P R E S S   R E L E A S E

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Alfen reports €103.8m revenue for Q1 amidst ongoing energy transition delays

Highlights:

- **Q1 2025 revenue was €103.8m**, compared to €116.8m in Q1 2024, mainly as a result of revenue decline in EV Charging (-26.9%) and Energy Storage Systems (-8.3%).
- **Gross margin was €31.0m (29.8% of revenue)** compared to €37.4m (32.0% of revenue) in Q1 2024, driven largely by a reduction in the share of EV Charging in the revenue mix.
- **Adjusted EBITDA was €5.5m (5.3% of revenue)** compared to €9.6m in Q1 2024 (8.2% of revenue).
- **Cost control measures taken in H2 2024 reduced personnel and other operational costs by 18.2% compared to Q4 2024.**
- **Energy transition delays continue to impact our business lines:** our Smart Grid Solutions private customers are being impacted by grid congestion and our grid operator customers face labour shortages and regulatory constraints, while the softening of European CO_2 targets for automotive OEMs is delaying the acceleration of EV adoption and, consequently, EV charging demand in our segments.

- **Energy Storage Systems (ESS) performance is in line with 2025 revenue expectations and Alfen won its largest Energy Storage deal to date with Return Energy in April 2025, contributing to 2026 revenue:** the 100MW/200MWh system will be connected to the Dutch transmission grid (TenneT).
- **Alfen expects revenue to be at the lower end of the current full-year revenue guidance range of €445m-505m** and is readjusting the range to €430m-480m. As a consequence, Alfen will take further cost measures and revises its adjusted EBITDA margin guidance from high single digits to a range of 5-8%.

ALMERE, THE NETHERLANDS – Alfen N.V. (AEX: ALFEN), a specialist in energy solutions for the future, today publishes its trading update for Q1 2025.

Marco Roeleveld, CEO of Alfen, said:

"Our first-quarter results demonstrate that market conditions remain challenging, especially in EV Charging and Smart Grid Solutions. Dutch grid operators face installation and regulatory capacity constraints due to labour shortages and ongoing nitrogen-related permitting issues. We support our grid operator customers in their appeal to the Dutch government to resolve the bottlenecks faced in accelerating the resolution of grid congestion. In EV Charging, we are experiencing increased competition in the home segment, but we have strengthened our position with the launch of two new V2G-ready chargers in Q4. We do see that the cost control measures implemented in the second half of 2024 are taking effect, with an 18.2% reduction in personnel and other operating costs compared to Q4 2024. We monitor our spending closely and will implement further cost measures to ensure costs stay in line with revenue developments.

It is clear that global macroeconomic uncertainty is increasing as a result of US trade policy, and we are monitoring the situation closely. However, the impact on our upstream and downstream supply chain has been minimal as we do not export to the US and primarily source from outside of the US. We will continue to assess the situation as it develops further.

Overall, we remain confident about the sector's long-term fundamental growth prospects and Alfen's market position to reap the opportunities. Even though the acceleration of grid reinforcement in the Netherlands is slower than anticipated, grid reinforcement will continue to drive demand in the long term. In the meantime, *Alfen's Energy Storage Systems provide an immediate solution for our customers affected by grid congestion. This is especially relevant as TenneT, the Dutch TSO, has announced its intention to create 9 GW of capacity on the transmission grid outside of peak demand periods with time-bound contracts. Finally, despite the softening of CO_2 targets for automotive OEMs in March 2025, the irreversibility of the shift towards electric vehicles is reaffirmed by the European Commission's continued commitment to the 2035 zero-emissions target for new cars."*

Financial highlights

In € millions	24Q1	24Q2	24Q3	24Q4	24FY	25Q1
Revenue and other income	**116.8**	**128.9**	**106.2**	**135.7**	**487.6**	**103.8**
YoY growth	*3.0%*	*16.0%*	*-22.0%*	*-6.0%*	*-3.3%*	*-11.2%*
Gross margin	**37.4**	**33.6**	**34.7**	**33.6**	**139.4**	**31.0**
As % of revenue and other income	*32.0%*	*26.1%*	*32.7%*	*24.8%*	*28.6%*	*29.8%*
Adjusted EBITDA	**9.6**	**3.9**	**7.2**	**7.8**	**28.5**	**5.5**
As % of revenue and other income	*8.2%*	*3.0%*	*6.8%*	*5.7%*	*5.8%*	*5.3%*

Gross margin, adjusted EBITDA and cash flow

Gross margin in Q1 2025 was 29.8%, compared to 32.0% in Q1 2024. The reduction in gross margin was largely due to the lower share of EV Charging in the overall revenue mix. The adjusted EBITDA margin was 5.3% (€5.5m) of revenue in Q1 2025, compared to 8.2% (€9.6m) of revenue in Q1 2024. This decline can be attributed to three factors:

- the deleverage effect resulting from lower revenue,
- the shift in the revenue mix from EV Charging, which has a relatively high gross margin, towards Smart Grid Solutions, which has a relatively lower margin,
- price pressure in the EV Charging home segment.

The cost control measures implemented in H2 2024 are taking effect. Personnel and other operating costs reduced by 18.2%, from €32.6m in Q4 2024 to €26.7m in Q1 2025. Alfen generated a positive cash flow of €0.2m in Q1 2025.

Business line review

In the **Smart Grid Solutions** business line, Q1 revenue was €54.3m (-1.1% from €54.9m in Q1 2024), showing a nearly flat revenue development compared to Q1 2024. The decline in revenue is attributable to lower revenue from private customers, for whom grid congestion continues to hamper demand. Furthermore, the expected growth driven by grid operators will not materialise in 2025 as two of the three main Dutch grid operators have decided to downscale their order quantities for 2025 compared to the previously communicated volumes. This will reduce our expected volume from Dutch grid operators, impacting our SGS revenue outlook. The primary reason is that, due to labour shortages, it is proving more challenging for grid operators to upscale installation capacity than previously anticipated. In addition, the stricter interpretation of the nitrogen emission regulations by the Dutch government is resulting in longer lead times to obtain project permits, which are necessary to strengthen the electricity grid with new transformer substations. This stricter interpretation of the rules is a cross-sectoral measure taken by the Dutch government to reduce the environmental impact of nitrogen emissions.

The revenue share from grid operators in the first quarter was 71%, with 29% coming from the private sector. During Q1 2025, Alfen produced approximately 935 substations, representing a 2.3% increase compared with Q1 2024 when approximately 914 substations were produced. Of these 935 substations, 170 were produced in Finland and 765 in the Netherlands.

Gross margin was 23.9% in Q1 2025, compared to 27.8% in Q1 2024. This is in line with our expected gross margin range of 20-30%.

For the remainder of 2025, growth expectations for Smart Grid Solutions have been revised downwards. The projected revenue development range has been amended from between 5% and 10% growth to a decline of between 0% and 5%. This is due to the above-mentioned installation and regulatory constraints currently being experienced by grid operators.

In the **EV Charging** business line, Q1 revenue was €28.8m (-26.9% from €39.3m in Q1 2024). This revenue decline was primarily caused by increasing competition in the home segment. This, together with a temporary dip in charge point deliveries in the public segment, explains the decline in EV Charging revenue compared to Q1 2024. It is expected that public segment charge point deliveries will return to normal levels in the following quarters.

In this quarter, approximately 68.4% of revenue was generated outside the Netherlands. Alfen sold most EV charge points in the Netherlands, followed by Belgium and Germany. Alfen produced approximately 28,360 charge points, a decline of 35.3% from Q1 2024 when approximately 43,800 charge points were produced.

Gross margin was 39.0% in Q1 2025, compared to 41.8% in Q1 2024, which is in line with our expected margin range of 35-45%.

With the EU's decision to soften the CO_2 targets for automotive OEMs by allowing them to average performance between 2025 and 2027, instead of meeting targets this year, EV market growth is expected to cool down for the rest of 2025 compared to the first quarter of the year. As a result of these softened targets, we expect car OEMs to put less focus on the sales of their EV models on the short term. Given this outlook, together with increasing competition in the home segment, Alfen is adjusting the expected revenue decline range for EV Charging from a 0% and 10% decline to a decline of between 10% and 15%.

Alfen expects to see the benefits of its strengthened sales strategy and execution later in the year. Furthermore, Alfen will be extending its product offering with the release of the new, highly competitive Eve Double Plus and Eve Single Plus chargers in the fourth quarter. These chargers are equipped to enable interoperable vehicle-to-grid (V2G) charging, allowing them to support bidirectional charging applications.

In the **Energy Storage Systems** business line, Q1 revenue was €20.7m (-8.3% from €22.6m in Q1 2024) which is in line with expectations. The revenue decline is as expected and is explained by the 40% price decline for battery systems during 2024, which is now impacting revenue. Gross margin was 32.5% in Q1 2025, compared to 25.3% in Q1 2024, which is above our expected margin range of 15-25%. This higher margin can be attributed to one-off effects as certain project contingencies were released as these projects approached completion. Looking ahead to the rest of the year, Alfen will be undertaking more large-scale projects, which will lead to gross margins moving closer to the expected margin range.

At the end of Q1, the Energy Storage Systems backlog for the remainder of 2025 was €86m, which means that all orders required to achieve the 2025 ESS revenue outlook have been secured. As such, Alfen is amending its guidance range for revenue development from a decline of between 5% and 15% to a lower-than-expected decline of between 0% and 10%. The backlog for 2026 revenue was €23m at the end of Q1

2025. Furthermore, as announced recently, a 200MWh/100MW battery storage project was secured in April, contributing to revenue in 2026. This is the second largest battery energy storage project in The Netherlands. The precise timing of the conversion of the 2025 and 2026 backlogs into revenue is dependent on the execution of projects according to schedule.

Outlook

Taking the above-mentioned business line expectations into account, Alfen expects revenues to be at the lower end of the current full-year revenue guidance range of €445-505m and is readjusting the range to €430-480m. Following the adjusted revenue guidance, Alfen is revising its adjusted EBITDA margin guidance from high single digits to a range of 5-8%. However, CAPEX guidance remains at below 4% of revenue. Revenue is expected to be backloaded in 2025 with a stronger H2 than H1 and a stronger Q2 than Q1. Alfen monitors spending closely and will take further cost measures to ensure costs stay in line with revenue developments.

Webcast

Alfen will host a webcast at 9:00 CEST tomorrow morning to comment on the 2025 Q1 trading update. Please see alfen.com/investor-relations for details on how to participate.

Financial calendar

HY 2025 results:	*20 August 2025*
Q3 2025 trading update:	*4 November 2025*

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 more than 85 years of expertise in the electricity grid, Alfen has a unique combination of energy solutions. Alfen designs, develops and produces smart grids, energy storage systems and electric vehicle charging equipment, and it combines these products into integrated solutions to address its customers' electricity challenges. Alfen has a market-leading position in the Netherlands and beyond and benefits from its first mover advantage. For further information see Alfen's website at: https://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 terms such as guidance, expects, aims, step up, announced, continued, incremental, on track, accelerating, ongoing, innovation, drives, growth, optimising, new, to develop, further, strengthening, implementing, well positioned, roll-out, expanding, improve, 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, adjusted EBITDA margin and free cash flow guidance is based on management estimates resulting from Alfen's pursuit of its strategy. Alfen can provide no assurances that the guidance will be realised and the actual results for 2025 could differ materially. The guidance 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 orders and projects, which may materially differ from the success rates for any future orders and 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. A more comprehensive discussion of the risk factors affecting Alfen's business as well as reconciliation of EBITDA with adjusted EBITDA can be found in Alfen's annual report 2024, which can be found on Alfen's website www.alfen.com.