



# Alfen

Semi-annual Report 2022

Enabling the  
energy transition

ALFEN N.V.





# Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 30 June 2022

Alfen N.V.  
Amsterdam, the Netherlands

<b>Report of the Management Board</b>	<b>3</b>
<b>Condensed Interim Consolidated Financial Statements for the six months ended 30 June 2022</b>	<b>7</b>
Condensed Interim Consolidated Statement of Comprehensive Income	8
Condensed Interim Consolidated Statement of Financial Position	8
Condensed Interim Consolidated Statement of Changes in Equity	9
Condensed Interim Consolidated Statement of Cash Flows	9
Notes to the Condensed Interim Consolidated Financial Statements	10





# Report of the Management Board



# Report of the Management Board

This semi-annual report of Alfen N.V. (hereafter “Alfen” or “the Company”) for the six months ended 30 June 2022 consists of the semi-annual report of the management board of the Company (the “Management Board”), including the responsibility statement by the Management Board, and the Condensed Interim Consolidated Financial Statements and the accompanying notes. All information included in this report is unaudited.

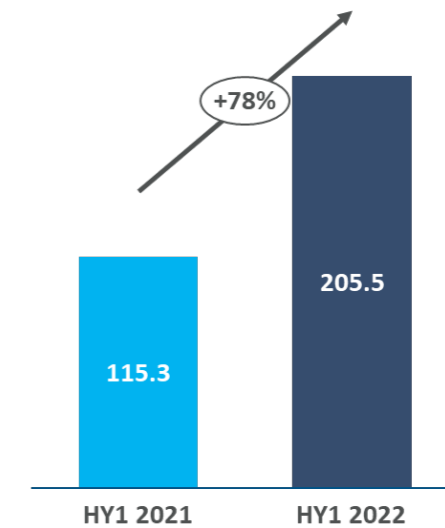
The Management Board hereby declares that to the best of its knowledge, the semi-annual report of the Management Board gives a fair review of the information required pursuant to section 5:25d sub 8-9 of the Dutch Financial Markets Supervision Act (“Wet op het financieel toezicht”) and the Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2022, which have been prepared in accordance with IAS 34 - Interim Financial Reporting as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole.

Alfen is listed on the Amsterdam Stock Exchange.



## Financial performance

### Revenue and other income (in EUR million)



Revenue and other income increased by 78% to €205.5 million in the first half-year of 2022 from €115.3 million in the first half-year of 2021.

In the EV charging equipment business line, HY1 2022 revenue was €125.0 million, compared with €41.3 million 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 HY1 2022, more than 69% of revenue was generated outside of the Netherlands.

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).

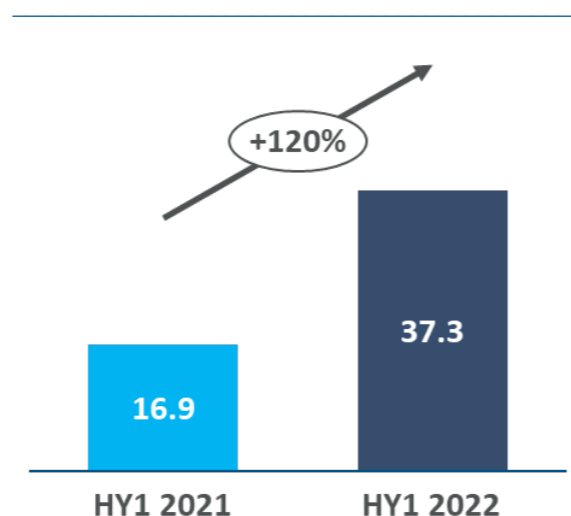


Alfen's ambition is to outperform the market. Yet, year-on-year growth figures in the first half of 2022 were exceptional due to a peak in demand after Covid measures were released and some of our customers building some inventory before the summer season. Now the first half of 2022 has ended, we expect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

In the Smart grid solutions business line, HY1 2022 revenue was €71.1 million, a growth of 14% compared with €62.5 million 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.

In the Energy storage systems business line, HY1 2022 revenue was €9.4 million, a decline of 18% compared with €11.5 million 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. Energy storage revenue will be backloaded towards the second half of 2022.

## Adjusted EBITDA (in EUR million)



### EBITDA and net profit

Profitability in the first half-year of 2022 improved compared to the first half-year of 2021, driven by revenue growth and operational leverage.

EBITDA increased by 118% from €16.6 million in HY1 2021 to €36.4 million in HY1 2022.

EBITDA adjustments in the first half-year of 2022 amounted to €0.9 million (versus €0.3 million in the first half-year of 2021) and comprised of Alfen's 85 Years Anniversary and share-based payment expenses associated with the Long-Term Incentive Plans (see Note 7).

Adjusted EBITDA amounted to €37.3 million, an increase of 120% versus €16.9 million in the first half-year of 2021.

Net profit in the first half-year of 2022 amounted to €24.6 million (versus €9.0 million in the first half-year of 2021). Adjusted for one-off costs and special items after tax, net profit amounted to €25.3 million (versus €9.3 million in the first half-year of 2021).

The following summary reconciles EBITDA and net profit with the adjusted EBITDA and adjusted net profit:

(in EUR '000)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
<b>EBITDA</b>	<b>36,416</b>	<b>16,646</b>
Alfen's 85 Years Anniversary	453	—
Share-based payment expenses	432	271
<b>Adjusted EBITDA</b>	<b>37,301</b>	<b>16,917</b>
<b>Net profit / (loss)</b>	<b>24,552</b>	<b>9,024</b>
Aggregated one-off costs and special items after tax	768	271
<b>Adjusted Net profit / (loss)</b>	<b>25,320</b>	<b>9,295</b>

Finance income and costs slightly increased from €444 thousand in the first half-year of 2021 to €457 thousand in the first half-year of 2022.

The effective tax rate decreased from 25.8% in the first half-year of 2021 to 21.0% in the first half-year of 2022. This decrease is mainly driven by the appliance of the so-called Innovation box facility, which was not yet taken into account in the first half-year of 2021 as this arrangement with the Dutch tax authorities has been concluded in the second-half of 2021.

### Finance and investments

Net cash position at 30 June 2022 amounted to €15.9 million, compared to €28.9 million at 31 December 2021. The decrease in the net cash position is the result of an increase of the working capital which is mainly related to our increased stock levels. Given the supply chain challenges we maintain higher safety stock levels, further supported by strategic stock down payments for batteries, inverters, containers and electrical components (presented under Trade and other receivables) in order to safeguard and enhance resilience in our global supply chain.

Solvency (equity divided by total assets) stood at 47.2% at the end of June 2022 compared to 49.6% at the end of December 2021.

Capital expenditure amounted to €10.1 million as compared to €5.4 million 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 €4.8 million (versus €3.3 million in the first half-year of 2021) of development costs, which demonstrates the Company's continued efforts to invest in innovations for the future.

### Related party transactions

Transactions with the most important related parties are disclosed in Note 11 of the condensed interim consolidated financial statements.



## Principle risks and uncertainties

In our Annual Report 2021, we have extensively described certain risks and uncertainties, which could have a material adverse effect on our financial position and results. We believe that the risks identified for the second half-year of 2022 are unchanged compared to the risks that were presented in our Annual Report 2021. However, we would like to report on the following in addition to our Annual Report 2021.

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 maximise 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.

## Investments

Our organisation grew from 683 FTEs at 31 December 2021 to 770 FTEs at 30 June 2022, including 71 FTEs at Alfen Elkamo.

Anticipating further growth and internationalisation, we expect a further increase in FTEs for the second half-year of 2022. Investment plans for the second half-year of 2022 primarily relate to R&D as well as further investments in property, plant and equipment, specifically related to production line automation, IT-infrastructure and Data Security and moulds for both our EV Charging and Smart grids business lines.

## 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 €350-420 million to €410-470 million.

Almere, 24 August 2022

Board of Directors

**Marco Roeleveld (CEO),  
Michelle Lesh (CCO),  
Jeroen van Rossen (CFO)**







# Condensed interim consolidated financial statements for the six months ended 30 June 2022

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## Condensed Interim Consolidated Statement of Comprehensive Income

In EUR '000	Note	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
<b>Continuing operations</b>			
Revenue	6	205,529	115,345
		<b>205,529</b>	<b>115,345</b>
<b>Operating expenses</b>			
Costs of raw materials and consumables		(121,353)	(68,393)
Costs of outsourced work and other external costs		(11,569)	(4,931)
Personnel expenses		(25,762)	(19,645)
Amortisation on intangible assets		(1,946)	(1,636)
Depreciation on property, plant and equipment		(2,950)	(2,408)
Impairment loss on trade receivables and contract assets		(455)	43
Other operating costs	7	(9,974)	(5,773)
		<b>(174,009)</b>	<b>(102,743)</b>
<b>Operating profit</b>		<b>31,520</b>	<b>12,602</b>
Finance income		14	1
Finance costs		(471)	(445)
<b>Finance income (costs) - net</b>		<b>(457)</b>	<b>(444)</b>
<b>Profit (loss) before income tax</b>		<b>31,063</b>	<b>12,158</b>
Income tax expense	8	(6,511)	(3,134)
<b>Profit (loss) for the period</b>		<b>24,552</b>	<b>9,024</b>
<b>Other comprehensive income for the period</b>		<b>—</b>	<b>—</b>
<b>Total comprehensive income for the period</b>		<b>24,552</b>	<b>9,024</b>
<b>Total comprehensive income for the period (attributable to the owners of the Company)</b>		<b>24,552</b>	<b>9,024</b>
<b>Earnings per share for profit attributable to the ordinary equity holders</b>			
Basic earnings per share		1.13	0.42
Diluted earnings per share		1.13	0.41
<b>Weighted average number of outstanding ordinary shares</b>			
Basic		21,695,153	21,694,584
Diluted		21,781,929	21,769,039

The above statement of comprehensive income should be read in conjunction with the accompanying notes. The notes are integral part of the semi-annual report.

## Condensed Interim Consolidated Statement of Financial Position

In EUR '000	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		28,924	24,955
Intangible assets and goodwill		20,724	17,848
Deferred tax assets		—	—
Other financial assets		894	316
<b>Total non-current assets</b>		<b>50,542</b>	<b>43,119</b>
<b>Current assets</b>			
Inventories		64,519	41,582
Trade and other receivables		106,944	62,197
Current tax receivables		40	9
Cash and cash equivalents		35,362	47,277
<b>Total current assets</b>		<b>206,865</b>	<b>151,065</b>
<b>Total assets</b>		<b>257,407</b>	<b>194,184</b>
<b>Group equity</b>			
Share capital		2,175	2,175
Share premium		50,683	50,429
Retained earnings	7	44,115	22,265
Result for the year		24,552	21,450
<b>Total group equity</b>		<b>121,525</b>	<b>96,319</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	9	13,236	13,639
Deferred tax liabilities		4,996	4,221
Provisions		56	56
<b>Total non-current liabilities</b>		<b>18,288</b>	<b>17,916</b>
<b>Current liabilities</b>			
Trade and other payables		106,647	71,384
Current tax liabilities		4,713	3,804
Bank overdrafts		938	—
Borrowings	9	5,296	4,761
<b>Total current liabilities</b>		<b>117,594</b>	<b>79,949</b>
<b>Total liabilities</b>		<b>135,882</b>	<b>97,865</b>
<b>Total equity and liabilities</b>		<b>257,407</b>	<b>194,184</b>

The above statement of financial position should be read in conjunction with the accompanying notes. The notes are integral part of the semi-annual report.



## Condensed Interim Consolidated Statement of Changes in Equity

In EUR '000	Note	Attributable to equity owners of Alfen N.V.				
		Share capital *	Share premium	Retained earnings	Result for the year	Total equity
<b>Balance - 1 January 2021 (audited)</b>		<b>2,175</b>	<b>50,429</b>	<b>9,637</b>	<b>11,987</b>	<b>74,228</b>
Profit (loss) for the period		—	—	—	21,450	21,450
Other comprehensive income (loss)		—	—	—	—	—
<b>Total comprehensive income (loss) for the period</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>21,450</b>	<b>21,450</b>
<b>Transactions with owners in their capacity as owners</b>						
Issuance of ordinary shares, net of tax		—	—	—	—	—
Purchase of treasury shares		—	—	—	—	—
Share-based payment transactions	7	—	—	641	—	641
Dividend		—	—	—	—	—
Allocation of profit (loss)		—	—	11,987	(11,987)	—
<b>Balance - 31 December 2021 (audited)</b>		<b>2,175</b>	<b>50,429</b>	<b>22,265</b>	<b>21,450</b>	<b>96,319</b>
Profit (loss) for the period		—	—	—	24,552	24,552
Other comprehensive income (loss)		—	—	—	—	—
<b>Total comprehensive income (loss) for the period</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>24,552</b>	<b>24,552</b>
<b>Transactions with owners in their capacity as owners</b>						
Issuance of ordinary shares, net of tax		—	—	—	—	—
Purchase of treasury shares		—	254	—	—	254
Share-based payment transactions	7	—	—	400	—	400
Dividend		—	—	—	—	—
Allocation of profit (loss)		—	—	21,450	(21,450)	—
<b>Balance - 30 June 2022 (unaudited)</b>		<b>2,175</b>	<b>50,683</b>	<b>44,115</b>	<b>24,552</b>	<b>121,525</b>

The outstanding ordinary shares of 21,750,000 includes 54,643 treasury shares as per 30 June 2022 (31 December 2021: 55,416)

The above statement of changes in equity should be read in conjunction with the accompanying notes. The notes are integral part of the semi-annual report.

## Condensed Interim Consolidated Statement of Cash Flows

in EUR '000	Note	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
<b>Cash flows from operating activities</b>			
Operating profit		31,521	12,602
<i>Adjustments for:</i>			
- Depreciation, amortisation and impairment expenses		4,896	4,044
- Change in provision		—	—
- Change in other financial assets		(578)	(15)
- Share-based payment expenses	7	400	271
<i>Changes in operating assets and liabilities:</i>			
- (Increase)/decrease inventories		(22,937)	2,231
- (Increase)/decrease contract assets and liabilities		(2,201)	(5,614)
- (Increase)/decrease trade and other receivables		(33,825)	(13,421)
- Increase/(decrease) trade and other payables		26,535	6,807
<b>Cash generated from operations</b>		<b>3,811</b>	<b>6,905</b>
Income taxes (paid)/ received		(4,590)	(3,780)
Interest paid		(287)	(255)
Interest received		14	1
<b>Net cash inflow/ (outflow) from operating activities</b>		<b>(1,052)</b>	<b>2,871</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(5,229)	(2,016)
Payment for intangible assets		(4,822)	(3,335)
<b>Net cash inflow/ (outflow) from investing activities</b>		<b>(10,051)</b>	<b>(5,351)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		—	—
Purchase of treasury shares		—	—
Proceeds from borrowings	9	479	1,008
Repayments of borrowings	9	(2,229)	(1,920)
Dividends paid to company's shareholders		—	—
<b>Net cash inflow/ (outflow) from financing activities</b>		<b>(1,750)</b>	<b>(912)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(12,853)</b>	<b>(3,392)</b>
Cash and cash equivalents at the beginning of the half-year		47,277	52,344
<b>Cash and cash equivalents at the end of the half-year</b>		<b>34,424</b>	<b>48,952</b>

The above statement of cash flows should be read in conjunction with the accompanying notes. The notes are integral part of the semi-annual report.



# Notes to the condensed interim consolidated financial statements

## Note 1 General information

Alfen N.V. (hereafter “Alfen” or “the Company”) is a public limited liability company (N.V.) which main activity is to develop, produce and sell products, systems and services related to the electricity grid, including smart grid solutions, charging equipment for electric vehicles and energy storage systems. Alfen’s main geographic focus is the Netherlands, followed by Finland, Belgium, Germany, the United Kingdom, France and the rest of Europe.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as “the Group”). The condensed interim consolidated financial statements are unaudited.

Alfen is the holding company of the Group. Alfen was listed on the Amsterdam Stock Exchange on 22 March 2018 and has its registered office at Hefbrugweg 28, 1332 AP, Almere, the Netherlands. The statutory seat is in Amsterdam, the Netherlands.

Alfen is registered in the Chamber of Commerce under number 644.62.846.

This semi-annual report was authorised for issue by the Company’s Board of Directors and approved by the Supervisory Board on 24 August 2022.

## Note 2 Summary of significant accounting policies

### Basis of preparation

The condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with Alfen’s Annual Report 2021.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### Basis of measurement

The accounting policies adopted are consistent with those applied in the IFRS consolidated financial statements as at and for the year ended 31 December 2021.

## Note 3 Critical accounting estimates and judgements

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reported periods. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

## Note 4 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those applied in the IFRS consolidated financial statements as at and for the year ended 31 December 2021.

A number of new amendments to standards are effective from 1 January 2022 but they do not have a material effect on the Company’s condensed interim consolidated financial statements.

## New standards and interpretations not yet adopted

Certain new accounting standards and amendments to standards have been published that are not mandatory for reporting periods starting on or after 1 January 2022 and have not been early adopted by the Company. For none of these standards that are not yet effective it is expected that they have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

## Note 5 Segment information

### Operating segments

The Company is engaged in the business of developing, producing and selling various products, systems and services related to the electricity grid. There is a strong interrelationship between our three product groups - i.e. Smart grid solutions, EV charging equipment and Energy storage systems.

IFRS 8 requires disclosures of segment information in alignment with internal management reporting to the Chief Operating Decision Maker (‘CODM’). Alfen’s CEO is considered the CODM, who is ultimately responsible for reviewing and assessing the performance of the three separately identified product groups.

The CODM monitors the performance of the three product groups, despite the split in revenue, solely on an aggregated basis for resource allocation and overall performance measurement. All financial segment information can therefore be found in the condensed interim consolidated financial statements.



## Note 6 Revenue

The Company's operations and main revenue streams from contracts with customers are those described in Alfen's Annual Report 2021.

The Company derives the following revenues and other income per business line:

In EUR '000	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Smart grid solutions	71,149	62,500
Energy storage systems	9,391	11,496
EV charging equipment	124,989	41,349
<b>Total</b>	<b>205,529</b>	<b>115,345</b>

Smart grid solutions and Energy storage systems revenue generated by entities domiciling in the Netherlands and Belgium amounting to €68.4 and €2.9 million, respectively, is considered to be over time revenue for which the cost-to-cost method is applied by the Company. Smart grid solutions revenue generated by Alfen Elkamo - i.e. €9.2 million - as well as the Company's EV charging equipment revenue of €125 million is considered to be point-in-time revenue.

Revenue and other income by region based on the destination of products and location of projects is as follows:

In EUR '000	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
The Netherlands	102,596	72,022
Other European Union countries	86,919	41,886
Rest of Europe	15,984	1,373
Outside Europe	30	64
<b>Total</b>	<b>205,529</b>	<b>115,345</b>

## Note 7 Share-based payments

### Share award plans

#### Long-term incentive plan – Key employees

The Management Board of Alfen recognises the importance of its key employees to the future success of the Company. Therefore, on 4 October 2018, a long-term incentive plan ('LTIP Key employees') was introduced for a number of designated employees within the group of the Company.

The following grants, comprising of Ordinary Shares in the Company, have been made under this plan:

Grant date	Number of Awards Granted	Exercise price
1 January 2019	37,316	Nil
1 January 2020	38,434	Nil
1 January 2021	8,147	Nil
1 January 2022	9,747	Nil

The conditional rights to acquire existing Ordinary Shares granted will be exercisable in exchange for Ordinary Shares on the day that is four years after the grant date, on the condition that the relevant employee of Alfen continues to be employed by the Company on this date (subject to certain arrangements for exceptional circumstances, such as death of the employee). Besides the aforementioned service vesting condition no other vesting conditions are applicable for the LTIP Key employees.

#### Long-term incentive plan – Board of Directors

As part of the remuneration policy, which has been adopted by the general meeting of shareholders on 7 April 2022, a long-term incentive plan for the Board of Directors is applicable in order to increase the alignment between shareholder's interest and the interest of the Board of Directors.



The following grants, comprising of Ordinary Shares in the Company, have been made under this plan:

Grant date	Number of Awards Granted *	Exercise price
8 April 2020	13,783	Nil
29 April 2021	3,115	Nil
20 July 2021**	638	Nil
26 April 2022	4,720	Nil

\* At 100% realisation of the applicable performance conditions. The actual number of Awards that will vest can range between nil (at 0% realisation) and 27,820 (at 125% realisation).

\*\* Transferred from Key employees to Board of Directors in alignment with the appointment of Michelle Lesh (CCO) as member of the Board of Directors.

The conditional rights to acquire existing Ordinary Shares granted will be exercisable in exchange for Ordinary Shares on the day that is three years after inception of the service and performance period, subject to continued employment as a member of the Board of Directors and certain non-market based performance vesting conditions.

The service and performance period are starting on the 1st of January of the applicable financial year, in which the grant has been made. Besides the aforementioned service and performance vesting conditions there is one additional condition in place, which is an one year and a two year holding period after vesting date for grants made in 2020-2021 and 2022, respectively.

In addition, the following discretionary share-based sign-on bonus, with a grant date fair value of €74.25, was made to our CCO on 6 April 2021, which has been vested and exercised on 31 December 2021 and 1 January 2022, respectively.

Grant date	Number of Awards Granted	Exercise price
6 April 2021	825	Nil

### Summary of changes in outstanding shares

Changes in outstanding shares for the period:

In EUR '000	LTIP Key employees	LTIP Board of Directors
<b>Balance - 1 January 2021 (audited)</b>	<b>70,372</b>	<b>13,783</b>
Granted	9,610	3,115
Forfeited	(349)	—
Exercised	—	—
Expired	—	—
<b>Balance - 31 December 2021 (audited)</b>	<b>79,633</b>	<b>16,898</b>
Granted	9,747	4,720
Forfeited	(5,246)	—
Exercised	(1,225)	—
Transferred from Key employees to Board of Directors	(638)	638
Expired	—	—
<b>Balance - 30 June 2022 (unaudited)</b>	<b>82,271</b>	<b>22,256</b>

None of the outstanding shares are exercisable at 30 June 2022.

### Fair value measurement

The Company used the Black & Scholes model to determine the fair value of the share-based payments plans at grant date. The market price of the Company's Ordinary Shares for the different plans at grant date was:

Share award Plans	Grant date	Grant date fair value
Long-term Incentive Plan - Key employees	1 January 2019	€12.31
Long-term Incentive Plan - Key employees	1 January 2020	€16.44
Long-term Incentive Plan - Key employees	1 January 2021	€82.60
Long-term Incentive Plan - Key employees	1 January 2022	€88.25
Long-term Incentive Plan - Board of Directors	8 April 2020	€24.55
Long-term Incentive Plan - Board of Directors	29 April 2021	€68.75
Long-term Incentive Plan - Board of Directors**	20 July 2021	€80.25
Long-term Incentive Plan - Board of Directors	26 April 2022	€82.54

\*\* Transferred from Key employees to Board of Directors in alignment with the appointment of Michelle Lesh (CCO) as member of the Board of Directors.



The present value for expected dividend over the vesting period for all plans is nil, because the Company has currently no intention to distribute dividends in the foreseeable future in order to be able to further invest in the growth of the Company. Consequently and in conjunction with an exercise price of nil, both the expected volatility and risk-free-rate have no impact on the fair value determination at grant date.

#### Share-based payment expenses

Share-based payment expenses recognised as other operating costs in the statement of comprehensive income:

In EUR '000	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Long-term Incentive Plan - Key employees	284	197
Long-term Incentive Plan - Board of Directors	148	74
<b>Total</b>	<b>432</b>	<b>271</b>

## Note 8 Income tax expense

The tax on the Company's profit before tax differs from the statutory amount that would arise using the tax rate applicable to profits of the entity. The reconciliation of the effective tax rate is as follows:

In EUR '000	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Result from continuing operations	24,552	9,024
Total income tax	(6,511)	(3,134)
<b>Profit (loss) before income tax</b>	<b>31,063</b>	<b>12,158</b>
<b>Tax calculated based on Dutch tax rate</b>	<b>25.8%</b>	<b>25.0%</b>
<b>Tax effects of:</b>		
Adjustments for previous years	0.3%	0.0%
Effect of tax rates in other countries	0.2%	0.3%
Effect of tax incentives	(6.1%)	0.0%
Non-taxable expenses	0.5%	0.7%
Other differences	0.3%	(0.2%)
<b>Effective tax rate</b>	<b>21.0%</b>	<b>25.8%</b>
<b>Applicable tax rate</b>	<b>25.8%</b>	<b>25.0%</b>

#### Effect of tax incentives

To drive innovation, Dutch corporate income tax law provides a specific tax incentive scheme known as the Innovation Box facility. Based on this facility, qualified income associated with R&D activities is subject to an effective tax rate of 9% as compared to the Dutch statutory rate of 25.8%.

In financial year 2021, Alfen concluded an agreement with the Dutch tax authorities, in which the application of the innovation box benefit is determined in alignment with Dutch corporate income tax law. This agreement applies for the years 2019 through 2024 assuming facts and circumstances do not change.

The total tax effect of applying the innovation box is 6.1% for the first half-year of 2022.

#### Non-taxable expenses

Non-taxable expenses are mainly related to non-deductible share-based payment expenses relating to the Long-term incentive plans.



## Note 9 Borrowings

In EUR '000	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Borrowings	4,260	4,778
Factoring Alfen Elkamo	1,665	1,186
Lease liabilities	12,607	12,436
<b>Total</b>	<b>18,532</b>	<b>18,400</b>

The repayment obligations as per 30 June 2022 and 31 December 2021 are as follows:

Breakdown current (<1 year)	5,296	4,761
Borrowings	1,048	1,048
Factoring Alfen Elkamo	1,665	1,186
Lease liabilities	2,583	2,527

## Note 10 Financial instruments by category

The Company has no financial assets or liabilities measured at fair value.

At 30 June 2022 and 31 December 2021, the carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximated their fair values due to the short-term maturities of these assets and liabilities. The fair values of the long-term debt are not materially different from the carrying amounts as the interest rate risk is a floating rate plus spread where the spread equals the current market spread.

## Note 11 Related party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control, jointly control or significantly influence the Company are considered a related party. In addition, statutory and supervisory directors and close relatives are regarded as related parties.

Intercompany transactions are carried out at arm's length.

The following transactions were carried out with related parties:

- Share-based payments (Note 7);
- Remuneration of the Management Board and Supervisory Board.

## Note 12 Events after the reporting period

There are no events after the reporting period.



# Colophon

Alfen Semi-annual Report 2022  
Alfen N.V.

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## Disclaimer

This semi-annual report 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, on-going, 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 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.



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Semi-annual Report 2022