Alfen 2021 revenues of €250m and 2022 revenue outlook of €330-370m
2021 adjusted EBITDA margin of 14.8%

- **FY 2021 revenues of €249.7m, a 32% growth** compared with FY 2020 (€189.0m).
- **Adjusted EBITDA of €36.8m (14.8% of revenues), up 51%** versus €24.4m (12.9% of revenues) in 2020.
- **Adjusted net profit grew 77% to €22.1m** versus €12.5m in 2020.
- **Continued strong growth with existing clients throughout Europe and important new contract wins**, such as a contract with Agreco Products to provide 3 stationary storage solutions (including grid integrations) of which the largest is a 20MW/40MWh system as well as 4 mobile energy storage systems.
- **Alfen continues to safeguard supply deliveries** by actively managing its supply chain.
- **Alfen provides full-year 2022 revenue outlook of €330-370m** driven by the growing momentum of the energy transition, especially for EV charging and Energy storage.
- **Alfen reconfirms its strategy and medium-term objectives.**

Marco Roeleveld, CEO of Alfen, said:
“2021 was another strong year for Alfen in which we again delivered profitable growth and closed the year with a strong fourth quarter. All our markets kept developing favourably as the energy transition is gaining more momentum. We benefitted from our strong market position across Europe and realised 32% revenue growth combined with an adjusted EBITDA margin of 14.8%, despite COVID-19 and supply chain challenges.

We remain vigilant for new variants that may arise as COVID-19 continued to have some impact on our markets, often indirectly. This materialised predominantly in global supply chain pressure, not only for component sourcing but also for supply logistics. The situation also caused challenges for Alfen, but we have been able to mitigate these. We expect that supply chain pressures will continue well into 2022 and potentially 2023. Therefore, we continue to manage our supply chain closely and to monitor the situation carefully.

Where possible, we continued to work from home and converted live meetings to virtual ones. We have fully embraced the new normal and started using new ways of working and tools in order to accommodate. We are very proud of the flexibility and resilience that our employees have demonstrated.

Based on our growing markets, our strong market position as well as our unique integrated business model, we look forward to 2022 with confidence. This is also supported by strong momentum in the energy storage market where we have secured various new contracts. As such, we continue to invest in our organisation, new innovations and facilities. I am pleased that we have concluded a lease contract for a new production location and office building which is three times larger than our current largest facility, which sets us up well for further growth.

For 2022, we expect our revenues to be between €330m and €370m driven by the growing momentum of the energy transition, especially for EV charging and Energy storage.”

Financial highlights

Key figures

<table>
<thead>
<tr>
<th>In € millions</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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</thead>
<tbody>
<tr>
<td>Revenues and other income</td>
<td>74.3</td>
<td>101.9</td>
<td>143.2</td>
<td>189.0</td>
<td>249.7</td>
</tr>
<tr>
<td>Y-o-y growth</td>
<td>21%</td>
<td>37%</td>
<td>41%</td>
<td>32%</td>
<td>32%</td>
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<tr>
<td>Gross margin</td>
<td>21.6</td>
<td>30.2</td>
<td>50.3</td>
<td>69.3</td>
<td>89.8</td>
</tr>
<tr>
<td>As % of revenues and other income</td>
<td>29.1%</td>
<td>29.6%</td>
<td>35.1%</td>
<td>36.7%</td>
<td>36.0%</td>
</tr>
<tr>
<td>Operational expenses</td>
<td>17.6</td>
<td>27.8</td>
<td>36.4</td>
<td>45.5</td>
<td>53.6</td>
</tr>
<tr>
<td>As % of revenues and other income</td>
<td>23.7%</td>
<td>27.3%</td>
<td>25.4%</td>
<td>24.1%</td>
<td>21.5%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>4.9</td>
<td>3.6</td>
<td>14.5</td>
<td>24.4</td>
<td>36.8</td>
</tr>
<tr>
<td>As % of revenues and other income</td>
<td>6.6%</td>
<td>3.6%</td>
<td>10.1%</td>
<td>12.9%</td>
<td>14.8%</td>
</tr>
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</table>
**Revenues** and other income increased 32% from €189.0m in 2020 to €249.7m in 2021, driven by growth across all business lines: Smart grids (+8%), EV charging (+94%) and Energy storage (+4%).

**Gross margin** was 36.0% in 2021 compared with 36.7% in 2020. Alfen continued to benefit from its strong market position and leverage from increased scale, but this was partly offset by a challenging supply chain in 2021 as well as by product mix effects within each business line.

**Personnel costs** increased by 16% to €40.1m compared with €34.4m in 2020. Average FTEs increased from 571 in 2020 to 636 in 2021.

**Other operating costs** increased by 23% to €13.5m compared with €11.1m in 2020.

**Adjusted EBITDA** amounted to €36.8m (14.8% of revenues), a 51% increase compared to €24.4m (12.9% of revenues) in 2020. The adjusted EBITDA margin improvement is a result of Alfen’s operational leverage strategy. EBITDA adjustments in 2021 amounted to €0.6m (versus €0.5m in 2020) and comprised of share-based payment expenses.

**Adjusted net profit** grew 77% from €12.5m in 2020 to €22.1m in 2021.

**Capex** amounted to €11.7m (4.7% of revenues) as compared to €9.6m (5.1% of revenues) in 2020. Capex in 2021 includes investments in IT-infrastructure and Data Security, R&D test facilities, new moulds for Smart grids as well as Production and Warehousing related improvements. Alfen capitalised €7.7m of development costs (€5.0m in 2020) which demonstrates the company’s continued efforts to invest in innovations for the future.

**Working capital** increased to €23.8m (versus €2.5m at 31 December 2020). The increase is mainly related to an increase of Alfen’s stock level. Given the supply chain challenges, Alfen maintains higher safety stock levels, further supported by strategic stock down payments for batteries and electrical components.

**Operating cash flow** was €10.5m compared with €20.1m in 2020. The reduced operating cash flow is mainly related to the increase of Alfen’s stock level.

**Net cash position** at 31 December 2021 amounted to €28.9m, compared with a net cash position of €32.4m at 31 December 2020.

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

In the **Smart grid solutions** business line, 2021 revenues were €128.2m, a 8% growth compared with €118.5m in 2020. Alfen’s markets keep growing and it is becoming increasingly clear what the impact on the grid will be as more electricity is produced and consumed. Especially as more and more renewables are integrated, such as solar and wind power, which result in more peak loads and volatile load profiles on the grid. Grid operators progressively talk about how the grid is reaching its limitations and how it needs to be expanded and reinforced. In the Netherlands alone, it is estimated that 100B€ of investments are needed towards 2050 to make the grid future proof. Still, short-term there could always be some challenges. For instance, Alfen has seen that in the second half of 2021 some projects were delayed as grid connections could not be established in time. Also, supply chain pressures caused cost inflation for solar PV project materials, putting some business cases under further review. Such effects might have some temporary impact, but long-term it is clear that significant grid investments are needed.

Alfen is well positioned to benefit from the ongoing electrification with its grid knowledge and expertise. In this light, Alfen is pleased that it secured the new Liander framework agreement to supply secondary substations for the coming four years with the intent to extend for another four years and to keep supporting the largest grid operator in the Netherlands in building out the grid. Additionally, Alfen kept providing its smart grid solutions to customers with significant private grids, such as solar parks and rooftop solar locations, greenhouses, EV fast charging stations and industrial locations.

Besides securing the Liander framework agreement win, other selected commercial successes include a 4-year framework agreement for the supply of secondary substations to Vattenfall Eldistribution in Sweden. The contract can be extended twice with an additional year. Another example is a contract with CHINT Solar Netherlands to provide the transformer substations for multiple solar PV parks that they are developing in the north of the Netherlands which together have a power rating of more than 50MWp.

Innovation highlights of 2021 include a new variant of Alfen’s state-of-the-art Pacto substation especially developed for the new Liander framework agreement, Alfen launched a new innovative prefab walk-in station specially designed for the Benelux market, and Alfen introduced detailed visual KPIs in its smart grid production facility that improves production speed and efficiency.

In 2021, Alfen produced approximately 3,240 substations, a 2% decline compared to 2020 with approximately 3,320 substations.

In the **EV charging equipment** business line, 2021 revenues were €103.8m, a 94% growth compared with €53.5m in 2020. Across Europe we have seen positive market developments for electric driving. First, there is a diverse supply of EV’s in the market as car manufacturers continue to increase their commitment to the electrification of their portfolios. Second, there are multiple market stimulants, both financial and regulatory, to support the transition to electric driving. For instance, all new buildings in England will be required to install electric vehicle charge points from 2022 onwards.
Alfen benefitted from increasing volumes under framework agreements that have been set-up over the past years, new client wins and further internationalisation. Its internationalisation strategy continued to deliver growth across Europe and in 2021 approximately 60% of EV charging revenues was generated outside of the Netherlands.

Furthermore, Alfen continued to further diversify its customer base. Selected commercial successes are supplying EV charge points to e-commerce company OTTO in Germany, supplying EV charge points to distribution company No Limit in Poland with Naatu Teraz Energia to enable charging of their light duty truck vehicle fleet, and supplying EV chargers to ARVAL lease throughout Belgium with 50Five which is a specialist in EV charging solutions.

Selected innovation examples in Alfen’s EV charging business comprise the introduction of its next generation hardware architecture that provides increased flexibility to accommodate different market requirements and allows accelerated corresponding software developments. Alfen also implemented the ISO 15118 standard which provides more extensive communication between its charge points and electric vehicles and can for instance allow an EV to identify itself without the need for a charge card. Additionally, security is a core value for Alfen and it further improved its security standards and protocols. To illustrate, Alfen now offers password protection for individual charge points which can easily be accessed with its new smartphone app which allows quick and easy installation and configuration of its chargers.

In 2021, Alfen produced approximately 114,800 charge points, a 107% growth compared to 2020 with approximately 55,500 produced charge points.

In the Energy storage systems business line, 2021 revenues were €17.7m, a 4% growth compared with €17.0m in 2020. The battery energy storage market picked up momentum after COVID-19 headwinds. Alfen sees a further maturation of the market, which in Europe is still in a nascent stage.

There are various signs of this growing momentum. In the UK the government simplified planning permission processes reducing lead times from one to two years to a few months. Additionally, the UK has in place a clear framework for grid stability services. Another example is that Alfen started to see requests for generation capacity, partially considered to be filled with battery energy storage. All together Alfen is convinced of this market potential and its strong market position. To illustrate, Alfen has seen its qualified leads pipeline growing strongly in 2021.

This led to various new contract wins that will support 2022 revenue. For instance, Alfen secured a contract with Agreco Products, specialist in sustainable energy solutions, to provide 3 stationary storage solutions of which the largest is a 20MW/40MWh system as well as 4 mobile energy storage system. For this contract Alfen will also provide grid integrations by leveraging its smart grids capabilities. Furthermore, Alfen’s mobile energy storage solution continues to find traction as Greener, a provider of clean mobile battery power, will expand its existing fleet of 43 Alfen TheBattery Mobiles with another 20. Also Bredenoord, specialist in
temporary and mobile power solutions, ordered numerous Alfen mobile storage systems to accelerate their path to sustainability.

Innovation highlights of 2021 are Alfen’s newly engineered scalable battery energy storage solution which Alfen developed for utility scale applications, an innovative mobile fast charging solution where Alfen developed a mobile skid with a 300kW fast charger and combined it with its TheBattery Mobile so that it can charge heavy duty vehicles anytime and anywhere, and finally, Alfen further modularised its storage solutions as it developed the option to connect multiple Alfen TheBattery mobiles together at a site to increase the power rating and storage capacity.

**Navigating through supply chain challenges**

Due to the rapidly recovering economy, demand has grown strongly for materials and components. A high demand, especially for electrical components, has put pressure on global supply chains. Throughout the year this pressure has been incremental and introduced challenges to secure deliveries of components and materials to Alfen’s factories and its contract manufacturers. Moreover, it is not only a matter of securing components, but also a logistical challenge. For instance, Alfen has seen a major port in China close down due to a COVID-19 case, affecting shipping transport. Another example is that the Malaysian industry was not able to temporarily meet demand due to COVID-19 cases, while they provide service to the chips industry. As such, chip deliveries were even more affected.

Alfen deployed various measures to manage the situation. The company setup a daily meeting with an integrated team consisting of purchasing, engineering, sales and operations that monitors and engages the supply chain closely. This allows Alfen to take purchasing and logistical decisions quickly to secure supply and deliveries. Additionally, it increased the engagement with its suppliers and besides its tier 1 suppliers, Alfen also engages some of its tier 2 and tier 3 suppliers in order to increase its circle of influence and to secure supplies. Another example is that Alfen made strategic long-term commitments for batteries and electrical components to further safeguard and enhance resilience in its global supply chain. These actions together with other efforts, have allowed Alfen to safeguard supply deliveries throughout 2021.

Above all Alfen prioritises delivery to its customers. Alfen anticipates that the supply chain pressures will continue well into 2022 and potentially even into 2023 before the situation has normalised. As long as this situation lasts, Alfen keeps monitoring and managing its supply chain closely.

**Progress against strategy**

In 2021 Alfen kept relentless focus on the execution of its strategy of profitably growth. The company continued to further expand its presence across Europe. Alfen strengthened its international teams and continued to deliver international revenue growth. The international growth is a result of the internationalisation of Alfen’s organisation as well as the internationalisation of its customers. In 2021,
Alfen’s revenues generated outside of the Netherlands year over year increased 56% which is significantly higher than the overall group revenue growth.

Alfen’s rapid growth throughout Europe is currently mostly driven by the expansion of its EV charging business line. As such, Alfen kept expanding its service network for its charge points and significantly strengthened its coverage to support its customers even better.

In order to support further growth, Alfen continued to invest in its organisation. Alfen has significantly expanded its R&D teams in order to drive its innovation roadmap, it expanded its production facilities for EV charging and Smart grids, and Alfen concluded a lease contract for a new building that will contain offices, warehousing and production.

**Sustainability**

Alfen’s vision is a connected, smart and sustainable energy system for future generations. To deliver this, Alfen’s mission is to boost the energy transition by engineering, manufacturing, integrating and connecting high quality energy solutions that are innovative, reliable and smart. Alfen has strong impact through enabling sustainable energy developments with its three business lines. Additionally, Alfen feels responsible to further strengthen this impact through an active Corporate Social Responsibility (CSR) strategy.

Alfen renewed its CSR framework in 2019 and started reporting its impact since 2020. In 2021, for instance, Alfen potentially avoided 2.2Mtons of CO2 equivalent emissions as its installed charge points power electric vehicles and avoid harmful emissions. This is a strong increase compared to the 1.4Mtons of CO2e Alfen potentially avoided by 2020 demonstrating how Alfen continues to make impact with its EV charging solutions. Moreover, Alfen enabled the supply of renewable energy to around 206,000 households by connecting solar PV farms to the public grid through its Smart grid solutions, which is significantly more compared to 142,000 households previous year.

Additionally, Alfen has a Sustainable Development Policy in place which can be visualised as the umbrella for any Environmental, Social and Governance (ESG) activity or policy within the company. The policy entails seven core themes, which are (i) organisational governance, (ii) the environment, (iii) human rights, (iv) working conditions, (v) fair business practices, (vi) consumer and customer matters, and (vii) the local community. To provide more details of Alfen’s CSR activities and more non-financial information, please see the Annual Report 2021 of Alfen which can be found on its website www.alfen.com.

Alfen is committed to continue to further improve its sustainability performance as it transitions towards a truly sustainable society for future generations. As such, Alfen plans to commit to specific sustainability
targets of its own business activities, for instance science-based and in line with global warming limitation targets. Alfen plans to communicate this at the end of 2022.

**Outlook**

Alfen expects that the markets for all its business lines will continue to develop favourably, driven by the energy transition. Alfen is convinced that they are well positioned to benefit from this market growth and to continue to grow its business rapidly as Alfen continues to execute its strategy.

Additionally, Alfen anticipates supply chain pressures to continue well into 2022 and potentially into 2023. As such, Alfen will keep managing its supply chain closely and continue to monitor the situation carefully. Also in 2022, Alfen’s priority remains to support its customers in their business models and to be able to continue deliveries.

As Alfen anticipates further growth of its business in 2022, Alfen plans to further invest in its organisation, its facilities, production and new innovations. Like 2021, Alfen expects its capital investments to exceed depreciation and amortisation. Alfen also anticipates a further increase in the number of personnel. In terms of financing, Alfen continues to closely monitor the supply chain, but for now the company does not foresee a change in its working capital credit facility.

At 7 July 2021, Alfen concluded a lease contract for a new production location and office building. As from 1 September 2021, Alfen started leasing part of the total premises for warehousing purposes. During the construction period of the new production location and office building, financing will be provided by Alfen. The construction period is expected to be finalised in the first half year of 2023. After finalisation of the construction period the financing provided by Alfen will be repaid. At that same moment, a lease will start for a period of 15 years, comprising the land, the production location and the office building. For 2022, Alfen expects its revenues to be between €330m and €370m driven by the growing momentum of the energy transition, especially for EV charging and Energy storage.

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*The 2021 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 16 February 2022 to comment on the 2021 full year results. Please see the Investor Relations section of www.alfen.com for details to participate.
Financial calendar

Annual General Meeting: 7 April 2022 - invitation and agenda will be announced on Alfen’s website
Q1 2022 trading update: 11 May 2022
HY 2022 results: 25 August 2022
Q3 2022 trading update: 9 November 2022

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 its 80-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

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, 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-
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 revenues will be realised and the actual revenue for 2022 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.