



Alfen 2020 FY results

Webcast

17 February 2021



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Alfen's revenue outlook estimates are management estimates resulting from Alfen's pursuit of its strategy. Alfen can provide no assurances that the estimated future revenues will be realised and the actual revenue for the financial year 2021 could differ materially. The expected revenues have 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 projects, which may materially differ from the success rates for any future 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.

More details on Alfen's 2020 performance can be found in the 2020 annual report and the 2020 results press release, published together with this presentation. A more comprehensive discussion of the risk factors affecting Alfen's business can be found in Alfen's annual report 2020 which can be found on Alfen's website, www.alfen.com.

COVID-19 update

- Alfen's number one priority remains the health & safety of its employees and partners. To continue safe and responsible operations, Alfen continues to enforce strict safety measures
- Up to this point, Alfen has managed to keep its supply chain intact and its production up and running
- Alfen's end-markets experience some impact as a result of COVID-19
- Order intake and revenue growth may be impacted in the short-term, although the long-term energy transition drivers remain strong

2020 highlights

FY 2020 revenues of €189.0m, a growth of 32% compared with FY 2019 (€143.2m), driven by strong growth across all business lines: Smart grids (+14%), EV charging (+105%) and Energy storage (+26%)

Adjusted EBITDA of €24.4m (12.9% of revenues), up 68% versus €14.5m (10.1% of revenues) in 2019

Adjusted net profit grew with 102% to €12.5m versus €6.2m in 2019

Important new project and client wins, amongst which a 3-year framework agreement with PerPetum Energy for the supply of transformer substations for their renewable energy projects in the Netherlands, a 3-year framework agreement with British Gas, UK's largest energy supplier, to supply EV chargers for its own business and also for customers of its parent Centrica, and a 5-year framework agreement with SemperPower for the supply of energy storage solutions

Alfen provides full-year 2021 revenue outlook of €225-250m, based on the ongoing energy transition while taking into account the impact of COVID-19

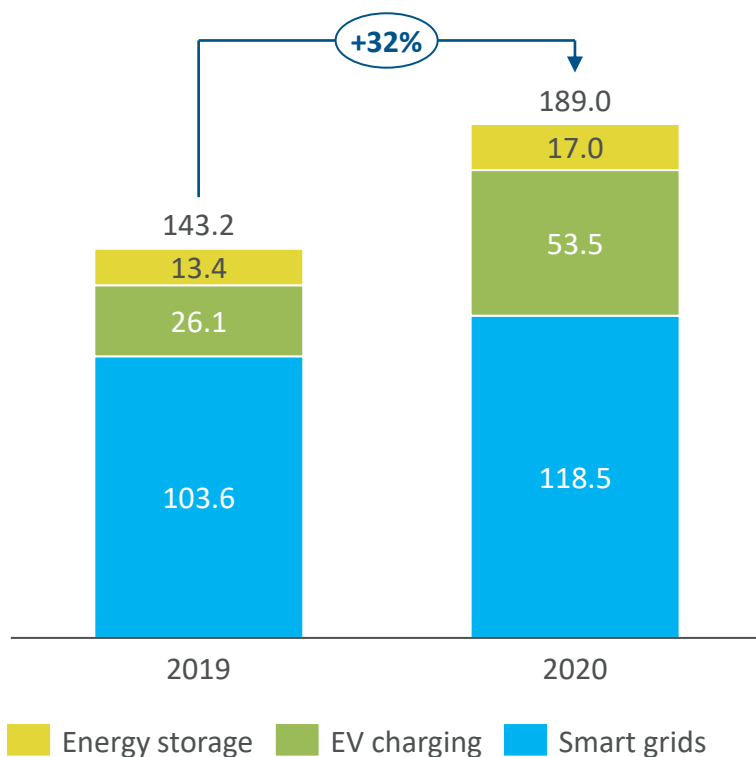
- 1 2020 in summary
- 2 Progress against strategy
- 3 Financials and outlook



Revenue growth of +32% in a challenging 2020

Revenues and other income

(€ million)



Energy storage

- Although energy storage is an essential component of the future sustainable energy system, COVID-19 slowed down the growth of the energy storage market, delaying investments and projects
- Yet, energy storage solution costs are coming down and the market appears to be recovering
- On the back of this, Alfen has been able to secure new contracts and framework agreements towards the end of 2020 based on its strong market position

EV charging

- The EV-market has been growing rapidly, also supported by additional governmental support and incentives for electric driving, despite the challenging year for the automotive industry due to COVID-19
- Alfen benefitted strongly from increasing volumes under framework agreements that have been set-up over the past years, new client wins and further internationalisation
- Further strengthening of international organisation and further international expansion
- Successful relocation and significant production capacity expansion of Alfen's EV charging operations

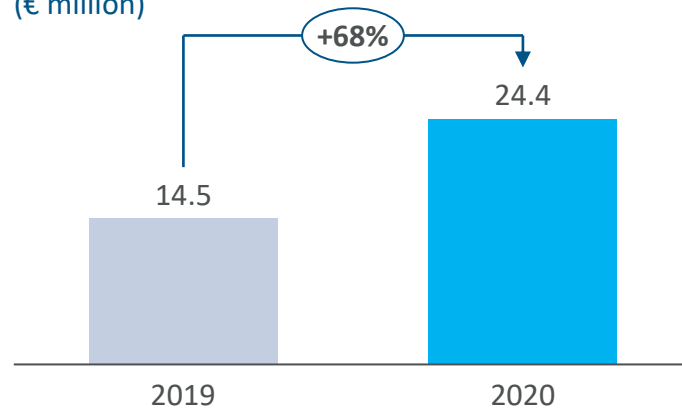
Smart grids

- Growth driven by continued grid investments to accommodate the growing number of decentralised wind and solar PV installations as well as the ongoing electrification
- Alfen benefitted through its existing framework agreements with grid operators and through new contract and client wins in its microgrid business
- Although the number of the renewables developments are growing considerably, some projects have been delayed as a result of COVID-19, which affected order intake and thus revenue

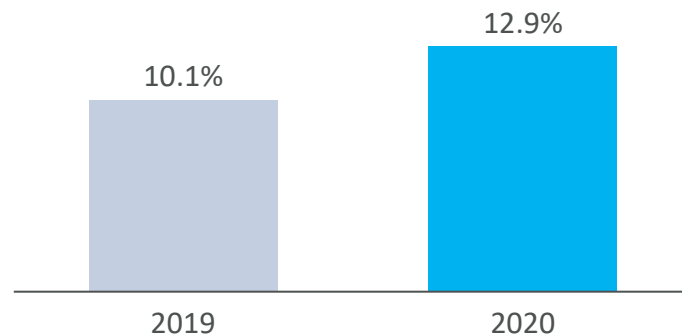
Profitability further increased in 2020 compared with 2019

Adjusted EBITDA

(€ million)



(as % of revenues)



- Strong revenue growth together with gross margin improvement and increased operational leverage, delivered growth of the adjusted EBITDA
- This is enabled through Alfen's strong market position, further leverage from scale and a shift towards increasingly complex solutions
- Alfen continues to drive forward its strategy of leveraging its fixed cost base to further improve profitability

Commercial successes in 2020

Selected examples

Smart grids



New 3-year framework agreement with PerPetum Energy for the supply of transformer substations for their renewable energy projects in the Netherlands



Secured a 3-year framework agreement in Finland to supply 300 substations each year to three grid companies in the eastern part of Finland



Won the framework agreement for the exclusive supply of substations, with an initial term of four years which can be extended with four additional years

EV charging



Won a 3-year framework agreement with British Gas, UK's largest energy supplier, to supply EV chargers for its own business and also for customers of its parent Centrica



A framework agreement to supply charge points to one of Sweden's leading charge point operators Bee



Secured a 3-year framework agreement with Engie S.A. to supply EV charge points to their customers throughout Europe via Engie's European subsidiaries

Energy storage



New 3-year framework agreement with the German energy supplier EnBW to supply Alfen's full portfolio of energy storage solutions



Won a 3-year framework agreement with Centrica to supply energy storage solutions across Europe



Entered into a 5-year framework agreement for the supply of energy storage solutions with SemperPower

Continued investments in innovations for the future

Selected examples of recent innovations



Smart grids

Recycled cement for substations for CO2 footprint reduction

During cement production, considerable amounts of CO2 are released. To reduce Alfen's CO2 footprint, Alfen started a pilot to use recycled cement for the concrete housing of its substations in order to further reduce its impact on the environment



EV charging

Implementation of latest communication protocol OCPP2.0

Alfen implemented the new Open Charge Point Protocol (OCPP) 2.0 that replaces the existing OCPP 1.6 version. OCPP is an open communication standard between smart chargers and a back-office for charge point management. Version 2.0 provides additional features such as more smart charging support from back-offices and information for price transparency



Energy storage

Next generation mobile energy storage solution

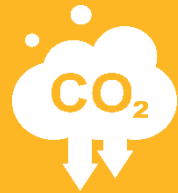
After launching a mobile energy storage system in 2018 as one of the first in the market, Alfen launched its 2nd generation mobile energy storage solution in 2020 with new and improved features of which various systems are already in operation. This further solidifies its market leading position in this segment

Renewed CSR strategy is delivering impact under four focus UN Sustainable Development Goals



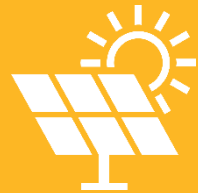
7. Affordable & clean energy

Management of customer relationship



1.4

Million tonnes CO2e emissions avoided¹



142,000

Households supplied with renewable energy in 2020²



9. Industry, Innovation & Infrastructure

Research & Development



10M€

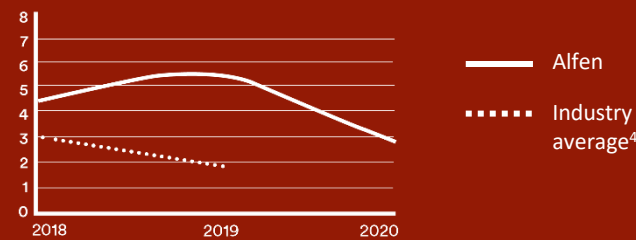
Invested in R&D and innovations for the future in 2020



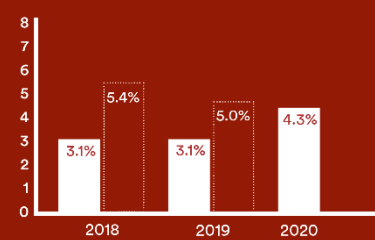
8. Decent work & economic growth

Occupational Health & Safety

Lost time injury frequency rate³



Sickness absence rate



12. Responsible consumption & production

Product quality performance

Selected results of operational excellence program



Streamlining Alfen Elkamo's transformer substation production & logistics which resulted in increased capacity, improved quality and reduced lead times



Successfully moved Alfen's EV charging production operations to a new and larger facility, where Alfen further optimised production process efficiencies



Optimised the EV charging service tools and processes to further improve Alfen's service capabilities as well as the collaboration with Alfen's partners

1. Potentially avoided emissions by Alfen charge points that have been powering electric vehicles and avoiding harmful emissions over the years. 2. Number of households in 2020 that were potentially supplied with green energy from solar PV parks that were grid connected through Alfen's smart grid solutions over the years. 3. Alfen recognises a LTI after 24 hours of absence from work as a result of a work-related incident (some other businesses recognise LTI's after multiple days). 4. Industry average as defined by FME (the entrepreneurial union for the technology industry in the Netherlands). 2020 data not yet available.

- 1 2020 in summary
- 2 Progress against strategy
- 3 Financials and outlook



Four levers of growth

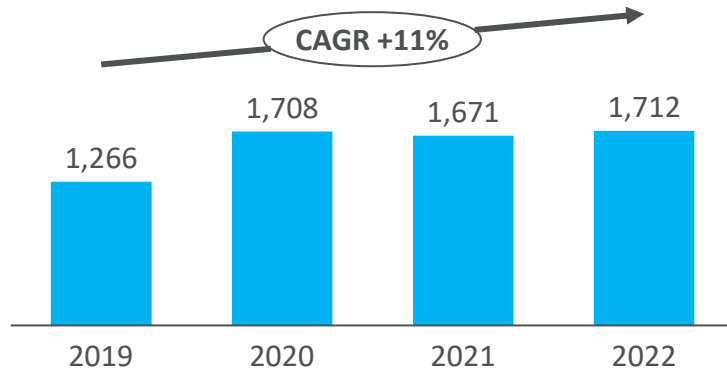
 Market growth	Benefitting from strong market growth trends and further grow market share
 Internationalisation	Significant internationalisation opportunity, further strengthening position in existing countries and entering new countries
 Service & maintenance	Expanding existing service offering and benefitting from increasing installed base
 Cross-selling	Increasing cross-selling opportunities between Alfen's three business lines and offering of integrated solutions



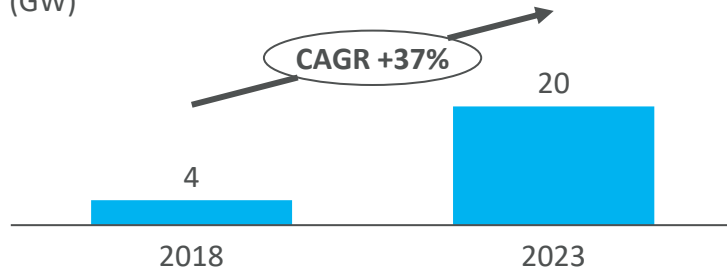
Benefitting from fast growing market segments

Smart grids

Substation investments Dutch top-3 DSOs¹
(# of new substations)

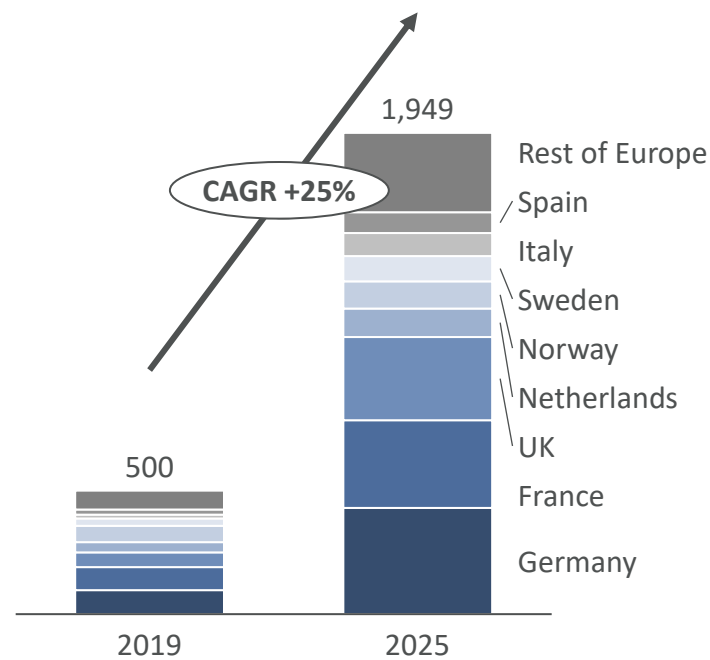


Dutch solar PV installed capacity²
(GW)



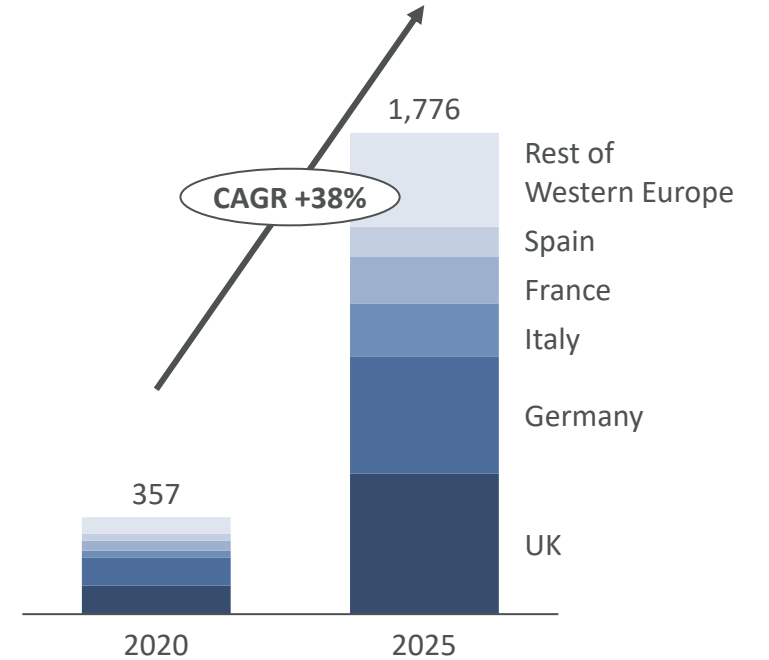
EV charging

Annual installed EV charge points³
(# of charge points in thousands)



Energy storage

Annual installed energy storage capacity in Western Europe, excluding residential³
(Li-ion battery energy storage in MW)



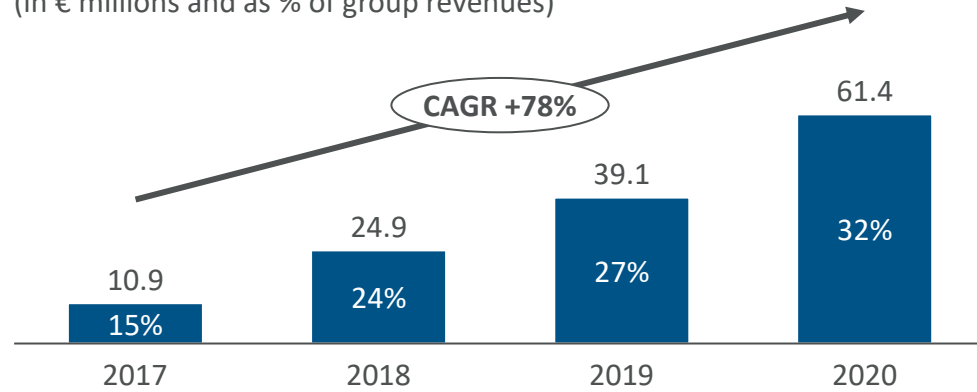
1. Analysis for the year 2019 based on Kwaliteits- en capaciteitsdocument Alliander, Enexis and Stedin as published by the DSOs in 2017. Analysis for the years 2020-2022 based on investment plans ("Investeringsplannen") of Alliander, Enexis and Stedin as published by the DSOs in 2020. 2. SolarPower Europe. 3. Guidehouse Jan 2021.



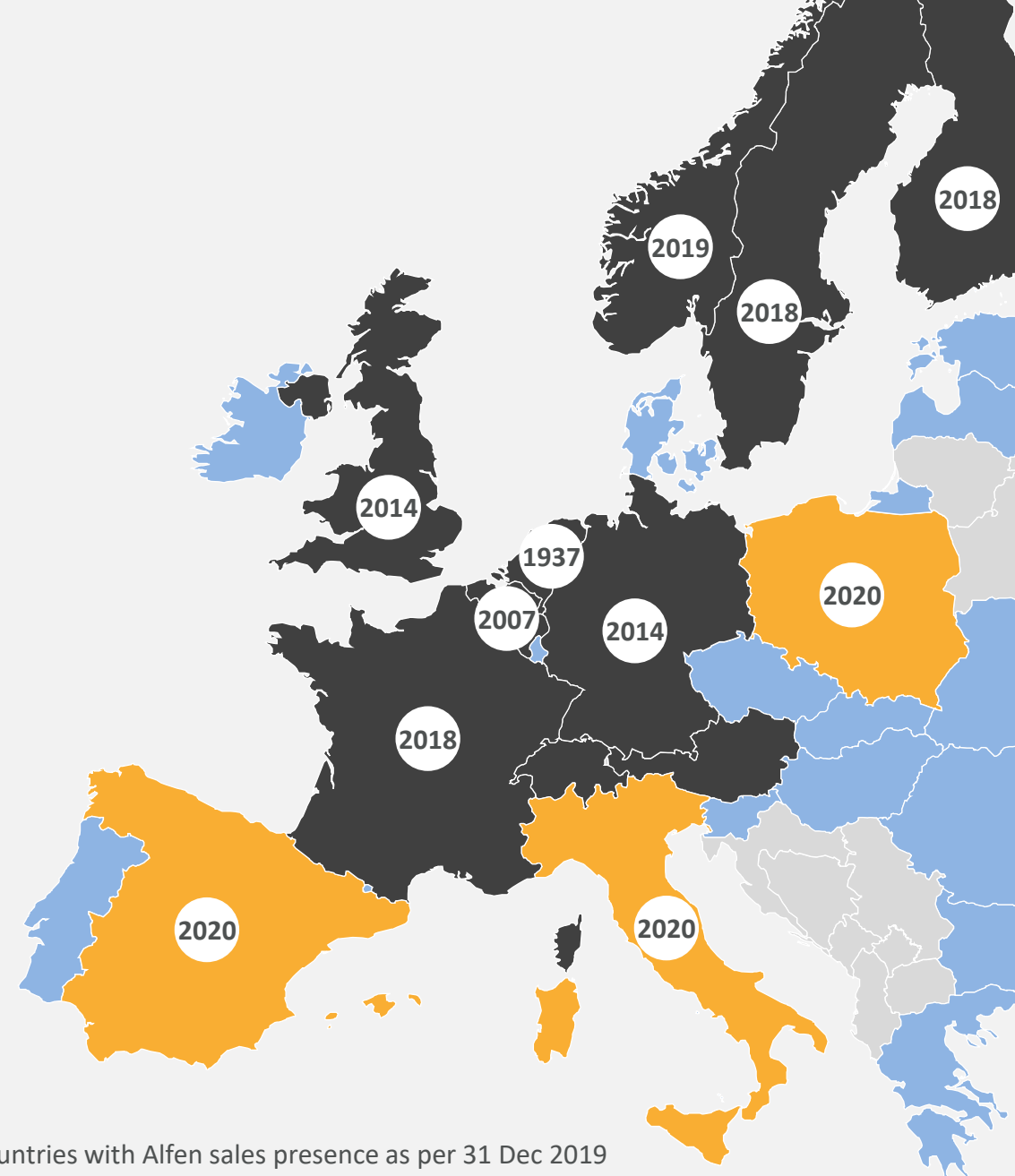
Further building international organisation

Growing international revenues

Alfen's revenues outside of the Netherlands in Europe
(in € millions and as % of group revenues)



- Continuation of strong growth of international revenues, predominantly driven by the EV charging business line
- Alfen further strengthened its international organisation and expanded to Italy, Spain and Poland
- Besides its own organisational presence, Alfen benefitted from clients with an international footprint and has its products installed in more than 25 European countries



- Countries with Alfen sales presence as per 31 Dec 2019
- Additional countries with Alfen sales presence as per 2020
- Other European countries with Alfen products installed



Expanded and further optimised service offering

Alfen has further expanded and optimised its service offering across its business lines in 2020

For instance, Alfen widened its service offering for Smart grids and for its EV charging business and Alfen further optimised its service proposition to fulfil customer needs even better

For EV charging, Alfen offers remote and on-site service throughout Europe, where the company has international service partners lined up in Finland, France, Germany, Italy, Norway, Portugal, Spain, Sweden and the United Kingdom.

Alfen increasingly benefitted from its growing installed base, both through existing and new customers

Benefitting from cross-sell and integrated solutions offering

Cross-sell example | **centrica**



December 2020: Alfen entered into a framework agreement with Centrica's daughter company British Gas, UK's largest energy supplier, to supply EV chargers for its own business. Additionally, the smart EV charge points will be offered by Centrica to its commercial customers who plan to electrify their fleets



February 2021: Alfen was selected by Centrica Business Solutions, a leading UK energy and services company, as a preferred partner for the supply of sub 10MW battery energy storage solutions across Europe

Integrated solutions example | **PZEM**



November 2020: Alfen supplied an integrated energy solution with energy storage, charging plaza and local grid connection for PZEM, a Dutch energy supplier



The charging plaza is fitted with smart Alfen Eve Double charge points and has been combined with Alfen's dynamic load balancing solution to optimise charging speeds



Alfen benefitted from the unique ability to be able to offer integrated, smart and reliable solutions for the energy challenges of its clients

- 1 2020 in summary
- 2 Progress against strategy
- 3 Financials and outlook



Income statement

In € '000	2020	2019
Revenue and other income	189,010	143,169
<i>Smart grids</i>	<i>118,472</i>	<i>103,584</i>
<i>EV charging</i>	<i>53,547</i>	<i>26,136</i>
<i>Energy storage</i>	<i>16,991</i>	<i>13,449</i>
Gross margin	69,329	50,269
<i>as % of revenues</i>	<i>36.7%</i>	<i>35.1%</i>
Personnel cost	34,401	27,190
Other operating cost	11,087	9,208
EBITDA	23,841	13,872
<i>as % of revenues</i>	<i>12.6%</i>	<i>9.7%</i>
Adjusted EBITDA	24,375	14,525
<i>as % of revenues</i>	<i>12.9%</i>	<i>10.1%</i>
Adjusted net profit	12,513	6,237

● Revenue growth driven by growth across all business lines

● Margin increased by 1.6 percentage point as a result of Alfen's strong market position, leverage from increased scale, a shift towards increasingly complex solutions and favourable product mix effects within each business line

● Personnel cost increased with 27% compared to 32% revenue growth, resulting in further operational leverage. Average FTEs increased from 464 in 2019 to 571 in 2020

● Adjusted EBITDA growth of 68% in 2020 compared with 2019. This improvement is a result of higher gross margins as well as the operational leverage strategy

Balance sheet

In € '000	31 Dec 2020	31 Dec 2019
Non-current assets	37,806	27,732
Current assets	56,402	48,762
Cash and cash equivalents	52,344	134
Total assets	146,552	76,628
Non-current liabilities	18,430	14,642
Current liabilities	53,894	45,671
Bank overdraft	-	3,267
Equity	74,228	13,048
Total equity and liabilities	146,552	76,628

- Capex amounted to €9.6m (5.1% of revenues) as compared to €6.7m (4.7% of revenues) in 2019. Capex in 2020 includes investments in new moulds for Smart grids as well as investments in a new and significantly larger EV charging production facility. Additionally, Alfen capitalised €5.0m of development costs which demonstrates the company's continued efforts to invest in innovations for the future
- Working capital¹ reduced to €2.5m (versus €3.1m at 31 December 2019) despite further growth of the business. Inventory increased due to some strategic stock for additional resilience related to COVID-19 as well as increased stock levels reflecting further growth of the business, however, this was offset mainly by an increase of the trade and other payables
- In June 2020, Alfen raised capital of which the proceeds are used to further strengthen Alfen's leading position as a provider of smart energy solutions

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

Outlook 2021

Alfen expects that, in 2021, COVID-19 will continue to impact the wider economy and its end-markets, which may impact order intake and revenue growth. To what extent, depends on the duration of the pandemic and how quickly vaccines can successfully be rolled out and get the virus under control, as well as any measures adopted by governments

At the same time, Alfen expects the energy transition to keep building further momentum as European governments increasingly take action to further support the European Union's Green Deal to become climate neutral by 2050

As such, Alfen continues to anticipate long-term positive market developments in all its business lines and in 2021, plans to further **invest in its organisation, new innovations and further optimisation of its production facilities**

Alfen expects 2021 revenues to be between €225m to €250m based on the ongoing energy transition while taking into account the impact of COVID-19



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P O W E R T O A D A P T