PRESS RELEASE

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Alfen achieves revenue growth of 78% and adjusted EBITDA of 120% in H1 2022

Revenue outlook increased from €350-420m to €410-470m

- **Strong increase in revenue:** H1 2022 revenue of €205.5m, a growth of 78% versus H1 2021 (€115.3m).
- **Strong increase in profitability:** Adjusted EBITDA amounted to €37.3m (18.1% of revenue), an increase of 120% compared to €16.9m (14.7% of revenue) in H1 2021.
- **Supply chain:** Up until today, Alfen has been able to manage the supply chain challenges. Alfen increased stock levels and strategic down payments to secure components.
- **Alfen increases its 2022 full-year revenue outlook from €350-420m to €410-470m.**

**ALMERE, THE NETHERLANDS** – Alfen N.V. (AEX: ALFEN), specialist in energy solutions for the future, today reports its condensed interim consolidated financial statements for the first half-year of 2022.

Marco Roeleveld, CEO of Alfen, said:
"We continued our growth trajectory of Q1 in the second quarter of 2022. This resulted in a very strong first half-year in 2022 with a significant increase in revenue and profitability. In these results, we see the payoff of our operational leverage model."
Especially EV charging has seen a very strong first half of the year: our revenue more than tripled compared to the first half of 2021. The market for EV charging has a strong long-term growth trend, but our growth in the first half of 2022 was exceptional. For example, we have seen a surge in projects at retail locations and workplaces after COVID measures were released. Also we have seen some customers that increased inventories before the summer season. Now the first half of 2022 has ended, we expect a year-on-year growth rate in the second half of 2022 that is more in line with growth rates in previous years.

Alfen has managed well under the tough supply chain conditions. We continue to face disrupted global supply chains with high demand for electrical components, batteries and invertors as well as logistical challenges. As we have done in the past, we remain focussed on managing our supply chain and expect pressures to persist into 2023. Yet, we realize that some disruptions in the supply chain are outside of our control.

Alfen continues to successfully pursue its internationalisation strategy and has been able to attain 50% of revenue outside of the Netherlands in H1 2022: €103m compared to €43m in H1 2021. Alfen’s international organisation has local presence in 13 countries. Besides its own organisational presence, Alfen benefitted from clients with an international footprint and has its products installed in almost 30 European countries.

Given our very strong revenue performance in the second quarter, we have raised our revenue guidance for 2022 from €350-420m to €410-470m.”

**Financial highlights**

**Key figures**

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<tr>
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<th>Q1 2022</th>
<th>Q2 2022</th>
<th>H1 2022</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>H1 2021</th>
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<tbody>
<tr>
<td><strong>Revenue and other income</strong></td>
<td>95.5</td>
<td>110.0</td>
<td>205.5</td>
<td>53.8</td>
<td>61.5</td>
<td>115.3</td>
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<tr>
<td><strong>Y-o-y growth</strong></td>
<td>77%</td>
<td>79%</td>
<td>78%</td>
<td>22%</td>
<td>33%</td>
<td>28%</td>
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<tr>
<td><strong>Gross margin</strong></td>
<td>34.1</td>
<td>38.5</td>
<td>72.6</td>
<td>19.6</td>
<td>22.4</td>
<td>42.0</td>
</tr>
<tr>
<td><strong>As % of revenue and other income</strong></td>
<td>35.7%</td>
<td>35.0%</td>
<td>35.3%</td>
<td>36.5%</td>
<td>36.4%</td>
<td>36.4%</td>
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<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>17.1</td>
<td>20.2</td>
<td>37.3</td>
<td>7.2</td>
<td>9.7</td>
<td>16.9</td>
</tr>
<tr>
<td><strong>As % of revenue and other income</strong></td>
<td>17.9%</td>
<td>18.4%</td>
<td>18.1%</td>
<td>13.3%</td>
<td>15.9%</td>
<td>14.7%</td>
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Revenue and other income increased by 78% to €205.5m in the first half-year of 2022 from €115.3m in the first half-year of 2021.

Gross margin decreased to 35.3% in the first half-year of 2022 compared with 36.4% in the first half-year of 2021. Alfen was able to leverage its growing scale and strong market position to dampen the effect of challenges in the global supply chains.
Personnel costs increased by 31% to €25.8m compared with €19.6m in the first half-year of 2021. Alfen grew from 683 FTEs on 31 December 2021 to 770 FTEs on 30 June 2022, including 71 FTEs at Alfen Elkamo.

Other operating costs increased by 73% to €10.0m compared with €5.8m in the first half-year of 2021.

Adjusted EBITDA amounted to €37.3m (18.1% of revenue), an increase of 120% compared to €16.9m (14.7% of revenue) in H1 2021. The adjusted EBITDA margin improvement is a result of the operational leverage strategy.

Adjusted net profit grew with 172% to €25.3m in the first half-year 2022 from €9.3m in the first half-year 2021.

Capital expenditure amounted to €10.1m (4.9% of revenue) in H1 2022 as compared to €5.4m (4.7% of revenue) in the same period of 2021. Capex in the first half-year of 2022 includes investments in new moulds for our EV Charging and Smart grids business lines, followed by product line automation for EV Charging, ongoing investments in IT-infrastructure and Data Security as well as investments in additional solar panels for our buildings. Additionally, Alfen capitalised €4.8m (versus €3.3m in the first half-year of 2021) of development costs, which demonstrates Alfen’s continued efforts to invest in innovations for the future.

Working capital increased from €23.8 million on 31 December 2021 to €54.8 million on 30 June 2022. Given the supply chain challenges Alfen maintains higher safety stock levels, further supported by strategic stock down payments for batteries, inverters, containers and electrical components in order to safeguard and enhance resilience in our global supply chain.

Operating cash flow was €1.1m negative, compared with €2.9m positive in the first half-year of 2021.

Net cash position on 30 June 2022 amounted to €15.9m, compared to €28.9m on 31 December 2021.

Segmental review
In the EV charging equipment business line, H1 2022 revenue was €125.0m, compared with €41.3m in the first half-year of 2021. A growth of 202%, driven by increasing volumes and new markets under existing framework agreements, new client wins and further internationalisation.

Alfen continued its internationalisation strategy by further strengthening its international organisation. In H1 2022, more than 69% of revenue was generated outside of the Netherlands.

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1 Calculated as total current assets excluding cash and cash equivalents, minus total current liabilities excluding bank overdrafts.
The European market for EV charge points has a long-term growth trend with a CAGR >30% in the period 2020-2030 (source: Guidehouse). This long-term growth trend is also reflected in the first half-year of 2022 with growing EV adoption in European markets. 32% more battery EVs were sold than in the same period last year (source: ACEA).

Alfen’s ambition is to outperform the market. Yet, year-on-year growth figures in the first half of 2022 were exceptional due to a peak in demand after Covid measures were released and some of our customers building some inventory before the summer season. Now the first half of 2022 has ended, we expect a year-on-year growth rate in the second half of 2022 that is more in line with growth rates in previous years.

Commercially, Alfen has been able to win new clients while further internationalising in the first half of 2022. Selected examples of commercial successes include building further on Alfen’s partnership with E-On Drive resulting in several new projects in the up-and-coming EV market in Central and Eastern Europe, a.o. a project for a large online supermarket in Czech Republic. Alfen also won multi-supplier framework agreement until 2024 to supply charging equipment to Stromnetz Hamburg GmbH, for the city of Hamburg and its local authorities. Hamburg is the second largest city in Germany. Furthermore, Alfen won supplier contract with TotalEnergies for Europe regarding complete Alfen portfolio until January 2025.

In H1 2022, Alfen produced approximately 149,600 charge points, a growth of 221% from H1 2021 with approximately 46,600 charge points.

In the **Smart grid solutions** business line, H1 2022 revenue was €71.1m, a growth of 14% compared with €62.5m in the first half-year of 2021. Grid operators continued to expand and reinforce the distribution grid for the energy transition. Alfen continued to benefit through existing framework agreements with the grid operators. The private networks business did not show as much growth in the first half of 2022; project execution takes longer under current supply chain conditions.

Selected examples of commercial successes include a contract closed with Pfalzsolar GmbH to provide the grid solution including 23 substations for two big solar fields (Harderwold with 44MWp and Coevorden with 30MWp) and a contract with Bejulo to deliver 10 substations to build their first solarpark (37MWp) in the Netherlands. Lastly, Alfen is building Solarpark Braambergen (14 MWp) in Almere for Energiezorg (JV of Afvalzorg/HVC). Alfen will realize the high voltage micro grid, 1 grid connecting stations and 4 transformer stations.

In H1 2022, Alfen produced approximately 1,615 substations, which is the same number of substations as in H1 2021.

In the **Energy storage systems** business line, H1 2022 revenue was €9.4m, a decline of 18% compared with €11.5m in the first half-year of 2021. The momentum in the energy storage market continued to develop favourably, mostly driven by the growth of renewables and the need to balance electricity demand and supply. The pipeline of qualified leads and order intake continues to develop in a healthy manner, but project execution can be delayed for certain projects due to for instance the permitting process or obtaining a grid
connection. As communicated in the Q1 trading update, energy storage revenue will be backloaded towards the second half of 2022.

Selected examples of commercial success include a contract with Nybro Värmecentral (combined heat & power plant, part of Nybro Energi AB - regional grid operator in Sweden) to supply a 5MW/5MWh system for energy trading and ancillary services and a contract with Nimble Energy (Czech Energy equipment and solutions provider) for Battery installations at Czech SUAS Group to supply two 5MW/3.7MWh systems. Also Alfen is building Finland’s third largest battery energy storage facility for EPV Energy’s Teuva wind farm. The facility will have 12MW of power and 12MWh of energy capacity.

Navigating through supply chain challenges

The current global supply chain challenges affect Alfen directly through its own supply chain and indirectly, for example, through the supply chain of electric vehicles. Up until this point, Alfen has been able to manage these challenges. Alfen expects that the supply chain pressures remain in 2022 and 2023. Therefore, Alfen continues to deploy its measures to maximize grip on the supply chain and secure supplies: (1) Daily meetings of integrated team (purchasing, R&D, sales and operations) to make purchasing and logistical decisions, under direct supervision of Alfen’s Board, (2) engagement with Alfen’s tier 2 and tier 3 suppliers, next to tier 1 suppliers and (3) strategic down payments and safeguard strategic stock levels for batteries, inverters, containers and electrical components.

Outlook

Alfen expects that its markets will continue to grow throughout 2022, as the transition to a carbon-free energy system that is not dependent on fossil fuels is building ever more momentum across Europe. Alfen continues to experience supply chain challenges and expect challenges to continue well into 2023. Alfen remains committed to being on top of the situation through deploying its rigid operational processes. Long-term, Alfen continues to anticipate positive market developments for all its business lines. New legislation that is currently in the making pushes the energy transition further. For instance, in June 2022 the EU council confirmed the phase out of internal combustion engines for cars and vans by 2035. As such, Alfen continues to further invest in its organisation, innovations and production facilities. Based on the first half year performance and current revenue visibility, Alfen raises its full-year 2022 revenue outlook from €350-420m to €410-470m.

Analyst call / webcast
Alfen will host an analyst call and webcast at 9:00 CEST on 25 August 2022 to comment on the 2022 half-year results. Please see ir.alfen.com for details to participate.

Financial calendar
Q3 2022 trading update: 9 November 2022
FY 2022 results: 15 February 2023

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 85-years 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
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The reported data in this press release have not been audited.
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, expected, step up, announced, continued, incremental, on track, accelerating, ongoing, innovation, drives, growth, optimising, 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 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 outlook estimates are management estimates resulting from Alfen’s pursuit of its strategy. Alfen can provide no assurances that the estimated future revenue will be realised and the actual revenue for 2022 could differ materially. The expected revenue 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 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.