



PRESS RELEASE

Published on 6 May 2020, 7:30 CET

Alfen reports 58% revenue growth in Q1 2020

ALMERE, THE NETHERLANDS – Alfen N.V. (AEX: ALFEN), specialist in energy solutions for the future, today publishes its trading update for the first quarter of 2020.

Highlights:

- **Q1 2020 revenues of €44.1m, a growth of 58%** versus Q1 2019 (€28.0m), driven by all business lines (Smart grids up 25%, EV charging up 194%, Energy storage up 144%)
- **Gross margin at 34.8%** compared with 36.2% in Q1 2019 (and 33.8% in Q4 2019)
- **Adjusted EBITDA of €4.6m (10.4% of revenues), a growth of 169%** from Q1 2019 (€1.7m, 6.1% of revenues)
- **Net debt/adjusted EBITDA¹ ratio of 1.4**, compared with 1.3 at year-end 2019
- **Important new project and client wins**, amongst which:
 - a new service contract for IONITY;
 - providing Deutsche Bahn with EV charge points for their offices; and
 - a contract for a 20MWh energy storage system for Vattenfall in Sweden.
- **COVID-19 update: Until now order intake is reasonably strong with no cancelled orders, the supply chain is still functioning and production is up and running at this stage**

¹ Based on last twelve months adjusted EBITDA

Marco Roeleveld, CEO of Alfen, said:

“With COVID-19 spreading across the world, our number one priority is to keep our employees, suppliers and customers safe. At the moment, the direct impact of the global COVID-19 crisis on our markets and business cannot yet be quantified. Until now our order intake is reasonably strong with no cancelled orders, our supply chain is still functioning and our production is up and running at this stage. Given the uncertainty around COVID-19, we cannot give any further guidance at the moment. We continue to monitor the situation closely and are taking proactive steps where needed to address the situation as best as we can.

For the first quarter of 2020, I am pleased to report a continuation of our strong year-on-year growth. All our three business lines, Smart grids, EV charging and Energy storage, have grown. Building on this revenue growth we also continue our strategy of operational leverage.

As the long-term energy transition growth drivers remain unchanged and strong, we continue to invest in our organisation, innovation and production facilities. For example, we are moving our EV charging operations to new and larger facilities, significantly expanding our production capacity with ample room to further expand over time.”

Financial highlights

In € millions	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020
Revenues and other income	28.0	33.6	34.3	47.3	143.2	44.1
Y-o-y growth	41% ¹	59% ¹	29%	38%	41% ¹	58%
Gross margin	10.1	12.1	12.1	16.0	50.3	15.3
As % of revenues and other income	36.2%	36.1%	35.1%	33.8%	35.1%	34.8%
Adjusted EBITDA	1.7	3.2	3.2	6.4	14.5	4.6
As % of revenues and other income	6.1%	9.4%	9.4%	13.6%	10.1%	10.4%

1) Excluding Elkamo (acquired at 1 July 2018), y-o-y organic growth was 20% in Q1 2019, 37% in Q2 2019 and 32% in FY 2019

Segmental review

In the **Smart grid solutions** business line, Q1 revenues were €27.6m (up 25% from €22.1m in Q1 2019). Alfen continued to benefit from grid investments, projects in the solar PV sector and revenues from service. In addition, Alfen's ability to integrate products from all its business lines in the grid is increasingly becoming a differentiator. COVID-19 might affect microgrid projects (primarily the greenhouse and solar PV sectors), whereas Alfen experiences a continued focus on grid upgrades by the grid operators.

Commercial successes include a new service contract for IONITY, a 2-year framework agreement in Finland for the supply of 350 substations to Finnish grid operator Kajave and a contract to supply c.25 high-end substations for Infrabel, operator of the Belgian rail infrastructure.

In Q1 2020, Alfen produced approximately 750 substations (including 137 by Alfen Elkamo), a growth of 23% compared to Q1 2019 with approximately 610 substations (including 124 by Alfen Elkamo).

In the **EV charging equipment** business line, Q1 revenues were €13.2m (up 194% from €4.5m in Q1 2019). This increase is driven by a growing market for electric vehicles, increasing volumes under framework

agreements that have been set-up over the past years, new client wins and further internationalisation. Especially our business in Germany, the Netherlands and the UK has experienced strong growth in Q1. Additionally, Alfen celebrated the milestone of having produced more than 100,000 charge points since the inception of its EV charging business in 2008. Although COVID-19 might have an impact on the delivery of EVs, Alfen continues to believe in the long-term trend towards e-mobility. Therefore, Alfen expanded its sales team to Spain and further strengthened its sales teams in Belgium, Germany, France and Sweden. To be prepared for a continuation of strong growth, Alfen is moving its EV charging operation to new and larger facilities, significantly expanding its production capacity with ample room to further expand over time, whilst driving further efficiencies.

Commercial successes include supplying Umicore with EV charging equipment for its new e-mobility program, supplying 900 public chargers to Vattenfall for the city of Amsterdam and providing Deutsche Bahn with EV charge points for their offices.

In Q1 2020, Alfen produced approximately 13,200 charge points, a growth of 207% from Q1 2019 with approximately 4,300 charge points.

In the **Energy storage systems** business line, Q1 revenues were €3.2m (up 144% from €1.3m in Q1 2019). The first half of 2019 was characterised by challenging market circumstances for energy storage. However, the last months of 2019 and first quarter of 2020 have shown a significant pick-up in the demand for energy storage projects. Alfen is now reaping the benefits from its early investments in the latest technologies, for example its mobile energy storage system and a high density large-scale stationary storage concept. COVID-19 impacts the deployment of mobile energy systems at festivals, which will delay investments in this specific market segment.

Commercial successes include a contract for a 20MWh energy storage system for Vattenfall in Sweden, 3 storage systems (together 2.5MWh) to provide frequency stability services for Nuhma on behalf of 41 Belgium municipalities and 4 energy storage systems (together 2MWh) for Belgian energy aggregator Virtual Power.

Gross margin, adjusted EBITDA and net debt

Gross margin in Q1 2020 was 34.8% (slightly up from 33.8% in Q4 2019), compared with 36.2% in Q1 2019. Alfen continued to benefit from its strong market position, leverage from increased scale and a shift towards increasingly complex solutions. Adjusted EBITDA was €4.6m (10.4% of revenues), compared with €1.7m (6.1% of revenues) in Q1 2019.

Net debt/adjusted EBITDA ratio slightly increased from 1.3 at 31 December 2019 to 1.4 (based on last twelve months adjusted EBITDA) at 31 March 2020, as a result of working capital movements. Alfen expanded its credit facilities from €20m to €30m in December 2019, realised a positive adjusted EBITDA in Q1 2020 and continuously focuses on its working capital management.

Outlook

Alfen continues to anticipate long-term positive market developments in all its business lines and is well positioned for further growth based on its leading market position. As the long-term energy transition growth drivers remain unchanged and strong, Alfen continues to invest in its organisation, innovation and production facilities. Although impact of COVID-19 on the market and Alfen's business remains uncertain, Alfen continues to focus on growing its market share, reaping the benefits of its international expansion strategy, increasing

cross-selling opportunities between its business lines and further expanding its service offering. Alfen cannot give any further guidance at the moment due to the current stage of the COVID-19 crisis. These are uncertain times and the personal and economic impact on society is enormous, and makes the near future increasingly unpredictable.

Webcast

Alfen will host a webcast at 9:00 CEST this morning to comment on the 2020 Q1 trading update. Please see ir.alfen.com for details to participate.

Financial calendar

26 August 2020: Publication half-year results 2020

4 November 2020: Q3 trading update

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 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

For enquiries, please contact:

Investor relations:

Mr. Adriaan van Tets, IR manager Alfen, phone +31 (0) 36 549 34 00, email ir@alfen.com

Hefbrugweg 28

1332 AP Almere, The Netherlands

Phone: +31 (0) 36 549 34 00

info@alfen.com / www.alfen.com

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.

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 revenues will be realised and the actual revenue for 2020 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.