



Alfen 2018 H1 Results

28 August 2018

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This communication 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, expected, step up, announced, continued, incremental, on track, accelerating, ongoing, innovation, drives, growth, optimizing, new, to develop, further, strengthening, implementing, well positioned, roll-out, expanding, improvements, 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 the Company 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 the Company Alfen's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements reflect the current views of the Company Alfen and assumptions based on information currently available to the Company Alfen. Forward-looking statements speak only as of the date they are made, and the Company Alfen does not assume any obligation to update such statements, except as required by law.

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 2018 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 H1 2018 performance can be found in the H1 2018 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 prospectus dated 12 March 2018, which can be found on the company's website, www.alfen.com.

Highlights

Revenues of €41.0m, up 32% vs. H1 2017

Adjusted EBITDA of €1.7m, up 52% vs. H1 2017

Adjusted net profit of €0.6m, up 226% vs. H1 2017

Continued market growth and important project and client wins

Further internationalisation: 21% revenues outside the Netherlands vs. 12% in H1 2017

Acquisition of Elkamo on 1 July, a platform for expansion and cross-sell in the Nordics

Reconfirmation of full-year 2018 revenue visibility of over €99m, with expected additional positive impact from the Elkamo acquisition

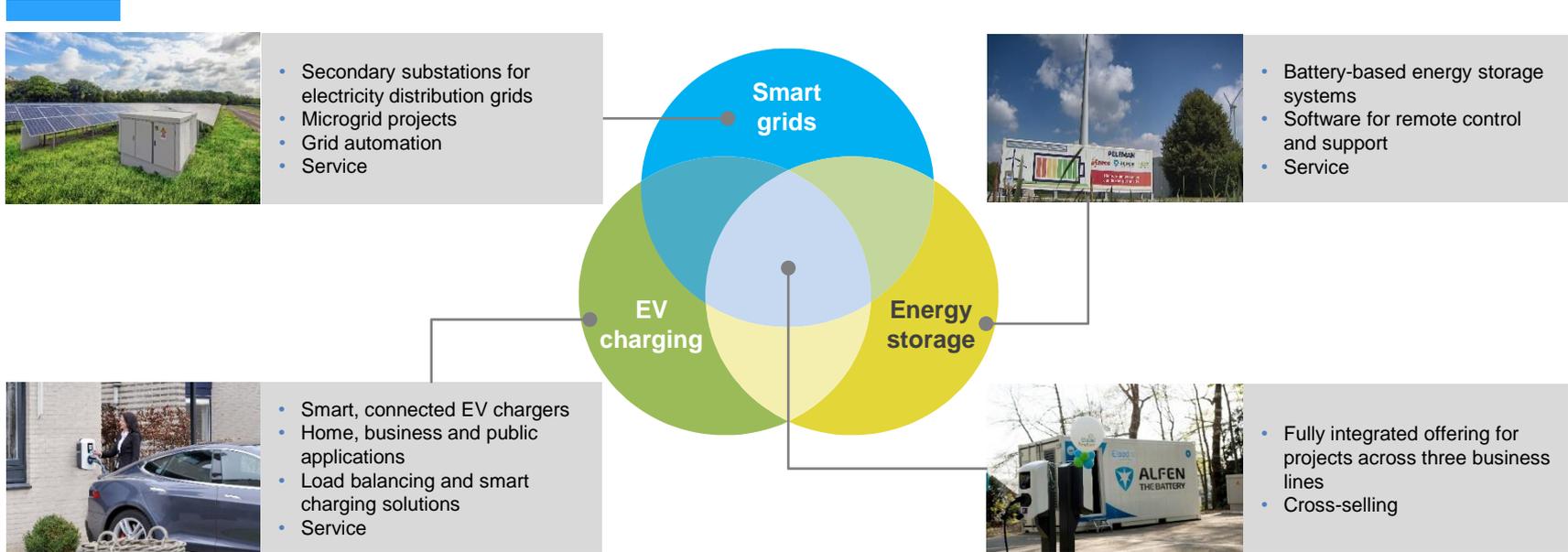
1. Introduction

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Unique integrated business model



In-house development of all products with a strong innovation team

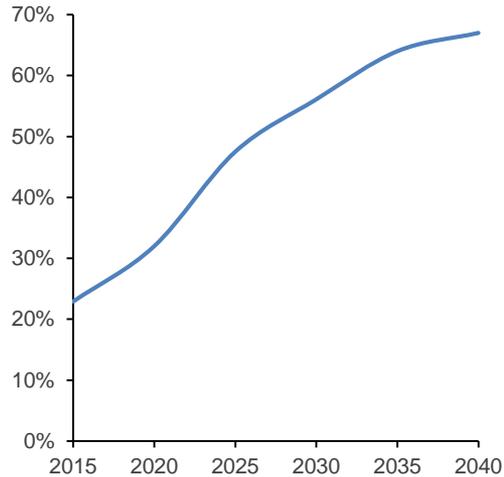
Open architecture: most suitable components for our products and systems

Technological capabilities to provide optimal solutions for our customers and adapt to rapidly changing markets

Energy market paradigm shift

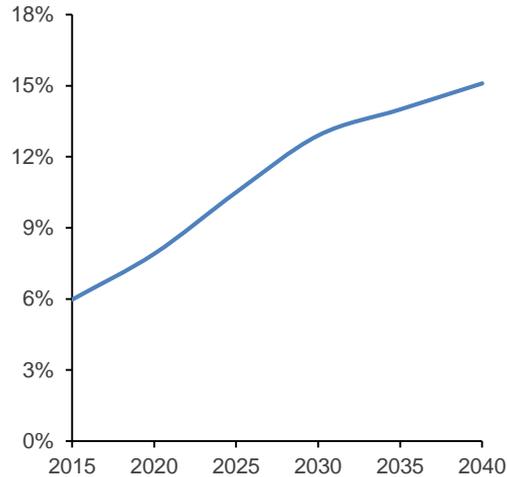
Increase in renewables

European wind and solar PV capacity as % of total generation capacity⁽¹⁾



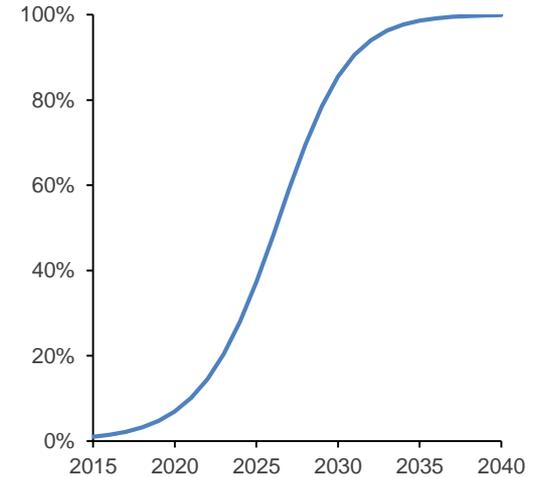
Decentralisation of energy

Decentralisation ratio of electricity production in Europe^(1,2)



Growth of electric vehicles

Market share of EVs in Europe⁽³⁾



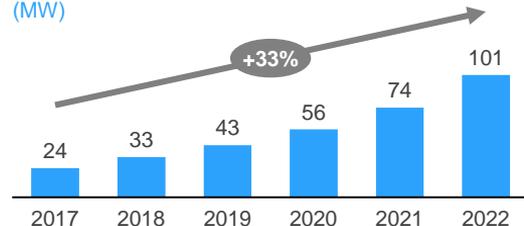
Fast growing markets across Alfen's three business lines

Smart grid solutions

Substation investments Dutch top-3 DSOs⁽¹⁾
 (# of new substations)

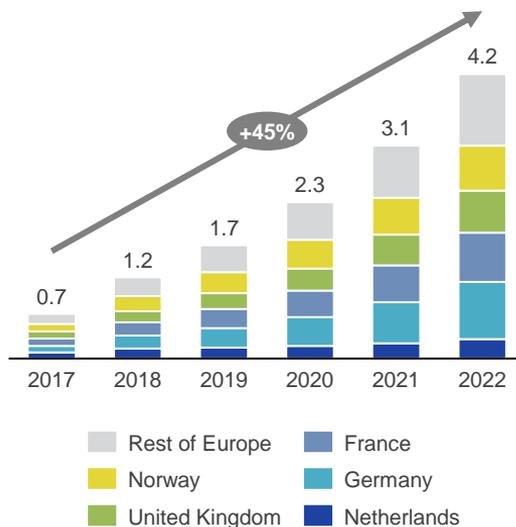


European grid-tied commercial and industrial microgrid installed capacity⁽²⁾
 (MW)



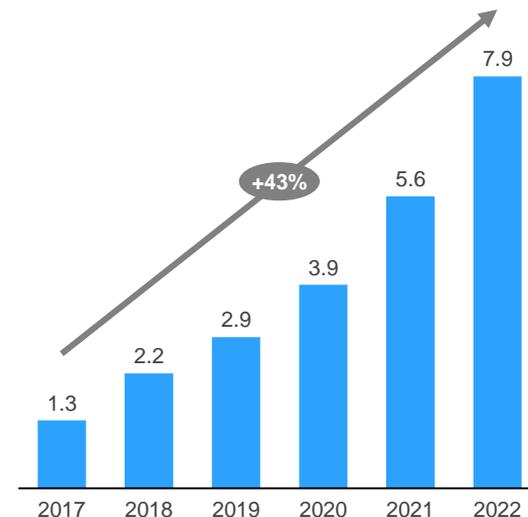
EV charging

European charging points development⁽³⁾
 (# of charging points in millions)



Energy storage

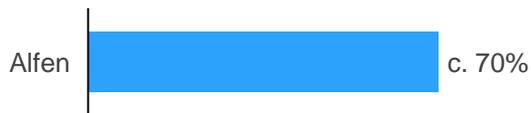
EMEA cumulative installed energy storage capacity⁽⁴⁾
 (GW)



Alfen has leading positions in each of its business lines

Smart grid solutions

Estimated substation market share in the Netherlands⁽¹⁾



- Market leader based on 80 year track record in electricity distribution grids
 - Substation business driven by long established relationships with DSOs
 - Strong operational links and joint innovation with DSO customers
- Strong market growth in (micro-grid) projects and broad internationalisation potential in smart grid business on the back of customers' international growth

EV charging

Estimated EV charging market share in the Netherlands⁽²⁾



- Alfen has a market leading position in the Netherlands, Europe's most developed EV charging market (Top 1-2 position together with EVBox, jointly >60% market share)
- Alfen has a strong position in Europe, with its own salesforce in the Netherlands, Belgium, UK and Germany, which we are currently further strengthening and expanding to other European countries

Energy storage

- Early stage market, Alfen active since 2011 resulting in a first mover advantage
- Alfen currently has a differentiated position in small and medium sized projects
 - Differentiated offering in combination with smart grid business supplying fully integrated end-to-end solutions
- Multiple "firsts"⁽³⁾
 - First wind-connected battery storage system in the Netherlands
 - First battery storage system for frequency containment in Belgium
 - First large-scale working battery storage system based on BMW batteries
 - First large-scale battery-based storage systems in the Czech Republic and Nigeria

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Alfen: multiple levers of growth...



Market growth

Benefiting from strong market growth trends



Internationalisation

Significant internationalisation opportunity, fast-tracked through selected M&A of small regional platforms



Cross-selling

Increasing cross-selling opportunities between Alfen's three business lines and offering of integrated solutions

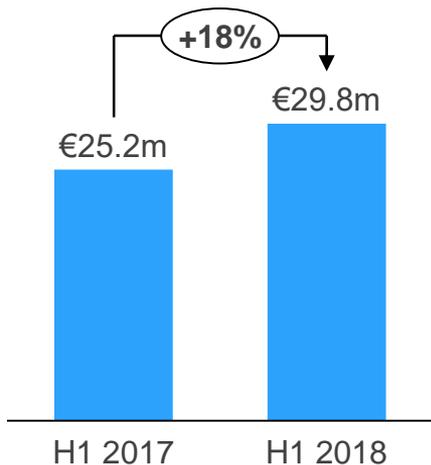


Service

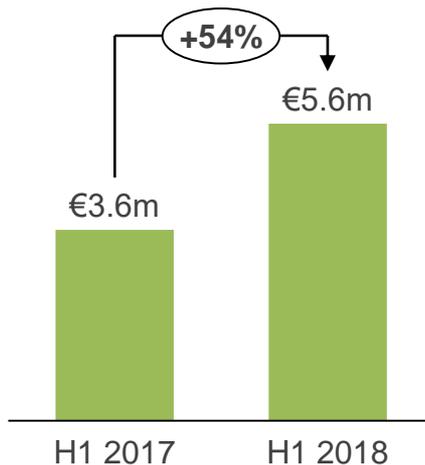
Expanding existing service offering and benefiting from increasing installed base

...resulting in strong revenue growth in all three business lines

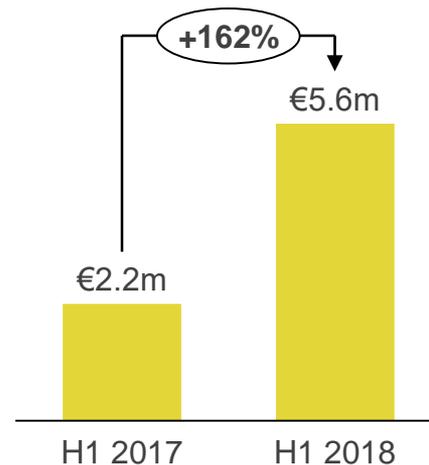
Smart grids



EV charging



Energy storage



Typical seasonality pattern with larger part of revenues in H2



Market growth continues in 2018

Smart grid solutions

Roll-out of solar PV



- “The Dutch solar PV market is on the verge of tremendous growth and is set to - for the first time ever - exceed 1 GW of newly installed capacity in 2018”⁽¹⁾
- “Oversupply of solar energy causes problems with the grid”⁽²⁾

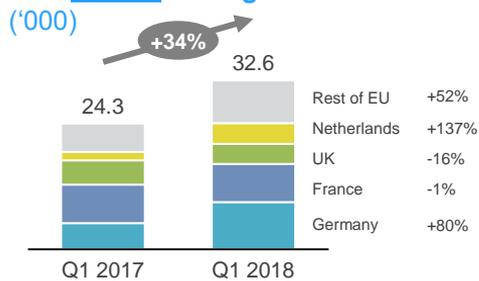
Electrification of households



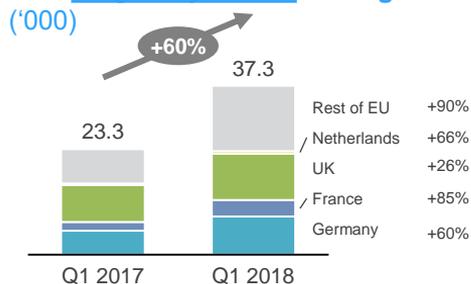
- “A quarter of all houses must disconnect from natural gas by 2030”⁽³⁾
- Peak loads on Dutch LV-grids could increase from 11GW today to 28GW or 48GW in 2030 if respectively 25% or 50% of all households would use electric heating, cooking and driving⁽⁴⁾

EV charging

New Full EV car registrations⁽⁵⁾



New Plug-in Hybrid EV car registrations⁽⁵⁾



Energy storage

Selected examples

“Germany’s installed battery capacity is expected to reach 700 MW this year with utility-scale projects driving the growth.”

Platts Power in Europe, 26 March 2018

“...in just 12 months, the UK’s pipeline for new battery storage projects has grown by over 240% [...] drivers including a national commitment to phase out coal, falling technology costs and more than 30GW of wind and solar capacity ripe for co-location with batteries..”

Solar Power Portal, 15 February 2018

“EDF plans to invest eight billion euros (\$9.94 billion) between 2018 and 2035 to become a European market leader in electricity storage.”

Reuters, 27 March 2018



Success of internationalisation, further bolstered by the acquisition of Elkamo in the Nordics



Alfen's sales organisation

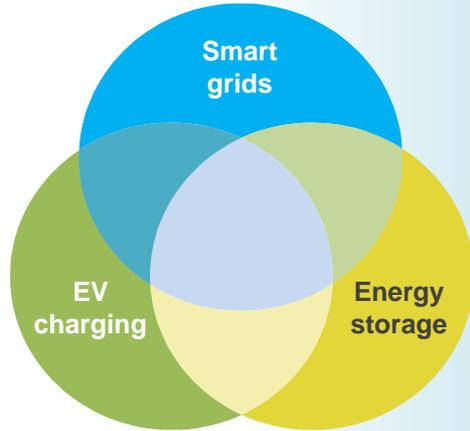
- At YE 2017, Alfen's own sales organisations covered the Netherlands, Belgium, Germany and the United Kingdom
- Alfen is currently in the process of adding own sales organisations in additional European countries
- In addition, Alfen has a network of resellers and distributors covering most European countries
- H1 2018 international sales were 21% of total revenues (H1 2017 12%)

Acquisition of Elkamo (1 July 2018)

- Headquartered in Jacobstad, Finland, employing 68 people (as per 1 July 2018) and realising 2017 revenues of €12.4m⁽¹⁾
- Strategic rationale for acquisition:
 - Elkamo has strong stand-alone business operations with significant growth potential, strengthening Alfen's position in Smart grid solutions in the Nordics
 - Offering Alfen an accelerated market entry into the Nordics, as part of Alfen's internationalisation strategy
 - Offering Alfen and Elkamo a platform for cross-sell, primarily for EV charging equipment and energy storage systems



Spin-offs from cross-selling - Selected examples



SCHOLT
ENERGY CONTROL

Elaadnl

STEDIN.NET



Integrated energy system at ADO Den Haag football stadium

Energy storage for peak shaving and load shifting

EV chargers and load balancing platform



Grid connection of EV test site

Energy storage system for peak shaving EV charging

EV chargers and load balancing platform



Over 20 years history of supplying grid products

2016 - 2018: Multiple energy storage projects

2018: EV chargers for electrifying Stedin's car fleet



On-track to expand service offering

EV charging equipment

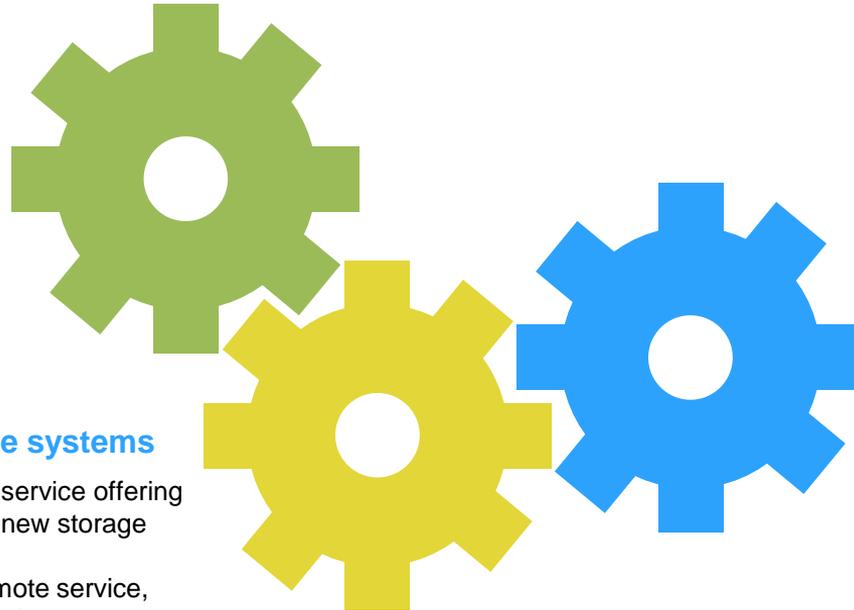
- Lined-up international service partners in Belgium, UK and Germany
- Upgraded platform with new functionalities and improved remote serviceability
- New orders for management and maintenance for the city of The Hague and EVNetNL

Energy storage systems

- Standardised service offering as part of our new storage projects
- Roll-out of remote service, control and performance monitoring through 'TheBattery Connect'

Smart grid solutions

- Benefiting from increasing installed base of projects in greenhouse horticulture and solar PV segments



Important wins

Smart grids



Connecting solar farms Twence (17.5 MWp) and Nyrstar (45 MWp) to the grid



Phase 6 (out of 8 phases) expansion of large-scale tomatoes greenhouse complex



Multiple project wins for connecting large-scale solar PV farms to the grid



New framework contract for the supply of transformer substations to connect Allego's EV charging stations in various countries

EV charging



New framework contract for supplying EV chargers across various European countries



Supplying EV chargers to Allego for new home-to-office charging solution of LeasePlan, initially covering 8 European countries



VATTENFALL

Expansion of existing contract (Netherlands, Germany and Sweden) to also include the UK and Ireland



New framework contract for supplying EV chargers across various European countries

Energy storage



Mobile integrated storage and fast charging solution to one of BMW AG's test locations in Munich



Energy storage system for grid stability and self-consumption of renewable energy at Peleman Industries, a customer of Eneco Solar Belgium



Order for 8 mobile storage systems for clean energy supply at festivals and events



Storage system for self-consumption of renewable energy, grid congestion management and energy trading at a distribution centre in Nijmegen, the Netherlands



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Income statement

<i>in € '000</i>	H1 2018	H1 2017	Delta
Revenue and other income	41,019	30,979	+32%
<i>Smart grids</i>	29,768	25,180	+18%
<i>EV charging</i>	5,614	3,647	+54%
<i>Energy storage</i>	5,637	2,152	+162%
Gross margin	12,543	8,770	+43%
<i>as % of revenues</i>	30.6%	28.3%	
Personnel cost	7,799	6,074	+28%
Other operating cost	3,592	2,083	+72%
EBITDA	1,152	613	+88%
<i>as % of revenues</i>	2.8%	2.0%	
Adjusted EBITDA	1,713	1,125	+52%
<i>as % of revenues</i>	4.2%	3.6%	
Adjusted net profit	639	196	+226%

- Revenue growth driven by strong market growth across our business lines, further bolstered by internationalisation, cross-selling and service
Typical seasonality with larger part of revenues in H2 (in 2017, 58% of revenues were generated in H2)
- Increasing margins, demonstrating our ability to offset raw material price fluctuations and benefiting from our purchasing programs
- Increase in FTEs from 213 at 30 June 2017 to 262 at 30 June 2018
- Increase in other operating cost to align the operation with the growing level of activity, as well as certain one-off costs and special items
- Majority of EBITDA typically generated in H2 as a consequence of the seasonal pattern of revenues
- H1 2018 EBITDA adjustments include: audit fee related to Alfen's public listing (€147k), pre-acquisition costs for Elkamo (€73k), a settlement payment related to a property rental claim (€74k), share-based payment expenses associated with a Celebration Share Award Plan (€142k) and a related party consultancy fee (€125k)

Balance sheet

<i>in € '000</i>	30 June 2018	31 Dec 2017
Non-current assets	10,127	8,830
Current assets	28,385	21,026
Cash and cash equivalents	2,085	-
Total assets	40,597	29,856
Non-current liabilities	8,628	2,713
Current liabilities	24,838	19,113
Bank overdraft	-	1,224
Equity	7,131	6,806
Total equity and liabilities	40,597	29,856

- Increase mostly due to capitalised development costs as a result of continued focus on R&D
- Including a new loan that was obtained (€5.0m, redemption in 7 years) to fund the Elkamo acquisition as of 1 July 2018. At 30 June 2018 this amount was included in cash and cash equivalents, of which €4.5m was in escrow in order to transfer the shares at 1 July 2018
- Includes new loan (€5.0m, redemption in 7 years) for Elkamo acquisition at 1 July 2018
- Working capital (net position of current assets and current liabilities) increased from €1.9m at the end of 2017 to €3.5m at 30 June 2018, due to pre-deliveries in the supply chain to cover the Summer period, seasonality and increased stock levels reflecting further growth of the business

Outlook

- We continue to anticipate positive market developments in all our business lines
- We increasingly experience the benefits from our capability to offer integrated solutions across our business lines
- We are ready to further reap the benefits from our recent and new innovations, e.g. an Eichrecht compliant EV charger for the German market, a special substation for large-scale solar PV farms and newly developed applications for TheBattery related to mobile applications (e.g. at festivals), ultrafast EV charging and data centres
- We have further improved our international position, both by expanding our international sales force and by the acquisition of Elkamo as hub for further rolling-out our business activities in the Nordics
- We reconfirm our full-year 2018 revenue visibility of over €99m, with expected additional positive impact from the Elkamo acquisition in H2 2018



ALFEN