

State Authorized Public Accountants

The Company's independent auditors

The name and address of Green Hydrogen Systems A/S' independent auditors are as follows:

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
(Company registration (CVR) no. 33771231)
Strandvejen 44
DK-2900 Hellerup
Denmark

PricewaterhouseCoopers was elected as auditor at the extraordinary general meeting by the shareholders on 30 December 2020, reelected on the annual general meeting on 7 April 2021, and is a member of FSR – Danish Auditors (in Danish "*FSR – Danske Revisorer*"), which is Denmark's trade organization of auditing, accounting, tax and corporate finance.

The Board of Directors had prior to nomination of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab ("**PwC**") emphasized the following criteria for election of auditor for the Company: extensive experience with Danish publicly listed companies, proactive approach to advisory and audit services, efficient audit process, and competent and skilled auditors.

PwC is represented by Rasmus Friis Jørgensen, State Authorized Public Accountant (mne28705), and Jacob Brinch, State Authorized Public Accountant (mne35447), both members of FSR – Danish Auditors (FSR – danske revisorer).

The Interim Financial Statement of the Company for the period 1 January 2021 – 31 March 2021 comprising statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement as well as selected explanatory notes, including summary of significant accounting policies, which have been reviewed by the Company's independent auditors, PwC as stated in their report appearing therein, have been prepared for and included in this Prospectus.

Rasmus Friis Jørgensen, State Authorized Public Accountant (mne28705) and Jacob Brinch, State Authorized Public Accountant (mne35447) both from PwC, have performed a review of and signed the Interim Financial Statement of the Company for the period 1 January 2021 – 31 March 2021.

The audited Financial Statements of the Company as at and for the year ended 31 December 2020 with comparative figures as at and for the years ended 31 December 2019 and 31 December 2018, which have been audited by the Company's independent auditors, PwC, as stated in their report appearing therein, have been prepared for and included in this Prospectus.

Rasmus Friis Jørgensen, State Authorized Public Accountant (mne28705) and Jacob Brinch, State Authorized Public Accountant (mne35447) both from PwC, have audited and signed the financial statements of the Company for the financial year ended 31 December 2020 with comparison figures for the period 1 December 2019 to 31 December 2019, prepared in accordance with IFRS.

The previous external auditors of Green Hydrogen Systems A/S were:

BDO Statsautoriseret revisionsaktieselskab
(Company registration (CVR) no. 20222670)
Kystvejen 29
DK-8000 Aarhus C
Denmark

Jesper Steensbjerre, State Authorized Public Accountant (mne3167), from BDO Statsautoriseret revisionsaktieselskab, have audited and signed the financial statements of the Company for the financial years 1 December 2017 – 30 November 2018, 1 December 2018 – 30 November 2019 and 1 December – 31 December 2019, prepared in accordance with the Danish Financial Statements Act (in Danish: *årsregnskabsloven*).

Additional Information

Name, registered office and date of incorporation

Green Hydrogen Systems A/S
Nordager 21
DK-6000 Kolding
Denmark
Telephone: +45 7550 3500
Website: www.greenhydrogen.dk

The Company was incorporated in Denmark as a public limited liability company under the laws of Denmark on 20 June 2007.

The registered office of the Company is located in the municipality of Kolding at Nordager 21, DK-6000 Kolding, Denmark.

Information on the Company's website does not form part of and is not incorporated by reference into this Prospectus.

Registration

The Company is registered with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*) under registration (CVR) no. 30548701 and its LEI is 984500COESDF699DEC11.

Objective of the Company

Pursuant to article 2.1 of the Articles of Association, the Company's objects are development, production, sale, installation, operation and servicing of hydrogen systems, production and sale of hydrogen and any related activities.

General meetings

The general meeting is the ultimate authority in all matters relating to the Company, subject to the limitations in Danish law and the Articles of Association. See "*Description of the Shares and Share Capital—General meetings and voting rights*".

Share issuing agent

The Company's share issuing agent is:

Sydbank A/S
Company reg. no. 12 62 65 09
Peberlyk 4
DK-6200 Aabenraa
Denmark

Glossary

The following explanations are not intended as exhaustive technical definitions and are provided purely for assistance in understanding certain terms as used in this Prospectus.

Industry and business glossary

"AEM"	anion exchange membrane – a polymer membrane capable of conducting negatively charged ions
"Alkaline electrolysis"	electrolysis performed with an alkaline electrolyte. Alkaline means that the conducting electrolyte is alkaline (pH > 7)
"Ammonia"	chemical compound with the formula NH_3
"A-Series"	the Company's HyProvide™ A-series is a series of complete alkaline electrolyser modules
"Blue hydrogen"	hydrogen produced using the same methods as grey hydrogen, but approximately 90% of emissions (CO and CO_2) are captured and stored underground (CCS) or captured and used (CCU)
"CCS"	carbon capture and storage – a process where otherwise emitted CO_2 is captured and stored underground
"CCU"	carbon capture and utilization – process where emitted CO_2 is captured and used for e.g. electrolysis
"Cell"	two electrodes typically separated by a membrane submerged in electrolyte. A single unit of a stack
"CFD"	computational fluid dynamics – a method for simulating and analyzing fluid flows and behavior applied by the Company to simulate the stack operations
"Danish Act on Damage to the Environment"	Consolidated Act no. 277 of 27 March 2017 on the assessment, prevention and remediation of environmental damages, as amended (in Danish: *miljøskadeloven*)
"Danish Electricity Supply Act"	Consolodated Act no. 119 of 6 February 2020 on the supply of electricity, as amended (in Danish: *elforsyningsloven*)
"Danish Environmental Protection Act"	Consolidated Act no. 1218 of 25 November 2019 on the protection of the environment, as amended (in Danish: *miljøbeskyttelsesloven*)
"Danish Executive Order on Technical Regulations for Gasses"	Executive Order no. 1444 of 15 December 2010 on technical regulations for gasses (in Danish: *bekendtgørelse om tekniske forskrifter for gasser*)
"Danish Executive Order on Work with Chemical Agents"	Executive Order no. 1793 of 18 December 2015 on work with substances and materials (chemical agents), as amended (in Danish: *bekendtgørelse om arbejde med stoffer og materialer (kemiske agenser)*)
"Danish Gas Safety Act"	Act no. 61 of 30 January 2018 on the safety of gas facilities, gas installation and gas equipment, as amended (in Danish: *gassikkerhedsloven*)

"Danish Soil Contamination Act"	Consolidated Act no. 282 of 27 March 2017 on contaminated soil, as amended (in Danish: *jordforureningsloven*)
"Danish Working Environment Act"	Consolidated Act no. 674 of 25 May 2020 on working environment, as amended (in Danish: *arbejdsmiljøloven*)
"Decarbonization"	the process of reducing or eliminating the use and emission of carbon dioxide (CO_2) from energy sources and various applications
"Dimethyl ether"	organic compound with the formula CH_3OCH_3
"Electrification"	the process of powering by electricity, including the introduction of electrical power by changing over from an earlier power source
"Electrode"	electrical conductor that makes direct contact with the electrolyte
"Electrolysis"	process by which electric current is passed through a substance to drive a chemical reaction
"Electrolyte"	solution with dissolved ions capable of conducting electricity
"Electrolyser"	device capable of doing electrolysis
"EPC"	engineering, procurement and construction, e.g. turnkey/full-service solutions for various projects
"European Green Deal"	a set of policy initiatives by the European Commission with the overarching aim of making Europe climate neutral by 2050
"ESG"	Environmental, Social and Governance
"E-fuels"	electrofuels - colloquial term for various synthetic fuels made by storing renewable energy in chemical compounds
"FCH JU"	the Fuel Cells and Hydrogen Joint Undertaking
"FCV"	fuel cell vehicle, e.g. a vehicle with a fuel cell transforming hydrogen to electricity
"Fossil fuels"	fuels such as petroleum (oil), coal, natural gas which contain high percentages of carbon, including carbon dioxide ($CO_{2)}$ that are released when the fuels are combusted
"Gasification"	conversion of fossil fuels and biomass into gaseous products, e.g. hydrogen (H_2), nitrogen (N_2), carbon mono oxide (CO) and carbon dioxide (CO_2)
"GHG"	greenhouse gas
"GreenLab Skive"	a green industrial business park located in Skive, Denmark
"GreenLab Skive MSA"	the master supply agreement concerning the Company's supply of electrolysis systems to certain other participants in the GreenLab Skive project
"Green hydrogen"	hydrogen produced from electrolysis where the electricity is provided by renewable energy sources

"Grey hydrogen"	fossil-based hydrogen often produced from steam reforming – a process where methane is heated with water vapor to form hydrogen and CO and CO_2
"Grid"	electrical grid – interconnected network delivering electricity
"Grid stabilization"	the mitigation of fluctuations in electricity supply and demand
"Hydrogen"	chemical element with the symbol H and atomic number 1
"IEA"	the International Energy Agency
"IRENA"	the International Renewable Energy Agency
"Ion"	chemical compound with either a positive or negative electric charge (cation and anion respectively)
"IT"	Information Technology
"Kerosene"	organic compound with high energy density
"LCOH"	levelized cost of hydrogen – an indicator of the unit cost of production of hydrogen
"Methanol"	chemical compound with the chemical formula CH_3OH
"OEM"	Original Equipment Manufacturer
"Paris Agreement"	the 2015 Paris Agreement under the United Nations Framework Convention on Climate Change
"PEM"	proton exchange membrane – a polymer membrane capable of conducting protons and other positively charged ions
"Power-to-X"	the conversion of electrical energy into various chemical compounds and fuels, such as ammonia, gas, e-fuels, etc.
"Reforming"	a chemical process where products from crude oil is converted into end gasoline and similar products
"Renewable energy"	energy produced from renewable resources such as sunlight, wind and water currents through **renewable energy plants**, e.g. wind farms, solar plants and hydropower plants
"R&D"	research and development
"SCM Agreement"	the World Trade Organization's Agreement on Subsidies and Countervailing Measures
"SMR"	steam methane reforming, a method to produce grey hydrogen using natural gas and water
"SOEC"	solid oxide electrolysis cell
"Stack"	multiple cells connected in series

"X-Series"	multi-MW electrolyser platform developed by the Company
"UN"	United Nations
"Volumetric energy density"	energy contained in a compound per volume
"Water electrolysis"	electrolysis where water (H_2O) is split into its elements, hydrogen (H_2) and oxygen O_2

Prospectus and Offering glossary

"ABG Sundal Collier"	ABG Sundal Collier Denmark, Filial af ABG Sundal Collier ASA, Norge, CVR no. 28136536
"Admission"	admission of the Temporary Purchase Certificates to trading and official listing on Nasdaq Copenhagen
"Allocation Agreement"	agreement between the Company and Managers relating to the number of Offer Shares and Option Shares
"APMHI"	APMH Invest XI ApS, CVR-no. 41840404 and registered address at Esplanaden 50, DK-1263 Copenhagen K, Denmark
"APMs"	alternative performance measures
"Articles of Association"	the articles of association of the Company, dated 3 June 2021
"Audit Committee"	the audit committee of the Board of Directors, described in "*Board Practices—Board practices and committees*"
"Board of Directors"	the Board of Directors of the Company at any given date
"Carnegie"	Carnegie Investment Bank, Filial af Carnegie Investment Bank AB (PUBL), Sverige, CVR no. 35521267
"CET"	Central European Time
"Chairperson" or **"Chairman"**	the Chairperson of the Board of Directors of the Company, currently Thyge Boserup as Chairman
"Clearstream"	Clearstream Banking, S.A.
"Company"	Green Hydrogen Systems A/S
"Continuing Pre-IPO Warrants"	such number of Pre-IPO Warrants that will continue after the Offering (e.g., not vest in connection with the Offering)
"Cornerstone Investors"	Arbejdsmarkedets Tillægspension (ATP), BI Asset Management Fondsmæglerselskab A/S on behalf of certain clients (BankInvest), MK Ventures ApS, Nordea Investment Management AB on behalf of its clients (Nordea Asset Management), Spar Nord Bank A/S and Vækstfonden
"Corporate Governance Recommendations"	the Recommendations on Corporate Governance of the Danish Committee on Corporate Governance issued on 2 December 2020

"Danish Capital Markets Act"	Consolidated Act no. 1767 of 27 November 2020 on Capital Markets, as amended (in Danish: *kapitalmarkedsloven*)
"Danish Central Bank"	Danmarks Nationalbank
"Danish Companies Act	Consolidated Act no. 763 of 23 July 2019 on limited liability companies, as amended (in Danish: *selskabsloven*)
"Danish Executive Order on Issuers' Duty to Provide Information"	Executive Order no. 1173 of 31 October 2017 on issuers' duty to provide information (in Danish: *bekendtgørelse om udstederes oplysningsforpligtelser*)
"Danish Executive Order on Major Shareholders"	Executive Order no. 1172 of 31 October 2017 on major shareholders (in Danish: *storaktionærbekendtgørelsenbekendtgørelse om storaktionærer*)
"Danish Executive Order on Takeover Bids"	Executive Order no. 636 of 15 May 2020 on takeover bids (in Danish: *bekendtgørelse om overtagelsestilbud*)
"Danish Financial Statements Act"	Consolidated Act no. 838 of 8 August 2019 on annual financial statements, as amended (in Danish: *årsregnskabsloven*)
"Danish FSA"	Danish Financial Supervisory Authority (in Danish: *Finanstilsynet*)
"Danish Offering"	an initial public offering to retail and institutional investors in Denmark
"Danish Pension Yield Tax Act"	Consolidated Act no. 185 of 6 March 2020 on the taxation of pension yields, as amended (in Danish: *pensionsafkastbeskatningsloven*)
"Danish Tax Agency"	Skattestyrelsen
"DKK" or "Danish kroner"	Danish kroner, the lawful currency of Denmark
"EEA"	European Economic Area
"EU"	European Union
"euro", "EUR" or "€"	euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community
"Euroclear"	Euroclear Bank S.A./N.A., as operator of the Euroclear System
"Executive Management"	the executive management of the Company as registered with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*)
"Financial Statements"	the audited financial statements of the Company as at and for the year ended 31 December 2020 with comparative figures as at and for the years ended 31 December 2019 and 2018
"FSMA Order"	The Financial Services and Markets Act of 2000 (Financial Promotion) Order 2005, as amended
"GDPR"	the EU General Data Protection Regulation (Regulation (EU) 2016/679)

"Group Shares"	shares in a company in which the company shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law
"IAS 34"	International Accounting Standard no. 34 on "Interim Financial Reporting" as adopted by the EU
"IFRS"	International Financial Reporting Standards as adopted by the EU
"Interim Financial Statement"	the Company's financial statement for the first quarter of 2021
"International Offering"	the private placements to institutional investors in the rest of the world (excluding the United States)
"IPO"	Initial Public Offering
"Issuer Rules of Nasdaq Copenhagen"	Nordic Main Market Rulebook for Issuers of Shares on Nasdaq Copenhagen of 1 February 2021
"Joint Bookrunners"	the Joint Global Coordinators
"Joint Global Coordinators"	ABG Sundal Collier, Carnegie and J.P. Morgan
"J.P. Morgan"	J.P. Morgan AG, Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany
"Key Employees"	Jørgen Krogsgaard Jensen, Søren Rydbirk and Troels Hornsved
"Lock-Up Shares"	Any Shares subject to a lock-up arrangement
"LTIP"	The Company's long-term incentive plan
"Managers"	the Joint Global Coordinators and the Joint Bookrunners
"Market Abuse Regulation"	Regulation (EU) no. 596/2014 on Market Abuse
"MiFID II"	EU Directive 2014/65/EU on markets in financial instruments, as amended
"MiFID II Product Governance Requirements"	collectively, (a) MiFID II, (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and (c) local implementing measures
"Nasdaq Copenhagen"	Nasdaq Copenhagen A/S, CVR no. 19042677
"NI 33-105"	National Instrument 33-105 Underwriting Conflicts
"Nordnet Bank"	Nordnet Bank, filial af Nordnet Bank AB, Sverige, CVR-no. 32301908 with registered address at Havneholmen 25, 7., DK-1561 Copenhagen V
"Norlys Holding"	Norlys Holding A/S, CVR-no. 25482190 with registered address at Tietgensvej 4, DK-8600 Silkeborg, Denmark
"Offer Period"	8 June 2021 to 21 June 2021 at 17:00 (CET) unless the Offering is closed earlier

“Offer Price”	DKK 40 per Offer Share at which the Offer Shares will be subscribed for
“Offer Shares”	such number of new Shares that are being offered by the Company as will raise gross proceeds of DKK 1,100 million in the Offering (excluding the Overallotment Option)
“Offering”	the offering of 27,500,000 Offer Shares of DKK 1 nominal value each
“Option Shares”	the option granted by the Company to the Stabilization Manager on behalf of the Joint Global Coordinators to subscribe for up to 4,125,000 new Shares in the aggregate at the Offer Price
“Order 2005”	the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
“Overallotment Option”	the option granted to the Stabilization Manager on behalf of the Joint Global Coordinators by the Company to subscribe for new Shares at the Offer Price
“Permits”	approvals and permits from relevant administrative authorities
“Pre-IPO Reorganization”	the consolidation of the Company’s shares into one single share class on 1 June 2021
“Pre-IPO Warrants”	a number of warrants granted under the Company’s warrant program
“Principal Shareholder”	Nordic Alpha Partners Fund I K/S, CVR-no. 39012618 and registered address at Strandvejen 114A, DK-2900 Hellerup, Denmark
“Prospectus”	a prospectus in English prepared for the purpose of the Offering
“Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017
“PSUs”	performance share units granted under the LTIP
“Regulation S”	Regulation S under the U.S. Securities Act
“relevant persons”	persons who: (i) are investment professionals falling within Article 19(5); or (ii) falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”), of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available
“Relevant State”	any Member State of the European Economic Area (other than Denmark)
“Remuneration and Nomination Committee”	the remuneration and nomination committee of the Board of Directors, described in “*Board Practices—Board practices and committees*”
“Remuneration Policy	the remuneration policy applicable to the Board of Directors and the Executive Management of the Company approved in accordance with Section 139 of the Danish Companies Act (in Danish: *selskabsloven*)

"Settlement Date"	the date of payment for and settlement of the Offer Shares by way of delivery of Temporary Purchase Certificates expected to take place on or around 24 June 2021
"Shares"	the outstanding shares of the Company
"Short Selling Regulation"	Regulation (EU) 236/2012 of 14 March 2012 on short selling
"Subsidiary Shares"	shares owned by a company shareholder holding at least 10% of the nominal share capital of the issuing company
"Stabilization Manager"	Carnegie
"Sydbank A/S"	Sydbank A/S, CVR-no. 12626509 and registered address at Peberlyk 4, DK-6200 Aabenraa, Denmark
"Tax-Exempt Portfolio Shares"	shares not admitted to trading on a regulated market owned by a company shareholder holding less than 10% of the nominal share capital in the issuing company
"Taxable Portfolio Shares"	shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares
"Temporary Purchase Certificates"	the temporary purchase certificates representing the Offer Shares from Admission until automatic exchange for a corresponding number of Shares
"UK MiFIR"	regulation (EU) 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018
"UK MiFIR Product Governance Rules"	collectively (a) UK MiFIR and (b) the FCA Handbook Product Intervention Product Governance Sourcebook
"UK Target Market Assessment"	the assessment pursuant to the UK MiFIR Product Governance Rules of whether the Offer Shares are: (a) compatible with an end target market of investors who meet the criteria of eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR; and (b) eligible for distribution through all distribution channels as are permitted by UK MiFIR
"U.S." or "United States"	United States of America
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended
"Underwriting Agreement"	the underwriting agreement between the Company and the Managers, entered into on 7 June 2021
"Vesting Pre-IPO Warrants"	such number of Pre-IPO Warrants that will vest in connection with the Offering
"Vice Chairperson" or **"Vice Chairman"**	the Vice Chairperson of the Board of Directors, currently Troels Øberg as Vice Chairman
"VP Securities"	VP Securities A/S, CVR no. 21599336

Financial Information

Contents

Interim Financial Statement for the first quarter of 2021

Financial Statements for the year ended 31 December 2020 with comparative figures for the years ended 31 December 2019 and 2018

Management's Statement

The Executive Management and Board of Directors have today considered and adopted the Interim Financial Statements for the first quarter of 2021 for Green Hydrogen Systems A/S.

The Interim Financial Statements is prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU.

In our opinion the Interim Financial Statements give a true and fair view of the financial position at 31 March 2021 of the Company and of the results of the Company operations for the first quarter of 2021.

Kolding, 7 June 2021

Executive Management

Sebastian Koks Andreassen	Kenneth Bergstrøm-Andersen

Board of Directors

Thyge Boserup (Chairman)	Troels Øberg (Vice Chairman)
Lars Valsøe Bertelsen	Christian Clausen
Thomas Thune Andersen	Jakob Fuhr Hansen
Simon Krogsgaard Ibsen	Karen-Marie Katholm

The Independent Auditor's Review Report on Interim Financial Statements

To the readers of this Prospectus

We have reviewed the Interim Financial Statements of Green Hydrogen Systems A/S for the period 1 January 2021 – 31 March 2021 comprising statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement as well as selected explanatory notes, including summary of significant accounting policies.

Management's Responsibility for the Interim Financial Statements

Management is responsible for the preparation of interim financial statements in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and for such internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the Interim Financial Statements based on our review. We conducted our review in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish Auditor regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the Financial Statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This also requires us to comply with ethical requirements.

A review of interim financial statements in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on the Interim Financial Statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Statements are not prepared in all material respects in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU.

Copenhagen, 7 June 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705

Jacob Brinch
State Authorised Public Accountant
mne35447

STATEMENT OF PROFIT OR LOSS

DKK'000	Notes	For the period ended 31 March 2021	2020
Revenue from contracts with customers	4	320	92
Other operating income	6	276	1,340
Total revenue & operating income		**596**	**1,432**
Changes in inventory of finished goods and work in progress		976	698
Raw materials and consumables used		(3,249)	(3,183)
Work performed by the Company and capitalised		6,553	1,190
Employee costs		(23,097)	(4,701)
Other operating expenses	7	(18,239)	(2,948)
Operating profit / (loss) before depreciation, amortisation and impairment losses (EBITDA)		(36,460)	(7,512)
Depreciation and amortisation		(1,736)	(597)
Operating profit / (loss) (EBIT)		**(38,196)**	**(8,109)**
Financial expenses	8	(6,183)	(26)
Profit / (loss) before tax		**(44,379)**	**(8,135)**
Income tax	9	1,375	284
Profit / (loss) for the period		**(43,004)**	**(7,851)**

DKK'000	For the period ended 31 March 2021	2020
Earnings per share attributable to shareholders	**(1.17)**	**(0.31)**
Diluted earnings per share attributable to shareholders	**(1.17)**	**(0.31)**

STATEMENT OF COMPREHENSIVE INCOME

DKK'000	For the period ended 31 March 2021	2020
Profit / (loss) for the period	(43,004)	(7,851)
Other comprehensive income for the period	**0**	**0**
Total comprehensive income for the period	**(43,004)**	**(7,851)**

BALANCE SHEET

DKK'000	Notes	31 March 2021	31 December 2020	31 March 2020
Intangible assets	10	23,007	16,459	7,819
Property, plant and equipment	11	25,471	20,635	208
Right-of-use assets	12	37,858	14,535	600
Income tax receivables		1,375	0	0
Deposits		7,152	6,205	3,222
Total non-current assets		**94,863**	**57,834**	**11,849**
Inventories		16,736	7,611	10,226
Trade receivables		378	4,052	1,485
Income tax receivables		2,527	2,527	1,658
Prepayments		1,182	227	222
Other receivables		8,238	4,694	3,158
Cash and cash equivalents		102,629	155,953	1,229
Total current assets		**131,690**	**175,064**	**17,978**
Total assets		**226,553**	**232,898**	**29,827**

DKK'000	Notes	31 March 2021	31 December 2020	31 March 2020
Share capital		36,861	36,805	22,204
Share premium		40,022	39,328	18,115
Reserve for treasury shares		0	0	(1,020)
Reserve for development costs		16,925	12,147	5,672
Accumulated deficit		(135,456)	(92,357)	(33,332)
Total equity		**(41,648)**	**(4,077)**	**11,639**
Borrowings		175,907	170,287	3,321
Lease liabilities	12	33,179	12,303	0
Other payables		1,350	1,350	267
		210,436	183,940	3,588
Total non-current liabilities		**210,436**	**183,940**	**3,588**

Borrowings		4,428	4,089	509
Trade payables		26,524	25,358	2,589
Lease liabilities	12	4,853	2,228	602
Contract liabilities		12,355	7,889	5,645
Deferred income		2,205	3,239	3,452
Provisions		1,610	984	645
Other payables		5,789	9,248	1,158
Total current liabilities		**57,765**	**53,035**	**14,600**
Total liabilities		**268,201**	**236,975**	**18,188**
Total equity and liabilities		**226,553**	**232,898**	**29,827**

STATEMENT OF CHANGES IN EQUITY

DKK'000	Notes	Share capital	Share premium	Reserve for treasury shares	Reserve for develop-ment costs	Accumulat-ed deficit	Total equity
Equity at 1 January 2020		22,204	18,115	0	5,002	(24,787)	20,534
Profit / (loss) for the period		0	0	0	670	(8,521)	(7,851)
Other comprehensive income		0	0	0	0	0	0
Total comprehensive income for the period		**0**	**0**	**0**	**670**	**(8,521)**	**(7,851)**
Transactions with owners in their capacity as owners							
Purchase of treasury shares		0	0	(1,020)	0	(30)	(1,050)
Share-based payments	5	0	0	0	0	6	6
Total transactions with owners		0	0	(1,020)	0	(24)	(1,044)
Equity at 31 March 2020		**22,204**	**18,115**	**(1,020)**	**5,672**	**(33,332)**	**11,639**
Equity at 1 January 2021		**36,805**	**39,328**	**0**	**12,147**	**(92,357)**	**(4,077)**
Profit / (loss) for the period		0	0	0	4,778	(47,782)	(43,004)
Other comprehensive income		0	0	0	0	0	0
Total comprehensive income for the period		**0**	**0**	**0**	**4,778**	**(47,782)**	**(43,004)**
Transactions with owners in their capacity as owners							
Capital increase		56	694	0	0	0	750
Share-based payments		0	0	0	0	8,227	8,227
Transaction costs for anticipated equity issuance	5	0	0	0	0	(3,544)	(3,544)
Total transactions with owners		**56**	**694**	**0**	**0**	**4,683**	**5,433**
Equity at 31 March 2021		**36,861**	**40,022**	**0**	**16,925**	**(135,456)**	**(41,648)**

CASH FLOW STATEMENT

DKK'000	Notes	For the period ended 31 March 2021	2020
Profit/(loss) for the period		(43,004)	(7,851)
Changes in net working capital	16	(10,704)	1,810
Adjustments	16	11,900	347
Interests paid		(825)	(120)
Income taxes paid/received		0	(1)
Net cash flow from operating activities		**(42,633)**	**(5,815)**
Payment for property, plant and equipment		(4,385)	(40)
Payment for development costs and other intangible assets	10	(6,497)	(1,190)
Net cash flow from investing activities		**(10,882)**	**(1,230)**
Principal elements of lease payments		(559)	(88)
Proceeds from share issues		750	0
Purchase of treasury shares		0	(1,050)
Net cash flow from financing activities		**191**	**(1,138)**
Net cash flow for the period		**(53,324)**	**(8,183)**
Cash and cash equivalents, beginning of the period		155,953	9,412
Cash and cash equivalents at end of the period		**102,629**	**1,229**

NOTES

1. Basis of preparation of the interim financial report
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1. Basis of preparation of the interim financial report

This condensed interim financial report for the first quarter of 2021 is presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the IFRS financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below. The financial statements for 2020 of the Company provides a full description of the Company's accounting policies.

Transaction costs related to equity issuance

Qualifying transaction costs incurred in connection with issuance of equity instruments are deducted from equity. Transaction costs incurred in anticipation of an issuance of equity instruments are deducted from equity as incurred. If the equity instruments are not subsequently issued, the transaction costs will be recognised as an expense. Where the qualifying transaction costs relate to listing of existing and new shares, the part of the total transaction costs deducted from equity are based on a ratio between management's expectations about the number of new shares compared to the number of existing shares.

Changes in accounting policies

As of 31 March 2021, the Company has implemented all new or amended accounting standards and interpretations to the International Financial Reporting Standards effective as of 1 January 2021 as adopted by the EU. None of the new or amended standards or interpretations are expected to have significant impact on the financial statements.

New accounting standards

The IASB has issued several new standards and amendments not yet in effect or endorsed by the EU and therefore not relevant for the preparation of the Q1 2021 interim financial report. None of these are currently expected to have any significant impact on the financial statements of the Company when implemented.

2. Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

The judgments, estimates and the related assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. Estimates and judgements are continually evaluated.

Primary financial statement line items in which more significant accounting estimates are applied are listed in note 2 Critical accounting estimates and judgements of the financial statements for 2020.

3. Operating segments

Green Hydrogen Systems A/S serves one segment, which is inherent in the way Executive Management considers and operates the Company. The costs related to the main nature of the business, being development and production of electrolysers for on-site hydrogen production, are not attributable to any specific revenue stream or customer type and are therefore borne centrally. The results of the single reporting segment, comprising the entire company, are shown in the statements of comprehensive income.

4. Revenue from contracts with customers

The following table displays revenue by product offering:

DKK'000	For the period ended 31 March 2021	2020
Product revenue	260	22
Service and other revenue	60	70
Total revenue by product offering	**320**	**92**
Revenue recognised at a point in time	260	22
Revenue recognised over time	60	70

The following table displays revenue by product application:

	For the period ended 31 March 2021	2020
Power-to-X*	0	0
Transportation	60	70
Industry	260	22
Total revenue by product application	**320**	**92**

*Power-to-X relates to products for indirect use as the basis for the production of green fuels.

The following table displays external revenue by geographical areas:

DKK'000	For the period ended 31 March 2021	2020
Europe	320	92
Asia-Pacific	0	0
Rest of the world	0	0
Total revenue	320	92

5. Share-based payment plans

Green Hydrogen Systems A/S established the 2020 warrant program as an incentive for members of the Board of Directors, Executive Management and selected key employees. Refer to note 7 in the 2020 financial statements for further details of the warrant program.

The warrant activity in the first three months of 2021 and 2020, respectively, is outlined below:

	Number of warrants (thousands)	
DKK'000	2021	2020
Outstanding warrants at 1 January	3,454	0
Granted during the period	133	0
Forfeited during the period	(133)	0
Outstanding warrants at 31 March	**3,454**	**0**

During the first three months of 2021, 132,701 warrants (Q1 2020: nil) were granted with a weighted average exercise price of DKK 2.47 per warrant (Q1 2020: DKK nil) and a weighted average Black-Scholes fair market value of DKK 10.83 per warrant (Q1 2020: DKK nil).

No warrants were exercised during the period.

As of 31 March 2021, none of the outstanding warrants are exercisable.

The Company has in addition established a Restricted Stock Unit program as an incentive to the Company's executive board member. Refer to note 7 in the 2020 financial statements for further details.

Share-based compensation expenses related to the warrant program and RSU-program for the first three months of 2021 totaled DKK 8,227 thousand.

6. Other operating income

Government grants recognized within other income during the first three months of the period are relating to:

	For the period ended 31 March	
DKK'000	2021	2020
Government grants related to income	276	1,080
Government grants related to assets, amortized	0	260
Total government grants recognized as other operating income	**276**	**1,340**

7. Other operating expenses

	For the period ended 31 March	
DKK'000	2021	2020
Sales and marketing costs	210	475
Administration costs	1,391	783
Consultancy services costs	11,752	1,122
Other general costs	4,886	568
Total	**18,239**	**2,948**

The increase in consultancy services costs incurred in the first three months of 2021 amounting to DKK 11,752 thousand (Q1 2020: DKK 1,122 thousand) relate to non-recurring costs for external consultants in respect of the Company's expected initial public offering. Other general costs have increased over the period due to the increase of business activities and number of employees.

8. Financial expenses

DKK'000	2021	2020
	For the period ended 31 March	
Interest expense on borrowings	5,958	103
Interest expenses on lease liabilities	427	9
Foreign exchange rate adjustments, net	60	14
Fair value loss on derivatives at fair value through profit or loss	339	0
Total financial expenses	**6,784**	**126**
Of which capitalized	(601)	(100)
Net financial income and expenses	**6,183**	**26**

The fair value loss on derivatives relates to change in fair value of the conversion option liability on the EUR-denominated loan facility as well as the exit-payment derivative on the loans from the Danish Green Investment Fund. For further details about the derivatives, reference is made to note 21 to the 2020 financial statements.

9. Income taxes

Current tax on losses for the periods are originating from the tax credit scheme for research and development costs, under which the tax value of accumulated tax losses up to DKK 25 million are paid to the Company. As Management expects the Company to incur research and development costs amounting to at least 25 % of the DKK 25 million limit each quarter, the related income tax benefit is recognised on a straight-line basis.

10. Intangible assets

The intangible assets held by the Company increased primarily as a result of an increase in development projects in progress and acquisition of new software licenses.

DKK'000	Completed development projects	Other intangibles	Development projects in progress	Total
At 31 December 2020				
Cost	5,511	1,518	11,899	18,928
Accumulated amortisation and impairment	(1,837)	(632)	0	(2,469)
Carrying amount 31 December 2020	**3,674**	**886**	**11,899**	**16,459**
Three months ended 31 March 2021				
Cost:				
At 1 January 2021	5,511	1,518	11,899	18,928
Additions during the period	0	512	6,586	7,098
At 31 March 2021	**5,511**	**2,030**	**18,485**	**26,026**
Accumulated amortisation and impairment:				
At 1 January 2021	(1,837)	(632)	0	(2,469)
Amortisation for the period	(459)	(91)	0	(550)
At 31 March 2021	**(2,296)**	**(723)**	**0**	**(3,019)**
Carrying amount 31 March 2021	**3,215**	**1,307**	**18,485**	**23,007**

11. Property, plant and equipment

DKK'000	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Assets under construction	Total
At 31 December 2020					
Cost	0	11,043	10,198	0	21,241
Accumulated depreciations	0	(551)	(55)	0	(606)
Carrying amount 31 December 2020	**0**	**10,492**	**10,143**	**0**	**20,635**
Three months ended 31 March 2021					
Cost:					
At 1 January 2021	0	11,043	10,198	0	21,241
Additions during the period	1,316	764	2,544	707	5,331
Disposals during the period	0	0	0	0	0
Transfers between categories	5,472	(9,738)	69	4,197	0
At 31 March 2021	**6,788**	**2,069**	**12,811**	**4,904**	**26,572**
Accumulated depreciations:					
At 1 January 2021	0	(551)	(55)	0	(606)
Depreciations for the period	(260)	(77)	(158)	0	(495)
Transfers between categories	(261)	261	0	0	0
At 31 March 2021	**(521)**	**(367)**	**(213)**	**0**	**(1,101)**
Carrying amount 31 March 2021	**6,267**	**1,702**	**12,598**	**4,904**	**25,471**

12. Leases

The Company has recognized the following amounts relating to leases:

DKK'000	31 March 2021	31 December 2020
Right-of-use assets		
Properties	33,577	12,285
Vehicles	2,287	2,250
Other equipment	1,994	0
Total	**37,858**	**14,535**
Additions to the right-of-use assets were	24,060	15,167

The additions to the right-of-use assets that occurred during the first three months of 2021 primarily related to the lease of the Company's new administrative building of DKK 19,806 thousand with commencement date in February 2021.

DKK'000	31 March 2021	31 December 2020
Lease liabilities		
Current	4,853	2,228
Non-current	33,179	12,303
Total	**38,032**	**14,531**

The contractual maturities of the lease payments are as follows:

DKK'000	More than 5 years	Total
As at 31 March 2021		
Lease liabilities, current and non-current	33,781	55,830

DKK'000	More than 5 years	Total
As at 31 December 2020		
Lease liabilities, current and non-current	12,432	21,045

DKK'000	Q1 2021	Q1 2020
Depreciation charge of right-of-use assets		
Properties	459	62
Vehicles	236	26
Other equipment	33	0
Total	**728**	**88**

13. Fair value measurement of financial instruments

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments since the 2020 financial statements of the Company.

To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed under the accounting standards. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for the Company's derivative financial liabilities:

The following table presents the Company's financial liabilities measured and recognised at fair value at 31 March 2021, 31 December 2020 and 31 March 2020 on a recurring basis:

DKK'000	31 March 2021	31 December 2020	31 March 2020
Financial liabilities measured at fair value (recurring basis)			
Conversion option liability	4,591	4,591	0
Exit-payment derivatives	3,750	3,411	0
	8,341	**8,002**	**0**

For financial assets and liabilities of short-term nature, such as trade receivables and trade payables, the carrying amount approximates their fair value. For borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is close to current market rates.

Conversion option liability

The fair value of the conversion option liability (presented within borrowings) in the balance sheet, is the probability adjusted value of a number of options reflecting possible scenarios for exercising the conversion option. The fair value of the options are based on a Black-Scholes formula with the following significant unobservable inputs:

- Share-price: DKK 13.30
- Conversion price: DKK 13.30
- Time to maturity: 0.04 - 0.80 year
- Volatility: 81.3%

The higher the share price, time to maturity and volatility, the higher the fair value of the conversion option liability.
A change in the share price of +/- 10% will increase/decrease the fair value of the conversion option liability by DKK 15,368 thousand / DKK -15,279 thousand. An increase in the volatility of 10%-points will increase the fair value of the conversion option liability by DKK 544 thousand, whereas a decrease in the volatility of 10%-points will decrease its fair value by DKK 552 thousand.

Management does not consider a significant different 'time to maturity' being realistic.

Exit-payment derivatives

The fair value of the exit-payment derivatives (presented within borrowings in the balance sheet) are based on the probability weighted discounted cash flows reflecting possible triggering events, the probability and expected timing.

- Probability weighted cash flows: DKK 3,750,000

- Probability weighted time to maturity: 0.11

An increase in the probability weighted time to maturity will reduce the fair value of the exit-payment liability. However, Management does at the end of the reporting period not consider any significant change in the expected maturity to be a realistic alternative. The probability weighted cash flows reflects the maximum amount payable, which Management considers being the most realistic outcome.

The recurring fair value measurement required for the Company's financial liabilities are monitored by Management. The significant unobservable inputs are updated at least by the end of each reporting period to reflect Management's most recent expectations. There were no changes made to any of the valuation techniques applied as of 31 December 2020.

The following table presents the changes in level 3 items for the quarter ending 31 March 2021:

DKK'000	Conversion option liability	Exit-payment derivative	Total
Opening balance 1 January 2021	**4,591**	**3,410**	**8,001**
Fair value losses recognised in financial expenses*	0	339	339
Closing balance 31 March 2021	**4,591**	**3,749**	**8,340**
* includes unrealised losses recognised in profit or loss attributable to balances held at the end of the reporting period	0	339	339

14. Related party transactions

The capital increase that occurred during the first three months of 2021 amounting to DKK 750 thousand was made by a member of the Board of Directors.

15. Events after the balance sheet date

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the interim financial report of the Company.

16. Cash flow specifications

	For the period ended 31 March	
DKK'000	2021	2020
Changes to net working capital		
Decrease/(increase) in trade receivables	3,674	11,116
Decrease/(increase) in deposits	(947)	(3,177)
Decrease/(increase) in other assets	(13,615)	(3,710)
Decrease/(increase) in prepayments	(955)	4
Decrease/(increase) in trade payables	1,166	(3,052)
Decrease/(increase) in other liabilities	(4,493)	629
Decrease/(increase) in contract liabilities	4,466	0
	(10,704)	**1,810**

	For the period ended 31 March	
DKK'000	2021	2020
Adjustments		
Income tax	(1,375)	(284)
Amortization of intangible assets	550	482
Depreciations of tangible assets and right-of-use assets	1,186	89
Share-based payment	8,227	6
Finance expenses, net	6,183	26
Other	(2,871)	28
	11,900	**347**

Management's Statement

Statement of the Board of Directors and the Executive Management of Green Hydrogen Systems A/S on the financial statements as at and for the financial year ended 31 December 2020, 2019 and 2018.

The Board of Directors and the Executive Management of Green Hydrogen Systems A/S have discussed and approved the financial statements of Green Hydrogen Systems A/S as at and for the financial years ended 31 December 2020, 2019 and 2018.

The financial statements comprise income statement, statement of comprehensive income, cash flow statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies, for Green Hydrogen Systems A/S. The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the accounting policies applied are appropriate, and the financial statements give a true and fair view of Green Hydrogen Systems A/S' financial position at 31 December 2020, 2019 and 2018 and the results of Green Hydrogen Systems A/S' operations and cash flows for the financial years 1 January – 31 December 2020, 2019 and 2018, respectively, in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Copenhagen, 7 June 2021

Executive Management

Sebastian Koks Andreassen

Kenneth Bergstrøm-Andersen

Board of Directors

Thyge Boserup (Chairman)

Troels Øberg (Vice Chairman)

Lars Valsøe Bertelsen

Christian Clausen

Thomas Thune Andersen

Jakob Fuhr Hansen

Simon Krogsgaard Ibsen

Karen-Marie Katholm

Independent Auditor's Report on the financial statements as at and for the Financial Year Ended 31 December 2020, 2019 and 2018

To the readers of this Prospectus

Opinion
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2020, 2019 and 2018 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2020, 2018 and 2019, respectively, in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

What we have audited
The financial statements of the Company for the financial year 1 January to 31 December 2020, 2019 and 2018 comprising income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies for the Company.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 7 June 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705

Jacob Brinch
State Authorised Public Accountant
mne35447

STATEMENT OF PROFIT OR LOSS

DKK'000	Notes	2020	2019	2018
Revenue from contracts with customers	3, 4	9,433	14,196	4,179
Other operating income	8	2,793	1,941	173
Total revenue & operating income		**12,226**	**16,137**	**4,352**
Changes in inventory of finished goods and work in progress		36	(1,983)	4,124
Raw materials and consumables used		(17,208)	(10,955)	(8,081)
Work performed by the Company and capitalised		10,485	1,305	3,162
Employee costs	5	(39,571)	(8,726)	(4,544)
Other operating expenses	9	(35,585)	(7,489)	(2,877)
Operating profit / (loss) before depreciation, amortisation and impairment losses (EBITDA)		**(69,617)**	**(11,711)**	**(3,864)**
Depreciation and amortisation	6	(3,072)	(316)	(278)
Operating profit / (loss) (EBIT)		**(72,689)**	**(12,027)**	**(4,142)**
Financial income	10	2	1	33
Financial expenses	11	(2,861)	(84)	(49)
Profit / (loss) before tax		**(75,548)**	**(12,110)**	**(4,158)**
Income tax	12	2,307	1,375	1,396
Profit / (loss) for the period		**(73,241)**	**(10,736)**	**(2,762)**

(DKK)	Notes	2020	2019	2018
Earnings per share attributable to shareholders	23	**(2.47)**	**(0.77)**	**(0.34)**
Diluted earnings per share attributable to shareholders	23	**(2.47)**	**(0.77)**	**(0.34)**

STATEMENT OF COMPREHENSIVE INCOME

DKK'000	2020	2019	2018
Profit / (loss) for the period	(73,241)	(10,736)	(2,762)
Other comprehensive income for the period	**0**	**0**	**0**
Total comprehensive income for the period	**(73,241)**	**(10,736)**	**(2,762)**

BALANCE SHEET

DKK'000	Notes	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Intangible assets	13	16,459	7,011	5,470	1,935
Property, plant and equipment	14	20,635	195	179	88
Right-of-use assets	16	14,535	370	0	0
Deposits		6,205	45	45	45
Total non-current assets		**57,834**	**7,621**	**5,694**	**2,068**
Inventories	17	7,611	8,016	4,741	581
Trade receivables	18, 19	4,052	12,601	1,175	381
Income tax receivables		2,527	1,375	1,396	378
Prepayments		227	226	102	146
Other receivables		4,694	1,658	787	2,634
Cash and cash equivalents		155,953	9,412	599	906
Total current assets		**175,064**	**33,288**	**8,800**	**5,026**
Total assets		**232,898**	**40,909**	**14,494**	**7,094**

DKK'000	Notes	31 December 2020	31 December 2019	31 December 2018	1 January 2018
Share capital	20	36,805	22,204	9,291	7,391
Share premium		39,328	18,115	0	0
Reserve for development costs		12,147	5,002	3,640	1,110
Accumulated deficit		(92,357)	(24,787)	(12,794)	(7,575)
Total equity		**(4,077)**	**20,534**	**137**	**926**
Borrowings	21, 22	170,287	3,315	2,916	0
Lease liabilities	16, 22	12,303	133	0	0
Provisions	24	0	226	0	0
Other payables		1,350	267	0	0
		183,940	3,941	2,916	0
Total non-current liabilities		**183,940**	**3,941**	**2,916**	**0**

Borrowings	21, 22	4,089	509	0	0
Trade payables	22	25,358	5,641	1,123	1,676
Lease liabilities	16, 22	2,228	239	0	0
Contract liabilities	19	7,889	5,645	6,721	2,257
Deferred income	8	3,239	3,374	2,948	1,003
Provisions	24	984	419	192	0
Other payables		9,248	607	457	1,232
Total current liabilities		**53,035**	**16,434**	**11,441**	**6,168**
Total liabilities		**236,975**	**20,375**	**14,357**	**6,168**
Total equity and liabilities		**232,898**	**40,909**	**14,494**	**7,094**

STATEMENT OF CHANGES IN EQUITY

DKK'000	Notes	Share capital	Share premium	Reserve for develop-ment costs	Accumulat-ed deficit	Total equity
Equity at 1 January 2018		**7,391**	**0**	**1,110**	**(7,575)**	**926**
Profit / (loss) for the period		7,391	0	1,110	(7,575)	926
Other comprehensive income		0	0	0	0	0
Total comprehensive income for the period		**0**	**0**	**2,530**	**(5,292)**	**(2,762)**
Transactions with owners in their capacity as owners						
Capital increase		1,900	0	0	0	1,900
Share-based payments	7	0	0	0	73	73
Total transactions with owners		**1,900**	**0**	**0**	**73**	**1,973**
Equity at 31 December 2018		**9,291**	**0**	**3,640**	**(12,795)**	**137**
Profit / (loss) for the period		0	0	1,362	(12,097)	(10,736)
Other comprehensive income		0	0	0	0	0
Total comprehensive income for the period		**0**	**0**	**1,362**	**(12,097)**	**(10,736)**
Transactions with owners in their capacity as owners						
Share-based payments	7	0	0	0	9	9
Total transactions with owners		**0**	**0**	**0**	**9**	**9**
Equity at 31 December 2019		**22,204**	**18,115**	**5,002**	**(24,787)**	**20,534**
Profit / (loss) for the period		0	0	7,145	(80,386)	(73,241)
Other comprehensive income		0	0	0	0	0
Total comprehensive income for the period		**0**	**0**	**7,145**	**(80,386)**	**(73,241)**

	Note					
Transactions with owners in their capacity as owners						
Capital increase, cash		1,237	1,168	0	0	2,405
Exercise of warrants		739	0	0	0	739
Conversion of loan into shares		13,645	20,045	0	0	33,690
Cancellation of treasury shares		(1,020)	0	0	(30)	(1,050)
Share-based payments	7	0	0	0	12,846	12,846
Total transactions with owners		**14,601**	**21,213**	**0**	**12,816**	**48,630**
Equity at 31 December 2020		**36,805**	**39,328**	**12,147**	**(92,357)**	**(4,077)**

CASH FLOW STATEMENT

DKK'000	Notes	2020	2019	2018
Profit/(loss) for the period		(73,241)	(10,736)	(2,762)
Changes in net working capital	31	31,307	(11,411)	2,017
Adjustments	31	15,957	(417)	(919)
Interests received		2	1	33
Interests paid		(572)	(515)	(49)
Income taxes paid/received	12	1,375	1,396	378
Net cash flow from operating activities		**(25,172)**	**(21,682)**	**(1,302)**
Payment for property, plant and equipment	14	(20,647)	(106)	(147)
Payment for development costs and other intangible assets	13	(10,978)	(1,306)	(3,674)
Net cash flow from investing activities		**(31,625)**	**(1,412)**	**(3,821)**
Principal elements of lease payments	16, 28	(1,008)	(21)	0
Proceeds from borrowings	28	202,997	5,400	2,916
Repayment of borrowings	28	(745)	(4,500)	0
Proceeds from share issues		3,144	31,028	1,900
Purchase of treasury shares		(1,050)	0	0
Net cash flow from financing activities		**203,338**	**31,907**	**4,816**
Net cash flow for the period		**146,541**	**8,813**	**(307)**
Cash and cash equivalents, beginning of the period		9,412	599	906
Cash and cash equivalents at end of the period		**155,953**	**9,412**	**599**

NOTES

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2. Critical accounting estimates and judgements
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32. Transition to IFRS

1. Accounting policies

Green Hydrogen Systems A/S is a Danish based company focusing on development and production of cost-efficient and scalable electrolysers for hydrogen production based on renewable energy. The Company serves industries establishing on-site green hydrogen production for different purposes as well as energy and transport companies being at the forefront of development of Power-to-X applications and transition towards emission-free fuel. Revenue is generated from sale and installation of complete pressurised alkaline electrolysis solutions as well as service of the installed systems.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as additional Danish disclosure requirements. The financial statements of the Company is the first set of financial statements that is presented in accordance with IFRS. The comparative figures for 2018 and 2019 in the income statement and the balance sheet items as at 1 January 2018, 31 December 2018 and 31 December 2019 were restated in accordance with IFRS. The accounting policies applied are based on the standards and interpretations effective for 2020.

The published financial statements covering 2020 is first-time adoption of IFRS and have comparative figures for the period 1 December to 31 December 2019 as a result of change in the financial period. Previously published financial statements covering 1 December to 31 December 2019, 1 December 2018 to 30 November 2019 and 1 December 2017 to 30 November 2018 have been prepared in accordance with the Danish Financial Statements Act.

The disclosures required by IFRS 1 First-time Adoption of International Financial Reporting Standards, concerning the transition from the Danish Financial Statements Act to IFRS, are provided in note 32.

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments that are measured at fair value.

The financial statements are presented in DKK, which is also the Company's functional currency. The amounts have been rounded to the nearest thousand.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'), i.e. DKK.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company considers the Executive Management to be the operating decision making body, as the Executive Management examines the Company's performance and makes all significant decisions regarding business development and allocation of resources. For that purpose, a single business segment has been identified as an operating segment which is consistent with the internal reporting to the chief operating decision making body. Further information about the composition of the Executive Management has been provided in note 3.

There is also considered to be only one reporting segment, the results of which are shown in these financial statements of comprehensive income.

Revenue

Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer and is recognised by the amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. This normally corresponds to the amount as specified in the contract.

Customer contracts may include multiple promises such as delivery of equipment, commissioning and after sale maintenance service. By applying the criteria in IFRS 15 the delivery of the equipment and the related commissioning has been determined to comprise a single performance obligation, whereas the maintenance service is considered a separate performance obligation. In accordance with IFRS 15, the transaction price is allocated to the identified performance obligations based on their relative stand-alone selling prices.

Customer payments for electrolyser solutions are normally made in installments based on contractual defined milestones and payment terms. Customer payments for maintenance service are normally due in advance of the maintenance service period. Customer payments are normally due 30 days after invoicing. No significant element of financing is deemed present. The Company does in general not accept returns.

Revenue from sale of electrolysers

The Company recognises revenue from sale of electrolysers at the point in time where the performance obligation is satisfied, which is normally when the site acceptance test has been successfully completed. This is the point in time where control is considered to have been transferred to the customer and where the customer has the ability to direct the use of and obtain substantially all the remaining benefits from the equipment.

In most contracts the customer makes partial payments in advance of shipment and final site acceptance test. Considerations received from customers prior to the Company satisfies its performance obligation are recognised as a contract liability in the balance sheet. See further description of contract liabilities.

The Company provides its customers with warranties against design or manufacturing flaws and defects, normally within a period of 12 - 24 months after commissioning has taken place. The Company's estimated obligation under the standard warranty terms is recognised under provisions.

Revenue from sale of maintenance service

Revenue generated from maintenance services are recognised as revenue when the work is performed.

For maintenance contracts where the Company has agreed to provide routine maintenance over an agreed period of time for a fixed price, revenue is recognised on a straight-line basis over the contract period, as this according to Management provides the most faithful depiction of the transfer of these maintenance services.

For maintenance contracts where the customers are invoiced on an hourly basis, the Company applies the practical expedient in IFRS 15 which allows revenue to be recognised in the amount the Company has the right to invoice the customer. This practical expedient is applicable when the amount corresponds directly with the value to the customer of the Company's performance completed to date.

Other operating income

Other operating income comprises items of a secondary nature to the main activities of the Company, including gains on sale of property, plant and equipment. The amount of government grants recognised in the income statement during the year is also included, irrespectively of when the grants were received. Further information about the Company's accouting policy for grants, see note 8.

Changes in inventory of finished goods and work in progress

Changes in inventory of finished goods and work in progress comprise of the periods change in value of inventories of finished goods and work in progress. The change in inventory considers fixed and variable production overheads, such as depreciations and employee costs, incurred in converting materials into finished goods which have been included in the cost of inventories.

Raw materials and consumables used

Raw materials and consumables include the cost of raw materials and consumables used during the year for the production of the Company's finished goods as well as incurred development costs. Any write-downs of inventories for the year are also included.

Work performed by the Company and capitalised

Work performed by the Company and capitalised includes the amount of employee costs incurred and consumption of raw materials and consumables, which during the year have been capitalised as part of the Company's development projects.

Employee costs

Employee costs comprise salaries and wages, including holiday pay and pensions and other costs for social security, etc. as well as costs for share-based payment programs for the Company's employees and Management.

Other operating expenses

Other operating expenses include facility costs, costs for advertising, administration, consultants, bad debts expense, losses on the sale of property, plant and equipment as well as costs for short-term and low value leases.

Depreciation and amortisation
Depreciation and amortisation includes the period's depreciation on property, plant and equipment and right of use assets as well as the period's amortisation on intangible assets.

Financial income and expenses
Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income, interest expenses calculated using the effective interest rate method, fair-value adjustment of exit-payment derivatives and conversion option liability etc.

Income tax
The income tax expense or credit for the period is the tax payable or receivable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Intangible assets
Intangible assets include in progress and completed development projects and other externally acquired intangible rights such as rights and licenses.

In progress and completed development projects
Development costs that are directly attributable to the development of identifiable electrolysers and electrodes controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the electrolysers so that it will be available for use
- management intends to complete the electrolysers and use or sell it
- there is an ability to use or sell the electrolyser
- it can be demonstrated how the electrolysers will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the
- electrolysers are available, and
- the expenditure attributable to the electrolysers during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the projects include employee costs, cost of materials and capitalized borrowing costs. Capitalised development costs are recorded as intangible assets and amortised from the point in time at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. The Company amortises development projects with a finite useful life using the straight-line method over the following periods:

Development projects - In progress:	None
Development projects - Completed:	3-5 years

Other intangible assets
Other intangible assets include separately acquired rights and licences, which are measured at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Licenses and software are amortised over 5 years.

Property, plant and equipment
Property, plant and equipment is measured at historical cost less accumulated depreciations and impairment losses. The cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciations are calculated using the straight-line method, net of their residual values over their estimated useful lives, as follows:

Other plant, fixtures and equipment:	3 - 5 years
Leasehold improvements:	3 - 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss as other operating income/expenses.

Leases
The Company's leases include properties and vehicles.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. The Company's lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Company's incremental borrowing rate.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability, and reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives receive
- any initial direct costs, and
- restoration costs.

Variable lease payments other than those based on an index or rate are recognised in the income statement when incurred. Payments associated with short-term or low value leases are recognised on a straight-line basis as an expense in profit or loss under the line item other operating expenses.

Impairment of non-current assets
Non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Development projects in progress are tested for impairment annually.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Company holds the trade receivables with the objective to collect the contractual cash flows and then measures them subsequently at amortised cost. The Company applies the IFRS 9 simplified approach in measuring the expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

See note 18 for a description of the Company impairment policies for trade receivables.

Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of first-in-first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Prepayments
Prepayments includes prepaid costs made by the Company and is measured at costs.

Other receivables
Other receivables comprise government grants receivable by the Company, VAT receivable etc. Other receivables are measured at cost which normally correspond to the nominal amount.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and bank balances.

Equity
Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium
The reserve include premium on issue of shares.

Reserve for development costs
When development costs are capitalised in the balance sheet, a corresponding amount, net of tax, is recorded within the reserve for development costs. The reserve is reduced as the development projects are amortised. The reserve for development costs is not available for distribution of dividend.

Earnings per share
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of ordinary shares outstanding during the financial year

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Borrowings
Borrowings are initially recognised at fair value net of transaction costs incurred. Subsequently, borrowings are measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Convertible loans denominated in foreign currencies that will be settled by the Company delivering a fixed number of its own shares in exchange for a fixed amount of foreign currency, fail the 'fixed for fixed' requirement. The equity conversion option is therefore separated from the loan and accounted for separately as a derivative. The conversion option is initially measured at fair value, thus the remainder of the proceeds is allocated to the loan, when this is considered to be equal to its fair value. This amount is recorded as a financial liability on an amortised cost basis until extinguished on conversion or maturity of the loan. The conversion option is presented in the balance sheet within Borrowings and is subsequently measured at fair value through profit or loss.

Derivatives embedded in financial liabilities which are triggered upon certain events, such as additional payments upon an exit-event, are separated and accounted for separately when the risks of the derivative and the debt host contract are dissimilar. Such derivatives are initially measured at fair value and presented within borrowings. The derivatives are subsequently measured at fair value through profit or loss with fair value changes presented within financial income and expenses.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use and comprise of the Company's development projects in progress that meet the criteria.

Other borrowing costs are expensed in the period in which they are incurred.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions
Provisions for service warranties are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provision is recognised when the control with the underlying goods and services are transferred to the customer. A corresponding entry is made in the income statement within raw materials and consumables used.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Share-based payments
Share-based compensation benefits are provided to board members, executive management and other employees.

The warrant programs and the restricted stock unit program are classified as equity arrangements. As such, the fair value of the warrants and restricted stock units granted under the programs are recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the grant date fair value of the warrants and restricted stock units.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of warrants and restricted stock units that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Further information about the warrant programs are disclosed in note 7.

Government grants
Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase or development of assets are included in liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants that have been recognised as income, when the recognition criteria have been met, but which have not yet been received by the Company are recognised as an asset presented within other receivables.

Cash flow statement
The cash flow statement shows the Company's cash flows for the period broken down by operating, investing and financing activities, changes for the period in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the period adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and expenses from share-based payment. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise cash flows from the raising and repayment of long term debt, principal element on lease payments as well as payments to and from shareholders, such as proceeds from capital increases.

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

New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the reporting periods in which they become mandatory or in future periods.

2. Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Executive Management also needs to exercise judgement in applying the Company's accounting policies.

The judgements, estimates and the related assumptions made are based on historical experience and other factors that Executive Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. Estimates and judgements are continually evaluated. The most critical judgements and estimates, including the assumptions, for the individual items are described below.

Critical accounting estimates
Critical accounting estimates are expectations of the future based on assumptions that to the extent possible are supported by historical trends or reasonable expectations. The assumptions may change to adapt to the market conditions and changes in economic factors etc. The Company believe that the estimates are the most likely outcome of future events. Assumptions and estimates relating to assets and liabilities that have a significant risk of resulting in a material adjustment to their carrying amount within the next financial year relate to:

Unrecognised deferred tax asset
As of 31 December 2020, the Company has unrecognised deferred tax assets of DKK 14,462 thousand, hereof the tax value of tax losses carried forward amounts to DKK 13,071 thousand (tax loss carry-forward of DKK 59,416 thousand). The Company has incurred the losses in recent years as a consequence of expanding the Company and its operations. The losses can be carried forward indefinitely and have no expiration date.

Recognition of deferred tax assets requires that it is probable that future taxable profits are available against which the unused tax losses can be utilised. As the Company has a history of making taxable losses, IAS 12 Income Taxes further requires that convincing evidence is available to support Executive Management's assessment that sufficient taxable profits will be available in the future. Even though the approved budget and business plan show that the Company will be generating taxable profits in the foreseeable future, Executive Management has concluded that it will not be able to meet the strict criteria in IAS 12 to provide 'convincing evidence', as the budget and business plan are sensitive to the timing and level of investments and similar factors. Consequently, no deferred tax assets have been recognised for the Company's tax loss carry-forwards.

Impairment of capitalized development costs
The Company undertakes internal development projects for the advancement of electrolysers and electrodes.
In the case of there being a trigger for a review of impairment of completed development project, the Company performs a review on the carrying amounts to determine whether there is any indication of impairment at the balance sheet date. The completed development projects proceed as expected, thus no impairment tests have been made for the period.

In addition, the Company tests annually the recoverable amounts of the development projects in progress to ensure that the capitalized costs have not over-run their operational or commercial value. Executive Management expects the market for electrolysis systems will grow significantly in the coming years. The key drivers and indicators of momentum in the market for green hydrogen include societal and political pressure to limit CO2 emissions, regulatory push in national hydrogen roadmaps as well as decreasing cost of green hydrogen. As of 31 December 2020, the carrying amount of development projects in progress is DKK 11,899 thousand (2019: DKK 6,413 thousand; 2018: DKK 4,667 thousand). The recoverable amount is based on a discounted cash flow model reflecting Executive Management's expectation about the future net cash flow, including the expected costs to complete the projects.

Fair value of derivative financial instruments

The fair value of derivatives embedded in debt host contracts, which are accounted for separately from the host contract, is determined using valuation techniques. The Company uses its judgement to select appropriate valuation methods and make assumptions that are mainly based on Executive Management's' expectations about unobservable inputs. For details of the key assumptions used and the impact of changes to these assumptions see note 22 below.

Critical accounting judgements

Key accounting judgements are made when applying accounting policies. Key accounting judgements are the judgements made by the Company that can have a significant impact on the amounts recognised in the financial statements.

Revenue recognition

When the customer contracts include multiple promises to be delivered to the customer, Executive Management identifies the performance obligations included in the contract. Contracts for delivery of electrolysers do normally also include commissioning of the equipment on the customer's location. Under IFRS 15, each distinct good or service that an entity promises to transfer is a performance obligation.

In applying the criteria in IFRS 15 to determine whether the goods and services are capable of being distinct Executive Management considers factors such as:

- the commissioning service is not sold on a stand-alone basis,
- the commissioning service requires high degree of literacy and technical capabilities.

Consequently, Executive Management has determined that the sale of electrolysers and the related commissioning are not capable of being distinct, because the customer cannot benefit from neither the electrolyser or the commissioning on its own. The promises are therefore accounted for as a separate performance obligation.

Development costs

The Company capitalises costs for development projects. Initial capitalisation of costs is based on Executive Management's judgement that technological and economic feasibility is confirmed, usually when a development project has reached a defined milestone. In determining the amounts to be capitalised,Executive Management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Share-based payments

The Company has introduced a warrant program, which entitles the warrant holder to subscribe for A-shares in the Company when certain conditions are met, cf. note 7. Upon exercise, the Company is entitled to demand cash settlement of the warrant, so that instead of the warrant holder subscribing for and receiving shares in the Company, the warrant holder will receive cash settlement in an amount equal to the net value of the warrant.

As the Company has the choice of settlement, the classification of the warrant program as either cash-settled or equity-settled by determining whether, in substance, the Company has an obligation to settle the program in cash, even where it can choose the settlement method. For that purpose, the Company considers its intent to settle in cash and the practical ability to settle in equity. As the warrants are exercisable only in the occurrence of an exit-event, where the warrants will become liquid, the Company has not created any expectations for the warrant holders that the program will be settled in cash. On that basis, Executive Management has concluded the share-based payment program to be classified as being equity-settled.

3. Operating segments

Green Hydrogen Systems A/S serves one segment, which is inherent in the way Executive Management considers and operates the Company. The costs related to the main nature of the business, being development and production of electrolysers for on-site hydrogen production, are not attributable to any specific revenue stream or customer type and are therefore borne centrally. The results of the single reporting segment, comprising the entire company, are shown in the statements of comprehensive income.

The Executive Management is the Chief Operating Decision Maker (CODM), which is made up of the senior leadership across the respective functional areas and is responsible for the strategic decision making and for the monitoring of the operating results of the single operating segment for the purpose of performance assessment. Segment performance is evaluated by the CODM based on profit or loss for the single segment and is measured consistently with profit or loss in the financial statements of the Company.

The CODM furthermore monitors revenue based on the geography (based on location of the respective customers), product offering and application. Revenue is attributed to the geographical market segments Europa, Asia-Pacific, and rest of the world.

The following table displays external revenue by geographical areas:

DKK'000	2020	2019	2018
Europe	9,433	14,196	3,951
Rest of the world	0	0	228
Total Revenue	**9,433**	**14,196**	**4,179**

Revenue is derived in the following countries (based on customer location)

DKK'000	2020	2019	2018
Denmark	8,987	8,899	-
France	0	1,124	2,479
Sweden	12	3,341	267
Other	434	832	1,433
Total Revenue	**9,433**	**14,196**	**4,179**

Revenues of approximately DKK 7,983 thousand are derived from a single external customer in 2020 (2019: DKK 8,899 thousand and DKK 3,341 thousand respectively from two external customers; 2018: DKK 1,716 thousand from a single customer).

Non-current operating assets consist of intangible assets (primarily development projects), property, plant and equipment, and right-of-use assets are all geographically located in Denmark.

4. Revenue from contracts with customers

The following table displays revenue by product offering:

DKK'000	2020	2019	2018
Product revenue	5,303	8,699	3,863
Service and other revenue	4,130	5,497	316
Total revenue by product offering	**9,433**	**14,196**	**4,179**
Revenue recognised at a point in time	8,618	14,196	4,179
Revenue recognised over time	815	0	0

The following table displays revenue by product application:

DKK'000	2020	2019	2018
Power-to-X*	8,810	14	1,877
Transportation	523	12,240	459
Industry	100	1,942	1,843
Total revenue by product application	**9,433**	**14,196**	**4,179**

**Power-to-X relates to products for indirect use as the basis for the production of green fuels.*

Information about revenue derived in individual countries and geographical areas has been included in note 3.

5. Employee costs

DKK'000	2020	2019	2018
Wages and salaries	23,462	7,761	3,957
Pensions, defined contribution plans	2,686	710	414
Share-based payment	12,845	105	73
Other social security costs	178	59	58
Other employee costs	400	91	42
Total employee costs	**39,571**	**8,726**	**4,544**
Average number of employees	37	11	7

Key management compensation

Key management consists of Executive Management and Board of Directors. The compensation paid or payable to key management for employee services is shown below:

DKK'000	Executive Management	Board of Directors	Total key management personnel
2020			
Wages, salaries and board fees	1,555	20	1,575
Pensions, defined contribution plans	195	0	195
Share-based payment	5,098	987	6,085
Total remuneration	**6,848**	**1,007**	**7,855**

	Total key management personnel	
DKK'000	2019	2018
Wages, salaries and board fees	894	745
Pensions, defined contribution plans	125	53
Share-based payment	25	73
Total remuneration	**1,044**	**871**

For 2019 and 2018, the remuneration to the Executive Management and Board of Directors have not been presented separately in accordance with the provisions in the Danish Financial Statements Act, § 98b, section 3.

6. Depreciation and amortisation

DKK'000	2020	2019	2018
Amortisation of intangible assets	2,042	205	222
Depreciation on property, plant and equipment	207	90	56
Depreciation on right of use assets	823	21	0
Total	**3,072**	**316**	**278**

7. Share-based payment plans

The Company has introduced share-based payment programs to members of the Board of Directors, Executive Management and selected key employees. The Company's current warrant program was introduced in 2020. The Company previously introduced two warrant programs in 2016.

In 2020, the Company has in addition introduced a restricted stock units program (RSU program) to the Executive Management.

2020 warrant program

The Company has introduced share-based payment programs to members of the Board of Directors, Executive Management and selected key employees. The establishment of the program was approved by the shareholders in 2020.

The program was established with the purpose to create further incentive to the participants to work for and contribute to future value added to the Company, thus creating a positive development in the market value of the Company's share. Further, the program is to be instrumental to retaining the participants in the Company.

The participants are under the program granted warrants in the Company for no consideration, which entitle the warrant holder to subscribe for A-shares in the Company of a nominal value of DKK 1 without preemption right for the shareholders of the Company. Participation in the warrant program is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The warrants are vesting over a period of two years, proportionally once a year. The exercise prices of the warrants are listed below for the respective years.

Vested warrants are exercisable only upon an exit event and conditional on the warrant holder's employment or engagement with the Company have not terminated. However, vested warrants are exercisable only until the expiration date as specified in the table further below. Upon the occurrence of an exit-event, all warrants will become fully vested conditional on the holder's continuing employment. The cost of the warrant program is recognised over the expected vesting period considering the impact from accelerated vesting and expected time to exit.

Upon the warrant holder's exercise, the Company is entitled to demand cash settlement of the warrant, so that instead of the warrant holder subscribing for and receiving shares in the Company, the warrant holder will receive cash settlement in an amount equal to the net value of the warrant. As further described in note 2, the warrant program is classified as an equity-settled program.

Set out below are summaries of warrants granted under both warrant agreements:

	2020	2020	2020
	Weighted average exercise price per warrant (DKK)	**Number of warrants (Thousands)**	**Weighted average fair value per warrant (determined on grant date) (DKK)**
As at 1 January	0	0	0
Granted during the year	2.47	3,388	7.16
As at 31 December	2.47	3,388	7.16
Vested and exercisable at 31 December		0	

During 2020, no warrants were exercised or expired under the 2020 warrant program.

Warrants outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (DKK)	Warrants 31 December 2020 (thousands)
21 August 2020	28 August 2029	2.47	1,439
21 August 2020	31 December 2029	2.47	796
21 August 2020	25 February 2030	2.47	265
1 September 2020	31 August 2030	2.47	612
1 November 2020	31 December 2030	2.47	276
		2.47	3,388

Weighted average remaining contractual life of warrants outstanding at the end of period (years)	9.07

The fair value at grant date is determined using a Black-Scholes Model calculation that takes into account the share price at grant date, the exercise price, the risk free interest rate for the term of the warrants, the expected volatility and the term of the warrant (the expected maturity).

The average model inputs for the warrants granted during the year ended 31 December 2020 included:

a Share price at grant date: DKK 10.95
b Exercise price: DKK 2.47
c Expected price volatility of class-A shares: 86.83%
d Risk-free interest rate: (0.54)%
e Expected maturity: 2.61 years
f Probability of Exit: 0.82

The expected price volatility is based upon an analysis of the historical volatility of peer-group public companies and factors specific to Green Hydrogen Systems A/S. The share price of the class A-share is determined using interpolation between two data points related to actual capital transactions that occurred in 2020.

The expected maturity corresponds to the expected number of years until the occurrence of an exit event. The expected likelihood of the occurrence of an exit event is taking into account in determining the fair values of the grants.

RSU program
The RSU program was introduced on 1 November 2020 and involves the CEO. The program entitles the CEO to receive shares in the Company, without consideration, at the time the currently controlling shareholder does no longer hold any shares in the Company (exit). The CEO is entitled to receive shares corresponding to 0.75% of the share capital at the time of exit. The program is contingent on the CEO still being employed at the time of exit.

The grant date fair value of the RSU program was DKK 7,395 thousand (based on expected 750,000 shares) of which DKK 562 thousand was recognized in the income statement for 2020. The cost is recognized on a straight line basis, as the services are rendered, over the expected service period.

The fair value of the shares granted is based on the share price of class A-shares which was determined using interpolation between two data points related to actual capital transactions that occurred in 2020, adjusted for the probability that the exit event will occur. The participant in the RSU programme is not entitled to dividend during the vesting period.

Previous warrant programs
On 29 November 2016, the Company introduced its previous warrant program to selected key management personnel. In total 443,460 warrants were granted of which 147,820 warrants vested immediately. The remaining warrants were vesting in two tranches from 2016 to 31 December 2020 subject to the Company reaching certain non-financial targets. The total share-based payment cost to be recognised during 2018 - 2020 amounts to approximately DKK 123 thousand based on an average grant-date fair value of DKK 0.69. During 2020, the entire program was cancelled in connection with introducing the Company's current warrant program. Accordingly, no warrants are outstanding as of 31 December 2020 under this program.

On 10 June 2016, the Company also granted a total of 739,097 warrants to a key employee which vested immediately. All of those warrants were exercised in 2020, with an exercise price of DKK 1. At time of exercise, the weighted average share-price was DKK 2.47.

Expenses arising from share-based payment transactions
Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

DKK'000	2020	2019	2018
Equity-settled programs	12,845	105	73

8. Other operating income and deferred income

DKK'000	2020	2019	2018
Government grants	2,793	1,941	173
Total	**2,793**	**1,941**	**173**

Government grants recognised within other operating income relate to the following:

Government grants related to income	1,751	1,941	173
Government grants related to assets, amortized	1,042	-	-
Total	**2,793**	**1,941**	**173**

Government grants received which have not yet been recognised in the income statement are presented as deferred income. The movement in the balance of deferred income is as follows:

DKK'000	2020	2019	2018
Government grants as of 1 January	3,374	2,948	1,003
Grants received	907	426	1,945
Grants recognised as income	(1,042)	0	0
Government grants as of 31 December	**3,239**	**3,374**	**2,948**

Government grants related to *income* are recognized corresponding to the costs eligible for grants. This is typically research and development costs that do not meet the criteria for capitalization. There can be unfulfilled conditions or other contingencies attached to these grants. Such unfulfilled conditions or other contingencies relate to the formal requirements such as finalizing the grant project and reporting to grantor.

Government grants related to *assets, amortized* are grants related to eligible costs that are capitalized as development projects. Recognition is linear over the amortization period of the corresponding assets. There are typically no unfulfilled conditions or other contingencies attached to these grants.

The Company did not benefit directly from any other forms of government assistance.

DKK'000	2020	2019	2018
Government grants receivable recognised in other operating income, and presented within other receivables in the balance sheet	624	834	451

9. Other operating expenses

DKK'000	2020	2019	2018
Sales and marketing costs	6,722	2,497	924
Administration costs	2,172	483	425
Consultancy services costs	21,198	2,221	474
Other general costs	5,493	2,289	1,054
Total	**35,585**	**7,489**	**2,877**

Consultancy services costs incurred in 2020 amounting to DKK 18,613 thousand (2018 and 2019: nil) relate to non-recurring cost for external consultants in respect of raise of funding and market research. Other general costs have increased over the period due to the increase of business activities and number of employees.

10. Financial income

DKK'000	2020	2019	2018
Foreign exchange rate gains	2	1	33
Total	2	1	33

11. Financial expenses

DKK'000	2020	2019	2018
Interest expense on borrowings	2,177	500	106
Interest expense on lease liabilities	179	2	0
Interest on financial liabilities measured at amortised cost	**2,356**	**502**	**106**
Fair value loss on derivatives at fair value through profit or loss	999	0	0
Foreign exchange rate losses	18	22	25
	3,373	524	131
Of which capitalized	(512)	(440)	(82)
Total	**2,861**	**84**	**49**

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applied to the Company's general borrowings during the year, in this case 25 % (2019: 8.4 %; 2018: 8.4 %). The Company has not obtained specific borrowings for the purpose of financing its development projects.

12. Tax on profit for the period

DKK'000	2020	2019	2018
Current tax on losses for the period	2,307	1,375	1,396
Total tax on losses for the period	**2,307**	**1,375**	**1,396**
Aggregate current and deferred tax arising in the year and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:			
Deferred tax: Share-based payment	0	0	0
Reconciliation of effective tax rate			
Calculated 22.0% tax on loss for the year before income tax	(16,620)	(2,664)	(915)

Tax effects of:			
Permanent differences between tax and accounting purposes:			
Non-deductible part of consultancy services, cf. note 9	4,356	0	0
Other	(564)	207	3
Change in unrecognized deferred tax asset	10,522	1,083	(484)
Total adjustments	**14,314**	**1,290**	**(481)**
Income tax as included in the statement of profit or loss	(2,307)	(1,375)	(1,396)
Effective tax rate	**3%**	**11%**	**34%**

Current tax on losses for the periods are originating from the tax credit scheme for research and development costs, under which the tax value of accumulated tax losses up to DKK 25 million are paid to the Company.

13. Intangible assets

DKK'000	Completed development projects	Other intangibles	Development projects in progress	Total
Cost:				
At 1 January 2018	0	513	1,424	1,937
Additions during the year	0	512	3,244	3,756
At 31 December 2018	**0**	**1,025**	**4,668**	**5,693**
Accumulated amortisation and impairment:				
At 1 January 2018	0	0	0	0
Amortisation for the period	0	(222)	0	(222)
At 31 December 2018	**0**	**(222)**	**0**	**(222)**
Carrying amount 31 December 2018	**0**	**803**	**4,668**	**5,471**
Cost:				
At 1 January 2019	0	1,025	4,668	5,693
Additions during the year	0	0	1,745	1,745
At 31 December 2019	**0**	**1,025**	**6,413**	**7,438**
Accumulated amortisation and impairment:				
At 1 January 2019	0	(222)	0	(222)
Amortisation for the period	0	(205)	0	(205)
At 31 December 2019	**0**	**(427)**	**0**	**(427)**
Carrying amount 31 December 2019	**0**	**598**	**6,413**	**7,011**
Cost:				
At 1 January 2020	0	1,025	6,413	7,438
Additions during the year	0	493	10,997	11,490
Transferred	5,511	0	(5,511)	0
At 31 December 2020	**5,511**	**1,518**	**11,899**	**18,928**

Accumulated amortisation and impairment:				
At 1 January 2020	0	(427)	0	(427)
Amortisation for the period	(1,837)	(205)	0	(2,042)
At 31 December 2020	**(1,837)**	**(632)**	**0**	**(2,469)**
Carrying amount 31 December 2020	**3,674**	**886**	**11,899**	**16,459**

Research and development costs that are not eligible for capitalisation have been expensed in the period incurred and are included in the income statement within their relevant nature. In 2020, this amounted to DKK 9,388 thousand (2019: DKK 3,856 thousand, 2018: DKK 1,396 thousand) including indirect production costs.

Development projects in progress includes the Company's ongoing development activities related to electrolysers and electrodes. Development projects in progress are not amortised but are tested for impairment annually. There have been no impairments related to these in progress development projects for 2020 (2018 and 2019: nil).

14. Property, plant and equipment

DKK'000	Leasehold improvements	Other fixtures and fittings, tools and equipment	Total
Cost:			
At 1 January 2018	14	326	340
Additions during the period	49	98	147
At 31 December 2018	**63**	**425**	**487**
Accumulated depreciation and impairment:			
At 1 January 2018	(14)	(239)	(253)
Depreciation for the year	(1)	(55)	(56)
At 31 December 2018	**(15)**	**(294)**	**(309)**
Carrying amount 31 December 2018	**47**	**131**	**178**
Cost:			
At 1 January 2019	63	425	487
Additions during the year	18	88	107
At 31 December 2019	**81**	**513**	**594**
Accumulated depreciation and impairment:			
At 1 January 2019	(15)	(294)	(309)
Depreciation for the period	(17)	(73)	(90)
At 31 December 2019	**(33)**	**(367)**	**(400)**

Carrying amount 31 December 2019	**48**	**146**	**194**
Cost:			
At 1 January 2020	81	513	594
Additions during the year	10,117	10,530	20,647
At 31 December 2020	**10,198**	**11,043**	**21,241**
Accumulated depreciation and impairment:			
At 1 January 2020	(33)	(367)	(400)
Depreciation for the period	(22)	(184)	(206)
At 31 December 2020	**(55)**	**(551)**	**(606)**
Carrying amount 31 December 2020	**10,143**	**10,492**	**20,635**

15. Deferred tax

DKK'000	2020	2019	2018
Deferred tax at 1 January	0	0	0
Deferred tax recognised in the statement of profit or loss	0	0	0
Deferred tax recognised directly in equity	0	0	0
Deferred tax at 31 December	0	0	0

DKK'000	2020	2019	2018
Deferred tax relates to:			
Intangible assets	(3,512)	(1,473)	(1,203)
Deferred income	713	742	649
Right of use assets	(3,198)	(81)	0
Lease liabilities	3,197	82	0
Warrants under share-based payment programs	4,335	0	0
Tax losses carried forward	13,071	2,896	1,375
Other	(144)	(97)	165
	14,462	2,069	986
Deferred tax asset not recognized in the balance sheet	(14,462)	(2,069)	(986)
Deferred tax asset	**0**	**0**	**0**

As of 31 December 2020, the Company has a deferred tax asset of DKK 14,462 thousand (2019: DKK 2,069 thousand and 2018: DKK 986 thousand) which has not been recognised in the balance sheet. The deferred tax asset include tax losses to be carried forward of DKK 59,416 thousand (2019: DKK 13,164 thousand and 2018: DKK 6,252 thousand) which is the result of previous years' taxable income. The tax loss carry-forwards are available indefinitely for offsetting against future taxable profits of the Company. Due to uncertainties regarding future utilisation, the Company has decided not to recognise net deferred tax assets and tax asset on the tax losses carried forward.

16. Leases

The Company's lease agreements relate primarily to leases of properties and vehicles. Leases of vehicles are typically made for fixed periods of 3-4 years and do normally not include extension options. Leases of properties are negotiated on an individual basis and contain a wide range of different terms and conditions. The property leases are in general of a short-term nature, however a few leases have an initial term of up to 15 years.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Company has recognised the following amounts relating to leases:

DKK'000	2020	2019	2018
Right-of-use assets			
Properties	12,285	370	0
Vehicles	2,250	0	0
Total	**14,535**	**370**	**0**

DKK'000	2020	2019	2018
Lease liabilities			
Current	2,228	239	0
Non-current	12,303	133	0
Total	**14,531**	**372**	**0**
Additions to the right-of-use assets were	15,167	393	0

The statement of profit or loss shows the following amounts relating to leases:

DKK'000	2020	2019	2018
Depreciation charge of right-of-use assets			
Properties	(381)	(21)	0
Vehicles	(442)	0	0
Total depreciation	**(823)**	**(21)**	**0**
Interest expense (included in finance expenses)	179	2	0
Expense relating to short-term leases (included in other operating expenses)	868	230	230
The total cash outflow for leases	**2,055**	**23**	**230**

The total future undiscounted cash outflows relating to leases that have not yet commenced at 31 december 2020 amount to DKK 28,500 thousand, which falls due as follows:

DKK'000	Less than 1 year	Between 1 and 5 year	More than 5 years	Total
	1,742	7,600	19,158	28,500

As of 31 December 2019 and 2018, the Company had not entered into any lease agreements which had not commenced at the end of the reporting period.

17. Inventory

DKK'000	2020	2019	2018
Raw materials	4,867	5,427	774
Work in progress	0	2,589	3,967
Finished goods	2,744	0	0
Total	7,611	8,016	4,741

The costs of individual items of inventory are determined using the FIFO-principle.

Inventories recognised as an expense during the year ended 31 December 2020 amounted to DKK 17,208 thousands (2019: DKK 10,955 thousands) (2018: DKK 8,081 thousands). These were included in "changes in inventory of finished goods and work in progress" and "raw materials and consumables used".

Write-downs of inventories to net realisable value amounted to DKK 4,410 thousands (2019: DKK 41 thousands; 2018: DKK 24 thousands). These were recognised as an expense during the year ended 31 December 2020 and included in "changes in inventory of finished goods and work in progress".

18. Trade receivables

DKK'000	2020	2019	2018
Trade receivables at 31 December	4,052	12,601	1,175

Trade receivables are amounts due from customers for delivery of electrolysers and services provided in the ordinary course of business. Payments are generally due for settlement within 30 days after invoice date, and are therefore all classified as current.

Due to the short-term nature of the current receivables, their carrying amount is considered to approximate their fair value.

The Company's customers are generally large international industrial companies with the adequate resources and capital available for investing in electrolysers and in the most recent green technology as provided by the Company. The customers does therefore normally have a high credit quality.

To assess the credit risk of a customer, prior to entering into a binding sales agreement, it is the Company's policy to evaluate the customer's credit rating provided by external credit rating agencies. In addition, the Company's contracts for delivery of electrolysers include milestone payments. At time of delivery, the Company has normally received prepayments of up to 90% of the total consideration, which naturally reduces the credit risk on the remaining amount outstanding. The Company has historically not incurred any material losses from trade receivables. The existence of Covid-19 is not expected to have any significant impact on the Company's expected credit losses.

On that basis, Management has concluded that the Company's credit risk from trade receivables is not material, and has therefore not recognised any significant allowance for expected credit losses related to trade receivables.

19. Contract balances

The Company has recognised the following assets and liabilities related to contracts with customers:

DKK'000	31 December 2020	31 December 2019	31 December 2018	1 January 2 018
Trade receivables	4,052	12,601	1,175	381
Contract liabilities	7,889	5,645	6,721	2,257

As described above in note 18, the Company receives milestone payments from the customers before delivery of electrolysers. Milestone payments received are recognised as contract liabilities until revenue is recognised.

The amount of contract liabilities has increased compared to previous years in line with the Company's increased activities, whereby the Company has received prepayment from new contracts on large projects. In addition, some projects have been postponed until after year-end 2020, partly influenced by Covid-19.

The contract balances primarily relate to delivery of electrolysers, where prepayments have been received from the customers but where control has not yet been transferred to the customer. As no contracts for delivery of electrolysers have a duration over more than 12 months, the entire balance of contract liabilities are recognised within the next 12 months, i.e. within the following year. Accordingly, the entire amount included in the opening balance of contract liabilities have been recognised within the year.

As the Company's contracts for delivery of electrolysers have a duration of one year or less the aggregate amount of transaction price allocated to performance obligations that are unsatisfied as of the end of the reporting period, has not been disclosed in accordance with the practical expedient in IFRS 15.

All service and maintenance contracts are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

20. Share capital

	2020		2019		2018	
	Number of shares	**Nominal value (DKK)**	**Number of shares**	**Nominal value (DKK)**	**Number of shares**	**Nominal value (DKK)**
The share capital comprise:						
A shares	10,231	10,231	9,891	9,891	9,291	9,291
B shares	26,574	26,574	12,313	12,313	0	0
Share capital (fully paid)	**36,805**	**36,805**	**22,204**	**22,204**	**9,291**	**9,291**

All shares have nominal value of DKK 1. All shares issued are fully paid. Each share carry one vote.

The class B shares carry certain special rights, which provide the holders with liquidity preference to distributions such that holders of class A shares will not receive any distributions until all proceeds up to the subscription price paid for the class B shares plus a compound return of 8% p.a. has been paid to holders of B shares, upon which further distributions are made disproportionately in favor of holders of A shares until the A shares have received the same distribution per share as the B shares (catch-up). In the event of an initial public offering (IPO-event) the A and B shares will be combined in a single class of ordinary shares at a conversion rate of 1:1, provided the valuation implies full catch-up for the holders of A shares.

	A Shares			B Shares		
	31 December 2020 Number of shares	**31 December 2019 Number of shares**	**31 December 2018 Number of shares**	**31 December 2020 Number of shares**	**31 December 2019 Number of shares**	**31 December 2018 Number of shares**
Changes in share capital						
Opening balance	9,891	9,291	7,391	12,313	12,313	0
Capital increase, cash	621	0	1,900	616	0	0
Exercise of warrants	739	0	0	0	0	0
Conversion of loan into shares	0	0	0	13,645	0	0
Cancellation of treasury shares	(1,020)	0	0	0	0	0
Total	**10,231**	**9,891**	**9,291**	**26,574**	**12,313**	**0**

No dividends have been declared or paid out for 2018, 2019 or 2020.

21. Borrowings

The Company's borrowings consist of the following:

DKK'000	31 December 2020	31 December 2019	31 December 2018
Convertible loan (debt-host contract)	149,829	0	0
Conversion option liability	4,591	0	0
Other loans	19,956	3,824	2,916
Total borrowings	**174,376**	**3,824**	**2,916**
Current	4,089	509	0
Non-current	170,287	3,315	2,916
Total borrowings	**174,376**	**3,824**	**2,916**

Convertible loan

In December 2020, the Company entered into a convertible loan facility denominated in EUR with an aggregate amount of DKK 205,821 thousand, of which DKK 154,365 thousand was drawn on 30 December 2020. The loan carries a fixed nominal interest rate of 9% p.a. and matures in December 2023. The loan is convertible into B-shares with a fixed conversion rate of EUR 1.79 per B-share of nominally DKK 1, which is based on the market price per share at the date of establishment of the facility, but subject to adjustment for changes in the capital structure.

The loan is convertible upon discretion of the lenders at any time until maturity. However, in certain exit scenarios, the Company has the right to require the lenders to convert the loan into shares.

As the convertible loan is denominated in a foreign currency (EUR) it does not meet the fixed-for-fixed criteria. The conversion option is therefore separated from the debt host contract and recognised as a separate derivative financial liability. At initial recognition in December 2020, the amount of the conversion option was DKK 4,591 thousand. The remaining amount of DKK 149,775 thousand was allocated to the debt-host contract (the loan), which is considered being equal to its fair value.

Other loans

Other loans include two loans from the Danish Green Investment Fund with a total nominal value of DKK 18,900 thousand, which were obtained in 2018 and 2020. The loans carry a variable interest rate based on Cibor 3M plus a margin. The average nominal interest rate is 8.82%. The loans mature in 2025 and 2026, respectively, but includes early-prepayment features.

The loans include potential additional payments of a total amount up to DKK 3,750 thousands which are payable to the Danish Green Investment Fund in certain exit scenarios subject to the equity value of the Company exceeds predefined targets. These embedded derivatives are separated from the debt-host contracts and are presented within current borrowings. At the time of obtaining the first loan in 2018, the exit-payment was estimated to have a fair value of DKK zero. When the second loan was obtained in 2020, the amount allocated to the exit-payment derivative was DKK 2,411 thousand. The remaining proceed of DKK 12,589 thousand was allocated to the debt-host contract (the loan). See note 22 for further information.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 26.

22. Financial risk management

Financial risk factors
Exposure to financial risk is an embedded part of doing business. This includes risks from financial instruments to which the Company is exposed, and which can have an impact on the Company's financial statements.

The Company's financial liabilities comprise primarily borrowings, lease liabilities and trade payables. The main purpose of these financial liabilities is to finance the Company's operations.

The Company's financial assets include primarily trade receivables and cash.

The financial risks that the Company is exposed to include credit and liquidity risk as well as market risk related to changes in market interest rates and changes in the Company's share price.

The Company's exposure to those risks, including our objectives, policies and processes for managing those risks are described below.

There has been no change in the Company's financial risk management policies compared to last year.

Market risk
Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowings from the Danish Green Investment Fund are floating rate loans, and do therefore expose the Company to cash flow interest rate risk.

The Company is also exposed to interest rate risk from cash balances deposited with banks, which is particularly relevant for 2020 following the drawdown of the convertible loan in December 2020.

It is the Company's policy not to the hedge its exposure to interest rate risk.

Sensitivity from changes in interest rates:
A reasonably possible change in the market interest rate compared to the interest rates as of the end of the reporting period will have the following hypothetical impact on profit after tax and equity:

	Impact on post tax profit and equity		
DKK'000	**2020**	**2019**	**2018**
Interest rate - increase of 100 basis points	1,074	43	19
Interest rate - decrease of 100 basis points	(1,074)	(43)	(19)

The sensitivity analysis is based on the assumption that all other variables and exposures remain constant. The impact on post tax profit for the period and equity is based on those financial instruments that were recognised at the respective balance sheet dates. The sensitivity analysis does not consider impact from repayments and other changes in borrowings made during the year.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a balance sheet exposure will fluctuate because of changes in foreign exchange rates.

The Company primarily generates its sales in DKK and EUR. Purchases are also primarily made in DKK and EUR; with only minor purchases made in USD. As further described above in note 21, the Company entered into a convertible borrowing facility, which is denominated in EUR. As of 31 December 2020, the amount drawn under the facility is DKK 154,365 thousand (corresponding to EUR 20,750 thousand). For 2019 and 2018, the Company's borrowings were only denominated in DKK. The proceeds received are held in EUR. The Company's exposure to movements in the EUR/DKK exchange rate on borrowings is therefore offset by the EUR cash deposit. Further, as the DKK is pegged against the EUR, the Company's exposure to changes in the DKK/EUR exchange rate is insignificant.

The Company's exposure from movement in the DKK/USD exchange rate is considered immaterial.

Price risk
The Company is exposed to changes in fair value of the conversion option liability, which arises from its own share-price risk (market price of class B-shares) as well as the volatility of the share.

The Company's equity and post-tax profit for the period would be impacted as follows from reasonably possible changes in the price of B-shares:

	Impact on post tax profit and equity		
DKK'000	**2020**	**2019**	**2018**
B-share price increase of 10%	(12,120)	0	0
B-share price decrease of 10%	12,055	0	0
Volatility of B-share increase by 10%-points	(484)	0	0
Volatility of B-share decrease by 10%-points	494	0	0

The sensitivity analysis assumes all other variables remain constant. The impact on post tax profit for the period and equity is based on those financial instruments that were recognised at the respective balance sheet dates.

Credit risk
Credit risk arises primarily from the Company's cash position as well as credit exposures from outstanding receivables from customers.

The Company's exposure and policy for managing credit risk from trade receivables has been described in note 18.

The most significant counterparty risk is related to deposit with banks, as the Company's cash balance at 31 December 2020 amounts to DKK 155,953 thousand (2019: DKK 9,412 thousand and 2018: DKK 599 thousand). To mitigate this risk, the Company only enters into money market deposits with financial counterparties possessing a satisfactory long-term credit rating from an internationally recognized agency (credit rating of minimum A-). Furthermore, maximum credit lines defined for each counterparty diversify the overall counterparty risk.

The carrying amounts represent the maximum credit exposure.

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines.

The Company's policy is to secure adequate liquidity to always meet the planned future financial and operational payment obligations for minimum the next 12 months period. The Company has a strong liquidity position, DKK 155,953 thousand, as per 31 December 2020, allowing Executive Management to carry out the planned growth strategy. The company monitors the liquidity risk through follow up against plans. If necessary the company will attempt to raise capital through private placements, partnerships, and strategic alliances or from other sources.

Maturity analysis

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

DKK'000	Less than 1 year	Between 1 and 5 year	More than 5 years	Total
As at 31 December 2020				
Non-derivatives				
Borrowings, current and non-current	918	199,144	3,966	204,028
Trade payables	25,358	0	0	25,358
Lease liabilities	2,283	6,330	12,432	21,045
Total non-derivatives	**28,559**	**205,474**	**16,398**	**250,431**
Derivatives				
Exit-payment	3,750	0	0	3,750
Total derivatives	**3,750**	**0**	**0**	**3,750**
As at 31 December 2019				
Non-derivatives				
Borrowings, current and non-current	797	4,071	0	4,868
Trade payables	5,641	0	0	5,641
Lease liabilities	256	134	0	390
Total non-derivatives	**6,694**	**4,205**	**0**	**10,899**
Derivatives				
Exit-payment	750	0		750
Total derivatives	**750**	**0**	**0**	**750**
As at 31 December 2018				
Non-derivatives				
Borrowings, current and non-current	258	4,157	711	5,126
Trade payables	1,123	0	0	1,123
Lease liabilities	0	0	0	0
Total non-derivatives	**1,381**	**4,157**	**711**	**6,249**
Derivatives				
Exit-payment	750	0	0	750
Total derivatives	**750**	**0**	**0**	**750**

The exit-payment derivative is included in non-current borrowings in the balance sheet.

Of the DKK 203,110 thousand disclosed in the 2020 borrowings time bands 'between 1 and 5 years' and 'more than 5 years', the Company is considering early repayment of DKK 22,468 thousand during 2021 (2019 and 2018: nil).

The maturity analysis is based on the following assumptions:

- The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments). Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.
- The exit-payment derivatives are presented with their maximum amount payable and within the time-band the potential payments could earliest possibly occur.
- Payments for lease liabilities include only lease agreements which have commenced before the end of the reporting period.

DKK'000	2020	2019	2018
Financial assets and liabilities per measurement category			
Financial assets			
Financial assets at amortised cost:			
Trade receivables	4,052	12,601	1,175
Cash and cash equivalents	155,953	9,412	599
	160,005	**22,013**	**1,774**
Financial liabilities			
Financial liabilities at fair value through profit or loss:			
Conversion option liability*	4,591	0	0
Exit-payment derivative*	3,411	0	0
	8,002	**0**	**0**
Financial liabilities at amortised cost:			
Trade payables	25,358	5,641	1,123
Borrowings, current and non-current	174,376	3,824	2,916
Lease liabilities, current and non-current	14,531	372	0
	214,265	**9,837**	**4,039**

* Included in borrowings in the balance sheet.

Measurement and fair value hierarchy.
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for the Company's derivative financial liabilities:

DKK'000	2020	2019	2018
Recurring fair value measurements			
Financial liabilities measured at fair value			
Conversion option liability	4,591	0	0
Exit-payment derivatives	3,411	0	0
	8,002	**0**	**0**

For financial assets and liabilities of short-term nature, such as trade receivables and trade payables, the carrying amount approximates their fair value. For borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is close to current market rates.

Conversion option liability
The fair value of the conversion option liability is the probability adjusted value of a number of options reflecting possible scenarios for exercising the conversion option. The fair value of the options is based on a Black-Scholes formula with the following significant unobservable inputs:

- Share-price: DKK 13.30 (2019 and 2018: nil)
- Conversion price: DKK 13.30 (2019 and 2018: nil)
- Time to maturity: 0.4 - 1 year (2019 and 2018: nil)
- Volatility: 75.7% (2019 and 2018: nil)

Executive Management does not consider a share price that deviates significantly from the applied input likely, as the convertible loan was issued in December 2020 with a conversion price considered to reflect fair market value. However, to illustrate the sensitivity on the fair value measurement, a change in the share price of +/- 2% will increase/decrease the fair value of the conversion option liability by DKK 3,101 thousand / DKK -3,098 thousand.

An increase in the volatility of 10%-points will increase the fair value of the conversion option liability by DKK 621 thousand, whereas a decrease in the volatility of 10%-points will decrease fair value by DKK 633 thousand.

Executive Management does not consider a significant different 'time to maturity' being realistic.

Exit-payment derivatives
The fair value of the exit-payment derivatives are based on the probability weighted discounted cash flows reflecting possible triggering events, the probability and expected timing.

- Probability weighted cash flows: DKK 3,750,000 (2019: DKK 0; 2018: DKK 0)
- Probability weighted time to maturity: 0.33 (2019: nil; 2018: nil)

An increase in the probability weighted time to maturity will reduce the fair value of the exit-payment liability. However, Executive Management does at the end of the reporting period not consider any significant change in the expected maturity to be a realistic alternative. The probability weighted cash flows reflects the maximum amount payable, which Executive Management considers being the most realistic outcome.

The recurring fair value measurement required for the Company's financial liabilities are monitored by Executive Management. The significant unobservable inputs are based updated at least by the end of each reporting period to reflect Executive Management's most recent expectations. The has been no change in the valuation technique compared to previous years.

The following table presents the changes in level 3 items for the year ended 31 December 2020:

DKK'000	Conversion option liability	Exit-payment derivative	Total
Opening balance 1 January 2020	0	0	0
Borrowings obtained	4,591	2,411	7,002
Losses recognised in financial expenses*	0	999	999
Closing balance 31 December 2020	**4,591**	**3,410**	**8,001**
* includes unrealised losses recognised in profit or loss attributable to balances held at the end of the reporting period	0	999	999

23. Earnings per share

	2020	2019	2018
Net loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share (DKK'000)	**(73,241)**	**(10,736)**	**(2,762)**
Basic earnings per share:			
Issued ordinary shares at 1 January (thousand)	22,204	9,291	7,391
Effect of shares issued, weighted-average (thousand)	7,487	4,619	808
Weighted-average number of ordinary shares used as the denominator in calculating basic earnings per share (thousand)	29,691	13,910	8,199
Basic earnings per share for loss attributable to the ordinary equity holders of the Company (DKK)	**(2.47)**	**(0.77)**	**(0.34)**
Diluted earnings per share for loss attributable to the equity holders of the Company (DKK)	**(2.47)**	**(0.77)**	**(0.34)**

The calculation of diluted earnings per share does not include potential ordinary shares that are anti-dilutive.

24. Provisions

DKK '000	Warranty
Carrying amount 1 January 2020	645
Additional provisions recognised	984
Amounts used during the year	(645)
Carrying amount 31 December 2020	**984**

The Company's provisions are presented as follows in the balance sheet:

Non-current liabilities	0
Current liabilities	984
Total	**984**

Provision is made for estimated warranty claims in respect of electrolysers sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year.

25. Capital management

The Company's objective when managing capital is to safeguard the ability to continue as a going concern, so that the Company can fund its continuing growth and development while maintaining an optimal capital structure to reduce the cost of capital.

The Company has during 2020 grown significantly and liquidity has been strengthen with establishment of new loans by the end of 2020 as further described above in note 21. The financial policies are being refined on an ongoing basis to support the Company's risk management policies and objectives. The Company intends to apply all available financial resources for the purposes of current and future business development. The Company does not expect to make dividend payments within the foreseeable future. The Company does not enter into any speculative transactions.

26. Commitments and contingent liabilities

Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

DKK'000	**2020**	**2019**	**2018**
Floating charge			
Non-current assets			
Property, plant and equipment	10,519	195	179
Current assets			
Inventories	7,611	8,016	4,741
Trade receivables	9,016	12,601	2,125
Total current assets pledged as security	**16,627**	**20,617**	**6,866**
Total assets pledged as security	**27,146**	**20,812**	**7,045**

The pledges comprise a floating charge provided as security for borrowings from the Danish Green Investment Fund up to a value of DKK 18.9 million (2019 and 2018: DKK 3.9 million). The terms restrict the Company for using the assets for other securities.

Contingent liabilities

None

Commitments

None

27. Fee to auditors appointed at the general meeting

DKK'000	2020	2019	2018
PwC			
Audit fee	74	0	0
Tax and VAT services	13	0	0
Other services	1,801	0	20
	1,888	**0**	**20**
BDO			
Audit fee	190	73	57
Tax and VAT services	122	11	6
Other services	119	43	32
	431	**127**	**95**

28. Changes in liabilities arising from financing activities

This section sets out an analysis of liabilities arising from financing activities and the movements in each of the periods presented.

			Non-cash changes			
DKK'000	**1 January 2018**	**Cash flows**	**New leases***	**Changes in fair value**	**Other changes****	**31 December 2018**
Borrowings, current and non-current	0	2,916	0	0	0	2,916
Total liabilities from financing activities	**0**	**2,916**	**0**	**0**	**0**	**2,916**

			Non-cash changes			
DKK'000	**1 January 2019**	**Cash flows**	**New leases***	**Changes in fair value**	**Other changes****	**31 December 2019**
Borrowings, current and non-current	2,916	900	0	0	8	3,824
Lease liabilities	0	(21)	393	0	0	372
Total liabilities from financing activities	**2,916**	**879**	**393**	**0**	**8**	**4,196**

DKK'000	1 January 2020	Cash flows	Non-cash changes New leases*	Changes in fair value	Other changes**	31 December 2020
Borrowings, current and non-current	3,824	199,842	0	0	(32,758)	170,908
Lease liabilities	372	(1,008)	15,167	0	0	14,531
Exit-payment derivative***	0	2,411	0	999	0	3,410
Total liabilities from financing activities	**4,196**	**201,245**	**15,167**	**999**	**(32,758)**	**188,849**

* Including remeasurements.

** Other changes include non-cash movements, e.g. accrued interest expense which will be presented as operating cash flows in the statement of cash flows when paid. The adjustment also include DKK 33,689 thousands which was converted into shares in 2020.

*** The exit-payment derivative is presented as borrowings in the balance sheet, and is included in proceeds from borrowings in the cash flow statement.

29. Related parties

The Company is controlled by Nordic Alpha Partners Fund I K/S, which is also the ultimate controlling party. For 2018 and 2019, the Company did not have any parties with controlling interest.

Entities with significant influence over the Company include lenders of the convertible loan, which hold conversion options that are currently exercisable into B-shares of the Company. For 2019 and 2018, it only included entities with significant influence due to ownership of shares.

Transactions with key management personnel

Information about remuneration to key management personnel has been disclosed in note 5.

The Company has in addition received consulting services from key management personnel amounting to DKK 1,130 thousand (2019 and 2018: nil).

The following transactions were carried through with related parties:

DKK'000	2020	2019	2018
Transactions with entities with controlling influence			
Proceeds from loans	65,285	0	0
Interest accrued on loans	198	0	0
Conversion of loans to equity	(28,158)	0	0
Outstanding balances with entities with controlling influence			
Convertible loan*	65,285	0	0
Transactions with entities with significant influence			
Proceeds from loans	123,074	4,500	0
Repayment of loans	0	(4,618)	0
Interest accrued on loans	32	118	0
Conversion of loans to equity	(5,532)	0	0

DKK'000	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
Outstanding balances with entities with significant influence			
Convertible loan*	123,074	0	0

*The convertible loan issued in December 2020 is presented within borrowings in the balance sheet. For further information about the terms and conditions for the loan reference is made to note 21.

30. Events after the balance sheet date

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the Prospectus Financial Statements of the Company.

31. Cash flow specifications

DKK'000	2020	2019	2018
Changes to net working capital			
Decrease/(increase) in trade receivables	8,549	(11,426)	(794)
Decrease/(increase) in deposits	(6,160)	0	0
Decrease/(increase) in other assets	(2,631)	(4,146)	(2,314)
Decrease/(increase) in prepayments	(1)	(124)	44
Decrease/(increase) in trade payables	19,717	4,518	(553)
Decrease/(increase) in other liabilities	9,589	843	1,170
Decrease/(increase) in contract liabilities	2,244	(1,076)	4,464
	31,307	**(11,411)**	**2,017**

DKK'000	2020	2019	2018
Adjustments			
Income tax	(2,307)	(1,375)	(1,396)
Amortization of intangible assets	2,042	205	222
Depreciations of tangible assets and right-of-use assets	1,030	111	56
Share-based payment	12,845	105	73
Finance expenses, net	2,858	83	16
Other	(511)	453	110
	15,957	**(417)**	**(919)**

32. Transition to IFRS

These financial statements of the Company for the year ended 31 December 2020, are the first the Company has prepared in accordance with IFRS with comparative figures for 2018 and 2019 in the income statement and the balance sheet items as at 1 January 2018, 31 December 2018 and 31 December 2019. For periods up to and including the year ended 31 December 2019, the Company prepared its financial statements in accordance with The Danish Financial Statements Act ('Danish GAAP'). As describe above on note 1, the published financial statements covering 2020 is first-time adoption of IFRS and have comparative figures for the period 1 December to 31 December 2019 as a result of change in the financial period. Previously published financial statements covering 1 December to 31 December 2019, 1 December 2018 to 30 November 2019 and 1 December 2017 to 30 November 2018 have been prepared in accordance with the Danish Financial Statements Act.

The Company has prepared the financial statements of the Company that comply with IFRS applicable as at 31 December 2020, together with the comparative period data for the year ended 31 December 2019 and 31 December 2018.

In preparing the financial statements of the Company, the opening statement of financial position was prepared as at 1 January 2018.

The disclosures required by IFRS 1 First-time Adoption of IFRS explaining the principal adjustments made by the Company in restating Danish GAAP financial statements are provided below:

Reconciliation	**As at 1 January 2018 (date of transition to IFRS)**			**For the year ended 31 December 2018**	**As at 31 December 2018**		
DKK'000	**Assets**	**Liabilities**	**Equity**	**Profit for the year**	**Assets**	**Liabilities**	**Equity**
According to the Danish Financial Statement act	**10,824**	**5,183**	**5,641**	**(1,472)**	**17,911**	**11,384**	**6,526**
Correction of errors under previous GAAP:							
Reversal of development projects not meeting the capitalization criteria	(4,715)	0	(4,715)	(1,756)	(6,447)	25	(6,472)
Gross presentation of government grants	985	985	0	0	2,948	2,948	0
	(3,730)	985	(4,715)	(1,756)	(3,498)	2,973	(6,471)
Effect of transition to IFRS:							
Capitalisation of borrowing costs	0	0	0	82	82	0	82
Share-based payments	0	0	0	(73)	0	0	0
Total adjustments	**(3,730)**	**985**	**(4,715)**	**(1,746)**	**(3,417)**	**2,973**	**(6,389)**
According to IFRS	**7,094**	**6,168**	**926**	**(3,219)**	**14,494**	**14,357**	**137**

Reconciliation	For the year ended 31 December 2019	As at 31 December 2019		
DKK'000	Profit forthe year	Assets	Liabilities	Equity
According to the Danish Financial Statement act	**(8,819)**	**46,153**	**17,875**	**28,278**
Correction of errors under previous GAAP:				
Reversal of development projects not meeting the capitalization criteria	(2,007)	(8,083)	(62)	(8,021)
Gross presentation of government grants	0	3,374	3,374	0
Reversal of deferred tax asset	(468)	(468)	0	(468)
Reclassification / other Other corrections	226	(958)	(1,184)	226
	(2,250)	(6,135)	2,128	(8,263)
Capitalisation of borrowing costs	440	522		522
Leases	(2)	370	372	(2)
Share-based payments	(105)	0	0	0
Total adjustments	**(1,916)**	**(5,243)**	**2,500**	**(7,743)**
According to IFRS	**(10,736)**	**40,910**	**20,375**	**20,535**

Notes to the reconciliation from Danish GAAP to IFRS
Correction of errors under previous GAAP
Reversal of development projects and adjustment of related government grants
In connection with the transition to IFRS, the Company has corrected an error related to capitalized development costs, which were not meeting the criteria for capitalization under Danish GAAP. Consequently, as of 1 January 2018 the company has reversed capitalised development costs of DKK 4,715 thousand, including the effect of government grants received related to those development costs, as these were previously presented on a net basis. For 2018 and 2019, the profit or loss for the period is adjusted by DKK (313) thousand and DKK (1,393) thousand, respectively, being the net amount of development costs incurred, which are not meeting the capitalization criteria, and the related effect of government grants received, which are recognised as income together with the related expenses the grants are intended to compensate. The correction further includes the related impact on tax and deferred tax of the correction.

Government grants received related to development costs, which meet the capitalisation criteria, have been recognised as deferred income in the balance sheet by DKK 985 thousand as of 1 January 2018, by DKK 2,948 thousand as of 31 December 2018 and by DKK 3,374 thousand as of 31 December 2019. The amounts included in deferred income will be recognised in other income in subsequent period as the related capitalized development costs are amortized. The Company has under IFRS chosen an accounting policy to present government grants related to assets on a gross basis, cf. note 1. The Company previously presented such grants and the related intangible asset on a net basis.

Reversal of deferred tax asset

As of 31 December 2019, the Company has reversed the deferred tax asset of DKK 468 thousand, which was recognised in the balance sheet, and which according to Executive Management did not meet the recognition criteria. Similar to IFRS, Danish GAAP requires that it is probable that future taxable income is available against which the deferred tax asset can be utilised. As the Company has a history of taxable losses, recognition of deferred tax assets requires convincing evidence of the future utilisation.

Other corrections

Other corrections for 2019 include reclassifications between receivables and payables of DKK 958 thousand and correction of short-term employee benefits of DKK 226 thousand.

Adjustments arising from the transition to IFRS

Capitalisation of borrowing costs

Unlike Danish GAAP, IFRS requires borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised as part of the cost of that asset. The Company has accordingly as part of the transition to IFRS capitalised borrowing costs to those development projects in progress, which are considered being qualifying assets. For 2019 the amount of borrowing costs capitalised amounted to DKK 440 thousand (2018: DKK 82 thousand) which under Danish GAAP were recognised in the income statement as financial expenses. At the transition to IFRS, the company has applied the exemption in IFRS 1 only to capitalise borrowing costs incurred on or after 1 January 2018.

Leases

In accordance with the provisions in IFRS 1, the Company has adopted IFRS 16 Leases from the date of transition. With the adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which under Danish GAAP were classified as operating leases. IFRS 1 allows the liabilities to be measured at the present value of the remaining lease liabilities as at the transition date using the incremental borrowing rates of 1 January 2018. The associated right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Under Danish GAAP the costs for operating leases were recognised in the income statement as operating expenses, which under IFRS is replaced with depreciations on the right of use assets and interest expense on the lease liability.

On the date of transition, all the Company's lease agreements were short-term leases. As the Company has chosen to use the exemption in IFRS 1 not to recognise leases with a remaining lease term of 12 months or less on the transition date, no adjustments were made in respect of leases at the transition date. Accordingly, there were no impact on the income statement for 2018. By the end of 2019, a lease liability of DKK 372 thousand and a right of use asset of DKK 370 thousand was recognised. The net impact on the income statement for 2019 was DKK 2 thousand.

Share-based payment

Under Danish GAAP, the Company did not recognize any expenses related to the warrant programs, as equity-settled programs are not required to be recognized under Danish GAAP. IFRS requires the fair value of the granted warrants to be recognized over the vesting period. The fair value was determined using an appropriate pricing model.

In transitioning to IFRS, expenses of DKK 105 thousand has been recognized in profit or loss for the year ended 31 December 2019 (2018: DKK 73 thousand). Corresponding entries have been made directly to equity.

Exemptions applied from full retrospective application of IFRS

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Company has applied the following exemptions:

1) No opening adjustment on the date of transition for warrants that have fully vested prior to the date of transition has been recognized. Only the expenses related to the warrants vesting after the date of transition to IFRS have been recognized.
2) No borrowing costs incurred prior to the transition date of 1 January 2018, has been capitalised.
3) The Company has chosen to account for leases that end within 12 months after 1 January 2018, as if they were short-term leases accounted for in accordance with paragraph 6 of IFRS 16.

Annex A — Articles of Association of the Company

Vedtægter/Articles of Association

Green Hydrogen Systems A/S

1.	**Navn**	**Name**
1.1	Selskabets navn er Green Hydrogen Systems A/S.	The name of the company is Green Hydrogen Systems A/S.
2.	**Formål**	**Object**
2.1	Selskabets formål er udvikling, produktion, salg, installation, drift og services af anlæg til fremstilling af hydrogen, produktion og salg af hydrogen samt hermed forbundne aktiviteter.	The objects of the company are development, production, sale, installation, operation and servicing of hydrogen systems, production and sale of hydrogen and any related activities.
3.	**Selskabskapital**	**Share capital and shares**
3.1	Selskabskapitalen udgør nominelt 48.908.614 kr. fordelt i kapitalandele á nominelt 1 kr. eller multipla heraf.	The company's nominal share capital is DKK 48,908,614 divided into shares of DKK 1 or multiples thereof.
3.2	Selskabskapitalen er fuldt indbetalt.	The share capital has been paid up in full.
4.	**Kapitalandele**	**Shares and register of shareholders**
4.1	Kapitalandelene skal lyde på navn og skal noteres på navn i selskabets ejerbog.	The shares must be issued in the name of the holder and must be recorded in the name of the holder in the company's register of shareholders.
4.2	Selskabets ejerbog føres af VP Securities A/S, CVR nr. 21 59 93 36.	The company's register of shareholders is kept by VP Securities A/S, CVR no. 21 59 93 36.
4.3	Kapitalandelene er omsætningspapirer. Der gælder ingen indskrænkninger i kapitalandelenes omsættelighed.	The shares are negotiable instruments. The transferability of the shares is not subject to any restrictions.
4.4	Ingen kapitalandele har særlige rettigheder.	No share confers any special rights on the holder.
4.5	Ingen kapitalejer skal være forpligtet til at lade sine kapitalandele indløse helt eller delvist af selskabet eller andre.	No shareholder is under an obligation to have his shares redeemed in whole or in part by the company or any third party.
4.6	Kapitalandelene er registreret hos og udstedt i dematerialiseret form gennem VP Securities A/S. Udbytte udbetales gennem VP Securities A/S. Rettigheder vedrørende kapitalandelene skal anmeldes til VP Securities A/S efter de herom gældende regler.	The shares are registered with and issued in dematerialised form through VP Securities A/S. Dividends are paid through VP Securities A/S. The rights conferred by the shares must be notified to VP Securities A/S subject to the rules applicable.

5. Forhøjelse af selskabskapitalen

Increase of share capital

5.1 Bestyrelsen er frem til og med den 31. maj 2026 bemyndiget til uden fortegningsret for selskabets kapitalejere ad én eller flere gange at forhøje selskabskapitalen med i alt op til nominelt 20.000.000 kr. ved udstedelse af nye kapitalandele. Forhøjelsen skal ske til eller over markedskurs og kan ske ved kontant betaling, konvertering af gæld eller gennem indbetaling af andre værdier end kontanter.

Up to and including 31 May 2026, the board of directors is authorised to increase the share capital in one or more issues without pre-emption rights for the company's existing shareholders by a nominal value of up to a total of DKK 20,000,000 by issuing new shares. The capital increase must be effected at or above market price in the form of cash contributions, conversion of debt or by contributions of assets other than cash, i.e. any non-cash contributions.

5.2 Bestyrelsen er frem til og med den 31. maj 2026 bemyndiget til med fortegningsret for selskabets kapitalejere ad én eller flere gange at forhøje selskabskapitalen med i alt op til nominelt 20,000,000 kr. ved udstedelse af nye kapitalandele. Forhøjelsen skal ske ved kontant betaling og til en tegningskurs, der fastsættes af bestyrelsen.

Up to and including 31 May 2026, the board of directors is authorised to increase the share capital in one or more issues with pre-emption rights for the company's existing shareholders by a nominal value of up to a total of DKK 20,000,000 by issuing new shares. The capital increase must be effected by cash contributions at a subscription price fixed by the board of directors.

5.3 Bestyrelsen er frem til og med den 31. juli 2021 bemyndiget til uden fortegningsret for selskabets kapitalejere ad én eller flere gange at forhøje selskabskapitalen med i alt op til nominelt 48.902.892 kr. i forbindelse med udstedelse af nye kapitalandele. Forhøjelsen skal ske ved kontant betaling og til en tegningskurs, der fastsættes af bestyrelsen.

Up to and including 31 July 2021, the board of directors is authorised to increase the share capital in one or more issues without pre-emption rights for the company's existing shareholders by a nominal value of up to a total of DKK 48,902,892 in connection with the issue of new shares. The capital increase must be effected by cash contributions at a subscription price fixed by the board of directors.

5.4 Bestyrelsen er frem til og med den 31. maj 2026 bemyndiget til uden fortegningsret for selskabets kapitalejere ad én eller flere gange at forhøje selskabskapitalen med i alt op til nominelt 2.000.000 kr. i forbindelse med udstedelse af nye kapitalandele til bestyrelsesmedlemmer, direktører og/eller medarbejdere i selskabet. Forhøjelsen skal ske ved kontant betaling og til en tegningskurs, der fastsættes af bestyrelsen.

Up to and including 31 May 2026, the board of directors is authorised to increase the share capital in one or more issues without pre-emption rights for the company's existing shareholders by a nominal value of up to a total of DKK 2,000,000 in connection with the issue of new shares to members of the board of directors, executive officers and/or employees. The capital increase must be effected by cash contributions at a subscription price fixed by the board of directors.

5.5 Forhøjelser af selskabskapitalen i henhold til pkt. 5.1-5.2 kan tilsammen ikke overstige nominelt 20.000.000 kr.

The total amount of capital increases pursuant to Articles 5.1-5.2 cannot exceed a nominal value of DKK 20,000,000.

5.6 Nye kapitalandele, der udstedes i henhold til pkt. 5.1-5.4, skal indbetales fuldt ud, udstedes på navn, optages på navn i selskabets ejerbog, være omsætningspapirer og i enhver henseende have samme rettigheder som de eksisterende kapitalandele. Bestyrelsen er bemyndiget til at fastsætte vilkårene og betingelserne for kapitalforhøjelser, der foretages i henhold til pkt. 5.1 og foretage enhver ændring af selskabets vedtægter, der måtte være påkrævet som følge heraf.

New shares issued pursuant to Articles 5.1-5.4 must be paid up in full; be issued in the name of the shareholder; be registered in the name of the shareholder in the company's register of shareholders; be negotiable instruments and carry the same rights as those conferred by existing shares. The board of directors is authorised to lay down the terms and conditions for capital increases effected pursuant to Article 5.1 and to make any amendments to the articles of association that are deemed necessary as a result of the capital increase.

6. Tegningsoptioner

Warrants

6.1 Selskabets bestyrelse er bemyndiget til ad én eller flere gange, i henhold til selskabslovens § 155, jf. § 169, at udstede warrants til bestyrelses- og direktions-medlemmers samt betroede medarbejdere i Selskabet (”nøglepersoner”) med ret til tegning af op til i alt nominelt DKK 3.393.120 kapitalandele i Selskabet uden fortegningsret for de øvrige Kapitalejere i Selskabet til en kurs og fordeling og på vilkår, som fastlægges af bestyrelsen, samt til at foretage den dertil hørende forhøjelse af Selskabets selskabskapital. Bemyndigelsen løber frem til 28. juni 2025. Kapitalandele udstedt i henhold til bemyndigelsen i dette pkt. 6.1 skal indbetales fuldt ud, være ikke-omsætningspapirer, skal lyde på navn, skal være ordinære kapitalandele og skal noteres på navn i Selskabets ejerbog. Der gælder samme indskrænkninger i kapitalandelenes omsættelighed, som gælder for de eksisterende kapitalandele, og ingen kapitalejer er forpligtet til at lade kapitalandelene indløse helt eller delvist.

The company’s board of directors has been authorised, pursuant to s. 155(2) of the Danish Companies Act, cf. s. 169 thereof, in one or several instances, to issue warrants to members of the board of directors and management board and trusted employees (“key employees”), which will entitle their holder(s) to subscribe for up to a total of DKK 3,393,120 nominally worth of shares in the Company without pre-emption rights for the existing shareholders at a subscription price allocation and on terms determined by the board of directors and to carry out any related capital increases. The authorization is valid until 28 June 2025. Shares issued pursuant to the authorization in this clause 6.1 must be paid up in full, be non-transferable instruments, be registered by name of shareholders, be ordinary shares and be registered by the name of shareholders in the Company’s register of shareholders. The same restrictions on transferability as those applying to the existing shares apply and no shareholder shall be obligated to have the shares redeemed partly or in full.

Selskabets bestyrelse er endvidere bemyndiget til at genanvende eller genudstede eventuelle bortfaldne ikke udnyttede warrants, forudsat at genanvendelsen eller genudstedelsen sker på samme vilkår, som følger af denne bemyndigelse.

Furthermore, the company’s board of directors is authorised to reuse or reissue lapsed and unexercised warrants, if any, provided that the reuse or reissue occurs under the terms set out in this authorisation.

6.1.1 I henhold til beslutning af den 21. august 2020 har bestyrelsen udnyttet den under pkt. 6.1 tildelte bemyndigelse delvist og har udstedt 3.178.429 aktietegningsoptioner uden fortegningsret for selskabets aktionærer, der berettiger indehaverne til at tegne aktier med op til i alt nominelt 3.178.429 kr. Bestyrelsen har samtidig truffet beslutning om den tilhørende forhøjelse af selskabets kapital med op til 3.178.429 kr. De generelle vilkår for de udstedte tegningsoptioner fremgår af det nye bilag 6.1 til selskabets vedtægter.

Subject to decision of 21 August 2020 the board of director’s has partly exercised the authorisation given in article 6.1 to issue a total of 3,178,429 warrants without pre-emption right for the company's shareholders, which entitle their holder(s) to subscribe for up to a total of DKK 3,178,429 nominally worth of shares in the Company. At the same time the board of directors has decided to increase the share capital by up to a total amount of nominally DKK 3,178,429. The general terms of the issued warrants are stated in the new schedule 6.1 of the company’s articles of association.

6.1.2 Bestyrelsen har den 29. december 2020 konstateret, at i alt 66.350 af de i henhold til bemyndigelsen i pkt. 6.1 udstedte aktietegningsoptioner er bortfaldet. Den resterende del af bemyndigelsen i henhold til dette pkt. udgør således 281.041 aktietegningsoptioner.

On 29 December 2020 the board of directors have noted that a total of 66,350 warrants issued pursuant to the authorization given in clause 6.1 have lapsed. The authorization pursuant to this clause is hereafter reduced to 281,041 warrants.

I henhold til beslutning af den 29. december 2020 har bestyrelsen udnyttet den under pkt. 6.1 tildelte bemyndigelse delvist og har udstedt 276.036 aktietegningsoptioner uden fortegningsret for selskabets aktionærer, der berettiger indehaveren til at tegne aktier med op til i alt nominelt 276.036 kr. Bestyrelsen har samtidig truffet beslutning om den tilhørende forhøjelse af selskabets kapital med op til 276.036 kr. De generelle vilkår for de udstedte tegningsoptioner fremgår af bilag 6.1 til selskabets vedtægter. Den resterende del af bemyndigelsen er herefter 5.005 aktietegningsoptioner.

Subject to decision of 29 December 2020 the board of director's has partly exercised the authorisation given in article 6.1 to issue a total of 276,036 warrants without pre-emption right for the company's shareholders, which entitle their holder to subscribe for up to a total of DKK 276,036 nominally worth of shares in the Company. At the same time the board of directors has decided to increase the share capital by up to a total amount of nominally DKK 276,036. The general terms of the issued warrants are stated in schedule 6.1 of the company's articles of association. The authorisation is hereafter reduced to 5,005 warrants.

6.1.3 Bestyrelsen har den 12. marts 2021 konstateret, at i alt 132.701 af de i henhold til bemyndigelsen i pkt. 6.1 udstedte aktie-tegningsoptioner er bortfaldet. Den resterende del af bemyndigelsen i henhold til dette pkt. udgør således 137.706 aktietegningsoptioner.

On 12 March 2021, the board of directors have noted that a total of 132,701 warrants issued pursuant to the authorization given in clause 6.1 have lapsed. The authorization pursuant to this clause is hereafter reduced to 137,706 warrants.

I henhold til beslutning af den 12. marts 2021 har bestyrelsen udnyttet den under pkt. 6.1 tildelte bemyndigelse delvist og har udstedt 132.701 aktietegningsoptioner uden fortegningsret for selskabets aktionærer, der berettiger indehaveren til at tegne aktier med op til i alt nominelt 132.701 kr. Bestyrelsen har samtidig truffet beslutning om den tilhørende forhøjelse af selskabets kapital med op til 132.701 kr. De generelle vilkår for de udstedte tegningsoptioner fremgår af bilag 6.1 til selskabets vedtægter. Den resterende del af bemyndigelsen er herefter 5.005 aktietegningsoptioner.

Subject to decision of 12 March 2021 the board of director's has partly exercised the authorisation given in article 6.1 to issue a total of 132,701 warrants without pre-emption right for the company's shareholders, which entitle their holder to subscribe for up to a total of DKK 132,701 nominally worth of shares in the Company. At the same time the board of directors has decided to increase the share capital by up to a total amount of nominally DKK 132,701. The general terms of the issued warrants are stated in schedule 6.1 of the company's articles of association. The authorisation is hereafter reduced to 5,005 warrants.

6.1.4 I henhold til beslutning truffet på ekstraordinær generalforsamling afholdt den 1. juni 2021 har selskabets generalforsamling besluttet at tilbagekalde bemyndigelsen i pkt. 6.1 for så vidt angår den udestående del af bemyndigelsen. Der kan således ikke udstedes yderligere aktietegningsoptioner i henhold til bemyndigelsen i pkt. 6.1, herunder ved genudstedelse eller genanvendelse af bortfaldne aktietegningsoptioner.

Subject to decision passed at the extraordinary general meeting held on 1 June 2021 the company's general meeting has resolved to revoke the authorisation given to the board of directors in clause 6.1 with respect to the outstanding part of the authorisation. Accordingly, no further warrants may be issued pursuant to the authorisation in clause 6.1, including by reissue or reuse of lapsed warrants.

6.2	Selskabets bestyrelse er bemyndiget til ad én eller flere gange, i henhold til selskabslovens § 155, jf. § 169, at udstede warrants til bestyrelses- og direktionsmedlemmer samt betroede medarbejdere i Selskabet (”nøglepersoner”) med ret til tegning af op til i alt nominelt DKK 1.934.800 kapitalandele i Selskabet uden fortegningsret for de øvrige kapitalejere i Selskabet til en kurs og fordeling og på vilkår, som fastlægges af bestyrelsen, samt til at foretage den dertil hørende forhøjelse af Selskabets selskabskapital. Bemyndigelsen løber frem til 31. december 2021. Kapitalandele udstedt i henhold til bemyndigelsen i dette pkt. 6.2 skal indbetales fuldt ud, være ikke-omsætningspapirer, skal lyde på navn, skal være ordinære kapitalandele og skal noteres på navn i Selskabets ejerbog. Der gælder samme indskrænkninger i kapitalandelenes omsættelighed, som gælder for de eksisterende kapitalandele, og ingen kapitalejer er forpligtet til at lade kapitalandelene indløse helt eller delvist.	The company’s board of directors has been authorised, pursuant to s. 155(2) of the Danish Companies Act, cf. s. 169 thereof, in one or several instances, to issue warrants to members of the board of directors and management board and trusted employees (“key employees”), which will entitle their holder(s) to subscribe for up to a total of DKK 1,934,800 nominally worth of shares in the Company without pre-emption rights for the existing shareholders at a subscription price, allocation and on terms determined by the board of directors and to carry out any related capital increases. The authorization is valid until 31 December 2021. Shares issued pursuant to the authorization in this clause 6.2 must be paid up in full, be non-transferable instruments, be registered by name of shareholders, be ordinary shares and be registered by the name of shareholders in the Company’s register of shareholders. The same restrictions on transferability as those applying to the existing shares apply and no shareholder shall be obligated to have the shares redeemed partly or in full.
6.2.1	I henhold til beslutning af den 23. april 2021 har bestyrelsen udnyttet den under pkt. 6.2 tildelte bemyndigelse og har udstedt 1.934.800 aktietegningsoptioner uden fortegningsret for selskabets aktionærer, der berettiger indehaverne til at tegne aktier med op til i alt nominelt 1.934.800 kr. Bestyrelsen har samtidig truffet beslutning om den tilhørende forhøjelse af selskabets kapital med op til 1.934.800 kr. De generelle vilkår for de udstedte tegningsoptioner fremgår af bilag 6.2 til selskabets vedtægter. Den resterende del af bemyndigelsen er herefter 0 aktietegningsoptioner.	Subject to decision of 23 April 2021 the board of director’s has exercised the authorisation given in article 6.2 to issue a total of 1,934,800 warrants without pre-emption right for the company's shareholders, which entitle their holder(s) to subscribe for up to a total of DKK 1,934,800 nominally worth of shares in the Company. At the same time the board of directors has decided to increase the share capital by up to a totally amount of nominally DKK 1,934,800. The general terms of the issued warrants are stated in the new schedule 6.2 of the company’s articles of association. The authorisation is hereafter reduced to 0 warrants.
7.	**Generalforsamlinger – Tid, sted og indkaldelse**	**General meetings – Time, place and notice of general meeting**
7.1	Generalforsamlingen har den højeste myndighed i alle selskabets anliggender inden for de i lovgivningen og nærværende vedtægter fastsatte grænser.	The general meeting has supreme authority in all affairs of the company within the limits laid down by statute and these Articles of Association.
7.2	Selskabets generalforsamling skal afholdes i den region, hvor selskabet har hjemsted, eller i Storkøbenhavn.	The company's general meeting must be held in the region of its registered office, or in Greater Copenhagen.
7.3	Den ordinære generalforsamling skal afholdes inden udgangen af april. Selskabet skal senest otte uger før dagen for den påtænkte afholdelse af den ordinære generalforsamling offentliggøre datoen for afholdelse af generalforsamlingen.	The annual general meeting must be held before the end of April. The company must give notice of the general meeting no later than eight weeks prior to the scheduled date of the annual general meeting.

7.4 Ekstraordinær generalforsamling afholdes, når det besluttes af bestyrelsen, revisor forlanger det, eller når det forlanges af kapitalejere, der besidder mindst fem procent af selskabskapitalen. En sådan begæring skal ske skriftligt til bestyrelsen og være ledsaget af et eller flere bestemt angivne forslag. Bestyrelsen indkalder til en ekstraordinær generalforsamling senest to uger efter begæringens modtagelse.

Extraordinary general meetings must be held at the request of the board of directors or of the auditor elected by the general meeting or of shareholders holding at least five per cent of the share capital. Such request must be submitted to the board of directors in writing and must be accompanied by one or more specific proposed resolutions. The board of director must convene an extraordinary general meeting within two weeks of receipt of the request.

7.5 Selskabets generalforsamlinger kan efter bestyrelsens beslutning afholdes som fuldstændig elektroniske generalforsamlinger uden adgang til fysisk fremmøde. Deltagelse i fuldstændig elektroniske generalforsamlinger sker via elektroniske medier, som giver selskabets kapitalejere mulighed for at deltage i, ytre sig samt stemme på generalforsamlingen, og som sikrer, at generalforsamlingen kan afvikles på betryggende vis og i overensstemmelse med selskabsloven.

At the discretion of the board of directors, the general meetings of the company may be held as completely electronic general meetings without any physical attendance. Participation in completely electronic general meetings takes place via electronic devices that allow the company's shareholders to attend, address and vote at the general meeting and that ensure that the general meetings are conducted in a safe manner and in accordance with the Danish Companies Act (*selskabsloven*).

7.6 Generalforsamlinger indkaldes af bestyrelsen med mindst tre ugers og højst fem ugers varsel, beregnet fra dagen før generalforsamlingen. Indkaldelsen offentliggøres på selskabets hjemmeside. Indkaldelse sendes endvidere til alle kapitalejere noteret i ejerbogen, som har fremsat begæring herom.

General meetings must be convened by the board of directors at no less than three weeks' and no more than five weeks' notice prior to the day before the general meeting. Notices convening the general meeting are published on the company's website. The notice convening the general meeting will also be sent to all shareholders entered in the register of shareholders who have made a request to this effect.

7.7 I en periode på mindst tre uger før en generalforsamling, inklusive datoen for generalforsamlingens afholdelse, gøres følgende oplysninger tilgængelige på selskabets hjemmeside:

a) Indkaldelsen til generalforsamlingen

b) Det samlede antal kapitalandele og stemmerettigheder på datoen for indkaldelsen

c) De dokumenter, der skal fremlægges på generalforsamlingen

d) Dagsordenen og de fuldstændige forslag, herunder for den ordinære generalforsamlings vedkommende den seneste reviderede årsrapport

e) De formularer, der skal anvendes ved stemmeafgivelse pr. fuldmagt eller ved brevstemme

No later than three weeks prior to a general meeting, including the date of the general meeting, the following information must be made available on the company's website:

a) The notice convening the general meeting

b) The total number of shares and voting rights as at the date of the notice convening the meeting

c) The documents to be presented at the general meeting

d) The agenda and the complete wording of the proposals, including with respect to the annual general meeting, the most recent audited annual report

e) The forms to be used for voting by proxy or for voting by correspondence

7.8 Selskabets generalforsamlinger afholdes på dansk eller engelsk efter bestyrelsens beslutning, medmindre andet bestemmes af generalforsamlingen. Dokumenter udarbejdet til generalforsamlingens interne brug i forbindelse med eller efter generalforsamlingen udarbejdes på dansk eller på engelsk efter bestyrelsens beslutning.

Unless otherwise agreed by the general meeting, general meetings of the company will be held in Danish or English at the discretion of the board of directors. Documents drawn up for internal use at the general meeting in connection with or after the general meeting will be drawn up in Danish or English at the discretion of the board of directors.

7.9 Generalforsamlingen ledes af en dirigent udpeget af bestyrelsen.

The board of directors appoints a chairman to preside over the general meeting.

8. Generalforsamlinger – Møde- og stemmeret samt beslutninger

General meetings – Right to attend and vote at general meetings as well as resolutions

8.1 En kapitalejers ret til at deltage i en generalforsamling og til at afgive stemme fastsættes i forhold til de kapitalandele, kapitalejeren besidder på registreringsdatoen. Registreringsdatoen ligger en uge før generalforsamlingen. En kapitalejers kapitalandele og stemmerettigheder opgøres på registreringsdatoen på baggrund af notering af de kapitalejerforhold, der er registreret i ejerbogen, samt de meddelelser om ejerforhold, som selskabet har modtaget med henblik på indførsel i ejerbogen.

A shareholder's rights to attend a general meeting and to vote are defined by the shares held by the shareholder at the date of registration. The date of registration is one week prior to the general meeting. The shareholding and voting rights of a shareholder are determined at the date of registration on the basis of the number of shares held by the shareholder according to the register of shareholders and any notice of ownership received by the company for the purpose of registration in the register of shareholders.

8.2 Enhver kapitalejer, der er berettiget til at deltage i generalforsamlingen, og som ønsker at deltage i generalforsamlingen, skal senest tre dage før generalforsamlingens afholdelse anmelde sin deltagelse til selskabet.

Any shareholder who is entitled to attend the general meeting and who contemplates attending the general meeting must notify the company of his attendance at least three days before the general meeting.

8.3 En kapitalejer kan møde personligt eller ved fuldmægtig. Kapitalejeren og fuldmægtigen er berettiget til at møde med en rådgiver.

A shareholder may attend in person or by proxy. The shareholder and the proxy are entitled to attend the general meeting accompanied by an adviser.

8.4 En kapitalejers stemmeret kan udøves i henhold til skriftlig og dateret fuldmagt i overensstemmelse med den til enhver tid gældende lovgivning.

A shareholder's voting right may be exercised pursuant to a written and dated instrument of proxy in accordance with legislation applicable at any time.

8.5 Enhver kapitalejer, der er berettiget til at deltage i en generalforsamling, kan endvidere stemme skriftligt ved brevstemme i overensstemmelse med den til enhver tid gældende lovgivning herom. Brevstemmer skal være selskabet i hænde senest hverdagen før generalforsamlingen. Brevstemmer kan ikke tilbagekaldes.

Any shareholder entitled to attend a general meeting may also vote in writing by correspondence in accordance with legislation applicable at any time. Votes cast by correspondence must have reached the company no later than on the last working day before the date of the general meeting. Votes by correspondence are binding on the shareholder.

8.6 En kapitalandel á nominelt 1 kr. giver ret til én stemme.

One share of a nominal value of DKK 1 carries one vote.

8.7 Beslutninger træffes på generalforsamlingen ved simpelt flertal blandt de afgivne stemmer, medmindre andet følger af lovgivningen eller disse vedtægter.

Resolutions are passed by a simple majority of votes cast by the general meeting unless otherwise provided by statute or these Articles of Association.

8.8 Over det på generalforsamlingen passerede føres en protokol, der underskrives af dirigenten. Senest to uger efter generalforsamlingens afholdelse gøres generalforsamlingsprotokollen eller en bekræftet udskrift af denne tilgængelig for kapitalejerne på selskabets hjemmeside.

Minutes of the proceedings at general meetings must be entered into the company's minute book, to be signed by the chairman of the meeting. No later than two weeks after the date of the general meeting, the minute book or a certified copy thereof must be made available to shareholders on the company's website.

9.	**Dagsorden for den ordinære generalforsamling**	**Agenda for the annual general meeting**
9.1	Dagsordenen for den ordinære generalforsamling skal omfatte følgende:	The agenda of the annual general meeting must include as follows:
	1) Bestyrelsens beretning om selskabets virksomhed i det forløbne regnskabsår	1) The board of directors' report on the company's activities in the past financial year
	2) Fremlæggelse og godkendelse af årsrapporten	2) Presentation and adoption of the annual report
	3) Anvendelse af overskud eller dækning af underskud i henhold til den godkendte årsrapport	3) Appropriation of profit or loss as recorded in the adopted annual report
	4) Fremlæggelse og godkendelse af vederlagsrapport	4) Presentation and adoption of the remuneration report
	5) Meddelelse af decharge til bestyrelsen og direktionen	5) Resolution to grant discharge of liability to the board of directors and the executive board
	6) Godkendelse af vederlag til bestyrelsen for indeværende regnskabsår	6) Approval of the board of directors' fees for the current financial year
	7) Valg af medlemmer til bestyrelsen	7) Election of members to the board of directors
	8) Valg af revisor(er)	8) Election of auditor(s)
	9) Forslag fra bestyrelsen eller kapitalejere	9) Any proposals from the board of directors or the shareholders
	10) Eventuelt	10) Any other business
9.2	Enhver kapitalejer har ret til at få behandlet et bestemt emne på den ordinære generalforsamling. Begæring herom skal fremsættes skriftligt over for bestyrelsen senest seks uger før generalforsamlingens afholdelse.	Any shareholder is entitled to have a specific issue included on the agenda for an annual general meeting. Requests to this effect must be made in writing to the board of directors no later than six weeks prior to the general meeting.
10.	**Bestyrelsen**	**The board of directors**
10.1	Bestyrelsen består af mindst fire og højst otte medlemmer, som alle vælges af generalforsamlingen. Bestyrelsesmedlemmer skal fratræde på den følgende ordinære generalforsamling, men genvalg af bestyrelsesmedlemmer kan finde sted.	The board of directors consists of no less than four and no more than eight members, all of whom must be elected by the general meeting. Members of the board of directors must resign at the next annual general meeting, but members of the board of directors may be eligible for re-election.
10.2	Bestyrelsen vælger af sin midte en formand og en næstformand. Et direktionsmedlem kan ikke vælges til bestyrelsen.	The members of the board of directors elect a chairman and vice-chairman from among its members. No member of the executive board may be elected to the board of directors.
10.3	Næstformanden er stedfortræder for formanden og træder således i dennes sted i tilfælde af formandens forfald. I tilfælde af formandens eller næstformandens permanente forfald, konstituerer bestyrelsen sig med en ny næstformand, og har både formanden og næstformanden permanent forfald, konstituerer bestyrelsen sig med såvel en ny formand og en ny næstformand, og i alle tilfælde indtil næste generalforsamling.	The vice-chairman is the deputy of the chairman, taking the place of the latter in his absence. In the event of the chairman's or the vice-chairman's permanent absence, the board of directors will elect a new vice-chairman, and in the event of the permanent absence of both the chairman and the vice-chairman, the board of directors will elect a new chairman as well as a new vice-chairman, in either event pending the next general meeting.

10.4	Bestyrelsen er beslutningsdygtig, når mere end halvdelen af dens medlemmer er til stede, herunder formanden eller næstformanden. Bestyrelsens beslutninger træffes ved flertal af de mødende bestyrelsesmedlemmer. I tilfælde af stemmelighed er formandens stemme afgørende og i tilfælde af stemmelighed ved formandens forfald er næstformandens stemme afgørende.	The board of directors forms a quorum when more than half of its members are represented, including the chairman or the vice-chairman. Resolutions by the board of directors are passed by the majority of the members of the board of directors present. In case of equality of votes, the chairman will have the casting vote and in case of the equality of votes in the absence of the chairman, the vice-chairman will have the casting vote.
10.5	Bestyrelsen skal ved en forretningsorden træffe nærmere bestemmelse om udførelsen af sit hverv.	The board of directors must lay down specific rules of procedure for the performance of its duties.
10.6	Bestyrelsesmedlemmerne oppebærer et årligt honorar, der fastsættes af generalforsamlingen i forbindelse med årsrapportens godkendelse.	The members of the board of directors receive annual remuneration fixed by the general meeting in connection with the adoption of the annual report.
10.7	Bestyrelsen er bemyndiget til at træffe en eller flere beslutninger om udlodning af ekstraordinært udbytte.	The board of directors is authorised to pass one or more resolutions on the distribution of extraordinary dividends.
11.	**Direktion**	**Executive board**
11.1	Bestyrelsen udpeger en direktion bestående af et til tre medlemmer til at varetage den daglige ledelse af selskabet. Bestyrelsen fastsætter vilkårene for deres ansættelse og de nærmere krav til deres kompetence.	The board of directors must appoint an executive board consisting of one to three persons to be in charge of the day-to-day management of the company. The board of directors must lay down the terms of their appointment and any specific rules governing their authority.
11.2	Ét direktionsmedlem ansættes som administrerende direktør.	One member of the executive board will be appointed chief executive officer.
12.	**Tegningsregel og prokura**	**Powers to bind the company and power of attorney (procuration)**
12.1	Selskabet tegnes (i) af to medlemmer af direktionen i forening, (ii) af et medlem af direktionen i forening med bestyrelsens formand eller næstformand eller (iii) af den samlede bestyrelse.	The company is bound by the joint signatures of (i) any two members of the executive board, (ii) any one member of the executive board and the chairman of the board of directors or the vice-chairman of the board of directors, or (iii) all the members of the board of directors.
12.2	Bestyrelsen kan meddele enkel eller kollektiv prokura.	The board of directors may authorise one person alone or more persons jointly to sign for the company by procuration.
13.	**Bemyndigelse til at erhverve egne aktier**	**Authorisation to buy own shares**
13.1	Bestyrelsen er i perioden indtil 31. maj 2026 bemyndiget til at erhverve egne kapitalandele, ad en eller flere gange, svarende til maksimalt 10 % af selskabskapitalen, så længe selskabets beholdning af egne kapitalandele efter en sådan erhvervelse ikke overstiger 10 % af selskabskapitalen. Kursen kan ikke afvige mere end 10 % fra den officielle kurs på Nasdaq Copenhagen på tidspunktet for erhvervelsen	The Board of Directors is authorised in the period until 31 May 2026 to approve the acquisition of treasury shares, on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company, for so long as the Company's holding of treasury shares after such acquisition does not exceed 10% of the Company's share capital. The consideration may not deviate more than 10% from the official price quoted on Nasdaq Copenhagen at the time of the acquisition.

14.	**Kommunikation og koncernsprog**	**Communication and corporate language**
14.1	Al kommunikation fra selskabet til selskabets kapitalejere, herunder indkaldelse til generalforsamlinger, kan ske elektronisk via offentliggørelse på selskabets hjemmeside eller via e-mail. Generelle meddelelser gøres tilgængelige på selskabets hjemmeside og på sådan anden måde, som følger af gældende lovgivning. Selskabet kan til enhver tid kommunikere til de enkelte kapitalejere med almindelig brevpost som supplement eller alternativ til elektronisk kommunikation.	All communication from the company to the company's shareholders, including notices convening general meetings, may be performed electronically by publication on the company's website or by email. General notices will be published and made available on the company's website and in any other way provided by statute. The company may at any time communicate with the individual shareholders by ordinary letter mail as a supplement or alternative to electronic communication.
14.2	Kommunikation fra kapitalejeren til selskabet kan ske ved e-mail eller med almindelig post.	The shareholder may communicate with the company by email or ordinary mail.
14.3	Det er den enkelte kapitalejers ansvar at sikre, at selskabet til enhver tid er i besiddelse af korrekte oplysninger om kapitalejerens e-mailadresse. Selskabet har ingen pligt til at søge oplysningerne berigtiget eller til at fremsende meddelelser på anden måde.	The individual shareholder is responsible for ensuring that the company has the correct email address of the shareholder at all times. The company is under no obligation to seek correction of its information on the shareholder or to send notices by any other means.
14.4	Selskabets hjemmeside indeholder oplysninger om kravene til de anvendte systemer samt om fremgangsmåden i forbindelse med elektronisk kommunikation.	The company's website provides information about system requirements as well as about the procedure applied in connection with electronic communication with the company.
14.5	Selskabsmeddelelser udarbejdes på engelsk og, hvis bestyrelsen beslutter det, på dansk.	Company announcements are prepared in English and, if the board of directors so decides, in Danish.
14.6	Selskabets koncernsprog er engelsk.	The corporate language of the company is English.
15.	**Årsrapport**	**Annual report**
15.1	Selskabets årsrapport revideres af en revisor.	The company's annual report is audited by an auditor.
15.2	Årsrapporter udarbejdes på engelsk.	Annual reports are prepared in English.
16.	**Revision**	**Audit**
16.1	Generalforsamlingen vælger en eller to statsautoriserede revisorer for ét år ad gangen. Genvalg kan finde sted, i det omfang det er tilladt i henhold til gældende lovgivning.	The general meeting elects one or two state-authorised public accountants for one year at a time. Re-election may take place to the extent permitted by applicable law.
17.	**Regnskabsår**	**Financial year**
17.1	Selskabets regnskabsår er kalenderåret.	The company’s financial year is the calendar year.
17.2	I tilfælde af uoverensstemmelser mellem den danske version og den engelske version af disse vedtægter, vil den danske version have forrang.	In the event of any discrepancies between the Danish version and the English version of these Articles of Association, the Danish version will prevail.
17.3	Som vedtaget den 3. juni 2021.	As adopted on 3 June 2021.

Bilag 6.1 til vedtægterne for Green Hydrogen Systems A/S

1. Indledning – Beslutninger

1.1 På den ordinære generalforsamling afholdt den 29. juni 2020 i Green Hydrogen Systems A/S, (CVR-nr. 30548701), ("Selskabet") blev det besluttet at bemyndige bestyrelsen til i henhold til selskabslovens pkt. 155, stk. 2, ad én eller flere gange at træffe beslutning om at udstede op til i alt 3.393.120 ikke-omsættelige tegningsoptioner til ét eller flere medlemmer af Selskabets bestyrelse og Selskabets direktion samt til én eller flere af Selskabets medarbejdere, der giver ret til tegning af op til i alt nominelt 3.393.120 kr. kapitalandele i Selskabet (samlet "Tegningsoptionerne" og hver en "Tegningsoption"). Hver Tegningsoption giver indehaveren ("Indehaveren") ret til tegning af nominelt 1 kr. kapitalandele i Selskabet uden fortegningsret for Selskabets kapitalejere. Bemyndigelsen til bestyrelsen er fastlagt i pkt. 6.1 i Selskabets vedtægter.

1.2 Formålet med Tegningsoptionerne er at give et yderligere incitament for Indehaveren til at arbejde for og bidrage til den fremtidige værditilvækst i Selskabet og derved skabe en positiv udvikling af markedsværdien af Selskabets kapitalandele. Derudover skal Tegningsoptionerne medvirke til at fastholde Indehaveren til Selskabet.

2. Tegningsperiode, Vederlag, Udnyttelsespris, mindste- og største kapitalforhøjelse og fortegnelse over Tegningsoptioner

2.1 Tildeling og optjening

Tegningsoptionerne tildeles og tegnes af Indehaveren ved tiltrædelse af warrantaftalen, men optjenes over tid, som nærmere angivet i de individuelle warrantaftaler.

2.2 Udnyttelsespris

Hver Tegningsoption giver Indehaveren af den pågældende Tegningsoption ret (men ikke pligt) til at tegne én kapitalandel i Selskabet ("Antallet af Kapitalandele") af nominelt kr. 1,00 mod betaling af 2,469 kr. ("Udnyttelsesprisen"). Tegning af kapitalandelene skal således ske ved kontant indbetaling.

2.3 Mindste- og største kapitalforhøjelse

Størstebeløbet af den kapitalforhøjelse, der kan tegnes på grundlag af Tegningsoptionerne, er nominelt 3.393.120 kr. kapitalandele, og mindstebeløbet er nominelt 1 kr. kapitalandel.

Schedule 6.1 to the Articles of Association of Green Hydrogen Systems A/S

1. Introduction – Resolutions

1.1 At the ordinary general meeting in Green Hydrogen Systems A/S (CVR no. 30548701) (the "Company") held on 29 June 2020, a resolution was passed authorising the board of directors to, pursuant to s. 155(2) of the Danish Companies Act (selskabsloven), issue up to a total of 3,393,120 non-negotiable warrants in one or more stages to one or more members of the board of directors and management board of the Company and to one or more employees of the Company granting right to subscribe for up to a total of nominally DKK 3,393,120 shares in the Company (collectively, the "Warrants" and individually a "Warrant"). Each Warrant entitles its holder ("Holder") to subscribe for shares in the Company of a nominal value of DKK 1 without pre-emption right for the shareholders of the Company. The authority granted to the board of directors is set out in article 6.1 of the Company's articles of association.

1.2 The purpose of the Warrants is to create further incentive for the Holders of the warrants to work for and contribute to future value added in the Company thus creating a positive development in the market value of the Company's shares. Furthermore, the Warrants are to be instrumental in retaining the Holders of the warrants in the Company.

2. Subscription period, Consideration, exercise price, minimum and maximum capital increase and the register of Warrants

2.1 Grant and vesting

The Holder is granted and subscribes for the Warrants by acceding to the Agreement, but the Warrants vest over time as further set out in the individual warrant agreements.

2.2 Exercise price

Each Warrant gives its Holder the right (but not the obligation) to subscribe for one share in the Company (the "Number of Shares") of nominally DKK 1 against payment of DKK 2.469 (the "Exercise Price"). Subscription can only be made by cash payment.

2.3 Minimum and maximum capital increase

The maximum amount of the capital increase that may be subscribed for on the basis of the Warrants is nominally 3.393.120 shares and the minimum amount is nominally DKK 1 share.

2.4 Fortegnelse over Tegningsoptioner

Selskabet fører en fortegnelse over udstedte Tegningsoptioner i tilknytning til Selskabets ejerbog.

3. Udnyttelse af Tegningsoptioner

3.1 Udnyttelsestidspunkt

Udnyttelse af Tegningsoptioner forudsætter, at (i) Optionerne er tildelt og optjent, jf. pkt. 2.1, (ii) at eventuelle betingelser fastsat i et eventuelt individuelt tildelingsbrev eller tilsvarende fremsendt til Indehaveren i forbindelse med tildelingen af Tegningsoptionerne er opfyldt, og (iii) at et Exit er indtruffet, jf. pkt. 4

3.2 Udnyttelsesmeddelelse

Hvis en Indehaver ønsker at udnytte en Tegningsoption, skal Indehaveren benytte tegningsblanketten i underbilag A til warrantaftalen og give meddelelse ("Udnyttelsesmeddelelse") herom til Selskabet. Udnyttelsesmeddelelsen skal være kommet frem til Selskabet senest 5 hverdage efter, at Indehaveren har modtaget besked fra Selskabet om en udløsende begivenhed, jf. pkt.4.1(a), 4.1(c) eller 4.1(d), eller (ii) i perioden fradatoen, der falder 360 dage efter første handelsdag i tilfælde af en børsnotering af Selskabets kapitalandele og indtil datoen, der falder 20 hverdage herefter. I begge tilfælde "Udnyttelsesperioden". Udnyttelsesmeddelelsen skal være behørigt udfyldt, herunder kolonne A, B og C.

4. Exit

4.1 Exit

Tegningsoptionerne kan alene udnyttes, hvis en af følgende begivenheder (et "Exit") indtræder:

a) et salg af den væsentligste del af Selskabets kapitalandele eller aktiver til en bona fide tredjemandserhverver,

b) en børsnotering af selskabets kapitalandele,

c) ethvert partnerskab, joint venture eller anden konstruktion, hvorved kontrollen med Selskabet overdrages til en bona fide tredjemandserhverver, eller

d) likvidation eller opløsning af Selskabet.

Der kan være fastsat andre eller supplerende vilkår for Exit i de individuelle warrantaftaler.

2.4 Register of Warrants

The Company keeps a register of issued Warrants in proximity with the Company's Register of Shareholders.

3. Exercise of Warrants

3.1 Exercise date

Exercise of Warrants is subject to (i) the Warrants having vested in accordance with clause 2.1, (ii) the satisfaction of any conditions specified in any individual grant letter or similar sent to the Holder on the granting of the Warrants, and (iii) an Exit has occurred, cf. clause 4

3.2 Exercise Notice

In the event that the Holder intends to exercise a Warrant, the Holder must give notice of this ("Exercise Notice") to the Company using the subscription form attached as sub-Annex A to the warrant agreement. The Exercise Notice must reach the Company (i) within 5 business days of the date on which the Holder received notice from the Company of a triggering event, cf. clause 4.1(a), 4.1(c) or 4.1(d), or (ii) in the period from the date falling 360 days after the first trading day in case of a public offering of shares in the Company and until the date falling 20 business days thereafter. In both instances the "Exercise Period". The Exercise Notice must be duly completed, including columns A, B and C.

4. Exit

4.1 Exit

The Warrants will be exercisable only upon either of the following events (an "Exit"):

a) a trade sale to a bona fide third party buyer, whether by share or asset transfer, by merger or otherwise,

b) a public offering and listing of shares in the Company on a stock exchange,

c) any partnership, joint venture or other transaction in which control of the Company is transferred to a bona fide third party, or

d) the liquidation or discontinuation of the Company.

Other or supplementary terms for Exit may be set out in the individual warrant agreements.

4.2 Meddelelse om Exit

Hvis der træffes beslutning om et Exit skal Selskabet hurtigst muligt og senest 5 hverdage forinden gennemførelsen af et sådant Exit give Indehaveren besked herom.

4.3 Accelereret optjening

Forudsat, at Indehaveren på tidspunktet for et Exit fortsat er ansat i Selskabet i uopsagt stilling, skal der ske fremrykket optjening af samtlige Indehaverens ikke-optjente Tegningsoptioner, som således alle uanset pkt. 2.1 skal betragtes som tildelt og optjent på det tidspunkt, hvor Exit finder sted.

5. Justering af Udnyttelsesprisen og Antallet af Kapitalandele, fremrykkelse af udnyttelsestidspunkt mv.

5.1 Beslutninger, der ikke medfører justering af Udnyttelsespris og Antallet af Kapitalandele

Hvis Selskabet – i perioden forud for udnyttelse af en Tegningsoption – træffer beslutning om at:

(i) forhøje Selskabets selskabskapital til en kurs, som svarer til eller er højere end markedskursen på Selskabets kapitalandele, som tilhører samme kapitalklasse på beslutningstidspunktet,

(ii) udstede konvertible gældsbreve med en konverteringskurs, som svarer til eller er højere end markedskursen på beslutningstidspunktet på Selskabets kapitalandele, som tilhører samme kapitalklasse,

(iii) udstede nye tegningsoptioner med en udnyttelseskurs, som svarer til eller er højere end markedskursen på beslutningstidspunktet på Selskabets kapitalandele, som tilhører samme kapitalklasse, eller

4.2 Notice of Exit

In the event that an Exit is decided, the Company shall as soon as possible and no later than the date falling 5 business days prior to the completion of such Exit notify the Holder thereof.

4.3 Accelerated vesting

Provided that the Holder's employment with the Company has not been terminated at the time of an Exit, vesting of all of the Holder's Warrants will accelerate and thus all of the Holder's Warrants will notwithstanding clause 2.1 be considered as granted and vested at the time of the Exit.

5. Adjustment of the Exercise Price and the Number of Shares, advancement of the date of exercise, etc.

5.1 Resolutions not resulting in an adjustment of the Exercise Price and the Number of Shares

In the event that the Company – in the period prior to the exercise of a Warrant – resolves to

(i) increase the Company's share capital at a price either equivalent to or above the market price of the Company's shares belonging to the same class of shares at the date of resolution,

(ii) issue convertible debt instruments at a conversion price either equivalent to or above the market price – at the date of resolution – of the Company's shares belonging to the same class of shares,

(iii) issue new warrants at an exercise price either equivalent to or above the market price – at the date of resolution – of the Company's shares belonging to the same class of shares, or

(iv) udstede
- konvertible obligationer til,
- tegningsoptioner til,
- forhøje Selskabets selskabskapital til fordel for, eller
- erhverve kapitalandele fra eller afstå kapitalandele til;

 én eller flere medlemmer af Selskabets bestyrelse og/eller direktion og/eller medarbejdere og/eller konsulenter/rådgivere som led i en af Selskabets generalforsamling besluttet eller bemyndiget incitamentsordning (uanset om tegnings/udnyttelseskursen for sådanne instrumenter svarer til, ligger over eller under markedskursen på udstedelses- eller udnyttelsestidspunktet på Selskabets kapitalandele, som tilhører samme kapitalklasse af de pågældende instrumenter, og uanset om kapitalandelene erhverves eller kan erhverves eller sælges for en pris, der svarer til, ligger over eller under markedskursen på Selskabets kapitalandele tilhørende samme kapitalklasse),

sker der ingen ændring i retsstillingen for den pågældende Tegningsoption (dvs. at Udnyttelsesprisen og Antallet af Kapitalandele forbliver uændret).

(iv) issue
- convertible bonds to,
- warrants to,
- increase the Company's share capital for the benefit of, or
- acquire shares from or sell shares to;

 one or more members of the Company's board of directors and/or management board and/or employees and/or consultants/advisers as part of an incentive scheme resolved or authorised by the Company's general meeting (regardless of whether the subscription/exercise price of such instruments is equivalent to, above or below the market price of the Company's shares belonging to the same class of shares at the date of issue or the date of exercise of the warrants, and regardless of whether the shares are acquired or may be acquired or sold at a price, equivalent to, above or below the market price of the Company's shares belonging to the same class of shares),

the legal status of the relevant warrant will not change (that is, the Exercise Price and the Number of Shares remain unchanged).

5.2 Beslutninger, der medfører justering af Udnyttelsespris og Antallet af Kapitalandele

Hvis Selskabet (bortset fra de i pkt. 5.1 (iv) anførte tilfælde) - i perioden forud for udnyttelse af en Tegningsoption - træffer beslutning om at

(i) forhøje Selskabets selskabskapital til en kurs, som er lavere end markedskursen på beslutningstidspunktet på Selskabets kapitalandele, der tilhører samme kapitalklasse,

(ii) udstede konvertible gældsbreve til en konverteringskurs, som er lavere end markedskursen på beslutningstidspunktet på Selskabets kapitalandele, der tilhører samme kapitalklasse,

(iii) udstede nye tegningsoptioner med en udnyttelseskurs, som er lavere end markedskursen på beslutningstidspunktet på Selskabets kapitalandele, der tilhører samme kapitalklasse,

(iv) erhverve kapitalandele i Selskabet til en kurs, som er højere eller afstå kapitalandele i Selskabet til en kurs, som er lavere end markedskursen på tidspunktet for erhvervelse/afståelse på Selskabets kapitalandele, der tilhører samme kapitalklasse,

(v) nedsætte Selskabets selskabskapital (i) til udbetaling til kapitalejerne, (ii) til dækning af underskud, eller (iii) med henblik på henlæggelse til en særlig reserve i henhold til selskabslovens pkt. 188, stk. 1, nr. 3,

5.2 Resolutions resulting in an adjustment of the Exercise Price and the Number of Shares

In the event that the Company (except for the events stated in clause 5.1 (iv)) – in the period prior to the exercise of a Warrant – resolves to

(i) increase the Company's share capital at a price below the market price – at the date of resolution – of the Company's shares belonging to the same class of shares,

(ii) issue convertible debt instruments at a conversion price lower than the market price – at the date of resolution – of the Company's shares belonging to the same class of shares,

(iii) issue new warrants at an exercise price below the market price – at the date of resolution – of the Company's shares belonging to the same class of shares,

(iv) acquire shares in the Company at a price above the market price or dispose of shares in the Company at a price below the market price at the date of acquisition/disposal of the Company's shares belonging to the same class of shares.

(v) decrease the Company’s share capital (i) for distribution to the shareholders, (ii) for payment of losses, or (iii) for the transfer to a special reserve fund pursuant to s. 188(1)(iii) of the Danish Companies Act,

(vi) udstede fondsandele (”anpartssplit") eller nedsætte kapitalandelenes pålydende (nominelle værdi) ("omvendt anpartssplit"), eller

skal Udnyttelsesprisen og/eller Antallet af Kapitalandele justeres (i det omfang lovgivningen giver mulighed herfor), således at det sikres, at værdien af Indehaverens Tegningsoptioner umiddelbart efter beslutningen svarer til værdien af Indehaverens Tegningsoptioner umiddelbart forud for beslutningen.

5.3 Spaltning

Hvis Selskabet - i perioden forud for udnyttelse af en Tegningsoption - træffer beslutning om spaltning af Selskabet, er Selskabets bestyrelse berettiget til at beslutte:

(i) at fremrykke udnyttelses- og modningstidspunktet for den pågældende Tegningsoption ved at give meddelelse til Indehaveren med en frist på 2 (to) uger til at udnytte Tegningsoptionen, inden beslutningen om spaltningen får retsvirkning. Indehaverens Udnyttelsesmeddelelse skal afgives i overensstemmelse med proceduren i pkt. 3.2. Enhver Tegningsoption, som ikke er udnyttet af Indehaveren inden udløbet af fristen på 2 (to) uger til at give meddelelse, bortfalder automatisk uden yderligere meddelelse, vederlag og/eller kompensation til Indehaveren på tidspunktet, hvor beslutningen om at spaltning Selskabet får retsvirkning, eller

(ii) – hvis den pågældende Indehaver umiddelbart efter spaltningen er ansat i eller på anden måde tilknyttet en anden juridisk enhed, der følger af spaltningen - (a) at annullere Indehaverens eksisterende Tegningsoptioner og (b) beslutte, at Indehaveren kan indgå en ny aftale om at modtage Tegningsoptioner med en tilsvarende værdi i den juridiske enhed, hvori Indehaveren er ansat efter spaltningen, eller

(iii) – hvis den pågældende Indehaver umiddelbart efter spaltningen er ansat i eller på anden måde tilknyttet Selskabet – at (a) antallet af Tegningsoptioner justeres og/eller (b) vilkårene og betingelserne for de pågældende Tegningsoptioner justeres (i det omfang lovgivningen giver mulighed herfor); således at disse justeringer sikrer, at værdien af Indehaverens Tegningsoptioner umiddelbart efter spaltningen svarer til værdien af Indehaverens Tegningsoptioner umiddelbart forud for spaltningen.

(vi) issue bonus shares ("stock split") or reduce the denomination (nominal value) of the shares ("reverse stock split"), or

the Exercise Price and/or the Number of Shares must be adjusted (to the extent permitted by law) such adjustments guaranteeing that the value of the Holder's Warrants immediately after the resolution corresponds to the value of the Holder's Warrants immediately prior to the resolution.

5.3 Demerger

In the event that the Company – in the period prior to the exercise of a Warrant –resolves to demerge the Company, the Company's board of directors may resolve as follows:

(i) to advance the date of exercise and vesting of the relevant Warrant by giving 2 (two) weeks' prior notice to the Holder to exercise the relevant Warrant before the resolution to demerge the Company becomes effective. The Holder's Exercise Notice must be submitted in accordance with the procedure set out in clause 3.2. Any Warrant not exercised by the Holder before expiry of the 2 (two) week notice period will automatically lapse without further notice, consideration and/or compensation to the Holder at the date when the resolution to demerge the Company becomes effective, or

(ii) – if the relevant Holder immediately after the demerger is employed by or otherwise affiliated with another legal entity resulting from the demerger (other than the Company) – (a) to cancel the Holder's existing Warrants and (b) to allow the Holder, if relevant, to enter into a new agreement on receiving Warrants of a corresponding value in the legal entity, in which the Holder is employed following the demerger, or

(iii – if the relevant Holder immediately after the demerger is employed or otherwise affiliated with the Company – (a) to adjust the Number of Warrants and/or (b) to adjust the terms and conditions of the said Warrants (to the extent permitted by law), such adjustments guaranteeing that the value of the Holder's Warrants immediately after the demerger corresponds to the value of the Holder's Warrants immediately prior to the demerger.

5.4 Øvrige ændringer af kapitalstruktur

Hvis Selskabet - i perioden forud for udnyttelse af en Tegningsoption - træffer beslutning om ændring af Selskabets kapitalstruktur på anden vis end forudsat ovenfor, og forudsat at en sådan ændring medfører en ændring af værdien af Tegningsoptionen, skal Udnyttelsesprisen og/eller Antallet af Kapitalandele justeres (i det omfang lovgivningen giver mulighed herfor), således at disse justeringer sikrer, at værdien af Indehaverens Tegningsoptioner umiddelbart efter beslutningen svarer til værdien af Indehaverens Tegningsoptioner umiddelbart forud for beslutningen.

5.5 Bestyrelsens redegørelse

Hvis Selskabet træffer beslutning om at gennemføre nogen af de i pkt. 5.2, 5.3(ii)-(iii) henholdsvis 5.4 anførte ændringer, skal Selskabets bestyrelse udarbejde en redegørelse for, (a) om en justering af Udnyttelsesprisen og/eller Antallet af Kapitalandele er påkrævet i henhold til disse bestemmelser, og (b) i bekræftende fald, karakteren og omfanget af en sådan justering. Selskabets bestyrelse skal give Indehaveren en kopi af bestyrelsens redegørelse inden 8 uger efter den pågældende beslutning. Konklusionen i bestyrelsens redegørelse er bindende for Selskabet og Indehaveren og kan ikke gøres til genstand for indsigelser eller tvist.

Hvis der i henhold til dette bilag skal foretages en justering af Udnyttelseskursen og/eller Antallet af Kapitalandele, træffer Selskabets bestyrelse beslutning om, hvorvidt dette skal ske ved en justering af Udnyttelseskursen og/eller Antallet af Kapitalandele.

6. Differenceafregning ved kontant betaling

6.1 Differenceafregning

Selskabet er berettiget til – inden for 14 (fjorten) dage efter en Indehavers udnyttelse af en Tegningsoption – at kræve Tegningsoptionen differenceafregnet, således at Indehaveren i stedet for at tegne og modtage kapitalandele i Selskabet modtager kontant betaling af nettoværdien af Tegningsoptionen. I så fald (a) skal Indehaveren modtage et kontant beløb fra Selskabet for Tegningsoptionen, der svarer til (i) værdien af det nominelle beløb kapitalandele, som Tegningsoptionen giver ret til at tegne (opgjort på grundlag af markedskursen på Selskabets kapitalandele tilhørende samme kapitalklasse på udnyttelsestidspunktet), med fradrag af (ii) Udnyttelsesprisen for den pågældende Tegningsoption, og (b) Indehaveren skal overdrage Tegningsoptionen til Selskabet uden nogen yderligere modydelse (og det præciseres, at Indehaveren i så fald ikke i henhold til Tegningsoptionen er berettiget til at modtage kapitalandele i Selskabet efter udnyttelse af Tegningsoptionen).

5.4 Other changes in the capital structure

In the event that the Company – in the period prior to the exercise of an Investor Warrant – resolves to change the Company’s capital structure in a way other than as contemplated above, and provided that such change results in a dilution of the value of such Warrant, the Exercise Price and/or the Number of Shares will (to the extent permitted by law) be adjusted, such adjustment guaranteeing that the value of the Holder's Warrants immediately after the resolution corresponds to the value of the Holder's Warrants immediately prior to the resolution.

5.5 Statement by the board of directors

If the company resolves to carry out any of the amendments set out in clauses 5.2, 5.3(ii)-(iii) and 5.5, respectively, the Company's board of directors must prepare a statement on (a) whether an adjustment of the Exercise Price and/or the Number of Shares is required by such provisions and (b), in the affirmative, the nature and scope of such adjustment. The Company's board of directors must provide the Holder of a copy of the statement by the board of directors within 8 (eight) weeks of the said resolution. The conclusions of the statement by the board of directors are binding on the Company and the Holder and cannot be made subject of objections or disputes.

If, according to this Annex, the Exercise Price and/or Number of Warrants must be adjusted, the Company's board of directors must resolve whether to make such an adjustment of the Exercise Price or the Number of Warrants.

6. Cash settlement

6.1 Cash settlement

The Company is entitled – within 14 (fourteen) days of the Holder's exercise of a Warrant – to demand cash settlement of the Warrant so that, instead of the Holder subscribing for and receiving shares in the Company, the Holder will receive cash settlement in an amount equal to the net value of the Warrant. If so, (a) the Holder must receive a cash payment from the Company for the Warrant in an amount equal to (i) the value of the nominal amount of shares, for which the Warrant gives the right to subscribe (determined on the basis of the market price of the Company's shares belonging to the same class of shares at the Date of Exercise), deducting (ii) the Exercise price of the relevant Warrant, and (b) the Holder must transfer the Warrant to the Company against no further consideration (and, for the avoidance of doubt, in such case the Holder will not be entitled under the Warrant to receive shares in the Company on exercising the Warrant).

6.2 Udbytteskat

Selskabets udnyttelse af retten til kontant differenceafregning i overensstemmelse med pkt. 6.1 er betinget af, at sådan differenceafregning ikke stiller Indehaveren skattemæssigt mindre gunstigt end ved Indehaverens udnyttelse af Tegningsoptionerne og modtagelse af kapitalandele i Selskabet, medmindre Selskabet accepterer at kompensere Indehaveren for sådan merskat. Indehaveren er forpligtet til på Selskabets anmodning at ansøge om dispensation for sådan mer-skat som følge af kontant differenceafregning.

7. Ophør af ansættelsesforhold eller anden tilknytning (som medlem af Selskabets bestyrelses, medlem af Selskabets direktion eller andet) til Selskabet

7.1 Bortfald af ikke-udnyttede Tegningsoptioner

Hvis Indehaverens ansættelsesforhold eller øvrige tilknytningsforhold til Selskabet opsiges, ophæves eller ophører i øvrigt, bortfalder alle Indehaverens Tegningsoptioner automatisk og uden kompensation.

Indehaverens allerede tildelte og optjente Tegningsoptioner bortfalder dog ikke, hvis:

(i) Ansættelsesforholdet/tilknytningsforholdet ophæves af Indehaveren som følge af grov misligholdelse fra Selskabets side;

(ii) ansættelsesforholdet/tilknytningsforholdet opsiges af Selskabet, hvor dette ikke skyldes Indehaverens væsentlige misligholdelse af ansættelsesforholdet/tilknytningsforholdet eller en eventuel ejeraftale med Selskabets kapitalejere vedrørende Selskabet; eller

(iii) ansættelsesforholdet/tilknytningsforholdet opsiges af Indehaveren som følge af (a) Indehaverens egen, ægtefælles eller barns dødsfald eller varig sygdom, eller (b) at Indehaveren går på pension på grund af alder i henhold til vilkårene i vedkommendes ansættelseskontrakt eller anden kontrakt vedrørende tilknytningsforholdet.

Der kan fastsættes nærmere regler om bortfald af ikke-udnyttede Tegningsoptioner i tilfælde af, at en Indehavers ansættelsesforhold eller anden tilknytning ophører i et eventuelt tildelingsbrev eller tilsvarende.

7.2 Tilbagekøbsoption

Selskabet er i tilfælde af ansættelsens/tilknytningens ophør, uanset årsag, berettiget – men ikke forpligtet – til at tilbagekøbe (eller anvise en tredjemand til) alle – eller en del af – Indehaverens Tegningsoptioner. Prisen opgøres som ved differenceafregning i henhold til pkt. 6, men baseret på markedsværdien af Selskabet på opsigelsestidspunktet.

6.2 Dividend taxation

The Company's right to cash settlement in accordance with clause 6.1 is subject to such cash settlement not having an effect on the Holder's tax situation less favourable than that on the Holder's exercising the Warrants and receiving shares in the Company, unless the Company accepts compensating the Holder for such additional tax. The Holder is under an obligation, at the Company's request, to seek exemption from such additional tax resulting from of cash settlement.

7. Termination of employment or other affiliation (as a member of the Company's board of directors, a member of the Company's management board or other) with the Company.

7.1 Lapse of unexercised Warrants

In the event of termination of the Holder's employment or other engagement with the Company, all of the Holder's Warrants will lapse automatically and without compensation.

The Holder will, however, retain its already granted and vested Warrants in the following instances:

(i) the Holder terminates its employment/engagement on the grounds of the Company's material breach of the employment terms;

(ii) the Company terminates the employment relationship/engagement for wrongful reasons, i.e. where termination is not due to the Holder's material breach of the employment relationship or any shareholders' agreement concerning the Company; or

(iii) the Holder terminates its employment/engagement due to (a) the Holder's own, or his/her spouse's or children's death or permanent illness, or (b) the Holder's retirement due to age in accordance with its employment contract or other contract governing the engagement.

Additional rules on lapse of unexercised Warrants in the event of the termination of the Holder's employment or other affiliation may be stipulated in a grant letter or similar.

7.2 Call option

In case of termination of the Holder's employment/engagement, regardless of the reason, the Company is entitled – but not obligated – to repurchase (or designate a third party to) all – or part of – the Holder's Warrants. The price of the Warrants shall be calculated as in the case of cash settlement pursuant to clause 6 but based on the fair market value of the Company on the date of termination.

Ved ophørstidspunktet forstås datoen for Selskabets meddelelse om opsigelse (dvs. uden et eventuelt opsigelsesvarsel).

8. Vilkår for kapitalandelene

8.1 Vilkår for tegning af kapitalandele

Følgende vilkår skal gælde for kapitalandele tegnet i forbindelse med udnyttelse af en Tegningsoption:

(i) Selskabets kapitalejere skal ikke have fortegningsret til kapitalandele tegnet ved udnyttelse af en Tegningsoption, og

(ii) Tegningsbeløbet skal være kommet frem til Selskabet inden udløbet af den Udnyttelsesperiode inden for hvilken Indehaveren har afgivet sin Udnyttelsesmeddelelse til Selskabet. Tegningsbeløbet betales ved elektronisk bankoverførsel til en konto tilhørende Selskabet.

8.2 Vilkår for udstedte kapitalandele

Følgende vilkår skal være gældende for kapitalandele udstedt i forbindelse med udnyttelse af en Tegningsoption:

(i) Kapitalandelene skal udstedes i kapitalandele a nominelt kr. 1 eller multipla deraf,

(ii) Kapitalandelene skal være ordinære kapitalandele og have de rettigheder, som følger deraf,

(iii) Kapitalandelene skal lyde på navn og skal noteres på navn i Selskabets ejerbog,

(iv) Kapitalandelene skal være ikke-omsætningspapirer,

(v) Kapitalandelene skal give Indehaveren ret til udbytte samt ret til at udnytte de til kapitalandelene knyttede forvaltningsmæssige beføjelser fra tidspunktet for Indehaverens Udnyttelsesmeddelelse, og

(vi) Der skal for Kapitalandelene gælde samme øvrige rettigheder og forpligtelser, som fastsat i Selskabets vedtægter.

I tilfælde af ændring af Selskabets vedtægter forud for udnyttelse af en Tegningsoption i relation til de ovenfor under (i) – (vi) nævnte forhold, skal sådanne eventuelle ændrede rettigheder og forpligtelser gælde for Tegningsoptionen samt for samtlige kapitalandele tegnet i forbindelse med udnyttelse af Tegningsoptionen.

8.3 Vilkår for kapitalandelsbesiddelse

Bestyrelsen kan i forbindelse med udnyttelse af Tegningsoptioner og som en betingelse herfor pålægge Indehaverne at tiltræde den på ethvert tidspunkt gældende ejeraftale for Selskabet eller øvrige sædvanlige vilkår for kapitalandelsbesiddelse.

For the purposes of this Agreement, the date of termination means the date on which notice is given, i.e. excluding any potential notice periods.

8. Terms of the shares

8.1 Terms of subscription of shares

The following terms apply to the shares subscribed for by exercise of a Warrant:

(i) The Company's shareholders will not enjoy any preemptive rights to shares subscribed for by exercise of a Warrant, and

(ii) The subscription amount must have reached the Company before expiry of the Exercise Period within which the Holder must have submitted an Exercise Notice to the Company. The subscription amount must be paid by electronic bank transfer to an account of the Company.

8.2 Terms of issued shares

The shares issued in connection with the exercise of a Warrant are subject to the following terms:

(i) The shares are issued in denomination of nominally DKK 1 or multiples thereof,

(ii) The shares are ordinary shares and shall have the entailing share rights,

(iii) The shares must be registered in the name of the Holder and recorded in the Company's register of shareholders,

(iv) The shares will be nonnegotiable instruments,

(v) The shares entitle the Holder to receive dividends and vote as from the date of the Holder's Exercise Notice, and

(vi) The Shares must be subject to the same rights and obligations as those stipulated in the Company's articles of association.

In the event that the Company's articles of association are amended prior to the exercise of a Warrant in respect of the issues mentioned under (i) – (vi) above, any such amended rights and obligations will apply to such Warrant and to any and all Shares subscribed for on the basis of such Warrant.

8.3 Shareholder terms

The board may in connection with exercise of Warrants and as a condition thereto require the Holder to adhere to the shareholders' agreement concerning the Company in force from time to time or other customary shareholder terms.

9. Omsættelighed af Tegningsoptioner

9.1 Bestyrelsens godkendelse

Tegningsoptioner er ikke-omsætningspapirer. Enhver direkte eller indirekte overdragelse, pantsætning eller anden overgang eller overførsel af en Tegningsoption eller en del deraf kan kun finde sted med bestyrelsens forudgående samtykke, hvilket samtykke Selskabets bestyrelse efter et frit skøn kan give, nægte eller gøre betinget.

10. Bortfald af Tegningsoptioner

10.1 Bortfald af Tegningsoptioner

Uudnyttede Tegningsoptioner bortfalder automatisk og uden yderligere meddelelse, vederlag eller kompensation til Indehaveren 10 år efter tildelingsdatoen.

11. Ændring af vilkår for Tegningsoptioner

11.1 Ændring af vilkår for Tegningsoptioner

Selskabets bestyrelse er berettiget til efter eget skøn at ændre vilkårene i dette bilag med virkning for alle udstedte Tegningsoptioner, der ikke i henhold til dette bilag er udnyttet eller bortfaldet. Enhver ændring skal være i overensstemmelse med gældende dansk lovgivning. Indehaveren skal modtage rimeligt varsel i tilfælde af væsentlige ændringer. Samtlige øvrige ændringer kan ske uden varsel, men skal altid meddeles til Indehaveren.

12. Markedskurs

I alle tilfælde, hvor der i dette vedtægtsbilag henvises til en markedskurs for kapitalandele, er Selskabet berettiget til - for egen regning - at indhente en uvildig vurdering heraf fra en af FSR - danske revisorer udpeget vurderingsmand, som har erfaring med værdiansættelse af virksomheder, og som er uafhængig af såvel Selskabet, Selskabets ledelse som kapitalejerne. Forudsat at markedskursen er fastlagt ved en sådan vurdering, og den ikke er behæftet med åbenbare fejl, er vurderingen endelig og bindende for såvel Selskabet som Indehaverne i en periode på 30 kalenderdage efter dateringen af værdiansættelsen, og fastsættelsen af markedsværdien kan ikke gøres til genstand for indsigelser eller tvist.

I tilfælde af modstrid mellem den danske og den engelske version af disse vilkår for tegningsoptioner skal den danske version lægges til grund.

Transferability of Warrants

9.1 Approval by the board of directors

The Warrants are nonnegotiable instruments. Any direct or indirect transfer, pledging or other assignment of a Warrant or part thereof is subject to the prior written consent of the board of directors of the Company which may be granted, denied or made subject to further conditions at the absolute discretion of the Company's board of directors.

10. Lapse of Warrants

10.1 Lapse of Warrants

Unexercised Warrants lapse automatically and without further notice, consideration or compensation to the Holder 10 years after the grant date.

11. Amendment of terms of Warrants

11.1 Amendment of terms of Warrants

The Company's board of directors is authorized to amend at its sole discretion the terms of this schedule effective for all issued Warrants that have neither been exercised nor have lapsed pursuant to this schedule. Any such amendment must be in accordance with applicable Danish law. The Holder must receive reasonable notice of any material amendments. All other amendments are not subject to prior notice, but the Holder must always be given written notice thereof.

12. Market value

Anywhere this schedule refers to a market value for the shares, the Company is entitled - at its own expense - to obtain an independent assessment of the Company from an assessor appointed by the CSR - Danish Auditors who has experience in valuing companies, and which is independent of both the Company, the Company's management and the shareholders. Provided that the market value is determined by such assessment and is not subject to obvious errors, the assessment is final and binding for both the Company and the Holders for a period of 30 calendar days after the date of the valuation and the determination of the market value cannot be made subject to objections or disputes.

In the event of any discrepancies between the Danish version and the English version of these warrant terms the Danish version shall prevail.

Bilag 6.2 til vedtægterne for Green Hydrogen Systems A/S

1. Indledning – Beslutninger

1.1 På den ordinære generalforsamling afholdt den 7. april 2021 i Green Hydrogen Systems A/S, (CVR-nr. 30548701), ("Selskabet") blev det besluttet at bemyndige bestyrelsen til i henhold til selskabslovens pkt. 155, stk. 2, ad én eller flere gange at træffe beslutning om at udstede op til i alt 1.934.800 ikke-omsættelige tegningsoptioner til ét eller flere medlemmer af Selskabets bestyrelse og Selskabets direktion samt til én eller flere af Selskabets medarbejdere, der giver ret til tegning af op til i alt nominelt 1.934.800 kr. kapitalandele i Selskabet (samlet "Tegningsoptionerne" og hver en "Tegningsoption"). Hver Tegningsoption giver indehaveren ("Indehaveren") ret til tegning af nominelt 1 kr. kapitalandele i Selskabet uden fortegningsret for Selskabets kapitalejere. Bemyndigelsen til bestyrelsen er fastlagt i pkt. 6.2 i Selskabets vedtægter.

1.2 Formålet med Tegningsoptionerne er at give et yderligere incitament for Indehaveren til at arbejde for og bidrage til den fremtidige værditilvækst i Selskabet og derved skabe en positiv udvikling af markedsværdien af Selskabets kapitalandele. Derudover skal Tegningsoptionerne medvirke til at fastholde Indehaveren til Selskabet.

2. Tegningsperiode, Vederlag, Udnyttelsespris, mindste- og største kapitalforhøjelse og fortegnelse over Tegningsoptioner

2.1 Tildeling og optjening

Tegningsoptionerne tildeles og tegnes af Indehaveren ved tiltrædelse af warrantaftalen. Der kan være fastsat nærmere vilkår om optjening i de individuelle warrantaftaler.

2.2 Udnyttelsespris

Hver Tegningsoption giver Indehaveren af den pågældende Tegningsoption ret (men ikke pligt) til at tegne én kapitalandel i Selskabet ("Antallet af Kapitalandele") af nominelt kr. 1,00 mod betaling af 2,469 kr. ("Udnyttelsesprisen"). Tegning af kapitalandelene skal således ske ved kontant indbetaling.

2.3 Mindste- og største kapitalforhøjelse

Størstebeløbet af den kapitalforhøjelse, der kan tegnes på grundlag af Tegningsoptionerne, er nominelt 1.934.800 kr. kapitalandele, og mindstebeløbet er nominelt 1 kr. kapitalandel.

Schedule 6.2 to the Articles of Association of Green Hydrogen Systems A/S

1. Introduction – Resolutions

1.1 At the ordinary general meeting in Green Hydrogen Systems A/S (CVR no. 30548701) (the "Company") held on 7 April 2021, a resolution was passed authorising the board of directors to, pursuant to s. 155(2) of the Danish Companies Act (selskabsloven), issue up to a total of 1,934,800 non-negotiable warrants in one or more stages to one or more members of the board of directors and management board of the Company and to one or more employees of the Company granting right to subscribe for up to a total of nominally DKK 1,934,800 shares in the Company (collectively, the "Warrants" and individually a "Warrant"). Each Warrant entitles its holder ("Holder") to subscribe for shares in the Company of a nominal value of DKK 1 without pre-emption right for the shareholders of the Company. The authority granted to the board of directors is set out in article 6.2 of the Company's articles of association.

1.2 The purpose of the Warrants is to create further incentive for the Holders of the warrants to work for and contribute to future value added in the Company thus creating a positive development in the market value of the Company's shares. Furthermore, the Warrants are to be instrumental in retaining the Holders of the warrants in the Company.

2. Subscription period, Consideration, exercise price, minimum and maximum capital increase and the register of Warrants

2.1 Grant and vesting

The Holder is granted and subscribes for the Warrants by acceding to the Agreement. Terms on vesting will be as further set out in the individual warrant agreements.

2.2 Exercise price

Each Warrant gives its Holder the right (but not the obligation) to subscribe for one share in the Company (the "Number of Shares") of nominally DKK 1 against payment of DKK 2.469 (the "Exercise Price"). Subscription can only be made by cash payment.

2.3 Minimum and maximum capital increase

The maximum amount of the capital increase that may be subscribed for on the basis of the Warrants is nominally 1,934,800 shares and the minimum amount is nominally DKK 1 share.

2.4 Fortegnelse over Tegningsoptioner

Selskabet fører en fortegnelse over udstedte Tegningsoptioner i tilknytning til Selskabets ejerbog.

2.4 Register of Warrants

The Company keeps a register of issued Warrants in proximity with the Company's Register of Shareholders.

3. Udnyttelse af Tegningsoptioner

3.1 Udnyttelse

Udnyttelse af Tegningsoptioner forudsætter, at (i) Optionerne er tildelt og optjent, jf. pkt. 2.1, og (ii) at et Exit er indtruffet, jf. pkt. 4.

Udnyttelse af enhver Tegningsoption er betinget af, at ingen tidligere tegningsoptioner/warrants, som Indehaveren er blevet tildelt udnyttes, ligesom Indehaveren acceptere, at udnyttelse af enhver tidligere udstedt tegningsoption/warrant er betinget af, at der ikke udnyttes Tegningsoptioner i henhold til Aftalen.

3.2 Udnyttelsesmeddelelse

Hvis en Indehaver ønsker at udnytte en Tegningsoption, skal Indehaveren benytte tegningsblanketten i underbilag A til warrantaftalen og give meddelelse ("Udnyttelsesmeddelelse") herom til Selskabet. Udnyttelsesmeddelelsen skal være kommet frem til Selskabet (i) senest 5 hverdage efter, at Indehaveren har modtaget besked fra Selskabet om en begivenhed, jf. pkt. 4.1(a), 4.1(c) eller 4.1(d), eller (ii) i perioden fra datoen, der falder 360 dage efter en børsnotering af Selskabet og indtil datoen, der falder 20 dage herefter i tilfælde af, at et Exit udgøres af en børsnotering, jf. pkt. 4.1(b), og som eventuelt nærmere angivet i de individuelle warrantaftaler. I begge tilfælde "Udnyttelsesperioden". Udnyttelsesmeddelelsen skal være behørigt udfyldt, herunder kolonne A, B og C.

3. Exercise of Warrants

3.1 Exercise

Exercise of Warrants is subject to (i) the Warrants having vested in accordance with clause 2.1, and (ii) an Exit has occurred, cf. clause 4.

Exercise of any Warrant is conditional upon no warrant/option granted prior to the date of this Agreement having been exercised, just as the Holder accepts that exercise of warrants/options previously granted is conditional on no Warrant granted pursuant to this Agreement being exercised.

3.2 Exercise Notice

In the event that the Holder intends to exercise a Warrant, the Holder must give notice of this ("Exercise Notice") to the Company using the subscription form attached as sub-Annex A to the warrant agreement. The Exercise Notice must reach the Company (i) within 5 business days of the date on which the Holder received notice from the Company of a triggering event, cf. clause 4.1(a), 4.1(c) or 4.1(d), or (ii) no later than on the date falling 360 days after a public offering of the Company and until to date falling 20 business days thereafter in case an Exit constitutes a public offering, cf. clause 4.1(b), and as further set out in the individual warrant agreements, as applicable. In both instances the "Exercise Period". The Exercise Notice must be duly completed, including columns A, B and C.

4. Exit

4.1 Exit

Tegningsoptionerne kan alene udnyttes, hvis en af følgende begivenheder (et "Exit") indtræder:

(a) et salg af den væsentligste del af Selskabets kapitalandele eller aktiver til en bona fide tredjemandserhverver,

(b) en børsnotering af selskabets kapitalandele,

(c) ethvert partnerskab, joint venture eller anden konstruktion, hvorved kontrollen med Selskabet overdrages til en bona fide tredjemandserhverver, eller

(d) likvidation eller opløsning af Selskabet.

Exit

4.1 Exit

The Warrants will be exercisable only upon either of the following events (an "Exit"):

(a) a trade sale to a bona fide third party buyer, whether by share or asset transfer, by merger or otherwise,

(b) a public offering and listing of shares in the Company on a stock exchange,

(c) any partnership, joint venture or other transaction in which control of the Company is transferred to a bona fide third party, or

(d) the liquidation or discontinuation of the Company.

Der kan være fastsat andre eller supplerende vilkår for Exit i de individuelle warrantaftaler.

4.2 Meddelelse om Exit

Hvis der træffes beslutning om et Exit skal Selskabet hurtigst muligt og senest 5 hverdage forinden gennemførelsen af et sådant Exit give Indehaveren besked herom.

4.3 Accelereret optjening

Forudsat, at Indehaveren på tidspunktet for et Exit fortsat er ansat i Selskabet i uopsagt stilling, skal der ske fremrykket optjening af samtlige Indehaverens ikke-optjente Tegningsoptioner, som således alle uanset pkt. 2.1 skal betragtes som tildelt og optjent på det tidspunkt, hvor Exit finder sted.

5. Justering af Udnyttelsesprisen og Antallet af Kapitalandele, fremrykkelse af udnyttelsestidspunkt mv.

5.1 Beslutninger, der ikke medfører justering af Udnyttelsespris og Antallet af Kapitalandele

Hvis Selskabet - i perioden forud for udnyttelse af en Tegningsoption - træffer beslutning om at:

(i) forhøje Selskabets selskabskapital til en kurs, som svarer til eller er højere end markedskursen på Selskabets kapitalandele, som tilhører samme kapitalklasse på beslutningstidspunktet,

(ii) udstede konvertible gældsbreve med en konverteringskurs, som svarer til eller er højere end markedskursen på beslutningstidspunktet på Selskabets kapitalandele, som tilhører samme kapitalklasse,

(iii) udstede nye tegningsoptioner med en udnyttelseskurs, som svarer til eller er højere end markedskursen på beslutningstidspunktet på Selskabets kapitalandele, som tilhører samme kapitalklasse, eller

Other or supplementary terms for Exit may be set out in the individual warrant agreements.

4.2 Notice of Exit

In the event that an Exit is decided, the Company shall as soon as possible and no later than the date falling 5 business days prior to the completion of such Exit notify the Holder thereof.

4.3 Accelerated vesting

Provided that the Holder's employment with the Company has not been terminated at the time of an Exit, vesting of all of the Holder's Warrants will accelerate and thus all of the Holder's Warrants will notwithstanding clause 2.1 be considered as granted and vested at the time of the Exit.

5. Adjustment of the Exercise Price and the Number of Shares, advancement of the date of exercise, etc.

5.1 Resolutions not resulting in an adjustment of the Exercise Price and the Number of Shares

In the event that the Company – in the period prior to the exercise of a Warrant – resolves to

(i) increase the Company's share capital at a price either equivalent to or above the market price of the Company's shares belonging to the same class of shares at the date of resolution,

(ii) issue convertible debt instruments at a conversion price either equivalent to or above the market price – at the date of resolution – of the Company's shares belonging to the same class of shares,

(iii) issue new warrants at an exercise price either equivalent to or above the market price – at the date of resolution – of the Company's shares belonging to the same class of shares, or

(iv) udstede
- konvertible obligationer til,
- tegningsoptioner til,
- forhøje Selskabets selskabskapital til fordel for, eller
- erhverve kapitalandele fra eller afstå kapitalandele til;

  én eller flere medlemmer af Selskabets bestyrelse og/eller direktion og/eller medarbejdere og/eller konsulenter/rådgivere som led i en af Selskabets generalforsamling besluttet eller bemyndiget incitamentsordning (uanset om tegnings/udnyttelseskursen for sådanne instrumenter svarer til, ligger over eller under markedskursen på udstedelses- eller udnyttelsestidspunktet på Selskabets kapitalandele, som tilhører samme kapitalklasse af de pågældende instrumenter, og uanset om kapitalandelene erhverves eller kan erhverves eller sælges for en pris, der svarer til, ligger over eller under markedskursen på Selskabets kapitalandele tilhørende samme kapitalklasse),

sker der ingen ændring i retsstillingen for den pågældende Tegningsoption (dvs. at Udnyttelsesprisen og Antallet af Kapitalandele forbliver uændret).

5.2 Beslutninger, der medfører justering af Udnyttelsespris og Antallet af Kapitalandele

Hvis Selskabet (bortset fra de i pkt. 5.1(iv) anførte tilfælde) - i perioden forud for udnyttelse af en Tegningsoption - træffer beslutning om at

(i) forhøje Selskabets selskabskapital til en kurs, som er lavere end markedskursen på beslutningstidspunktet på Selskabets kapitalandele, der tilhører samme kapitalklasse,

(ii) udstede konvertible gældsbreve til en konverteringskurs, som er lavere end markedskursen på beslutningstidspunktet på Selskabets kapitalandele, der tilhører samme kapitalklasse,

(iii) udstede nye tegningsoptioner med en udnyttelseskurs, som er lavere end markedskursen på beslutningstidspunktet på Selskabets kapitalandele, der tilhører samme kapitalklasse,

(iv) erhverve kapitalandele i Selskabet til en kurs, som er højere eller afstå kapitalandele i Selskabet til en kurs, som er lavere end markedskursen på tidspunktet for erhvervelse/afståelse på Selskabets kapitalandele, der tilhører samme kapitalklasse,

(iv) issue
- convertible bonds to,
- warrants to,
- increase the Company's share capital for the benefit of, or
- acquire shares from or sell shares to;

  one or more members of the Company's board of directors and/or management board and/or employees and/or consultants/advisers as part of an incentive scheme resolved or authorised by the Company's general meeting (regardless of whether the subscription/exercise price of such instruments is equivalent to, above or below the market price of the Company's shares belonging to the same class of shares at the date of issue or the date of exercise of the warrants, and regardless of whether the shares are acquired or may be acquired or sold at a price, equivalent to, above or below the market price of the Company's shares belonging to the same class of shares),

the legal status of the relevant warrant will not change (that is, the Exercise Price and the Number of Shares remain unchanged).

5.2 Resolutions resulting in an adjustment of the Exercise Price and the Number of Shares

In the event that the Company (except for the events stated in clause 5.1(iv)) – in the period prior to the exercise of a Warrant – resolves to

(i) increase the Company's share capital at a price below the market price – at the date of resolution – of the Company's shares belonging to the same class of shares,

(ii) issue convertible debt instruments at a conversion price lower than the market price – at the date of resolution – of the Company's shares belonging to the same class of shares,

(iii) issue new warrants at an exercise price below the market price – at the date of resolution – of the Company's shares belonging to the same class of shares,

(iv) acquire shares in the Company at a price above the market price or dispose of shares in the Company at a price below the market price at the date of acquisition/disposal of the Company's shares belonging to the same class of shares.

(v) nedsætte Selskabets selskabskapital (i) til udbetaling til kapitalejerne, (ii) til dækning af underskud, eller (iii) med henblik på henlæggelse til en særlig reserve i henhold til selskabslovens pkt. 188, stk. 1, nr. 3,

(vi) udstede fondsandele ("anpartssplit") eller nedsætte kapitalandelenes pålydende (nominelle værdi) ("omvendt anpartssplit"), eller

skal Udnyttelsesprisen og/eller Antallet af Kapitalandele justeres (i det omfang lovgivningen giver mulighed herfor), således at det sikres, at værdien af Indehaverens Tegningsoptioner umiddelbart efter beslutningen svarer til værdien af Indehaverens Tegningsoptioner umiddelbart forud for beslutningen.

5.3 Spaltning

Hvis Selskabet - i perioden forud for udnyttelse af en Tegningsoption - træffer beslutning om spaltning af Selskabet, er Selskabets bestyrelse berettiget til at beslutte:

(i) at fremrykke udnyttelses- og modningstidspunktet for den pågældende Tegningsoption ved at give meddelelse til Indehaveren med en frist på 2 (to) uger til at udnytte Tegningsoptionen, inden beslutningen om spaltningen får retsvirkning. Indehaverens Udnyttelsesmeddelelse skal afgives i overensstemmelse med proceduren i pkt. 3.2. Enhver Tegningsoption, som ikke er udnyttet af Indehaveren inden udløbet af fristen på 2 (to) uger til at give meddelelse, bortfalder automatisk uden yderligere meddelelse, vederlag og/eller kompensation til Indehaveren på tidspunktet, hvor beslutningen om at spaltning Selskabet får retsvirkning, eller

(ii) – hvis den pågældende Indehaver umiddelbart efter spaltningen er ansat i eller på anden måde tilknyttet en anden juridisk enhed, der følger af spaltningen - (a) at annullere Indehaverens eksisterende Tegningsoptioner og (b) beslutte, at Indehaveren kan indgå en ny aftale om at modtage Tegningsoptioner med en tilsvarende værdi i den juridiske enhed, hvori Indehaveren er ansat efter spaltningen, eller

(v) decrease the Company's share capital (i) for distribution to the shareholders, (ii) for payment of losses, or (iii) for the transfer to a special reserve fund pursuant to s. 188(1)(iii) of the Danish Companies Act,

(vi) issue bonus shares ("stock split") or reduce the denomination (nominal value) of the shares ("reverse stock split"), or

the Exercise Price and/or the Number of Shares must be adjusted (to the extent permitted by law) such adjustments guaranteeing that the value of the Holder's Warrants immediately after the resolution corresponds to the value of the Holder's Warrants immediately prior to the resolution.

5.3 Demerger

In the event that the Company – in the period prior to the exercise of a Warrant –resolves to demerge the Company, the Company's board of directors may resolve as follows:

(i) to advance the date of exercise and vesting of the relevant Warrant by giving 2 (two) weeks' prior notice to the Holder to exercise the relevant Warrant before the resolution to demerge the Company becomes effective. The Holder's Exercise Notice must be submitted in accordance with the procedure set out in clause 3.2. Any Warrant not exercised by the Holder before expiry of the 2 (two) week notice period will automatically lapse without further notice, consideration and/or compensation to the Holder at the date when the resolution to demerge the Company becomes effective, or

(ii) – if the relevant Holder immediately after the demerger is employed by or otherwise affiliated with another legal entity resulting from the demerger (other than the Company) – (a) to cancel the Holder's existing Warrants and (b) to allow the Holder, if relevant, to enter into a new agreement on receiving Warrants of a corresponding value in the legal entity, in which the Holder is employed following the demerger, or

(iii) – hvis den pågældende Indehaver umiddelbart efter spaltningen er ansat i eller på anden måde tilknyttet Selskabet – at (a) antallet af Tegningsoptioner justeres og/eller (b) vilkårene og betingelserne for de pågældende Tegningsoptioner justeres (i det omfang lovgivningen giver mulighed herfor); således at disse justeringer sikrer, at værdien af Indehaverens Tegningsoptioner umiddelbart efter spaltningen svarer til værdien af Indehaverens Tegningsoptioner umiddelbart forud for spaltningen.

(iii) – if the relevant Holder immediately after the demerger is employed or otherwise affiliated with the Company – (a) to adjust the Number of Warrants and/or (b) to adjust the terms and conditions of the said Warrants (to the extent permitted by law), such adjustments guaranteeing that the value of the Holder's Warrants immediately after the demerger corresponds to the value of the Holder's Warrants immediately prior to the demerger.

5.4 Øvrige ændringer af kapitalstruktur

Hvis Selskabet - i perioden forud for udnyttelse af en Tegningsoption - træffer beslutning om ændring af Selskabets kapitalstruktur på anden vis end forudsat ovenfor, og forudsat at en sådan ændring medfører en ændring af værdien af Tegningsoptionen, skal Udnyttelsesprisen og/eller Antallet af Kapitalandele justeres (i det omfang lovgivningen giver mulighed herfor), således at disse justeringer sikrer, at værdien af Indehaverens Tegningsoptioner umiddelbart efter beslutningen svarer til værdien af Indehaverens Tegningsoptioner umiddelbart forud for beslutningen.

5.4 Other changes in the capital structure

In the event that the Company – in the period prior to the exercise of an Investor Warrant – resolves to change the Company’s capital structure in a way other than as contemplated above, and provided that such change results in a dilution of the value of such Warrant, the Exercise Price and/or the Number of Shares will (to the extent permitted by law) be adjusted, such adjustment guaranteeing that the value of the Holder's Warrants immediately after the resolution corresponds to the value of the Holder's Warrants immediately prior to the resolution.

5.5 Bestyrelsens redegørelse

Hvis Selskabet træffer beslutning om at gennemføre nogen af de i pkt. 5.2, 5.3(ii)-(iii) henholdsvis 5.4 anførte ændringer, skal Selskabets bestyrelse udarbejde en redegørelse for, (a) om en justering af Udnyttelsesprisen og/eller Antallet af Kapitalandele er påkrævet i henhold til disse bestemmelser, og (b) i bekræftende fald, karakteren og omfanget af en sådan justering. Selskabets bestyrelse skal give Indehaveren en kopi af bestyrelsens redegørelse inden 8 uger efter den pågældende beslutning. Konklusionen i bestyrelsens redegørelse er bindende for Selskabet og Indehaveren og kan ikke gøres til genstand for indsigelser eller tvist.

Hvis der i henhold til dette bilag skal foretages en justering af Udnyttelseskursen og/eller Antallet af Kapitalandele, træffer Selskabets bestyrelse beslutning om, hvorvidt dette skal ske ved en justering af Udnyttelseskursen og/eller Antallet af Kapitalandele.

5.5 Statement by the board of directors

If the company resolves to carry out any of the amendments set out in clauses 5.2, 5.3(ii)-(iii) and 5.5, respectively, the Company's board of directors must prepare a statement on (a) whether an adjustment of the Exercise Price and/or the Number of Shares is required by such provisions and (b), in the affirmative, the nature and scope of such adjustment. The Company's board of directors must provide the Holder of a copy of the statement by the board of directors within 8 (eight) weeks of the said resolution. The conclusions of the statement by the board of directors are binding on the Company and the Holder and cannot be made subject of objections or disputes.

If, according to this Annex, the Exercise Price and/or Number of Warrants must be adjusted, the Company's board of directors must resolve whether to make such an adjustment of the Exercise Price or the Number of Warrants.

6. Differenceafregning ved kontant betaling

6.1 Differenceafregning

Selskabet er berettiget til – inden for 14 (fjorten) dage efter en Indehavers udnyttelse af en Tegningsoption – at kræve Tegningsoptionen differenceafregnet, således at Indehaveren i stedet for at tegne og modtage kapitalandele i Selskabet modtager kontant betaling af nettoværdien af Tegningsoptionen. I så fald (a) skal Indehaveren modtage et kontant beløb fra Selskabet for Tegningsoptionen, der svarer til (i) værdien af det nominelle beløb kapitalandele, som Tegningsoptionen giver ret til at tegne (opgjort på grundlag af markedskursen på Selskabets kapitalandele tilhørende samme kapitalklasse på udnyttelsestidspunktet), med fradrag af (ii) Udnyttelsesprisen for den pågældende Tegningsoption, og (b) Indehaveren skal overdrage Tegningsoptionen til Selskabet uden nogen yderligere modydelse (og det præciseres, at Indehaveren i så fald ikke i henhold til Tegningsoptionen er berettiget til at modtage kapitalandele i Selskabet efter udnyttelse af Tegningsoptionen).

6.2 Udbytteskat

Selskabets udnyttelse af retten til kontant differenceafregning i overensstemmelse med pkt. 6.1 er betinget af, at sådan differenceafregning ikke stiller Indehaveren skattemæssigt mindre gunstigt end ved Indehaverens udnyttelse af Tegningsoptionerne og modtagelse af kapitalandele i Selskabet, medmindre Selskabet accepterer at kompensere Indehaveren for sådan merskat. Indehaveren er forpligtet til på Selskabets anmodning at ansøge om dispensation for sådan mer-skat som følge af kontant differenceafregning.

7. Ophør af ansættelsesforhold eller anden tilknytning (som medlem af Selskabets bestyrelses, medlem af Selskabets direktion eller andet) til Selskabet

7.1 Bortfald af ikke-udnyttede Tegningsoptioner

Hvis Indehaverens ansættelsesforhold eller øvrige tilknytningsforhold til Selskabet opsiges, ophæves eller ophører i øvrigt forud for et Exit, bortfalder alle Indehaverens Tegningsoptioner automatisk og uden kompensation.

Indehaverens allerede tildelte og optjente Tegningsoptioner bortfalder dog ikke, hvis:

6. Cash settlement

6.1 Cash settlement

The Company is entitled – within 14 (fourteen) days of the Holder's exercise of a Warrant – to demand cash settlement of the Warrant so that, instead of the Holder subscribing for and receiving shares in the Company, the Holder will receive cash settlement in an amount equal to the net value of the Warrant. If so, (a) the Holder must receive a cash payment from the Company for the Warrant in an amount equal to (i) the value of the nominal amount of shares, for which the Warrant gives the right to subscribe (determined on the basis of the market price of the Company's shares belonging to the same class of shares at the Date of Exercise), deducting (ii) the Exercise price of the relevant Warrant, and (b) the Holder must transfer the Warrant to the Company against no further consideration (and, for the avoidance of doubt, in such case the Holder will not be entitled under the Warrant to receive shares in the Company on exercising the Warrant).

6.2 Dividend taxation

The Company's right to cash settlement in accordance with clause 6.1 is subject to such cash settlement not having an effect on the Holder's tax situation less favourable than that on the Holder's exercising the Warrants and receiving shares in the Company, unless the Company accepts compensating the Holder for such additional tax. The Holder is under an obligation, at the Company's request, to seek exemption from such additional tax resulting from of cash settlement.

7. Termination of employment or other affiliation (as a member of the Company's board of directors, a member of the Company's management board or other) with the Company.

7.1 Lapse of unexercised Warrants

In the event of termination of the Holder's employment or other engagement with the Company prior to an Exit, all of the Holder's Warrants will lapse automatically and without compensation.

The Holder will, however, retain its already granted and vested Warrants in the following instances:

(i) Ansættelsesforholdet/tilknytningsforholdet ophæves af Indehaveren som følge af grov misligholdelse fra Selskabets side;

(ii) ansættelsesforholdet/tilknytningsforholdet opsiges af Selskabet, hvor dette ikke skyldes Indehaverens væsentlige misligholdelse af ansættelsesforholdet/tilknytningsforholdet eller en eventuel ejeraftale med Selskabets kapitalejere vedrørende Selskabet; eller

(iii) ansættelsesforholdet/tilknytningsforholdet opsiges af Indehaveren som følge af (a) Indehaverens egen, ægtefælles eller barns dødsfald eller varig sygdom, eller (b) at Indehaveren går på pension på grund af alder i henhold til vilkårene i vedkommendes ansættelseskontrakt eller anden kontrakt vedrørende tilknytningsforholdet.

Hvis Indehaverens ansættelsesforhold eller øvrige tilknytningsforhold til Selskabet opsiges, ophæves eller ophører i øvrigt efter gennemførelsen af et Exit, sker der ikke bortfald af Indehaverens Tegningsoptioner.

7.2 Tilbagekøbsoption

Selskabet er i tilfælde af ansættelsens/tilknytningens ophør, uanset årsag, berettiget – men ikke forpligtet – til at tilbagekøbe (eller anvise en tredjemand til) alle – eller en del af – Indehaverens Tegningsoptioner. Prisen opgøres som ved differenceafregning i henhold til pkt. 6, men baseret på markedsværdien af Selskabet på opsigelsestidspunktet.

Ved ophørstidspunktet forstås datoen for Selskabets meddelelse om opsigelse (dvs. uden et eventuelt opsigelsesvarsel).

8. Vilkår for kapitalandelene

8.1 Vilkår for tegning af kapitalandele

Følgende vilkår skal gælde for kapitalandele tegnet i forbindelse med udnyttelse af en Tegningsoption:

(i) Selskabets kapitalejere skal ikke have fortegningsret til kapitalandele tegnet ved udnyttelse af en Tegningsoption, og

(ii) Tegningsbeløbet skal være kommet frem til Selskabet inden udløbet af den Udnyttelsesperiode inden for hvilken Indehaveren har afgivet sin Udnyttelsesmeddelelse til Selskabet. Tegningsbeløbet betales ved elektronisk bankoverførsel til en konto tilhørende Selskabet.

(i) the Holder terminates its employment/engagement on the grounds of the Company's material breach of the employment terms;

(ii) the Company terminates the employment relationship/engagement for wrongful reasons, i.e. where termination is not due to the Holder's material breach of the employment relationship or any shareholders' agreement concerning the Company; or

(iii) the Holder terminates its employment/engagement due to (a) the Holder's own, or his/her spouse's or children's death or permanent illness, or (b) the Holder's retirement due to age in accordance with its employment contract or other contract governing the engagement.

In the event of termination of the Holder's employment or other engagement with the Company after completion of an Exit, the Holder's Warrants will not lapse.

7.2 Call option

In case of termination of the Holder's employment/engagement, regardless of the reason, the Company is entitled – but not obligated – to repurchase (or designate a third party to) all – or part of – the Holder's Warrants. The price of the Warrants shall be calculated as in the case of cash settlement pursuant to clause 6 but based on the fair market value of the Company on the date of termination.

For the purposes of this Agreement, the date of termination means the date on which notice is given, i.e. excluding any potential notice periods.

8. Terms of the shares

8.1 Terms of subscription of shares

The following terms apply to the shares subscribed for by exercise of a Warrant:

(i) The Company's shareholders will not enjoy any preemptive rights to shares subscribed for by exercise of a Warrant, and

(ii) The subscription amount must have reached the Company before expiry of the Exercise Period within which the Holder must have submitted an Exercise Notice to the Company. The subscription amount must be paid by electronic bank transfer to an account of the Company.

8.2 Vilkår for udstedte kapitalandele

Følgende vilkår skal være gældende for kapitalandele udstedt i forbindelse med udnyttelse af en Tegningsoption:

(i) Kapitalandelene skal udstedes i kapitalandele a nominelt kr. 1 eller multipla deraf,

(ii) Kapitalandelene skal være ordinære kapitalandele og have de rettigheder, som følger deraf,

(iii) Kapitalandelene skal lyde på navn og skal noteres på navn i Selskabets ejerbog,

(iv) Kapitalandelene skal være ikke-omsætningspapirer,

(v) Kapitalandelene skal give Indehaveren ret til udbytte samt ret til at udnytte de til kapitalandelene knyttede forvaltningsmæssige beføjelser fra tidspunktet for Indehaverens Udnyttelsesmeddelelse, og

(vi) Der skal for Kapitalandelene gælde samme øvrige rettigheder og forpligtelser, som fastsat i Selskabets vedtægter.

I tilfælde af ændring af Selskabets vedtægter forud for udnyttelse af en Tegningsoption i relation til de ovenfor under (i) – (vi) nævnte forhold, skal sådanne eventuelle ændrede rettigheder og forpligtelser gælde for Tegningsoptionen samt for samtlige kapitalandele tegnet i forbindelse med udnyttelse af Tegningsoptionen.

8.3 Vilkår for kapitalandelsbesiddelse

Bestyrelsen kan i forbindelse med udnyttelse af Tegningsoptioner og som en betingelse herfor pålægge Indehaverne at tiltræde den på ethvert tidspunkt gældende ejeraftale for Selskabet eller øvrige sædvanlige vilkår for kapitalandelsbesiddelse.

9. Omsættelighed af Tegningsoptioner

9.1 Bestyrelsens godkendelse

Tegningsoptioner er ikke-omsætningspapirer. Enhver direkte eller indirekte overdragelse, pantsætning eller anden overgang eller overførsel af en Tegningsoption eller en del deraf kan kun finde sted med bestyrelsens forudgående samtykke, hvilket samtykke Selskabets bestyrelse efter et frit skøn kan give, nægte eller gøre betinget.

8.2 Terms of issued shares

The shares issued in connection with the exercise of a Warrant are subject to the following terms:

(i) The shares are issued in denomination of nominally DKK 1 or multiples thereof,

(ii) The shares are ordinary shares and shall have the entailing share rights,

(iii) The shares must be registered in the name of the Holder and recorded in the Company's register of shareholders,

(iv) The shares will be nonnegotiable instruments,

(v) The shares entitle the Holder to receive dividends and vote as from the date of the Holder's Exercise Notice, and

(vi) The Shares must be subject to the same rights and obligations as those stipulated in the Company's articles of association.

In the event that the Company's articles of association are amended prior to the exercise of a Warrant in respect of the issues mentioned under (i) – (vi) above, any such amended rights and obligations will apply to such Warrant and to any and all Shares subscribed for on the basis of such Warrant.

8.3 Shareholder terms

The board may in connection with exercise of Warrants and as a condition thereto require the Holder to adhere to the shareholders' agreement concerning the Company in force from time to time or other customary shareholder terms.

9. Transferability of Warrants

9.1 Approval by the board of directors

The Warrants are nonnegotiable instruments. Any direct or indirect transfer, pledging or other assignment of a Warrant or part thereof is subject to the prior written consent of the board of directors of the Company which may be granted, denied or made subject to further conditions at the absolute discretion of the Company's board of directors.

10. Bortfald af Tegningsoptioner

10.1 Bortfald af Tegningsoptioner

Uudnyttede Tegningsoptioner bortfalder automatisk og uden yderligere meddelelse, vederlag eller kompensation til Indehaveren 10 år efter tildelingsdatoen.

11. Ændring af vilkår for Tegningsoptioner

11.1 Ændring af vilkår for Tegningsoptioner

Selskabets bestyrelse er berettiget til efter eget skøn at ændre vilkårene i dette bilag med virkning for alle udstedte Tegningsoptioner, der ikke i henhold til dette bilag er udnyttet eller bortfaldet. Enhver ændring skal være i overensstemmelse med gældende dansk lovgivning. Indehaveren skal modtage rimeligt varsel i tilfælde af væsentlige ændringer. Samtlige øvrige ændringer kan ske uden varsel, men skal altid meddeles til Indehaveren.

12. Markedskurs

I alle tilfælde, hvor der i dette vedtægtsbilag henvises til en markedskurs for kapitalandele, er Selskabet berettiget til - for egen regning - at indhente en uvildig vurdering heraf fra en af FSR - danske revisorer udpeget vurderingsmand, som har erfaring med værdiansættelse af virksomheder, og som er uafhængig af såvel Selskabet, Selskabets ledelse som kapitalejerne. Forudsat at markedskursen er fastlagt ved en sådan vurdering, og den ikke er behæftet med åbenbare fejl, er vurderingen endelig og bindende for såvel Selskabet som Indehaverne i en periode på 30 kalenderdage efter dateringen af værdiansættelsen, og fastsættelsen af markedsværdien kan ikke gøres til genstand for indsigelser eller tvist.

I tilfælde af modstrid mellem den danske og den engelske version af disse vilkår for tegningsoptioner skal den danske version lægges til grund.

10. Lapse of Warrants

10.1 Lapse of Warrants

Unexercised Warrants lapse automatically and without further notice, consideration or compensation to the Holder 10 years after the grant date.

11. Amendment of terms of Warrants

11.1 Amendment of terms of Warrants

The Company's board of directors is authorized to amend at its sole discretion the terms of this schedule effective for all issued Warrants that have neither been exercised nor have lapsed pursuant to this schedule. Any such amendment must be in accordance with applicable Danish law. The Holder must receive reasonable notice of any material amendments. All other amendments are not subject to prior notice, but the Holder must always be given written notice thereof.

12. Market value

Anywhere this schedule refers to a market value for the shares, the Company is entitled - at its own expense - to obtain an independent assessment of the Company from an assessor appointed by the CSR - Danish Auditors who has experience in valuing companies, and which is independent of both the Company, the Company's management and the shareholders. Provided that the market value is determined by such assessment and is not subject to obvious errors, the assessment is final and binding for both the Company and the Holders for a period of 30 calendar days after the date of the valuation and the determination of the market value cannot be made subject to objections or disputes.

In the event of any discrepancies between the Danish version and the English version of these warrant terms the Danish version shall prevail.

Annex B — Application Form

Application form (only one form per custody account)	**Offering of up to 31,625,000 Offer Shares (including the Overallotment Shares) of DKK 1 nominal value each**

Application for subscription of Offer Shares in Green Hydrogen Systems A/S, company registration (CVR) no. 30548701

Issuing and settlement agent: **Sydbank A/S** Company reg. no. 12 62 65 09 Peberlyk 4 DK-6200 Aabenraa Denmark	Selling agent: **Nordnet Bank, filial af Nordnet Bank AB, Sverige** Company reg. no. 32 30 19 08 Havneholmen 25, 7. DK-1562 Copenhagen V Denmark
Joint Global Coordinators and Joint Bookrunners:	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
Offer Period:	**8 June** to **21 June** 2021 at 17:00 (CET) unless the Offering is closed earlier in whole or in part. The Offer Period will not be closed in whole or in part before 15 June 2021 at 23:59 (CET).
Offer Price:	DKK 40 per Offer Share
ISIN:	Permanent ISIN for the Shares: DK0061540341 Temporary ISIN for the Temporary Purchase Certificates: DK0061540424

The Prospectus dated 7 June 2021 includes, *inter alia*, the Articles of Association of Green Hydrogen Systems A/S, the Interim Financial Statements of the Company as at and for the quarter ended 31 March 2021 with comparative figures for the quarter ended 31 March 2020, the audited Financial Statements of the Company as at and for the year ended 31 December 2020 with comparative figures as at and for the years ended 31 December 2019 and 2018 as well as the terms and conditions for the subscription for Offer Shares.

For binding orders up to and including DKK 3 million, the application form is submitted to the subscriber's own account holding bank duly filled in and signed.

The application form shall be submitted to the investor's own account holding bank within an appropriate amount of time for the account holding bank to process and forward the application so that the application reaches Sydbank A/S or Nordnet Bank no later than **21 June** 2021 at **17:00** (CET) or such earlier time as the Offering may be closed in whole or in part.

Expressions of interest to subscribe for Offer Shares for more than DKK 3 million can be submitted to one of the Managers, e.g., by using this application form.

On the terms and conditions stated in the Prospectus dated 7 June 2021, including in "*Risk Factors*" and "*Selling and Transfer Restrictions*", I/we hereby submit an order application for the subscription for Offer Shares in Green Hydrogen Systems A/S and simultaneously declare to have received a copy of the Prospectus; and that I/we have solely based my/our investment decision on the contents of the Prospectus. Only one application form per custody account with VP Securities A/S (VP) will be accepted.

[CONTINUES ON THE NEXT PAGE]

Application for subscription of Offer Shares in Green Hydrogen Systems A/S, company registration (CVR) no. 30548701

Offer Price:	DKK 40 per Offer Share
ISIN:	Permanent ISIN for the Shares: DK0061540341 Temporary ISIN for the Temporary Purchase Certificates: DK0061540424

Application submitted as a binding application (for orders up to and including DKK 3 million)

I/we accept that the Managers may demand information about my/our name(s), address(es) and application and are entitled to pass on such information to Green Hydrogen Systems A/S and the Managers. I/we undertake to pay the equivalent of the Offer Shares allocated at the Offer Price.

Field (1) or (2) should be completed

(1) For Danish kroner (DKK)	(2) Number of Offer Shares

Expression of interest submitted pursuant to the book-building process (for orders above DKK 3 million)

I/we accept that the application form and information about my/our name(s) and address(es) are entitled to be passed on to to Green Hydrogen Systems A/S and the Managers. I/we accept that I/we during the Offer Period can amend or revoke this expression of interest but that this expression of interest will automatically be converted into a binding subscription order upon expiry of the Offer Period.

Field (1) or (2) should be completed

(1) For Danish kroner (DKK)	(2) Number of Offer Shares

If the aggregate applications to subscribe and expressions of interest exceeds the total number of Offer Shares, a reduction will be completed as further described in the Prospectus. See "*Plan of Distribution*". Neither submission of application orders nor submission of expressions of interest entitles one to any Offer Shares. Settlement of the Offering will be effected by way of registration of Temporary Purchase Certificates representing the allocated number of Offer Shares on your custody account with VP Securities A/S (VP) against payment in DKK, which is expected to take place on or before **24 June** 2021. All dealings in the Temporary Purchase Certificates and/or the Offer Shares prior to settlement of the Offering will be for the account of, and at the sole risk of, the parties involved.

Information and signature

Name:	VP custody account no.:
Address:	Settlement account no.:
Postal code and city:	Custodian bank:
Telephone:	
Date:	

This application form was submitted to (to be completed by account holding institution):

Reg. no.:	*Participant ID no. (CD-ident.):*
Date:	*Tel.:*

Signature | *Company stamp and signature*

Ordreblanket (kun én blanket pr. depot)	**Udbud af op til 31.625.000 Aktier (inklusive Overallokeringsaktierne) à nom. DKK 1**

Ordre om tegning af Udbudte Aktier i to Green Hydrogen Systems A/S, CVR-nr. 30548701

Udstedelses- og afviklingsagent: **Sydbank A/S** CVR nr. 12 62 65 09 Peberlyk 4 6200 Aabenraa Danmark	Salgsagent: **Nordnet Bank, filial af Nordnet Bank AB, Sverige** CVR nr. 32 30 19 08 Havneholmen 25, 7. 1562 KøbenhavnV Danmark

Joint Global Coordinators og Joint Bookrunners:	ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, Carnegie Investment Bank, filial af Carnegie Investment Bank AB (publ), Sverige og J.P. Morgan
Udbudsperiode:	**8. juni** til **21. juni** 2021, kl. **17:00** dansk tid, medmindre Udbuddet helt eller delvist lukkes tidligere. Udbudsperioden vil tidligst blive lukket den 15. juni 2021 kl. 23:59 dansk tid.
Udbudskurs:	DKK 40 pr. Udbudt Aktie
ISIN-kode:	Permanent ISIN for Aktierne: DK0061540341 Midlertidig ISIN for de Midlertidige Købsbeviser: DK0061540424

Prospektet dateret den **7. juni** 2021 indeholder blandt andet vedtægter for Green Hydrogen Systems A/S, kvartalsregnskabet for kvartalet, der sluttede den 31. marts 2021 for Selskabet med sammenligningstal for kvartalet, der sluttede den 31. marts 2020, det reviderede årsregnskab for 31. december 2020 for Selskabet med sammenligningstal for regnskabsårene, der sluttede den 31. december 2019 og 2018, samt vilkårene for tegning af Udbudte Aktier.

For bindende ordrer til og med DKK 3 mio. indleveres ordreblanketten til ordregivers eget kontoførende institut i udfyldt og underskrevet stand.

Ordreblanketten skal indleveres til investorens kontoførende institut i så god tid, at det kontoførende institut har mulighed for at behandle og videresende ordren, således at den er Sydbank A/S eller Nordnet Bank i hænde senest den **21. juni** 2021, kl. 17:00 dansk tid eller et sådant tidligere tidspunkt, hvor Udbuddet måtte blive lukket helt eller delvist.

Interessetilkendegivelser på mere end DKK 3 mio. skal afgives til en af Emissionsbankerne evt. ved brug af denne ordreblanket.

På vilkår som anført i Prospektet dateret den **7. juni** 2021, herunder afsnittene "*Risikofaktorer*" og "*Salgs- og Overdragelsesbegrænsninger*", afgiver jeg/vi hermed tilbud om tegning af Udbudte Aktier i Green Hydrogen Systems A/S og bekræfter samtidig at have fået udleveret et eksemplar af Prospektet, og at jeg/vi alene har baseret min/vores investeringsbeslutning på indholdet af Prospektet. Der kan kun afgives én ordreblanket pr. depot hos VP Securities A/S (VP).

[FORTSÆTTER PÅ NÆSTE SIDE]

Ordre om tegning af Udbudte Aktier i Green Hydrogen Systems A/S, CVR-nr. 30548701

Udbudskurs:	DKK 40 pr. Udbudt Aktie
ISIN-kode: Permanent ISIN for Aktierne:	DK0061540341 Midlertidig ISIN for de Midlertidige Købsbeviser: DK0061540424

Ordre afgivet som bindende ordre (for ordrebeløb til og med DKK 3 mio.)

Jeg/vi accepterer, at Emissionsbankerne kan kræve oplysninger om mit/vort navn, adresse og ordre, og er berettiget til at videregive denne information til Selskabet og Emissionsbankerne. Jeg/vi forpligter mig/os hermed til at betale modværdien af tildelte Udbudte Aktier til Udbudskursen.

Felt 1) eller 2) skal udfyldes

(1) For kroner (DKK):	(2) Antal Udbudte Aktier (stk.)

Interessetilkendegivelse afgivet efter bookbuilding-metoden (for ordrebeløb større end DKK 3 mio.)

Jeg/vi accepterer, at ordreblanketten samt navn og adresse videregives til Green Hydrogen Systems A/S og Emissionsbankerne. Jeg/vi accepterer, at jeg/vi i Udbudsperioden løbende kan ændre eller tilbagekalde interessetilkendegivelsen, men at denne bliver til en bindende ordre ved lukning af Udbuddet.

Felt 1) eller 2) skal udfyldes

(1) For kroner (DKK):	(2) Antal Udbudte Aktier (stk.)

Overstiger de samlede ordrer og interessetilkendegivelser det samlede antal Udbudte Aktier, vil der ske reduktion som anført i Prospektet, jf. afsnittet "*Udbudsbetingelserne—Tildeling og reduktion*". Afgivelse af ordrer eller interessetilkendegivelser medfører ingen sikkerhed for hel eller delvis tildeling af Udbudte Aktier. Afvikling af Udbuddet sker ved registrering af Midlertidige Købsbeviser repræsenterende det antal tildelte Udbudte Aktier på Deres depot i VP Securities A/S (VP) mod kontant betaling i DKK, hvilket forventes at finde sted senest den **24. juni** 2021. Al handel med de Midlertidige Købsbeviser og/eller de Udbudte Aktier forud for afvikling sker for de involverede parters egen regning og risiko.

Oplysninger og underskrift

Navn: VP-depotnr.:

Addresse: Kontonr. til afregning.:

Postnr. og by: Kontoførende institut:

Telefon:

Dato:

Ordren er indleveret hos (udfyldes af kontoførende institut):

Reg.nr.: *CD-ident:*

Dato: *Telefon:*

Underskrift *Firmastempel og underskrift*

GDPR notice of Joint Global Coordinators

Carnegie
Carnegie handles administrative information in the Offering. Carnegie's receipt and handling of acceptance forms does not lead to a customer relationship between the participant in the Offering and Carnegie. This means among other things that neither a so- called customer categorization nor a so called suitability assessment will be made regarding the Offering.

Personal data that is submitted to Carnegie, for example contact information and personal identification number, or which is otherwise registered in connection with the preparation or administration of the Offering, is processed by Carnegie, as controller of the personal data, for the administration and execution of the Offering. Processing of personal data also takes place to enable Carnegie to comply with its statutory duties.

Personal data may for a defined purpose, in observance of bank secrecy rules, occasionally be disclosed to other companies within the Carnegie Group or to undertakings which co-operate with Carnegie, within and outside the EU/EEA in accordance with EU's approved and appropriate protective measures, in certain cases Carnegie is also under a statutory duty to provide information, e.g. to the Danish Financial Supervisory Authority (in Danish: *Finanstilsynet*) and the Danish Tax Agency (in Danish: *Skattestyrelsen*).

Similarly, to the Danish Capital Markets Act (in Danish: *kapitalmarkedsloven*), the Danish Banking and Financing Business Act (in Danish: *lov om finansiel virksomhed*) contains confidentiality provisions according to which all of Carnegie's employees are bound by a duty of confidentiality with regard to clients of Carnegie and other parties to whom services are provided. The duty of confidentiality also applies between and within the various companies in the Carnegie Group.

Information regarding what personal data is processed by Carnegie, deletion of personal data, limitation on the processing of personal data, data portability or the rectification of personal data can be requested from Carnegie's Data Protection Officer, it is also possible to contact the Data Protection Officer to obtain further information about how Carnegie processes personal data, if the investor wishes to make a complaint regarding Carnegie's processing of personal data, the investor is entitled to turn to the Danish Data Protection Agency (in Danish: *Datatilsynet*) in its capacity as supervisory authority. Personal data shall be deleted if it is no longer needed for the purposes for which it was originally collected or otherwise processed, provided that Carnegie has no legal obligation to preserve the personal data. The normal storage time for personal data is 7 years.

Address to Carnegie's Data Protection Officer: *dpo@carnegie.dk*

ABG Sundal Collier
Those who participate in the Offering will provide personal data to ABG Sundal Collier. Personal information submitted to ABG Sundal Collier will be processed in data systems to the extent required to provide services and administer customer arrangements. Personal information obtained from a party other than the person to whom the processing relates may also be processed. The personal information may also be processed in the data systems of companies or organizations with which ABG Sundal Collier cooperates. Information pertaining to the treatment of personal information can be obtained from ABG Sundal Collier, which also accept requests for the correction of personal information. Address details may be obtained from ABG Sundal Collier and further information about how to contact ABG Sundal Collier and processing of personal data is found on the ABG Sundal Collier group webpage:

https://www.abgsc.com/resources/downloads/legal--compliance/terms--policies/ABGSC-Privacy-Statement-180514.pdf

THE COMPANY

Green Hydrogen Systems A/S
Nordager 21
DK-6000 Kolding
Denmark

MANAGERS

Joint Global Coordinators and Joint Bookrunners

ABG Sundal Collier Denmark, Filial af ABG Sundal Collier ASA, Norge
Forbindelsesvej 12, st.
DK-2100 Copenhagen
Denmark

Carnegie Investment Bank, Filial af Carnegie Investment Bank AB (PUBL), Sverige
Overgaden Neden Vandet 9B
DK-1414 Copenhagen K
Denmark

J.P. Morgan AG
Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

LEGAL ADVISERS

To the Company:

As to Danish Law
Bech-Bruun Law Firm P/S
Langelinie Allé 35
DK-2100 Copenhagen
Denmark

As to United States Law
Fried, Frank, Harris, Shriver & Jacobson (London) LLP
100 Bishopsgate
London EC2N 4AG
United Kingdom

To the Managers:

As to Danish Law
Plesner Advokatpartnerselskab
Amerika Plads 37
DK-2100 Copenhagen
Denmark

AUDITOR

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Denmark