



PRESS RELEASE

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Alfen's 2023 revenues exceeds €0.5 billion with balanced business line contributions

- **2023 revenue grew 15% to €504.5m** compared with FY 2022 (€439.9m). Balanced business line contributions: Smart Grid Solution: (37%), Energy Storage Systems (32%) and EV Charging Equipment (31%).
- **Adjusted EBITDA of €57.1m represents 11.3% of revenue**, with improving trend throughout 2023, versus €79.4m (18.0% of revenue) in 2022.
- **Adjusted net profit at €30.7m** versus €54.4m in 2022.
- **Full-year 2024 revenue outlook of €590-660m** driven by continued energy transition momentum throughout Europe.
- **Alfen reconfirms its strategy and medium-term objectives** from its Capital Markets Day in May 2023, continuing to expect strong contributions from all 3 business lines.

ALMERE, THE NETHERLANDS – Alfen N.V. (AEX: ALFEN), a specialist in energy solutions for the future, today reports its consolidated 2023 financial statements.

Marco Roeleveld, CEO of Alfen, said:

“We again demonstrated the value of being a diversified energy solution specialist across smart grids, EV charging equipment and energy storage throughout Europe. In 2023, the breakthrough of our Energy Storage Systems business line unfolded as we more than tripled revenues, while the market grew 64% (source: Bloomberg New Energy Finance) and. Our Smart Grid Solutions business line further accelerated with 32% y-o-y growth through stronger demand from the grid operators as well as from private businesses. EV charging revenues dropped 39% due to exceptionally high inventory levels in the distribution channels. From Q4 onwards we saw the destocking end with order intake at a higher level. However, market growth is still constrained in EV charging due to temporary market conditions.

Alfen continued to achieve profitable growth, building on our strong balance sheet and 3 synergetic business lines. Throughout 2023 we saw a significant shift in our business line mix towards energy storage and smart grid solutions. For Alfen, it is important to see balanced contributions from each business line to our overall revenues.

Our markets continue to grow strongly. Research provider Bloomberg New Energy Finance (BNEF) estimates that energy storage systems has a 58% CAGR from 2023 until 2027 in Europe and EV charging has a 18% CAGR over the same period. The Dutch grid operators on average estimate their substation investments to grow with a CAGR of 21% in their draft investment plans for 2024-2026.

With our portfolio of innovative solutions to our customers, we are confident that we can continue to expand our market share in Europe.

We recently announced a multiyear supply agreement with CATL to ensure continued battery supply. This agreement paves the way for Alfen to meet increasing demand and secure our supply chain for energy storage systems throughout Europe.

To be ready for future growth, we are constructing our new headquarters / production facility next to our existing buildings in Almere. The premises consists of 33,000m² and is three times as large as our current largest building. Scheduled to be completed end of Q1 2024, the new facility will accommodate production space, warehousing and offices. We expect moving to the new facility will have negligible impact on output as we gradually move production lines from existing premises to the new facility. We will continue to produce on existing premises until the new building is fully operational.

Our new headquarters will be a testimony to the energy transition and embody our integrated solutions. The energy system of the new facility will consist of 6,000 solar panels on the roof (3 MWp), 3 Alfen 1250 kVA substations, 3 Alfen TheBattery Mobile energy storage units, over 100 EV Alfen charge points, 1 DC fast

charger for trucks, 3 heat pumps for heating/cooling and only LED lighting. We expect other businesses to pursue a similar set-up as they expand and decarbonise within the constraints of the electricity grid.

Boudewijn Tans has started as prospective CFO in January, for a thorough handover period with our current CFO Jeroen van Rossen. His appointment will be proposed to our shareholders at our 2024 AGM in April. Boudewijn Tans will work with the Management Board to continue our profitable growth strategy.

Looking forward to 2024, we expect our revenue to be between €590m and €660m, driven by approximately 15% growth in EV Charging, approximately 20% in Smart Grid Solutions and at least 40% growth in Energy Storage Systems. We aim to generate positive free cash flow over 2024, just like we did in the second half of 2023. We expect to improve our adjusted EBITDA margin in FY2024 relative to the 11.3% in FY2023.

We are excited to continue our growth journey with our valued customers, employees and partners, and building a sustainable future for future generations.”

Financial highlights

Key figures

In € millions	2022	2022 H1	2022 H2	2023	2023 H1	2023 H2
Revenue and other income	439.9	205.5	234.3	504.5	223.9	280.5
<i>Y-o-Y growth</i>	76%	78%	74%	15%	9%	20%
Gross margin	153.5	72.6	80.9	151.1	68.3	82.8
<i>As % of revenue and other income</i>	34.9%	35.3%	34.5%	30.0%	30.5%	29.5%
Operational expenses	75.6	36.2	39.4	95.1	47.9	47.2
<i>As % of revenue and other income</i>	17.2%	17.6%	16.8%	18.8%	21.4%	16.8%
Adjusted EBITDA	79.4	37.3	42.1	57.1	21.1	35.6
<i>As % of revenue and other income</i>	18.0%	18.1%	18.0%	11.3%	9.4%	12.8%

Revenue and other income increased 15% from €439.9m in 2022 to €504.5m in 2023, due to continued growth in Smart Grids Solutions (+32%) and Energy Storage Systems (+258%). EV Charging declined by 39% y-o-y, but Q4 2023 increased 10% compared to Q3 2023.

Gross margin was 30.0% in 2023 compared with 34.9% in 2022, mainly driven by a revenue mix shift from EV Charging Equipment to Energy Storage Systems.

Personnel costs increased by 27% to €68.5m compared with €53.7m in 2022. Average FTEs increased from 787 in 2022 to 942 in 2023.

Other operating costs increased by 22% to €26.6m compared with €21.9m in 2022.

Adjusted EBITDA amounted to €57.1m, a decrease of 28.1% versus €79.4m in 2022. EBITDA adjustments in 2023 amounted to €1.1m (versus €1.5m in 2022) and comprised of share-based payment expenses.

Adjusted net profit declined 43% to €30.7m versus €54.4m in 2022.

Capital expenditure amounts to €34.7m (or 6.9% of revenues) compared to €21.0m (or 4.8% of revenues) in 2022. CapEx includes acquiring a new building, with a purchase price of €10.0m, at Damsluisweg 70 in Almere, to further facilitate the growth of the Energy Storage business line. Furthermore, Alfen invested in production and warehouse tooling for the new facilities as well as product line automation for EV Charging, solar Panels, IT infrastructure and data security, as well as in moulds for our Smart Grids business line. Alfen capitalised €10.7m (versus €9.6m in 2022) of development costs, demonstrating continuous efforts to invest in innovations.

Working capital¹ increased to €128.1m versus €87.6m at 31 December 2022. The increase in working capital is primarily related to our increased stock levels and strategic stock down payments (presented under Trade and other receivables) as shown below.

<i>In € millions</i>	31 Dec 2023 (Audited)	30 Jun 2023 (Unaudited)	31 Dec 2022 (Audited)
Inventory – On hand	150.8	155.4	131.8
Inventory – Down payments	23.6	39.2	15.4
Total inventory, including downpayments	174.4	194.7	147.2

Given the growth perspective within Alfen's Energy storage business line in conjunction with a solid backlog for financial 2024, Alfen maintained higher stock levels, further supported by strategic stock down payments for batteries, inverters and containers for both our TheBattery Elements and TheBattery Mobile storage solutions.

Free cash flow was €27.2m negative compared with €24.4m negative in 2022. Note that within first half 2023 it was €58.0m negative, while Alfen generated a positive free cash flow of €30.8m in the second half of 2023.

Net debt position at 31 December 2023 amounted to €55.1m, compared to a net cash position of €4.4m at 31 December 2022. The shift from net cash to net debt is primarily driven by an increase in inventory and an

¹ Calculated as total current assets excluding cash and cash equivalents, minus total current liabilities excluding bank overdrafts

increase in bank loans related to the construction of a new warehouse/production facility (Hefbrugweg 79) and the purchase of a new production facility (Damsluisweg 70).

In terms of financing, we increased our bank guarantee facility as per 14 February 2024 from €40m to €80m to continue with the significant down payments from our customers to support the fast-growing Energy Storage business line.

Segmental review

In the **EV Charging Equipment** business line, 2023 revenues were €153.1m, a 39% decline compared with €251.8m in 2022. In 2022, our revenues had grown exceptionally due to a peak in demand after COVID-19 measures were released and inventory build-up by our channel partners. Alfen was well positioned to benefit from this market growth with our strict supply chain management, as well as our portfolio of reliable and innovative EV charging equipment. In 2023 the channel partners used their inventory levels to supply to end markets and Alfen revenue declined. From this perspective, Alfen's market share in terms of chargers installed in the field remained stable. The stocking and destocking effect has merely created a time lag between when Alfen incurred revenues and when chargers were installed at end-user locations. Alfen notes that Q4 2023 revenues increased 10% compared to Q3 2023.

The end market of EV charge points continued to increase at a healthy pace with 21% growth in 2023 (source: BNEF) and the number of registered BEVs increased 28% (source: ACEA). Alfen is positive about the long-term market momentum and expects to grow revenues with 15% in the coming year.

Alfen continues to pursue its internationalisation strategy to diversify its revenues across European countries: approximately 60% of the 2023 EV Charging revenue was generated outside of the Netherlands.

Alfen further diversified its customer base with new wins. Alfen remains the partner of choice in equipping large parking lots with chargers, for instance Alfen won a contract with partner Bouygues Energies & Services to supply charge points for the parking spaces of ADP Group (Aéroports de Paris). Alfen also supports the electrification of large fleets. Alfen signed a contract with Schulz Systemtechnik, focussing on electrifying last mile delivery fleets in Germany. Furthermore, the rollout of public infrastructure continues at a high pace across Europe, where Alfen is well positioned with its public chargers. In Germany, Alfen supported the rollout of public infrastructure in Berlin area with its partner ubitricity, a leading charge point operator (CPO) based in Berlin and operating across Europe. In the Netherlands, Alfen will deliver public chargers to the municipality of Groningen via Heijmans e-mobility. In France, Alfen has won a contract to support Electra, a European specialist in fast electric vehicle charging, as a highly valued supplier, across a lot of projects.

Additionally, Alfen continued to invest in innovations, which led to new technologies and product features. For instance, Alfen made significant steps in developing public chargers that are compliant with the new Alternative Fuels Infrastructure Regulation (AFIR). Publicly accessible EV chargers will accept common payment methods such as debit cards and/or QR code payments while providing transparent pricing information. This regulation will be a huge contributor to the EV driver's experience and make it easier to compare charging rates. AFIR will apply across all EU Member States from 13th April 2024. Alfen also further developed its Alfen Eve Connect mobile app for the home segment: an app that can connect directly with its chargers. End-users can manage, configure, and get insights. For instance, users can optimise solar energy use from their solar panels or optimise for lowest electricity tariffs.

In 2023, Alfen produced approximately 150,800 charge points, a 43% decline compared to 2022 with approximately 265,600 produced charge points. Gross margin for EV Charging Equipment amounted to 38%. Gross margins have been lower in second half 2023 due to a product mix effect.

In the **Smart Grid Solutions** business line, 2023 revenues were €188.4m, a 32% growth compared with €142.6m in 2022 driven by the grid companies significantly ramping up their investment, as demonstrated by the draft investment plans. The private network business also grew strongly, as it was no longer constrained by supply chain pressures.

The EU states that 40% of its distribution grids are more than 40 years old and cross-border transmission capacity needs to double by 2030, meaning €584 billion in investments is needed.

In the Netherlands, this trend is visible in practice as grid operators are stepping up to strengthen and expand the grid. The three biggest grid operators (Alliander, Enexis and Stedin) are increasing the number of substations that they acquire annually and have announced an average 21% growth of such investments in the period 2024 -2026. As the energy transition is a structural trend beyond 2030, Alfen expects growth to continue into the long term.

Some commercial successes include: Alfen signed contracts with Pfalzsolar and HVC for a MV microgrid and net integration for solar project Sunspace with 46 MWp in Marknesse, which will be installed and commissioned in H1 2024. Alfen also won a new contract with HVC for a Smart Grid Solution to connect 10 MVA Windfarm at the wastewater treatment plant Amsterdam West. Alfen signed multiple contracts with Bejulo for total 30 MWp Solarpark projects in Ireland that will be executed in 2024. Lastly, Alfen signed a contract with "Alliantie Dijkversterking Rijnkade Arnhem" consisting of vd Ven, Hakkers en Ballast Nedam for a 3 MVA microgrid with special transformer stations (3 'Peperbus' substations) for shore power connections in harbour of Arnhem.

Alfen anticipated this growth by starting to construct a new warehouse and production facility in early 2023. Planned delivery of this new facility is at the end of the first quarter of 2024, and it will make it possible to significantly ramp-up production for the grid operators over the course of 2024.

Innovation highlights include completing the product development for the Stedin tender with the last Factory Acceptance Test (FAT). All solutions for the framework contracts with Dutch grid operators are now in place, including production methods to assemble these solutions in Alfen's new production facility. Alfen made investments in additional moulds for the Pacto 25 and 30 substations to decarbonize the production process of concrete housings by 60%. There also was progress to make the grid operator substations fit the latest requirements on isolation gas in high voltage switchgear.

In 2023, Alfen produced approximately 3,143 substations, a 3% increase compared to 2022 with approximately 3,065 substations. The small increase was driven by a pivot in business strategy of Alfen Elkamo towards lower volume higher value substations. Gross margin for Smart Grid Solutions amounted to 30%.

In the **Energy Storage Systems** business line, 2023 revenues were €163.0m, a 258% growth compared with €45.5m in 2022. The market is expected to grow considerably in the coming years driven by the need to balance electricity demand and supply and manage grid congestion. Alfen is well positioned to capture this market growth with its range of solutions for utility-scale storage and commercial & industrial storage.

Alfen's TheBattery Elements system has more projects in the execution phase and the average project size is increasing. Market momentum remains strong, and backlog continues to grow in a healthy manner due to new contract wins. Building on its first commissioning of TheBattery Elements project in 2022, Alfen was well positioned in 2023 to realise bigger grid scale projects and delivered its first project above 50 MWh.

For TheBattery Mobile, Alfen strengthened its position in the market by introducing TheBattery MobileX, its 4th generation mobile energy storage solution. It offers increased capacity of 720 kWh in the same 10ft container (vs. 422 kWh in 3rd generation) with integrated control equipment and switchgear.

Alfen has seen various new contract wins that will support 2024 revenue. Alfen benefitted from its framework contract with Katoen Natie with the further rollout of BESS projects at various warehouse locations to optimize PV production and local energy consumption. Extensions have been ordered for several of their Belgian sites totalling approximately 35MWh. Alfen signed an agreement with Vasa Vind that marks its first battery energy storage system co-located at a Swedish wind farm. Alfen will design, engineer, install and commission a 20MW/20MWh TheBattery Elements energy storage system in Winkraft Åskälen by the end of 2024. Alfen also signed an agreement with Windpark de Plaet to install integrated solutions at

Windpark de Plaet in Ooltgensplaat, the Netherlands. These solutions, which include a 20MWh TheBattery Elements energy storage system, will be seamlessly integrated into the existing site by incorporating Alfen's Diabolo 40H transformer substation. Lastly, Alfen won a new contract with Voet Energy Solutions, specialist in (sustainable) energy rental solutions and synchronous grid takeovers, for the supply of 5 additional Mobile Battery Systems with the option to further expand the fleet in the future.

Selected innovations of the Energy Storage business line include the 4th generation mobile energy storage system (TheBattery Mobile X). A new architecture makes it possible to connect into a weaker grid to feed the battery. Previously, the grid needed to support at least 125A and that has now been lowered to 16A. This improves the interoperability of the TheBattery Mobile in different end-user grid contexts. For the first time, Alfen applied its 'digital twin' concept to simulate behaviour of battery packs, power conversion and control in a grid code model per country/region. It goes without saying that grid code compliance is an essential requirement of any project. With the digital twin, Alfen can ease that process. The first application was for its customer EPV in Finland.

Gross margin for Energy Storage Systems amounted to 22%. The increase in the second half of the year relative to the first half (19%) was driven by product mix effects.

Progress against strategy

Alfen kept its relentless focus on executing its profitable growth strategy. The company continued to strengthen its presence across Europe with employees in 13 countries. Alfen's international revenue declined as % of revenue in 2023 relative to 2022, with 42% of revenue earned outside the Netherlands in 2023 (vs 51% in 2022), mainly due to lower EV charging revenues from outside the Netherlands and the 32% revenue growth of Smart grids with most activity in the Netherlands. However, the strategy to internationalise its customer base, the organisation as well as have internationalising customers is unchanged.

Alfen continued to invest in its organisation by significantly expanding the R&D teams to support its innovation roadmap. Alfen also automated parts of its EV charging production lines to improve productivity. Alfen's profitable growth model is based on growing revenues quicker than its cost base. The overall EBITDA margin decreased in 2023 as lower volumes created deleverage of the fixed cost base in the EV charging business line. However, in the second half of 2023 Alfen has shown its operational leverage potential following the strong growth of its revenues.

Sustainability

Alfen's business model directly contributes to a sustainable economy and society. Alfen is at the heart of the energy transition as it enables the generation, distribution and consumption of emission-free electricity with

its smart grids, EV charging equipment and energy storage systems. This link with sustainability is reflected in its vision: “to build a connected, smart and sustainable energy system for future generations” and mission: “to boost the energy transition by engineering, manufacturing, integrating and connecting high quality energy solutions that are innovative, reliable, secure and smart”. 99% of its revenues are aligned with climate change mitigation activities under the EU Taxonomy.

Alfen renewed its Corporate Sustainability Reporting framework in 2019 and started reporting its impact in 2020. In 2023, Alfen potentially avoided 6.2 Mtons of CO₂ equivalent emissions as its installed charge points power EVs avoid harmful emissions. This is a strong increase compared to the 3.8 Mtons of CO₂e Alfen potentially avoided by 2022, demonstrating how Alfen continues to make impact with its EV charging solutions. Moreover, Alfen enabled renewable energy supply to around 374,000 households by connecting solar PV farms to the public grid through its smart grid solutions, which is considerably more than compared to 283,000 households in the previous year.

Alfen remains committed to continuously improving its sustainability performance to support the transition towards a truly sustainable society for future generations. Alfen has worked with an interdisciplinary team under the direct supervision of the Management Board to implement its new Corporate Sustainability Reporting Directive (CSR-D) in its reporting per 2024. Alfen also mapped its full scope 3 emissions and filed its SBTi-targets, which are now pending approval. When approved, Alfen will share more details.

To provide more details and transparency of the sustainability activities, Alfen included a section in this Annual Report called ‘Performance on broader range of ESG topics’. This section is structured largely along the hierarchy introduced by CSR-D and will be succeeded by full CSR-D reporting next year.

Outlook

Alfen expects the markets for all 3 of its business lines to continue to develop favourably, driven by the increased momentum in Europe’s energy transition to zero carbon. Alfen is well positioned to benefit from this market growth and to continue to grow its business rapidly as it executes the strategy.

With the anticipated further growth of the business in 2024, Alfen plans to further invest in its organisation, people, production and innovations. Like 2023, capital investments are expected to exceed depreciation and amortisation. We also anticipate a further increase in the number of personnel.

For 2024, Alfen expects its revenue to be between €590m and €660m, driven by the growing momentum of the energy transition. Alfen expects to improve its adjusted EBITDA margin in FY2024 relative to the 11.3% in FY2023 and it aims to generate positive free cash flow.

The 2023 Annual Report report is available in the Investor Relations section of the website www.alfen.com.

Analyst call / webcast

Alfen will host an analyst call and webcast at 9:00 CET on 14 February 2024 to comment on the 2023 full year results. Please see the Investor Relations section of www.alfen.com for details to participate.

Financial calendar

Annual General Meeting:	9 April 2024 - invitation and agenda will be announced on Alfen's website
Q1 2024 trading update:	21 May 2024
HY 2024 results:	22 August 2024
Q3 2024 trading update:	7 November 2024

About Alfen

Netherlands-based Alfen is operating internationally in the heart of the energy transition, as a specialist in energy solutions for the future. With over 85 years of history, Alfen has a unique combination of activities. Alfen designs, develops and produces smart grids, energy storage systems, and electric vehicle charging equipment and combines these in integrated solutions to address the electricity challenges of its clients. Alfen has a market leading position in the Netherlands and experiences fast international growth benefitting from its first mover advantage. For further information see Alfen's website at: www.alfen.com.

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Notes to the press release

This is a public announcement by Alfen N.V. pursuant to section 17 of the European Market Abuse Regulation (596/2014). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Alfen N.V.

Forward looking statements

This press release may include forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms such as guidance, expects, aims, step up, announced, continued, incremental, on track, accelerating, ongoing, innovation, drives, growth, optimising, new, to develop, further, strengthening, implementing, well positioned, roll-out, expanding, improve, promising, to offer, more, to be or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Alfen's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Alfen's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements reflect the current views of Alfen and assumptions based on information currently available to Alfen. Forward-looking statements speak only as of the date they are made, and Alfen does not assume any obligation to update such statements, except as required by law.

Alfen's revenue, adjusted EBITDA margin and free cash flow guidance is based on management estimates resulting from Alfen's pursuit of its strategy. Alfen can provide no assurances that the guidance will be realised and the actual results for 2024 could differ materially. The guidance has also been determined based on assumptions and estimates that Alfen considered reasonable at the date these were made. These estimates and assumptions are inherently uncertain and reflect management's views which are also based on its historic success of being assigned orders and projects, which may materially differ from the success rates for any future orders and projects. These estimates and assumptions may change as a result of uncertainties related to the economic, financial or competitive environment and as a result of future business decisions of Alfen or its clients, such as cancellations or delays, as well as the occurrence of certain other events. A more comprehensive discussion of the risk factors affecting Alfen's business as well as reconciliation of EBITDA with adjusted EBITDA can be found in Alfen's annual report 2023 which can be found on Alfen's website, .