FASTNED

> Annual report 2016

> Our annual report 2016

Our annual report and accounts 2016 is divided in two parts:

Online

You can find more information about Fastned online at www.fastned.nl.

> Part one - our Strategic Report

Fastned network 2016

> Key figures

	2014 FY	2015 FY	2016 FY
Acquired locations [1]	109	149	166
Municipality permits	56	82	99
Grid connections	31	59	73
Number of stations operational in the Netherlands	19	50	57
Number of FEV's in the Netherlands	6,825	9,368	13,105
Number of Fastned employees	19	24	21
Active Customers [2]	535	1,654	3,177
kWh delivered	37,596	128,791	460,783
Revenues (EUR)	9,197	75,889	227,613

[1] Acquired locations are locations for which either a Wet Beheer Rijkswaterstaatwerken ('WBR') permit is issued or a land lease is signed

[2] Defined as: charged at least once in the last three months of 2016

> Directors report

Fastned is looking back at another year of strong growth of revenues, kWh delivered and number of customers. In 2016 revenues grew at an average rate of 9.6% per month, volume grew at an average rate of 11.2% per month, and the number of active customers grew at an average rate of 5.6% per month. Full year volume was 461 MWh, full year revenues were EUR 227,613. Of the total kWh delivered in 2016, more than 36% was recorded in the last 3 months. The number of active customers increased from 1,654 end of 2015 to 3,177 end of 2016. With 7 new stations added in 2016, growth was primarily driven by more customers using our stations and more kWh sold to each customer at existing stations. This resulted in significantly more and slightly longer charging sessions per station. This autonomous growth proves our increasing relevance to EV drivers based on nationwide network coverage, reliable service and transparent, attractive pricing. In 2016, the number of full electric cars on the Dutch roads increased from 9,368 to 13,105, growing ~40% year-on-year. Fastned thus grows faster than the market, and is on track to become a standard part of the routine for a majority of EV-drivers.

Review of our activities

Network development

- In 2016, Fastned opened 7 additional fast-charging stations, including two urban stations in the city of the Hague. Total number of operational stations as of December 31st 2016 is 57. One of these stations is a completely new station design specially catered to fit into the city environment. We believe these first inner-city fast charging stations will lead to more municipalities opting for fast charging stations in addition to existing slow charging poles.

- For each location there is also the requirement for a local building permit. Our team was able to procure building permits for 14 highway locations and 3 municipality locations in 2016, leading to a grand total of 99 locations where Fastned has procured all permits to start construction.

- In March 2016, Fastned added Tesla CHAdeMO adaptors to all stations, allowing Teslas to charge at up to 50kW at all Fastned stations. Because Teslas make up roughly half of the Dutch full electric vehicle market, we effectively doubled our market. Since, Fastned experienced strong growth in the number of Teslas fast charging at our stations.

Customer and network operations

- Fastned's Net Promotor Score (a tool to measure the quality of our service) rose significantly during the course of 2016. By the end of 2016 49% of our customers were 'promoters' and gave a score of 9 or 10. This number has increased significantly compared to the first half year of 2016 when most of customers were 'passives' and gave us score of 7 or 8.

- In 2016 we have trained and expanded our service and maintenance team to start doing maintenance ourselves instead of outsourcing it to suppliers.

Our customers and results

- To cater to a growing set of customers who charge more kWh per month, in July Fastned introduced a new "Power" price plan. This Power plan allows fast charging for the same price as charging at home (19ct/kWh) for a monthly fixed fee of EUR 24,-

- In December Fastned adjusted its prices to simplify its offering to customers. The pay-as-you-go tariff was reduced from 79cts/kWh to 59cts/kWh to make this product more attractive. The monthly fee for "Standard" was reduced to EUR 9.99. The monthly fee for "Power" was increased to EUR 29.99. We discontinued the "Unlimited" price plan.

- Fastned, Nissan and Mijndomein introduced a 2 year, all inclusive private lease of a Nissan LEAF + unlimited Fastned charging for just EUR 399,- per month.

- Fastned started the implementation of the Open Charge Point Interface (OCPI) in its back-office systems and connected charge card providers NewMotion, EV-Box and ANWB based on this protocol. The implementation of OCPI will continue in 2017.

- We redesigned and updated our smartphone application to make charging easier. Customers can now save their car type in the app and get relevant charging tips. These continuous improvements to our app stabilises the absolute number of customer calls, even though the number of charging sessions is growing rapidly.

- Fastned introduced a Routeplanner (Beta), which is integrated in the Fastned app and is also available in a browser via desktop, mobile and tablet. This well-received tool determines the most convenient Fastned station(s) to recharge during the journey. The application lowers the barrier for EV drivers to go on longer drives, because it saves them the hassle of figuring out when they need to charge and which charging station is most conveniently located for that task.

- On the 7th of February 2017 Fastned, together with Sodetrel (France), Smatrics (Austria), Grønn Kontakt (Norway) and GOtthard FASTcharge (Zwitserland) announced the Open Fast Charging Alliance. The alliance members will enable roaming to create a premium network of fast chargers all over Europe.

Our financials

- As anticipated Fastned is reporting a loss of EUR 5,086,733.- over 2016. This loss reflects the investment in activities that need to be undertaken before stations can be constructed, and also the costs associated with keeping our stations operational. Because of growing revenues in 2016 we see the percentage of operational costs being covered by revenues increasing.

- Operational losses over 2016 are around 20% higher than in 2015, because we continued to make investments to acquire locations and Fastned built 7 new charging stations which increases our running costs.

- On 8 January 2016, Fastned announced it had secured financing for its operational expenditures for the next three years. Co-founder Bart Lubbers has provided a working capital facility of EUR 5 million via his investment company Wilhelmina-Dok B.V. This facility is sufficient to cover all operational expenditures up to 2019, of which EUR 1,548,560.- excluding rolled-up interest had been drawn by the end of 2016. This allows Fastned to continue operations and grow the company until a more mature charging market has emerged and a sizeable share of its stations make a profit.

- On 20 December of 2016 Fastned agreed with Breesaap and the Flowfund Foundation to again convert all interest accumulated over 2016 on both loans into certificates of shares of Fastned at a price of ten euro apiece.

- In April, we made the transition from our listing on NPEX to the regulated stock exchange Nxchange. As a prerequisite, in 2015 we switched our accounting principles to IFRS. Directly following the transition, we started a bookbuilding process for a new funding round. This bookbuild went hand-in-hand with a marketing campaign to increase awareness with investors. In total we were very pleased to announce the raise of EUR 3.07 milllion in funds in a period of 5 weeks.

- On Friday 2 December 08:00hrs Fastned opened subscriptions to a limited issue of interest bearing bonds. On Monday 5 December 12:10hrs all 2,499 bonds of EUR 1,000 each were sold to large and small investors. Via this issue Fastned raised just under EUR 2.5 million within 4 days.

Industry & business outlook

As anticipated, Fastned is not yet profitable in this early stage of company and market development. However, Fastned continues to have a very positive outlook on the charging market and the development of the company. Fastned has been following an exponential growth curve in which it is doubling revenues in a period of roughly 7 months for some time now. Based on this historical growth rate and a positive market outlook we believe that Fastned can maintain a doubling period of a similar magnitude for some time to come, quickly improving our business fundamentals. We can already see this happening with charging companies in leading markets such as Norway.

The working capital facility provided by Wilhelmina-Dok B.V. to guarantee operational expenditures up to 2019 gives us confidence that we have the time and funds to navigate the company to positive cash flows and set the company up for fast and profitable growth thereafter.

More cars come to market in 2017, with larger batteries and the ability to charge faster. These cars are the basis of our market outlook. The expected uptake of EV sales in 2017 will be driven by several factors:

- Improved fiscal policies for full electric vehicles, such as the recently improved Dutch taxation "bijtelling" regime with a 4% levy for electric cars versus 22% for all other cars after December 31st 2016.

- Emission regulations by the European Union are getting ever more strict, and more and more large cities disincentivising the ownership of fossil fueled cars through EV friendly parking policies and adopting low emission zones to achieve better air quality.

- New (or updated) electric cars being delivered. For example: the Renault ZOE with an improved battery of 41 kWh (versus 22kWh in the past) and the updated Volkswagen e-Golf (35.8kWh versus 24.2kWh). Somewhat further into 2017 the Opel Ampera-e is expected to become available in the Netherlands[3]. This 'second generation' electric car will have an even larger battery and is seen as the first mass market affordable long range electric car.

- Although the introduction of the CCS 2.0 standard (pushing the maximum charging rate to 150kW) is slated for late 2017, we do expect to see higher charging rates on our existing charging systems due to larger and improved batteries that taper much later in their charging curve.

Fastned continues to prepare for a much larger charging market and intends to keep investing in more stations and charging capacity to cater to expected increase in demand due to the increasing number of fully electric cars. An ever increasing percentage of EU car sales (as well as lorries, vans and trucks) will become fully electric. These electric vehicles will be produced in high volumes, will be affordable and provide long range (300+km). Going forward, shared and autonomous electric cars will drive the need for fast recharging further. As set out in the Fastned Freedom Plan[4], our goal remains 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 which will service these EV 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 the EV market takes off.

Amsterdam, 9 March 2017

Michiel Langezaal Director	Bart Lubbers Director

[3] See https://ev-database.nl/ for an up to date overview of (expected) electric cars on the market in the Netherlands

[4] See fastned.nl/freedomplan


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> Business review

As set out in the Fastned Freedom Plan[4], our goal is to realise a European network of ultra fast charging stations where all electric cars can charge with 100% renewable energy. In this chapter we review our progress.

Network development

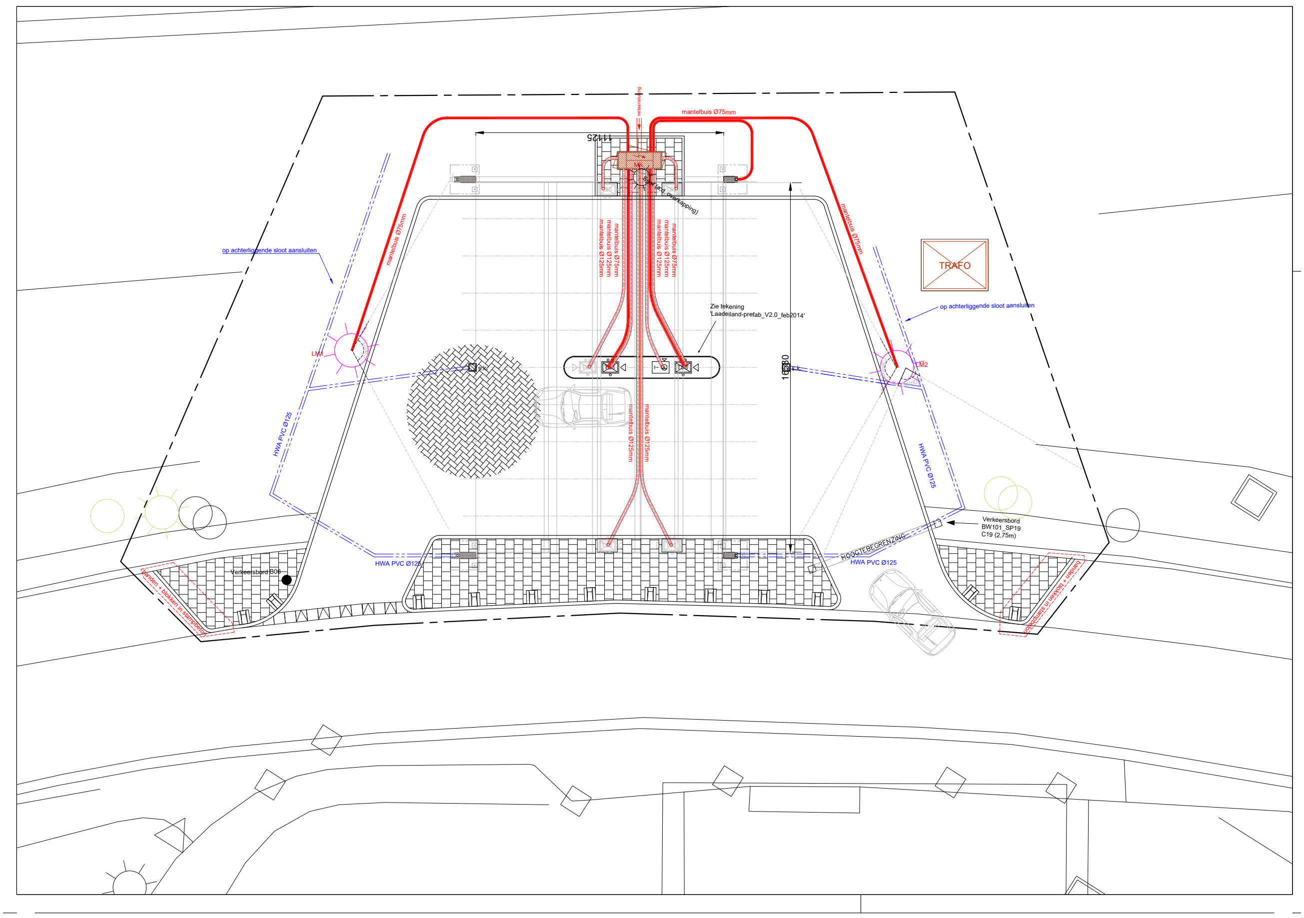
In 2016, Fastned built 7 new stations, including 2 urban stations, resulting in a network of 57 stations throughout the Netherlands at the end of the year.

On top of the highway concessions in the Netherlands, Fastned has acquired some additional locations by signing long term land leases with municipalities or private landowners. In 2016, we have focused on increasing our capability to scout for (excellent) locations and acquire these for a long term. We already see promising results from these efforts. In parallel, Fastned continued to push for the issuance of WBR permits for its Dutch highway locations. Our team was able to get 12 new WBR permits published in 2016, resulting in a grand total of 158 WBR permits by the 31st of December.

For each location there is also the requirement for a local building permit. Our team was able to procure building permits for 14 highway locations and 3 municipality locations in 2016, leading to a grand total of 99 locations where Fastned has procured all permits to start construction.

Fastned also invested in the realisation of 14 new grid connections on locations for which it has procured all required consents. This leads to a grand total of 73 grid connections realised to date.

On the 1st of December Fastned opened its first urban charging station. The development of this new charging station design was an important milestone for Fastned and marks the beginning of our urban strategy.



[4] See fastned.nl/freedomplan

Locations to grow the network

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 we have set up a location development team and are working hard on acquiring additional locations both in the Netherlands as well as abroad.

In 2016, these activities started to yield returns. Currently, our team is making detailed location plans for dozens of locations in Germany. We expect that some of these locations will come through in 2017. Finally, Fastned was able to acquire a couple of new locations in Dutch cities.

On December 3rd 2014, Fastned applied for concessions for charging stations along the German highways and requested the German government to issue such concessions via a transparent, public procedure. To date we have not seen any positive response to this initiative. After extensive discussions with German officials during 2015, this year we have we have sought aid from the German antitrust Authorities "das Bundeskartellamt" and the European Commission's competition authorities in order to attempt to resolve the situation. Although we are confident that in the coming years it is inevitable that in order to comply with EU legislation, governments will need to initiate transparent tender procedures for concessions to allow for the realisation of serious charging stations, we still have to report that discussions are ongoing and have not yet resulted in any concession tenders.

Smooth preparation – Permits and grid connections

Before a fast charging station can be realised on any given location, Fastned needs to acquire the necessary permit(s) in addition to a concession or land lease agreement. For highway locations this often includes a permit from the relevant ministry (for the Dutch situation a WBR permit of the Ministry of Infrastructure). In all situations a building permit from the municipality in which the station will be built is necessary.

The issuance of WBR permits by Rijkswaterstaat is reaching the end of the Pareto-curve and it is much more difficult or sometimes practically impossible to develop a location plan and get that plan agreed upon at the ministry to have a WBR permit issued. Some locations for which Rijkswaterstaat issued concession rights are simply not (yet) suitable to realise a charging station, for example due to the lack of sufficient space. In 2015 we saw the last batches of WBR permits being issued - example given; the group of locations in the region Breda. In 2016 our team worked hard to procure individual WBR permits for locations which for various reasons had been put aside during earlier talks. Often these locations are very interesting from a business and network perspective. Examples of such locations are: Hazeldonk, Vrijenban and Honswijck. We are happy to have 14 additional WBR permits approved in 2016.

Procuring building permits at municipalities is an ongoing process. At any given moment Fastned has 5 to 10 applications under approval, resulting in a steady stream of new permits being issued every month. In early 2016 the approval of the first building permit for an inner-city station proved to be a significant bottleneck and learning. As one expects, the approval of a building plan in a city environment is even more complicated than along highways and it took Fastned several months of work and the assistance of very supportive people from the municipality of The Hague. This development required a great deal of effort from the network development team, therefore we were very pleased to get very positive feedback from electric vehicle drivers and our partner in this project, the municipality of the Hague. The procurement of permits has proved to be a time consuming process, but since we are now experienced in this area it also constitutes an important competitive advantage of Fastned. Since the opening event and media coverage, we notice a higher degree of interest from other cities in our city station.

Grid companies in the Netherlands still take a long time to realise grid connections. Unfortunately a situation which has not improved in 2016. Again, grid companies missed the legal deadline for the realisation of grid connections. We will continue working together with grid companies, the charging infrastructure sector and the Dutch competition authority (responsible for regulating these government companies) to address this problem.

Improvements in station design

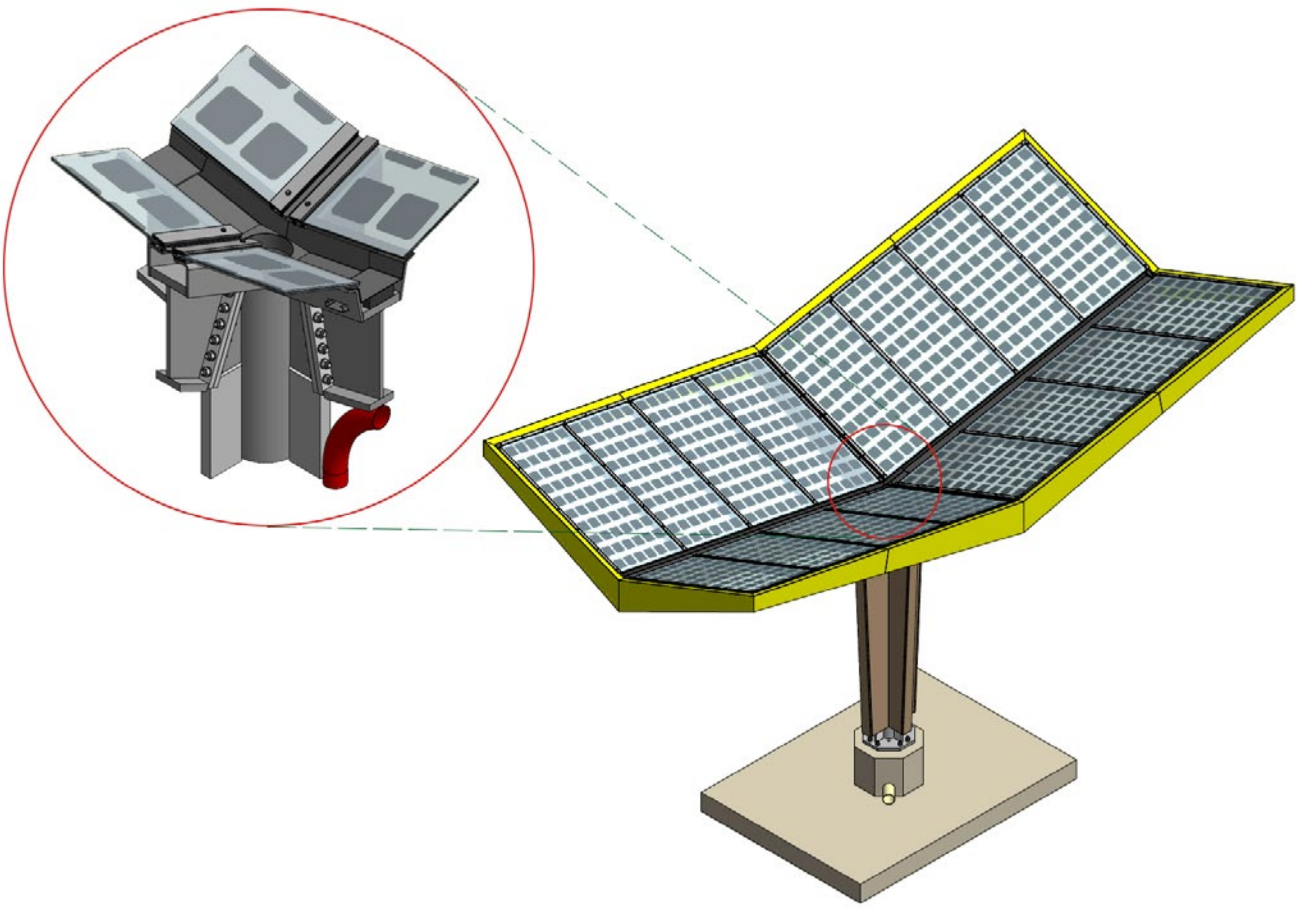
The development of the inner-city station design was the core activity of our design team in 2016. Quite early on Fastned recognised that the majority of city councils do want to support and enable the advent of e-mobility, but find it difficult to approve large fast charging stations which are capable of servicing high volumes of EVs. Therefore, we made it top priority to design a station which is modular and requires only limited space in the beginning. We think the result looks spectacular. We now have a modern, attractive city station that fits our brand and can serve as an icon for e-mobility infrastructure and a symbol for the city's efforts to combat climate change and improve air quality.

Another important design improvement we worked on (for both of our stations) in 2016 was increasing the maximum height for vehicles entering the stations. Furthermore, we are currently reviewing all aspects of the recently developed city station design and believe that the development of this station and the issues which we resolved will be of significant value to Fastned beyond the city environment.

Next up for our design team is integrating the upcoming 150kW and 300+kW fast charging systems in our existing stations, as well as redesigning our stations to support the placement of these new charging systems from start. We expect that learnings and features from our city stations - such as a modular construction - will be of value to these developments as well.

Early 2016, all Fastned stations were equipped with Tesla adapters. We are very happy to see that these adapters have resulted in many more Teslas charging at our stations. An analysis of our Net Promotor Score surveys show that Fastned is perceived more favourably by Tesla drivers since the installation of these adapters.

During 2016 we have also made significant improvements to our logo to increase its legibility. Stations built from early 2016 onwards have all been equipped with new logos.



Construction detail: drainage system of the new Fastned city station.

The ability to realise a charging station each week

In the first years, Fastned worked hard to get a 'building machine' in place in the Netherlands. This building machine, being a well coordinated process of developing locations, the procuring of permits and finally building stations involving a large group of suppliers, is central to our ability to build low cost high quality charging stations at a fast pace.

During 2016 we have been working on duplicating the first steps of this process to other countries. The search and acquisition process of new locations is now up and running in Belgium, Germany and the UK.

Customer and network operations

Uptime

We are very proud of the fact that our stations continue to operate with a very high uptime and we will continue to focus on uptime to make sure that our network is always available to our customers and they can rely on us to get to wherever they want to go.

Important actions we have taken (together with our partners) to improve the uptime of our services in 2016 are:

- the migration of the ABB core back-end systems to the Microsoft Azure platform. This greatly contributes to the stability of the back-end.

- the redesign of the charger software controlling the connection to the back-end. This has reduced the number of connectivity outages. More general, an update of the charger software has made the entire apparatus more stable.

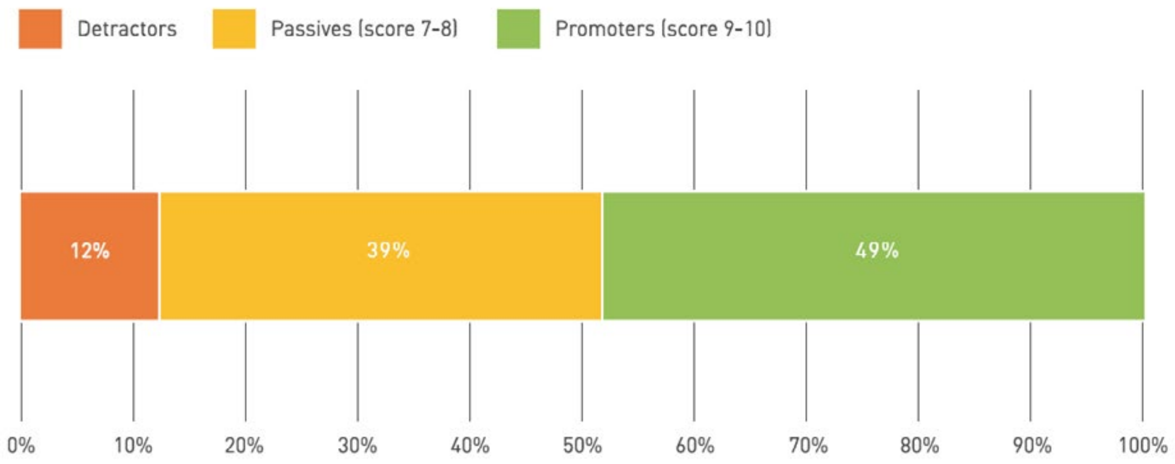
Customer operations

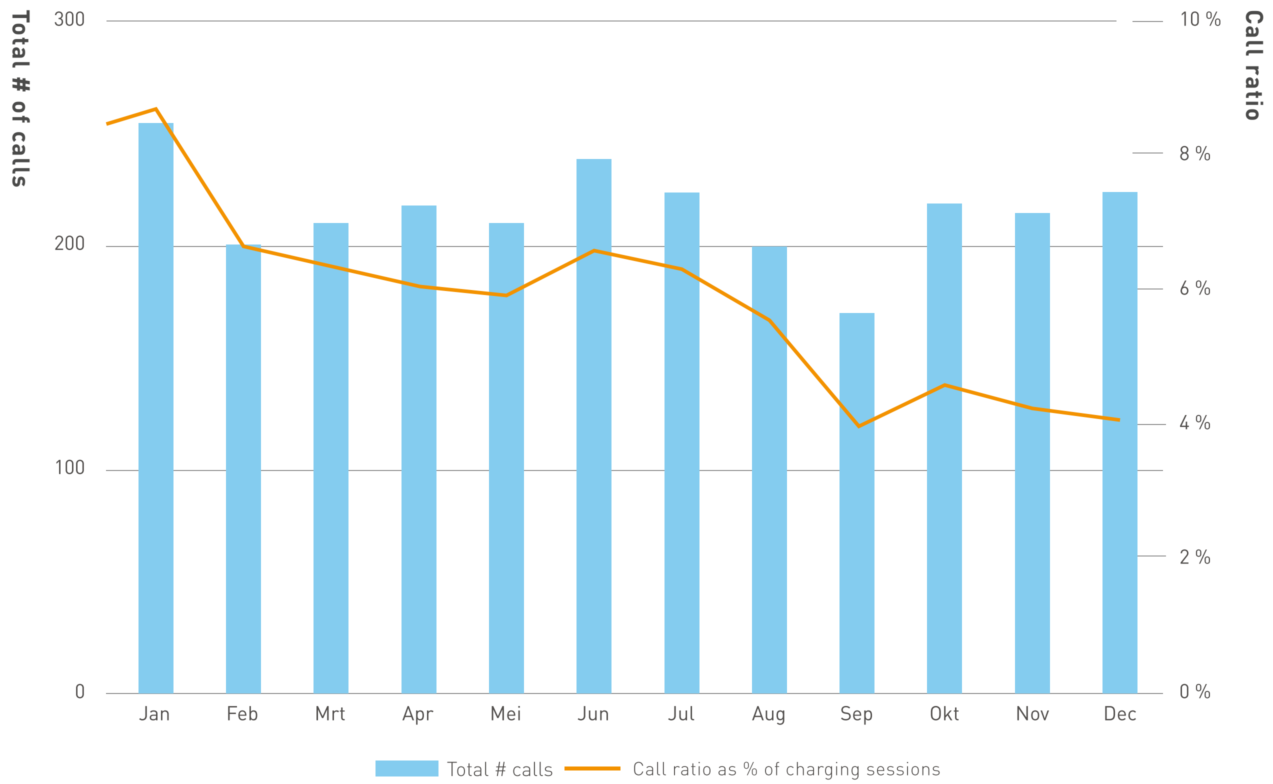
With a rapidly growing use of our network, ensuring affordable and high quality charging service, requires Fastned to focus on an efficient and effective customer service. Customer calls which are avoided by an improved customer experience saves Fastned money, which in turn can be invested in growing the network.

In 2016 Fastned has been able to keep the number of incoming customer calls steady, while the number of charging sessions has been growing rapidly. Consequently, 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. After continuous fine-tuning, the Fastned app now provides a much more intuitive user experience which allows customers to solve charging issues by providing car-specific charging tips. Furthermore, transparent and simple communication about pricing further reduces the need to call customer support.

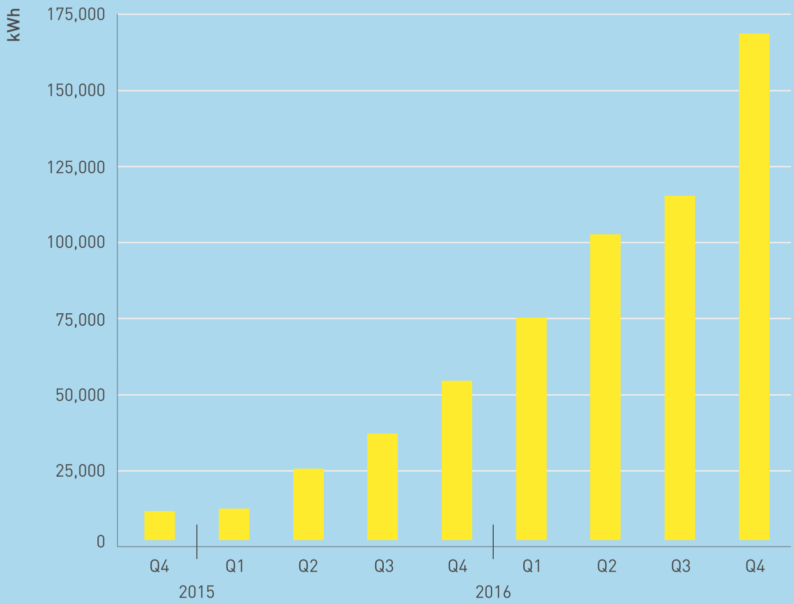
Improving our customer experience remains of high priority, therefore we regularly request feedback from our customers, for instance during customer meetups. One of the key indicators we use to measure the quality of our service is the Net Promoter Score (NPS). This score indicates on a scale from 0 to 10 how likely our customers are to recommend Fastned to others. By the end of 2016 49% of our customers were 'promoters' and gave a score of 9 or 10. This number has increased significantly compared to the first half year of 2016 when most of customers were 'passives' and gave us score of 7 or 8.

An analysis of our Net Promotor Score surveys show that Fastned is perceived more favourably by Tesla drivers since the installation of these adapters. Other likely factors are the growth of our network and app improvements. The most commonly mentioned reason for detractors (score 0-6) was that they perceived Fastned to be too expensive. This was one of the reasons for us to reduce prices of the "per kWh" and "Standard" price plans in mid December. As a result, we expect to even further improve our NPS score in 2017.

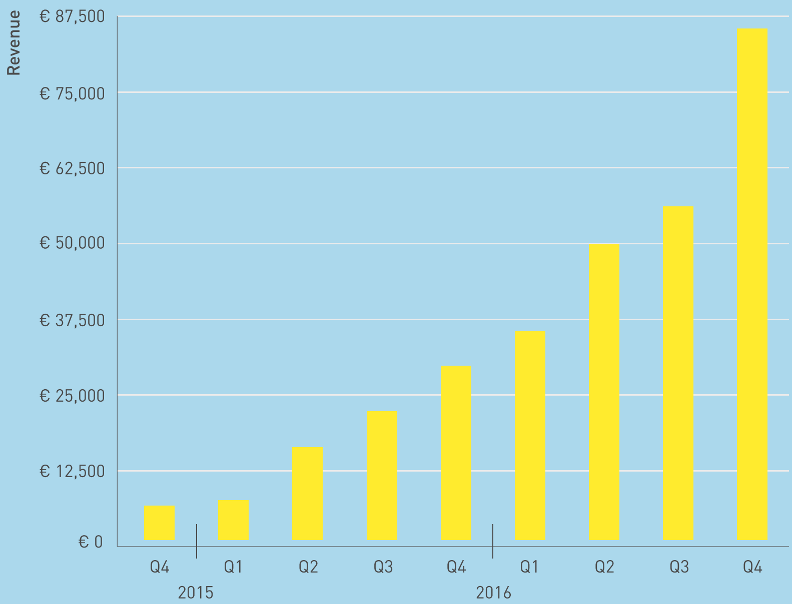




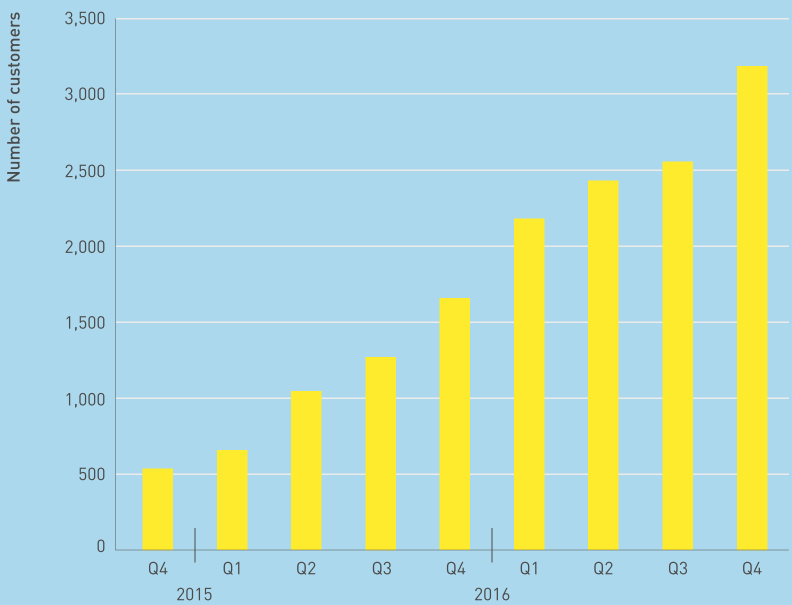
kWh delivered per quarter



Revenue per quarter



Active customers per quarter



Network operations

With more than 50 stations and over 100 fast chargers operational, Fastned has an installed base of assets which is used daily by our customers and which needs to be maintained and serviced.

In 2016 we have trained and expanded our service and maintenance team to start doing maintenance ourselves instead of outsourcing it to suppliers. A basis of 57 stations allowed us to insource these activities and create synergies such as cutting out many of the travel costs as we now carry out many of the maintenance tasks in a single visit.

We will be expanding and improving our maintenance team in the coming years and expect more and more of the servicing of our equipment and stations to take place in-house. The advantage is that we have a dedicated team in place to be expedited to a location as soon as possible, with experience in servicing our locations. This puts Fastned in the driving seat to have even more influence on the quality of its service and we therefore expect it will further reduce downtime and continue to improve our customer experience.

Our customers and results

Results overview

Customer growth

With 57 stations operational, Fastned provides significant value to a large number of electric vehicle drivers in the Netherlands. In the 4th quarter of 2016, Fastned had 3,177 active customers, an increase of 92% compared with a year earlier and a significant part of the total number of electric cars that can be fast charged in the Netherlands.

Around three quarter of our customers' visits take place between 8:00am and 8:00pm. Drivers of the first generation electric vehicles usually have the ability 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.

Charging sessions and kWh delivered

In total, Fastned delivered 461 MWh of renewable electricity to its customers in 2016, a growth of 256% over 2015 while the number of fully electric cars in the Netherlands increased with 40%.[5] The fact that Fastned grew 6 times faster than the electric vehicle market shows the relevance of Fastned's offer to this market.

The number of charge sessions per station per day has been increasing as well. In December 2014 this was 0.8 and in December 2015 this number was 1.8. In December 2016 this had increased to 3.8. Top performing stations in more densely populated areas or along well travelled routes (e.g. the Randstad and between Den Bosch and Eindhoven) have 6.8 charging sessions a day per station, up from 3.3 in December 2015.

Revenues

In 2016, revenues grew rapidly. First of all we experienced an increase in the number customers, who visited our stations more often and charged more kWh per session. Secondly, recurring revenues from deals and subscriptions increased.

Even with just 7 new stations added, we have seen strong revenue growth in 2016 compared to 2015. The revenue growth of 2016 is therefore also largely attributable to a higher utilisation of our existing stations.

Marketshare

In 2016, the number of full electric cars on the Dutch roads increased from 9,368 to 13,105, growing ~40% year-on-year. Fastned is growing much faster than the market, and is on track to become a standard part of the routine for many of EV-drivers. With roughly half of all full EV registrations, Teslas remain by far the most popular EVs in the Netherlands. Since March of 2016, Teslas can fast charge at Fastned stations with the use of the Tesla CHAdeMO adapter. As a result we have seen the number of Teslas charging at our stations increasing rapidly.

We expect that our market share will continue to grow. Drivers are: an increasing number of stations resulting in larger network effects; commercial deals where vehicles are sold with a Fastned subscription; the increasing need for fast charging with the advent of larger batteries; and an increasing number of electric cars that cannot be charged at home.

[5] Source: RVO

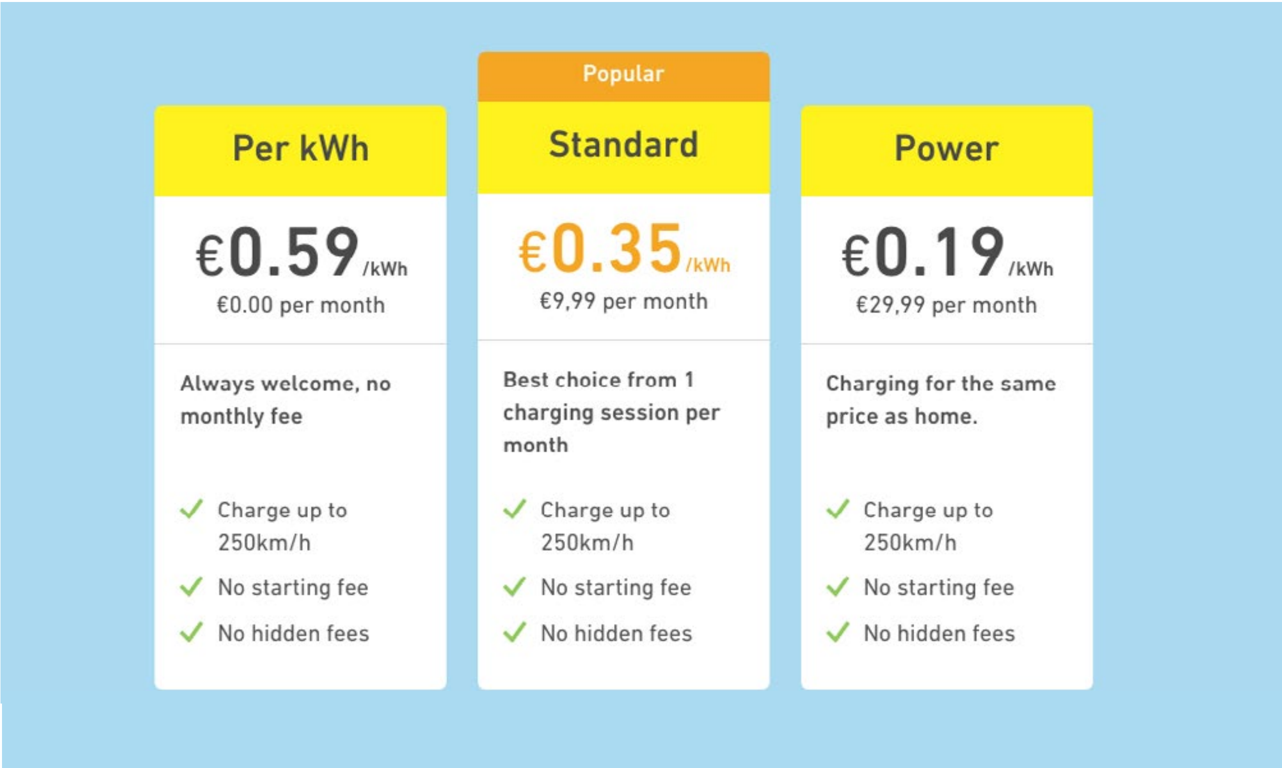
Marketing efforts

New price plans and pricing

On July 20th, Fastned introduced a new price plan: "Power". The Power price plan allows drivers to charge at a rate of just EUR 0.19 per kWh (incl. VAT) based on a monthly fee of EUR 24.- (incl. VAT). This pricing is comparable to the price of charging at home when a wallbox (2000 euro (incl. VAT) including the cost of installation) is written off in 6 years.

We have found that customers with a Standard and Power subscription charge more frequently at our stations, resulting in higher volume and loyalty.

Fastned adjusted its overall pricing on December 21th 2016. The pay-as-you-go tariff was reduced from 79cts/kWh to 59cts/kWh to make Fastned a more attractive option to EV drivers that only charge at Fastned once a while. The monthly fee for "Standard" was reduced to EUR 9.99. The monthly fee for "Power" was increased to EUR 29.99 to improve margins on this price plan. To simplify our offering and erduce risk, we discontinued the "Unlimited" price plan.



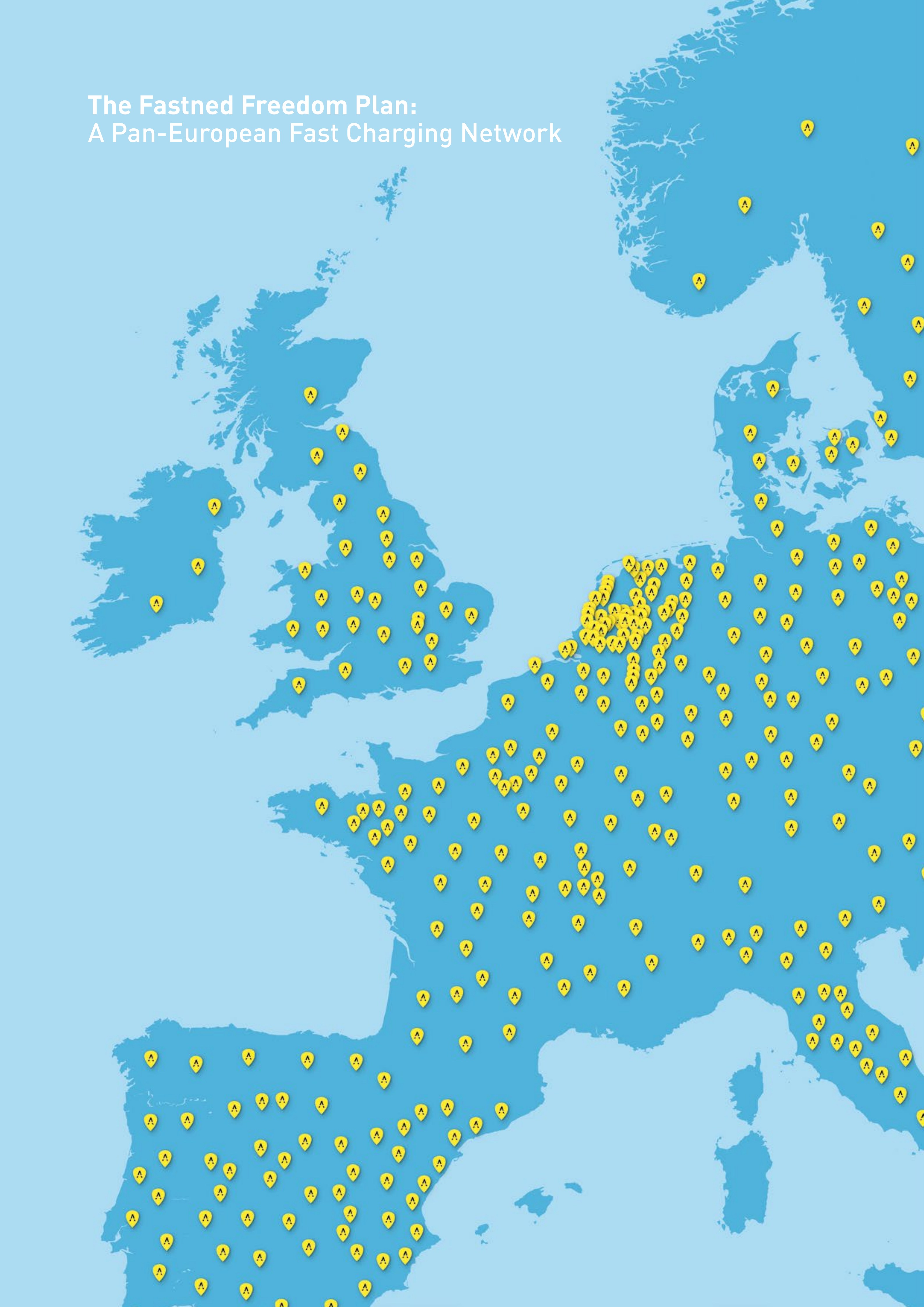
Removing bottlenecks to increase usage of our stations

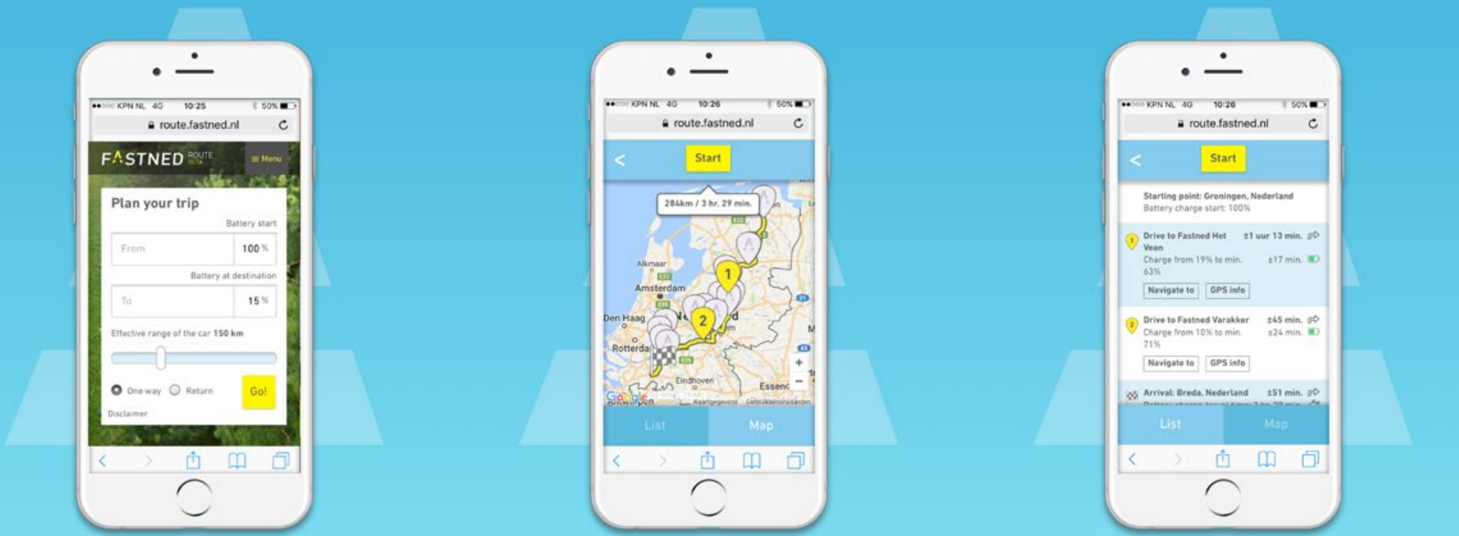
We believe all (perceived) barriers for charging at Fastned should be removed. Any (perceived) barrier can result in customers not charging at Fastned.

In 2016 we have improved our user experience further. Fastned started the implementation of the Open Charge Point Interface (OCPI) in its back-office systems and connected additional charge card providers NewMotion, EV-Box and ANWB based on this protocol. For drivers of corporate lease cars this is an important feature as payments are now automatically billed to the corporate charge card. The implementation of OCPI will continue in 2017.

The second generation of electric cars with larger batteries and faster charging will arrive soon, allowing European trips for the first time. Fastned has gathered with charging companies across Europe to cooperate on creating a seamless European charging experience. On the 7th of February 2017 Fastned, together with Sodetrel (France), Smatrics (Austria), Grønn Kontakt (Norway) and GOtthard FASTcharge (Switzerland) announced the Open Fast Charging Alliance. The alliance members will enable roaming, thus creating a premium network of fast chargers all over Europe. This network will be open to all EVs, and will make long distance travel even easier.

The Fastned Freedom Plan:
A Pan-European Fast Charging Network





As part of our efforts to improve our user experience we also redesigned and updated our smartphone app to make charging easier. Customers can now save their car type in the app and get relevant charging tips. These continuous improvements to our app stabilises the absolute number of customer calls, even though the number of charging sessions is growing rapidly.

Many electric cars have navigation systems that are not optimised for charging. Often they are only able to show charging points on a map and sometimes one can choose to select on-route and/or fast charging. They just give you the data, what they do not give you is a plan. This is exactly what we set out to deliver to our customers with the development of the Fastned Routeplanner (Beta) late 2016. Fastned introduced a Routeplanner (Beta), which is integrated in the Fastned app and is also available in a browser via desktop, mobile and tablet. This well-received tool determines the most convenient Fastned station(s) to recharge during the journey. The application lowers the barrier for EV drivers to go on longer drives, because it saves them the hassle of figuring out when they need to charge and which charging station is most conveniently located for that task.

The Routeplanner is such an easy to use tool, that it quickly became a preferred way for many electric drivers to plan their charging stops enroute. For Fastned it means that they are more likely to choose our stations compared to other charging options available, boosting revenues.

Signed Partnerships

- Fastned and Mijndomein agreed to offer a 2 year, all inclusive private lease + unlimited Fastned charging for just EUR 399,- per month.
- We entered into commercial cooperations with EMC, KIA van Mossel and Hyundai.

Fastned in the media

In January we kicked off with the official opening of the 50th Fastned station by former prime minister of the Netherlands Jan Peter Balkenende. The opening broadcast on television business channel RTLZ and news about Fastned's national coverage was published on several big Dutch news websites like NU.nl, De Telegraaf, and Autoweek.nl.

In April Fastned's listing on the Nxchange stock exchange and the issue of new shares of certificates generated a lot of exposure. There were several articles and interviews published in financial newspapers and relevant websites, such as FD, DFT, IEX, NU.nl, z24.nl, theasset.nl, and quotenet.nl. Additionally, the launch was broadcast live on business channel RTLZ.

In August famous English comedian Robert Llewellyn published a very positive webcast about Fastned in his Youtube EV show "Fully charged". The review had 61,000 view as of January 2017, and created a lot of positive social media shares and likes.

In October the Dutch consumer program Radar (with more than 1.5 million viewers) made an item about the intransparent charging rates of various charging providers. Fastned was mentioned as a positive exception with very clear pricing plans.

The opening of the first city station by City elderman Tom de Bruin in The Hague on December 1st generated articles on several regional websites. Furthermore, Michiel was interviewed by radio channels Den Haag FM and Traffic FM. In the following week even a lot of international websites picked up the news, such as Cleantechnica and Electrive.com

Our 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 on pages 94 and 95 of the financial statements ('Financial Statements') and are consistent with those applied in 2015.

Consolidated income statement

Revenues grew by 200% to € 227,613 driven by a number of factors. There was an increase in the number of customers, who visited our stations more often and charged more kWh per session. Secondly, recurring revenues from deals and subscriptions increased. With just 7 new stations added, the revenue growth is therefore largely attributable to a higher utilisation of our stations.

Gross margin was down 2% to 59% driven by a slightly lower average price per kWh.

As anticipated, operating profit was down 30% at € (4,270,751.-) compared with € (3,283,737.-) in 2015. This loss reflects the investment in activities that need to be undertaken before stations can be constructed, and also the costs associated with keeping our stations operational. Because of growing revenues in 2016 we see the percentage of operational costs being covered by revenues increasing.

Highlights for the year ended 31 December:

	2016	2015
Revenues	227,613	75,889
% revenues growth	200%	725% [6]
Gross profit	135,291	46,604
% of revenues	59%	61%
Operating profit / (loss)	(4,270,751)	(3,283,737)
Profit before tax	(5,086,733)	(3,971,486)
Net profit	(5,086,733)	(3,971,486)
Earnings per share	(0.40)	(0.32)

[6] Please note that in 2014, Fastned only had 4.5 months of revenues, hence revenues growth is not based on 12 months revenues.

The net costs of financing borrowings was € 815,982 compared with € 687,749 in 2015. This is a result of paying more interest as there was additional financing utilised to grow the network of charging stations. The average interest rate on debt remains 6.0% (2015: 6.0%). The effective tax rate was 0% (2015: 0%) because Fastned does not recognise deferred tax assets on the losses.

Earnings per share (EPS) decreased by 16% to € (0.40) compared with € (0.32) in 2015.

Cash flow

Cash flow from operating activities was € (3,782,978) compared with € 40,807 in 2015. This difference is largely driven by a change in working capital as operating cash flow before working capital was in line with 2015. The changes in working capital for the years 2015 and 2016 are because Fastned received a prepayment for chargers from Fastned Terra 1 B.V. and Fastned Terra 2 B.V. in 2015 which resulted in a higher than normal cash inflow in trade payables.

Because Fastned only built 7 stations in 2016 compared to 31 in 2015, the net outflow from purchasing property, plant and equipment (PPE) was € 4.8 million lower than in the prior year.

Net cash inflow from financing activities was € 3.3 million lower than in the prior year. The variance was principally due to lower proceeds from borrowings, but we have raised more equity compared to 2015.

EUR	**2016**	**2015**
Loss before tax	**(5,086,733)**	**(3,971,486)**
Depreciation	1,089,824	609,259
Non-cash interest	808,425	686,479
Provisions	50,943	76,617
Other adjustments	323,933	-
Changes in working capital	(969,430)	2,639,939
Net cash flows from operating activities	**(3,782,978)**	**40,807**
Net cash flows used in investing activities	**(1,770,441)**	**(6,580,197)**
Net cash flows used in financing activities	**5,814,348**	**9,131,983**

Balance sheet

In the year to 31 December 2016, Fastned's total balance sheet increased from € 16.7 million to € 18.6 million.

Non-current assets increased by € 1.0 million mainly due to an increase in property, plant and equipment (new stations built) as non-current financial assets were in line with 2015. All charging stations have been tested for impairment and no charge has been recognised during the year. Current assets were up by € 940,850 due to an improved cash balance and an increase in the prepayments at the end of the year. Cash and cash equivalents on the balance sheet was € 3.0 million compared with € 2.7 million at the end of 2015.

Current liabilities were € 3.7 million compared with € 4.1 million in 2015. The decrease is due to a decrease in trade payables, taxes and other current liabilities as a result of ordering less stations for 2017 and meeting part of the obligations under the agreements with Fastned Terra 1 B.V. and Fastned Terra 2 B.V.-

Non-current liabilities were € 18.2 million, up € 3.9 million in 2015. This includes a € 2.5 million increase in non-current financial liabilities from additional borrowings as in December 2016 we issued € 2.5 million 6.0% fixed rate bonds due December 2021. In addition, we have drawn € 600,000 under the working capital facility of Wilhelmina-Dok B.V.

EUR	2016	2015
Non-current assets	14,792,983	13,788,872
Current assets	3,853,146	2,912,295
Total assets	**18,646,129**	**16,701,167**

EUR	2016	2015
Shareholders' equity	9,072,610	5,600,913
Retained earnings	(12,403,741)	(7,317,008)
Total equity	**(3,331,131)**	**(1,716,096)**

EUR	2016	2015
Non-current liabilities	18,241,228	14,353,474
Current liabilities	3,736,032	4,063,788
Total liabilities	21,977,260	18,417,261
Total equity & liabilities	**18,646,129**	**16,701,167**

Finance and liquidity

Approximately € 1.0 million of Fastned's cash is restricted as it is related to the TEN-T subsidy received from the EU. See more information on page 76 of the Financial Statements.

On 8 January 2016, Fastned announced it had secured financing for its operational expenditures till 31 December 2018. Co-founder Bart Lubbers has provided a working capital facility of EUR 5 million via his investment company Wilhelmina-Dok B.V. This facility is sufficient to cover all operational expenditures up to 2019, of which EUR 1,548,560.- excluding rolled-up interest had been drawn by the end of 2016. This credit facility allows Fastned to continue operations and grow the company until a more mature charging market has emerged and a sizeable share of its stations make a profit.

Investor Breesaap increased its convertible loan to EUR 10 million in December 2015 and we have a similar convertible loan outstanding with the Flowfund Foundation of EUR 2.5 million. The loans of both Breesaap and the Flowfund Foundation mature at 31 December 2018. Both investors maintain the right to convert the interest and/or the principal at a price of EUR 10.- per certificate for the duration of the loan. On 20 December 2016 Fastned agreed with Breesaap and the Flowfund Foundation to again convert all interest accumulated over 2016 on both loans into certificates of shares of Fastned at a price of ten euro apiece, as was done in 2015 as well.

In April 2016, Fastned made the transition from our listing on NPEX to the regulated stock exchange Nxchange. As a prerequisite in 2015, we switched our accounting to comply with IFRS standards. Directly following the transition, we started a bookbuilding process for a new funding round. This bookbuild went hand-in-hand with a marketing campaign to increase awareness with investors. In total we were very pleased to announce the raise of EUR 3.1 mln in funds in a period of 5 weeks.

On 2 December 2016, Fastned opened subscriptions to a limited issue of 5 year, 6.0% fixed rate bonds. On 5 December 2016 all 2,499 bonds of EUR 1,000 each were sold to large and small investors. Via this issue Fastned raised just under EUR 2.5 million within 4 days, providing operating cash and financing for another batch of stations to be built in the first half of 2017.

> 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 are still uncertain, 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 Board of Directors. 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 members of the FAST foundation.

Most significant risks and control measures

Fastned analyses its risks every quarter by dividing them in categories (strategic, operational and financial). The Company reviews the identified control measures for each risk and acts accordingly to reduce the risk if necessary.

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 FEV's on the road than anticipated	• Fastned's business model is based on the premises that there will be 200,000 FEV's on the Dutch roads in 2020[7]. However, the Company does not have the abilities to control the amount of cars sold directly as Fastned does not sell cars. The Company cannot implement control measures to mitigate this risk completely. • 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 lower FEV's on the road. • Close contracts with OEMs that pay for coverage next to the supply of energy	High	High
Strategic risk	Charging behaviour - market share of fast versus slow charging lower than expected	• Making fast charging preferable to slow charging through offering a better service • Designing stations that they are very visible (e.g. having a canopy) and therefore easier to spot than slow charging poles • Obtain the best, high-traffic locations to reach most customers • Offer outstanding customer service	High	High
Strategic risk	Active in one sector only	• 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 • Not only focusing on highway stations; Fastned has started to expand its network to urban areas (e.g. two stations in The Hague). The dynamics around charging in the city may prove to be different and complementary to that along the highway	High	Medium

[7] Source: Dutch government ambitions: http://www.rvo.nl/onderwerpen/duurzaam-ondernemen/energie-en-milieu-innovaties/elektrisch-rijden

Risk category	Risks	Control measures	Current Risk Profile	Desired risk profile
Strategic risk	Rapid technological development - speed of charging to increase faster than anticipated, requiring additional investments and write-offs	• Prepare the grid connection and the station's lay-out already for higher power and potentially more chargers per location • Only install two chargers per location to have redundancy while allowing Fastned to be as adaptable as possible to accommodate higher powered chargers coming to the market. • Finance fast chargers using fiscal incentives such MIA[8] and Vamil[9] to reduce the impact of rapid depreciating goods • Obtain high quality market intelligence through close contacts with charger manufacturers, OEMs and other charging companies (through e.g. active membership of CharIn[10])	Medium	Medium
Operational risk	Increase of electricity prices reducing margins	• Ensure significant gross margin • Decouple energy tariff from infrastructure component using subscriptions, making it easier to communicate the need to pass through changes in the energy tariffs to the end consumer • Employ solar roofs on the charging stations hedging a part of the energy supply against a price increase	Low	Low
Operational risk	System failures resulting in loss of revenues and/or inability to charge	• Service level agreement with ABB (the manufacturer for the chargers), NOW! Innovations (for the App) and Adyen (payments) • Supporting suppliers such as ABB – also operating in a young market - to outsource their hosting to best in class platforms such as Microsoft Azure • Organising (reactive) maintenance of the stations in-house instead of relying on external parties • Drive redundancy in every aspect of the system; e.g. within the back-office systems and communication systemstwo chargers and roaming SIM cards to avoid dependency on one internet provider • Having own network operations center with highly experienced employees • Have fall back scenarios in place for those moments when connections fail and authorization is not possible. Today we have an automatically initiating free vending mode available to mitigate this issue	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	Interest rate risk	• Fixed rate debt to avoid interest risk	Low	Low
Financial risk	Insufficient cash flows	• Fastned has secured financing for its operations through a EUR 5 million working capital facility with Wilhelmina Dok till 31 December 2018	Low	Low

[8]MIA ('Milieu-investeringsaftrek): deduction of a part of environmentally friendly investments from your profits

[9]Vamil ('Willekeurige afschrijving milieu-investeringen'): Accelerated amortisation of certain environmentally friendly investments

[10]CharIn: Charging Interface Initiative e.V. – see more at www.charinev.org

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 appetite for the risk of a smaller than anticipated amount of electric vehicles on the road is high. The availability of charging infrastructure (e.g. Fastned stations) will make the decision for people to decide on a full electric vehicle easier, thereby reducing the risks for Fastned. In addition, contracts such as the commercial deal with Nissan, as well as dedicated sales and excellent customer service, will also reduce the risk of people deciding to go for slow charging more than expected. Looking at the projected introductions of fully electric vehicles (see Chapter on the Industry Outlook), the Company feels that it is strongly positioned to take advantage of this 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 limited risk appetite for operational risk and financial risk. On the operational side, the Company has put in place a service level agreement with very strong counterparty ABB and a framework agreement with an experienced contractor to reduce budgetary risks to its 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 2018, so the Company is covered from that perspective. With regard to investments, the policy is to only invest when the financing is in place.

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

Fewer number of EV's on the road

Fastned's customers are mainly 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). If the number of electric vehicles in the Netherlands would halve, then Fastned's revenues would decline by 50% and EBITDA only by 13%.

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

The risks related to the number of vehicles was again reduced this year with increasing sales figures of full electric cars, the introduction of more electric vehicle(s) (types), the announcement of OEMs to electrify again larger portions of their fleets and governments continuing their incentive systems towards full electric vehicles while decreasing their efforts on alternatives such as hybrids.

"The introduction of the Opel Ampera E is the beginning of the era of affordable, long range electric cars."

> Industry & 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.

Dutch market outlook

Government policies

As of December 31st 2016 there were 13,105 full electric vehicles registered in the Netherlands. We are confident that the favourable tax regime (such as 4% 'bijtelling' for leased full electric cars) versus the discontinuance of incentives for plug-in hybrids, stricter emission regulations, and the introduction of affordable FEVs with more range will further improve Fastned's market conditions in the Netherlands in 2017.

New models available in 2017

In February of 2016 the Nissan Leaf was upgraded from 24kWh to 30kWh (170km real world range). The new BMW i3 with 33kWh - up from 22kWh - was introduced in the second half of 2016. An updated VW Golf with around 200km real world range will become available as of May 2017. Most major OEMs have now decided on a serious electric vehicle program. Second generation EVs are expected to offer even more range and allow faster charging while at the same time becoming more affordable. The most prominent example is the Opel Ampera-e (Chevrolet Bolt), which is set to arrive in Europe in the first half of 2017. This car is the first affordable electric car with over 300km of real world range. We expect the next generation Nissan Leaf and the popular Tesla Model 3 to hit the European market early 2018. These are just a few examples of exciting developments in the car market.

Volkswagen e-Golf 35.8 kWh

Opel Ampera-e 60 kWh

BMW i3 33 kWh

Second generation Nissan leaf

Tesla Model 3

The rise and fall of the PHEV (in the Netherlands)

In the Netherlands, Plug-in Hybrid Electric Vehicles (PHEVs) will be subject to 22% 'bijtelling' (the same as any other diesel or petrol car) from 1 january 2017, while full electric cars will remain at 4%. As a result we expect sales of PHEVs to slow down significantly. Note that most PHEVs cannot fast charge (with the exception of the Mitsubishi Outlander) and as result sales of plug-in hybrids are not important to Fastned's business.

European market outlook - Autowende continues

Fastned believes the world is on the cusp of a massive shift from fossil fuels and combustion engines to electric cars powered by renewable energy: the Autowende[13]. We detailed the specifics of this trend before. The Autowende is driven by continuous improvements in battery technology, stricter 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.

Car industry is starting to move, new entrants expected

A sizable mature electric vehicle industry is much closer than a year ago. Furthermore, every year we see more and more OEMs moving away from alternatives such as biofuels and hydrogen solidifying the position of the battery electric drivetrain as the drivetrain for the future.

For example, both Ford and Volkswagen announced multibillion euro investments in electric mobility. Audi and Volkswagen aim at full electrification of 25% of all their cars sold by 2025. At the same time, new entrants from California are expected to enter the auto market. Examples are Future Mobility[12] and Lucid Motors[13], formally known as Atieva.

European emission requirements are ever more stringent
Emission regulation forces cars to become even cleaner, which will in turn make fossil fuel cars more expensive. In 2016 we have seen the aftermath of Dieselgate. The political and legal events of 2016 make it much more difficult for car manufacturers to evade tightening emission restrictions. Dieselgate has put harmful car emissions in the spotlight, which makes it harder for car manufacturers to lobby against strong emission targets in the future.

National and international regulation
On the 4th of November 2016, the Paris climate agreement went into effect. It seems that the overwhelming majority of the world wants to reduce the emissions of greenhouse gases, including transport emissions which do represent a large share of the problem.

In the Netherlands, The Dutch Parliament has called on the government to strive for a complete fase-out of fossil fuel cars by 2025. In response to this, the Dutch minister of Economic Affairs introduced a plan to fully phase out the sale of fossil fueled cars from 2035 onwards.

Major cities are banning (old) diesel cars

Paris, Madrid, Athens and Mexico City have announced they will ban diesel cars from 2025[14]. Other cities like Amsterdam and London have also announced strong regulations to ban polluting vehicles from their city centers. Utrecht and Rotterdam are already banning older cars from its city center[15].

Fast charging at 150kW+ is becoming reality

German car manufacturers such as Volkswagen, Audi and Porsche seem to agree that 150kW+ fast charging is critical for the true adoption of electric cars. CharIN - The Charging Interface Initiative - is currently working on enhancing the CCS standard to support 150 kW charging by increasing the maximum current. Several car makers want to increase the charging speed even further up to 350 kW, by increasing the maximum voltage as well.

At the Frankfurt Auto Show of 2015 Audi revealed the Q6 e-tron quattro concept. This full electric Audi is able to charge at 150 kW and will 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.

Japanese car makers are also working on faster charging speeds. The CHAdeMO Association announced the 150 kW standard in June 2016. The next generation Nissan Leaf might be the first car to support 150 kW using CHAdeMO.

For both CCS and CHAdeMO 150 kW fast charging would be a big step forward. If fully realised, this speed surpasses that of current Tesla Superchargers.

Moreover, VW, BMW, Audi, Porsche and Ford announced a European network of 350 kW fast charging stations for their electric cars[18]. It is not clear yet how this will be done and with whom but it is strong evidence that large numbers of electric cars are coming and that these manufacturers see the importance of a European fast charging network.

[13] See: fastned.nl/autowende

[14] http://fortune.com/2016/07/12/future-mobility-electric-car-2020/

[15] http://fortune.com/2016/11/15/lucid-motors-tesla-electric-car/

[16] https://www.theguardian.com/environment/2016/dec/02/four-of-worlds-biggest-cities-to-ban-diesel-cars-from-their-centres

[17] http://nos.nl/artikel/2102433-nu-echt-niet-meer-met-je-vervuilende-auto-naar-rotterdam.html

[18] https://electrek.co/2016/10/18/new-ultra-fast-charging-350-kw-stations-evs-europe-audi-bmw/

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Autonomous vehicles will drive demand for fast charging stations
Since writing the Autowende, we have witnessed an acceleration of autonomous technology. Therefore we think it is important to briefly mention the impact of this technology in relation to fast charging.

The advent of shared and/or autonomous electric cars will change the essence of cars. In dense urban areas, electric cars will no longer be owned by a person or family, but instead used as a service. This, in turn, 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 be crucial to drive down costs and ensure commercial success in a competitive market. As soon as cars are easily shared, or can drive autonomously we expect to see the value proposition of cars and mobility changing.

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 EVs in terms of kilometers driven could increase much faster than one would expect based on the number of EVs on the road.

In this new shared and autonomous world that is rapidly advancing, it makes no sense to have a car parked at a slow charging pole for hours. 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 further improve the business case of its fast charging stations.

Business outlook

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

Funding
We have shown serious commercial traction in the last years by growing at a rate of 9.6% month-on-month. We placed a EUR 2.5 million 6% bond last December in four days. We believe this gives confidence to investors and forms a basis for the raise of additional funds to grow our network and finance our operations until a larger charging market develops and Fastned can move towards break-even.

In case the raise of additional funds does not materialise in the near term, Fastned might need to (temporarily) postpone investment plans in the network. This will not harm continued operations of the business as Fastned has secured financing to cover operational expenditures up to the end of 2018.

Network development
Fastned expects to continue building charging stations on its Dutch highway concession locations as planned and prepared for. The pace of roll-out is currently mainly constricted by the amount of funding available. In addition to the Dutch highway locations, we expect to see increasing numbers of acquired locations in other European countries as well as in Dutch cities. The pace in which the number of acquired locations can be increased 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. On the other hand, to grow the network into other countries Fastned requires local teams that scout locations, acquire the necessary permits, and manage contractors to build the stations. We therefore plan to hire additional team members in our neighbouring countries. The pace at which we can do this will depend on the amount of funding available as well as successes with local authorities supporting the issuance of concessions.

Utilisation of our stations
As mentioned in the industry outlook, we expect electric vehicle sales to increase rapidly over the coming years. These cars – due to plummeting battery prices – will have larger batteries and will be 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. We therefore expect to outgrow the market again in 2017.

Some of our stations already have visitor numbers ranging from 10-15 a day. With growth rates similar or even higher than last year, the number of visitors doubles roughly every seven months. This is likely to start putting strain on our best locations well before end of 2017. In light of this development we are already deploying more Tesla adapters to our stations and expect to add chargers to a number of top locations before the end of the year.

It should be noted that as part of the Fastned freedom plan, we also 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 might take longer than other locations to reach break-even. At the same time, stations being built in regions with a higher density of electric cars are expected to outgrow the Fastned average significantly.

Conclusion
As anticipated, Fastned is not yet profitable in this early stage of company and market development. However, Fastned continues to have a very positive outlook on the charging market and the development of the company. Fastned has been following an exponential growth curve in which it is doubling revenues in a period of roughly 7 months for some time now. Based on this historical growth rate and our positive market outlook we believe that Fastned can maintain a doubling period of a similar magnitude for some time to come, quickly improving our business fundamentals. We can already see this happening with charging companies in leading markets such as Norway.

The working capital facility provided by Wilhelmina-Dok B.V. to guarantee operational expenditures up to 2019 gives us confidence that we have the time and funds to navigate the company to positive cash flows and set the company up for fast and profitable growth thereafter.

> Funding and corporate governance development

Public funding

In the early years of Fastned, many electric vehicle drivers and other enthusiasts approached us with the question: "can we support Fastned by investing". We thought this is an incredibly strong signal and wanted to create the option for all these people to help us build this network of charging stations. We worked hard in the first half of 2014 to allow everybody who was enthusiastic about Fastned to invest in the company. This strategy of funding of our company via the crowd proved to be a success and more than EUR 3.1 million was raised via NPEX between July of 2014 and November of 2015.

In April of 2016 we transferred our listing from NPEX to the regulated Nxchange stock exchange. Nxchange operates under the supervision of the Netherlands Authority for the Financial Markets (AFM) and the Dutch Central Bank (DNB). Nxchange's permit as a regulated market has been provided by the Dutch Ministry of Finance. The Fastned depositary receipts are registered at Nxchange, allowing them to be traded 24 hours a day, 365 days a year.

During April and May of 2016 we raised EUR 3.1 million via the issue of additional Depository Receipts. On this new exchange, ease of trading has been improved much although liquidity remains limited.

Furthermore, in December in just a few days issued bonds of EUR 1,000 a piece for a total amount of EUR 2,499,000.

Governance

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 getting off its predetermined course. We decided that it is important for all investors to have absolute certainty about what the money they invest is used for. We therefore included a mission statement in the bylaws of the company and certified all shares 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, certificate holders do not have voting rights in the meeting of shareholders, but they can be assured that their investment is used to build and operate Fastned stations. Also they have a vote in the appointment of board members of the foundation. The board of FAST will see to it that Fastned executes on its statutory mission: creating a network of fast charging stations.

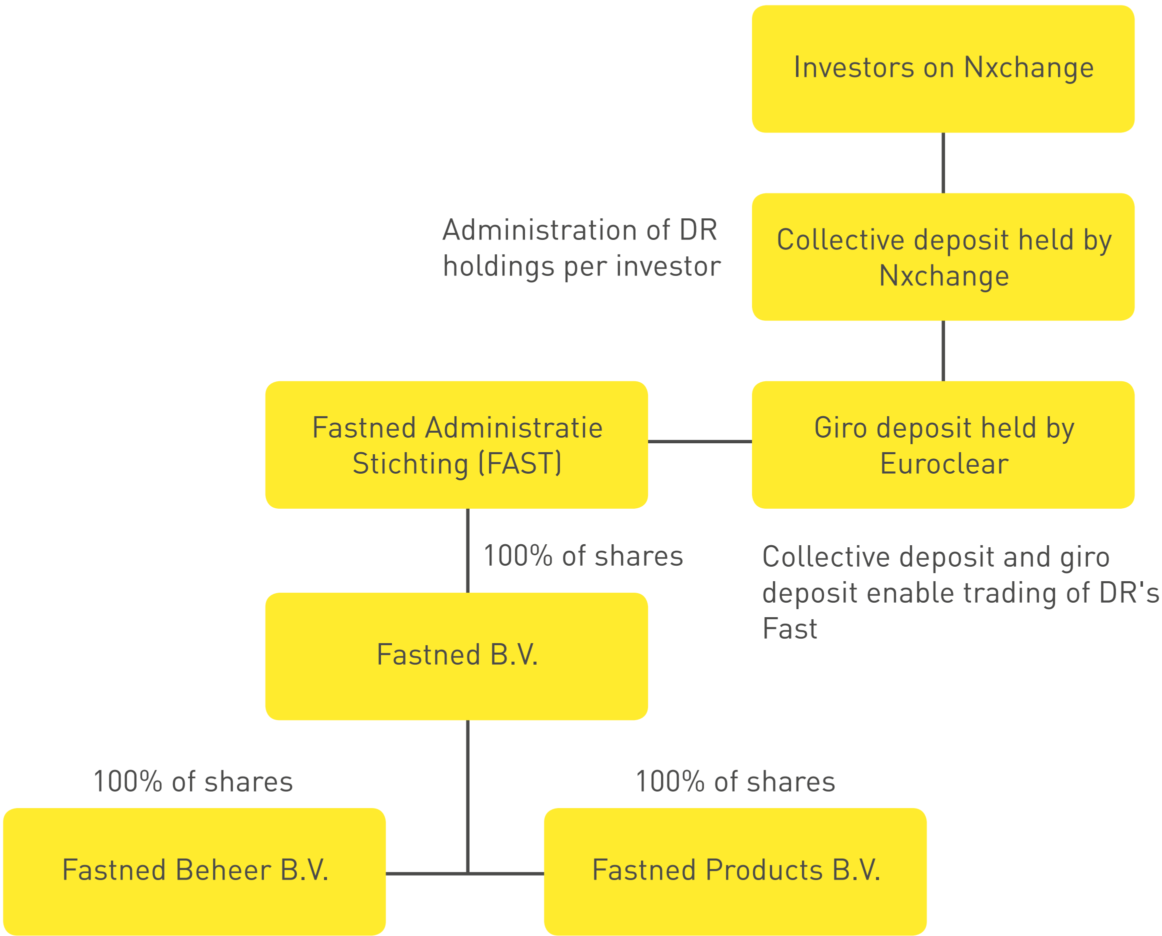
Fastned's mission

The mission of Fastned is to provide freedom to EV 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

The capital of Fastned consist of 13,024,095 shares with a nominal value of EUR 0.01 (one euro cent) each. Each share corresponds to one voting right. 100 % of the Fastned shares 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.



Significant certificate holders

As far as Fastned is aware, the only holders of more than 3% of Fastned's certificates of shares on 31 December 2016 are Wilhelmina-Dok BV (of director Bart Lubbers) and Carraig Aonair Holding B.V. (of director Michiel Langezaal) as indicated in the table below:

Certificate holder	Total number of certificates	% of relevant class
Wilhelmina-Dok B.V.	7,500,010	57.6%
Carraig Aonair Holding B.V	4,500,001	34.6%

As far as Fastned is aware, no disclosable changes in interests in the share capital have been notified to the AFM between 1 January 2017 and 8 March 2017 (the latest practicable date for inclusion in this report).

Objective of the FAST foundation

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

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 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 Management team, consisting of one of the directors (Michiel Langezaal) and four other team members.

The articles of association of Fastned can be amended by the general meeting by a simple majority. The general meeting is called annually by an invitation letter sent to the shareholders. Depository receipt holders have no right to attend the general meeting. The general meeting shall be held in the municipality of the registered office of Fastned.

General meetings must be convened when one or more shareholders, jointly representing at least one-hundredth of the issued capital so request the statutory directors, stating the subjects to be discussed. General meetings cannot be called by depository receipts holders.

Fastned is still a relatively small company and has not yet reached the legislative thresholds set by law to be designated as a "large company regime" (structuurvennootschap). Therefore, Fastned does not (yet) need to employ a supervisory board and has chosen not to do so at this stage. However, the board of he Fastned Administratie Stichting (FAST) represents the shareholders in the same way that a supervisory board would do. FAST and Fastned have several meetings per year in which the Fastned mission, the financials, risks and other important topics are discussed.

Compliance to the Dutch corporate governance code

Fastned is obliged to adheres to the Dutch Corporate Governance Code (the "Code") since Fastned is a public-interest company (Organisatie van Openbaar Belang " OOB"). However, being a relatively small company, Fastned has chosen to depart from this Code on a number of topics in 2016:

1. Fastned does not have a supervisory board (Raad van commissarissen). The reason that Fastned chooses not to comply with chapter III of the Code is that having a supervisory board is no legal requirement (based on book 2 DCC) since Fastned does not qualify for the 'large company regime' (structuurvennootschap). In addition, 100% of shares of Fastned are held by FAST. The board of this foundation represents the shareholders in the same way that a supervisory board would do, therefore the controlling function of a supervisory board has been ensured. Although Fastned does not object to a supervisory board in the future, it considers it premature at this stage of its development.
2. Fastned does currently not have a remuneration and/or an audit committee. Since an audit committee is required by law based on the "besluit instelling audit commissie", Fastned will install an audit committee for 2017.
3. There is an inherent conflict of interest between the directors in their role as directors of the company and as large holders of depository receipts (in response to chapter II.3).
4. There are no voting rights attached to the depository receipts and the board of FAST will not provide such rights to holders of depository receipts if and when requested. The reason for this is that certification of shares is not designed as a protective measure but rather as a means to keep Fastned on course to execute on its mission: building fast charging stations. As a result Fastned chooses not to comply with chapter IV.2 of the Code.
5. Remunerations of statutory directors will be set by the General Meeting, therefore Fastned chooses to not comply with chapter II.2 of the Code. Furthermore, given the size of the company, Fastned is of the opinion that the supervision on the board of directors is sufficient, therefore Fasted chooses not to comply with chapter III.5.4. Till III.5.9 of the Code.

Gender representation in the board of directors

The board of directors of Fastned consists of the two founders of the company, which happen to be male. Therefore, the gender representation in the board of Fastned did coincidently happen to be skewed towards men. The Management team has two female members and three male members.

When composing the first board of FAST, the founders have been actively pursuing a more balanced ratio of men versus women and are very happy to have Mrs. Hieke Spoelstra as chair(wo)man.

Members of the FAST board

The Board of FAST consists of Mrs. Hieke van Rees-Spoelstra, Mr. Geert Kloppenburg, and Mr. Nick van Buitenen. 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) - Secretary
Appointed January 2014
Term ends April 2019

- 2012 – present: Expert in sustainable mobility concepts and innovation at the Urgenda Foundation
- 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

Nick van Buitenen (1966) - Treasurer
Appointed January 2014
Term ends April 2017

- 1996 – present: Notary at van Grafhorst Notarissen
- 1988 – 1996: Candidate-Notary at Notariskantoor W.M van Grafhorst
- 1985 – 1990: Master in Law at University of Utrecht
- Nationality: Dutch

> Statement of Directors' responsibilities

Each of the Directors confirms that, to the best of his knowledge:

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 two - Financial Report

> Consolidated statement of profit or loss

for the year ended 31 December 2016

	Notes	2016 €	2015 €
Revenue	6	**227,613**	**75,889**
Cost of sales		(92,322)	(29,285)
Gross profit		**135,291**	**46,604**
Other operating income	7.1	264,363	-
Selling and distribution expenses		(672,049)	(382,474)
Administrative expenses	7.2	(2,500,606)	(1,807,623)
Other operating expenses	7.3	(1,497,750)	(1,140,244)
Operating loss		**(4,270,751)**	**(3,283,737)**
Finance costs	7.4	(875,898)	(689,465)
Finance income	7.5	59,917	1,715
Loss before tax		**(5,086,733)**	**(3,971,486)**
Income tax expense	8	-	-
Loss for the year		**(5,086,733)**	**(3,971,486)**
Attributable to:			
- Equity holders of the Group		**(5,086,733)**	**(3,971,486)**
Earnings per share			
> Basic, loss for the year attributable to ordinary equity holders of the Group	9	(0.40)	(0.32)
> Diluted, loss for the year attributable to ordinary equity holders of the Group	9	(0.40)	(0.32)

> Consolidated statement of comprehensive income

for the year ended 31 December 2016

	Notes	2016	2015
		€	€
Loss for the year		**(5,086,733)**	**(3,971,486)**
Other comprehensive income		**-**	**-**
Total comprehensive income for the year, net of tax		**(5,086,733)**	**(3,971,486)**
Attributable to:			
Equity holders of the Group		(5,086,733)	(3,971,486)

> Consolidated statement of financial position

as at 31 December 2016

	Notes	2016 €	2015 €
Assets			
Non-current assets			
Property, plant and equipment	10	13,678,495	12,744,522
Non-current financial assets	11.1	1,114,488	1,044,350
		14,792,983	13,788,872
Current assets			
Trade and other receivables	12	189,802	15,428
Prepayments	12	707,873	202,327
Cash and cash equivalents	13	2,955,471	2,694,541
		3,853,146	2,912,295
Total assets		**18,646,129**	**16,701,167**
Equity and liabilities			
Equity			
Issued capital	14	130,241	126,393
Share premium	14	8,942,369	5,474,520
Other capital reserves		-	-
Retained earnings		(12,403,741)	(7,317,008)
Total equity		**(3,331,131)**	**(1,716,095)**
Non-current liabilities			
Interest-bearing loans and borrowings	11.2	16,635,944	13,448,560
Provisions	16	1,103,941	904,914
Deferred revenues	17	501,343	-
Current liabilities			
Trade and other payables	15	3,736,032	4,063,788
Total liabilities		**21,977,260**	**18,417,261**
Total equity and liabilities		**18,646,129**	**16,701,167**

> Consolidated statement of changes in equity

for the year ended 31 December 2016

	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)**

	Attributable to the equity holders of the Group			
	Issued capital (Note 14)	**Share premium (Note 14)**	**Retained earnings**	**Total**
	€	**€**	**€**	**€**
As at 1 January 2015	**123,877**	**2,895,473**	**(3,345,522)**	**(326,172)**
Loss for the period	-	-	(3,971,486)	(3,971,486)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(3,971,486)	(3,971,486)
Issue of share capital	2,516	2,579,047	-	2,581,563
At 31 December 2015	**126,393**	**5,474,520**	**(7,317,008)**	**(1,716,095)**

> Consolidated statement of cash flows

for the year ended 31 December 2016

	Notes	2016 €	2015 €
Operating activities			
Loss before tax		(5,086,733)	(3,971,486)
Adjustments to reconcile loss before tax to net cash flows:			
- Depreciation and impairment of property, plant and equipment		1,089,824	609,259
- Interest added to loans and borrowings		808,425	686,479
- Reversal of non-cash provision for Fastned Founders	16	50,943	76,617
- Deferral of unearned revenues	17	501,343	-
- Other non-cash items	7.1	(177,350)	-
Working capital adjustments:			
Increase in trade and other receivables and prepayments	12	(648,814)	399,613
Increase in trade and other payables	15	(320,616)	2,240,326
Net cash flows from operating activities		**(3,782,978)**	**40,808**
Investing activities			
Purchase of property, plant and equipment	10	(1,700,303)	(5,535,847)
Loan to Fastned Terra 1 and Fastned Terra 2	11.1	(70,139)	(1,044,350)
Net cash flows used in investing activities		**(1,770,441)**	**(6,580,197)**
Financing activities			
Proceeds from issuance of shares	14	3,848	1,517
Share premium received	14	2,711,500	1,580,466
Purchase of own shares (certificates)	14	-	-
Proceeds from borrowings	11.2	3,099,000	7,550,000
Net cash flows from / (used in) financing activities		**5,814,348**	**9,131,982**
Net increase in cash and cash equivalents		260,929	2,592,593
Cash and cash equivalents at 1 January		2,694,541	101,948
Cash and cash equivalents at 31 December	**13**	**2,955,471**	**2,694,541**

> Notes to the 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 2016 were authorised for issue in accordance with a resolution of the directors on 9 March 2017. 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 a negative equity of € 3,331,131. The Group's ability to continue as a going concern is highly contingent on the willingness of the lenders to continue the aforementioned loans, which has been confirmed in concrete commitments for the period of at least 12 months after signing of the financial statements 2016. Both loans (Breesaap B.V. and Stichting Flowfund) have a maturity till 31 December 2018. Especially with the working capital facility of Wilhelmina-Dok B.V. to cover all operating expenses for the next two years (till 31 December 2018), Fastned has secured a solid financial basis for its operations. To finance the further roll-out of new charging stations in the Netherlands and Europe, the Group plans to raise additional capital in 2017. Furthermore, cash flows are monitored closely and Fastned invests in new stations 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 going concern of the Group.

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 at 31 December 2016. 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 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 Changes in accounting policies and disclosures

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments are applied for the first time in 2016, they did not have a material impact on the annual consolidated financial statements of the Group. The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation, effective 1 January 2016
- Annual Improvements to IFRSs 2010-2012 Cycle (issued December 2013), effective 1 February 2015

Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, the existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. The amendments became effective for annual periods beginning on or after 1 January 2016.

These amendments do not have any impact on the Group.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively and became effective for annual periods beginning on or after 1 January 2016.

The amendments do not have any impact on the Group, given that it has not used a revenue-based method to depreciate its non-current assets.

Improvements to IFRSs 2010-2012 Cycle (issued December 2013)

The IASB issued the 2010-2012 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. The improvements became effective for annual periods beginning on or after 1 February 2015. These improvements include:

- IFRS 2 Share-based Payment: The amendment is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions.
- IFRS 8 Operating Segments: The amendments are applied retrospectively and clarify that:
  - An entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8.12, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
  - The reconciliation of segment assets to total assets is only required to be disclosed if this reconciliation is reported

to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- IAS 24 Related Party Disclosures: The amendment is applied retrospectively and clarifies that a management entity - an entity that provides key management personnel services - is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

These amendments do not have any impact on the Group.

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 11.4)
- Sensitivity analyses disclosures (see Note 10)

<u>Estimates and assumptions</u>
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.

<u>Impairment of non-financial assets</u>
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.

<u>Impairment of financial assets</u>
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 impaire the loans.

<u>Taxes</u>
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 € 12,112,000 (2015: € 7,112,000) of tax losses carried forward. These losses relate to operating losses in previous years and expire at the end of 2021 for € 264,000 (2015: same), at the end of 2022 for € 768,000 (2015: same), at the end of 2023 for € 2,234,000 (2015: same), at the end of 2024 for € 3,768,000 (2015: same) and at the end of 2025 for € 5,000,000. Due to uncertainty about sufficient future profits in the period 2017 - 2025, the Group has determined that it cannot recognise 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 € 4,000,000 to € 668,869, 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 2016 was € 967,600 (2015: € 828,297). The Group estimates that the costs would be realised in 15 years' time upon the 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% (2015: 2%)
> Discount rate – 0.8% (2015: 1.3%)

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 € 113,000 lower. If the estimated inflation had been 1% higher than management's etimate, the carrying amount of the provision would have been € 133,727 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 2016 was € 127,560 (2015: € 76,617). The Group estimates that the costs would be realised in 25 years' time as the average age of the Founders is 50 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 – 0.8% (2015: 1.3%)

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 € 15,426 lower. If the estimated inflation had been 1% higher than management's estimates, the carrying amount of the provision would be € 16,528 higher.

4. Capital management

For the purpose of the Group's capital management, capital (Note 14) includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Group.

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 flexiblity 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 the financing is in place for such an investment. The Group has secured financing for its operations up to 31 December 2018 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 2016 and 2015.

5. Group information

The consolidated financial statements of the Group include:

Name	**Principal activities**	**Country of incorporation**	**% equity interest 2016**	**2015**
Fastned Products BV	Buying and selling fast charging equipment	Netherlands	100	100
Fastned Beheer BV	Managing and assisting	Netherlands	100	100

In December 2015, Fastned B.V. set up two new entities: Fastned Products B.V. and Fastned Beheer B.V. Both are 100% subsidiaries of Fastned B.V.

Fastned Beheer B.V. has a managing contract with both Fastned Terra 1 B.V. (previously Maatschap Fastned Terra 1) and Fastned Terra 2 B.V. (previously Maatschap Fastned Terra 2).

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 2016, Fastned Terra 1 B.V. owns 9 chargers that are being managed by Fastned Beheer B.V. and Fastned Terra 2 B.V. owns 1 charger that is 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.

The Group's shares are held by FAST (Fastned Administratie Stichting), Amsterdam. The board of directors of the Group consist of Carraig Aonair Holding B.V. and Wilhelmina-Dok B.V. Both directors own certificates of shares of the Group (issued by Fastned Administratie Stichting) for 34.6% (2015: 35.6%) respectively 57.6% (2015: 59.4%) of the total outstanding certificates of shares.

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 (2015: same).

7. Other income/expense

7.1 Other operating income

	2016	2015
	€	**€**
Insurance remuneration	52,896	-
Maintenance and hosting of several locations	34,117	-
Other income	177,350	-
Total other operating income	**264,363**	**-**

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

7.2 Administrative expenses

	2016	2015
	€	**€**
Depreciation	1,089,824	609,259
Wages and salaries	1,120,459	938,933
Social security costs	172,798	125,389
Pension costs	66,581	57,425
Provision for the Fastned Founders	50,943	76,617
Total administrative expenses	**2,500,606**	**1,807,623**

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 the Fastned Founders.

7.3 Other operating expenses

	2016	2015
	€	**€**
Rent	191,909	81,687
Office costs	51,282	64,749
Car expenses	109,339	110,086
Marketing costs	173,887	144,641
General costs	613,567	428,261
Advisory costs	357,767	310,820
Total other operating expenses	**1,497,750**	**1,140,244**

7.4 Finance costs

	2016	2015
	€	€
Interest on debts and borrowings	859,887	675,487
Tax penalties	1,523	1,757
Interest and bank charges	6,942	1,229
Other interest expenses	7,547	10,992
Total finance costs	**875,898**	**689,465**

7.5 Finance income

	2016	2015
	€	€
Interest and bank charges	59,917	1,715
Total finance income	**59,917**	**1,715**

8. Income tax

8.1 Deferred tax

Deferred tax relates to the following:

	Statement of financial position		Statement of profit or loss	
	2016	2015	2016	2015
	€	€	€	€
Losses available for offsetting against future taxable income	-	-	-	-
Deferred tax expense/(benefit)	**-**	**-**	**-**	**-**
Net deferred tax assets	**-**	**-**	**-**	**-**

Reconciliation of deferred tax liabilities, net

	2016	2015
	€	€
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 tax losses which arose in the Netherlands that are available for offsetting against future taxable profits for a period of 9 years. The tax loss for the year 2012 amounts to € 264,000 and can be offset against future profits till 2021, the tax loss for the year 2013 amounts to € 768,000 and can be offset against future profits till 2022, the tax loss for the year 2014 amounts to € 2,244,000 and can be offset against future profits till 2023, the tax loss for the year 2015 amounts to € 3,768,000 and can be offset against future profits till 2024, the tax loss for the year 2016 amounts to approximately € 5,000,000 and can be offset against future profits till 2025.

Due to uncertainty about sufficient future profits in the period 2017 - 2025, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. See also note 3.

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 2016 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	**2016**	**2015**
	€	**€**
Basic earnings per share	(0.40)	(0.32)
Diluted earnings per share	(0.40)	(0.32)

Calculation of average number of share units	**2016**	**2015**
	Units	**Units**
Weighted average number of shares	12,813,406	12,498,146
Effects of dilution from:		
- Conversion certificates of Beheersmaatschappij Breesaap and Flowfund	1,250,000	1,250,000
- Share options of personnel	87,393	-
Diluted number of shares	14,150,799	13,748,146

Calculation of earnings	**2016**	**2015**
	€	**€**
Net profit	(5,086,733)	(3,971,486)
Interest converted	770,973	71,515
Net profit attributable to shareholders' equity	**(4,315,760)**	**(3,899,971)**

10. Property, plant and equipment

	Construction in progress	Charging stations and technical installations	Other equipment	Total
	€	€	€	€
Cost				
At 1 January 2015	1,971,195	4,920,348	154,538	7,046,081
Additions	-	6,360,660	116,455	6,477,115
Disposals	-	-	-	-
Transfer	(840,837)	840,837	-	-
At 31 December 2015	**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**
Depreciation and impairment				
At 1 January 2015	-	(130,810)	(38,606)	(169,416)
Depreciation charge for the year	-	(563,434)	(45,824)	(609,258)
Disposals	-	-	-	-
At 31 December 2015	**-**	**(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)**
Net book value				
At 31 December 2016	1,664,389	11,790,952	223,154	13,678,495
At 31 December 2015	1,130,358	11,427,601	186,563	12,744,522

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 2016 was Nil (2015: Nil).

Charging stations
Charging stations with a carrying amount of € 12,500,000 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 reflects the Group's realised turnover. Based on the realised turnover reflected to the investments of the Group in tangible assets the Group has performed an impairment test. 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 the increasing demand for electric vehicles in the Netherlands. The pre-tax discount rate applied to the cash flow projections is 15% (2015: 20%).

The growth rates used to extrapolate the cash flows of the unit beyond the five-year period to 13.25 years (as the average remaining life of a station in 2016 is 13.25 years) is based on 50% (2015: 50%) of the expected growth rate of the electric vehicle market and is declining from 19% (2015: 19%) in 2022 to 8% in 2030 (2015: 8%) as the market for fast charging becomes more mature. Fastned expects that in 2025 more than half of new cars sold in the Netherlands will be fully electric (2015: 50%). Fastned will likely have the option to renew the concession after the 15 years leases have expired. In the base case, the headroom between the value in use and the book value is close to € 195,000.- per station. The carrying amount of a charging station is € 227,000.

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 - Number of electric vehicles is based on the target of the Dutch government of 200,000 cars by 2020 and one million cars by 2025 (2015: same). 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 decrease in number of electric vehicles by 25% (2015: 39%) in 2020 and 2025 (approximately 150,000 cars and 750,000 respectively) could result in an impairment for a Charging Station unit.

Market share assumptions - When using industry knowledge for growth rates (as noted below), these assumptions are important because management assesses how the unit's position, relative to its competitors, might change over the forecast period. Management expects the share of fast charging compared to slow charging will grow over 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 25% (2015: 39%) in 2020, 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 (temporarily) increase (sharply) due to unforeseen factors this could negatively impact margins. If prices of renewable electricity increase with 43% (2015: 67%) compared to today and Fastned is 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 21.3% (i.e. +6.3%) (2015: 36%) for the Charging Station could result in an impairment.

Growth rate estimates - Rates are based on the Dutch government targets of 200,000 and one million electric vehicles in 2020 and 2025 respectively. In addition, management expects that by 2025 more than 50% of new cars sold will be fully electric. For the years 2020 – 2030 (end of the concessions), management forecasts that Fastned will grow with a lower rate (50% lower) than the market 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 beyond 2020 to 8% (2015: 13%) in the long-term growth could result in an impairment.

11. Financial assets and financial liabilities

11.1 Financial assets: interest-bearing loans and borrowings

	Interest rate	Maturity	2016	2015
	%		€	€
Non-current interest-bearing loans and borrowings				
Loan to Fastned Terra 1 B.V.	6	31 December 2024	932,015	879,259
Loan to Fastned Terra 2 B.V.	6	31 December 2024	111,842	105,511
Credit facility to Fastned Terra 1 B.V.	-	31 December 2024	57,934	53,157
Credit facility to Fastned Terra 2 B.V.	-	31 December 2024	12,698	6,423
Total non-current interest-bearing loans and borrowings			**1,114,488**	**1,044,350**
Total interest-bearing loans and borrowings			**1,114,488**	**1,044,350**

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 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 will form the 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 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 will form the 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 2016 this facility amounts to € 57,934 (2015: € 53,157). 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 € 12,698 (2015: € 6,423). 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 2016 (2015: none).

	Interest rate	Maturity	2016	2015
	%		€	€
Non-current interest-bearing loans and borrowings				
6% secured loan I of € 2,500,000	6	31 December 2018	2,500,000	2,500,000
6% secured loan II of € 10,000,000	6	31 December 2018	10,000,000	10,000,000
6% secured working capital facility of € 5,000,000	6	31 December 2018	1,636,944	948,560
6% bond of € 2,499,000	6	2 December 2021	2,499,000	-
Total non-current interest-bearing loans and borrowings			**16,635,944**	**13,448,560**
Total interest-bearing loans and borrowings			**16,635,944**	**13,448,560**

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 and Beheersmaatschappij Breesaap B.V. are provided with security rights over charging stations (excluding the The Hague city stations) up to a maximum amount of the total loan outstanding, in a 1:4 ratio. This means that with the current 55 stations, Flowfund has security rights over 11 stations and Breesaap over 44 stations. The two city stations in The Hague are not part of the security.

The lender is entitled to convert all or part of the loan (and accrued interest) into certificates of shares Fastned before 31 December 2018. There are no covenants applicable that could cause the loan to be short term at balance sheet date. In 2016, the interest under this loan was € 154,195 which has been fully converted into certificates of shares at € 10 per piece.

6% secured loan II

The loan arrangement amounts to € 10.0 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%. Beheersmaatschappij Breesaap B.V. and Stichting Flowfund are provided with security rights over charging stations (excluding the The Hague city stations) up to a maximum amount of the total loan outstanding, in a 1:4 ratio. This means that with the current 55 stations, Breesaap has security rights over 44 stations and Flowfund over 11 stations. The two city stations in The Hague are not part of the security.

The lender is entitled to convert all or part of the loan (and accrued interest) into certificates of shares Fastned before 31 December 2018. There are no covenants applicable that could cause the loan to be short term at balance sheet date. In 2016, the interest under this loan amounted to € 616,778 which has been fully converted into certificates of shares at € 10 per piece.

6% secured working capital facility

The loan arrangement amounts to € 5.0 million, of which € 1,548,560 (2015: € 948,560) is drawn. This amount excludes € 88,384 of interest, which is added to the loan. The Group may draw under this facility to finance its operating costs and working capital requirements, 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. The loan has to be fully repaid (including any interest accrued) on 31 December 2018. 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 maxinum 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 bond

On 2 December 2016, Fastned started the issuance of a bond through its own website. The bond was fully subscribed on 5 December 2016. The bond does not fall under the rules of the Dutch Financial Authority (AFM), as the amount issued is less than € 2.5 million. The interest rate of the bond amounts to 6% per annum, payable each quarter. The Group is entitled to prepay or repay all or part of the bond at any time. The bond has to be fully repaid on 2 December 2021. The purpose of the bond is to finance new stations, expand the network 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 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 (Level 2)**	
	2016	**2015**	**2016**	**2015**
Financial assets	**€**	**€**	**€**	**€**
Interest-bearing loans and borrowings	1,114,488	1,044,350	1,114,488	1,044,350
Total	**1,114,488**	**1,044,350**	**1,114,488**	**1,044,350**

	Carrying amount		**Fair value measurement using significant unobservable inputs (Level 2)**	
	2016	**2015**	**2016**	**2015**
Financial liabilities	**€**	**€**	**€**	**€**
Interest-bearing loans and borrowings	(16,635,944)	(13,448,560)	(16,635,944)	(13,448,560)
Total	**(16,635,944)**	**(13,448,560)**	**(16,635,944)**	**(13,448,560)**

The management assessed that cash and cash equivalents, trade an other receivables, trade and other payables, and other current liabilities approximate 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.

11.4 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 € 1,114,488 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 young, but 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. Please refer to 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). The current amount drawn under this facility is € 1,548,560 excluding interest (2015: € 948,560) 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..

Additional liquidity for 2017 will be provided by the release of the bank guarantee on the subsidy received under the TEN-T program (refer to Note 15 Government Grants).

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

Year ended 31 December 2016	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 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
	-	**409,962**	**3,326,069**	**18,751,367**	**-**	**22,487,398**

Year ended 31 December 2015	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Interest-bearing loans and borrowings (other than convertible preference shares)	-	-	-	16,017,450	-	16,017,450
Trade and other payables	-	975,868	3,087,920	-	-	4,063,788
	-	**975,868**	**3,087,920**	**16,017,450**	**-**	**20,081,238**

12. Trade and other receivables and prepayments

	2016	**2015**
	€	**€**
Trade receivables	189,802	15,428
Prepayments	87,150	113,369
Taxes and social securities	501,254	3,024
Other receivables	119,469	85,934
Total trade and other receivables and prepayments	**897,675**	**217,755**

Trade receivables are non-interest bearing and are generally on terms of 14 days.
As at 31 December 2016, no provision for trade receivables was accounted for.

As at 31 December 2016, the ageing analysis of trade receivables is, as follows:

		Neither past due nor impaired	**Past due but not impaired**				
	Total		**< 30 days**	**30 – 60 days**	**61 – 90 days**	**91 – 120 days**	**> 120 days**
	€	**€**	**€**	**€**	**€**	**€**	**€**
2016	189,802	-	130,469	11,757	11,500	13,775	22,302
2015	15,428	-	15,428	-	-	-	-

13. Cash and cash equivalents

	2016	2015
	€	€
Cash at banks and on hand	1,953,824	1,692,894
Cash equivalents	1,001,647	1,001,647
Total cash and cash equivalents	**2,955,471**	**2,694,541**

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 2016, the Group had no borrowing facilities with banks.

Cash and cash equivalents are at the Group's free disposal with the exemption of an amount of € 1,001,647 related to the TEN-T subsidy (Note 15) and € 5,000 related to company credit cards. The bank guarantee with Maatschap Fastned Terra 2 of 2015 of € 150,000 has been removed as Fastned has met the agreed conditions.

14. Issued capital and reserves

Share capital:

	2016	2015
	quantity	**quantity**
Authorised shares of €0.01 each	16,195,800	16,195,800
Issued shares of € 0.01 each	13,008,695	12,623,988
	-	-

	Quantity	€
At 1 January 2015	**12,372,304**	**123,878**
Issued to FAST on NPEX	151,726	1,517
Issued to Beheersmaatschappij Breesaap	79,012	790
Issued to Stichting Flowfund	20,946	209
At 31 December 2015	**12,623,988**	**126,394**
Issued to FAST on Nxchange	307,610	3,076
Issued to Beheersmaatschappij Breesaap	61,678	617
Issued to Stichting Flowfund	15,419	154
At 31 December 2016	**13,008,695**	**130,241**

All outstanding shares of the Group are held by FAST as at 31 December 2016. FAST issued certificates of shares in 2014 and 2015 on the NPEX, the stock exchange for small and medium sized enterprises. In total, 316,581 certificates of shares were issued through NPEX and in 2015 99,958 certificates of shares were issued to Stichting Flowfund and Beheersmaatschappij Breesaap B.V. to pay for the rolled-up interest under the loans.

On 14th April 2016, Fastned announced to change stock exchanges and since then all certificates are no longer issued on NPEX, but on Nxchange. On this new stock exchange, the Company issued 307,610 certificates of shares at a price of € 10.-, raising € 3,076,100, excluding related transaction costs.

In December 2016, both Beheersmaatschappij Breesaap and Stichting Flowfund agreed with Fastned to convert the interest under the convertible loans (see Note 11.2) into certificates of shares at a price of € 10.- per certificate, in accordance with the loan agreement of 31 December 2015. Fastned issued 61,678 certificates to Breesaap and 15,419 certificates to Flowfund in 2016.

During the year 2016, the issued share capital was increased by € 3,847 by the issue of 384,707 ordinary shares of € 0.01 each.

Share premium

	€
At 1 January 2015	**2,895,473**
Issuance of share capital (certificates)	2,579,047
At 1 January 2016	**5,474,520**
Issuance of share capital (certificates)	3,828,722
Transaction costs for issued share capital (certificates)	(360,873)
At 31 December 2016	**8,942,369**

Treasury shares

	Quantity	€
At 31 December 2015	15,400	15,400
Issued for cash on purpose of own shares (certificates)	-	-
At 31 December 2016	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

	2016	2015
	€	€
Trade payables	499,826	806,521
Government grants	1,001,647	1,001,647
Other payables	2,222,075	2,204,467
Taxes and social securities	12,484	51,153
Total trade and other payables	**3,736,032**	**4,063,787**

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 11.4 for matunity profile of the liabilities.

15.1 Government Grants

From the European Commission Fastned received a € 2 mln subsidy grant in 2014, of which 50% was prepaid in a blocked bank account in order to provide the commission with a bank guarantee and the second half was to be received upon successful completion. Over the summer of 2015 it became clear that the public issuance of concessions for charging stations on Autobahn locations in Germany would not materialise in the near term. Therefore, our consortium of ABB, Clever, Öresundskraft, VDE and Fastned decided to partly transfer German budget to other countries. Ultimately, Fastned installed 32 chargers under this program and executed a number of studies. Currently the final report is under review by the EU commission and we expect to receive approval for the release of bank guarantee end of the first quarter of 2017. This will provide Fastned with significant additional liquidity. The second payment of approximately € 1 mln is not expected to take place as the placement of chargers in Germany did not materialise.

15.2 Other payables

	Chargers	Other	Total
	€	€	€
At 1 January 2016	**2,020,041**	**184,426**	**2,204,467**
Changes during the year	(176,353)	193,961	17,608
At 31 December 2016	**1,843,688**	**378,387**	**2,222,075**
Current	1,843,688	378,387	2,222,075

On 31 December 2015, Fastned Products B.V., a 100% subsidiary of Fastned B.V., agreed with Fastned Terra 1 B.V. (previously Maatschap Fastned Terra 1) and Fastned Terra 2 B.V. (previously Maatschap Fastned Terra 2) to deliver 50 and 6 chargers respectively before 31 December 2017. Fastned Terra 1 B.V. and Fastned Terra 2 B.V. have (partially) prepaid for the chargers to Fastned Products B.V. on 31 December 2015 and prepaid the remainder in 2016.

Fastned Products B.V. has delivered 9 chargers to Fastned Terra 1 B.V. and 1 charger to Fastned Terra 2 B.V. in 2016. This has therefore reduced the amount of prepayments from to both entities to € 1,843,688 (2015: € 2,020,041) for the Group.

On 31 December 2015, Fastned B.V. has signed a cooperation agreement with Maatschap Fastned Terra 1 (now Fastned Terra 1 B.V.) and Maatschap Fastned Terra 2 (now Fastned Terra 2 B.V.) whereby it is agreed that Fastned B.V. will exploit on its locations and engage in Fastned's operations the chargers owned by the respective Partnership in return for earning a revenue share. Thereby allowing Fastned B.V. to continue to expand its network of charging stations in the Netherlands and grow its business on existing stations. These 56 chargers will have to be in operation by 31 December 2017, of which 10 are already in operation.

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

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 (2030 and beyond) and for the Fastned Founders Club, which was launched in May 2015. This is a special group of investors that have all invested € 25,000.- or more (in primary issuance of certificates) in the issuance on NPEX in 2014 – 2015 or invested € 50,000.- or more (in primary issuance of certificates) in the issuance on Nxchange in 2016. On 31 December 2016, there were 75 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 2016, Fastned Founders have charged 13,347 kWh (2015: 3,100 kWh) for free.

Provisions

	2016	2015
	€	€
Due within one year	2,400	-
Due after one year	1,101,541	904,914
Total provisions	**1,103,941**	**904,914**

Movement during 2015

	Founders Club	Decommissioning	Total
	€	€	€
1 January 2015	**-**	**314,753**	**314,753**
Additions	76,617	513,544	590,161
Use	-	-	-
Revised estimates	-	-	-
31 December 2015	**76,617**	**828,297**	**904,914**

Movements during 2016

	Founders Club	Decommissioning	Personnel 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**

17. Deferred revenues

	2016	2015
	€	€
At 1 January	**-**	**-**
Deferred during the year	501,343	-
Released to the statement of profit or loss	-	-
At 31 December	**501,343**	**-**
Current	15,955	-
Non-current	485,388	-

Deferred revenues of € 501,343 (2015: nil) relate to various pre-paid long-term subscriptions of customers that Fastned B.V. has signed in 2016.

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.

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:

	2016	2016	2015	2015
	Number	**WAEP (€)**	**Number**	**WAEP (€)**
Outstanding at 1 January	**89,175**	**10.00**	**-**	**-**
Granted during the year	-	-	89,175	10.00
Forfeited during the year	(1,782)	10.00	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	87,393	10.00	89,175	10.00
Exercisable at 31 December	-	-	-	-

The weighted average remaining contractual life for the options outstanding as at 31 December 2016 was 2.94 years (2015: 2.60 years).

The weighted average fair value of options granted during the year was €0.10, resulting in a total value of € 8,781.

The exercise price for options outstanding at the end of the year was €10.00 (2015: €10.00).

19. Commitments and contingencies

Operating lease commitments — Group as lessee

The group has spent € 293,526 (2015: € 191,773) on operating leases. The Group has entered into operating leases on certain motor vehicles with remaining lease terms for 1.2 years. Future minimum costs payable under non-cancellable operating leases for these motor vehicles as at 31 December are, as follows:

	2016	2015
	€	**€**
Within one year	43,450	62,000
After one year but not more than five years	34,860	39,000
More than five years	-	-
Total motor vehicle leases	**78,310**	**101,000**

The Group has entered into an operating lease on its office accommodation. This lease has a remaining term of 3.5 years. Future minimum rentals payables under these non-cancellable operating leases as at 31 December are, as follows:

	2016	2015
	€	**€**
Within one year	145,591	160,720
After one year but not more than five years	442,248	562,520
More than five year	-	-
Total rentals payables	**587,840**	**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 9 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 6,752 kWh to Fastned Terra 1 B.V. in 2016 (2015: none) and 532 kWh to Fastned Terra 2 B.V. in 2016 (2015: none).

Commitments

At 31 December 2016, the Group had initiated the construction of several fast charging stations, these will be realised in the first quarter of 2016. 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 2016 amounts to approximately € 700,000 (2015: € 225,000).

20. Related party disclosures

		Interest paid	Amounts owed to related parties
		€	€
Breesaap B.V.			
Loans from related parties	2016	616,778	10,000,000
	2015	518,189	10,000,000
Wilhelmina-Dok B.V.			
Working capital facility	2016	88,384	1,636,944
	2015	-	948,560
Fastned Terra 1 B.V.			
Other payables	2016	-	1,644,890
	2015	-	1,803,607
Fastned Terra 2 B.V.			
Other payables	2016	-	198,798
	2015	-	216,433
		Interest received	**Amounts owed from related parties**
Fastned Terra 1 B.V.			
Loans to related parties	2016	52,756	989,949
	2015	-	932,416
Fastned Terra 2 B.V.			
Loans to related parties	2016	6,331	124,540
	2015	-	111,934

The interest paid 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		Other emoluments	
	2016	2015	2016	2015
	€	€	€	€
B. Lubbers	36,000	27,000	-	-
M. Langezaal	60,000	60,000	-	-
Total	96,000	87,000	-	-

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

21. Key events post reporting date

On the 7th of February 2017 Fastned, together with Sodetrel (France), Smatrics (Austria), Grønn Kontakt (Norway) and GOtthard FASTcharge (Zwitserland) announced the Open Fast Charging Alliance. The alliance members will enable roaming to create a premium network of fast chargers all over Europe.

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 Ernst & Young Accountants (referred to as "EY") was appointed as the Group's auditor for the year ended 31 December 2015. This contract was continued for the year ended 31 December 2016.

	2016	2015
	€	€
Fees payable to the Group's auditor for the audit of the consolidated and parent company accounts and subsidiaries accounts of Fastned B.V.	95,000	82,600

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[1], effective 1 January 2018
- IFRS 16 Leases[2], effective 1 January 2019
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative[2], effective 1 January 2017
- Annual Improvements to IFRSs 2014-2016 Cycle (issued December 2016)[2], effective 1 January 2017 and 1 January 2018

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.

[1]IFRS 15 including amendments to IFRS 15: Effective date of IFRS 15 has been endorsed by the EU.

[2]This standard is not yet endorsed by the EU

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 plans to adopt the new standard on the required effective date. The Group has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group expects no significant impact on its balance sheet and equity.

(a) Classification and measurement
The Group 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. Thus, the Group expects that these will continue to be measured at amortised cost under IFRS 9. However, the Group will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9.

(b) Impairment
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. Based on preliminary work we estimate the impact will be immaterial, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of the impact.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

The Group plans to adopt the new standard on the required effective date using the full retrospective method. During 2016, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Group is considering the clarifications issued by the IASB and will monitor any further developments.

The Group is in the business of selling electricity.

IFRS 16 Leases[3]

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the

[3]This standard is not yet endorsed by the EU

right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's lessor accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

The new standard is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15 Revenue from Contract with Customers. 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 2017, the Group plans to assess the potential effect of IFRS 16 on its consolidated financial statements.

Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative[3]

The amendments are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted.

Improvements to IFRS 2014-2016 Cycle (issued December 2016)

The IASB issued the 2014-2016 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. These improvements include:

- IFRS 12 Disclosure of Interests in Other Entities: The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to interests that are classified as held for sale or discontinued operations. The amendments are effective for annual periods beginning on or after 1 January 2017.
- IAS 28 Investments in Associates and Joint Ventures: The amendments clarify that the measurement election, ie. measuring investees at fair value through profit or loss, is available on an investment-by-investment basis. Additionally, the amendment clarify that the choice, for an entity that is not an investment entity, to retain the fair value measurements used by that investment entity associate or joint venture when applying the equity method is also available on an investment-by-investment basis. The amendments are effective for annual periods beginning on or after 1 January 2018.

These amendments are not expected to have any impact on the Group.

> Company statement of profit or loss

For the year ended 31 December 2016

	Notes	2016	2015
		€	€
Revenue	**6**	**217,613**	**75,889**
Cost of sales		(92,322)	(29,285)
Gross profit		**125,291**	**46,604**
Other operating income	7.1	264,363	-
Selling and distribution expenses		(672,049)	(382,474)
Administrative expenses	7.2	(2,500,606)	(1,807,623)
Other operating expenses	7.3	(1,497,750)	(1,140,244)
Operating loss		**(4,280,751)**	**(3,283,737)**
Finance costs		(875,368)	(689,363)
Finance income	7.5	59,917	1,715
Loss before tax		**(5,096,203)**	**(3,971,385)**
Income tax expense		-	-
Results from investments in subsidiaries		9,470	(101)
Loss for the year		**(5,086,733)**	**(3,971,486)**

> Company statement of financial position after profit appropriation

as at 31 December 2016

	Notes	2016	2015
		€	€
Assets			
Non-current assets			
Property, plant and equipment	10	13,678,495	12,744,522
Non-current financial assets			
- Loans to related parties		1,117,454	1,194,450
- Investments in subsidiaries		11,369	1,899
		14,807,318	13,940,870
Current assets			
Trade and other receivables		177,702	15,428
Prepayments		707,818	200,327
Cash and cash equivalents		2,951,087	2,544,541
		3,836,608	2,760,296
Total assets		**18,643,925**	**16,701,167**
Equity and liabilities			
Equity			
Issued capital	14	130,241	126,393
Share premium	14	8,942,369	5,474,520
Other capital reserves		-	-
Retained earnings		(12,403,741)	(7,317,008)
Total equity		**(3,331,131)**	**(1,716,095)**
Non-current liabilities			
Interest-bearing loans and borrowings	11	16,635,944	13,448,560
Provisions	16	1,103,941	904,914
Deferred revenues	17	501,343	-
Current liabilities			
Trade and other payables		3,733,828	4,063,787
Total liabilities		**21,975,056**	**18,417,261**
Total equity and liabilities		**18,643,925**	**16,701,167**

> Notes to the company statement of financial position and the company statement of profit or loss

for the year ended 31 December 2016

Accounting policies

Basis of preparation
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.

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 valued using the equity method. Both subsidiaries, Fastned Beheer B.V. and Fastned Products B.V., were incorporated in December 2015; their first book year ends 31 December 2016. The accounting policies of both subsidiaries are equal to the accounting policies of Fastned B.V.

Property, plant and equipment
Refer to the Note 11 on 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.

	Fastned Beheer B.V.	Fastned Products B.V.
At 1 January 2015	-	-
Investment	1,000	1,000
Result for the year	(50)	(51)
At 31 December 2015	950	949
Investment	-	-
Result for the year	9,824	(353)
At 31 December 2016	10,774	595

The company has two financial loans outstanding with Fastned Terra 1 B.V. (previously Maatschap Fastned Terra 1) and Fastned Terra 2 B.V. (previously Maatschap Fastned Terra 2).

Trade and other receivables and prepayments

Trade receivables are non-interest bearing and are generally on terms of 14 days.
As at 31 December 2016, no provision for trade receivables was accounted for.

Trade and other receivables and prepayments

	2016	2015
	€	€
Trade receivables	177,702	15,428
Prepayments	87,150	113,369
Taxes and social securities	501,249	3,024
Other receivables	119,419	83,934
Total trade and other receivables and prepayments	**885,520**	**215,755**

Cash and cash equivalents

	2016	2015
	€	€
Cash at banks and on hand	1,949,440	1,542,894
Cash equivalents	1,001,647	1,001,647
Total cash and cash equivalents	**2,951,087**	**2,544,541**

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 2016, the Company had no borrowing facilities with banks.

Cash and cash equivalents are at the Company free disposal with the exemption of an amount of € 1,001,647 related to the TEN-T subsidy (Note 15) and € 5,000 related to company credit cards. The bank guarantee with Maatschap Fastned Terra 2 of 2015 of € 150,000 has been removed as Fastned has met the agreed conditions.

Trade and other payables

	2016	2015
	€	€
Trade payables	499,776	806,521
Government grants	1,001,647	1,001,647
Other payables	2,222,021	2,204,467
Taxes and social securities	10,384	51,153
Total trade and other payables	**3,733,828**	**4,063,787**

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 11.4 for matunity profile of the liabilities.

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. 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 (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 will form the 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. In 2016, € 52,756 interest is added to the loan. After four years, starting 1 January 2020, the interest accrued for the year will be payable at the end of that year. Please refer to Note 11.1 of the consolidated financial statements.

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. 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 of this Agreement (31 December 2020) and the last repayment date on the ninth anniversary of this Agreement (31 December 2024). All the fast chargers as purchased by Fastned Terra 2 will form the 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. In 2016, € 6,331 of interest is added to the loan. After four years, starting 1 January 2020, the interest accrued for the year will be payable at the end of that year. Please refer to Note 11.1 of the consolidated financial statements.

Credit facility to Fastned Terra 1 B.V.

Fastned Terra 1 BV has a credit facility with the Group. At 31 December 2016, this facility amounts to € 57,934 (2015: € 53,157). Please refer to Note 11.1 of the consolidated financial statements.

Credit facility to Fastned Terra 2 B.V.

Fastned Terra 2 B.V. has a credit facility with the Group. At 31 December 2016, this facility amounts to € 12,698 (2015: € 6,423). Please refer to Note 11.1 of the consolidated financial statements.

Loans to related parties

	Fastned Terra 1	Fastned Terra 2
At 1 January 2015	**-**	**-**
Loan	879,259	105,511
Credit facility	53,157	6,423
At 31 December 2015	**932,416**	**111,934**
Loan	52,756	6,331
Credit facility	4,778	6,275
A1 31 December 2016	**989,949**	**124,540**

Current account Fastned Beheer B.V.

Fastned Beheer B.V. has a credit facility (current account) with the Group. At 31 December 2016, this facility amounts to € 234 (2015: € 50).

Current account Fastned Products B.V.

Fastned Products B.V. has a credit facility (current account) with the Group. At 31 December 2016, this facility amounts to € 75,332 (2015: € 150,050).

Issued capital and reserves

	2016	2015
	quantity	quantity
Authorised shares of € 0.01 each	16,195,800	16,195,800
Issued shares of € 0.01 each	13,008,695	12,623,988

Ordinary shares issued and fully paid:

	Quantity	€
At 1 January 2015	**12,372,304**	**123,878**
Issued to FAST on NPEX	151,726	1,517
Issued to Beheersmaatschappij Breesaap	79,012	790
Issued to Stichting Flowfund	20,946	209
At 31 December 2015	**12,623,988**	**126,394**
Issued to FAST on Nxchange	307,610	3,076
Issued to Beheersmaatschappij Breesaap	61,678	617
Issued to stichting flowfund	15,419	154
At 31 December 2016	**13,008,695**	**130,241**

In 2014 all outstanding shares A, B1 and B2 were converted into common shares of € 0.01 each. All outstanding shares of the Group are held by FAST as at 31 December 2016. FAST issued certificates of shares in 2014 and 2015 on the NPEX, the stock exchange for small and medium sized enterprises. In total, 316,581 certificates of shares were issued through NPEX and in 2015 99,958 certificates of shares were issued to Stichting Flowfund and Beheersmaatschappij Breesaap B.V. to pay for the rolled-up interest under the loans.

On 14th April 2016, Fastned announced to change stock exchanges and since then all certificates are no longer issued on NPEX, but on Nxchange. On this new stock exchange, the Company issued 307,610 certificates of shares at a price of € 10.-, raising € 3,076,100, excluding related transaction costs.

During the year 2016, the issued share capital was increased by € 3,847 by the issue of 384,707 ordinary shares of € 0.01 each. The interest under the loans with Beheersmaatschappij Breesaap and Stichting Flowfund have been converted into equity. Please refer to Note 11.2 of the consolidated financial statements.

Share premium

	€
At 1 January 2015	**2,895,473**
Issuance of share capital (certificates)	2,579,047
At 1 January 2016	**5,474,520**
Issuance of share capital (certificates)	3,828,722
Transaction costs for issued share capital (certificates)	(360,873)
At 31 December 2016	**8,942,369**

Treasury shares

	Quantity	€
At 31 December 2015	**15,400**	**15,400**
Issued for cash on purpose of own shares (certificates)	-	-
At 31 December 2016	**15,400**	**15,400**

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

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 2016 to 21 (2015: 21).

Appropriation of the result for the financial year 2015
The annual report for 2015 was adopted by the General Meeting on 21 April 2016.

Recognition of the loss for 2016
The board of directors proposes to deduct the 2016 loss of € 5,086,733 from the other reserves. The General Meeting will be asked to approve the appropriation of the 2016 loss; this proposition is already recognised in the financial statements.

Key events post reporting date
On the 7th of February 2017 Fastned, together with Sodetrel (France), Smatrics (Austria), Grønn Kontakt (Norway) and GOt-thard FASTcharge (Zwitserland) announced the Open Fast Charging Alliance. The alliance members will enable roaming to create a premium network of fast chargers all over Europe.

Signing of the financial statements

Amsterdam, 9 March 2017

Carraig Aonair Holding B.V.	Wilhelmina-Dok B.V.
Michiel langezaal	Bart Lubbers

> Other information

1 / 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).

> Independent auditors report

To: the board of directors and the board of Fastned Administratie Stichting

Report on the audit of the financial statements 2016 included in the annual report

Our opinion

We have audited the financial statements 2016 of Fastned B.V., based in Amsterdam. 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 31 December 2016, and of its result and its cash flows for 2016 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 31 December 2016, and of its result for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2016
- The following statements for 2016: the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company statement of financial position as at 31 December 2016
- The company statement of profit or loss for 2016
- 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 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

Materiality	€ 93 thousand
Benchmark applied	0.5% of total assets
Explanation	As the group is a start-up and in a loss making situation, we have determined our materiality based on total assets.

We have also taken misstatements into account and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

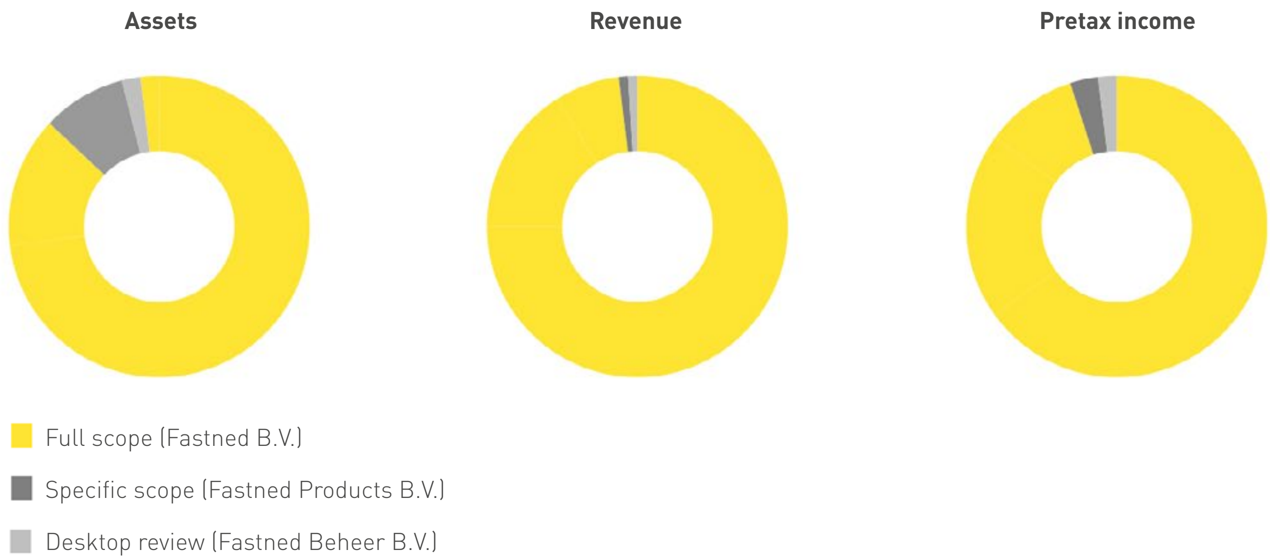
We agreed with the board of Fastned Administratie Stichting that misstatements in excess of € 5 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Fastned B.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Fastned B.V..

Our group audit focused on significant group entities in the Netherlands. The scoping resulted in audit procedures (full scope or specific scope) on 99% of revenues and 98% of total assets. We also performed desktop review procedures at the less significant group entity.

By performing the procedures mentioned above at group entities, 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 judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board of Fastned Administratie Stichting. The key audit matters are not a comprehensive reflection of all matters discussed.

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

Description and risk	**Our audit response**
Financing and the company's going concern assumptions Fastned B.V.'s disclosures about the financial position and going concern assumption are included in Note 1.	
Fastned B.V. is currently in a start-up phase with inherent going concern matters. Fastned B.V. is positioning itself in a completely new unpredictable market that is still in early stages of development. As such the going concern assumption is a significant aspect of our audit. The going concern assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates are inherently subjective and are influenced by elements such as estimated future operating cash flows, which are based on forecast kWh delivered, estimated cash outflows for discretionary investments and estimates of financing cash flows, which are highly dependent on investors for new funding. The assumptions applied are subject to uncertainties. On the one hand, they have to do with expectations regarding future market developments. On the other hand there are uncertainties in relation to extension of existing financing agreements and the issuance of new bonds and new share capital.	We have analyzed the assumptions and forecasts made by management in the budgets, cash flow forecasts and availability of financing. We have specifically paid attention to the estimates made with respect to revenues, results and cash flows in order to assess Fastned B.V.'s ability to continue to meet its payment obligations in the year ahead.

Impairment analysis of the charging stations
Fastned B.V.'s disclosures about charging stations, including the related impairment are included in Note 10.

On assets with finite lives an impairment test has to be performed if indications of impairment exist.

As Fastned B.V. is still in a start-up phase, has high capital expenditures and low realized turnover/Return on Investments this triggered a required impairment test in accordance with IAS 36.

The impairment tests were important for our audit as the related asset amounts are significant and the assessment process itself is complex and requires judgment. The impairment test includes assumptions that are affected by future market developments.

Our audit procedures included, among others, using EY valuation experts to assist us in verifying the assumptions and methodologies used by Fastned B.V.. We compared forecasted revenues including charging sessions per station, expected market share and external market analysis for new electric vehicles with the approved Fastned B.V.'s strategic plans. We also verified the assumptions to which the outcome of the impairment test is most sensitive and reviewed the sensitivity analysis as referred to in Note 10 of the Consolidated Financial Statements.

We evaluated management's assessment of impairment indicators for the fixed assets to ensure that all cash generating units for which impairment indicators exist have been tested for impairment.

Revenue recognition existing car dealer contracts
Fastned B.V.'s disclosures about revenue recognition are included in Note 2.3

Revenue from the sales is recognized at the moment when the significant risks and rewards of ownership have been transferred to the customer.

The judgements required by management to estimate the revenues are complex due to specific contracts with car dealers where a guaranteed fixed fee per sold full electric car is received upfront. For each new full electric car sold, the buyer receives a prepaid amount of kWh which can be used by the car owners to charge their cars at Fastned B.V.

There is a risk that revenue may be overstated because of fraud, resulting from the pressure local management may feel to achieve performance targets.

We considered the appropriateness of Fastned B.V.'s revenue recognition accounting policies in accordance with IAS 18 and performed detailed testing over the completeness, accuracy and accounting of the specific transactions with car dealers. Additionally we performed substantive testing procedures on the specific contracts with car dealers

We also considered the accuracy of Fastned B.V.'s description of the accounting policy related to revenue, and whether revenue is adequately disclosed throughout the consolidated financial statements.

Report on 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 pursuant to 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 less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the strategic report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Emphasis of a matter

We draw your attention to the paragraph 'Compliance to the Dutch corporate governance code' of the strategic report, where the board of directors states that it has not appointed an audit committee and therefore does not comply with 'het besluit instelling auditcommissie' and why principles and best practice provisions intended for the management and supervisory boards are not applied. Fastned B.V. has not appointed a supervisory board.

Report on other legal and regulatory requirements

Engagement

We were engaged by management as auditor of Fastned B.V. on 28 November 2016 as of the audit for the year 2016 and have operated as statutory auditor ever since that date.

Description of responsibilities for 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 have detected all material errors and fraud.

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 judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.,:

- 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 in order 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 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 for directing, supervising and 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.

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 those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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, 9 March 2017

Ernst & Young Accountants LLP

Signed by F.J. Blenderman

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; Fasnted's ability to innovate and remain competitive; Fasnted'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 2016 and the Annual Report and Accounts 2016.

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 2016 as if set out in full.

Designed and produced by Fastned.