

FASTNED

Annual Report 2017



Our annual report 2017

Our annual report and accounts 2017 is divided in two parts:

Part one - our Strategic Report

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The Strategic Report contains information about us, how we create value and how we run our business. It includes our strategy, business model and market information, as well as our approach to governance and risk.

Part two - our Financial Report

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The Financial Report contains our Financial Statements and Notes.

Online

You can find more information about Fastned online at fastnedcharging.com

Part one - our Strategic Report

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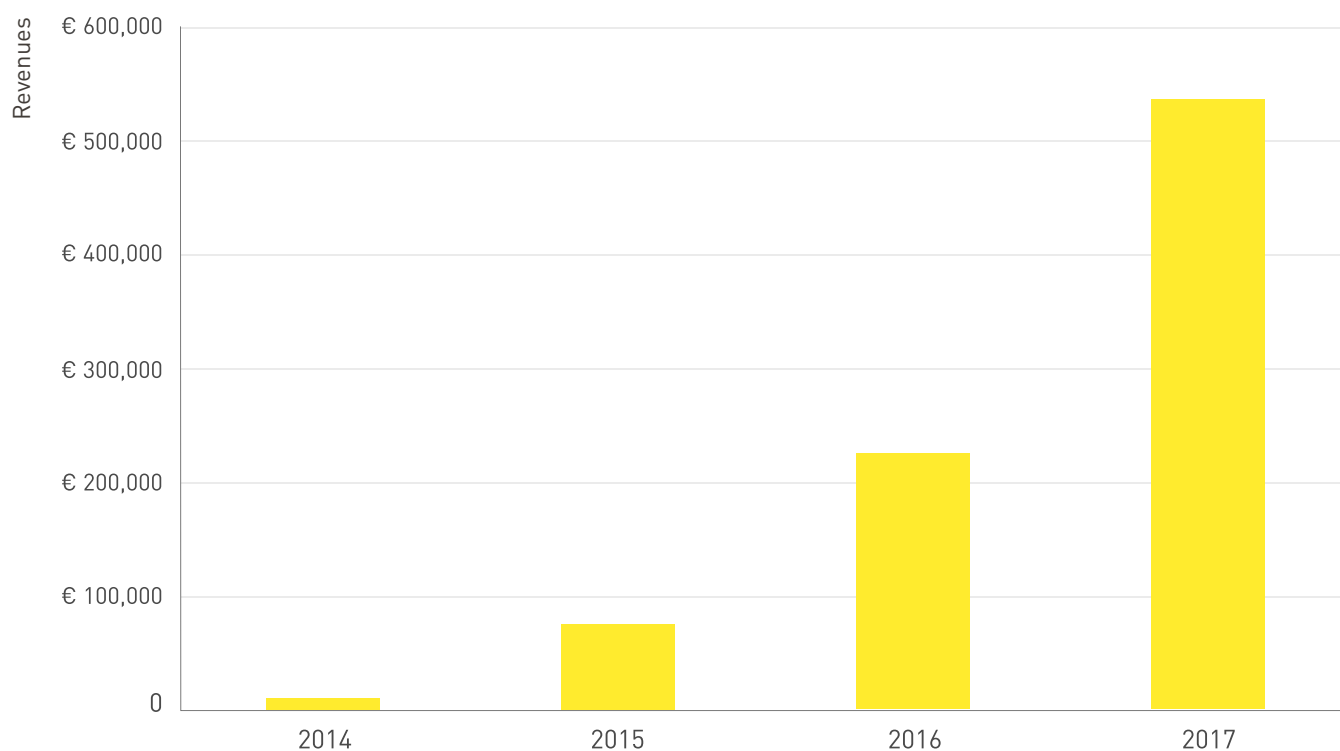
Fastned network

As of March 2018



Key figures

	2014 FY	2015 FY	2016 FY	2017 FY
Acquired locations ¹	109	149	166	195
Municipality permits	56	82	99	114
Grid connections	31	59	73	93
Number of stations operational	19	50	57	63
Number of Fastned employees	19	24	21	24
Active Customers ²	535	1,654	3,177	6,279
kWh delivered	37,596	128,791	460,783	1,006,126
Revenues (EUR)	9,197	75,889	227,613	530,667



¹ Acquired locations are locations for which either a WBR permit is issued or a land lease is signed

² Defined as: charged at least once in the last quarter of 2017



Directors report

Fastned is looking back at another year of strong growth. In 2017 revenues grew by 133%, volume (kWh) grew with 118%, and the number of active customers grew with 98%. The full year volume delivered to customers was 1,006 MWh, resulting in full year revenues of € 530,667. The number of active customers increased to 6,279 at the end of 2017. Six new stations were added in 2017. Growth was primarily driven by rapidly increasing numbers of new customers and more kWh sold to existing customers at our stations. This resulted in more and bigger (more kWh) charging sessions per station. The autonomous growth is evidence of our increasing relevance to FEV³ drivers attracted by our nationwide network coverage, reliable service and transparent, and attractive pricing. In 2017, the number of FEVs on the Dutch roads increased from 13,105 to 21,115, growing 61% year-on-year. Fastned is growing faster than the market and is on track to become a standard part of the routine for more and more FEV drivers.

Network development

- Fastned finalised the design of a new, even better looking fast charging station. This station is modular and optimised for the new generation 175 kW fast chargers.
- Fastned secured long term land leases for 20 locations in Germany.
- Fastned was awarded a subsidy of a maximum of 4.1 million euro by State Secretary Rainer Bomba of the German Federal Ministry of Transport and Digital Infrastructure.
- Fastned passed the selection process by Transport for London (TfL) and can now (as one of five parties) bid on locations for fast charging stations in London.
- In Belgium, Fastned created a pipeline of a dozen locations with a signed a letter of intent for the development of charging stations.
- In the Netherlands we have now signed a total of 10 land leases in addition to our motorway locations.

Customer and network operations

- In December 2017 our "Net Promoter Score" survey showed that half of our customers (49%) were 'promoters' giving Fastned a score of 9 or 10.
- In 2017 Fastned introduced the possibility for customers to start charging sessions directly by swiping their charge card.
- Another six charge cards were added as accepted payment method, and we now cover 95% of the charge card market.
- Fastned launched Autocharge which enables customers to start charging directly after the user has plugged in the vehicle at the charging station.
- Calls to customer support increased slower than the number of charging sessions. Even with our continuing rapid growth, we did not need to to expand the customer support team.

Our financials

- Fastned is reporting a net loss of €5.0m for the year 2017. This loss was expected, and reflects our choice to invest ahead of the market.
- Compared to 2016, 2017 revenues were up 133% to €531k. The rapid growth is due to increasing number of FEVs on the road, increasing customer numbers, and Fastned's expanding network of stations (6 new stations added during 2017).
- Gross profit increased from €135k to €358k.
- With flat operating expenditures the operational loss of €4.1m in 2017 was slightly improved compared to 2016.
- Fastned has acquired new capital through the issue of new bonds and depository receipts, leading to net cash inflow from financing activities of €19.4m compared to €5.8m in 2016.
- Long term investor Breesaap converted its €10.3m loan into share capital at a price of €10 per depository receipt.
- Flowfund extended its convertible loan of €2.5m by two years to the end of 2020, and Wilhelmina-dok B.V. extended the working capital facility also to the end of 2020.
- Investment company Ballotta B.V. invested €1m euro in depository receipts Fastned at a price of €10 apiece.
- Fastned raised €20m in bonds that bear 6% interest and have a maturity of 5 years.
- As a result of the cash inflow from financing activities, Fastned's total balance sheet increased from €18.6m to €33.0m.
- The equity of Fastned became positive and increased to €3.099,035

³ FEV = fully electric vehicle. Only fully electric vehicles can take full advantage of fast charging. We have used 'EV' in the past with the same meaning as 'FEV'.

Market development

- In 2017, many car manufacturers announced plans to expand their FEV offering in the coming years. For example, General Motors plans for an “all-electric future”, while Volvo and Jaguar Land Rover plan to electrify their entire vehicle line-up by 2019-2020.
- The EU Commission proposed a 30% reduction in CO2 emission targets in 2030.
- Countries announced aggressive zero emission goals for passenger vehicles, e.g. Norway wants to have 100% zero emission cars and vans sold by 2025; the Dutch government wants to ban the sale of hydrocarbon fueled cars by 2030; France and the UK want to do the same by 2040.
- European cities such as Paris, Madrid and Oslo have announced they will ban diesel cars from 2025 onwards.
- Looking further ahead, Fastned is confident that the arrival of self driving cars will further improve the business case of its fast charging stations.

Business outlook

- Funds raised in 2017 will enable Fastned to continue building charging stations along Dutch motorway concession locations as planned and prepared for. In addition we expect to build a number of stations in several Dutch cities and a batch of stations in Germany and the United Kingdom.
- As mentioned in ‘Market Developments’, we expect electric vehicle sales to increase rapidly over the coming years. These new cars – due to plummeting battery prices – will have larger batteries and will often be capable of faster charging. We believe Fastned is uniquely positioned to capture rapidly increasing demand as the market develops.
- One of our stations already had over 20 visitors a day on average in December 2017. To meet demand at our best locations we are already installing additional fast chargers. We have anticipated this growth and have the necessary infrastructure already in place, meaning that scaling up can be achieved cost efficiently.
- As part of the Fastned freedom plan, we plan to build new Fastned stations in regions with fewer FEVs per capita. These stations are of high importance to achieve the geographic network coverage we wish to offer to our customers, but may take longer than other locations to reach break-even.

Fastned continues to prepare for a much larger charging market. As set out in the Fastned Freedom Plan, our goal remains to create a European network of ultra fast charging stations where all electric cars can charge with 100% renewable energy. Fastned is currently building the foundations of a profitable infrastructure business which will service FEV drivers for decades to come. With our expanding network of scalable stations, Fastned is in a unique position to rapidly increase sales volumes as soon as more FEVs hit our roads.

Amsterdam, 25 April 2018

Michiel Langezaal

Bart Lubbers

Niels Korthals Altes

Business review

Network development

Fastned's mission is to provide freedom to electric vehicle drivers. We are building fast charging stations on high traffic locations, where all FEVs can charge. As set out in our blog post 'The Fastned Freedom Plan'⁴, our goal is to realise a European network of the fastest charging stations where all electric cars can charge with 100% renewable energy. Increasing the number of stations in our network, and increasing the speed of charging will add great value to Fastned. FEV drivers will be able to go to more places and will require less time to buy more energy enabling them to cover longer distances. In 2017 we again made significant progress towards the goal set out in our original Freedom Plan. An in depth review of this is included in the sections below.



Jutphaas (A2 Den Bosch → Utrecht)



Fastned Freedom Plan

New station design

In 2017 Fastned finalised the design of an improved, even better looking fast charging station. Moreover, we have also realised the first two newly designed stations in December of 2017. Unlike our previous arc shaped station, this new station is modular.

The modularity of the stations allows us to grow our stations in line with the market demand, thus lowering the risk on up-front investments. This allows Fastned to start initially with a small station with a single canopy. When demand increases and additional chargers are required we can "click" on extra canopies, increasing the station size and the ability to place more chargers.

The new station also has an increased clearance to allow small trucks and vans to charge. This feature was difficult to realise with the arc shaped station. We therefore settled on another shape which still expresses the Fastned brand identity. By using sustainable wood, the colour yellow and a canopy with solar panels, the Fastned DNA is preserved in the new station design.

Our experience in building and maintaining more than 60 stations of the classic design have lead to significant improvements in the quality and maintainability of the new station. Instead of using standard solar panels, mounted with purpose built aluminium frames we are now ordering glass-glass modules which are fully integrated in the canopy frame. Although these modules are more expensive, they are cheaper to maintain and look better.

The new station has been specifically designed to fit the next generation of 175+ kW chargers, which will be able to charge cars at speeds of up to 175 kW or even 350 kW. The fast chargers themselves are split between large power cabinets and smaller customer facing outlets. A special area on the service site is reserved to house all the power components such as the medium voltage transformer station and the power cabinets that supply the outlets on the station with power to charge the cars.

⁴ This blog from 2015 sketches our future plans, including expansion to Europe; faster charging and lowering costs. See fastned.nl/freedomplan

Faster chargers



Background

Fast charging was an invention of the Japanese. Nissan, Mitsubishi and Tepco designed the Chademo protocol and batteries that could sustain high charge rates. This allowed a car battery to be recharged in ± 30 min at a power level of up to 50 kW. Cars such as the Nissan Leaf and Mitsubishi iMiev could fill their 100-150 km batteries during a short break. Over the last few years, Tesla has shown the world how to further improve this with the introduction of long range cars with ± 80 kWh batteries and supercharging at a rate of up to 120 kW. This made Tesla Model S the first electric car able to travel large distances comfortably. Long distance travel with a Tesla is a great experience because supercharging stations are located on major corridors, have several chargers which can be relied upon. In the next few years, many new FEVs with larger batteries (and higher charging speeds) are expected to become available. To keep the recharging time the same or even reduce it, charging has to become faster for these new car models.

The German car industry sees the need to leapfrog the advancements Tesla and others have made in e-mobility and aims to skip the existing 50-120 kW charging to go directly to much higher charge speeds. In order to realise this, the car manufacturers together with charging equipment manufacturers and charging companies like Fastned have formed CharIN, the association for faster charging through the CCS standard.

CharIN is promoting the development of the CCS standard which with current specifications would allow charging up to 350 kW (the old CCS limit was close to 100 kW, but most chargers and cars were limited at 50 kW). For the first generation of faster charging cars, the amperage will increase significantly. This will be made possible by liquid cooling the cables and connector. To make full use of the potential of the new standard, the cars' drivetrains themselves will need to change and be built to operate and accept charging at much higher voltages of around 800V. Together, both a higher amperage and voltage allows charging speeds of up to 350 kW. Fastned will initially invest in fast charging equipment that allows a maximum speed of 350 kW. For all practical purposes this maximum speed will be enough for cars arriving to the market in the coming years.

Importance to the electric driver

Faster charging is very important to electric drivers, because it makes driving an FEV more attractive to more people. Faster charging will change the way people think about charging in public locations. If drivers have access to (urban) fast charging stations where in minutes they can charge their battery with energy for up to a week of driving distance, they may consider dropping charging at slow charging poles altogether.

For commercial vehicles, faster charging is crucial. For example, the growing number of electric taxis and shared car fleets stand to benefit from faster charging, as it allows vehicles to be on the road most of the time.

Locations to grow the network



Wave 1 countries

Great locations are the foundation of the success of Fastned. Without having a growing number of locations where motorists can go to and recharge their cars, Fastned cannot succeed in her mission to develop a European network of fast charging stations. Therefore, the acquisition of locations at places where motorists need charging stations is at the core of what Fastned does.

Since late 2014 we have been actively working on growing our network beyond the starting point of the 201 concession locations acquired from the Ministry of Infrastructure in the Netherlands. Since then, the location development team has been expanded and has been working hard on acquiring additional locations both in the Netherlands and abroad.

Our efforts to this end are continuing to pay off, and Fastned again acquired many new attractive locations in 2017. In the following section we will discuss our progress country by country. Because for each of the locations we go through the same development process, from finding them and signing a landlease to acquiring the municipality permits, procuring the grid connections and finally construction and commissioning of the station, we will use these process steps to report on the progress made.

Germany

As the most populous EU country with the highest rate of car ownership and being one of the key transit countries, Germany obviously is a very important market to Fastned and central to our ambitions in creating a European charging network. Therefore we put a lot of effort in acquiring great locations throughout the country.

Due to the fact that the German Ministry of Infrastructure's policy is that only the German company Tank & Rast is eligible to receive concessions for charging stations on Autobahn Raststatte, Fastned is not able to access locations directly on the German motorways. For the realisation of its fast charging stations Fastned therefore decided to approach (local) authorities and private parties which have sites close to the highway. Ideally these locations include restaurants and other retail activities which often have the advantage of being accessible from both sides of the motorway.

Since 2016 we have been putting significant efforts in reaching out to landowners and we continued to do so in 2017. As a result Fastned has now a pipeline of close to a hundred locations which are in various stages of the development process. For a large number of these locations parties have signed a letter of intent for the development of a charging station. The next step is for Fastned and the location owner to draft the land lease agreement and design the location.

As of the 31st of December we have in total 20 locations with a signed long term land lease in place. At 7 of these locations the grid connections have been ordered and are expected to be completed during the first quarter of 2018. At 6 locations building permits were procured in 2017 and 12 more are under review. These sites will form the basis of our realisation efforts in Germany in 2018.

From this initial set of locations Fastned signed, amongst others, agreements with the municipality of Limburg, hotel chain Van der Valk and property developer Lutzenberger Projektentwicklung (Lu.pe).

Fastned was awarded a subsidy of a maximum of €4.1 million by State Secretary Rainer Bomba of the German Federal Ministry of Transport and Digital Infrastructure. The charging infrastructure programme stimulates charging companies to invest in fast charging infrastructure by covering around 40% of capital expenditures related to the construction of the stations. Fastned will use the subsidy to build 25 fast charging stations each with multiple chargers across Germany. The stations will be equipped with the latest high powered chargers that provide customers in 20 minutes with sufficient power for over 250 km driving.

Based on the progress made in Germany, we decided to expand our team there and open an office. Cologne was chosen as the location for the new office because we considered it most logical from logistical point of view; travelling to our Amsterdam headquarters and the populous areas of Germany where we expect to build the majority of stations. Furthermore, Cologne ranked well in our assessment of German cities which would offer a good business climate for a scale-up. In November we opened our Cologne office and since then we have been growing our team there.

United Kingdom

Fastned has been looking since 2016 for a way to enter the UK market. In 2017 an opportunity to do so arose with the Transport for London [TfL] transport authority. London is a city with severe air pollution, partly resulting from its very dense traffic. The City has therefore set ambitious targets to significantly reduce air pollution and rapidly increase the number of FEVs on its roads. Moreover the Mayor of London recognized that charging infrastructure would be a key part to the successful introduction of these FEVs.

Therefore Transport for London set a goal that by 2020 there should be 300 fast charging points operational in the greater London area. In order to realise this, TfL organised a tender to select concessionaires considered capable of operating this infrastructure. Successful tenderers would be contracted by TfL and will be eligible to participate in the realisation and exploitation of the required charging stations. Concessionaires will bid for locations in the Greater London Area, for which TfL will issue long term land leases. Fastned decided to partake in this tender because it offers a unique chance to enter the market for fast charging in London.

Fastned expects the London market to have a strong demand for fast charging. The greater London area, with almost 9 million inhabitants, is a very big market for FEVs. The vast majority of the people living and working in London do not have access to their own driveway, which means they have to rely for a large part on public charging infrastructure. Moreover, all London taxis will become electric. Electric taxis need frequent and fast recharging to make business sense.

After a long and intense formal tendering procedure, Fastned was selected out of almost 30 parties as one of the five parties that TfL deems capable of being a concessionaire for charging stations in London and will be allowed to bid on locations becoming available and build charging stations in London. In the second quarter of 2017, parties signed a framework agreement for realisation of rapid charging stations in the Greater London Area.

In Q4 of 2017 TfL started with the issuance of locations. Initially these were on-street charging and charging spots in underground parking garages, therefore not well suited to the Fastned proposition of fast charge stations and drive through floorplans. Currently, the outlook is that TfL will come with larger sites including larger grid connections in 2018. Because TfL has already prepared such sites with decent grid connections, we are expecting that the construction of a charging station can commence much sooner than normal after signing a land lease agreement.

To support the rapid realisation of charging infrastructure in the Greater London Area, TfL decided to issue locations including grid connections to reduce the initial investment that concessionaires have to make to step in this market. This of course is a welcome support to our efforts in creating the Fastned charging network.

This progress made in the UK led us to decide to deploy a team and open an office in London.

Belgium

For several years now, we have been putting efforts into the expansion of the Fastned network into Belgium. The government has been addressed and asked to make policies to support the realisation of charging stations along motorways. A tender for concessions to realise and operate such stations is still likely, but progress is slower than hoped for. Such a tender could provide Fastned with locations along Belgian motorways.

To speed up developments in Belgium we decided late 2016 to start reaching out to commercial landowners and we continued to do so in 2017. As a result Fastned now has a pipeline of a dozen locations for which parties have signed a letter of intent for the development of a charging station. For these sites, work is currently being done on the design of the location and land lease agreements are being drafted. Many of these locations are the result of a partnership with Van der Valk hotels and restaurants. At two locations we have already signed a land lease agreement and the grid connections for these sites are planned for 2018, after which construction can commence.

Unlike Germany and the UK, we believe we will be able to manage construction and operation of our stations in Belgium from the Amsterdam office for some time to come, making it a relatively easy country to expand to from an organisational perspective.

The Netherlands

Last but not least, it is worthwhile to elaborate on progress made in developing our network in the Netherlands, the country where it all started. Here we have achieved basic coverage for the Fastned network. You can now go anywhere in the Netherlands with a 200+ km EV, relying solely on Fastned stations. Of course we will continue building stations to improve our network density. In this section, we'll provide an update about the locations funnel.

In the Netherlands Fastned is focussing on realising 201 motorway sites it procured in the concession tender from the Dutch Ministry of Infrastructure in 2011. In addition to the motorway locations Fastned has also started to acquire sites in and around the larger cities, though the number is as yet much smaller than the motorway concession count. For motorway concessions a permit from the Ministry of Infrastructure is the first hurdle (a land lease agreement follows and is based on the permit), therefore this permit is used to measure whether or not the site is acquired.

The issuance of WBR permits by the Ministry of Infrastructure and Water Management has practically reached the end of the Pareto-curve and for the remaining locations it is much more difficult, or sometimes practically impossible to develop a location plan and get that plan agreed with the ministry and a WBR permit issued. Some locations for which Rijkswaterstaat issued concession rights are simply not (yet) suitable for a charging station, for example due to the lack of space. We are happy to have 5 additional WBR permits approved in 2017 and we do still have a few more locations where we expect to receive a WBR permit.

Our efforts to acquire additional sites in the Netherlands has been starting to pay off in 2017 and we have now signed a total of 10 land leases in addition to our motorway locations. These locations are often the result of the partnership with Van der Valk hotels and restaurants as well as from cooperations with municipalities and cities, such as Arnhem or Nieuwegein.

Procuring building permits at municipalities is an ongoing process. At any given moment Fastned has several applications under approval, resulting in a steady stream of new permits being issued every month. As one might expect, the approval of a building plan in a city environment is even more complicated than along highways.

The new station design mentioned earlier unfortunately also meant the revision of many building permits. This is something which delays our development, but it is a hurdle which the company had to take at some point if it wanted to build a better station. We took this step in 2017, deciding that it was better to jump this hurdle before the wave of new vehicles with larger batteries and faster charging arrives on the market.

In 2017 and 2018 Fastned continued to invest in the realisation of new grid connections in the Netherlands. An additional 13 grid connections were procured.

Customer and network operations



Delivering an outstanding customer experience is crucial for continuing sustainable growth in the number of loyal customers and network usage. Fastned is creating a network of fast charging stations that gives FEV drivers the freedom at any time to go where they want in the most convenient way. Fastned offers an extremely reliable network at which customers can have a flawless charging experience. In 2017 we were able to maintain a very high uptime of our network and customers have expressed their satisfaction about our service.

Delivering an outstanding customer experience is not limited to our stations and charging systems. We look at it from a broader perspective. For instance, we provide new customers with useful information and charging tips ensuring they can comfortably start their first trip. We also offer a route planner making it possible to conveniently plan longer trips including fast charging. Additionally, we ensure customers have access to 24/7 customer support.

Customer experience

We aim to make fast charging at Fastned as simple and intuitive as possible for our (first time) customers. Our goal is to have a customer experience that is superior in ease and reliability. In 2017 Fastned has further invested in the customer experience. We did this by carefully listening to our customers and improving our service. This resulted in high satisfaction scores.

We are able to provide an excellent customer experience because we are an integrated fast charging company. In order to provide the best possible service to our customers, we have control over the full operation of our stations. This is why we don't adhere to the split between a 'Charge Point Operator (CPO)' and a 'Mobility Service Provider (MSP)'. In our view, a MSP is simply a method of payment. Fastned thus operates like a petrol station, where people can pay using most popular payment methods.

Since our customers first register in order to make use of our network, we can easily ask them for feedback, inform them about important events (such as new stations or maintenance periods) and proactively deliver support when needed.

Fastned prides itself on its price transparency. We believe it is paramount that customers know exactly what charging will cost them per kWh. We communicate our price plans clearly in our app and on our website. We also believe it is important for customers to be able to see what they have charged in the past, so we provide this overview in our app. We've led an effort in the Dutch market for charging card providers to become equally transparent about the fees they are charging for their administration and payment services.

Customer satisfaction

We ask our customers for their opinion about Fastned on a regular basis in order to get a good understanding of what we can improve. We are able to effectively communicate with our customer via different channels such as telephone (24/7), email, our app and in 2017 we have introduced chat. In this way customers can give feedback and get support with very little effort.

Feedback gathered by surveys and other feedback tools shows most of our customers have good experiences with Fastned. One of the key indicators we use to measure the quality of our service is the Net Promoter Score (NPS). This score indicates on a scale from 0 to 10 how likely our customers are to recommend Fastned to others. Our latest survey sent out revealed that half of our customers (49%) were 'promoters' and gave a score of 9 or 10. 32% of our customers gave a score of 8 and 11% gave a score of 7. These scores exclude Teslas and Renault ZOE's. If we include customers who charge with a Tesla or a Renault Zoe, the group of promoters, giving a score of 9 or 10, is somewhat lower (43%) as most of these customer give 7 or 8. The main reason for this, we think, is that the charging speed of Renault ZOE's is often limited to only 22kW and Teslas are used to higher charging speeds at the Tesla Supercharger locations.

How likely is it you would recommend Fastned to a friend or colleague?



First impressions are crucial. The chances that customers visit Fastned a second time will be low if their first charging experience is poor. Therefore we have implemented a feedback tool which can measure first charging experiences of customers. After customers have completed their first charging session we ask them to rate their first experience (on a scale of 1-10) and to indicate why they give this score. In 2017 customers gave an average score of 7.9 (including Teslas and ZOE's).

Our service offerings

High customer satisfaction scores are directly related to the efforts we have put into improving our charging services. In 2017 Fastned introduced the possibility to directly start charging sessions by swiping existing charge cards as an alternative to using our app. This gives our customers more options to start charging sessions. Enabling the card reader makes charging easier for the growing group of car sharing users, since car sharing companies often provide a car with one charging card which then is used by different people who book the car.

Initially, Fastned decided to start with an app and authorization with charge cards was not offered then since the exchange of information between charging companies and charge cards was not reliable enough. In 2017 this changed with the introduction of the Open Charge Point Interface (OCPI) protocol. This protocol allows charging companies and charging card providers to exchange data in a reliable and efficient way. Fastned has implemented this protocol since OCPI offers many possibilities such as peer-to-peer roaming with other charging companies or sharing POI data with parties that can subsequently integrate our locations in their navigation tools.

Fastned has signed contracts with and connected most charging card providers to its back office system via the OCPI protocol. In 2017 six more charging cards were added to our platform. Customers are able to use the following charging cards, covering 95% of the market: ANWB, Chargepoint, Ecotap, Eneco, EV-Box, Flow Charging, GreenFlux, Movenience, NewMotion, Nuon, Travelcard, Last Miles Solutions and Vandebbron.

To make charging even easier and faster, we worked in 2017 on an interesting new feature called Autocharge. With Autocharge, charging starts directly after the user has plugged in the vehicle at a Fastned station. There's no more need for an app or a charging card. The charging station recognises the car, which makes charging faster, easier and safer. Autocharge

works with a unique car identifier number (already present in current FEVs) which is transmitted to the fast charger. After a one time registration, Fastned can recognise the vehicle and a charging session can be automatically initiated. All FEVs with a CCS fast charging port can use Autocharge. Just plug and the charging session starts.

Autocharge was developed in the wider community of charging companies in response to requests by users to simplify the authorisation and payment method. Autocharge is part of the CCS fast charging protocol, and is an open standard which can be used by all operators of fast charging stations. Fastned is committed to open standards and is already using OCPP and OCPI standards for charging transactions.

Network operations

We are proud of the fact that our stations continue to operate with a very high uptime without needing to expand the support and network operations team. This was achieved while the market is accelerating and the number of charging sessions has increased tremendously.

Fastned operates its unmanned charging stations from our headquarters in Amsterdam. The goal of the network operations team is to make sure customers can always charge at our fast charging stations, and that these charging sessions are billed correctly (in that order). The team is tasked with monitoring, operating, maintaining and servicing this infrastructure (of which a significant amount of work is done remotely). Most of the equipment - such as fast chargers which are core to the service we deliver - is connected and can be accessed for remote servicing.

In 2017 Fastned invested further in monitoring tools that are crucial for managing our stations and achieving a very high uptime. Additionally, the charger software was upgraded and older stations were equipped with extra chargers, ensuring an even smoother charging experience for our customers.

The increased use of our stations stretched our maintenance operation which meant that by year end we needed to grow our maintenance team. Recently additional maintenance personnel has been hired and steps have been taken to organise these activities even better.

In September 2017 Fastned started working with Pluryn. Pluryn is an institute that employs people who have difficulty finding a job due to a distance to the labor market. The Pluryn team will help to keep the Fastned stations clean and safe. This team is called "The A-Team" and is equipped with an electric van and the necessary tools to maintain our stations in the best way possible.

The people from Pluryn are highly motivated. The team has started maintenance of 10 of our stations in the province of Gelderland, and we are currently looking to expand this into other parts of the country. The cooperation between Fastned and Pluryn contributes to a sustainable way of maintaining our stations and vice versa, the (Pluryn) A-team contributes to a cleaner and greener future.

ISO certification

In the last quarter of 2017, Fastned has obtained the following ISO certifications: 9001 (Quality Management Systems), 14001 (Environmental Management) and 27001 (Information Security).

The ISO management systems have helped Fastned to further improve business processes, risk management and in meeting regulatory requirements. Being an ISO certified company has a strategic advantage in communicating with different stakeholders as it improves our reputation. It will open more doors for Fastned as certain organizations and locations owners require ISO certifications.

Customer call volume

With a rapidly growing use of our network and willingness to ensure an affordable and high quality charging service, Fastned needs to focus on an efficient and effective customer service. Avoiding customer calls saves Fastned money, which in turn can be invested in growing the network.

In 2017 Fastned was able to slightly lower the ratio of incoming customer calls versus the number of charging sessions. The number of customer calls increased but slower than the number of charging sessions. Despite the volume increase, there was no need to expand the customer support team. Fastned has been able to do this by constantly improving the quality of our customer experience, service, and information provided. We continue to improve the Fastned app, website, and charger screens to optimise the user experience, and to allow customers to solve charging issues by providing car-specific charging tips.

Furthermore, transparent and simple communication about pricing further reduces the need to contact customer support.

Our customers and results



With 63 stations operational at the end of 2017, Fastned provides significant value to a large number of electric vehicle drivers in the Netherlands. End 2017, Fastned had 6,279 active customers, an increase of 98% compared with a year earlier and a significant part of the total number of electric cars that can be fast charged in the Netherlands.

Approximately 85% of our customers' visits take place between 8:00am and 8:00pm. Drivers of the first generation electric vehicles are often able to recharge their vehicles at home and use fast charging mostly for longer journeys. However, we also see customers who use Fastned as a substitute for public slow charging.

In total, Fastned delivered 1,006 MWh of renewable electricity to our customers in 2017, a growth of 118% over 2016 while the number of fully electric cars in the The Netherlands increased by 61%⁵.

Marketing efforts

Key in our marketing efforts has been to develop very visible stations by constructing iconic canopies. This increases the investment per station but with millions of passersby per year, it raises both our brand awareness as well as awareness of fast charging infrastructure being present. The effect of this strategy becomes very apparent when one does a google image search on Fastned versus other operators of fast chargers.

Another effect of the canopy is that the charging station is very easy to find on the service area. Instead of looking for a relatively small charger that can be hidden from view by a van or truck, the station is always visible so you immediately know where you can charge your car.

Another way to find a charging station is via a navigation system. Unfortunately, most navigation systems in EVs do not

⁵ Source: RVO

present a driver with a useful selection of charging stations, combining slow chargers, fast chargers and chargers that are publicly available as well as semi-private chargers. Furthermore, these navigation systems don't have functionality to plan a route including fast charging stops along the way. In order to solve this problem Fastned introduced Routplanner (beta) in 2016 that allows EV drivers to plan their trip including required fast charging stops. In 2017 we have continuously improved this planner, making it ever more useful for our customers. This is reflected in increasing usage of the tool.

A third way to find a charging station is via signs along the road, similar to signs indicating the location of petrol stations. In the Netherlands, Fastned has been trying to get such signage along highways ever since the first stations were opened in 2013. Unfortunately, four years later still no signs have materialised. The latest development has been that the Ministry of Infrastructure (Rijkswaterstaat) wants to introduce a combined sign for all 'alternative fuels' such as biogas, hydrogen and electricity. Since it doesn't make clear what energy is actually available, such a sign would be useless for drivers of EVs, hydrogen cars, and biogas enabled cars alike. Fastned is currently liaising with the Dutch Automobile Association (ANWB), the Dutch Renewable Energy Association (NVDE), and others to try to convince the Ministry that a combined sign is not the solution and that specific signs are required.

Another important part of our marketing effort has been informing the general public via public relations, social media and our own website. In 2017 we have produced interesting content that was picked up and spread by a large number of individuals, blogs and traditional media. This has resulted in extensive media coverage, growing the brand awareness of Fastned.

In terms of our product offering we focus on optimising our customer experience by removing all barriers to charge at one of our stations. To achieve this we work closely with technical partners such as ABB as well as commercial partners such as the national sales organisations of car manufacturers, leasing companies and charging card companies.

Our price plans (per kWh, Standard, and Power) have not changed throughout the year. The way that revenues are split between those plans has changed however, increasing the percentage of revenues generated 'per kWh' while price plans based on a monthly fee and lower price per kWh have declined (as a percentage of the total). The reason for this shift is that most EVs in the Netherlands are used as lease cars and leasing companies prefer to have a predictable price per kWh (km), instead of a price dependent on monthly usage.

All in all, our marketing efforts in this very early stage of the fast charging market have been focused on our product offering (location, speed, uptime, etc) and a great customer experience (easy registration, great customer service, etc). Volume is mostly functionally driven by the growing number of EV drivers that need to charge and not yet about growing market share versus competitors. As a result of this small and functionally driven market Fastned has not (yet) felt the need to invest in more traditional advertising.

Financial review

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code. The critical accounting policies and those that are most significant in connection with our financial reporting are set out in note 2 of the Financial Statements and are consistent with those applied in 2016.

Consolidated income statement

In 2017 revenues grew by 133%, volume (kWh) grew with 118%, and the number of active customers grew with 98%. The rapid growth in revenues is due to the increasing number of FEVs on the road, the increasing kWh supplied to our customers, and expansion of Fastned's network of stations. In 2017 6 new stations became operational (2016: 7 stations).

Total operating costs in 2017 were approximately flat compared to 2016. Staff costs have increased by € 291,268 due to increasing headcount as Fastned expands operations within the Netherlands, Germany and the UK. Included in operating costs is the benefit of € 239,418 subsidy received as part of the European Commission TEN-T grant. Financing costs have increased by € 83,036 reflecting bonds issued during the year.

Highlights for the year ended 31 December:

	2017	2016
Revenues	530,667	227,613
% revenues growth	133%	200%
Gross profit	358,166	135,291
% of revenues	67%	59%
Operating profit / (loss)	(4,120,546)	(4,270,751)
Profit / (loss) before tax	(5,016,804)	(5,086,733)
Net profit	(5,016,804)	(5,086,733)
Earnings per share (depository receipt) (diluted)	(0.37)	(0.40)

Cash flow

Cash flow from operating activities was €(4,058,837) compared to €(3,782,978) in 2016.

Investing activities relate to the expansion of Fastned's network of stations. During the year 6 new Fastned stations became operational, compared to 7 new Fastned stations in 2016.

Net cash inflow from financing activities was € 19.3 million compared to € 5.8 million in 2016. This increase is due to bond issuance (€ 20 million in 2017 versus € 3.1m in 2016) and the issuance of depository receipts (€ 1 million in 2017 versus € 3.5m in 2016).

EUR	2017	2016
Loss before tax	(5,016,804)	(5,086,733)
Depreciation	1,174,751	1,089,824
Non-cash interest	392,314	808,425
Provisions	109,004	50,943
Other adjustments	(16,044)	323,993
Changes in working capital	(702,058)	(969,430)
Net cash flows from operating activities	(4,058,837)	(3,782,978)
Net cash flows used in investing activities	(1,935,423)	(1,770,441)
Net cash flows from financing activities	19,352,056	5,814,348

Balance sheet

In the year to 31 December 2017, Fastned's total balance sheet increased from € 18.6 million to € 33.1 million.

Non-current assets increased by € 0.8 million due to expenditure on property, plant and equipment (new stations). All charging stations have been tested for impairment and, as in 2016, no impairment charge in 2017 was required.

Current assets rose in total by € 13.5 million due largely to higher year end cash at bank. This followed the successful bond issuance in december 2017 which raised € 12.3 million. Trade receivables increased by € 0.2 million.

Current liabilities were € 3.2 million compared with € 3.7 million in 2016.

Non-current liabilities were € 26.6 million at the end of 2017, up from € 18.2 million in 2016. The increase reflects additional borrowings, 5 year fixed rate bonds issued in June (€ 7.7 million) and December (€ 12.3 million), partly offset by conversion of a € 10.3 million loan from investment company Breesaap into share capital. Also, the working capital facility from Wilhelmina Dok was reduced to zero. During 2017 investor Flowfund extended its convertible loan of 2.5 million euros by two years until the end of 2020. The working capital facility from Wilhelmina Dok has also been extended by two years to the end of 2020.

Shareholder's equity increased by € 11.5 million in 2017. This was due to the conversion of € 10.3 million convertible loan from Breesaap at a conversion price of € 10 per depository receipt, and issuance of € 1 million in depository receipts to investment fund Ballotta B.V., also at € 10 a piece.

As a result equity became positive and increased to € 3,099,035.

Finance and liquidity

During 2017 Fastned issued bonds with a maturity of 5 years and a 6% coupon, raising in total € 20 million of new funds. Convertible loans, including accumulated interest, of € 10.3 million from investment company Breesaap were converted into depository receipts, and the working capital facility of € 5 million from Wilhelmina-Dok B.V was extended by 2 years until the end of 2020. New share capital of € 1 million was raised in 2017 from investment fund Ballotta B.V. These developments will allow Fastned to continue operations and expand its network of charging stations.

Risks and risk management

Fastned is positioning itself in a market that is still in early stages of development. The way and pace in which the automotive market will develop is uncertain, although compared to some years ago more and more aspects are starting to take shape, hence risk management is an important aspect of the business.

Risk management control

The risk management system that Fastned has put in place meets the requirements of the management of the Company. Every quarter, risks are discussed and any new risks assessed and recorded. Risk management takes place particularly in the top of the organisation (the directors and management team). Every quarter the risks are also discussed with the Board of FAST.

EUR	2017	2016
Non-current assets	15,619,311	14,792,983
Current assets	17,386,098	3,853,146
Total assets	33,005,409	18,646,129

EUR	2017	2016
Shareholders' equity	20,519,580	9,072,610
Retained earnings	(17,420,545)	(12,403,741)
Total equity	3,099,035	(3,331,131)

EUR	2017	2016
Non-current liabilities	26,634,267	18,241,228
Current liabilities	3,272,107	3,736,032
Total liabilities	29,906,374	21,977,260
Total equity & liabilities	33,005,409	18,646,129

Most significant risks and risk reducing measures

Fastned analyses its risks every quarter by splitting them according to categories (market, operational and financial). The Company then identifies the control measures for each identified risk.

Risk appetite with regards to significant risks

Based on the analysis of risks and controls the current risk profile is determined. The current risk is assessed and compared with the desired risk profile. Action plans for each risk are developed if the current profile is higher than the desired risk making the existing exposure further controlled and limited.

Risk category	Risks	Control measures	Current Risk profile	Desired risk profile
Strategic risk	Lower number of FEVs on the road than anticipated	<p>Fastned's business outlook is based on the premises that there will be 123,000 FEVs on the Dutch roads in 2020. However, the Company does not have the abilities and/or business ambition to control the number of cars sold directly as Fastned does not sell or intend to sell cars. The Company cannot implement control measures to mitigate this risk completely.</p> <p>Through offering top-of-the-bill and visible charging infrastructure, Fastned does feel that the boundaries for purchasing a FEV are reduced thereby reducing the risk of a lower number of FEVs on the roads.</p>	High	High
Strategic risk	Charging behaviour - market share of fast versus slow charging	<p>Making fast charging preferable to slow charging through offering a better service.</p> <p>Designing stations that are very visible (e.g. a canopy) and therefore easier to spot than slow charging poles.</p> <p>Obtain the best, high-traffic locations to reach most customers.</p>	High	High
Strategic risk	Rapid technological development - speed of charging to increase faster than anticipated, requiring additional investments and write-offs	<p>Prepare the grid connection and the station's layout for higher power and potentially more chargers per location.</p> <p>Only install two chargers per location today to have redundancy, while allowing Fastned to be as adaptable as possible to accommodate higher powered chargers coming to the market.</p> <p>Obtain high quality market intelligence through close contacts with charger manufacturers, OEMs and other charging companies (through e.g. active membership of CharIn).</p>	Low	Low

Strategic risk	Active in one sector only	<p>Even though Fastned is active in one sector only, the charging market, it has positioned itself in a market that is expected to grow significantly. This reduces the risk of not having a second market in case of a (temporary) market decline.</p> <p>Not only focusing on highway stations; Fastned has started to expand its network to urban areas (two stations in the Hague and one in Haarlem). The dynamics around charging in the city may prove to be different and complementary to the dynamics along the highway.</p>	High	Medium
Operational risk	Petrol stations and restaurants are issued concessions for charging stations on the same service areas where Fastned was issued a concession	<p>Fastned is defending and will defend its position in court where necessary.</p> <p>Fastned is addressing politics to take action in this matter.</p> <p>Regardless of the outcome of the court cases, Fastned continues to focus on offering an outstanding charging experience in order to be most competitive.</p>	High	Low
Operational risk	Increase of electricity prices reducing margins	<p>Ensure significant gross margin.</p> <p>Employ solar roofs on the charging stations hedging a part of the energy supply against a price increase.</p> <p>The electricity market is a mature and competitive market with the option to switch suppliers. Competition should ensure stable and low prices.</p>	Low	Low
Operational risk	System failures resulting in loss of revenues and/or inability to charge	<p>Service level agreement with ABB (the manufacturer for the chargers), NOW! Innovations (for the App) and Adyen (payments).</p> <p>Supporting suppliers such as ABB – also operating in a young market - to outsource their hosting to best in class platforms such as Microsoft Azure.</p>	Low	Low
Financial risk	Insufficient funds to further roll-out the network	Fastned only invests in new stations when the financing is in place for such investments.	Low	Low
Financial risk	Delay in the number of electric cars which reach the market resulting in insufficient cash flows	<p>Fastned's risk appetite for a few years of market delay is significant. In order to be able to take this risk it secured a 5 million euro working capital facility with Wilhelmina-Dok B.V. which is available up to the 31st of December 2020 and is expected to cover operational costs for a period of one or two years of market delay.</p> <p>Fastned only invests in new stations when the financing is in place for such investments.</p>	Low	Low
Financial risk	Interest rate risk	Fixed rate debt to avoid interest risk.	Low	Low
Financial risk	Insufficient funds to pay creditors	<p>Fastned has secured financing for its operations through a EUR 5 million working capital facility with Wilhelmina Dok till 31 December 2020.</p> <p>The conversion of the Breesaap EUR 10 million loan has significantly improved our equity.</p> <p>Creating value and showing commercial traction should allow Fastned to refinance outstanding bonds at better conditions in the future.</p>	Low	Low

Fastned is founded with the expectation that electric vehicles will make up a major part of the vehicles on the roads in the Netherlands in the next decade. Hence, the risk appetite for this type of risk is high. The availability of charging infrastructure (e.g. Fastned stations) will make the decision for people to choose for a FEV easier, thereby reducing the risks for Fastned. In addition, our excellent customer service will also reduce the risk of the number of customers. The Company feels that it is strongly positioned to take advantage of the growing FEV market, even though there still exists a risk in market volume and timing. We expect the risk of number of electric vehicles on the roads to decline over time.

Fastned has moderate risk appetite for operational and financial risk. On the operational side, the Company has put in place a service level agreement with very strong counterparty ABB and framework agreements with experienced contractors to reduce budgetary risks to the construction of stations. Fastned has a very strong focus on reliability of its network, the uptime, and does not want to take risks there. The financial risks focus on insufficient funds for the roll-out of additional stations and for operations. With the working capital facility from Wilhelmina-Dok Fastned has secured funding for its operational expenses till 31 December 2020, so the Company is covered from that perspective. With regard to investments, the policy is to only invest when the financing to do so is in place.

Quantification of the impact on the results and financial position if the risks materialise

Fewer number of FEVs on the road

Fastned's customers are full electric vehicle drivers and 100% of the revenues are generated by the sale of electricity to these customers. In case this market would shrink, revenues will decline as well. The operating costs are largely fixed (e.g. office costs, maintenance costs for the stations).

Risks and uncertainties that involve significant changes in the past financial year and their impact

As we mentioned in our previous Annual Report, fiscal incentives in the Netherlands promoting FEVs, together with several new and updated FEV models have led to higher numbers of FEVs on the road. Notably the Hyundai Ioniq and Volkswagen e-Golf sold very well. However, the Opel Ampera-e and the Hyundai were production-constrained and could not meet demand.

The overall risk related to the number of FEVs is falling due to increasing sales figures for full electric cars, the introduction of new electric vehicle(s) (types), announcements by car manufacturers that they will electrify large portions of their fleets, and governments continuing incentives favouring FEVs and reducing incentives for alternatives such as hybrids.

Market development & Business outlook

Some statements in this section, such as those about future expansion plans, are "forward-looking statements" that are subject to risks and uncertainties. These forward-looking statements are based on current expectations. Various important factors could cause actual results to differ materially. Fastned disclaims any obligation to update this information.

Market developments

Fastned believes the world is on the cusp of a massive shift from combustion engines powered by fossil fuels to electric cars powered by renewable energy: the Autowende. We have detailed the specifics of this trend before in our blog⁷. The Autowende is driven by continuous improvements in battery technology, stronger government regulation of vehicle emissions and the rapidly changing public perception of fossil fuel powered cars. Finally, the benefits of driving electric cars in terms of silence and acceleration will further drive the adoption of electric cars.

The long term trend is clear, but less clear is exactly when each model will enter the European market and in which volumes. For example, cars that Fastned expected in 2017 such as the the Opel Ampera-e, were delayed and production is constrained. The result was long waiting lists and lower than expected numbers of EVs on the road.

⁷ See: [fastned.nl/autowende](https://www.fastned.nl/autowende)

Summary of key electric cars that have entered or are expected to enter the European market in 2018⁸

- 2018 Nissan Leaf
- Hyundai Kona
- Kia Niro
- Audi Q6 e-tron
- Jaguar I-pace



In 2017, many car companies announced plans to expand their full FEV offering or to electrify their fleets in the coming years. Here are some highlights:

- General Motors is planning an "all-electric future", starting with 20 full FEVs by 2023.
- Toyota will make 10 full FEVs in the early 2020s.
- Jaguar Land Rover (JLR) plans to electrify their entire vehicle line-up by 2020.
- Volvo will electrify its entire vehicle line by 2019. It also plans five all-electric models between 2019 and 2021.
- The Renault, Nissan, and Mitsubishi alliance plans 12 full FEVs by 2022.
- Daimler has announced that it will invest \$10 billion in developing new FEVs, and the daughter company Mercedes-Benz plans to electrify its "entire portfolio" by 2022.
- Ford announced investment plans for \$4.5 billion on electric vehicles.
- From 2019 onwards Volkswagen Group plans to introduce an electric vehicle 'virtually every month'.

EU Commission proposes 30% reduction in emission targets in 2030

In the coming decade emission regulation will force cars to become cleaner, and will make fossil fuel cars more expensive. In the EU for example, car manufacturers will have to achieve an average CO₂-emission for their fleet of 95 grams per km by 2021. Car companies can still build a flat six cylinder Porsche, but they will have to offset this by selling zero emission cars.

⁸ Source: <https://electrek.co/2017/12/27/electric-cars-2018/>

In November 2017, the European Commission proposed a set of measures to spur the development of zero emission vehicles, including a further 30% reduction in emission targets in 2030 compared to 2021. The package still has to be approved by the European Parliament and the Member States and can be amended in this process.

European governments are banning combustion engines

- Norway has a target for all new passenger cars and vans sold in 2025 to be zero emission.
- The new Dutch government wants to ban the sale of new hydrocarbon powered cars by 2030.
- France and the UK want to ban the sales of new hydrocarbon powered cars by 2040.

France to ban sales of petrol and diesel cars by 2040

Move by Emmanuel Macron's government comes a day after Volvo said it would only make fully electric or hybrid cars from 2019



European cities are banning diesel vehicles

Paris, Madrid and Oslo have announced they will ban diesel cars from 2025. German cities like Stuttgart have implemented a ban on older diesel cars because of the high pollution level in the city. In February of 2018, Germany's highest administrative court in Leipzig ruled in favour of upholding bans that were introduced by lower courts in the cities of Stuttgart and Düsseldorf, two of the most polluted German cities, after appeals were lodged by the states of Baden-Württemberg and North Rhine-Westphalia. Other cities like Amsterdam and London have also announced strong regulations to ban polluting vehicles from their city centers.

In the same regions a decline in diesel sales is already becoming visible. Furthermore, the market value of second hand diesels is declining rapidly. These events will support the adoption of electric cars, especially in cities and their surrounding urbanized regions.

Fast charging at 150+ kW is becoming reality

German car manufacturers such as Volkswagen, Audi and Porsche seem to agree that they will need to leapfrog the advancements Tesla and others have made in e-mobility. Therefore they intend to skip existing 50-120 kW charging and go directly to much higher charge rates. CCS now supports up to 350 kW charging. This charge speed is enabled firstly by offering a much higher amperage of up to 500A through the use of liquid cooled cables and connectors. This higher amperage allows car makers to go up to 175kW with the current drivetrain voltages of $\pm 400V$. Secondly CCS enables higher drive-train voltages up to 930V. This will allow further increases in charge rates up to 350kW.

At the Frankfurt Auto Show of 2015, Audi revealed the Q6 e-tron quattro. This full electric Audi is said to be able to charge at 150 kW and is planned to go into production in 2018. At the same show, Porsche presented their Mission E concept which is scheduled for 2020 and supports charging at 300+ kW. Both cars feature a large battery of at least 90 kWh and a range of 500 km. These - and subsequent - announcements show that the race for faster charging is on.

Faster charging is not just something for luxury cars. Other car companies have announced more affordable cars which can charge at higher speeds with CCS. Examples are the Hyundai Kona and the KIA Nero.

Autonomous vehicles will drive demand for fast charging

The advent of shared and/or autonomous electric cars will change the essence of cars. In dense urban areas, electric cars will increasingly be used "as a service". This means that electric cars will be on the road most of the day to generate income. For these cars charging time will equal downtime so fast charging will play an important role in enabling and servicing this market.

In the future, cars will earn money by driving around instead of costing someone money by sitting in their garage or on the street. This means that the market share of FEVs in terms of kilometers driven could increase much faster than one would expect based on the number of FEVs on the road. It makes no sense to have a car parked at a slow charging pole for hours if it can drive around and make money instead. Any car owner or provider of shared electric mobility will want to have their car(s) charged as fast as possible to get it on the road again quickly. The faster the charging, the better. Therefore, Fastned is confident that the arrival of self driving cars will improve the business case of its fast charging stations.

Business outlook

Fastned continues to prepare for a much larger charging market. Fastned intends to keep investing in more stations and charging capacity to cater for the expected demand from the increasing numbers of fully electric cars.

Funding

Fastned issued bonds at 6% in two tranches in 2017, raising € 20 million, and raised a further € 1 million in equity. These funds, attained at an attractive interest rate, will allow Fastned to expand its network into Western Europe and finance our operations as a larger charging market develops. Furthermore, a solid basis of relatively low interest bearing bonds form a good platform for raising additional funds to grow our network into the rest of Europe. Future additional fund raising will determine the speed at which Fastned can further grow its network. Fastned has secured financing to cover operational expenditures for continuing operations up to the end of 2020.

Network development

The funds raised in 2017 allow Fastned to continue building charging stations on its Dutch highway concession locations as planned and prepared for. In addition we expect to be building a number of stations in several Dutch cities and a batch of stations in Germany and the United Kingdom. The pace at which the newly acquired locations can be converted to operational charging stations is largely dependent on the resources that can be committed and the willingness of (local) authorities to support e-mobility and new market entrants such as Fastned.

Human resources

The team currently building and operating charging stations in the Netherlands has the capacity to handle a larger network and higher utilisation of our charging stations. To grow the network into other countries Fastned has hired local teams that scout locations, acquire the necessary permits, and manage contractors to build the stations.

Utilisation of our stations

As mentioned in 'Market Developments', we expect electric vehicle sales to increase rapidly over the coming years. These new cars – due to plummeting battery prices – will have larger batteries and thus will be (often) capable of faster charging. We believe Fastned is uniquely positioned to rapidly increase sales volumes as the market develops.

Fastned stations are built for full electric cars with large batteries. Bigger batteries will increase average charging speeds at our stations and increase the volume of kWhs charged per session. We therefore expect to outgrow the market again in 2018.

One of our stations already had over 20 visitors a day in December 2017. To meet demand at our best locations we are installing additional fast chargers. Growing traffic has already put a strain on our best locations. In light of this development we are placing additional fast chargers at these locations to ease capacity constraints.

It should be noted that as part of the Fastned freedom plan, we expect to build new Fastned stations in (yet) less electrified regions of Europe. These stations are of high importance to the freedom we offer to our customers, but may take longer than other locations to reach break-even.

Stations being built in regions with a higher density of electric cars are expected to outgrow the Fastned average significantly.

Corporate Governance

Corporate Governance is about management and control, about responsibility and influence, and about supervision and accountability. The purpose of the Corporate Governance Code (the "Code") is to facilitate – with or in relation to other laws and regulations – a sound and transparent system of checks and balances within Fastned and, to that end, to regulate relations between the management board, FAST Foundation and its holders of depositary receipts. Being responsible and transparent about the Fastned mission, management and control is part of the Fastned DNA. Fastned is still a small company with less than 50 employees, we therefore try comply to the Code as much as reasonably possible. With each growth step we go through, Fastned will be able to comply more easily and reasonably with the rules of the Code.

The broad outline of the Fastned corporate governance is published on the Fastned website, partly on the basis of the principles stated in this Code. Here Fastned explicitly states the extent to which it complies with the principles and best practice provisions stipulated in this Code and, where it does not comply with them, why and to what extent it deviates from them. The Corporate Governance Statement can be found on the Fastned website under the heading 'Investor relations'. This said statement must be considered as inserted and repeated here.

From the start we considered it important to create a solid governance structure. One that could grow along with the size and complexity of the company as well as one that would protect the company from deviating from its predetermined course. We decided that it is important for all investors to have absolute clarity about what the money they invest is used for. We therefore included a mission statement in the bylaws of the company and had all shares certified via the FAST Foundation. The Foundation has full voting powers and sees to it that the company acts according to its statutory mission. As a result, the holders of the depositary receipts do not have voting rights in the meeting of shareholders. They do however have a vote in the appointment of board members of the foundation. The board of FAST sees to it that Fastned executes on its statutory mission: creating a network of fast charging stations.

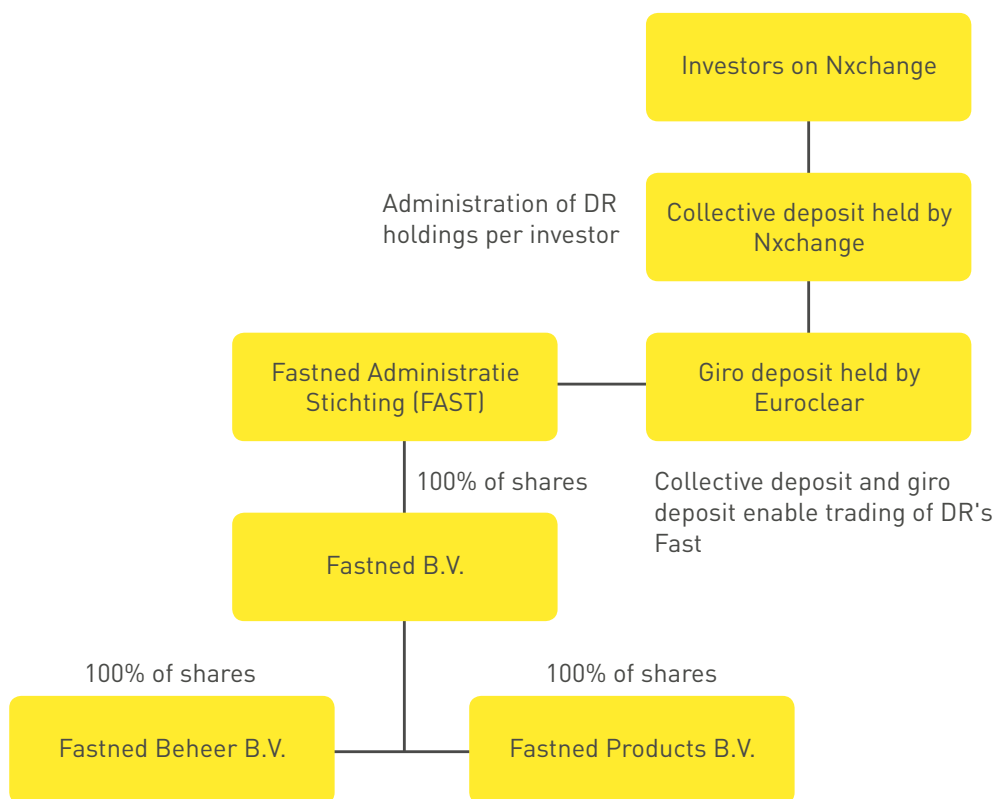
Fastned's mission

The mission of Fastned is to provide freedom to FEV drivers by:

1. Building the fastest charging stations;
2. for all types of electric cars;
3. at high traffic locations;
4. delivering only renewable energy from wind and sun;
5. in the Netherlands and beyond.

Shareholding structure of Fastned

All shares of Fastned are held by Fastned Administratie Stichting (FAST). FAST has issued one Depository Receipt per share of Fastned. All Depository Receipts of FAST are included in the collective deposit held by Nxchange. Investors hold their Depository Receipts in this collective deposit, held in custody by Nxchange. Euroclear holds the Depository Receipts in custody for Nxchange, in its girodepot.



Objectives of the FAST foundation

The objects of the Articles of Association (Article 3.1) of FAST read as follows:

The objectives of the foundation are:

- A. to protect the objectives and the mission of the company;
- B. to acquire Shares in the capital of the company and issue Depository Receipts thereof;
- C. to maintain a market in Depository Receipts of Shares of the company either in house or via a third party;
- D. to enter into agreements with holders of Shares and to exercise the rights based on these agreements;
- E. to administer the Shares as mentioned under sub b.;
- F. to exercise all rights that are attached to the Shares, such as voting rights and receiving all forms of payment;
- G. and all of the above in the interest of the company and all that are involved with the company;
- H. and take any other measures in the widest sense of the word that are related to or may be conducive to the attainment of the above.

Guiding Principles

When taking a decision as the only shareholder of Fastned, the Board of FAST will be guided and bound by three main principles; being - in order of priority:

1. The mission of Fastned
2. The continuity of Fastned
3. The interests of the holders of Depository Receipts

Governance

The board of directors of Fastned is responsible for the daily management of Fastned. The board of directors of Fastned consists of the statutory directors. The statutory directors are appointed and dismissed by the general meeting of shareholders. The daily management is in the hands of the directors, Michiel Langezaal and Niels Korthals Altes. Bart Lubbers has a strategic and advisory role within the company.

The articles of association of Fastned can be amended by the general meeting by a simple majority. The general meeting is called at least four times a year. During this meeting the Board of FAST checks, based on its own Guiding Principles (as described above) to what extent Fastned adheres to the Fastned mission. Depository receipt holders have no right to attend the general meetings.

Diversity policy

The employees are one of Fastned's most important resources. At Fastned we work as a team, promote inclusiveness and treat our colleagues with respect and fairness. We safeguard a culture of mutual trust and value differences of opinion as well as cultural diversity. Fastned recruits, employs and promotes employees on the sole basis of the qualifications and abilities needed for the work to be performed. We embrace clear standards on employees' and human rights, such as zero tolerance for harassment and discrimination, child and forced labour and human rights violations.

Fastned has a diverse composition of employees in nationality, age, gender, education and work background. The management board at this moment consists only of men. However a lot of key positions in the company are held by women. The FAST board has 1 woman (the chairman) and 2 men. Because there already is ample diversity in the composition of employees, the Fastned board and FAST board decided not to draw up a specific diversity policy. Diversity is in the Fastned DNA. Fastned will draw up such a plan if it turns out that the diverse composition decreases in the future.

Members of the FAST board

The Board of FAST consists of Mrs. Hieke van Rees-Spoelstra, Mr. Geert Kloppenburg, and Mr. Floris de Gelder. All three members of the FAST Board receive an annual remuneration of EUR 5,000.-.

Hieke van Rees-Spoelstra (1980) - Chair

Appointed January 2014

Term ends April 2018

- 2013 – present: Business Development Manager at PostNL B.V.
- 2011 – 2012: Managing Director at Missing Chapter Foundation
- 2007 – 2011: Consultant at A.T. Kearney
- 2005: Account Manager at the Ministry of Economic Affairs
- 2005: Economic Attaché at the Embassy of Netherlands, London
- 2003 – 2005: Business Development Manager at the Ministry of Economic Affairs.
- 2006 – 2009: MBA at NCOI Business School
- 1998 – 2003: Master in History at Erasmus University Rotterdam
- Nationality: Dutch
- Number of Depository Receipts: 100



Geert Kloppenburg (1976) - Treasurer

Appointed January 2014

Term ends April 2019

- 2013 – present: Independent advisor on urban mobility concepts
- 2013 – present: Co-founder, investor and advisor on electric mobility at Energy Transition New York
- 2012 – 2016: Expert in sustainable mobility concepts at Urgenda
- 2010 – 2013: Board member and Co-founder at the Dutch organisation for



Electric Transport (DOET)

- 2011 – 2012: Senior Strategy Advisor on Sustainable Mobility at PwC
- 2006 – 2010: Founder and Director at Tuk Tuk Company
- 2002 – 2005: Management Trainee at TNT
- 1995 – 2001: Master in Dutch Business Law at University of Groningen
- Nationality: Dutch
- Number of Depository Receipts: 100

Floris de Gelder (1967) - Secretary

Appointed June 2017

Term ends April 2020

- 2017 – present: Director of Paleis Soestdijk/Made by Holland, the new owner of the former royal palace Soestdijk
- 2017 – present: Chairman of Industrievereniging Lage Weide in Utrecht
- 2011 – 2017: Director of Utrecht Science Park
- 2010 – 2011: Independent fund raiser and advisor. Also interim-manager at the Utrecht University Foundation
- 2009 – 2010: Alderman for Cultural and Economic Affairs in the City of Utrecht
- 2004 – 2009: Director of Museum Speelklok in Utrecht
- 2003: Director of Reobijn, an injection moulding company in Haaksbergen
- 2000 – 2001: Commercial Manager e-commerce at retail company Ahold
- 1992 – 2000: A number of management positions within Telecom company KPN
- 1985 – 1992: Law degree at Utrecht University

Nationality: Dutch

Number of Depository Receipts: 0



Statement of Directors' responsibilities

The Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy as per the date of this report;

The consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as endorsed by the European Union as well as with Part 9 of Book 2 of the Dutch Civil Code give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and the Strategic Report includes a fair view of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Part two - Financial Report



Part 2 - Financial Report

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Consolidated statement of profit or loss

for the year ended 31 December 2017

		2017	2016
	Notes	€	€
Revenue	6	530,667	227,613
Cost of sales		(172,501)	(92,322)
Gross profit		358,166	135,291
Other operating income	7.1	255,298	264,363
Selling and distribution expenses		(601,623)	(672,049)
Administrative expenses	7.2	(2,932,806)	(2,500,606)
Other operating expenses	7.3	(1,199,581)	(1,497,750)
Operating loss		(4,120,546)	(4,270,751)
Finance costs	7.4	(958,934)	(875,898)
Finance income	7.5	62,676	59,917
Loss before tax		(5,016,804)	(5,086,733)
Income tax expense	8	-	-
Loss for the year		(5,016,804)	(5,086,733)
Attributable to:			
- Equity holders of the Group		(5,016,804)	(5,086,733)
Earnings per share			
> Basic, loss for the year attributable to ordinary equity holders of the Group	9	(0.37)	(0.40)
> Diluted, loss for the year attributable to ordinary equity holders of the Group	9	(0.37)	(0.40)

Consolidated statement of comprehensive income

for the year ended 31 December 2017

		2017	2016
	Notes	€	€
Loss for the year		(5,016,804)	(5,086,733)
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		(5,016,804)	(5,086,733)
Attributable to:			
Equity holders of the Group		(5,016,804)	(5,086,733)

Consolidated statement of financial position

as at 31 December 2017

		2017	2016
	Notes	€	€
Assets			
Non-current assets			
Property, plant and equipment	10	14,439,167	13,678,495
Non-current financial assets	11.1	1,180,144	1,114,488
		<hr/>	<hr/>
Current assets		15,619,311	14,792,983
Trade and other receivables		<hr/>	<hr/>
Prepayments			
Cash and cash equivalents	12	343,924	189,802
	12	728,907	707,873
	13	16,313,267	2,955,471
		<hr/>	<hr/>
		17,386,098	3,853,146
		<hr/>	<hr/>
Total assets		33,005,409	18,646,129
Equity and liabilities			
Equity			
Issued capital	14	141,699	130,241
Share premium	14	20,377,881	8,942,369
Other capital reserves		-	-
Retained earnings		(17,420,545)	(12,403,741)
		<hr/>	<hr/>
Total equity		3,099,035	(3,331,131)
Current liabilities			
Trade and other payables	15	3,272,107	3,736,032
Non-current liabilities			
Interest-bearing loans and borrowings	11.2	24,999,000	16,635,944
Provisions	16	1,149,968	1,103,941
Deferred revenues	17	485,299	501,343
		<hr/>	<hr/>
Total liabilities		29,906,374	21,977,260
		<hr/>	<hr/>
Total equity and liabilities		33,005,409	18,646,129

Consolidated statement of changes in equity

for the year ended 31 December 2017

Attributable to the equity holders of the Group

	Issued capital (Note 14)	Share premium (Note 14)	Retained earnings	Total
	€	€	€	€
As at 1 January 2017	130,241	8,942,369	(12,403,741)	(3,331,131)
Loss for the period	-	-	(5,016,804)	(5,016,804)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(5,016,804)	(5,016,804)
Issuance of shares including loan conversion	11,000	10,978,000	-	10,989,000
Issuance of shares to settle interest paid	458	457,512	-	457,970
At 31 December 2017	141,699	20,377,881	(17,420,545)	3,099,035

Attributable to the equity holders of the Group

	Issued capital (Note 14)	Share premium (Note 14)	Retained earnings	Total
	€	€	€	€
As at 1 January 2016	126,393	5,474,520	(7,317,008)	(1,716,095)
Loss for the period	-	-	(5,086,733)	(5,086,733)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(5,086,733)	(5,086,733)
Issuance of shares	3,076	2,696,877	-	2,699,953
Issuance of shares to settle interest paid	771	770,973	-	771,744
At 31 December 2016	130,241	8,942,369	(12,403,741)	(3,331,131)

Consolidated statement of cash flows

for the year ended 31 December 2017

		2017	2016
	Notes	€	€
Operating activities			
Loss before tax		(5,016,804)	(5,086,733)
Adjustments to reconcile loss before tax to net cash flows:			
- Depreciation and impairment of property, plant and equipment		1,174,751	1,089,824
- Interest added to loans and borrowings		392,314	808,425
- Net of non-cash provisions	16	109,004	50,943
- Deferral of unearned revenues	17	(16,044)	501,343
- Other non-cash items	7.1	-	(177,350)
Working capital adjustments:			
Increase in trade and other receivables and prepayments	12	(238,133)	(648,814)
Increase in trade and other payables	15	(463,925)	(320,616)
Net cash flows from operating activities		(4,058,837)	(3,782,978)
Investing activities			
Purchase of property, plant and equipment	10	(2,003,131)	(1,700,303)
Proceeds from sale of property, plant and equity		67,708	-
Loan to Fastned Terra 1 and Fastned Terra 2	11.1	-	(70,139)
Net cash flows used in investing activities		(1,935,423)	(1,770,441)
Financing activities			
Proceeds from issuance of shares	14	1,000	3,848
Share premium received	14	988,000	2,711,500
Purchase of own shares (certificates)	14	-	-
Proceeds from borrowings	11.2	20,000,000	3,099,000
Repayment of loans and borrowings	11.2	(1,636,944)	-
Net cash flows from / (used in) financing activities		19,352,056	5,814,348
Net increase in cash and cash equivalents		13,357,796	260,929
Cash and cash equivalents at 1 January		2,955,471	2,694,541
Cash and cash equivalents at 31 December	13	16,313,267	2,955,471

Notes to the consolidated financial statements

1. Corporate information

The consolidated financial statements of Fastned B.V. and its subsidiaries (collectively, the Group) for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 18 April 2018. Fastned B.V. (hereinafter: the Group) is a limited company incorporated and domiciled in the Netherlands and whose certificates are publicly traded. The registered office is located at James Wattstraat 77-79 in Amsterdam. The ultimate parent of the Group is the FAST Foundation.

The activities of the Group primarily consist of the exploitation of fast charging facilities for electric cars. Information on the Group's structure is provided in Note 5. Information on other related party relationships of the Group is provided in Note 20.

Financial position and going concern assumption

As foreseen in the business plan and long-term forecast, the Group incurs negative results during the first years of its operations. The deficits are for a major part funded by borrowings as well as by issuance of certificates shares via FAST (Fastned Administratie Stichting). At balance sheet date this resulted in an equity of € 3,099,035 compared to the negative equity of € 3,331,131 in 2016. The Group's equity has increased in 2017 due to conversion in June 2017 by Beheersmaatschappij Breesaap of its € 10,000,000 secured loan into equity, and in the same month by issuance of € 1,000,000 new equity to investment company Ballotta B.V.. In June 2017 Stichting Flowfund extended its convertible secured loan of € 2,500,000 for a further two years to 31 December 2020. To finance further roll-out of new charging stations in the Netherlands and Europe, the Group has issued Bonds in May and December 2017 amounting to € 20,000,000. Furthermore, cashflows are monitored closely and Fastned invests in new stations, chargers and grid connections only if the Group is able to arrange financing for such investments. As a result, the present accounting policies of valuation and determination of result used are based on the assumption of a going concern.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union and are in accordance with standards issued by the International Accounting Standards Board (IASB) as well as with Part 9 of Book 2 of the Netherlands Civil Code.

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in euros.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

The company financial statements have been prepared in accordance with Part 9 Book 2, making use of IFRS in conformity with the consolidated financial statements.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as of 31 December 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Fair value measurement

The Group measures financial instruments, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- > In the principal market for the asset or liability or
- > In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- > Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- > Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

c) Revenue recognition

Revenue comprises the sales of goods (electricity) after the deduction of discounts and sales taxes. Discounts given by Fastned include 'one month for free' for new customers, price reductions and incentives given to customers. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenues include revenues from contracts with OEM's such as Nissan. For most contracts, these revenues are recognised to the extent that it is probable that the economic benefit will flow to the Group, excluding taxes or duty. For other contracts, revenues have been recognised depending on the assessed stage of completion. Income from non-core activities, such as from maintaining and operating the stations for the city of The Hague, are excluded from revenues as this is not considered as the Group's normal business activities (selling of electricity).

d) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

f) Foreign currencies

The Group's consolidated financial statements are presented in euros, which is also Fastned B.V.'s functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

g) Cash dividend and non-cash distribution to equity holders

The Group recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in the Netherlands, a distribution is authorised when it is approved by the shareholders and the board of directors. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit or loss.

h) Property, plant and equipment

Construction in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (Note 3) and provisions (Note 16).

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Charging stations and technical installations	6.66% per year / 15 years or 12.5% per year / 8 years
Other operating assets	20% per year / 5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset

(calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) Financial instruments initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss or as loans and receivables. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include non-current financial assets, trade and other receivables, and cash and cash equivalents.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two categories:

- Financial assets at fair value through profit or loss
- Loans and receivables

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. The EIR is equal to the fixed rate without premiums. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- > The rights to receive cash flows from the asset have expired
- Or
- > The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that have occurred since the initial recognition of the asset (an incurred 'loss event'), have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics

and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, other financial liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Other financial liabilities

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR is equal to the fixed rate without premiums. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount

rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGUs recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

m) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and cash equivalents with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

n) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity from share premium. No gain or loss is recognised in profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Share options exercised during the reporting period are satisfied with treasury shares, if available.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The Group records a provision for decommissioning costs of a charging station. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

p) Pensions and other post-employment benefits

The Group operates a defined contribution pension plan in the Netherlands, which requires contributions made to a separately administered fund which is arranged through Brand New Day. The costs of providing contributions under the defined contribution plan is limited to the amount that the Group agreed to contribute to the fund. Contributions are expensed as incurred and presented in the statement of profit or loss. The assets and liabilities of such plans are not included in the balance sheet of the Group.

q) Share-based payments

Employees with more than 6 months' service (including senior executives) of the Group may receive remuneration in the form of share-based payments, such as options of certificates of shares. The fair value of awards at grant date is calculated using appropriate pricing models. This value is expensed over their vesting period, with a corresponding credit to equity. The expense is reviewed and adjusted to reflect changes to the level of awards expected to vest, except where this arises from a failure to meet a market condition. Any cancellations are recognised immediately in the income statement.

2.4 New accounting policies effective for 2017

There are no IFRS standards or IFRIC interpretations effective for the first time for the financial year beginning on or after 1 January 2017 that have a material impact on the financial statements of Fastned B.V. . There are amendments to standards IAS 12 and IAS 7 effective per 1 January 2017 which require additional disclosure.

Amendments to IAS 12, "Income taxes"

The amendments address the recognition of deferred tax assets for unrealized losses on debt instruments measured at fair value, as well as how deductible temporary differences should be measured in situations when tax law limits the offsetting of certain types of losses against specific sources of taxable profits. The application of these amendments does not have a significant effect on the results of the consolidated financial statements.

Amendments to IAS 7, "Disclosure Initiative"

The amendments require additional cash flow disclosures surrounding changes in liabilities arising from financing activities, including changes arising from both cash flows and non-cash changes. The application of these amendments does not have a significant effect on the results of the consolidated financial statements, but they have resulted in additional disclosures in Note 11 on the changes in assets and liabilities arising from financing activities.

Annual improvements to IFRSs 2014-2016

A number of amendments were made to various IFRSs that do not have a significant effect on the consolidated financial statements.

3. Significant accounting estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management (see Note 4)
- Financial risk management and policies (see Note 11.5)
- Sensitivity analyses disclosures (see Note 10)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to the charging stations as CGU. The key assumptions to determine whether an impairment is necessary or not are disclosed and further explained in Note 10.

Impairment of financial assets

Impairment of financial assets exists when the counterparty is not able to meet its obligations under a financial instrument or customer contract, leading to a financial loss for the Group. The Group has loans outstanding with Fastned Terra 1 B.V. and Fastned Terra 2 B.V. (see Note 11.1) and has evaluated whether these loans need to be impaired. Based on expected future cash flows of these entities and the revenue share of Fastned B.V. with these entities, the Group deems it not relevant to impair the loans.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has € 17,030,000 (2016: € 12,044,000) of tax losses which arose in the Netherlands that are available for offsetting against future taxable profits for a period of 9 years. Due to uncertainty about sufficient future profits in the period 2018-2026, the Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward.

If the Group would recognise all unrecognised deferred tax assets, profit and equity would have increased by approximately € 3,200,000 depending on the timing of the utilisation of the tax losses. Further details on taxes are disclosed in Note 8.

Provision for decommissioning

Under the rental agreements with Rijkswaterstaat (RWS) for the land of the charging stations, the Group has recognised a provision for decommissioning obligations. In determining the present value of the expected cash outflow of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the charging station from the site and the expected timing of those costs. The carrying amount of the provision as at 31 December 2017 was € 1,024,283 (2016: € 967,600). The Group estimates that the costs would be realised 15 years' after expiration of the rental contract and calculates the provision using the DCF method based on the following assumptions:

- > Estimated cost of removal € 15,000
- > Inflation of 2% (2016: 2%)
- > Discount rate – 1.0% (2016: 0.8%)

If the estimated pre-tax discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been € 106,384 lower. If the estimated inflation had been 1% higher than management's estimate, the carrying amount of the provision would have been €117,531 higher.

Provision for the Fastned Founders Club

In May 2015, Fastned launched the Fastned Founders Club. This is a special group of investors that have invested € 25,000 in the first primary issuance of shares through NPEX or € 50,000 in the primary issuance of shares through Nxchange in April - May 2016.

In return, these early investors can charge for free for the rest of their lives. The Group has recognised a provision for the kWh's charged by these Founders. In determining the amount of the provision, assumptions and estimates are made in relation to the amount of kWh's the Founders will charge, the discount rates, the expected cost of electricity and the expected timing of those costs. The carrying amount of the provision as at 31 December 2017 was € 116,904 (2016: € 127,560). The Group estimates that the costs would be realised in 23 years' time as the average age of the Founders is 52 and calculates the provision using the DCF method based on the following assumptions:

- > 100% of the Founders have an electric vehicle and will charge 25% of their kWh's at Fastned stations
- > Price per kWh: € 0.09
- > Inflation of 2% (2015: 2%)
- > Discount rate 1.0% (2016: 0.8%)

If the estimated pre-tax discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been € 13,131 lower. If the estimated inflation had been 1% higher than management's estimates, the carrying amount of the provision would be € 15,171 higher.

4. Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Group. The objective of capital management is to secure financial flexibility in order to maintain long-term business operations and to realise strategic options. Ensuring liquidity and limiting financial risks are key components of our financial policy and set the framework for capital management.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Board of Directors of Fastned will make a proposal for the Profit distribution. As a rule, part of the Profit will be used for reserves and the other part will be paid out as Dividend. However, in the years 2016 - 2018 no dividends will be paid out. After this period the intention of the Board of Directors of Fastned is to have a stable Dividend pay-out. Dividends are non-cumulative. Fastned has the ambition to aggressively expand the network. As a consequence, in the years after 2018, only a limited part of profits might be made available for the pay-out of dividends.

In addition, Fastned only invests in new stations when financing is in place for such an investment. The Group has secured financing for its operations up to 31 December 2020 through a working capital facility with Wilhelmina-Dok B.V. (see Note 11.2). Please refer to the going concern assumption under the Statement of Directors' responsibilities and Note 1.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2017 and 2016.

5. Group information

The consolidated financial statements of the Group include:

Name	Principal activities	Country of incorporation	% equity interest	
			2017	2016
Fastned Products BV	Buying and selling fast charging equipment	Netherlands	100	100
Fastned Beheer BV	Managing and assisting	Netherlands	100	100

Fastned Beheer B.V. has a managing contract with both Fastned Terra 1 B.V. and Fastned Terra 2 B.V.

Maatschap Fastned Terra 1 and Maatschap Fastned Terra 2 were both founded as a maatschap (partnership) in accordance with Dutch Law in December 2015. However, in line with the agreements, both Maatschappen were transferred into B.V.'s in April 2016 and Fastned Beheer B.V. no longer participates in these entities. Fastned Beheer B.V. has a managing contract with both Fastned Terra 1 B.V. and Fastned Terra 2 B.V. to act within the goals of the entities set out in the partnership agreement concerning administration, representation and managing of the entities. As at 31 December 2017, Fastned Terra 1 B.V. and Fastned Terra 2 B.V. own chargers that are being managed by Fastned Beheer B.V.. Please refer to Note 15.2 for more information about Fastned Terra 1 B.V. and Fastned Terra 2 B.V.

Since Fastned B.V. does not have rights giving the ability to direct the activities of Fastned Terra 1 B.V. and Fastned Terra 2 B.V., nor ability to affect their returns, neither Fastned Terra 1 B.V. nor Fastned Terra 2 B.V. are consolidated.

Shares in Fastned B.V. are held by FAST (Fastned Administratie Stichting), Amsterdam. The board of directors of Fastned B.V. consist of Carraig Aonair Holding B.V., Wilhelmina-Dok B.V., and Niels Korthal Altes.

Own holding as a % of total outstanding certificates of shares.

	2017	2016
Wilhelmina-Dok B.V.	52,9	57,6
Carraig Aonair Holding B.V.	31,8	34,6
Niels Korthals Altes	0.5	0.6

6. Revenues

Segmental reporting

The management reports in one segment: charging. The revenues from the different price plans are not reported as separate segments as it is viewed and managed as one activity.

Information by geography

All of the Group's operations and charging stations are in the Netherlands, hence all of the revenues originated from the Netherlands (2016: same).

7. Other income/expense

7.1 Other operating income

	2017	2016
	€	€
Insurance remuneration	225	52,896
Provision for Founders	10,656	-
Maintenance and operation of several locations	25,311	34,117
Other income	219,106	177,350
Total other operating income	255,298	264,363

Fastned B.V. has a contract with the city of The Hague to maintain and operate two charging stations at 31 December 2016. The fees that Fastned receives for maintenance and operating are classified as other income, as they are not part of our normal business activities (selling of electricity). Other income includes transactions with Terra 1 B.V. and Terra 2 B.V., refer to Note 15.2.

7.2 Administrative expenses

	2017	2016
	€	€
Provision for the Fastned Founders	-	50,943
Provision for doubtful accounts	62,977	-
Pension costs	97,608	66,581
Social security costs	185,743	172,798
Depreciation	1,174,751	1,089,824
Wages and salaries	1,411,727	1,120,459
Total administrative expenses	2,932,806	2,500,606

Pensions and other post-employment benefits

The Group operates a defined contribution pension plan in the Netherlands, which requires contributions made to a separately administered fund which is arranged through Brand New Day. The costs of providing contributions under the defined contribution plan is limited to the amount that the Group agreed to contribute to the fund. Contributions are expensed as incurred and presented in the statement of profit or loss. The assets and liabilities of such plans are not included in the balance sheet of the Group. Please refer to Note 16 for information on the Fastned Founders provision.

7.3 Other operating expenses

	2017	2016
	€	€
Rent	71,965	191,909
Car expenses	112,708	109,339
General costs	237,005	613,567
Office costs	242,854	51,282
Advisory costs: Parent company	254,491	357,767
Subsidiaries	3,840	-
Marketing costs	276,718	173,887
Total other operating expenses	1,199,581	1,497,750

General costs in 2017 are net of € 239,418 subsidy received as part of the European Commission TEN-T grant.

7.4 Finance costs

	2017	2016
	€	€
Tax penalties	-	1,523
Interest and bank charges	5,336	6,942
Interest on debts and borrowings	942,486	859,887
Other interest expenses	11,112	7,547
Total finance costs	958,934	875,898

7.5 Finance income

	2017	2016
	€	€
Interest and bank charges: Parent company	62,623	59,917
Subsidiaries	53	-
Total finance income	62,676	59,917

8. Income tax

8.1 Deferred tax

Deferred tax relates to the following:

	Statement of financial position		Statement of profit or loss	
	2017	2016	2017	2016
	€	€	€	€
Losses available for offsetting against future taxable income	-	-	-	-
Deferred tax expense/(benefit)	-	-	-	-
Net deferred tax assets	-	-	-	-

Reconciliation of deferred tax liabilities, net

	2017	2016
	€	€
As of 1 January	-	-
Tax income/(expense) during the period recognised in profit or loss	-	-
As at 31 December	-	-

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group has € 17,030,726 (2016: € 12,010,726) of tax losses which arose in the Netherlands that are available for offsetting against future taxable profits for a period of 9 years. Due to uncertainty about sufficient future profits in the period 2018-2026, the Group has determined that it can not recognize deferred tax assets on the tax losses carried forward. See also note 3.

Tax year	Expiring	€'000
2012	2021	264,336
2013	2022	767,951
2014	2023	2,233,949
2015	2024	3,767,684
2016	2025	4,976,806
2017	2026	5,020,000 approx
Total		17,030,000 approx

The applicable tax rate in the Netherlands is 20% over the first € 200,000 and 25% over the remainder of the profit. These percentages and amounts have not changed since 2015. Due to the tax loss realised over 2017 and previous years for which no deferred tax asset is recognised in the statement of financial position, the effective tax rate is nil (2015: nil).

9. Earnings per share

The combined earnings per share calculations are based on the average number of share units (certificates) representing the certificates in issue during the period. In calculating diluted earnings per share and earnings per share, two adjustments are made to the number of shares: the conversion of the loans of Beheersmaatschappij Breesaap and Stichting Flowfund into certificates for € 10.- per certificate and the share options of personnel (Note 18). As the conversion options disclosed in Note 11.2 are anti-dilutive, diluted EPS is the same as basic EPS.

Earnings per share	2017	2016
	€	€
Basic earnings per share	(0.37)	(0.40)
Diluted earnings per share	(0.37)	(0.40)

Calculation of average number of share units	2017	2016
	Units	Units
Weighted average number of shares	13,581,593	12,813,406
Effects of dilution from:		
- Share options of personnel	113,345	87,393
- Conversion certificates of Beheersmaatschappij Breesaap and Flowfund	250,000	1,250,000
Diluted number of shares	13,944,938	14,150,799

Calculation of earnings	2017	2016
	€	€
Net profit	(5,016,804)	(5,086,733)
Interest converted	457,970	770,973
Net profit attributable to shareholders' equity	(4,558,834)	(4,315,760)

10. Property, plant and equipment

	Construction in progress	Charging stations and technical installations	Other equipment	Total
	€	€	€	€
Cost				
At 1 January 2016	1,130,358	12,121,845	270,993	13,523,196
Additions	1,929,354	-	94,443	2,023,797
Disposals	-	-	-	-
Transfer	(1,395,323)	1,395,323	-	-
At 31 December 2016	1,664,389	13,517,168	365,436	15,546,993
Additions	1,861,500	46,590	95,041	2,003,131
Reversals	-	18,520	-	18,520
Disposals	(67,708)	-	-	(67,708)
Transfer	(480,126)	480,126	-	-
At 31 December 2017	2,978,055	14,062,404	460,477	17,500,936
Depreciation and impairment				
At 1 January 2016	-	(694,244)	(84,430)	(778,674)
Depreciation charge for the year	-	(1,031,972)	(57,852)	(1,089,824)
Disposals	-	-	-	-
At 31 December 2016	-	(1,726,216)	(142,282)	(1,868,498)
Depreciation charge for the year	-	(1,092,628)	(82,123)	(1,174,751)
Reversals	-	(18,520)	-	(18,520)
Disposals	-	-	-	-
At 31 December 2017	-	(2,837,364)	(224,405)	(3,061,769)
Net book value				
At 31 December 2017	2,978,055	11,225,040	236,072	14,439,167
At 31 December 2016	1,664,389	11,790,952	223,154	13,678,495

Additions in 2017 are net of € 640,000 a grant received from the European Commission.

Capitalised borrowing costs

Due to the short term of building time of the charging stations, no interest is capitalised as it is not deemed material. The amount of borrowing costs capitalised during the year ended 31 December 2017 was Nil (2016: Nil).

Charging stations

Charging stations with a carrying amount of € 2,500,000 are subject to a first charge to secure both the Group's loans (see Note 11.2).

Impairment

The Group has identified an indicator for a possible impairment of assets. The indicator is the future development of the market for FEV's and its impact on the Group's realised turnover. The Group has performed an impairment test based on the turnover realised from its investments in charging stations. The performed impairment test shows that the recoverable amount of the assets is larger than the book value of the tangible assets. During the financial year no impairment losses have been recognised.

Assumptions for the valuation of a cash generating unit (CGU) defined as Charging Station

Charging stations

The value in use of an individual Charging Station is determined based on a calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been prepared to reflect an increasing number of electric vehicles in the Netherlands. The pre-tax discount rate applied to the cash flow projections is 20% (2016: 15%, 2015:20%). Given the relatively early stage in the business lifecycle of Fastned and in the life cycle of the industry in general, the development of the cashflows is relatively uncertain. Moreover, estimation of the discount rate for investments in a juvenile but rapidly growing market is complex and influenced by numerous uncertain factors. Given the recent developments in the dispute with the Dutch State regarding the scope of the concessions we considered an impairment test at a higher discount rate applicable. Therefore, management reverted to the discount rate of 20% as used in the 2015 impairment test and adopted this value for use in the 2017 impairment calculation.

The growth rates used to extrapolate the cash flows of the unit beyond the five-year period to 11 years (as the average remaining life of a station in 2017 is 11 years) is based on 50% (2016: 50%) of the expected growth rate of the electric vehicle market and are declining from 24% in 2023 to 12% in 2028 (2016: 19% in 2022 to 8% in 2030) as the market for fast charging becomes more mature. In the base case, the headroom between the value in use and the book value is approximately € 86,000.- per station. The carrying amount of a charging station is € 187,000.

As a result of the analysis, management did not identify an impairment for a Charging Station.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions. The calculation of value in use for the charging stations is most sensitive to the following assumptions:

- Number of electric vehicles in the Netherlands
- Market share during forecast period
- Electricity prices
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Number of electric vehicles – Fastned’s management’s view of the most reasonable and supportable estimate of the number of electric vehicles in the Netherlands is based on independent information published by M. Steinbuch, professor at the Mechanical Engineering Department at Eindhoven University of Technology in the Netherlands. Forecast numbers of thousand FEV’s in the Netherlands used in the impairment test are 123 in 2020 and 923 in 2025.

Slower sales of full electric vehicles (e.g. possibly due to fiscal changes) may result in fewer full electric vehicles on the road and subsequently in lower demand for fast charging. A decreased demand can lead to a decline in revenues. A 13% decrease in the estimated number of electric vehicles (2016: 25%) could result in an impairment for a Charging Station unit.

Market share assumptions – Management expects Fastned’s position relative to competitors, and the share of fast charging to slow charging, to change during the forecast period. EV drivers have the option choose to charge at home, at the office, and at public slow charging poles instead of fast charging along the highway. This behaviour is still largely unknown. The way charging behaviour will develop will have an impact on potential revenues of Fastned. As such, developments directed away from fast charging along the highway to for example slow charging on public charging poles could have a negative impact on future revenues and profits. If the amount of kWh’s of fast charging per EV reduces by 12% (2016: 25%) this could result in an impairment.

Electricity prices – Estimates are based on past actual prices as an indicator of future price movements. If the cost price of renewable electricity (to which Fastned has committed itself to use) were to increase due to unforeseen factors this could negatively impact margins. If prices of renewable electricity increase with 39% (2016: 43%) compared to today and Fastned were unable to pass on or absorb these increases through efficiency improvements, then Fastned could have an impairment.

Discount rates - Discount rates represent the current market assessment of the risks specific to each Charging Station, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of Fastned and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group’s investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. A rise in pre-tax discount rate to 25% (i.e. +5%) (2015: 21%) for the Charging Station could result in an impairment.

Growth rate estimates - Management forecasts that Fastned will grow at 50% of the total market growth from 2023 onwards due to an increasing number of competitors that are not in the market today. Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. A reduction of the growth rate by 6% (2016: 8%) could result in an impairment.

11. Financial assets and financial liabilities

	Interest rate	Maturity	2017	2016
	%		€	€
Non-current interest-bearing loans and borrowings				
Loan to Fastned Terra 1 B.V.	6	31 December 2024	987,935	932,015
Loan to Fastned Terra 2 B.V.	6	31 December 2024	118,552	111,842
Credit facility to Fastned Terra 1 B.V.	-	31 December 2024	57,934	57,934
Credit facility to Fastned Terra 2 B.V.	-	31 December 2024	15,723	12,698
Loans to related parties and subsidiaries			1,180,144	1,114,488
Total interest-bearing loans and borrowings			1,180,144	1,114,488

11.1 Financial assets: interest-bearing loans and borrowings

Loan to Fastned Terra 1 B.V.

The Group issued a loan to Fastned Terra 1 B.V. (previously Maatschap Fastned Terra 1) for an amount of € 879,259 for the purchase of fast chargers. The loan bears an interest of 6% per annum. In 2017, € 55,921 (2016: € 52,756) of interest has been added to the loan. The Loan Amount and Interest outstanding shall be repaid by the Borrower to the Lender in 5 equal annual repayments instalments, with the first repayment date on the fifth anniversary (31 December 2020) of this Agreement and the last repayment date on the ninth anniversary of this Agreement (31 December 2024). All the fast chargers as purchased by Fastned Terra 1 form security for the loan.

For the first four years, up to 31 December 2019, as per the end of each calendar year, the interest accrued for that year shall be added to the Loan Amount, and such adjusted Loan Amount shall then be used for interest calculation in the succeeding calendar year. After four years, starting 1 January 2020, the interest accrued for the year will be payable at the end of that year.

Loan to Fastned Terra 2 B.V.

The Group issued a loan to Fastned Terra 2 B.V. (previously Maatschap Fastned Terra 2) for an amount of € 105,511 for the purchase of fast chargers. In 2017, € 6,711 (2016: €6,331) of interest has been added to the loan. The loan bears an interest of 6% per annum. The Loan Amount and Interest outstanding shall be repaid by the Borrower to the Lender in 5 equal annual repayments instalments, with the first repayment date on the fifth anniversary (31 December 2020) of this Agreement and the last repayment date on the ninth anniversary (31 December 2014) of this Agreement. All the fast chargers as purchased by Fastned Terra 2 form security for the loan.

For the first four years, up to 31 December 2019, as per the end of each calendar year, the interest accrued for that year shall be added to the Loan Amount, and such adjusted Loan Amount shall then be used for interest calculation in the succeeding calendar year. After four years, starting 1 January 2020, the interest accrued for the year will be payable at the end of that year.

Credit facility to Fastned Terra 1 B.V.

Fastned Terra 1 B.V. (previously Maatschap Fastned Terra 1) has a credit facility with the Group. At 31 December 2017 this facility amounts to € 57,934 (2016: € 57,934). This facility is related to the loan to Fastned Terra 1 B.V. and its purpose is to provide working capital.

Credit facility to Fastned Terra 2 B.V.

Fastned Terra 2 B.V. (previously Maatschap Fastned Terra 2) has a credit facility with the Group. At 31 December 2016 this facility amounts to € 15,723 (2016: € 12,698). This facility is related to the loan to Fastned Terra 2 B.V. and its purpose is to provide working capital.

11.2 Financial liabilities: Interest-bearing loans and borrowings

Fastned does not have current interest-bearing loans and borrowings as of 31 December 2017 (2016: none).

	<u>Interest rate</u>	<u>Maturity</u>	<u>2017</u>	<u>2016</u>
	%		€	€
Non-current interest-bearing loans and borrowings				
6% secured loan I of € 2,500,000	6.0	31 December 2020	2,500,000	2,500,000
6% secured loan II of € 10,000,000	6.0	31 December 2018	-	10,000,000
6% secured working capital facility of € 5,000,000	6.0	31 December 2018	-	1,636,944
6% unsecured bonds	6.0	2 December 2021	2,499,000	2,499,000
	6.0	6 June 2022	7,689,000	-
	6.0	12 December 2022	12,311,000	-
Total interest-bearing loans and borrowings			24,999,000	16,635,944

6% secured loan I

The loan arrangement amounts to € 2.5 million, which is fully drawn. The Group is entitled to prepay or repay all or part of the loan at any time. The loan has to be fully repaid (including any interest accrued) on 31 December 2018. The interest rate on this loan amounts to 6%. Stichting Flowfund is provided with security rights over charging stations. During 2017 Stichting Flowfund extended this loan by 2 years to 31 December 2020.

The lender is entitled to convert all or part of the loan (and accrued interest) into certificates of shares in Fastned before 31 December 2020. There are no covenants applicable that could cause the loan to be short term at balance sheet date. In 2017, interest under this loan was € 154,195 and has been fully converted into certificates of shares at € 10 per piece.

6% secured loan II

The loan agreement entitles the lender to convert all or part of the loan (and accrued interest) into certificates of shares Fastned before 31 December 2018. On 30 June 2017 investment company Beheersmaatschappij Breesaap B.V. converted its loan into share certificates at € 10 per piece.

6% secured working capital facility

The loan facility amounts to € 5.0 million, of which € nil (2016: € 1,548,560) is drawn.

Under this facility the Group may draw monies to finance its operating costs and working capital requirements, but not to finance capital expenditures on stations. The maximum drawdown is € 2.0 million per annum. The Group is entitled to prepay or repay all or part of the loan at any time. In 2017 this loan facility was extended by two years. All outstanding amounts (including any interest accrued) must now be repaid by 31 December 2020. The interest rate on this loan amounts to 6%. Wilhelmina-Dok B.V. is provided with first priority security rights over then available assets that have not been given in security to other parties to a maximum amount of the outstanding loan.

There are no covenants applicable that could cause the loan to be short term at balance sheet date.

6% unsecured bonds

On 6 June 2017, Fastned raised €7,689,000, and on 12 December 2017 a further € 12,311,000 through issue of corporate bonds. Interest on these bonds amounts to 6% per annum, payable quarterly. The Group is entitled to prepay or repay all

or part of the bond at any time. The bonds mature after 5 years. The purpose of the bond is to finance new stations and operating expenses. There are no securities for the bond and there are no covenants applicable that could cause the loan to be short term at balance sheet date. The bond is not subordinated and trading is very limited as it is not registered on any exchange.

11.3 Reconciliation of liabilities arising from financing activities

	Maturing	01-jan	Interest p/l charge	Cashflows		Non-cash changes		31-dec
				loan issue / repay- ment	Interest paid/ received	Accrual	Conversion to equity	
2017								
Financial assets : interest bearing loans and borrowings								
Loan to Fastned Terra 1 B.V.	31-dec-24	932,015	55,921					987,936
Loan to Fastned Terra 2 B.V.	31-dec-24	111,842	6755					118,597
Credit facility to Fastned Terra 1 B.V.	31-dec-24	57,934						57,934
Credit facility to Fastned Terra 2 B.V.	31-dec-24	12,698			3,025			15,723
		1,114,489	62,674	0	3,025			1,180,190
Non current liabilities : interest bearing loans and borrowings								
6% secured loan I of € 2,500,000	31-dec-20	2,500,000	154,195				-154,195	2,500,000
6% secured loan II of € 10,000,000	31-dec-18	10,000,000	303,775				-10,303,775	0
6% secured working capital facility of € 5,000,000	31-dec-20	1,636,944	49,726	-1,636,944	-49,726			0
6% corporate bond	02-dec-21	2,499,000	155,721		-143,398	-12,324		2,499,000
6% corporate bond	06-jun-22		240,619	7,689,000	-209,020	-31599		7,689,000
6% corporate bond	12-dec-22		38,450	12,311,000	0	-38,450		12,311,000
		16,635,944	942,486	18,363,056	-402,144	-82372	-10,457,970	24,999,000
2016								
Financial assets : interest bearing loans and borrowings								
Loan to Fastned Terra 1 B.V.	31-dec-24	879,259	52,756					932,015
Loan to Fastned Terra 2 B.V.	31-dec-24	105,511	6,331					111,842
Credit facility to Fastned Terra 1 B.V.	31-dec-24	53,157			4,777			57,934
Credit facility to Fastned Terra 2 B.V.	31-dec-24	6,423			6,275			12,698
		1,044,350	59,087	0	11,052			1,114,489
Non current liabilities : interest bearing loans and borrowings								
6% secured loan I of € 2,500,000	31-dec-18	2,500,000	154,195				-154,195	2,500,000
6% secured loan II of € 10,000,000	31-dec-18	10,000,000	616,778				-616,778	10,000,000
6% secured working capital facility of € 5,000,000	31-dec-18	948,560	88,384	688,384	-88,384			1,636,944
6% corporate bond	02-dec-21	0		2,499,000				2,499,000
		13,448,560	859,357	3,187,384	-88,384		-770,973	16,635,944

11.4 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount		Fair value measurement using significant unobservable inputs	
	2017	2016	2017	2016
	€	€	€	€
Financial assets				
Interest-bearing loans and borrowings	1,180,144	1,114,488	1,180,144	1,114,488
Total	1,180,144	1,114,488	1,180,144	1,114,488

	Carrying amount		Fair value measurement using significant unobservable inputs	
	2017	2016	2017	2016
	€	€	€	€
Financial liabilities				
Interest-bearing loans and borrowings	(24,999,000)	(16,635,944)	(24,999,000)	(16,635,944)
Total	(24,999,000)	(16,635,944)	(24,999,000)	(16,635,944)

The management assessed that cash and cash equivalents, trade and other receivables, trade and other payables, and other current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the interest-bearing loans and borrowings is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the financed project.

The fair value of the interest-bearing loans and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities, being sensitive to a reasonably possible change in the forecast cash flows or the discount rate. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

11.5 Financial risk management objectives and policies

The Group's principal financial instruments comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial instruments include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to interest risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of

changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with fixed rates and is therefore reduced.

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of electricity and therefore require a continuous supply of electricity. Due to the volatility of the price of electricity, the Group entered into various purchase contracts for electricity. There are no financial instruments related to commodity price risk.

The Group's Board of Directors has developed and enacted a risk management strategy for commodity price risk and its mitigation.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables see Note 12) and from its financing activities, including deposits with banks and financial institutions, (refer to Note 13) and other financial instruments.

Fastned B.V. has two loans outstanding of € 1,106,487 with Fastned Terra 1 B.V. and Fastned Terra 2 B.V. (refer to Note 11.1), which creates a credit risk. This risk is reduced by the condition of these similar loans that repayments only starts after four years, when it is anticipated that there will be a large enough market for electric vehicle charging. The interest rate is fixed at 6% per annum which will be rolled up the first four years.

Trade receivables

Customer credit risk is managed by making use of a direct payment system in the charging stations.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. See also the going concern statement in Note 1.

For the operating expenses, Fastned has signed a working capital agreement of € 5,000,000.- with Wilhelmina-Dok B.V. (see Note 11.2). As at 31 December 2017 this facility was unused and fully available (2016: € 1,636,944 drawn) so there is sufficient headroom and the liquidity risk is significantly reduced.

The Group's objective is to maintain a balance between continuity of funding and flexibility using loans and capital. The Group manages the liquidity risk by entering long-term debts agreements with full repayment at the end of the term so there is no current debt. Interest is rolled up under the agreements with Beheersmaatschappij Breesaap, Stichting Flowfund and Wilhelmina-Dok B.V..

The table below summarises the maturity profile of the Group's liabilities based on contractual undiscounted payments.

Year ended 31 December 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	€	€	€	€	€
Interest-bearing loans and borrowings (other than convertible preference shares)	-	-	-	24,999,000	24,999,000
Trade and other payables	918,129	220,064	2,133,914	-	3,272,107
Total	918,129	220,064	2,133,914	24,999,000	28,271,107

Year ended 31 December 2016	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	€	€	€	€	€
Interest-bearing loans and borrowings (other than convertible preference shares)	-	-	-	18,751,367	18,751,367
Trade and other payables	-	409,962	3,326,069	-	3,736,032
Total	-	409,962	3,326,069	18,751,367	22,487,398

12. Trade and other receivables and prepayments

	2017	2016
	€	€
Trade receivables	111,358	189,802
Prepayments	186,990	87,150
Taxes and social securities	541,917	501,254
Other receivables	232,566	119,469
Total trade and other receivables and prepayments	1,072,831	897,675

Trade receivables are non-interest bearing and are generally on terms of 14 days. As at 31 December 2017, the provision for trade receivables amounted to € 62,977.

As at 31 December 2017, the ageing analysis of trade receivables is, as follows:

	Not past due		Past due					
	Total		< 30 Days	30 – 90 days	91 – 120 days	120-180 days	180-365 Days	>-365 Days
	€	€	€	€	€	€	€	€
Outstanding	174,335	-	82,525	(554)	23,960	5,915	10,103	52,387
Provision for impairment	(62,977)	-	-	-	-	(3,013)	(7,577)	(52,387)
Trade receivables	111,358	-	82,525	(554)	23,960	2,902	2,526	-

13. Cash and cash equivalents

	2017	2016
	€	€
Cash equivalents	-	1,001,647
Cash at banks and on hand	16,313,267	1,953,824
Total cash and cash equivalents	16,313,267	2,955,471

Cash at banks earns interest at floating rates based on daily bank deposit rates. Cash equivalents are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

At 31 December 2017, the Group had no borrowing facilities with banks.

Cash and cash equivalents are at the Group's free disposal with the exemption of € 10,000 related to company credit cards.

14. Issued capital and reserves

	2017	2016
Share capital:		
	quantity	quantity
Authorised shares of €0.01 each	16,195,800	16,195,800
Issued shares of € 0.01 each	14,154,492	13,008,695
	Quantity	€
At 1 January 2016	12,623,988	126,394
Issued via FAST on Nxchange	307,610	3,076
Conversion of loans and interest:		
Beheersmaatschappij Breesaap	61,678	617
Stichting Flowfund	15,419	154
At 31 December 2016	13,008,695	130,241
Issued to Ballotta B.V.	100,000	1,000
Conversion of loans and interest:		
Beheersmaatschappij Breesaap	1,030,378	10,304
Stichting Flowfund	15,419	154
At 31 December 2017	14,154,492	141,699

In June 2017, Fastned raised € 1,000,000 of new equity through the issuance of 100,000 certificates of shares at €10 per certificate to investment company Ballotta B.V.. At the same time both parties agreed provisions for a possible further increase of € 1,500,000 equity by the end of 2018.

Also in June 2017, Beheersmaatschappij Breesaap B.V. converted its €10,000,000 convertible loan plus accrued interest into certificates of shares at €10 per certificate.

Share premium	€
At 1 January 2016	5,474,520
Issuance of share capital (certificates)	3,057,750
Transaction costs for issued share capital (certificates)	(360,873)
Conversion of loans and interest	770,973
Transaction costs for conversion	-
At 1 January 2017	8,942,369
Issuance of share capital (certificates)	999,000
Transaction costs for issued share capital (certificates)	(1,000)
Conversion of loans and interest	10,447,512
Transaction costs for conversion	(10,000)
At 31 December 2017	20,377,881

Treasury shares

	Quantity	€
At 31 December 2016		
Issued for cash on purpose of own shares (certificates)	15,400	15,400
At 31 December 2017	-	-
	15,400	15,400

During 2014, one employee left the Company and Fastned B.V. bought back the certificates of this employee at a price of EUR 1.- per certificate. The Treasury shares have no defined purpose at the moment.

All other reserves are as stated in the statement of changes in equity.

15. Trade and other payables

Terms and conditions of the above liabilities:

	2017	2016
	€	€
Trade payables	1,194,972	499,826
Government grants	-	1,001,647
Taxes and social securities	68,442	12,484
Other payables	2,008,693	2,222,075
Total trade and other payables	3,272,107	3,736,032

- > Trade payables are non-interest bearing and are normally settled on 30-day terms
- > Other payables are non-interest bearing and have a term of one month to six months
- > For terms and conditions with related parties, refer to Note 17 Please refer to note 11.5 for maturity profile of the liabilities.

15.1 Government Grants

Government grants relate to subsidies awarded and prepaid to Fastned by the European Commission in 2014. In 2017, following completion of the review of work under this subsidy program, a total of € 640,000 has been capitalized within fixed assets, €239,418 released to profit and loss, and € 122,228 returned to the European Commission.

15.2 Other payables

	Chargers	Other	Total
	€	€	€
At 1 January 2017	1,843,688	378,387	2,222,075
Changes during the year	(480,958)	267,576	(213,382)
At 31 December 2017	1,362,730	645,963	2,008,693
Current			

On 31 December 2015, Fastned Products B.V., a 100% subsidiary of Fastned B.V., agreed with Fastned Terra 1 B.V. and Fastned Terra 2 B.V. to deliver 50 and 6 chargers respectively. Fastned Terra 1 B.V. and Fastned Terra 2 B.V. have prepaid Fastned Products B.V. for delivery of the chargers.

By the end of 2017 Fastned Products B.V. had delivered 24 chargers to Fastned Terra 1 B.V. and 2 chargers to Fastned Terra 2 B.V., reducing the amount of prepayments from to both entities to € 1,362,730 (2016: € 1,843,688) for the Group. Due to unforeseen circumstances outside the control of the Group, some (remaining elements of the) chargers will be delivered and/or, put into operation at the beginning of 2018.

On 31 December 2015, Fastned B.V. signed a cooperation agreement with Fastned Terra 1 B.V. and Fastned Terra 2 B.V. whereby it is agreed that Fastned B.V. will operate on its locations and engage the chargers in Fastned's operations in return for a revenue share.

Fastned Beheer B.V., a 100% subsidiary of Fastned B.V., has agreed with both Fastned Terra 1 B.V. and Fastned Terra 2 B.V. to perform the administrative, financial, commercial and technical management of the fast chargers delivered to Fastned Terra 1 B.V. and Fastned Terra 2 B.V.

The Group does not consider itself to have control over Fastned Terra 1 B.V. and Fastned Terra 2 B.V., as Fastned Beheer B.V. has no ownership in the entities and therefore does not consolidate these entities, refer its Note 5.

For explanations on the Group's credit risk management processes, refer to Note 11.4.

16. Provisions

Provisions are recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable.

The Group records provisions for the removal of the charging station at the end of the concession period, for the Fastned Founders Club, which was launched in May 2015, and for staff share options.

The Fastned Founders Club is a special group of investors that have all invested € 25,000.- or more (in primary issuance of certificates) in the issuance on NPX in 2014 – 2015 or invested € 50,000.- or more (in primary issuance of certificates) in the issuance on Nxchange in 2016. On 31 December 2017, there were 72 members in this Club. The members of the Fastned Founders Club have the rights to charge for free for the rest of their lives. In 2017, Fastned Founders have charged 18,007 kWh (2016: 13,347 kWh) for free.

Staff share options, see also note 18, are reported at fair value.

Provisions	2017	2016
	€	€
Due within one year	3,518	2,400
Due after one year	1,146,450	1,101,541
Total provisions	1,149,968	1,103,941

Movement during 2016	Founders Club	Decommissioning	Staff options	Total
	€	€	€	€
1 January 2016	76,617	828,297	-	904,914
Additions	54,852	75,577	8,781	139,211
Use	-	-	-	-
Revised estimates	(3,909)	63,726		59,816
31 December 2016	127,560	967,600	8,781	1,103,941

Movement during 2017	Founders Club	Decommissioning	Staff options	Total
	€	€	€	€
1 January 2017	127,560	967,600	8,781	1,103,941
Additions	-	101,874	-	101,874
Use	-	-	-	-
Revised estimates	(10,656)	(45,191)		(55,847)
31 December 2017	116,904	1,024,283	8,781	1,149,968

17. Deferred revenues

Deferred revenues of € 485,299 (2016: 501,343) relate to various pre-paid long-term subscriptions of customers that Fastned B.V. signed in 2016-2017.

	2017	2016
	€	€
At 1 January	501,343	-
Deferred during the year	23,274	501,343
Released to the statement of profit or loss	(39,318)	-
At 31 December	485,299	501,343
Current	16,000	15,955
Non-current	469,299	485,388

18. Share-based payments

Under the Employee Option Plan (EOP), the Group, at its discretion, may grant options on certificates of shares of the parent to employees other than the Board of Directors, once the employee has completed 6 months of service at the grant date. The exercise price of the options is € 10.- per certificate. The options can be exercised up to five years after the three-year vesting period and therefore, the contractual term of each option granted is eight years. The options will be equity settled. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these options.

The fair value of the options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions on which the options were granted. The estimated fair value of the outstanding options is based on the Black Scholes model. The most important inputs used in the calculation were the closing share price at 31 december 2017 (€8.40) and a risk-free interest rate of (0.05%).

Movements during the year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, options on certificates of shares during the year:

	2017	2017	2016	2016
	Number	WAEP (€)	Number	WAEP (€)
Outstanding at 1 January	87,393	10.00	89,175	10.00
Granted during the year	113,345	10.00		
Forfeited during the year			(1,782)	10.00
Exercised during the year				
Expired during the year				
Outstanding at 31 December	200,738	10.00	87,393	10.00
Exercisable at 31 December				

The weighted average remaining contractual life for the options outstanding as at 31 December 2017 was 6.6 years (2016: 7.0 years). The exercise price for options outstanding at the end of the year was €10.00 (2016: €10.00). Because this exercise price is significantly higher than market price, the weighted average fair value of the options outstanding is zero (2016: € 8,781).

Included in the table are options granted to Niels Korthals Altes before he became a director of Fastned B.V.. As at 31 December 2017 he held of 33,614 options.

19. Commitments and contingencies

Operating lease commitments — Group as lessee

Operating lease expenditure in 2017 was € 140,246 (2016: € 293,526). The Group has entered into operating leases on certain motor vehicles with an average remaining lease terms of 1.9 years. Future minimum costs payable under non-cancellable operating leases for these motor vehicles as at 31 December are, as follows:

	<u>2017</u>	<u>2016</u>
	€	€
Within one year	60,476	43,450
After one year but not more than five years	67,339	34,860
More than five years	-	-
Total motor vehicle leases	127,815	78,310

The Group has entered into an operating leases for office accommodation with on average 2.4 years remaining to expiry. Future minimum rentals payables under these non-cancellable operating leases as at 31 December are, as follows:

	<u>2017</u>	<u>2016</u>
	€	€
Within one year	238,173	160,720
After one year but not more than five years	301,473	562,520
More than five years	-	-
Total rentals payables	539,646	723,240

The Group has entered into an operating lease with Fastned Terra 1 BV and Fastned Terra 2 BV. This lease has a remaining term of 8 years. The first term of five years will terminate on 31 January 2021. At the end of the contract, Fastned will support Fastned Terra 1 B.V. and Fastned Terra 2 B.V. with the removal of the chargers, the potential sale of the chargers and the delivery of the chargers to a warehouse. The cooperation with Fastned Terra 1 B.V. and Fastned Terra 2 B.V. is non-exclusive for all parties.

Fastned pays monthly a revenue share based on the amount of kWh's sold through the Fastned Terra 1 B.V. and Fastned Terra 2 B.V. chargers under these contracts. The future lease commitment is therefore depending on the amount of kWh's Fastned sells. In case Fastned does not sell any kWh at these chargers, the payment will be nothing. Fastned delivered 155,854 kWh to Fastned Terra 1 B.V. in 2017 (2016: 6,752) and 29,913 kWh to Fastned Terra 2 B.V. in 2017 (2016: 532).

Commitments

At 31 December 2017, the Group had initiated the construction of several fast charging stations, these will be realised in the first quarter of 2018. Fastned prepays orders placed at its suppliers usually with 50%, the larger part of these prepayments are already capitalised in the balance sheet. The outstanding commitment at 31 December 2017 amounted to approximately € 1,755,000 (2016: € 700,000).

20. Related party disclosures

		Interest charge	Amounts owed to related parties
		€	
Breesaap B.V.			
Loans from related parties	2017	303,775	-
	2016	616,778	10,000,000
Wilhelmina-Dok B.V.			
Working capital facility	2017	49,726	-
	2016	88,384	1,636,944
Fastned Terra 1 B.V.			
Other payables	2017	-	1,202,409
	2016	-	1,644,890
Fastned Terra 2 B.V.			
Other payables	2017	-	160,321
	2016	-	198,798
		Interest income	Amounts owed from related parties
Fastned Terra 1 B.V.			
Loans to related parties	2017	55,921	1,045,869
	2016	-	932,416
Fastned Terra 2 B.V.			
Loans to related parties	2017	6,711	134,275
	2016	6,331	124,540

The interest charged is converted into certificates of shares for Breesaap B.V. The interest of the Wilhelmina-Dok B.V. facility is added to the loan amounts. See Note 11.2.

Terms and conditions of transactions with related parties

For terms and conditions of the outstanding loan with Breesaap B.V. and the working capital facility with Wilhelmina-Dok B.V. see Note 11.2. For terms and conditions of the payables and outstanding loans with Fastned Terra 1 B.V. and Fastned Terra 2 B.V. please refer to Note 15.2 and 11.1.

Compensation of key management personnel of the Group

The total remuneration package for the members of the Management Board may consist of the following components:

- a) Annual base salary;
- b) Short-term variable salary;
- c) Pension benefits;
- d) Other emoluments.

	Base salary		Pension benefits		Other emoluments	
	2017	2016	2017	2016	2017	2016
	€	€	€	€	€	€
B. Lubbers	36,000	36,000	-	-	-	-
M. Langezaal	69,050	60,000	-	-	-	-
N. Korthals Altes	51,661	-	5,863	-	-	-
Total	156,711	96,000	-	-	-	-

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Niels Korthals Altes was appointed a director of Fastned B.V. on 18 May 2017, The amounts showing in the table relate to emoluments from that date.

21. Key events post reporting date

Fastned challenged in the Dutch courts the granting of a permit for a charging station at Shell Nederland's fuel site "The Hackelaar". On 24 January 2018, the court ruled that the Minister may make a distinction between parties having a permit for selling electricity for electric cars and parties with a permit to sell fuel and exploit a shop and who wish, besides that, also to sell electricity for electric cars. Fastned is appealing against this ruling.

22. Remuneration of auditors

This note includes all fees agreed to be paid to the Group's auditors, whether in relation to their audit of the Group or otherwise.

Following a competitive tender process in 2017 Grant Thornton (referred to as "GT") was appointed as the Group's auditor, succeeding EY Accountants.

	Other emoluments	
	2017	2016
	€	€
Fees payable to the Group's auditor for the audit of the consolidated and parent company accounts and subsidiaries accounts of Fastned B.V.	78,000	95,000

23. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

- IFRS 9 Financial Instruments, effective 1 January 2018
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15 and Clarifications to IFRS 15 Revenue from Contracts with Customers, effective 1 January 2018
- IFRS 16 Leases, effective 1 January 2019

IFRS 9 Financial Instruments

The final version of IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted

Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Group will adopt the new standard on the required effective date.

Fastned has reviewed its financial assets and liabilities and does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group expects that these will continue to be measured at amortised cost under IFRS 9.

IFRS 9 requires the Group to record expected credit losses on all of its, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Group is expecting that the impact will be immaterial.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e., when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

The majority of the Company’s revenue is derived from sales of electricity whereby control is transferred to the customer as purchases occur during charging at stations. For goods shipped to customers, control transfers to the customer when the product is delivered and accepted. The Company is expecting that adoption of IFRS 15 will have no effect on when revenue is recognized.

IFRS 15 will require the Company to add additional disclosures surrounding its contracts with customers, the sources of revenues that it generates, and the judgments that it uses when recognizing revenue.

IFRS 15 must be applied for annual periods beginning on or after January 1, 2018. The Company will apply the new rules retrospectively from January 1, 2018, with the cumulative effect of initially applying the standard recognized as of that date. Comparatives for 2017 will not be restated.

IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e., lessors continue to classify leases as finance or operating leases. The nature of expenses related to leases will change as IFRS 16 replaces the operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

The new standard is effective for annual periods beginning on or after 1 January 2019. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard’s transition provisions permit certain reliefs. In 2018, the Group plans to assess the potential effect of IFRS 16 on its consolidated financial statements

Parent company statement of profit or loss

for the year ended 31 December 2017

		2017	2016
	Notes	€	€
Revenue	6	520,667	217,613
Cost of sales		(172,501)	(92,322)
Gross profit		348,166	125,291
Other operating income	7.1	255,293	264,363
Selling and distribution expenses		(601,623)	(672,049)
Administrative expenses	7.2	(2,932,806)	(2,500,606)
Other operating expenses	7.3	(1,195,741)	(1,497,750)
Operating loss		(4,126,711)	(4,280,751)
Finance costs		(958,501)	(875,368)
Finance income	7.5	62,623	59,917
Loss before tax		(5,022,589)	(5,096,203)
Income tax expense			-
Results from investments in subsidiaries		5,785	9,470
Loss for the year		(5,016,804)	(5,086,733)

Parent statement of financial position after profit appropriation

as at 31 December 2017

		2017	2016
	Notes	€	€
Assets			
Non-current assets			
Property, plant and equipment	10	14,439,167	13,678,495
Non-current financial assets			
- Loans to related parties		1,171,010	1,117,454
- Investments in subsidiaries		17,154	11,369
		<u>15,627,331</u>	<u>14,807,318</u>
Current assets			
Trade and other receivables		343,791	177,702
Prepayments		728,907	707,818
Cash and cash equivalents		16,303,463	2,951,087
		<u>17,376,161</u>	<u>3,836,608</u>
Total assets		33,003,492	18,643,925
Equity and liabilities			
Equity			
Issued capital	14	141,699	130,241
Share premium	14	20,377,881	8,942,369
Other capital reserves			-
Retained earnings		(17,420,545)	(12,403,741)
Total equity		3,099,035	(3,331,131)
Current liabilities			
Trade and other payables		3,270,190	3,733,828
Non-current liabilities			
Interest-bearing loans and borrowings	11	24,999,000	16,635,944
Provisions	16	1,149,968	1,103,941
Deferred revenues	17	485,299	501,343
Total liabilities		29,904,457	21,975,056
Total equity and liabilities		33,003,492	18,643,925

Notes to the parent company financial statements

for the year ended 31 December 2017

Basis of preparation and accounting policies

The company financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code by making use of the accounting policies under IFRS as used by the preparation of the consolidated financial statements.

For the accounting policies of the separate items on the balance sheet we refer to the accounting policies as mentioned in the notes to the consolidated financial statements. These accounting policies also apply to the company financial statements unless otherwise mentioned.

For the principles for the recognition and measurement of assets and liabilities and determination of the results for its company financial statements, Fastned applies to the possibility of section 2:362, paragraph 8 of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of result ("accounting policies") of the company financial statements of Fastned are the same as those applied for the consolidated financial statements under International Financial Reporting Standards as endorsed by the European Union (EU-IFRS).

Due to the amendments in Part 9, Book 2 of the Netherlands Civil Code article 402, to condense the Company's statement of profit or loss cannot be applied anymore and hence the full statement of profit or loss is presented.

Subsidiaries

Subsidiaries in group companies are Fastned Beheer B.V. and Fastned Products B.V. and are valued using the equity method. The accounting policies of both subsidiaries are equal to the accounting policies of Fastned B.V.

Property, plant and equipment

Refer to the Note 10 of the consolidated statements.

Investments in subsidiaries

The Company has a 100% interest in Fastned Beheer B.V. and Fastned Products B.V., both seated in Amsterdam.

	<u>Fastned Beheer B.V.</u>	<u>Fastned Products B.V.</u>
At 1 January 2016	950	949
Investment	-	-
Result for the year	9,824	(353)
At 31 December 2016	10,774	595
Investment		
Result for the year	6,542	(756)
At 31 December 2017	17,316	(161)

The company has two financial loans outstanding with Fastned Terra 1 B.V. and Fastned Terra 2 B.V.. Refer to note 11.1.

Trade and other receivables and prepayments

Trade receivables are non-interest bearing and are generally on terms of 14 days. As at 31 December 2017, the provision for trade receivables, amounted to €62,977 .

Trade and other receivables and prepayments

	<u>2017</u>	<u>2016</u>
	€	€
Trade receivables	111,225	177,702
Prepayments	186,990	87,150
Taxes and social securities	541,917	501,249
Other receivables	232,566	119,419
Total trade and other receivables and prepayments	1,072,698	885,520

Cash and cash equivalents

	<u>2017</u>	<u>2016</u>
	€	€
Cash at banks and on hand	16,303,463	1,949,440
Cash equivalents	-	1,001,647
Total cash and cash equivalents	16,303,463	2,951,087

Cash at banks earns interest at floating rates based on daily bank deposit rates. Cash equivalents are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

At 31 December 2017, the Company had no borrowing facilities with banks.

Cash and cash equivalents are at the Group's free disposal with the exemption of € 10,000 related to company credit cards.

Trade and other payables

	<u>2017</u>	<u>2016</u>
	€	€
Trade payables	1,193,055	499,776
Government grants	-	1,001,647
Taxes and social securities	68,442	10,384
Other payables	2,008,693	2,222,021
Total trade and other payables	3,270,190	3,733,828

Terms and conditions of the above liabilities:

- > Trade payables are non-interest bearing and are normally settled on 30-day terms
- > Other payables are non-interest bearing and have a term of one month to six months
- > For terms and conditions with related parties, refer to Note 17

Please refer to note 11.5 for maturity profile of the liabilities.

Loans to related parties

	Interest rate	Maturity	2017	2016
	%		€	€
Non-current interest-bearing loans and borrowings				
Loan to Fastned Terra 1 B.V.	6	31 December 2024	987,935	932,015
Loan to Fastned Terra 2 B.V.	6	31 December 2024	118,552	111,842
Credit facility to Fastned Terra 1 B.V.	-	31 December 2024	(6,887)	(6,887)
Credit facility to Fastned Terra 2 B.V.	-	31 December 2024	7,944	4,918
Current account Fastned Beheer B.V.	-	-	(11,866)	234
Current account Fastned Products B.V.	-	-	75,332	75,332
Loans to related parties and subsidiaries			1,171,010	1,117,454

Please refer to Note 11.1 of the consolidated financial statement.

Share premium:

See Note 14 in the notes to the consolidated financial statements.

Share capital:

See Note 14 in the notes to the consolidated financial statements.

Interest-bearing loans and borrowings

See Note 11.2 in the notes to the consolidated statements.

Provisions

See Note 16 in the notes to the consolidated statements.

Commitments and contingencies

See Note 19 in the notes to the consolidated statements.

Compensation of key management personnel of the Company

See Note 20 in the notes to the consolidated financial statements.

Number of employees

The average number of employees, including management, amounted in 2017 to 24 (2016: 21).

Appropriation of the result for the financial year 2016

The annual report for 2016 was adopted by the General Meeting on 18 April 2017.

Recognition of the loss for 2017

The board of directors proposes to deduct the 2017 loss of € 5,016,804 from the other reserves. The General Meeting will be asked to approve the appropriation of the 2017 loss; this proposition is already recognised in the financial statements.

Key events post reporting date

See note 21 in the notes to the consolidated financial statements.

Signing of the financial statements

Amsterdam, 25 April, 2018

Carraig Aonair Holding B.V.

Wilhelmina-Dok B.V.

Michiel langezaal

Bart Lubbers

Niels Korthals Altes

Other information

Statutory rules concerning appropriation of result

1. In Article 19 of the articles of association the following is stated concerning the appropriation of result:
2. The result of the period is to the free disposal of the Annual General Meeting;
3. The Group shall make dividend distributions to shareholders and other parties entitled to the distributable profit only to the extent that the shareholders' equity exceeds the legal and statutory reserves;
4. Any dividend distribution will be made after the approval of the directors of the Group;
5. The Group is allowed to make interim dividend payments (the regulations as mentioned above apply).

Cautionary statement

This document may contain forward-looking statements. Words such as 'will', 'aim', 'expects', 'anticipates', 'intends', 'looks', 'believes', 'vision', or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting Fastned (the "Group"). They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: Fastned brand not meeting consumer preferences; Fastned's ability to innovate and remain competitive; Fastned's investment choices; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials (electricity); secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and natural disasters; financial risks; failure to meet high and ethical standards; and managing regulatory, tax and legal matters.

These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with Nxchange, including in the Group's Annual Report for the year ended 31 December 2017 and the Annual Report and Accounts 2017.

This document is not prepared in accordance with US GAAP and should not therefore be relied upon by readers as such.

In addition, a printed copy of the Annual Report is available, free of charge, upon request to Fastned, Investor Relations Department, James Wattstraat 77-79, 1097 DL Amsterdam, the Netherlands.

This report comprises regulated information within the meaning of Sections 1:1 and 5:25c of the Act on Financial Supervision ("Wet op het financieel toezicht (Wft)") in the Netherlands.

The brand names shown in this report are trademarks owned by or licensed to companies within the Group.

References in this document to information on websites (and/or social media sites) are included as an aid to their location and such information is not incorporated in, and does not form part of, the Annual Report and Accounts 2016 with the exception of the explanations and disclaimers which can be accessed via EY's website: www.ey.com, which is incorporated into the Auditors' Reports in the Annual Report and Accounts 2017 as if set out in full.

Designed and produced by Fastned.

To: the board of directors of Fastned B.V. and the board of Fastned Administratie Stichting

INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the financial statements 2017

Opinion

We have audited the financial statements 2017 of Fastned B.V., based in Amsterdam, as set out on pages 35 to 75. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Fastned B.V. as at December 31, 2017, and of its result and its cash flows for 2017 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of Fastned B.V. as at December 31, 2017 and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at December 31, 2017;
2. the following statements for 2017: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at December 31, 2017;
2. the company profit and loss account for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the ‘Our responsibilities for the audit of the financial statements’ section of our report.

We are independent of Fastned B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 140.000. The materiality is based on 0,5% of total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons. Materiality is based on total assets as the group is a start-up and making losses.

We agreed with the board of Fastned Administratie Stichting that misstatements in excess of EUR 7.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Fastned B.V. is at the head of a group of entities.. The financial information of the group is included in the consolidated financial statements of Fastned B.V. Our group audit focused on the most significant entity, Fastned B.V. For less significant group entities we performed desktop reviews.

By performing audit procedures at group entities as mentioned above, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group’s financial information to provide an opinion about the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to board of Fastned Administratieve Stichting . The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit on the financial statements as a whole in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our audit strategy
<p><i>Going concern</i> Fastned B.V. is a start-up company that operates in a new and unpredictable market, funding of the company is a key focus point by management. The going concern assumption is therefore a key focus point for our audit.</p> <p>The availability of sufficient funds from new financing, complying with the requirements of existing financing and the investments in new stations are key assumption for the going concern basis of accounting. The estimated future cash flows are based on the expectations and the estimated made by management. The forecasts are based on estimates that are uncertain including the kWh sold and the market share of Fastned.</p> <p>Refer to note 1, financial position and going concern in the financial statements disclosures on going concern.</p>	<p>The audit procedures include, reviewing of the cash flow forecast by evaluating the underlying assumptions made by management.</p> <p>We considered the projected cash flow from operating activities, the projections of the revenue in combination with the cash outflows from investing in new stations and the availability of facilities to provide funding and new funding. Fastned has a positive cash flow position and has forecasted to continue to meet their payment obligations in the year ahead.</p>
<p><i>Impairment analysis of charging stations</i> On assets with finite lives an impairment test has to be performed if there are indications of impairments of the fixed assets. Fastned is in a start-up phase and has a low return on investment in charging stations and low operating cash flows.</p> <p>An impairment test of the charging stations was performed in line with IAS36, Impairment of Assets to determine the recoverable amount of the charging stations.</p> <p>The impairment test is a key audit matter as the value of the charging stations are significant and the determination of the recoverable amount</p>	<p>The audit procedures include amongst others obtaining a understanding of the valuation model used as well as the assumptions to determine the value in use of the charging stations.</p> <p>We evaluated the assumptions and cash flow forecasts in relation to the strategic outlook of the company and compared the forecasted revenue growth to the company's share of the expected new electric vehicles as determined from and external market analysis. A sensitivity analysis was performed to determine the effect of the key assumptions of the impairment test.</p>

<p>includes management estimates and judgement in conjunction with assumptions that are affected by anticipated future market developments.</p> <p>Refer to note 10, property, plant and equipment of the financial statements for disclosure on the assumptions for the valuation.</p>	<p>The adequacy of disclosures surrounding the impairment of charging stations in the financial statements was assessed.</p>
<p><i>Revenue recognition</i></p> <p>Revenue recognition on the contracts with car dealers has been recognised as a key audit matter. Management estimates the revenue recognised based on complex judgements for this revenue stream.</p> <p>There is a risk that revenue is overstated due to the complex judgements applied when making an estimate of these revenues and pressure on management to achieve performance targets.</p> <p>Refer to 2.3, summary of significant accounting policies.</p>	<p>The audit procedures included an assessment of the appropriateness and application of the company's revenue recognition policies which complies with IAS18, revenue recognition.</p> <p>We considered, amongst other substantive procedures, the accuracy, completeness and accounting for the transactions with car dealers including adequate disclosure in the financial statements.</p>

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The strategic report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the strategic report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Report on other legal and regulatory requirements

Engagement

We were engaged by management as auditor of Fastned B.V. on 5 September 2017.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

D. Description of responsibilities regarding the financial statements

Responsibilities of management and the board of Fastned Administratie Stichting for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The board of Fastned Administratie Stichting is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included amongst others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible performing the group audit. In this respect, we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the board of Fastned Administratie Stichting regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. . In this respect we also submit an additional report to the Board of Directors in accordance with Article 11 of the EU-Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of Fastned Administratie Stichting with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of Fastned Administratie Stichting, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, April 25, 2018

Grant Thornton Accountants en Adviseurs B.V.

N.H.B. Jonker RA