

Alfen

Semi-annual Report 2025

Enabling the
energy transition

ALFEN N.V.





Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 30 June 2025

Alfen N.V.
Amsterdam, the Netherlands

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Report from the Management Board

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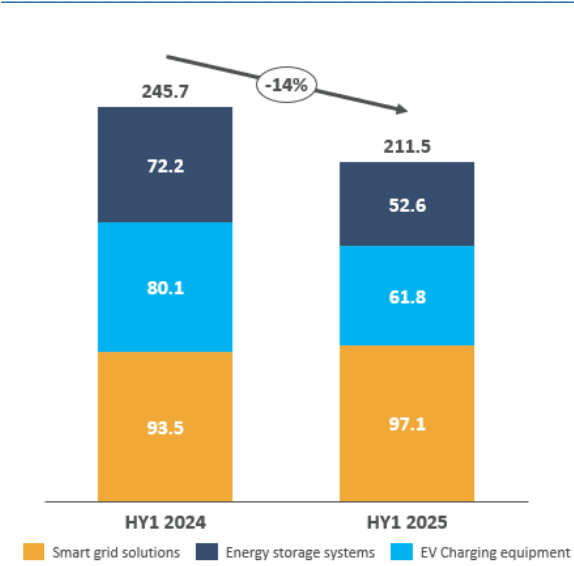
This semi-annual report of Alfen N.V. (hereafter “Alfen” or “the Company”) for the six months ended 30 June 2025 consists of the semi-annual report of the Management Board of the Company, including the responsibility statement by the Management Board, and the Condensed Interim Consolidated Financial 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 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 2025, 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 decreased by 14% to €211.5 million in the first half-year of 2025 from €245.7 million in the first half-year of 2024.

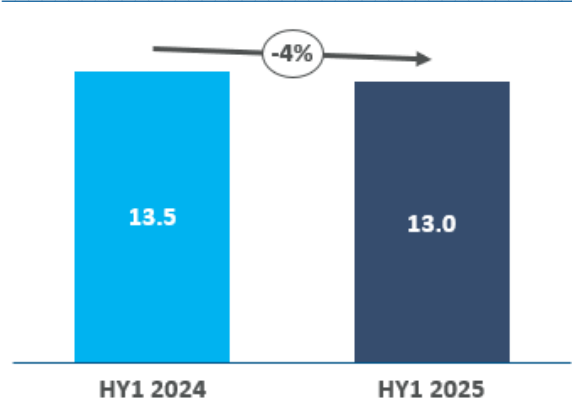
Revenue for EV Charging in H1 2025 decreased by 23% from €80.1m in H1 2024 to €61.8m. A total of 61,254 charge points were produced in H1 2025, which is a 23.7% decrease compared to H1 2024. In the first half of the year, Alfen generated 65% of its EV Charging equipment revenue from outside the Netherlands. Belgium and Germany were the next largest markets, respectively. The lower revenue is attributable to increased competition in the EV Charging home segment. Furthermore, the Belgian market faced headwinds due to the discontinuation of both the PHEV incentive and the charge point subsidy.

Revenue in H1 2025 for Smart Grid Solutions was €97.1m, which is an increase of 4% compared to H1 2024 revenue of €93.5m. Please note that our H1 2024 revenue was impacted by a temporary production stoppage related to the moisture issue.

Furthermore, our Dutch grid operator clients are experiencing labour shortages and regulatory constraints, which have led them to scale down their order quantities. 65% of revenue in H1 2025 was generated by our grid operator clients, with 35% coming from our private clients. As mentioned before, the commercial domain is affected by on-going grid congestion, which is hampering fast charging deployments, as well as softness in the renewables segment. Alfen produced 1,628 substations in H1 2025, of which 1,273 were produced in the Netherlands and 355 in Finland. In H1 2024, Alfen produced a total of 1,548 substations.

Revenue in H1 for Energy Storage was €52.6m, which is 27% lower than the €72.2m recorded in H1 2024. This revenue is in line with expectations, as Q2 2024 showed an unusually high revenue (€49.6m) due to the simultaneous delivery of materials on site for several projects, leading to higher revenue recognition. Although the 40% price decline for battery systems during 2024 is impacting Alfen's revenue this year, it has a limited impact on our total revenue due to our higher sales volumes in terms of kWh delivered.

Adjusted EBITDA
(in EUR million)



Gross margin, EBITDA and net profit (loss)

Gross margin increased from 22.3% in H1 2024 to 29.1% in H1 2025. This was mainly due to significant one-off items in H1 2024 relating to a warranty provision to cover the potential impact of the substation moisture issue within our Smart Grid Solutions business line. By contrast, H1 2025 was significantly less impacted by such costs. Adjusted gross margin stands at 30.0% compared to 28.9% for H1 2024.

EV Charging Equipment gross margin stands at 41.3% (H1 2024: 33.9%), and was mainly impacted by the additional, albeit lower, provision for obsolete inventory of €1.8m in H1 2025 (for more details refer to Note 9). This is compared to the provision of €3.6m in H1 2024. The provision in H1 2025 is the result of lower than anticipated sales run rates in conjunction with additional clarity on Alternative Fuel Infrastructure Regulation (AFIR) timelines. In H1 2025, the European Commission published the timelines for AFIR, announcing this regulation will come into effect on 8 January 2026. As such, we expect a faster phase-out of certain components compared to last year, even though the components are currently still used in Alfen's products. Adjusted for this one-off effect, the adjusted gross margin increased from 38.4% in H1 2024 to 44.1% in H1 2025. This margin increase compared to H1 2024 is mainly attributable to component cost-saving effects, as pricing and the product mix remained relatively stable. Margins for the rest of the year are expected to normalise again, as the ongoing sales campaign is likely to put pressure on the margin.

Gross margin for Smart Grid Solutions increased from 13.1% in H1 2024 to 22.4% in H1 2025. Gross margin in H1 2024 was severely impacted by the moisture issue provision, which amounted to €12.5 million (for more details refer to Note 11). This provision was recognised to cover the expected future outflow relating to this issue. In H1 2025, the underlying assumptions were reviewed and are still considered to represent the best estimate. As

such, no moisture related one-off costs were incurred in the H1 2025 gross margin.

Adjusted for one-off costs, the gross margin for Smart Grid Solutions decreased from 26.5% in H1 2024 to 22.4% in H1 2025. This decline in adjusted gross margin is primarily due to increased component costs in response to the moisture issue and a relative higher share of revenue coming from grid companies versus private customers in H1 2025 compared to H1 2024.

Gross margin for Energy Storage Systems stands at 27.4% (H1 2024: 21.6%), which is above the expected margin range of between 15% and 25%. This is mainly driven by the unusually high margin of 32.5% in Q1, which was caused by certain project contingencies being released as projects approached completion. Adjusted gross margin for Energy Storage for both H1 2025 and H1 2024 are equal to the gross margin.

Personnel costs decreased by 10% to €38.4 million compared with €42.6 million in H1 2024, as a result of the organisational right-sizing program that was initiated at the end of 2024. The number of FTEs decreased from 1,053 FTEs at 31 December 2024 to 946 FTEs at 30 June 2025.

Other operating costs decreased by 18% to €13.1 million compared with €16.0 million in H1 2024 driven by our cost saving initiatives.

EBITDA increased from a €3.8 million loss in H1 2024 to a €9.6 million profit in H1 2025.

EBITDA adjustments in the H1 2025 amounted to €3.4 million (versus €17.3 million in H1 2024) and comprised of the provision for obsolete EV charging component of €1.8 million. In addition, EBITDA has been adjusted for restructuring expenses (€0.6 million), externally hired quality control experts related to the moisture issue (€0.1 million), expenses related to the transformation of our R&D department (€0.6 million) and share-based payment expenses (€0.4 million) associated with the Long-Term Incentive Plans (see Note 7).

Adjusted EBITDA amounted to €13.0 million, a decrease of 3.8% versus €13.5 million in H1 2024.

Net loss of €11.1m in H1 2024 decreased to a loss of €1.3m in H1 2025. Adjusted for one-off costs and special items after tax, net profit amounted to €1.4m (versus €1.9m in H1 2024).

The summary below reconciles the adjustments in gross margin, personnel expenses and other operating costs to EBITDA and net profit.

	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
	(in EUR millions)		(as % of Revenue)	
Gross margin	61.6	54.9	29.1 %	22.3 %
Provision for moisture	—	12.5		
Obsolete inventory EV charging components	1.8	3.6		
Adjusted gross margin	63.4	71.0	30.0 %	28.9 %
Personnel expenses	(38.4)	(42.6)	18.2 %	17.3 %
Restructuring	0.6	0.9		
Moisture external quality control costs	0.1	—		
Adjusted Personnel expenses	(37.8)	(41.7)	17.9 %	17.0 %
Other Operating costs	(13.1)	(16.0)	6.2 %	6.5 %
R&D Transformation	0.6	—		
Share-based payment expenses	0.4	0.3		
Adjusted Other Operating costs	(12.1)	(15.7)	5.7 %	6.4 %
EBITDA	9.6	(3.8)	4.5 %	(1.6)%
Aggregated one-off costs and specials	3.4	17.3		
Adjusted EBITDA	13.0	13.5	6.1 %	5.5 %
Net profit / (loss)	(1.3)	(11.1)	(0.6)%	(4.5)%
Aggregated one-off costs and specials within EBITDA	3.4	17.3		
Tax effect one-off costs and special items	(0.8)	(4.4)		
Adjusted Net profit / (loss)	1.4	1.9	0.6 %	0.8 %

Finance income and costs decreased from €2.7 million in H1 2024 to €1.9 million H1 2025, mainly driven by a positive cash balance in 2025 with less interest costs payable to the bank as a result.

The effective tax rate decreased from 25.3% in H1 2024 to 15.7% in H1 2025 as the impact of non-taxable expenses and the effect of tax rates in foreign countries are relatively high in relation to the loss realised in H1 2025 (for more details refer to Note 8).

Finance and investments

Net debt position at 30 June 2025 amounted to €31.8 million, compared to a net debt position of €32.7 million at 31 December 2024.

The decrease in net debt is mainly caused by regular redemptions on borrowings and lease liabilities. Our overall cash position remained stable with a cash balance of €17.3 million at 30 June 2025 compared to €17.1 million at 31 December 2024.

Working capital decreased with €2.3 million to €89.7 million at 30 June 2025 as compared to €92.0 million at 31 December 2024. This decrease has several levers as shown below, but is in essence primarily driven by the reduction in inventories.

(in EUR '000)	30 June 2025 (Unaudited)	31 December 2024 (Audited)	Working Capital Movements
Inventories	86.7	101.5	(14.8)
Trade and other receivables	119.9	128.9	(9.0)
- of which: Amounts due from customers for contract work - mainly ESS	24.0	22.4	1.6
Current tax receivables	4.1	4.0	0.1
Trade and other payables	(121.0)	(142.3)	21.3
- of which: Amounts due to customers for contract work - mainly ESS	(47.8)	(46.7)	(1.1)
Current tax liabilities	—	(0.1)	0.1
Net working capital	89.7	92.0	(2.3)

As shown above, we were again able to bring down our overall stock levels and strategic stock down payments (presented under Trade and other receivables) in the first half-year of 2025 as shown below:

(in EUR '000)	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Inventory - On hand	86.7	101.5	121.9
Inventory - Down payments	17.4	12.4	21.9
Total Inventory, including down payments	104.1	113.9	143.8

Solvency (equity divided by total assets) stood at 44.7% at the end of June 2025 compared to 42.0% at the end of December 2024.

Capital expenditure (CapEx) amounted to €6.3 million as compared to €15.6 million in the same period of 2024.

CapEx in H1 2025 mainly includes capitalised development costs €4.8m (versus €5.4m in H1 2024), followed by investments in the Alfen Academy, moulds for our Smart Grids business line and sprinklers for our production location at Damsluisweg 70.

Related party transactions

Transactions with the most important related parties are disclosed in Note 13 of the condensed interim consolidated financial statements.

Principle risks and uncertainties

In our Annual Report 2024, 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 2025 are unchanged compared to the risks that were presented in our Annual Report 2024.

Investments

We have taken a balanced approach between improving profitability and having the right resources and capabilities to capture growth when the markets bounce back. CAPEX investments divided by revenue is at 3.0% for the first half year of 2025, which is in line with the outlook for 2025.

Other developments

On 12 March 2025, we published that Michelle Lesh, CCO at Alfen, has decided to step down as per the 31st of March 2025 and that the Management Board will be formed by the two statutory directors Marco Roeleveld, CEO and Onno Krap, CFO.

On 1 July 2025, we announced that CEO Marco Roeleveld has notified the Supervisory Board of his intention to retire early and transition out of his role by the end of the year. His successor, Michael Colijn, as CEO and chairman of the Management Board, will start 1 October 2025.

Outlook

Looking ahead towards the end of 2025, we reiterate our guidance as communicated at the end of Q1. We expect a 2025 revenue of between €430m and €480m, an adjusted EBITDA margin of between 5% and 8% and CAPEX remaining below 4% of revenue.

H1 2025 continued to present challenging market conditions. Alfen expects these challenging market conditions, with competitive pressure in EV Charging, labour shortages and permitting delays for grid operators, and price declines (€/MWh) for battery systems, to carry over into 2026. Therefore, Alfen adjusts its 2026 revenue ambition from between 5% and 10% year-on-year growth to between 0% and 5% revenue growth. This also impacts adjusted EBITDA margin, which Alfen expects to be between 5% and 8% of revenue in 2026. Alfen will continue to focus on margins by driving continued improvements in costs and pricing.

Visibility beyond 2026 in each of the markets is limited due to uncertainties across the board. EV Charging will be active in a dynamic regulatory environment, Energy Storage Systems will adjust to rapidly changing battery technology and increasing project size and Smart Grid Solutions will be constrained or accelerated by the non-linear resolution of grid congestion. In the longer term, the fundamentals of the energy transition

are positive, driven by the continued adoption of renewables, the need to decarbonise and the need for energy security.

Almere, 20 August 2025
Management Board

Marco Roeleveld (CEO)
Onno Krap (CFO)

Condensed interim consolidated financial statements for the six months ended 30 June 2025



Condensed Interim Consolidated Statement of Comprehensive Income

In EUR '000	Note	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Continuing operations			
Revenue	6	211,518	245,732
		211,518	245,732
Operating expenses			
Costs of raw materials and consumables		(134,212)	(173,702)
Costs of outsourced work and other external costs		(15,696)	(17,112)
Personnel expenses		(38,445)	(42,620)
Amortisation and impairment on intangible assets		(2,256)	(2,463)
Depreciation and impairment on property, plant and equipment		(6,925)	(5,852)
Impairment loss on trade receivables and contract assets		(525)	(123)
Other operating costs	7	(13,075)	(15,999)
		(211,134)	(257,872)
Operating profit (loss)		384	(12,140)
Finance income		1	2
Finance costs		(1,932)	(2,683)
Finance income (costs) - net		(1,931)	(2,681)
Profit (loss) before income tax		(1,547)	(14,821)
Income tax benefit (expense)	8	244	3,756
Profit (loss) for the period		(1,303)	(11,065)
Other comprehensive income for the period		—	—
Total comprehensive income (expense) for the period		(1,303)	(11,065)
Total comprehensive income (expense) for the period (attributable to the owners of the Company)		(1,303)	(11,065)
Earnings per share for profit attributable to the ordinary equity holders			
Basic earnings per share		(0.06)	(0.51)
Diluted earnings per share		(0.06)	(0.51)
Weighted average number of outstanding ordinary shares			
Basic		21,621,870	21,718,170
Diluted		21,635,109	21,752,053

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 2025 (unaudited)	31 December 2024 (audited)
Assets			
Non-current assets			
Property, plant and equipment		80,680	83,980
Intangible assets and goodwill		29,671	26,923
Deferred tax assets		—	—
Other financial assets		336	386
Total non-current assets		110,687	111,289
Current assets			
Inventories	9	86,651	101,533
Trade and other receivables		119,939	128,852
Current tax receivables	8	4,104	4,008
Cash and cash equivalents		17,327	17,068
Total current assets		228,021	251,461
Total assets		338,708	362,750
Group equity			
Share capital		2,175	2,175
Share premium		48,078	48,116
Retained earnings	7	102,382	128,958
Result for the year		(1,303)	(27,014)
Total group equity		151,332	152,235
Liabilities			
Non-current liabilities			
Borrowings	10	39,944	42,031
Deferred tax liabilities		668	802
Provisions	11	16,527	17,588
Total non-current liabilities		57,139	60,421
Current liabilities			
Trade and other payables		121,023	142,265
Current tax liabilities	8	45	111
Bank overdrafts		—	—
Borrowings	10	9,170	7,718
Total current liabilities		130,238	150,094
Total liabilities		187,377	210,515
Total equity and liabilities		338,708	362,750

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
Balance - 1 January 2024 (audited)		2,175	48,943	98,811	29,684	179,613
Profit (loss) for the period		—	—	—	(27,014)	(27,014)
Other comprehensive income (loss)		—	—	—	—	—
Total comprehensive income (loss) for the period		—	—	—	(27,014)	(27,014)
Transactions with owners in their capacity as owners						
Issuance of ordinary shares, net of tax		—	—	—	—	—
Purchase of treasury shares, net of tax		—	(827)	—	—	(827)
Share-based payment transactions	7	—	—	463	—	463
Dividend		—	—	—	—	—
Allocation of profit (loss)		—	—	29,684	(29,684)	—
Balance - 31 December 2024 (audited)		2,175	48,116	128,958	(27,014)	152,235
Profit (loss) for the period		—	—	—	(1,303)	(1,303)
Other comprehensive income (loss)		—	—	—	—	—
Total comprehensive income (loss) for the period		—	—	—	(1,303)	(1,303)
Transactions with owners in their capacity as owners						
Issuance of ordinary shares, net of tax		—	—	—	—	—
Purchase of treasury shares, net of tax		—	(38)	—	—	(38)
Share-based payment transactions	7	—	—	438	—	438
Dividend		—	—	—	—	—
Allocation of profit (loss)		—	—	(27,014)	27,014	—
Balance - 30 June 2025 (unaudited)		2,175	48,078	102,382	(1,303)	151,332

* The outstanding ordinary shares of 21,750,000 includes 7,019 treasury shares as per 30 June 2025 (31 December 2024: 11,159)

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 2025 (unaudited)	30 June 2024 (unaudited)
Cash flows from operating activities			
Operating profit		384	(12,140)
<i>Adjustments for:</i>			
- Depreciation, amortisation and impairment expenses		9,181	8,315
- Change in provision		(1,061)	11,391
- Change in other financial assets		50	(65)
- Share-based payment expenses	7	438	340
<i>Changes in operating assets and liabilities:</i>			
- (Increase)/decrease inventories	9	14,882	28,881
- (Increase)/decrease contract balances		(541)	(17,039)
- (Increase)/decrease trade and other receivables		10,583	8,796
- Increase/(decrease) trade and other payables		(21,801)	(17,661)
Cash generated from operations		12,115	10,818
Income taxes (paid)/ received		(35)	(7,305)
Interest (paid)		(1,330)	(1,934)
Interest received		1	2
Net cash inflow/ (outflow) from operating activities		10,751	1,582
Cash flows from investing activities			
Payment for property, plant and equipment		(1,522)	(10,117)
Payment for intangible assets		(4,795)	(5,434)
Repayment (issued) loans		—	25,717
Net cash inflow/ (outflow) from investing activities		(6,317)	10,166
Cash flows from financing activities			
Proceeds from issuance of shares		—	—
Purchase of treasury shares		(47)	(1,068)
Proceeds from borrowings	10	904	755
Repayments of borrowings	10	(5,032)	(29,724)
Dividends paid to company's shareholders		—	—
Net cash inflow/ (outflow) from financing activities		(4,175)	(30,037)
Net increase/ (decrease) in cash and cash equivalents		259	(18,289)
Cash and cash equivalents at the beginning of the half-year		17,068	(4,329)
Cash and cash equivalents at the end of the half-year		17,327	(22,618)

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, EV charging equipment and Energy storage systems.

Alfen’s main geographic focus is the Netherlands, followed by Germany, Belgium, Finland, France and the rest of Europe.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 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 79, 1332 AM, 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 Management Board and approved by the Supervisory Board on 20 August 2025.

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 2025 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 2024.

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 2024.

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 2024.

A number of new amendments to standards are effective from 1 January 2025 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 2025 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 and gross margin, 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 2024.

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

In EUR '000	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Smart grid solutions	97,109	93,477
Energy storage systems	52,610	72,204
EV charging equipment	61,799	80,051
Total	211,518	245,732

Smart grid solutions and Energy storage systems revenue generated by entities domiciling in the Netherlands and Belgium amounting to €135.0 and €2.8 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. €12.2 million - as well as the Company's EV charging equipment revenue of €61.8 million is considered to be point-in-time revenue.

Overall gross margin for the group amounted to 29.1% compared to 22.3% for the first half-year of 2024. Smart grid solutions contributed to this with a gross margin of 22.4% (H1 2024: 13.1%), Energy storage systems with 27.4% (H1 2024: 21.6%) and EV charging equipment with 41.3% (H1 2024: 33.9%).

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

In EUR '000	30 June 2025 (unaudited)	30 June 2024 (unaudited)
The Netherlands	127,139	123,489
Other European Union countries	81,448	117,510
Rest of Europe	2,923	4,440
Outside Europe	8	293
Total	211,518	245,732

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

Grant date	Number of Awards Granted	Exercise price
1 January 2022	9,747	Nil
1 January 2023	14,806	Nil
1 January 2024	17,189	Nil
1 January 2025	54,861	Nil

The conditional rights to receive 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 and ExCom members

As part of the remuneration policy adopted by the general meeting of shareholders on 7 April 2022, which has been subsequently amended and adopted by the general meeting of shareholders on 9 April 2024, a long-term incentive plan for the Management Board as well as ExCom members is applicable in order to increase the alignment with shareholder's interest.

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

Grant date	Number of Awards Granted *	Exercise price
25 April 2023	5,310	Nil
14 May 2024	13,882	Nil
28 June 2024	9,010	Nil
12 May 2025	72,111	Nil
17 June 2025	53,568	Nil

* At 100% realisation of the applicable performance conditions. The actual number of Awards that will vest can range between nil (at 0% realisation) up to 6,638 (at 125% realisation) and 222,857 (at 150% realisation) for grants made in 2023, and 2024-2025, respectively.

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 Management Board 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 a two year holding period after vesting date.

Summary of changes in outstanding shares

Changes in outstanding shares for the period:

	LTIP Key employees	LTIP Board of Directors
Balance – 1 January 2024 (audited)	58,299	13,023
Granted	17,189	22,892
Performance adjustment	—	(964)
Forfeited	(12,645)	(1,375)
Exercised	(33,098)	(4,893)
Expired	—	—
Balance – 31 December 2024 (audited)	29,745	28,683
Granted	54,861	125,679
Forfeited	(1,058)	(7,481)
Exercised	(5,614)	(2,217)
Expired	—	—
Balance – 30 June 2025 (unaudited)	77,934	144,664

None of the outstanding shares are exercisable at 30 June 2025.

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 2022	€88.25
Long-term Incentive Plan - Key employees	1 January 2023	€84.20
Long-term Incentive Plan - Key employees	1 January 2024	€60.28
Long-term Incentive Plan - Key employees	1 January 2025	€12.03
Long-term Incentive Plan - Board of Directors	25 April 2023	€74.70
Long-term Incentive Plan - Board of Directors and ExCom	14 May 2024	€42.72
Long-term Incentive Plan - Board of Directors and ExCom	28 June 2024	€17.26
Long-term Incentive Plan - Board of Directors and ExCom	12 May 2025	€16.82
Long-term Incentive Plan - Board of Directors and ExCom	17 June 2025	€10.53

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 2025 (unaudited)	30 June 2024 (unaudited)
Long-term Incentive Plan - Key employees	254	57
Long-term Incentive Plan - Board of Directors and ExCom	184	283
Total	438	340

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 2025 (unaudited)	30 June 2024 (unaudited)
Result from continuing operations	(1,303)	(11,065)
Total income tax	244	3,756
Profit (loss) before income tax	(1,547)	(14,821)
Tax calculated based on Dutch tax rate	25.8%	25.8%
Tax effects of:		
- adjustments for previous years	0.0%	0.0%
- effect of tax rates in other countries	(2.8%)	0.2%
- effect of tax incentives	0.0%	0.0%
- non-taxable expenses	(9.4%)	(0.9%)
- other differences	2.1%	0.2%
Effective tax rate	15.7%	25.3%
Applicable tax rate	25.8%	25.8%

The decrease of the effective tax rate is caused by the minimal taxable loss of H1 2025. This results in a higher impact of non-taxable expenses and tax rates in other countries on the overall effective tax rate percentage.

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 applied for the years 2019-2024 assuming facts and circumstances do not change.

In December 2024, Alfen reached an agreement with the Dutch tax authorities to extend the existing innovation box ruling with 5 years for the period 2025-2029.

The total tax effect of applying the innovation box is 0% for the first half-year of 2025 as a result of the (taxable) loss realised.

Non-taxable expenses

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

Current tax receivable / liability

The current tax receivable is completely related to the carry-back principle of the (taxable) loss realised in 2024.

The current tax liability at 30 June 2025 is related to Alfen Belgium BV and Alfen Elkamo Oy Ab.

Note 9 Inventories

In 2024, a one-off provision for obsolete inventory of €6.5 million, of which €3.6 million in H1 2024, has been recognised, based on a thorough analysis of all inventories combined with the most actual sales run rates.

At 30 June 2025, an update of this analysis was performed in light of the in 2025 published and amended Alternative Fuel Infrastructure Regulation (AFIR), with an effective date of 8 January 2026. As a consequence, Alfen took an additional provision of €1.8 million on obsolete inventory for EV Charging components. Although these specific components are still used in Alfen's products, we expect an accelerated phase-out of certain components due to AFIR.

Note 10 Borrowings

In EUR '000	30 June 2025 (unaudited)	31 December 2024 (audited)
Borrowings	7,456	8,653
Factoring Alfen Elkamo	2,195	1,291
Lease liabilities	39,463	39,805
Total	49,114	49,749

The repayment obligations as per 30 June 2025 and 31 December 2024 are as follows:

Breakdown current (< 1 year)	9,170	7,718
Borrowings	2,147	2,273
Factoring Alfen Elkamo	2,195	1,291
Lease liabilities	4,828	4,154

Alfen N.V. holds a group credit facility agreement for all entities located in the Netherlands that among mortgage loans for own buildings, consists of a committed revolving credit facility up to €100 million, which was not used at 30 June 2025 and a separate committed facility of €80 million for bank guarantees, which was used for an amount of €28.3 million at 30 June 2025.

Financial covenant

The CAPEX-facility for land and buildings on the Damsluisweg 70 and the committed revolving credit facility are both subjected to a Net Debt to Adjusted EBITDA Ratio that shall not exceed 3.00:1.00. This covenant was met at 30 June 2025.

**Note
11** **Provisions**

In 2024, a warranty provision was recognised for the moisture issue in our Smart Grid Solutions business line. The provision has been reviewed at the end of this reporting period. The estimates and assumptions used for calculating the provision per 31 December 2024 still represent the best estimate of the expenditures required to settle the provision. The usage of this provision in the first half-year of 2025 was €0.7 million.

The restructuring provision that was recognised in 2024 for €3.7 million has been almost completely utilised in 2025. At 30 June 2025 an amount of €0.4 million remains outstanding.

**Note
12** **Financial instruments by
category**

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

At 30 June 2025 and 31 December 2024, 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
13** **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
14** **Events after the reporting
period**

Subsequent events were evaluated up to 20 August 2025, which is the date the condensed interim consolidated financial statements were approved.

Colophon

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Disclaimer

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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 2025 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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