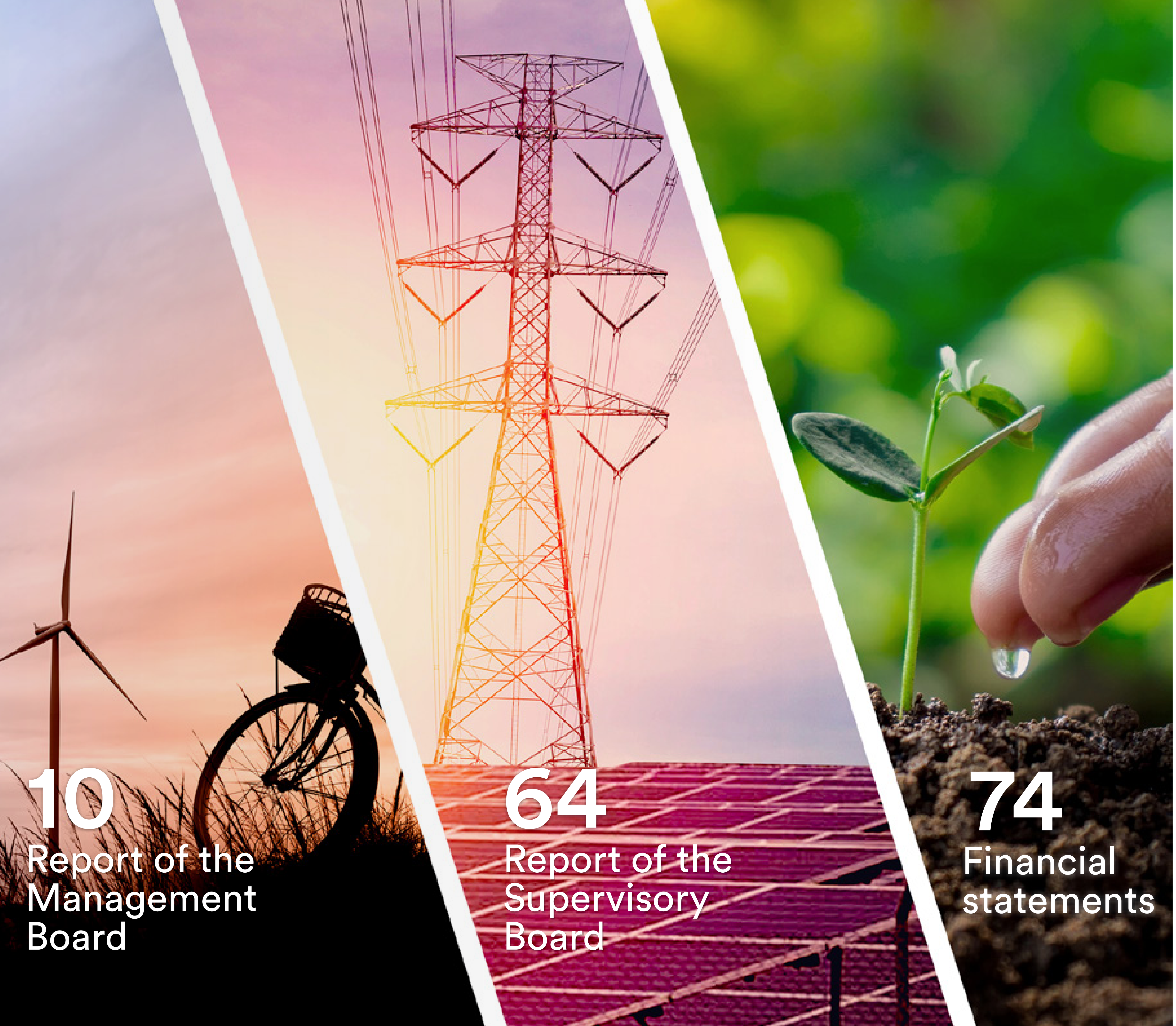
Alfen

Annual Report 2019

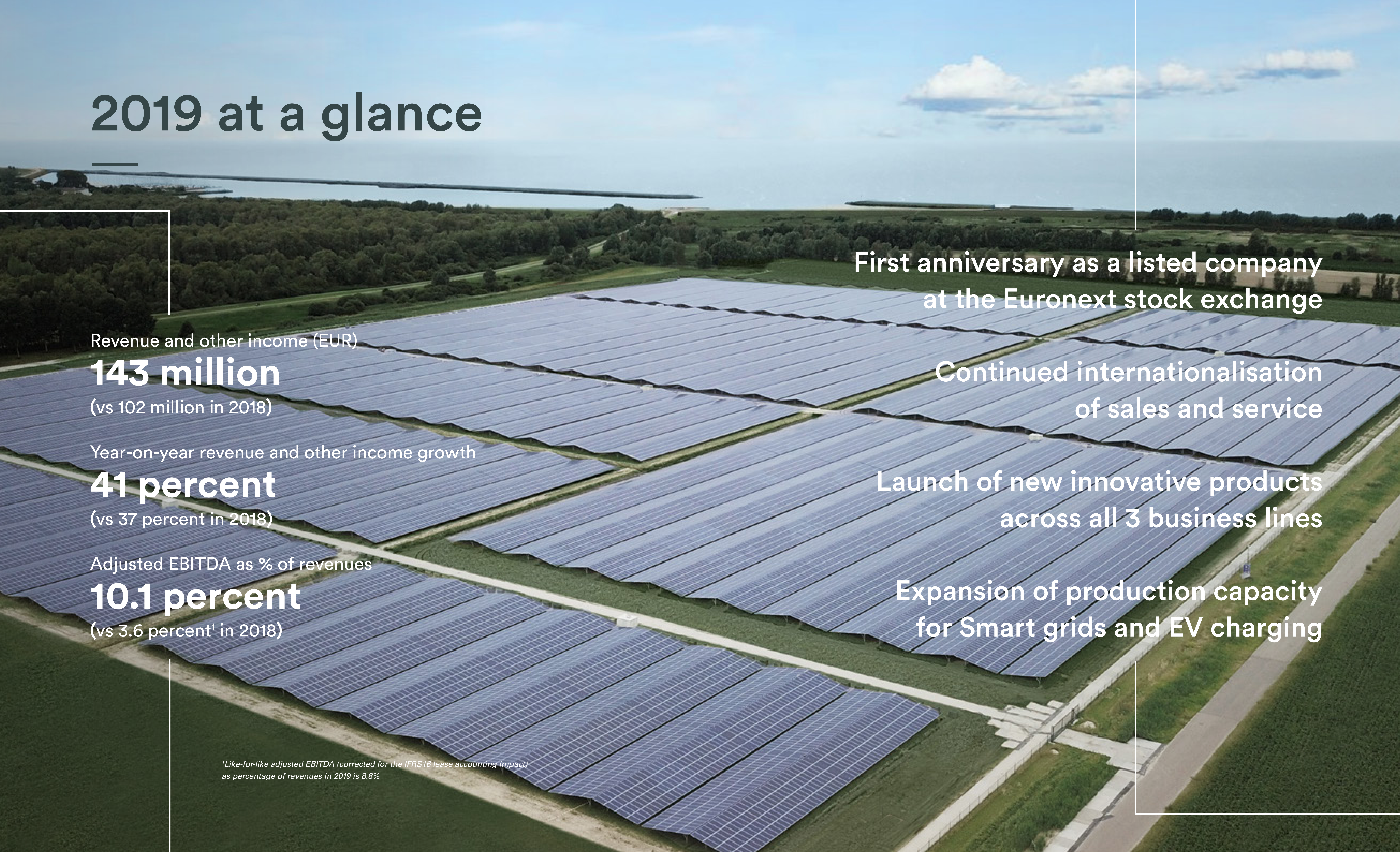
Enabling the energy transition

ALFEN N.V.

ALFEN


10
Report of the Management Board
64
Report of the Supervisory Board
74
Financial statements

Contents



2019 at a glance

Revenue and other income (EUR)

143 million

(vs 102 million in 2018)

Year-on-year revenue and other income growth

41 percent

(vs 37 percent in 2018)

Adjusted EBITDA as % of revenues

10.1 percent

(vs 3.6 percent[1] in 2018)

First anniversary as a listed company at the Euronext stock exchange

Continued internationalisation of sales and service

Launch of new innovative products across all 3 business lines

Expansion of production capacity for Smart grids and EV charging

[1]Like-for-like adjusted EBITDA (corrected for the IFRS16 lease accounting impact) as percentage of revenues in 2019 is 8.8%

About Alfen

Company profile

Alfen operates at the heart of the energy transition providing smart energy solutions to enable the electricity grid of the future: reliable, sustainable and innovative. We have a unique combination of activities as we design, engineer, develop, produce and service smart grids, energy storage systems, and electric vehicle charging equipment. We combine our activities in integrated solutions to address the electricity challenges of our clients.

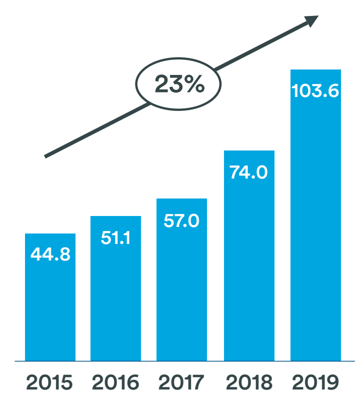
We build on our vast experience of more than 80 years in the energy industry. We have a market leading position in the Netherlands and experience fast international growth benefitting from our first mover advantage.

We are headquartered in Almere, the Netherlands, where we reside in three buildings with associated production facilities. In addition we are present in Belgium, Finland, France, Germany, Norway, Sweden, and the United Kingdom and serve the rest of Europe through our partners and resellers.

Our growing business

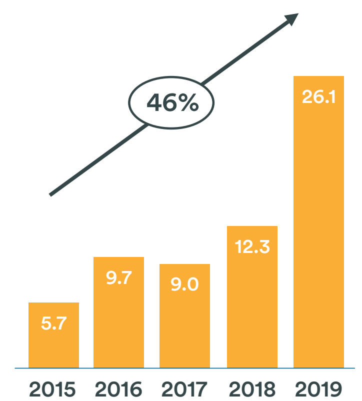
Smart grid solutions

Alfen offers an in-house developed, produced and assembled range of secondary transformer substations. In addition, we have in-house developed and produced devices for grid automation and a proprietary back-end system for remote management and control of electricity grids. We also supply microgrids, grid connections and supplementary offerings for e.g. the greenhouse horticulture sector, EV fast-charging hubs and solar PV farms.



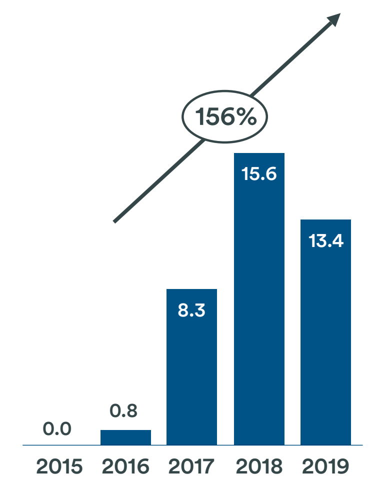
EV charging equipment

Alfen offers an in-house developed and produced range of smart and connected electric vehicle (EV) chargers for use at home, office and public locations. We have a proprietary online management platform for our charging infrastructure and offer standardised solutions for smart charging, load balancing and charging hubs.



Energy storage systems

Alfen offers an in-house developed and produced range of modular energy storage systems for applications such as load balancing, peak shaving, grid frequency control, e-trading, microgrids and mobile power supply. We offer both stationary and mobile battery energy storage solutions. Our proprietary developed embedded software and back-office enables remote control and supports all major storage applications.

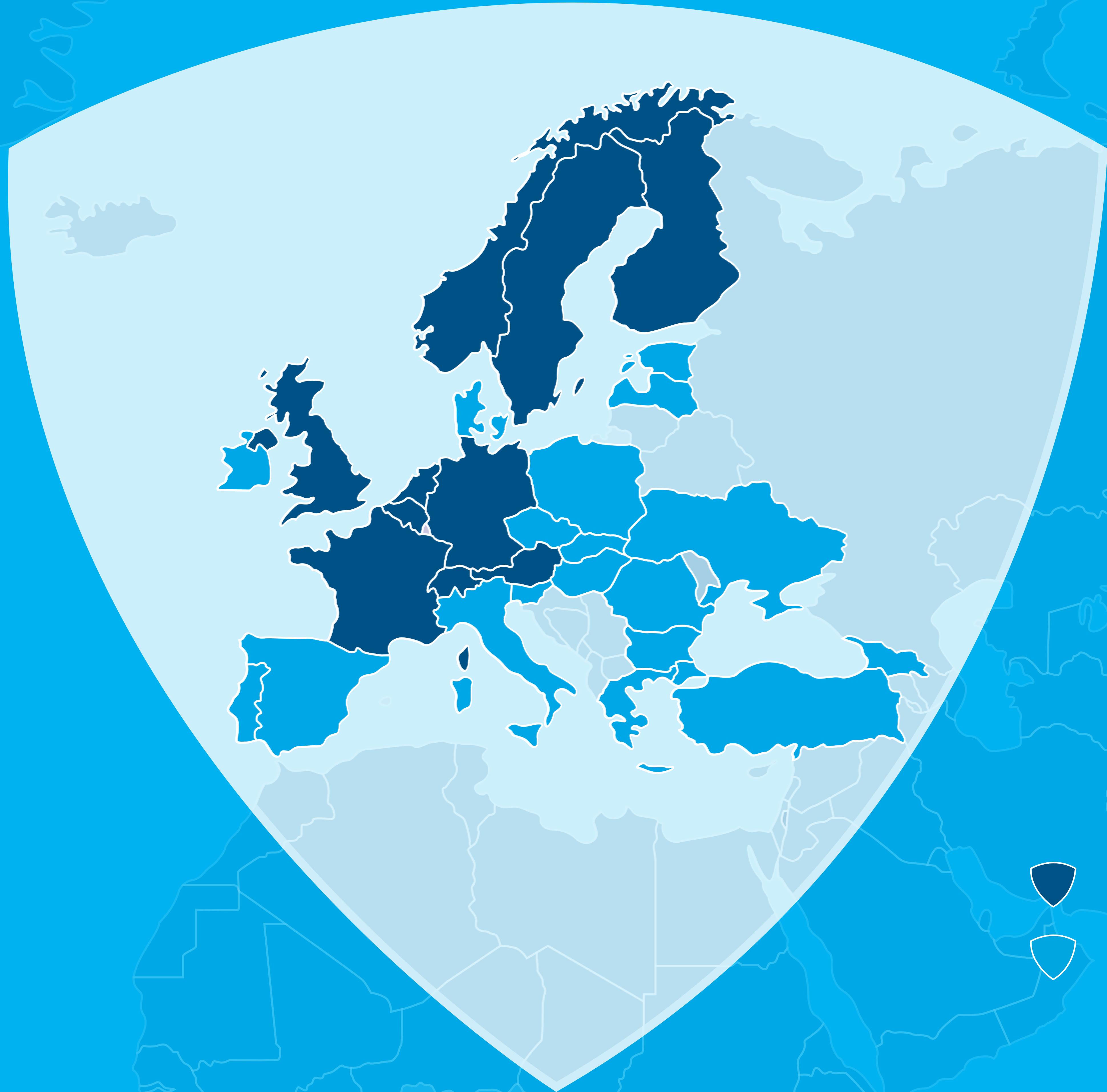


Integrated solutions

Alfen offers system integration, project management and service for all three business lines. We also offer standardised integrated solutions across our business lines, which are increasingly needed to address the complex integrated challenges emerging from the energy transition.

International footprint

We employ staff in 10 countries being Austria, Belgium, Finland, France, Germany, Norway, Sweden, Switzerland, the Netherlands and the United Kingdom, and sell our products and services in more than 25 countries across Europe.



Alfen sales organisation at 31 December 2019

Installed base of Alfen products

Report of the Management Board

From left to right: Marco Roeleveld (CEO), Jeroen van Rossen (CFO), Richard Jongsma (CCO)

Business review

2019 was an exciting year for Alfen as we continued to grow our business at a rapid pace and successfully demonstrated the first steps of our leverage strategy towards our medium term profitability objective of a mid to high teens adjusted EBITDA as percentage of revenues.

Strong growth and leverage from scale

2019 was a year of strong growth, with revenues increasing with 41%. We benefitted from growing markets, internationalisation and important new client and contract wins.

We kept on investing in our business to prepare ourselves for further strong growth in the coming years. We added new production lines for our fast growing EV charging and Smart grids businesses and we were able to expand our organisation from 410 to 497 employees, benefitting from our position in the heart of the energy transition as well as from an increased public profile after our IPO. We also continued to invest in new innovations across our business lines, further strengthening our frontrunner position in Smart grid solutions, EV charging and Energy storage. Combining our business lines allows us to provide fully integrated solutions, which is becoming increasingly important to address the electricity challenges of our clients.

As we gained scale in 2019, we have been able to significantly increase our profitability, with an adjusted EBITDA of 10.1% of revenues, compared to 3.6% in 2018[2]. Through Alfen's strong market position, favourable product mix effects, procurement programs, increased production efficiencies, and leverage of our fixed cost base, we successfully demonstrated the first steps towards our medium term profitability objective of a mid to high teens adjusted EBITDA as percentage of revenues.

Long-term Shareholder value creation

The energy transition is a long-term trend that fuels the growth of Alfen. Based on that, we set the following four medium-term objectives at the time of the IPO in March 2018, to drive shareholder value: (i) grow our topline with an average 40% a year, (ii) increase our adjusted EBITDA margins to mid to high teens, (iii) reduce CAPEX to under 3% of revenues, and (iv) realise more than 50% of revenues outside the Netherlands.

To realise our objectives, we have put in place a long-term growth strategy that consists of four elements. First, we aim to benefit from strong market growth trends and to further grow our market share. Second, we internationalise with a focus on Europe, further strengthening our position in existing countries and entering new countries. Third, we expand our existing service & maintenance offering and benefit from an increasing installed base. Finally, we have the ambition to increase cross-selling across Alfen's three business lines and offering of integrated solutions.

Market developments

Thanks to our position in the heart of the energy transition, we benefit from positive market trends in each of our business lines.

In our Smart grids business line, we benefitted from continued grid investments, a strong market environment for projects in the solar PV sector and increasing revenues from service. Alfen Elkamo is benefitting from grid investments in Finland, expansion to Sweden and cross-sell opportunities based on our position in EV charging and energy storage. During the second half of 2019, an additional production line was gradually taken into operation to facilitate this growth and prepare our company for further growth. Our Smart grid solutions business line is increasingly diversifying from grid operators to a broader customer base. Key commercial successes in 2019 include the new framework agreement with Dutch DSO Enexis for 4 years (which can be extended with 4 additional years), a project for Solarcentury to supply 54 substations to their 110MW Vlagtwedde solar PV farm, the contract win to supply secondary substations to 19 Swedish grid companies for 3 years (plus 2 optional years) and a contract to supply 50 substations for Shell's ultrafast EV charging network across the Netherlands.

Our EV charging business line has grown rapidly with 113%. This increase is driven by a broadening supply of (affordable) EVs in the market, favourable incentive schemes and further internationalisation. Our Eichrecht compliant chargers strengthened our market position

[2]Like-for-like adjusted EBITDA (corrected for the IFRS16 lease accounting impact) as percentage of revenues in 2019 is 8.8%

in Germany during the second half of 2019. In the UK, a grant for smart EV charging equipment (OLEV) that was effective since the summer of 2019, played into our favour given our strong position in smart charging. Additionally, we developed a dedicated EV charger for the French market positioning us well to benefit from growth in that market. In 2019, we benefitted from expanding our business with our existing customer base as well as through new customer additions. With our existing customer Allego, a contract to supply 1,000 public chargers to the local municipalities in the Dutch provinces Groningen and Drenthe was won, including a 10 year service contract. Another example of expanding our business with an existing client is Eneco's new contract to supply 1,000 chargers across public parking garages in the city of Rotterdam. New clients include UK utility Drax, Comfort Charge (a group company of Deutsche Telekom) and Bouygues Énergies & Services.

Our Energy storage business line has experienced a slow start of 2019 with a challenging market environment for energy storage projects. As we were and are convinced that long term fundamentals for energy storage remain strong, we continued to invest in this segment. In 2019 we launched our second generation mobile storage solution for locations where temporary green energy is required such as festivals and events. Additionally, we introduced our high density stationary storage concept, accommodating higher capacities in similar-sized containers. This has resulted in further solidifying our strong market position. In the second half-year we have seen orders picking up including a 12MW storage project for Vattenfall, a 10MW storage project for Uniper, a framework agreement for storage systems with Fortum (with a first order for a 1MW storage system in Helsinki, Finland) and an order for 30 mobile energy storage systems for Greener.

Internationalisation

A key component of our group strategy is internationalisation, with the medium-term objective to have more than 50% of our revenues come from outside of the Netherlands. In 2019, we strengthened our existing sales teams in the Netherlands, Belgium, Germany, United Kingdom, France, Finland and Sweden, and we further expanded to Norway (in June 2019). As a result, we are now covering most of Western Europe with our own sales force, where the energy transition is developing rapidly.

Additionally, we are increasingly benefitting from a client base with an international footprint such as Vattenfall, E.ON, IONITY, Fortum, BMW, Shell and Allego.

Integrated solutions and cross-selling

We believe to be unique in the fact that we offer integrated solutions across our three business lines which can also be seamlessly connected through our shared, in-house developed software platform. Therefore we not only benefit from positive market dynamics in each of our business lines, but also from cross-selling and integrating solutions between our business lines. As the energy transition evolves, more and more complex challenges arise for which a holistic integrated approach is required.

An example of cross-selling is Shell, for which Alfen won a contract to deliver grid connections for its ultrafast EV charging network and recently secured a project to supply an energy storage system that will provide peak-shaving for an EV charging hub. An example of an integrated solution is Greenchoice, for which Alfen is developing a charging hub for mobile storage systems. At this hub, mobile storage systems can be recharged with renewable energy and provide grid stabilising services while not being deployed at events or festivals. To deliver this solution, Alfen combines its expertise in smart grids, energy storage and EV charging. Another example is the Dutch social workplace Caparis, where we provided an integrated smart grid, electric vehicle charging and energy management solution for two of their sites. Our smart energy solution allows them to optimise use of self-generated solar energy and is configured to allow for further optimisation using battery storage.

"Combining our business lines allows us to provide fully integrated solutions, which is becoming increasingly important to address the electricity challenges of our clients"

- Marco Roeleveld, CEO

Expanding our service offering

Expanding our service proposition is one of our strategic focus areas. In the Smart grid solutions business line we are benefitting from new service propositions for solar PV farms as well as for transformer substations connected to (fast) EV charging hubs. To prepare for further internationalisation of our service proposition, we have lined-up international service partners for our EV charging business in France, Italy, Norway, Portugal, Spain and Sweden (on top of existing service offering in Belgium, Finland, Germany, the Netherlands and the UK). In all our business lines, we are benefitting from a growing installed base, for which we are increasingly offering service internationally.

Investments for growth

We continued to invest in our organisation to prepare for our anticipated growth, growing the number of FTEs from 410 at 31 December 2018 to 497 at 31 December 2019. Despite a challenging labour market, we were able to attract new talent benefitting from our increased public profile after the IPO, the widespread interest in the energy transition, and our in-house education program. We further strengthened our middle management, added international sales people and expanded our R&D department to work on new innovations.

In terms of production, we invested in new production lines for our EV charging equipment and Smart grids business lines, resulting in increased capacity, flexibility and efficiency. With the strong growth of our business we continue to closely monitor the most optimal strategy for further expansion.

Outlook

We continue to anticipate positive market developments in all our business lines and are well positioned for further growth based on our leading market position. We expect to increasingly benefit from new and repeat customers, our expanding international footprint, our ability to offer integrated solutions, and the service opportunity emerging from our growing installed base.

Key themes for 2020 include further investments in our organisation, new innovations and the scalable expansion of our production.

In addition, we recently aligned our Corporate Social Responsibility program with the United Nations Sustainable Development Goals, based on which a new monitoring, reporting and communication framework will be implemented from 2020 onwards. More details on this process can be found in the Corporate Social Responsibility section of this Annual Report.

Similar to 2019, we expect our capital investments to exceed depreciation and amortisation. We also anticipate a further increase in the number of personnel. In terms of financing, we have recently expanded our credit and bank guarantee facilities.

Growing together with our partners

We aim to be a powerful forward-thinking leader in developing, producing and connecting the key elements of our future electricity grid. We leverage our vast knowledge and experience in the distribution and storage of electrical energy to provide smart, safe and sustainable products and solutions, working as a reliable and adaptive partner. This is also reflected in the core values we adhere to as a company: Sustainable, Partner, Adaptive, Reliable and Knowledgeable (in summary, 'SPARK').

As we develop, design and produce all our products and systems in-house, we can accommodate maximum flexibility and very rapid time-to-market of new innovations. We are looking forward to continue working on this basis and grow together with our customers and partners on the back of the rapidly evolving energy transition.

Senior Management
Marco Roeleveld (CEO),
Jeroen van Rossen (CFO),
Richard Jongsma (CCO)

Corporate Social Responsibility

Strengthening Alfen's CSR framework

Alfen's vision is to build a connected, smart and sustainable energy system for future generations. To deliver this, Alfen's mission is to boost the energy transition by engineering, manufacturing, integrating and connecting high quality energy solutions that are innovative, reliable and smart. As such, Alfen has a strong impact through enabling sustainable energy developments with its smart grids, EV charging equipment and energy storage solutions. Alfen considers its responsibility to further strengthen this impact with a well-developed Corporate Social Responsibility (CSR) framework, which is aligned with its key stakeholders.

Historically, the Alfen CSR agenda was based on three pillars: product lifecycle approach, footprint minimisation, and people, knowledge & safety. During 2019, a materiality assessment was performed in order to understand stakeholder views of the most important social, environmental and economic factors to Alfen's business success and to re-assess whether the three CSR pillars were still relevant. The outcome of the assessment validated the relevance of the three pillars. Subsequently, the most material topics derived from the assessment have been mapped to the UN Sustainable Development Goals (SDGs) to understand Alfen's relevance to the global priorities and aspirations for 2030, of which the outcome is presented in this chapter.

Materiality topics

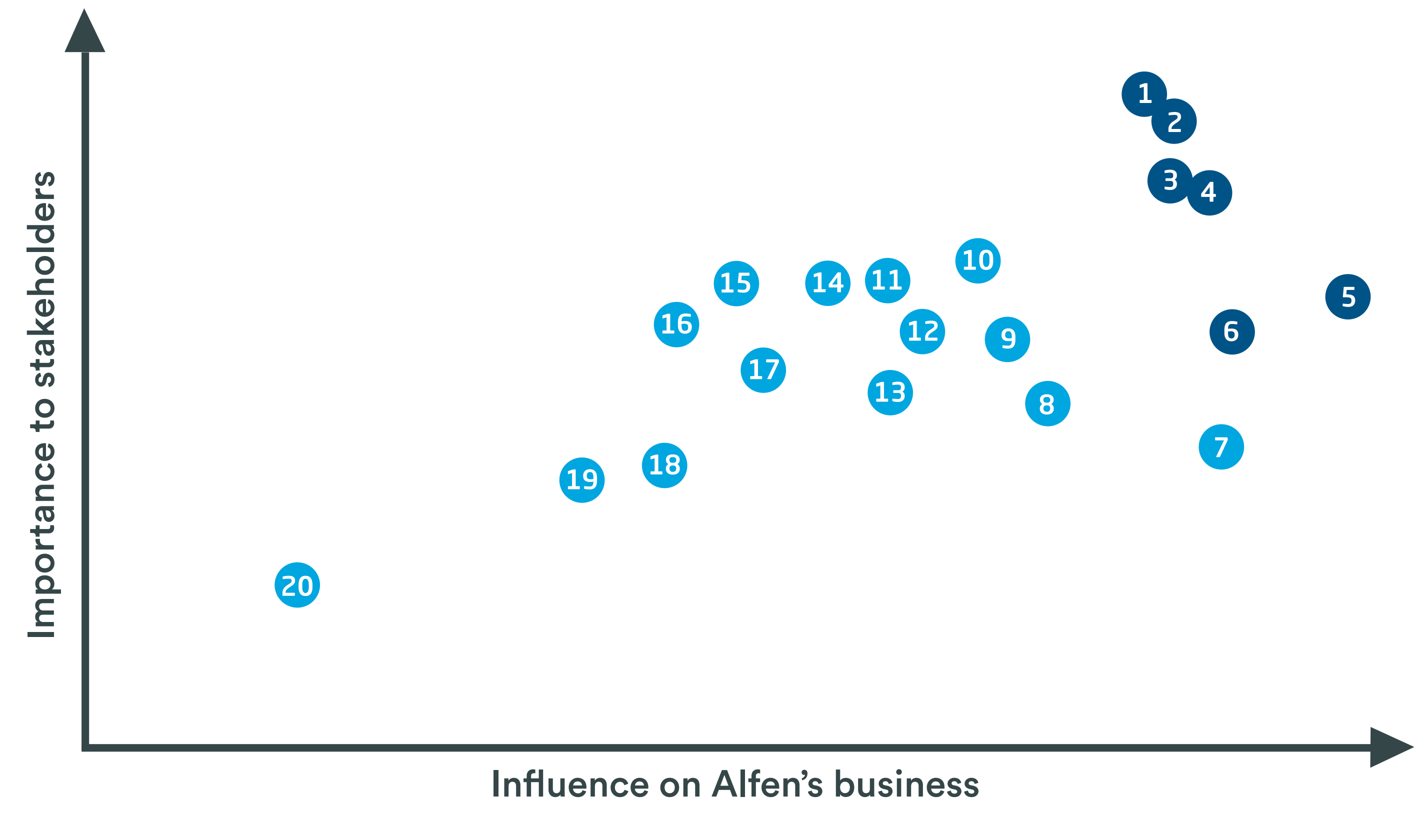
A materiality assessment is a formal exercise aimed at engaging stakeholders to establish and rank the importance of environmental, social and economic materiality topics. Alfen identified the materiality topics using internationally recognised frameworks including the Global Reporting Initiative (GRI) Materiality principle and ISO-26000 Guidance on social responsibility.

The materiality assessment resulted in 20 material topics which were derived from a larger set of environmental, social and economic materiality topics. Of those 20 topics, 6 were identified as most material according to carefully selected stakeholders consisting of clients, employees, investors, suppliers, community members and the supervisory board. The selected stakeholders ranked the material topics according to their importance to the stakeholders and their influence on the business. The former takes into account how important the topic is to the stakeholder, while the latter embodies how relevant the topic is to the long-term success of Alfen taking into account elements such as the impact on the community and environment.

Figure 1 shows the result of the materiality assessment. Topics that score high on both axes are a priority to Alfen and its key stakeholders. The 6 most material topics are presented in Table 2.

Corporate Social Responsibility

Figure 1



1. Occupational health & safety
2. Compliance
3. Business ethics & integrity
4. Product quality performance
5. Management of customer relationship
6. Research & Development
7. Financial performance
8. Resource scarcity
9. Risk management
10. Energy efficiency of end products
11. Employee engagement
12. Information security
13. Training & development
14. Diversity & equal opportunities
15. Carbon neutrality
16. Sustainable supply chain
17. Energy efficiency of operations
18. Product circularity
19. Hazardous substances
20. Social return

Table 2

Material topic	Definition
1. Occupational health & safety	A multidisciplinary field concerned with the safety, health, and welfare of people at work
2. Compliance	To comply with applicable laws and regulations in the environmental, social and economic areas in the countries of operation
3. Business ethics & integrity	Appropriate business policies and practices regarding potentially controversial subjects including corporate governance, insider trading, bribery, discrimination, corporate social responsibility, and fiduciary responsibilities
4. Product quality performance	Continuous improvement of product performance related to reliability and resilience
5. Management of customer relationship	Ensuring positive relationships with customers and conducting regular stakeholder dialogues
6. Research & Development	Innovative activities undertaken by Alfen in developing new services or products, or improving existing services or products

Alignment to the Sustainable Development Goals

To understand Alfen's relevance to the global priorities and aspirations for 2030 set by the United Nations, Alfen applied the 'SDG Compass'[3] and 'an analysis of the goals and targets'[4] to identify relevant SDGs based on the most material topics.

The material topics 'Business ethics & integrity' and 'Compliance' are considered core to Alfen's business as Alfen is committed to operating in a responsible, compliant and ethical manner in accordance with its published Code of Conduct. Therefore, together with the supporting company values summarised in 'SPARK' (Sustainable, Partner, Adaptive, Reliable and Knowledgeable), they are captured under Business Resilience as a foundation of Alfen's CSR framework.

The remaining four most material topics are considered to be key focus areas for Alfen, and therefore are at the heart of the CSR framework. They were mapped to the following four SDGs:

SDG 7 Affordable and clean energy

The renewable energy share of total energy production is increasing year on year driven by the ambition to meet climate goals. Alfen is making a positive contribution through its offering of smart energy solutions to accelerate the transition to a sustainable energy system. This will ultimately enable Alfen's customers to unlock an energy system with affordable and clean energy.

The journey towards a sustainable energy system also brings challenges as more and more decentralised and intermittent renewables have to be connected to the grid and as the electricity consumption in the energy mix is rising strongly. To efficiently accommodate this, increasingly complex and smart energy solutions are required. Alfen believes it is unique in offering and seamlessly combining its Smart grids, EV charging and Energy storage solutions to address the electricity challenges of its customers.

[3] *https://sdgcompass.org/*
[4] *An analysis of the goals and targets, GRI, UNGC, Business reporting on SDGs*

SDG 8 Decent Work and Economic Growth

SDG 8 'Decent work and economic growth' reflects Alfen's belief that creating a safe work environment and upholding labour standards across all operations, including the supply chain, is not only the right thing to do, but also positively impacts productivity. To support this, the following health & safety objectives have been defined as part of Alfen's QHSE policy:

- To be a company without unacceptable deviations related to health & safety procedures
- To have healthy employees who are employed on a long-term basis
- To prevent unacceptable risks to human health and the environment that may result from its activities

Alfen's safety performance further improved during 2019. Additionally, it has been decided to develop an awareness program based on the Alfen SPARK values to further improve Alfen's QHSE performance with the focus on prevention of unacceptable deviations related to health & safety procedures and risks.

Similar to safety, Alfen values education and generating added value for the domestic economy. As such, Alfen partnered with various governmental bodies to facilitate employment of young people, unemployed people and temporary asylum visa holders. Also, Alfen aims to use local resources and attract local talent. Additionally, after being awarded for best in-house education program in 2017, Alfen further increased the number of employees with an apprenticeship contract from 25 in 2017 to 37 in 2018 and 49 in 2019.

Furthermore, Alfen institutes non-discriminatory practices and embraces diversity. In 2019, Alfen employed 28 different nationalities.

SDG 9 Industry, Innovation and Infrastructure

The energy transition requires a complete overhaul of the current energy system, making it smarter and adding grid capacity. Investment in research & development is key to deliver the required smart energy solutions of the future as continuous innovation is needed to grid-connect renewable energy as effectively as possible, to smartly and reliably charge electric vehicles while safeguarding the grid, and to offset imbalances between supply and demand by embedding energy storage infrastructure.

Alfen is committed to keep investing in research & development for new, sustainable solutions through enhanced product design, increasingly smart products, and improvements in material efficiency and manufacturing processes. As such, Alfen employed 57 R&D FTEs (11% of the total workforce) at 31 December 2019 and continues to invest in the R&D department going forward.

Some examples of recent innovations include a second generation mobile energy storage solution for locations where temporary green energy is required such as festivals and events, a high density stationary storage concept which accommodates higher capacities in similar-sized containers, dedicated EV chargers for the German and French market, and being one of the world's first to receive full Open Charge Point Protocol (OCPP) 1.6 certification which confirms that EV technologies conform to the OCPP protocol.

SDG 12 Responsible Consumption and Production

Alfen is focused on the continuous improvement of its business activities to ensure high-quality and reliable products and services, which are produced and consumed responsibly. Information is provided on the environmental and social impact of its products, which are certified and traceable.

In 2019, Alfen implemented the 'Alfen Integrated Management system' (AIM) which meets the requirements of the 'ISO 9001:2015 Quality Management System' and the 'ISO 14001:2015 Environmental Management System' and 'VCA** 2008/5.1 Safety Checklist Contractors' to drive sustainable supply chain activities and at the same time encourage cooperation throughout the supply chain. In addition, Alfen continued its 2018 strategy to maximise insights throughout the supply chain for instance by finalising a material passport for its secondary transformer substations.

To further enhance Alfen's product quality performance, an operational excellence team has been established with the objective to drive further quality improvements. Additionally, Alfen monitors the performance of other environmental and social aspects that influence sustainable production and consumption. These include waste management, product circularity and carbon emissions.

Over the past years Alfen implemented various measures to reduce waste. For example, Alfen internally separates waste streams on a granular level, enabling optimum recycling possibilities. Product circularity is viewed as the cornerstone of Alfen's design processes, applying fair materials with a low CO2 footprint and focusing on the re-use and recycling of materials.

Alfen aims to have full insights in its CO2 footprint with the ambition to reduce it and report on it through certified bodies. Currently, Alfen is certified externally at level 4 (out of 5) of the CO2 performance scale of SKAO[5], which is unmatched in its industry. For instance, in the Netherlands Alfen has been able to reduce its emission intensity per FTE by 14% in the first half of 2019 compared with the same period in 2018 through electrifying its car fleet and having most offices with energy label A. To further improve this, Alfen initiatives include the placement of 128 solar rooftop panels generating approximately 10% of its electricity needs, which Alfen aims to double in the coming years, as well as the full roll-out of LED lighting by 2020.

The Alfen CSR framework

The most material topics mapped to four SDGs, together with Business Resilience as well as Alfen's vision and mission, collectively comprise the CSR framework which is shown in the figure on the right. The vision and mission are the guiding beacon for Alfen's journey to a connected and smart sustainable energy system for future generations.

At the core is Business Resilience that acts as the foundation of the business, as Alfen desires to operate responsibly, compliant and ethically. On top of its foundation Alfen drives impact through 4 SDGs as described in the previous section.

[5] *Stichting Klimaatvriendelijk Aanbesteden en Ondernemen, or "Institution for climate friendly tendering and entrepreneurship"*

Alfen CSR Framework

Impact and performance indicators

To measure Alfen's impact under its framework, Alfen commits itself to start measuring and reporting on key performance indicators for each focus area:

- For SDG7 – Affordable and Clean Energy: potentially avoided CO2 emissions by the use of Alfen's EV charging equipment, as well as the potential number of households powered by solar PV parks where Alfen provided its microgrid solution;
- For SDG8 - Decent Work and Economic Growth: safe working environment performance captured by the Lost Time Injury Frequency Rate, as well as the sickness absence rate;
- For SDG9 - Industry, Innovation and Infrastructure: provide insight through sharing Alfen's investments in R&D together with impactful innovation examples;
- For SDG12 - Responsible Consumption and Production: results of Alfen's Operational Excellence program.

Grid-connecting and servicing IONITY's fast EV-charging stations

IONITY is rolling out corridors of fast EV-charging stations across Europe and selected Alfen to establish the local grid connections. These stations have large capacities of up to 350kW, which consume enormous amounts of power typically requiring the available grid connection to be expanded with a transformer substation. Alfen also provides service & maintenance on these fast charging locations.

2019 month-by-month

23 January
D'Ieteren selected Alfen to supply charge points for e-mobility customers and dealerships

D'Ieteren Auto, the Volkswagen Group brands importer in Belgium, selected Alfen to start offering EV chargers to its electric car customers and to equip its dealerships across Belgium with EV chargers.

26 February
Alfen Elkamo selected as a preferred supplier for Swedish grid companies

Alfen Elkamo was selected as a preferred supplier of secondary substations to a group of Swedish grid companies who joined forces in their procurement efforts. In total, 19 grid companies located in the heart of Sweden issued a joint public tender for a 3 year long agreement, which can be extended for an additional 2 years.

12 March
New affordable smart home EV charge point set to accelerate energy transition

Alfen launched a smart electric vehicle (EV) charge point for the domestic market – the Eve Single S-line. Priced to appeal to homeowners and help unlock the domestic smart charging market, it offers the interoperability, energy and grid optimisation features, required to support low-carbon energy transition.

The new product shares the mature and proven technology platform of Alfen's flagship Eve portfolio. The platform is acknowledged for its reliability and advanced data security which is IEC 27001 compliant. Like all other products in the range, the Eve Single S-line is suitable for integration with Open Charge Point Protocol (OCPP) management systems, time-of-use tariffs, demand response product portfolios, self-generated renewables and energy storage. It also offers dynamic load balancing, with charging speed adjustable in increments of a single amp, to respond to other electricity being used in the home. This ensures that a vehicle is charged at the fastest rate possible within the constraints of the local grid connection.

19 March
Realised microgrid for 35MWp Zuyderzon solar park in Almere

Alfen was selected by PFALZSOLAR to engineer, manufacture, install, connect and commission a microgrid and connection to the central power grid for solar park Zuyderzon Almere, the Netherlands. Alfen's scope included the delivery of nine 800 Volt special solar PV substations. Zuyderzon Almere covers an area of about 25 hectares, almost as big as 50 football fields, and is able to power over 9,000 households.

23 April
Supplied microgrids for two Ecorus solar farms

Alfen was selected by Ecorus, an international solar PV developer and constructor, to deliver local microgrids and connections to the central power grid for solar PV farms Tholen and Leeksterveld in the Netherlands. The Tholen solar PV farm is located in the province of Zeeland and has a capacity of 17MWp. Leeksterveld is located in the province of Groningen and has a capacity of 10MWp.

07 May
Alfen smart energy solutions enable social workplace, Caparis, to optimise use of self-generated solar

Alfen was selected by Dutch social workplace, Caparis, to provide integrated smart grid, electric vehicle charging and energy management solutions at two of its sites in the Netherlands. The projects' objectives were to maximise use of self-generated solar and promote the use of clean vehicles.

Alfen's smart energy solution will complement solar panels at two of Caparis' three locations, Heerenveen and Drachten. Alfen Connect will act as an energy management system, continuously monitoring energy requirements at each site and prioritising self-generated solar for use by the facilities. The rest will be made available for vehicle charging, with any surplus fed into the grid. The solutions have also been configured to allow for further optimisation in future using battery storage.

16 May
Selected by TrønderEnergi to deliver energy storage system in Norway

Alfen was selected by TrønderEnergi, one of the largest utility and grid operators in Norway, to deliver a battery energy storage system (BESS). The BESS has a capacity of 548kWh and is deployed for different applications. Initially, the BESS is located at an agricultural business, providing peak-shaving and off-grid services for the existing energy system of a wind turbine and solar PV. Other applications that will be explored in the future are combining the BESS with charging infrastructure for electric vehicles, back-up power for islands, grid balancing in rural areas and using the BESS in harbours to provide clean onshore power for boats.

22 May
Opel selected Alfen EV charge points for German HQ

German car manufacturer, Opel, selected Alfen to supply over 300 smart charge points for parking facilities at its headquarters in Russelsheim, Germany. Alfen supplied two different products, its Eve Single and Eve Double Pro-lines, both of which are designed for energy and grid optimisation and can be connected in a Smart Charging Network.

11 June — Supply of another 440 EV charge points in Belgium

After Alfen announced to be part of the largest public charging infrastructure project in Belgium in 2017, Alfen was yet to deliver an additional 440 EV charge points in 2019. The EV charge points were supplied to Fluvius through Alfen's partner Allego, who entered into a 10 year exploitation contract with Fluvius when the project was launched.

14 June — Selected by West of England to roll out EV charging infrastructure

A new West of England partnership selected Alfen to revamp the region's electric vehicle (EV) charging network and accelerate the take-up of zero or low emission vehicles. Alfen's partner Siemens will be responsible for installing and servicing the charge points, whilst Alfen's technology partner, ChargePoint Services, will be responsible for operating the chargers.

24 June — Alfen selected by Allego to supply chargers and service to Groningen and Drenthe

Alfen was selected by Allego to supply 1,000 public chargers over the coming three years to the Dutch municipalities in the provinces Groningen and Drenthe. Alfen was contracted through Allego for the delivery of the chargers and to provide service & maintenance for the coming ten years.

03 July — Selected by IONITY to establish local grid connections for their fast EV-charging stations network

IONITY is rolling out corridors of fast EV-charging stations across Europe and selected Alfen to establish local grid connections. IONITY is building a network of reliable and powerful fast charging stations along major routes across the continent. These stations are comfortable to use and allow fast charging times due to their capacity of up to 350kW. Such capacity requires enormous amounts of power typically requiring the available grid connection to be expanded with a transformer substation.

09 July — Alfen supplied energy storage solution for Smappee's cleantech hub in Belgium

Alfen supplied Smappee, a designer and manufacturer of future-proof energy monitoring systems, with a 2.5MWh battery energy storage system for their new headquarters in Harelbeke, Belgium. In addition, Alfen has realised a new 5MVA grid connection on site, to connect with the distribution grid of Fluvius (formerly Eandis and Infrax).

24 July — Expanded EV charging service offering to 7 new countries

Alfen extended the depth and geographic reach of its after-sales service and support to EV charging customers. Its tiered service package has already proven popular in Benelux, Germany and the UK, and through new service level agreements, it has also become available to customers in Finland, Sweden, Norway, France, Spain, Portugal and Italy.

30 July — Certified with Eichrecht for its Electric Vehicle Charge Points in the German market

Alfen was granted Eichrecht conformity for both its public and semi-public electric vehicle (EV) charge points by CSA, in line with the guidelines of PTB – the national metrology institute of Germany. The conformity indicates that Alfen's charge points adhere to the latest German Weights and Measures Act. Alfen has an approved quality system for production, final product inspection and testing of Eichrecht products.

Eichrecht assures the user of an Alfen charge point of a reliable, trustworthy transaction, in line with the requirements set by German law. Alfen's solution not only ensures the safekeeping of transaction information but also maintains full flexibility in terms of adding new services and features.

03 September — Selected by Nurmon Aurinko to provide industrial-scale energy storage system in Finland

Nurmon Aurinko, a key energy project to implement Finland's first large industrial scale solar PV park, selected Alfen to provide a 1MW energy storage system. Nurmon Aurinko has previously developed a solar PV park (in cooperation with Solarigo) at the site of major food industry operator Atria and is now adding energy storage to provide balancing services to the central Fingrid (FCR-N) and optimise the output of the local solar PV park. In addition to supplying the energy storage system, Alfen will be responsible for realising the local microgrid and grid connection.

06 September

12MWh energy storage system for Vattenfall's new hybrid energy park

Vattenfall is building a new hybrid energy park, consisting of solar panels, wind turbines and an energy storage system at Haringvliet in the Netherlands. The total capacity is 60MW, enough to deliver renewable energy to 40,000 households. Alfen will deliver the 12MWh energy storage system that will be connected to the hybrid wind and solar park.

16 September

Alfen to supply Joju Solar with smart EV charge points

Joju Solar, who are expert designers and installers of low carbon electricity technologies across the UK, selected Alfen to supply it with smart electric vehicle chargers. Under the framework agreement Alfen will provide Joju with chargers from its Alfen Eve range. These will form part of Joju's wider integrated smart energy offering for homes, businesses, communities and the public sector.

30 September

Alfen selected by Solarcentury to supply substations for 110MWp solar farm

Solarcentury, an international utility-scale solar developer, selected Alfen to provide 54 transformer substations with separate grid connections for the 110 megawatt-peak (MWp) Vlagtwedde solar farm in the Netherlands. Solarcentury is developing the solar farm and with 110MWp, the solar farm will be the largest in the Netherlands, generating enough power for 30,000 homes.

24 October

1MW energy storage system for Fortum and Caruna as part of new framework agreement

Alfen was selected by Finnish utility Fortum and distribution grid operator Caruna to supply a 1MW (1MWh) energy storage system in the Helsinki capital area. This storage system was the first order under a new framework agreement between Fortum and Alfen, covering both energy storage systems as well as transformer substations. The energy storage system will be used to provide back-up power and grid stability services.

29 October

First Capital Markets Day in the history of Alfen

During the Capital Markets Day, Alfen's management presented the company's strategy, key developments since its listing in March 2018, a trading update as well as developments in each of its business lines Smart grids, EV charging and Energy storage.

02 December

10MW battery energy storage system for Uniper

Uniper selected Alfen to supply a large-scale battery energy storage system connected to its hybrid power plant at the Maasvlakte in the Netherlands. The 10MW (10MWh) storage system will be deployed to respond to the growing need for grid services. Alfen will supply the storage system based on its innovative high-density concept, which allows for a compact design of 10MW in only four 40 feet containers.

10 December

Alfen selected to deliver grid connections for Shell's ultrafast EV charging network across the Netherlands

Alfen was selected by Shell's infrastructure services partner, Aecom, to provide grid connections at Shell forecourts across the Netherlands, as part of the development of Shell's ultrafast EV charging network. Throughout 2020, Alfen will supply, install and commission 50 substations, which will facilitate the grid connection of ultrafast Shell Recharge EV points at Shell forecourt locations.

12 December

30 mobile storage systems for Greener, becoming the world's largest emission-free mobile power provider

Greener, the clean energy provider for grid-edge and off-grid situations, ordered 30 new mobile battery energy storage systems from Alfen. The mobile storage systems will be deployed to provide a green emission-free alternative for temporary and polluting diesel generators throughout Europe. The storage systems are equipped with standard power connectors allowing for easy plug-and-play integration at temporary and remote project locations.

20 December

Alfen achieves new EV charge point certification OCPP1.6 from Open Charge Alliance

Alfen was one of the first EV charging companies to achieve full Open Charge Point Protocol (OCPP) 1.6 certification from the Open Charge Alliance. This new certification for the EV charging industry confirms that Alfen's EV technologies conform to the OCPP protocol based on independent tests. All of Alfen's EV charging stations are covered by the certification.

Financial performance

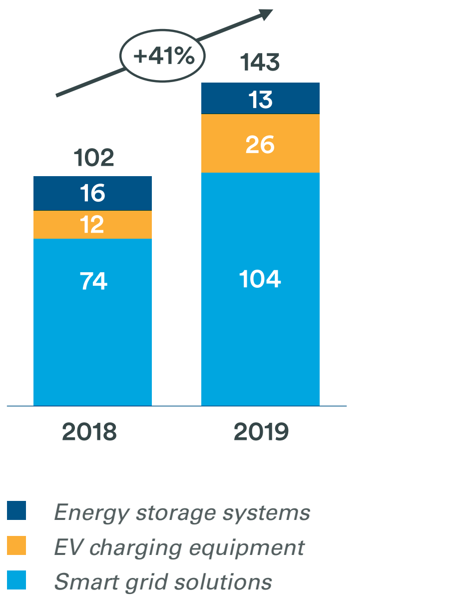
Alfen is operating internationally in the heart of the energy transition, being a specialist in energy solutions for the future. With over 80 years history, Alfen has a unique combination of activities. Alfen designs, engineers, develops, produces and services Smart grid solutions, Energy storage systems and EV chargers and combines these in integrated solutions to address the electricity challenges of its clients. As there is a strong interrelationship between Alfen's different business activities, management reviews the profitability of the Company on an aggregate level.

All financial segment information can be found in the consolidated financial statements.

Revenue and other income

Revenue and other income increased by 41% from €101.9 million in financial year 2018 to €143.2 million in financial year 2019 driven by strong market growth especially in our EV charging and Smart grid solutions business lines and further bolstered by internationalisation, cross-selling and service.

Revenue and other income
(in EUR million)



In the Smart grid solutions business line, revenues increased by 40% compared to 2018 from €74.0 million in financial year 2018 to €103.6 million in financial year 2019. Alfen benefitted from continued grid investments, a strong market environment for projects in the solar PV sector and increasing revenues from service. Alfen Elkamo contributed €16.6 million to 2019 revenues and is benefitting from grid investments in Finland, expansion to Sweden and cross-sell opportunities based on Alfen's position in EV charging and energy storage.

Revenues in the EV charging business line increased by 113% from €12.3 million in financial year 2018 to €26.1 million in financial year 2019, driven by a broadening supply of (affordable) EVs in the market, favourable incentive schemes and further internationalisation.

Revenues and other income in the Energy storage business line decreased by 14% compared to 2018 from €15.6 million in financial year 2018 to €13.4 million in financial year 2019. Despite a challenging market environment for energy storage projects in the first half of 2019, long term fundamentals for energy storage remain unchanged. Therefore, Alfen continues to invest in this segment, launching a second generation mobile storage solution for festivals and events and introducing a high density stationary storage concept, accommodating higher capacities in similar-sized containers. This has resulted in further solidifying our strong market position and led to various orders in the second half of the year.

Gross margin, EBITDA and net profit (loss)

Gross margin significantly increased from 29.7% in 2018 to 35.1% in 2019, a result of Alfen's strong market position, leverage from increased scale and purchase programs, a shift towards increasingly complex solutions and favourable product mix effects throughout the year.

EBITDA increased by 477% from €2.4 million in financial year 2018 to €13.9 million in financial year 2019. EBITDA in financial year 2019 was impacted by a €1.9 million effect of changed lease accounting under IFRS 16. Excluding this effect, EBITDA amounted to €12.0 million, an increase of 398% compared to the financial year 2018. The EBITDA growth is mainly driven by revenue growth and an increased gross margin percentage.

Depreciation and amortisation charges increased from €2.5 million in 2018 to €5.2 million in 2019, of which €1.8 million relates to the changed lease accounting guidelines under IFRS 16.

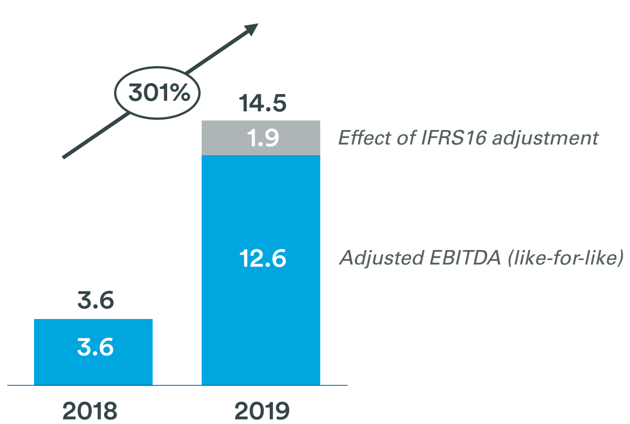
Finance costs in financial year 2019 increased with €0.5 million to €0.8 million compared to €0.3 million in financial year 2018, which is mainly driven by a higher average net debt position in the first half-year of 2019 due to pre-deliveries in the supply chain to cover for the summer period. In addition, the changed lease accounting guidelines under IFRS 16 impacted finance costs with €0.2 million.

Finance income in financial year 2018 was completely related to a revaluation of the existing loans under IFRS 9, as a result of a re-financing arrangement in January 2018. No such arrangements took place in financial year 2019.

The effective tax rate for the financial year 2019 increased compared to the financial year 2018, mainly caused by non-deductible share-based payment expenses relating to a Long-Term Incentive Plan for key employees and further amplified by an increase in future tax rates.

As a consequence, the net loss of €0.3 million in the financial year 2018 transferred into a net profit of €5.6 million in the financial year 2019.

Adjusted EBITDA
(in EUR million)



In the financial year 2018, one-off costs and special items amounted to €1.2 million and comprised of an audit fee related to Alfen's listing on the Amsterdam stock exchange, pre-acquisition and integration costs for Elkamo, a settlement payment and legal fees regarding a property rental claim, share-based payment expenses associated with a Celebration Share Award Plan for all Company employees (see Note 13) and a related party consultancy fee (see Note 30). In the financial year 2019, Alfen incurred one-off costs and special items of €0.7 million related to share-based payment expenses associated with a Celebration Share Award Plan for all Company employees and a Long-Term Incentive Plan for key employees (see Note 13), an audit fee related to new IFRS accounting standards and a related party consultancy fee (see Note 30).

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

In EUR '000	2019	2018
EBITDA including IFRS 16	13,872	2,406
IFRS 16 adjustment	(1,879)	-
EBITDA	11,993	2,406
Related party consultancy fee	143	255
Audit fee related to Alfen's public listing	-	135
Audit fee related to new IFRS Accounting Standards	22	-
Acquisition and integration costs Elkamo	-	361
Settlement payment and legal fees property rental claim	-	74
Share-based payment expenses	488	392
Adjusted EBITDA excluding IFRS 16	12,646	3,623
Adjusted EBITDA including IFRS 16	14,525	n.a.
Net profit / (loss)	5,625	(263)
Aggregated one-off costs and special items after tax	612	1,077
Adjusted Net profit / (loss)	6,237	814

Adjusted EBITDA (including the effect of changed lease accounting under IFRS 16) amounted to €14.5 million, an increase of 301% versus €3.6 million in financial year 2018. Adjusted for one-off costs and special items after tax, net profit amounted to €6.2 million (versus €0.8 million in financial year 2018).

Finance and investments

The net debt position at 31 December 2019 amounts to €19.3 million, compared to €24.5 million at 1 January 2019 (opening balance adjusted for IFRS 16 lease accounting). As a result of the changed lease accounting under IFRS 16, net debt at 1 January 2019 increased by €7.8 million and net debt at 31 December 2019 increased by €8.1 million. The decrease in net debt is primarily caused by the positive cash flow from operating activities in 2019.

In December 2019, Alfen increased its working capital credit facility from €20 million to €30 million, as well as its separate facility for bank guarantees from €5 million to €10 million. As disclosed in note 26 of the financial statements, Alfen has to meet an EBITDA covenant. This EBITDA-covenant was met as at 31 December 2019.

The solvency ratio (equity divided by total assets) is 17.0% at 31 December 2019 compared to 10.8% at 1 January 2019, mainly driven by the positive net result in the financial year 2019.

Capital expenditure (excluding IFRS 16) amounts to €6.7 million (or 4.7% of revenues) compared to €6.1 million (or 5.9% of revenues) in 2018. Capex includes amongst others the investments in expanding warehouse facilities and production lines for Smart grid solutions, additional production lines for the EV charging business as well as €4.2 million (€3.4 million in 2018) of capitalised development costs which demonstrates the company's continued efforts to invest in innovations for the future.

Supplying Deutsche Telekom's e-mobility business with EV charge points

Alfen entered into a 3-year contract with Comfort Charge, the e-mobility subsidiary of Deutsche Telekom, for the supply of smart EV chargers. Alfen's charge points will be installed at Deutsche Telekom's offices across Germany and form part of Comfort Charge's 'charging as a service' offer to its customers. Initial rollout will be in Germany but Comfort Charge has ambitious plans to extend its e-mobility services across Europe.

Risks and Uncertainties

Risks and Uncertainties

Summary of risks, our risk appetite, likelihood and potential impact

Risk category	Risk description	Risk appetite	Likelihood	Impact
Strategic and commercial	The energy transition embodied by current trends towards alternative energy sources may be addressed by various solutions and there is no certainty that any of the solutions offered by Alfen will prove to be acceptable for addressing these.	High	Low	High
	The market for electric vehicles is relatively new which makes it difficult to predict the future demand for charging equipment as well as charging behaviour.	High	Medium	Medium
	The market for energy storage is relatively new and still developing which in combination with Alfen's limited operating history in the energy storage sector may result in uncertainty regarding the future performance of its Energy storage business line.	High	Medium	Medium
	Competition in the industries and market segments in which Alfen operates may materially adversely affect its market shares, margins and overall profitability.	High	Medium	Medium
	Alfen's business depends, in part, on contracts with certain significant clients. If one or more of such contracts were discontinued, Alfen's financial position and results of operation could be materially adversely affected.	Medium	Low	Medium
	Alfen may be unsuccessful in adequately protecting its technological know-how and trade secrets.	Medium	Low	Medium
Operational	Alfen depends on its ability to hire and retain management, key employees and other qualified and skilled employees and may not be able to attract and retain such personnel.	Medium	Medium	Medium
	Failure to properly manage projects, or project delays, may result in additional costs or claims and adversely affect or delay revenues, profits and cash flows.	Medium	Medium	Medium
	Alfen is dependent on third-party suppliers to deliver raw materials and components for its products and may experience supply problems.	Medium	Medium	Medium
	Disruptions of Alfen's information technology systems could have a material adverse effect on its business.	Low	Low	High
Financial	Alfen may not be able to maintain an optimal capital structure to reduce the cost of capital due to the rapid increase in large scale and capital intensive projects within the Energy storage business line.	Medium	Low	Low
Compliance	Alfen is exposed to risks associated with product liability, warranties, recall claims or other lawsuits or claims that may be brought against it.	Medium	Low	Medium
	Alfen may not fully comply to laws and regulations across multiple jurisdictions, which are becoming increasingly stringent, particularly related to environmental, health and safety and transportation.	Low	Medium	Medium

For information about Alfen's credit risk, liquidity and market risks as well as the capital management structure, please refer to the information outlined in note 4 and 5 of the financial statements. Furthermore, risks related to external reporting are considered limited due to the limited amount of estimates in the financial statements, and because Alfen was not faced with any indication for impairment in financial year 2019.

Strategic and commercial risks and uncertainties

The energy transition embodied by the current trends towards alternative energy sources may be addressed by various solutions and there is no certainty that any of the solutions offered by Alfen will prove to be acceptable for addressing these.

Various solutions are and may be brought to market to address the energy transition and current trends affecting the energy landscape. Technologies such as hydrogen storage or fuel cells may compete with Alfen's products, systems and solutions of its Energy storage or EV charging business lines. If Alfen fails to achieve market acceptance for its products, systems or services as solutions to current trends, Alfen's business, financial condition, results of operations and prospects could be materially adversely affected.

To mitigate this risk, Alfen continuously monitors market developments and initiates R&D efforts accordingly. Through its open-architecture approach and its technology-agnostic solutions it is relatively flexible to adapt its products and solutions to changing market trends.

The market for electric vehicles is relatively new which makes it difficult to predict the future demand for charging equipment as well as charging behaviour.

The market for electric vehicles is relatively new, is continuously evolving and is characterised by changing technologies, price competition, additional competitors, evolving government regulation and industry standards, frequent new vehicle announcements and changing consumer demand and behaviour. Future developments in technology trends are still uncertain.

A slower than anticipated increase, or even a decrease, in the sales of electric vehicles in the countries in which Alfen operates could lead to a slower than anticipated growth of revenues in Alfen's EV charging business line, which may have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

To mitigate this risk, Alfen continuously monitors market developments with regard to EV charging behaviour and initiates new R&D projects to address possible future trends with regard to EV charging. In addition, as a result of its internationalisation strategy, Alfen is becoming less dependent on country-specific, often regulation or subsidy related, fluctuations in demand patterns for EVs or EV charging equipment.

The market for energy storage is relatively new and still developing which in combination with Alfen's limited operating history in the energy storage sector may result in uncertainty regarding the future performance of its Energy storage business line.

Alfen started its activities in the development, production and installation of energy storage systems in 2011 and released its first meaningful commercial successes in 2016. Since Alfen has a limited operating history in its Energy storage business line, the development and expansion of this business line may be subject to significant uncertainty and volatility. In addition, the costs involved in developing the Energy storage business line may be significantly greater than currently anticipated and the estimated amount of capital expenditures required may be insufficient to cover the actual cost due to cost overruns or other unexpected expenses.

Furthermore, Alfen's activities are partly dependent on decisions made by third parties involved in the projects that Alfen is working on and who may have limited experience in energy storage systems. Such decisions could have an impact on the timing of granting and delivery of a project, which in turn will have an effect on the moment that the revenue for such a project is realised by Alfen.

This risk is reducing over time, as the market for energy storage is gradually maturing and Alfen's customers are gaining more experience with energy storage projects, including business case development, internal approval procedures and project management. Alfen further reduces this risk by continuously focusing on expanding its range of storage applications, making it less vulnerable to a change in business case dynamics

for a specific storage application. In addition, as a result of its internationalisation strategy, Alfen is becoming less dependent on country-specific, often regulation or subsidy related, fluctuations in demand patterns for energy storage systems.

Competition in the industries and market segments in which Alfen operates may materially adversely affect its market shares, margins and overall profitability.

Alfen's industries and market segments are highly competitive, and it faces significant competition from large international competitors as well as smaller regional competitors in certain markets. In addition, certain industry players who currently do not compete with Alfen in terms of quality and market share may enter Alfen's market and disrupt the competitive environment which may reduce Alfen's market share. Current clients may decide to develop or acquire certain capabilities in-house, reducing demand for Alfen's products, systems and services. If Alfen is unable to compete successfully in its product and geographic markets, its business, financial condition, results of operations and prospects could be materially adversely affected.

To mitigate this risk, Alfen is continuously focusing on product upgrades and new product development, cost engineering and purchasing savings. In addition, Alfen continuously monitors its competitive environment and, through SWOT analyses, seeks to identify its unique selling points that are valuable to its customers. Alfen also increasingly focusses on integrated solutions covering multiple business lines, in order to further differentiate from the majority of its competitors who focus on individual business lines only.

Alfen's business depends, in part, on contracts with certain significant clients. If one or more of such contracts were discontinued, Alfen's financial position and results of operation could be materially adversely affected.

The success of Alfen's business depends, in part, on significant customer contracts entered into with a limited number of grid operators and large companies. Alfen may not be able to renew such contracts upon their expiry which could have a negative impact on Alfen's revenue and profits.

This risk is mitigated by a continuous effort to further diversify its customer base. The clients Enexis and Alliander, representing a large part of the Smart grid solutions business line, have separated their commercial activities into separate entities, which further contributes to a diversification of customers. This risk is further mitigated by a structured approach to tenders in the market supported by multi-disciplinary tender teams.

Alfen may be unsuccessful in adequately protecting its technological know-how and trade secrets.

Alfen relies on certain technology, know-how and business and trade secrets. There is a risk that third parties, in particular competitors, may copy such technology and know-how or develop it independently and later challenge Alfen's use of it. In addition, employees who in the course of their employment with Alfen have access to important proprietary information which may or may not be protected by intellectual property rights may leave to go work for a competitor.

To mitigate this risk Alfen relies on confidentiality agreements with suppliers and customers, non-compete clauses in contracts with employees and technical precautions to protect its technology, know-how and other proprietary information. However, there is no guarantee that these agreements and precautions or Alfen's ability to enforce its contractual rights, will provide sufficient protection in the case of any unauthorised access or use, misappropriation or disclosure of such information. Defending against any unauthorised access or use may result in lengthy and costly litigation or administrative proceedings and cause significant disruption to the business and operations of Alfen.

Operational risks and uncertainties

Alfen depends on its ability to hire and retain management, key employees and other qualified and

skilled employees and may not be able to attract and retain such personnel.

Alfen's future performance depends in significant part on the continued service of the Senior Management and other key personnel, including the heads of Alfen's business lines and other employees involved in research and development, staff, marketing and sales personnel and employees with critical know-how and expertise. The loss of the services of one or more members of Senior Management or other key personnel could have a material adverse effect on Alfen's business, financial condition, results of operations and prospects. Alfen's success also depends on its continuing ability to attract, retain and develop qualified and skilled personnel, including scientists, designers, technical employees and engineers with the requisite technical background. This is especially important given the expected high growth in the segments in which Alfen is active. Competition for such personnel is intense, in particular for technical and industrial employees. This is particularly relevant in the Netherlands, since it is the country where Alfen has its headquarters, significant business operations and research and development activities.

To mitigate this risk, Alfen seeks to make optimally use of its increased public profile after the IPO and the widespread interest in the energy transition in order to attract talent. Retention and development are key focus areas of the HR department and management. Through Alfen's in-house Academy (for which it was awarded a prize for best program in the Netherlands in 2017) important personnel continues to be attracted and incentivised to further develop at Alfen.

Failure to properly manage projects, or project delays, may result in additional costs or claims and adversely affect or delay revenues, profits and cash flows.

Alfen generates part of its business by participating in projects for the installation of its products, systems and solutions, and it expects that in the future there will be an increase in the number and size of the projects that it undertakes. Alfen may not be successful in executing these projects or its project management services, or a project may be delayed by events beyond its control which may lead to delays in revenue streams that may adversely affect Alfen's profits or cash flows.

Alfen mitigates this risk by continuously working on further professionalisation of its project management department, supply chain management and the interrelation between these two by, for example, weekly meetings in which project management together with supply chain management identified and determined bottlenecks and priorities, respectively.

Alfen is dependent on third-party suppliers to deliver raw materials and components for its products and may experience supply problems.

Alfen's production and assembly processes depend on the availability and timely supply of raw materials, components and finished goods, from third-party suppliers. Alfen obtains a significant portion of certain of its processed raw materials from a limited number of key suppliers. If any of Alfen's suppliers are unable to meet their obligations under purchase orders or supply agreements, Alfen may be forced to pay higher prices to obtain the necessary raw materials from other suppliers, change suppliers, or may not be able to locate suitable alternatives at all. Supply interruption could lead to interruption of Alfen's own production at one or more production facilities. This could be particularly relevant for the supply of batteries, since the rapidly developing market for energy storage projects and the roll-out of EVs may put significant pressure on the production and supply capacities of a relatively small number of global battery suppliers. Alfen may experience supply problems and may be unable to fill clients' orders on a timely and cost-effective basis or in the required quantities, which could result in damage claims, order cancellations, decreased sales or loss of market share and damage to Alfen's reputation.

To mitigate this risk, Alfen seeks to have multiple interchangeable suppliers for its key purchases. Alfen is in continuous dialogue with its key suppliers to discuss potential supply chain challenges and, in case of any disruptions, seeks to jointly address these and return to normal course of business as quickly as possible.

Any potential disruptions can further be mitigated by, temporarily, increasing stock levels and adjusting working procedures. In case of more structural challenges with certain suppliers, Alfen has the in-house capabilities to adjust product design and configurations to develop alternatives.

Disruptions of Alfen's information technology systems could have a material adverse effect on its business.

Alfen depends on its information technology systems to, among other things, conduct operations, to interface with clients (for example through its web shop) and to maintain financial records and accuracy. Alfen also develops and supplies software to clients. Information technology systems failures could disrupt operations leading to increased costs. In addition, Alfen's computer systems, including its back-up systems, could be damaged, hacked or interrupted which could impair its ability to effectively and timely provide products, systems, solutions and services, and could damage Alfen's reputation.

The mitigation of this risks starts with an IT security policy that is in place and sufficient resources to manage the IT related risks. As such, Alfen further strengthened the IT department and continues to do so in 2020. To further mitigate the risks related to privacy related information as well as data protection in general several actions have been taken and Alfen maintains a cyber-security insurance policy.

Financial risks and uncertainties

Alfen may not be able to maintain an optimal capital structure to reduce the cost of capital due to the rapid increase in large scale and capital intensive projects within the Energy storage business line.

Due to the nature of the Energy storage business line - i.e. more capital intensive than the other business lines due to relatively expensive components such as batteries - the use of cash- and cash equivalents is becoming more sensitive to liquidity risks. This means that Alfen is becoming more exposed to significant movements in the cash position in order to finance larger scale and more capital intensive projects within the Energy storage business line.

To mitigate this risk, Alfen aims to ensure favourable payment conditions with its customers and suppliers. In addition, Alfen strictly monitors and manages its liquidity on a weekly basis. The liquidity planning considers the maturity of the financial assets (e.g. accounts receivable and other financial assets) and projected cash flows from operations. Furthermore, Alfen ensures that, as far as possible, it will always have sufficient liquidity to meet its obligations when they become due, avoiding unacceptable losses or damages to Alfen's reputation. For this purpose Alfen increased its working capital credit facility in December 2019 up to €30 million, including a separate facility of €10 million for bank guarantees which will be mainly used to apply for large (international) tenders.

Compliance risks and uncertainties

Alfen is exposed to risks associated with product liability, warranties, recall claims or other lawsuits or claims that may be brought against it.

In the normal course of business Alfen is exposed to product liability, warranty and recall claims, lawsuits and any other claims that might lead to higher costs and/ or reputational damage. Furthermore, Alfen may become subject to other proceedings alleging violations of due care, safety provisions and claims arising from breaches of contract or fines imposed by government or regulatory authorities in relation to its customised and semi-customised products, systems and solutions.

To mitigate this risk, Alfen aims to have back-to-back agreements in place with its suppliers. Furthermore, throughout the design and production phases, there is a continuous focus on quality with quality assurance being an integral part of Alfen's working processes. Moreover Alfen is able to continuously improve its products and services through valuable performance information obtained from its integrated service offering. Finally, Alfen has insurance policies in place to limit the costs of manufacturing defaults and design flaws.

Alfen may not fully comply to laws and regulations across multiple jurisdictions, which are becoming increasingly stringent, particularly related to environmental, health and safety and transportation.

Alfen is subject to numerous environmental, health and safety laws and regulations across multiple jurisdictions, which are becoming increasingly stringent. Additionally, Alfen's products and business operations are subject to a broad range of local, state, national and multi-national laws and regulations in the jurisdictions in which it operates and markets its products. Amendments or revisions to such laws and regulations may require changes to Alfen's product designs or production processes and may lead to additional costs or failure to comply.

To mitigate this risk, the quality of Alfen's products and compliance to the relevant safety and quality certificates is strictly monitored by the QHSE-department. Additionally, Alfen's in-house general counsel monitors or requests specialist assistance from foreign outside counsel about laws and regulations across multiple jurisdictions. Finally, in order to increase the safety awareness and accreditations of its personnel Alfen uses its in-house education centre to train its people in a controlled environment where real-life situations can be simulated.

Risk management and control systems

Management Board approach towards risk management

The Management Board is responsible for the control environment, including risk management and internal control systems in order to properly manage the strategic, operational and other risks and uncertainties that could have a material adverse effect on Alfen's business and day-to-day operations. The applicable risks and uncertainties for Alfen are evaluated on a periodic basis by the Management Board and discussed with the Supervisory Board.

The Management Board is convinced that actual control should start with setting the right mind-set ('tone at the top'), allocating the right responsibilities and implementing day-to-day working procedures for all employees within Alfen.

The Management Board recognises the importance of a formalised approach towards risk management for a rapidly growing organisation like Alfen. In practice this means that it is important to maintain the right balance between formalised systems and procedures and the informal hands-on approach that is necessary to further boost the growth of the company. Alfen's corporate culture is also an important 'soft-control' to mitigate risks and fraud.

During financial year 2019, Alfen continued to support its corporate culture and other foundations of its risk management and control systems with its Code of Conduct, Whistle blower policy, insider trading policy, safety and quality certifications, periodic reports and meetings and further professionalisation.

Code of Conduct

Alfen has a Code of Conduct that applies to all employees. The principles and best practices established in the Code of Conduct reflect the corporate culture that the Management Board wants to embed in the day-to-day routines of all employees. The core values included in the Code of Conduct are related to professional conduct, flexibility, reliability and integrity and safety. The Code of Conduct includes topics including acting with integrity, gifts, anti-bribery, corporate social responsibility and health and safety. The Code of Conduct can be found on Alfen's website. Alfen also has a Supplier Code of Conduct in order to ensure our supply chain abides by our culture and values. No violations of the Code of Conduct were reported in the financial year 2019.

Whistle-blower policy

Alfen employees are offered the opportunity to report irregularities or suspicions with regards to violations of the Code of Conduct, the law, safety policies, the environment or any other forms of misbehaviour without bringing their (legal) position in jeopardy. Reporting of such instances by Alfen employees can be either by designated 'persons of trust' or in complete anonymity through a prescribed website. No violations or irregularities were reported under the Whistle blower policy in financial year 2019.

Insider trading policy

Alfen continues to adhere to its implemented regulations covering security transactions by the members of the Management Board and Supervisory Board, the Management Team, independent contractors and other designated employees that have insight into market-sensitive information. The Insider trading policy is published on Alfen's website. Alfen's Insider trading policy aims to promote compliance with the relevant obligations and restrictions under applicable securities law, including The European Market Abuse Regulation ((EU) No 596/2014) and intends to limit the risk of Alfen's good reputation and business integrity being harmed as a result of prohibited or undesirable dealing in Alfen Securities. During the financial year 2019, several questions were asked about the insider trading policy and addressed by the compliance officer. No violations or irregularities were reported in financial year 2019.

Safety and quality certifications

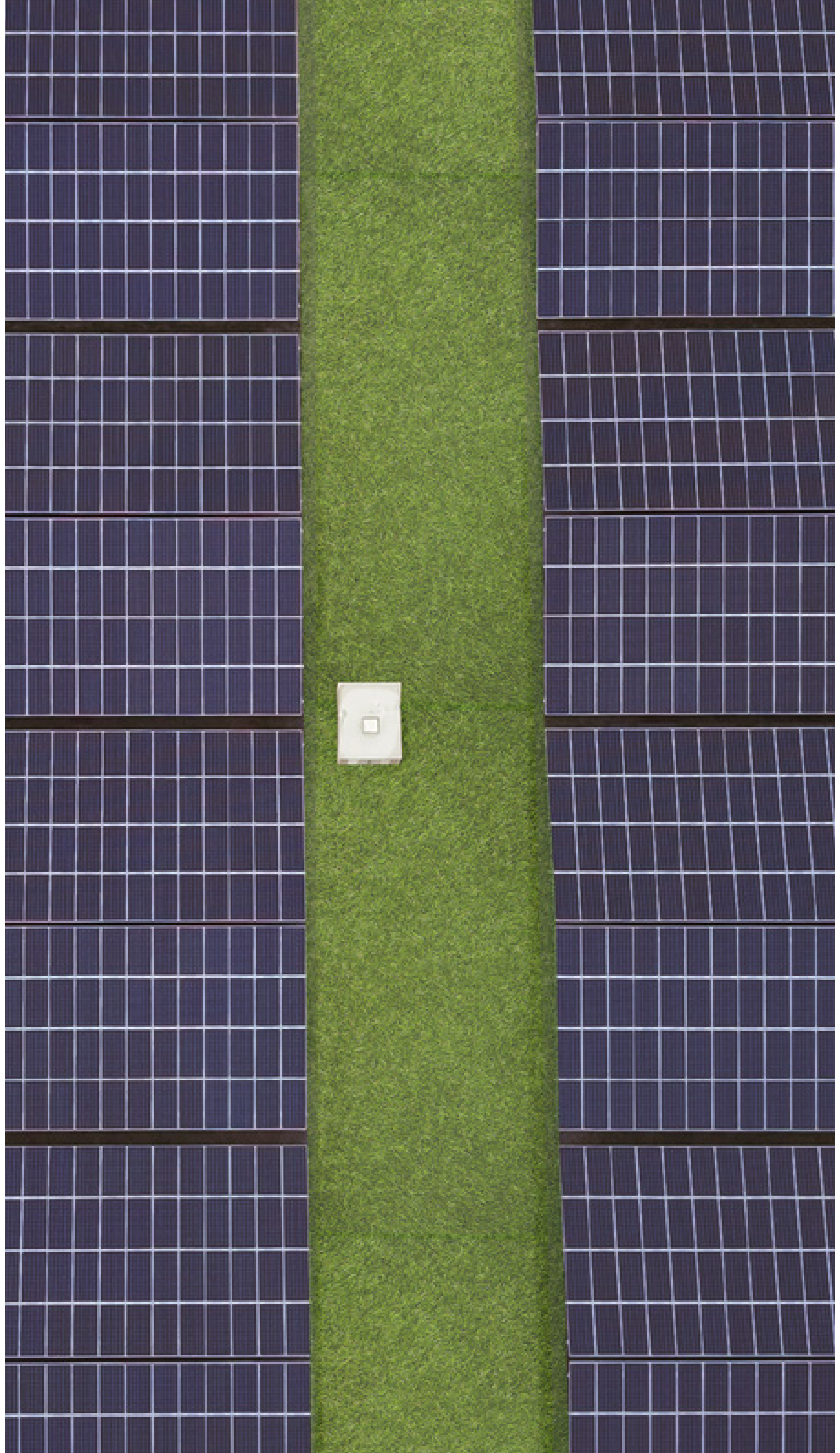
Alfen has been awarded with several ISO certifications and possesses other relevant safety and quality certificates. The quality of Alfen's products and compliance to the relevant safety and quality certificates is strictly monitored by the QHSE-department. Additionally Alfen has hired an experienced QHSE manager.

Risks and Uncertainties

10MW energy storage system for Greenchoice windfarm

Alfen supplied and connected a 10MW (10MWh) energy storage system to Greenchoice's Hartel windfarm in the port of Rotterdam. The windfarm consists of eight wind turbines, delivering on average 68GWh of green energy for 18,000 households. The storage system smoothens the fluctuating energy output of the wind farm and stabilises the public power grid.

Corporate governance



General

Alfen is a publicly limited liability company incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands. For details regarding Alfen's share capital, reference is made to the sections "Capital Structure" and "Major Shareholders".

Alfen, as the ultimate parent company, directly holds all the shares of Alfen B.V., Alfen ICU B.V., Alfen Projects B.V. and Alfen International B.V., and indirectly holds all the shares of Alfen België BVBA and Alfen Elkamo Oy Ab. Alfen is subject to the Dutch large company regime and has a works council.

Corporate governance within Alfen is based on statutory requirements applicable to public limited liability companies in the Netherlands as well as Alfen's articles of association. Alfen's articles of association are published on the Investor Relations section of its website www.alfen.com (Articles of Association) (the "Articles of Association").

This section gives an overview of the information concerning the Management Board, the Supervisory Board and the Shareholders meeting. Alfen has a two-tier board structure consisting of the Management Board and the Supervisory Board. The Management Board together with one senior manager of the Company forms the senior management of the Company ("Senior Management") which is responsible for the day-to-day management of the Company. The Management Board and the Supervisory Board are jointly responsible for the governance structure of Alfen.

Management Board

Powers, responsibilities and functioning

The Management Board is the executive body and is entrusted with the management of Alfen and responsible for the continuity of Alfen, under the supervision of the Supervisory Board.

The Management Board timely provides the Supervisory Board with the information necessary for the performance of the Supervisory Board's duties. The Management Board keeps the Supervisory Board informed and consults with the Supervisory Board on important matters. The Management Board has informed the Supervisory Board, of the main outlines of the Company's strategic policy, the general and financial risks, and the risk management and control systems.

Two Managing Directors are jointly authorised to represent Alfen. Pursuant to the Articles of Association, the Management Board may grant one or more persons, whether or not employed by the Company, a power of attorney or other form of continuing authority to represent the Company or to grant one or more persons such titles as it sees fit. No long term powers of attorney have been granted.

The General Meeting appoints the Managing Directors who constitute the Management Board. A resolution of the General Meeting to appoint a Managing Director can be adopted by a majority of the votes cast, without a quorum being required. The Articles of Association provide that a Managing Director may be suspended or dismissed by the General Meeting at any time. A resolution of the General Meeting to suspend or dismiss a Managing Director can be adopted by a majority of the votes cast, without a quorum being required.

The Supervisory Board has appointed one of the Managing Directors as CEO (Chief Executive Officer). In addition, the Supervisory Board has appointed one of the Managing Directors as CFO (Chief Financial Officer) to specifically oversee the Company's financial affairs.

Members of the Management Board

The Management Board is composed of the following members:

Name	Age	Position	Member since	End of current term
Mr. Marco Roeleveld	58	CEO and COO	November 2015	AGM of 2022
Mr. Jeroen van Rossen	46	CFO	August 2017	AGM of 2022

Marco Roeleveld (born 1962, Dutch) is Alfen's CEO (Chief Executive Officer) and COO (Chief Operations Officer). Marco Roeleveld is a member of the Management Board since the Company's incorporation in November 2015. He joined Alfen B.V. as a Managing Director in 1997. Prior to joining Alfen, Marco Roeleveld was commercial director of Hitec Power Protection in the Netherlands. He holds a master of science degree in Business Administration from the Technical University in Eindhoven, the Netherlands.

Jeroen van Rossen (born 1973, Dutch) is Alfen's CFO (Chief Financial Officer) since September 2015 and a member of the Management Board since August 2017. Prior to joining Alfen, he was a partner at KPMG (2010-2015) and worked as an auditor and advisor for a number of large and mid-size companies in the Netherlands. Jeroen van Rossen holds an accounting degree from Nyenrode University in Breukelen, the Netherlands.

Senior Management

The members of the Management Board comprise the Senior Management of the Company together with the following non-statutory member:

Name	Age	Position	Member since
Mr. Richard Jongsma	51	CCO	August 2013

Richard Jongsma (born 1968, Dutch) is Alfen's CCO (Chief Commercial Officer) since 2013. Prior to joining Alfen, he gained experience as managing director at Joolz, global sales director at Bugaboo International and global sales and marketing director at De Beer Car Refinishes, a Valspar Corporation brand. Richard Jongsma holds a bachelor's degree in Marketing, Economics and Management from Ryerson University in Toronto, Canada. In 2017, he was also appointed as a board member of Dutch Power, a foundation promoting cooperation and discussion between market parties in the energy sector.

The business address of the Senior Management of the Company is Hefbrugweg 28, 1332 AP in Almere, the Netherlands.

Supervisory Board

Powers, responsibilities and functioning

The Supervisory Board supervises the policy of the Management Board and the general course of affairs in the Company and the business affiliated with the Company. The Supervisory Board is accountable for these matters to the General Meeting. The Supervisory Board also provides advice to the Management Board. In performing its duties, the Supervisory Directors focussed on the effectiveness of the Alfen's internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Directors assisted the Management Board with advice on general policies related to the activities of Alfen. In the fulfilment of their duty, the Supervisory Directors focussed on the interests of the Company and its related business.

Members of the Supervisory Board

The Supervisory Board is composed of the following members:

Name	Age	Position	Member since	End of current term
Mr. Henk ten Hove	67	Chairman	22 March 2018	AGM of 2022
Mr. Edmond van der Arend	55	Member	1 March 2018	AGM of 2022
Mr. Erwin Riefel	54	Member	1 March 2018	AGM of 2022

The business address of the Supervisory Board of the Company is Hefbrugweg 28, 1332 AP in Almere, the Netherlands.

Henk ten Hove (born 1952, Dutch) is the Chairman of the Supervisory Board since 22 March 2018. He also holds supervisory board positions at the publicly listed company Kendrion since 2013 (as chairman) and at Unica since 2014. He is also chairman of the foundation owning the shares in BDR Thermea group. Henk ten Hove has spent most of his career at Wavin, where he started in 1982 and held various positions over time, including that of financial manager, general manager Germany, member of the executive board and, between 2010 and 2013, CEO of the group. Mr Ten Hove holds a master's degree in Economics from the University of Amsterdam, the Netherlands.

Edmond van der Arend (born 1964, Dutch) is the Vice-Chairman of the Supervisory Board since 1 March 2018 with a focus on financial issues and audits. As of 2009, he is the owner and managing director of Arend & Markslag, a consultancy firm specialised in corporate finance and accounting. Prior to founding Arend & Markslag, Edmond van der Arend worked as partner and compliance officer at De Jong & Laan accountants belastingadviseurs, a mid-sized auditing firm and he held various positions at, amongst others, EY and PwC. Edmond van der Arend holds a CPA degree since 1992.

Erwin Riefel (born 1966, Dutch) is a member of the supervisory board since 1 March 2018 with a focus on HRM, selection and appointment of board members and remuneration. As of 2008, Erwin Riefel is an investment director at Infestos Nederland B.V. (which is an affiliate of major shareholders Infestos Energy Transition B.V. and Infestos Holding M B.V.). Prior to joining Infestos, Erwin Riefel worked as senior relationship manager for corporate clients at Rabobank (formerly known as “Rabobank Nederland”) (2000-2008). He holds a master’s degree finance small and medium sized enterprises from TIAS Business School in Tilburg, the Netherlands.

Remuneration

The remuneration policy applicable to the Management Board was determined by the General Meeting, in March 2018 at the time of the IPO after the Works Council had been granted the opportunity to determine its point of view thereon. Any subsequent amendments to this remuneration policy are subject to adoption by the General Meeting. The remuneration of, and other agreements with, the Managing Directors have been determined by the Supervisory Board in 2019, with due observance of the remuneration policy.

The Company’s remuneration policy aims to attract, motivate and retain qualified individuals and reward them with a market competitive remuneration package that focuses on achieving sustainable financial results aligned with the long-term strategy of the Company and fosters alignment of interests of Managing Directors with shareholders.

Based on the remuneration policy, the remuneration of the Managing Directors consists of the following components: annual base pay and pension and other benefits.

Related Party Transactions

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

Intercompany transactions are carried out at arm’s length.

The following transactions were carried out with related parties:
- Key management compensation;
- Share-based payments;
- Remuneration of the Management Board and Supervisory Board.

The following transactions were carried out with related parties Infestos Energy Transition B.V. and Infestos Holding M B.V.: Infestos Energy Transition B.V. and Infestos Holding M B.V. provide advisory and consulting services related to strategic decision making, change management projects and processes and various other services, including those related to legal, financial, organisational matters and other relevant expertise, for which a management fee was charged to the Company of €143 thousand for the full year 2019. This agreement has been extended to 30 June 2020.

Share award plans

Next to the Celebration Share Award Plan, which is still in effect, the Management Board recognised the importance of its key employees to the future success of the Company. Therefore, on 4 October 2018, a long-term incentive plan (‘LTIP’) was introduced for a number of designated employees within the group of the Company. The first grant under this plan was made at 1 January 2019 and comprises of a cumulative total of 37,316 Ordinary Shares for no consideration.

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

None of the outstanding shares related to the Celebration Share Award Plan and LTIP are exercisable at 31 December 2019.

General Meetings of Shareholders

General Meetings must be held in Almere or Amsterdam, each in the Netherlands.

The 2019 Annual General Meeting of Shareholders was held in the AEX Building, Beursplein 5, in Amsterdam the Netherlands on Thursday 18 April 2019 (the “AGM”). No extraordinary General Meetings were convened in 2019. During the Annual Meeting, the following agenda items were scheduled:

1. 2018 Annual Report
    a. Report of the Management Board for 2018
    b. Remuneration report for 2018
2. 2018 Financial Statements: Proposal to adopt the Financial Statements for 2018 as included in the 2018 Annual Report *
3. Explanation of dividend and reserve policy
4. Discharge the members of the Management Board and the Supervisory Board from liability for the exercise of their respective duties
    a. Proposal to discharge the members of the Management Board from liability *
    b. Proposal to discharge the members of the Supervisory Board from liability *
5. Extension of the authorities of the Management Board
    a. Proposal to extend the designation of the Management Board to issue shares and/or grant rights to subscribe for shares and to limit or exclude pre-emptive rights for a period of 18 months *
    b. Proposal to authorise the Management Board to cause the Company to acquire own shares for a period of 18 months *
6. Proposal to appoint the external auditor PwC for 2020 *

* Items which were voted on during the Annual Meeting

During the Annual Meeting, the Shareholders voted to:
- adopt the Financial Statements for 2018 as included in the 2018 Annual Report;
- to release the members of the Management Board from liability for the exercise of their duties, as stipulated in article 30 of the Articles of Association, insofar as the exercise of such duties is reflected in the 2018 Annual Report or information is otherwise disclosed to the General Meeting of Shareholders prior to the adoption of the Financial Statements. The scope of the release from liability shall be subject to limitations by virtue of the law;
- to release the members of the Supervisory Board from liability for the exercise of their respective duties, as stipulated in article 30 of the Articles of Association, insofar as the exercise of such duties is reflected in the 2018 Annual Report or information is otherwise disclosed to the General Meeting of Shareholders prior to the adoption of the Financial Statements. The scope of the release from liability shall be subject to limitations by virtue of the law;
- extend the designation of the Management Board to issue shares and/or grant rights to subscribe for shares for a period of 18 months following the Annual Meeting 2019, subject to the approval of the Supervisory Board, and to limit or exclude pre-emptive rights of existing shareholders up to a maximum of 10% of the issued share capital on April 18, 2019, which authorisation will therefore end on 18 October 2020;
- authorise the Management Board, subject to the approval of the Supervisory Board, to cause the Company to acquire its own shares up to a maximum of 10% of the issued share capital on 18 April 2019, either through a purchase on a stock exchange or otherwise at a price, excluding expenses, not lower than the nominal value of the shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%, for a period of 18 months following the Annual Meeting 2019, which authorisation will therefore end on 18 October 2020;
- re-appoint PwC as the external auditor for the financial reporting year 2020.

Whenever the Company’s interests so require, the Supervisory Board or the Management Board may convene extraordinary General Meetings. In addition, shareholders representing alone or in aggregate at least one-tenth of the issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that a General Meeting be convened. If no General Meeting has been held within eight weeks of the shareholders making such request, the shareholders making such request may, upon their request, be authorised by the district court in summary proceedings to convene a General Meeting.

Coporate governance

The convocation of the General Meeting must be published through an announcement by electronic means. Notice of a General Meeting must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days. The notice convening any General Meeting must include, among other items, the subjects to be dealt with, the venue and time of the General Meeting, the requirements for admittance to the General Meeting, the address of the Company's website, and such other information as may be required by Dutch law. The agenda for the annual General Meeting must contain certain subjects, including, among other things, the adoption of the annual accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the results, insofar as these are at the disposal of the General Meeting. In addition, the agenda must include such items as have been included therein by the Management Board, the Supervisory Board or shareholders (with due observance of Dutch law as described below). If the agenda of the General Meeting contains the item of granting discharge to the Managing Directors and the Supervisory Directors concerning the performance of their duties in the financial year in question, the discharge must be mentioned on the agenda as separate items for the Management Board and the Supervisory Board respectively.

Shareholders holding at least 3% of the Company's issued and outstanding share capital may request by a motivated request that an item is added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Company at least 60 days before the day of the General Meeting. No resolutions may be adopted on items other than those that have been included in the agenda (unless the resolution would be adopted unanimously during a meeting where the entire issued capital of the Company is present or represented).

Shareholders who, individually or with other shareholders, hold Ordinary Shares that represent at least one-tenth of the issued and outstanding share capital or a market value of at least €225,000 may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting, provided that the Company has done a so-called "identification round" in accordance with the provisions of the Securities (Bank Giro Transactions) Act. The Company can only refuse disseminating such information, if received less than seven business days prior to the day of the General Meeting, if the information gives or could give an incorrect or misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

More information about the authority of the General Meeting of Shareholders and the Articles of Association can be found on Alfen's website.

Special provisions relating to shares

Unless indicated otherwise, there are no restrictions on the transfer of shares, the exercise of voting rights or the term for exercising those rights, and there are no special controlling rights attached to shares.

On 18 April 2019, the Annual General Meeting of Shareholders granted the Management Board the authority to, subject to the prior approval of the Supervisory Board, (i) issue shares or grant rights to subscribe for shares and/ or (ii) cause the Company to acquire its own shares (including shares issued as stock dividend) both for a period of 18 months following the AGM.

Diversity policy

The diversity policy of Alfen has been in effect since its adoption by the Supervisory Board on 26 March 2018 and is in accordance with best practice provision 2.1.5 of the Dutch Corporate Governance Code (the Policy).

The Management Board and the Supervisory Board collectively are considered diverse and balanced from an educational background and work experience. The Management Board and the Supervisory Board consist of people with a good mix of sector knowledge, financial expertise and management capabilities. Annually, the Supervisory Board assesses the composition of the Supervisory Board and of the Management Board, and agrees to measurable objectives for achieving diversity on the Boards. The Supervisory Board comprises of three men and the Management Board comprises of two men and therefore both Boards do not meet the quota as prescribed by Section 2:166 of the Dutch Civil Code. The Company's policy is to improve the gender diversity such that at least 30% of both the Supervisory Board and the Management Board will be comprised of women. Where searches for appointment to any of the Boards or to senior management are conducted by the Company or by search firms, they will identify and present a long list of candidates who are considered to meet the essential criteria for the relevant vacancy, including qualified females and people with different cultural backgrounds. The Boards will consider suitably qualified candidates for positions from as wide a pool as appropriate, including candidates with little or no previous listed company board experience but whose skills and experience will add value to the relevant Board.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code, as amended, entered into force on, and applies to any financial year starting on or after, 1 January 2017, and finds its statutory basis in Book 2 of the Dutch Civil Code (the "Dutch Corporate Governance Code"). The Dutch Corporate Governance Code applies to Alfen as Alfen has its registered office in the Netherlands and its Ordinary Shares are listed on Euronext Amsterdam.

The Dutch Corporate Governance Code is based on a 'comply or explain' principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice principles of the Dutch Corporate Governance Code that are addressed to the Management Board or, if applicable, the Supervisory Board of the company. If a company deviates from a best practice principle in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in its management report. No violations of the Corporate Governance Code were reported in the financial year 2019.

Deviations from the best practice principles of the Dutch Corporate Governance Code

The Company acknowledges the importance of good corporate governance. The Company agrees with the general approach and with the majority of the provisions of the Dutch Corporate Governance Code. However, considering Alfen's interests and the interest of its stakeholders, the Company deviates from three best practice principles, which are the following:

- The Company will not be in compliance with best practice principle 2.1.7 that requires that more than half of the Supervisory Directors shall be independent. Under the Relationship Agreement, as long as Infestos holds, directly or indirectly, at least 40% of the Ordinary Shares, they shall have the right to designate two Supervisory Directors, and the nominees do not need to be "independent" within the meaning of the Dutch Corporate Governance Code. Furthermore, under the Relationship Agreement, Infestos will have the right to designate one Supervisory Director if they hold, directly or indirectly, less than 40% but at least 15% of the Ordinary Shares. Infestos will not have any designation rights if they hold, directly or indirectly, less than 15% of the Ordinary Shares. The Supervisory Directors Edmond van der Arend and Erwin Riefel are not independent under this best practice principle;
- The Company will not be in compliance with the best practice principle 2.3.3 to appoint an audit, remuneration and selection and appointment committee. Under the bylaws of the Supervisory Board, the Supervisory Board may, and will do so when it consists of more than four members. No such committees have been established due to the fact that the Supervisory Board only consist of three members. However the following members of the Supervisory Board have the following focus areas: Edmond van der Arend - Finance and audits, Erwin Riefel - Remuneration, selection and appointments;
- The Company will not be in compliance with best practice principle 5.3.1-5.3.3 that requires the external auditor and the audit committee to be

- involved in drawing up the work schedule of the internal auditor. The current size of the Company does not justify the appointment of an internal auditor. In 2019 the Supervisory Board has assessed the need for an internal auditor. Based on this review, the Supervisory Board has recommended the Management Board that the current size of the Company still does not justify the appointment of an internal auditor.

Takeover Directive (Article 10)

In the context of the EU Takeover Directive (Article 10) Decree, the following notifications must be given insofar as they are not included in this Annual Report.

Capital structure

The Company's share capital at 31 December 2019 of €2 million is divided into 20,000,000 ordinary shares, fully paid-up, with a par value of €0.1 each (the "Ordinary Shares"). All of the 20,000,000 Ordinary Shares are outstanding since 22 March 2018 (date of public listing). Each share confers the right to cast one vote.

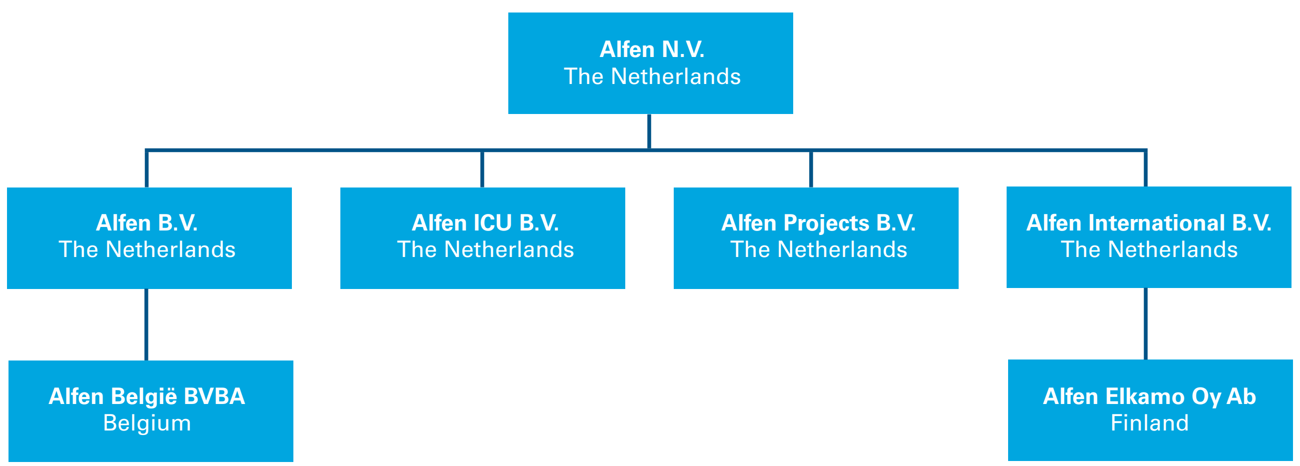
Limitations on the transfer of shares

Alfen has not imposed any limitations on the transfer of its shares and therefore there are no outstanding or potential protection measures against a takeover of control of the company. No depositary receipts for shares have been issued with the cooperation of the company.

Substantial holdings

See 'Shareholders'.

Material subsidiaries of Alfen N.V.



Special controlling rights

No special controlling rights are attached to the shares in the company.

Celebration Share Award Plan

On 22 March 2018, the Management Board of Alfen granted to all eligible employees conditional rights to acquire a cumulative total of 118,429 existing Ordinary Shares or 0.6% of the issued share capital of the Company for no consideration under a one-off share incentive.

The conditional rights to acquire existing Ordinary Shares granted will be exercisable in exchange for Ordinary Shares on the day that is two years after the grant date, on the condition that the relevant employee of Alfen continues to be employed by the Company on this date (subject to certain arrangements for exceptional circumstances, such as death of the employee).

The Company and Infestos have an agreement, dated 12 March 2018, in place pursuant to which Alfen has the right to acquire for no consideration a number of Ordinary Shares equal to the number of conditional rights exercised by eligible employees, being no more than 120,000 Ordinary Shares.

Long term incentive plan

The Management Board recognised the importance of its key employees to the future success of the Company. Therefore, on 4 October 2018, a long-term incentive plan ('LTIP') was introduced for a number of designated employees within the group of the Company. The first grant under this plan was made at 1 January 2019 and comprise of a cumulative total of 37,316 Ordinary Shares for no consideration.

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

None of the outstanding shares related to the LTIP are exercisable at 31 December 2019.

Limitations on voting rights

Each share confers the right to cast one vote. The voting rights attached to the shares in the company are not restricted, and neither are the terms in which voting rights may be exercised restricted.

Agreements on limitations on the transfer of shares

Eligible and selected managers of the Company have been given the opportunity to participate indirectly in the share capital of the Company. These indirect share investments are held via a foundation ("Stichting Administratiekantoor"), which has issued Depositary Receipts ("DRs") to participating managers. This management participation plan is classified as an equity-settled share-based payment arrangement.
As of the IPO date these DRs have been cancelled as a result of which these participating managers ultimately received Ordinary Shares and cash. These Ordinary Shares of the key managers and certain members of senior management of the Company are subject to lock-up restrictions. The Ordinary Shares transferred to the key managers and certain members of senior management of the Company are released from the lock-up restrictions as follows: 60% of the Ordinary Shares have been unconditionally released from the lock-up restrictions on the day that was one year after the first day of trading after the IPO, 20% of the Ordinary Shares will be unconditionally released from the lock-up restrictions on the day that is two years after the first day of trading after the IPO, and the remaining 20% of the Ordinary Shares will be unconditionally released from the lock-up restrictions on the day that is three years after the first day of trading after the IPO, in each case on the condition the key managers and certain members of senior management of the Company continues to be employed by the Company on these dates.

Appointment and dismissal of Management Board members and Supervisory Directors and amendment of the Articles of Association

The General Meeting appoints the Managing Directors. A resolution of the General Meeting to appoint a Managing Director can be adopted by a majority of the votes cast, without a quorum being required. The Articles of Association provide that a Managing Director may be suspended or dismissed by the General Meeting at any time. A resolution of the General Meeting to suspend or dismiss a Managing Director can be adopted by a majority of the votes cast, without a quorum being required.

The Articles of Association provide that the number of Managing Directors is determined by the Supervisory Board after consultation with the Management Board, but there will be at least two Managing Directors. The Supervisory Board appoints one of the Managing Directors as CEO (chief executive officer). In addition, the Supervisory Board may appoint one of the Managing Directors as CFO (chief financial officer) to specifically oversee the Company's financial affairs.

The Supervisory Board Rules provide that the Supervisory Board must consist of a minimum of three members. The exact number of Supervisory Directors shall be determined by the Supervisory Board. The Supervisory Board consists of three members. Only natural persons may be appointed as Supervisory Directors.

According to the Articles of Association, the Supervisory Board must prepare a profile for its size and composition, taking account of the nature and activities of the business, the desired expertise and background of the Supervisory Directors, the desired mixed composition and the size of the Supervisory Board and the independence of the Supervisory Directors. The Company's diversity policy is also taken into account.

The General Meeting appoints the Supervisory Directors. A resolution of the General Meeting to appoint a Supervisory Director can be adopted by a majority of the votes cast. A Supervisory Director may be suspended or dismissed by the General Meeting at any time.

The General Meeting may pass a resolution to amend the Articles of Association with an absolute majority of the votes cast, but only (i) on a proposal of the Management Board that has been approved by the Supervisory Board or (ii) in the absence of such a proposal, with the explicit approval of the Management Board and the Supervisory Board or (iii) on the proposal of a Shareholder, or Shareholders acting jointly provided that they belong to the same group, for as long as they solely or jointly represent at least 30% of the issued capital of the Company. Any such proposal must be stated in the notice of the General Meeting. In the event of a proposal to the General Meeting to amend the Articles of Association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company's office, for inspection by shareholders and other persons holding meeting rights, until the end of the meeting. Furthermore, a copy of the proposal will be made available free of charge to shareholders and other persons holding meeting rights from the day it was deposited until the day of the meeting. A resolution by the General Meeting to amend the Articles of Association requires an absolute majority of the votes cast. A resolution of the General Meeting to amend the Articles of Association that has the effect of reducing the rights attributable to holders of shares of a particular class, is subject to approval of the meeting of holders of shares of that class.

The Management Board's powers especially to issue shares

On the 18th of April, 2019 the General Meeting of Shareholders granted the Management Board the authority to, subject to the prior approval of the Supervisory Board, (i) issue shares or grant rights to subscribe for shares and/ or (ii) cause the Company to acquire its own shares (including shares issued as stock dividend) both for a period of 18 months following the IPO.

Significant agreements and changes in the control of the company

Alfen's credit facility agreement, contains events of default customary for this type of facility, including change of control events.

Redundancy agreements in the event of a public takeover bid

Alfen has not concluded any agreements with a Management Board member or employee that provides for any severance pay in the case of a termination of employment in connection with a public bid within the meaning of Article 5:70 of the Financial Supervision Act.

Shareholders

In 2019 there were 20,000,000 shares outstanding in the market. Pursuant to the Dutch Disclosure of Major Holdings in Listed Companies Act (Wet Melding Zeggenschap, or WMZ), interests in the issued capital of Alfen of 3% or more are required to be disclosed to the Netherlands Authority for the Financial Markets (AFM). At year-end 2019, the following shareholders were known to hold interests of at least 3% directly in the Company (as per AFM disclosure on 31 December 2019):

Shareholder	Interest	Notification date
Infestos Energy Transition B.V. and Infestos Holding M B.V.	35.2%	15 Nov. 2019
Capital Research & Management Company	6.38%	22 Mar. 2018
Spring Enterprises B.V.	4.69%	22 Mar. 2018
Mirova	3.94%	18 July 2019
Invesco Limited	3.92%	22 Mar. 2018
KBC Asset Management N.V.	3.10%	16 Nov. 2018

Dividend policy

The dividend policy is to reserve all profits until the policy is revised. Alfen does not pay dividends to its Shareholders at this moment in time.

Financial calendar

Date	Event
19 February 2020	Publication full year results 2019
8 April 2020	Annual General Meeting of Shareholders
6 May 2020	Q1 2020 trading update
26 August 2020	Publication half-year results 2020

The following closed periods are applicable for transactions directly or indirectly, relating to, shares and other financial instruments in Alfen:

- From 19th of January until 19th of February 2020
- From 26th of July until 26th of August 2020

In accordance with best practice provision 1.4.3. of the Corporate Governance Code, the Management Board states to the best of its knowledge that:

- *the report provides sufficient insight into any shortcomings in the effectiveness of the internal risk management and control systems;*
- *those systems provide reasonable assurance that the financial report does not contain any material misstatements;*
- *in the current situation, it is appropriate for the financial report to be prepared on a going concern basis; and*
- *the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.*

As required by the relevant statutory provisions, the Management Board hereby declares that to the best of its knowledge:

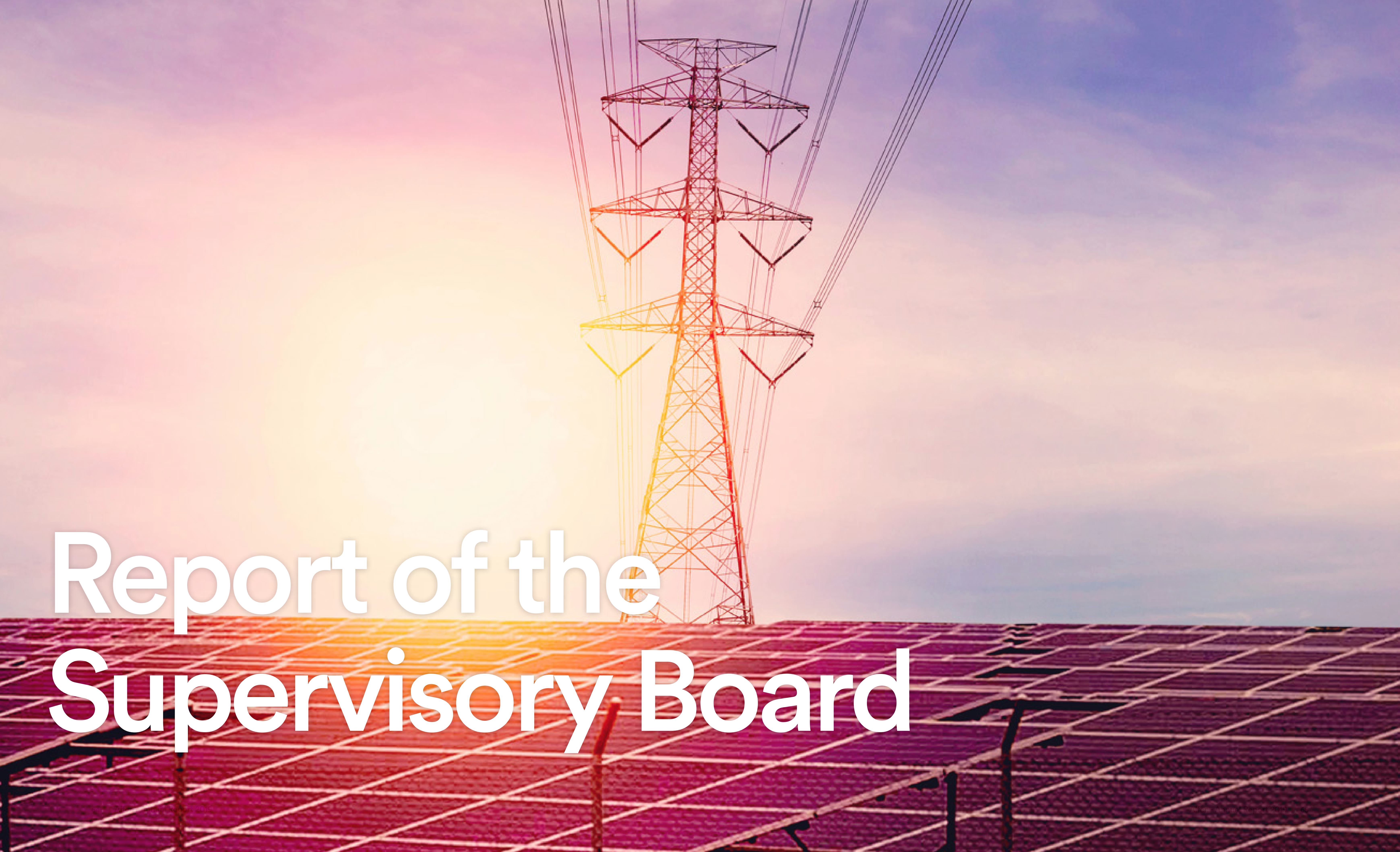
- *The Report of the Management Board provides a true and fair view of the position of Alfen and its subsidiaries included in the consolidation on the reporting date and of the course of their affairs during the financial year. The Report of the Management Board provides information on any material risks to which Alfen is exposed;*
- *The Consolidated Financial Statements as at and for the year ended 31 December 2019, give a true and fair view of the assets, liabilities, financial position and result of the financial year of Alfen and its subsidiaries included in the consolidation as a whole.*

Almere, 18 February 2020

Management Board

Marco Roeleveld
CEO

Jeroen van Rossen
CFO



Report of the Supervisory Board


From left to right: Edmond van der Arend, Erwin Riefel, Henk ten Hove (Chairman)

Report of the Supervisory Board

“In 2019 Alfen made an important step up on its path of sustainable profitable growth. It is encouraging to see that the organisation is growing quickly in competences and quality to facilitate and continue this growth path”

- Henk ten Hove, Chairman

2019 in summary

2019 was a good year for Alfen as the company succeeded in combining strong growth with increasing profitability. Both the Smart grids and EV charging business units demonstrated strong growth, taking advantage of market opportunities in the Netherlands and abroad. The Energy storage business unit experienced a slow start of 2019 with a challenging market environment, albeit the second half-year saw significant improvement with multiple important new project wins for Alfen, benefitting from its strong market position.

Management continued to execute Alfen's strategy with relentless focus on the medium-term objectives, as laid out at the IPO in March 2018. Management has been successful in realising expansion proactively by strengthening Alfen's work force, while at the same time ensuring consistent quality, on time delivery and progressing against its objective of operational leverage.

To facilitate Alfen's strong growth path, Management continued to invest in the organisation. Production capacity has been increased and management positions have been strengthened through new recruits. Although it can be a challenge for some vacancies to be fulfilled on time, Alfen appears to be an attractive company for new recruits as well as existing staff, the latter reflected by the low number of regretted losses.

In the summer of 2019 both the Supervisory Board and Senior Management discussed the review of Alfen's mid-term plan and reconfirmed the strategy to develop the company along the three business lines Smart grids, EV charging and Energy storage, and to further expand Alfen's position in a number of key European countries. We also discussed the R&D requirements to remain a technology leader, the update of the CSR policy and the reinforcement of its implementation. The highlights of the strategy were presented at the Capital Markets Day that Alfen held in October 2019.

We believe that the strategy will allow the company to further strengthen Alfen's position in its key markets and countries, in order to deliver on its growth and profitability objectives.

In 2020, the Supervisory Board will pay special attention to the following priorities:
- controlled growth of the internal organisation;
- development and scale-up of the Energy storage business unit;
- further development of Finnish/ Scandinavian activities;
- implementation first phase CSR mid-term plan.

Responsibility and composition

The Supervisory Board provides oversight, evaluates progress and performance, maintains a sound and transparent system of checks and balances and advises the Management Board, when appropriate. The focus is on long-term value creation to the best interest of all stakeholders of the company.

The Supervisory Board consists of three members:
- Henk ten Hove (born 1952, Dutch) as from 22 March 2018;
- Edmond van der Arend (born 1964, Dutch) as from 1 March 2018;
- Erwin Riefel (born 1966, Dutch) as from 1 March 2018.

The Supervisory Board operates independently of the Management Board, the Management Team, any other participating interests and each other. Each of the Supervisory Board members has the necessary expertise, experience and background to perform his or her tasks and responsibilities.

Two of the three members of the Supervisory Board are dependent within the meaning of the Dutch Corporate Governance Code. One of the Supervisory Board members is independent within the meaning of the Dutch Corporate Governance Code. Pursuant to the relationship agreement between Infestos and the Company, Infestos had the right to designate for nomination and propose replacements for two members of the Supervisory Board. After the sell down by Infestos to 35.2% of the Shares in Q4 2019, Infestos still has the right to designate for nomination and propose a replacement for one of the members of the Supervisory Board. In preparation of the AGM 2020, the Supervisory Board will consider its composition.

Meetings and attendance

The Supervisory Board held 7 meetings in 2019 with an attendance of 100%. The agenda covered standard items like financial and operational performance, personnel and organisation, governance and compliance and risks associated with operations. During every meeting we invited one or two key managers to update the Supervisory Board about plans and progress of their responsibility. This covers the three BU's, IT, R&D, HR, QHSE, Investor Relations and Legal. There was a special meeting about the mid-term plan, where we discussed opportunities and challenges as well as the implementation plans. We are also pleased to see that Management succeeded to agree on an extended financing package.

In addition to the regular meetings, the Chairman holds monthly meetings with the CEO and once a year a meeting with key managers below the Management Board. Edmond van der Arend, as finance and control specialist, meets the CFO on a regular basis.

Evaluation Supervisory Board and the Management Board

The Supervisory Board conducted a self-evaluation of their functioning collecting input from its members, Senior Management and Secretary of the Board. The written assessment includes a review of the composition and expertise of the Supervisory Board, time management, effectiveness and dynamics, allocation of responsibilities, effectiveness and performance of the chairman and interaction with management.

The outcome reconfirmed that there is ample room for discussion and interaction, based on a transparent exchange of information. The Supervisory Board members take responsibility and are involved and committed, while tasks have been divided satisfactory. There are a few points of attention, including:
- Keeping the right balance between distance and involvement;
- Reinforcement of permanent education.

For 2020 there are a few special topics to be addressed:
- the largest Shareholder has recently reduced his participation below 40%, which means that the composition of the dependent Supervisory Board members needs to be reviewed;
- the Supervisory Board will review and possibly address competences to be strengthened going forward;
- diversity below both the Supervisory Board and Senior Management is relatively low, but progressing. However no progress has been made yet on Supervisory Board and Management Board level.

We also evaluated the performance of the Management Board on an individual basis and exchanged relevant observations and lessons learned. We discussed the specific targets and attention points for 2020, as well as the areas of personal development.

Selection and Remuneration Committees

Under the bylaws of the Supervisory Board, the Supervisory Board may appoint committees, and will do so when it consists of more than four members. At this moment, the Supervisory Board has not established a selection and remuneration committee due to the fact that the Supervisory Board only consist of three members.

In the absence of the committees, Erwin Riefel has a specific focus on selection, remuneration and other HR matters. In 2019, there have been no new Managing Director appointments. As from 2020 onwards, a new remuneration policy for the Management Board will be put forward for voting in the AGM of April 2020. Erwin Riefel is coordinating this process in close cooperation with external advisors and stakeholders.

Remuneration report

The remuneration policy applicable to the Management Board was determined by the AGM in March 2018 at the time of the IPO. Any subsequent amendments to this remuneration policy are subject to approval by the AGM.

Alfen's remuneration policy aims to attract, motivate and retain qualified employees and reward them with a market competitive remuneration package that is encouraging achieving sustainable profitable growth in line with the long term strategy of the company.

In 2019 the remuneration of the Management Board consists of a base salary, including pension and other benefits.

Annual base pay

This represents a fixed cash payment including holiday allowance and relates to the responsibility of the Management Board members.

Pension and other benefits

The Managing Directors are allowed to participate in the Company's pension scheme similar to other employees in the Netherlands. Other benefits are a company car and participation in a collective health insurance plan. The Company has also arranged a Director liability insurance for the members of the Management Board.

Severance

In line with current employment arrangements, the maximum severance payment applicable to the Management Board members is one year base pay in the proceeding financial year. No severance payment will be payed if the agreement is terminated earlier at the request or in the event of a seriously negligent behaviour of the Director.

Management Board remuneration over 2019

For the financial year 2019 the gross annual base salary of Marco Roeleveld is €250.000 and for Jeroen van Rossen €210.000. This is equal to the remuneration of 2018. The company has not provided any personnel loans, advances or guarantees to the members of the Management board.

Internal pay ratio

In EUR '000	2019	2018
Management Board compensation		
Salaries and wages	460	447
Social security contributions	28	29
Pension contributions (DC)	50	49
Total	538	525
Average number of FTE's	2	2
Average compensation	269	262
Employee compensation		
Salaries and wages	23,169	15,086
Social security contributions	3,098	2,211
Pension contributions (DC)	2,103	1,380
Total	28,370	18,677
Average number of FTE's	462	350
Average compensation	61	53
Internal pay ratio	4.4	4.9

When drafting the remuneration policy for the Management Board, Alfen takes into account the pay ratio within the organisation. The Alfen internal pay ratio is calculated by dividing the average total Management Board compensation by the average employee compensation. The average employee compensation is based on the total personnel cost (defined as salaries and wages, social security contributions and pension contributions) and the average number of FTE's excluding the Management Board (see also Note 11 and Note 17 of the Consolidated Financial Statements)[6].

The internal pay ratio declined from 4.9 in 2018 to 4.4 in 2019.

5-year comparison

In EUR '000	2019	2018	Δ (%)
Revenue and other income	143,169	101,893	41%
Adjusted EBITDA excluding IFRS 16	12,646	3,623	249%
Average Management Board compensation	269	262	3%
Average employee compensation	61	53	15%

[6] *In light of transparency and clarity, Alfen applies a methodology to calculate the internal pay ratio that is IFRS-driven and thus is linked to Alfen's Notes to the Consolidated Financial Statements*

As Alfen was listed on 22 March 2018 the 5-year comparison of average compensation and business performance started in 2018. The business performance of Alfen is related to the strategy of profitable growth. The suitable criteria to measure the business performance are defined as growth in revenue and other income as well as growth in adjusted EBITDA. These parameters show an increase from 2018 to 2019 of 41% and 249% (excluding IFRS 16), respectively. Average compensation for the employees increased with 15% in the same period whereas average compensation for the Management Board increased with 3%.

Benchmark analysis remuneration policy

In 2019 the Supervisory Board has asked an external agency to assess a benchmark analysis of the existing remuneration policy of the Management Board.

Based on this input and that of various stakeholders, the Supervisory Board will present a new remuneration policy to the Annual General Meeting in April 2020 for adoption and approval.

Remuneration information for the Supervisory Board

The remuneration of the Supervisory Board may not be dependent on the company's results. The members will not receive ordinary shares or rights to ordinary shares as remuneration.

The compensation for the chairman has been set at €50.000 per year and the compensation for Edmond van der Arend at €30.000 per year. Erwin Riefel is employed by Infestos, which is a major shareholder of Alfen. He does not receive compensation for his Supervisory Board activities.

Internal audit function

Alfen does not have an internal audit function. The need for an internal audit function is assessed on a yearly basis by the Supervisory Board. The Supervisory Board concluded that the size of the company and the combination of a finance and control department with accounting and audit knowledge, are presently covering the requirements sufficiently.

Audit Committee

Under the bylaws of the Supervisory Board, the Supervisory Board may appoint an audit committee when it consists of more than four members. No such committees have been established due to the fact that the Supervisory Board only consist of three members. However, in the absence of an audit committee, the Vice Chairman of the Supervisory Board, Edmond van der Arend, has audits as its focus area and was involved in the discussion with the external auditor on the audit plan for financial year 2019, the Management letter over 2019 and the rotation to a new audit partner as from 2020. On behalf of the Supervisory Board he is also paying special attention to risk management and other financial and IT items.

Financial statements and auditor's opinion

The financial statements 2019, included in this Annual report, have been audited by PwC who has given their unqualified opinion. They have discussed their audit and conclusions in detail with the Supervisory Board.

As a result the Supervisory Board is of the opinion that the financial statements meet all the necessary requirements for transparency and correctness. Therefore the Supervisory Board recommends to the Annual General Meeting of Shareholders, to be held on 8 April 2020, to approve the financial statements.

Related Party Transactions assessment

The transactions which were carried out with related parties are set out in Note 31 in the Consolidated Financial Statements. During Supervisory Board meetings, the Supervisory Board periodically assesses if these Related Party Transactions are concluded in the ordinary course of business and on normal market conditions. The conclusion of the Supervisory Board is that the Related Party Transactions are all concluded at arm's length in the ordinary course of business.

Result appropriation

Over 2019 Alfen realised a profit of €5.6 million. The proposal to the Annual General Meeting is to recognise this profit as retained earnings. The members of the Supervisory Board have signed the financial statements to comply with their statutory obligation pursuant to article 2:101, paragraph 2 of the Dutch Civil Code.

In summary

In 2019 Alfen made an important step up on its path of sustainable profitable growth. It is encouraging to see that the organisation is growing quickly in competences and quality to facilitate and continue this growth path.
We are happy with Alfen's long standing customer relations, as well as Alfen's new customers and want to thank them for their loyalty. We are also grateful to the growing number of Shareholders for their trust and support.

Last but not least we want to thank the Alfen employees for their enthusiasm, professionalism and commitment.

Almere, 18 February 2020

The Supervisory Board
Henk ten Hove (Chairman),
Edmond van der Arend,
Erwin Riefel

Financial statements

Consolidated financial statements

Alfen N.V.
Amsterdam, the Netherlands

Consolidated financial statements
for the year ended 31 December 2019

Consolidated financial statements

Consolidated statement of comprehensive income

In EUR '000	Note	2019	2018*
Continuing operations			
Revenue	9	143,075	100,180
Other income	10	94	1,713
		143,169	101,893
Operating expenses			
Costs of raw materials and consumables		(86,751)	(66,459)
Costs of outsourced work and other external costs		(6,149)	(5,218)
Personnel expenses	11	(27,190)	(19,054)
Amortisation on intangible assets	19	(2,161)	(1,656)
Depreciation on property, plant and equipment	18	(3,065)	(830)
Impairment loss on trade receivables and contract assets	4	(45)	(248)
Other operating costs	12	(9,163)	(8,509)
		(134,524)	(101,974)
Operating profit		8,645	(81)
Finance income	14	9	67
Finance costs	14	(835)	(264)
Finance income (costs) - net		(826)	(197)
Profit (loss) before income tax		7,819	(278)
Income tax expense	15	(2,194)	15
Profit (loss) for the period		5,625	(263)
Other comprehensive income for the period		-	-
Total comprehensive income for the period		5,625	(263)
Total comprehensive income for the period (attributable to the owners of the Company)		5,625	(263)
Earnings per share for profit attributable to the ordinary equity holders	16		
Basic earnings per share		0.28	(0.01)
Diluted earnings per share		0.28	(0.01)
Weighted average number of outstanding ordinary shares	16		
Basic		20,000,000	20,000,000
Diluted		20,010,024	20,000,000

**The Company has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16, if any, is recognised in retained earnings at the date of initial application. See note 2.*

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

In EUR '000	Note	31 December 2019	1 January 2019	31 December 2018*
Assets				
Non-current assets				
Property, plant and equipment	18	16,360	15,005	7,187
Intangible assets and goodwill	19	11,224	9,165	9,165
Deferred tax assets	20	36	59	59
Receivables		112	119	119
Total non-current assets		27,732	24,348	16,530
Current assets				
Inventories	21	14,411	9,517	9,517
Trade and other receivables	23	33,863	28,749	28,749
Current tax receivables		488	580	580
Cash and cash equivalents	24	134	849	849
Total current assets		48,896	39,695	39,695
Total assets		76,628	64,043	56,225
Group equity	25			
Share capital		2,000	2,000	2,000
Share premium		1,913	1,913	1,913
Retained earnings		3,510	3,285	3,285
Result for the year		5,625	(263)	(263)
Total group equity		13,048	6,935	6,935
Liabilities				
Non-current liabilities				
Borrowings	26	12,414	13,585	7,035
Deferred tax liabilities	20	2,189	1,717	1,717
Provisions	27	39	33	33
Total non-current liabilities		14,642	15,335	8,785
Current liabilities				
Trade and other payables	28	40,272	29,905	29,905
Current tax liabilities		1,428	73	73
Bank overdrafts	24	3,267	7,924	7,924
Borrowings	26	3,707	3,802	2,534
Deferred revenue		264	69	69
Total current liabilities		48,938	41,773	40,505
Total liabilities		63,580	57,108	49,290
Total equity and liabilities		76,628	64,043	56,225

**The Company has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16, if any, is recognised in retained earnings at the date of initial application. See note 2.*

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

In EUR '000	Note	Attributable to equity owners of Alfen N.V.				
		Share capital	Share premium	Retained earnings	Result for the year	Total equity
Balance - 1 January 2018		18	3,895	1,172	1,721	6,806
Profit (loss) for the period		-	-	-	(263)	(263)
Other comprehensive income (loss)		-	-	-	-	-
Total comprehensive income (loss) for the period		-	-	-	(263)	(263)
Transactions with owners in their capacity as owners						
Issuance of ordinary shares		1,982	(1,982)	-	-	-
Share-based payment transactions	13	-	-	392	-	392
Dividend		-	-	-	-	-
Allocation of profit (loss)		-	-	1,721	(1,721)	-
Balance - 31 December 2018*		2,000	1,913	3,285	(263)	6,935
Adjustment on initial application of IFRS 16, net of tax		-	-	-	-	-
Restated balance - 1 january 2019		2,000	1,913	3,285	(263)	6,935
Profit (loss) for the period		-	-	-	5,625	5,625
Other comprehensive income (loss)		-	-	-	-	-
Total comprehensive income (loss) for the period		-	-	-	5,625	5,625
Transactions with owners in their capacity as owners						
Issuance of ordinary shares		-	-	-	-	-
Share-based payment transactions	13	-	-	488	-	488
Dividend		-	-	-	-	-
Allocation of profit (loss)		-	-	(263)	263	-
Balance - 31 December 2019	25	2,000	1,913	3,510	5,625	13,048

**The Company has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16, if any, is recognised in retained earnings at the date of initial application. See note 2.*

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

In EUR '000	Note	2019	2018*
Cash flows from operating activities			
Operating profit		8,645	(81)
Adjustments for:			
Depreciation, amortisation and impairment expenses	18/19	5,226	2,486
Change in provision	27	6	4
Change in non-current receivables		7	(96)
Share-based payment expenses	13	488	392
Changes in operating assets and liabilities:			
(Increase)/decrease inventories	21	(4,894)	(3,357)
(Increase)/decrease contract balances	23	3,216	(2,276)
(Increase)/decrease trade and other receivables	23	(5,776)	(5,178)
Increase/(decrease) trade and other payables	28	7,949	7,249
Cash generated from operations		14,867	(857)
Income taxes (paid)/received	15	(249)	(395)
Interest (paid)	14/26	(532)	(251)
Interest received	14	9	-
Net cash inflow/(outflow) from operating activities		14,095	(1,503)
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		-	(3,767)
Payment for property, plant and equipment	18	(2,470)	(2,706)
Payment for intangible assets	19	(4,220)	(3,356)
Net cash inflow/(outflow) from investing activities		(6,690)	(9,829)
Cash flows from financing activities			
Proceeds from issuance of shares		-	-
Proceeds from borrowings	5/26	-	6,750
Repayments of borrowings	5/26	(3,463)	(1,269)
Dividends paid to company's shareholders		-	-
Net cash inflow/(outflow) from financing activities		(3,463)	5,481
Net increase/(decrease) in cash and cash equivalents		3,942	(5,851)
Cash and cash equivalents at the beginning of the financial year		(7,075)	(1,224)
Cash and cash equivalents at the end of the financial year		(3,133)	(7,075)

**The Company has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16, if any, is recognised in retained earnings at the date of initial application. See note 2.*

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

Note 1 General information

Alfen N.V. (hereafter "Alfen" or "the Company") is a public limited liability company (N.V.) which main activity is to develop, produce and sell products, systems and services related to the electricity grid, including smart grid solutions, charging equipment for electric vehicles and energy storage systems.

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

Alfen is the holding company of the Group. The companies included in the consolidated financial statements are the following:

Company name	Location and country of incorporation	Shareholding in %
Alfen B.V.	Almere, the Netherlands	100%
Alfen ICU B.V.	Almere, the Netherlands	100%
Alfen Projects B.V.	Almere, the Netherlands	100%
Alfen België BVBA	Gent, Belgium	100%
Alfen International B.V.	Almere, the Netherlands	100%
Alfen Elkamo Oy Ab (1)	Pietarsaari, Finland	100%

(1) *Included in the consolidated financial statements as from 1 July 2018*

Alfen was listed on the Amsterdam Stock Exchange on 22 March 2018 and has its registered office at Hefbrugweg 28, 1332 AP, Almere, the Netherlands. Before the listing, Alfen was a private limited liability company named Alfen Beheer B.V. with its statutory seat in Almere, the Netherlands. Alfen converted into a public company with limited liability with its statutory seat in Amsterdam, the Netherlands, and was renamed to Alfen N.V. as per the date of the listing.

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

The Group's financial year covers the first day of January and ends on the last day of December of each year.

This annual report was authorised for issue by the Company's Board of Directors and approved by the Supervisory Board on 18 February 2020. The annual report will be presented to the Annual General Meeting of Shareholders for their adoption on 8 April 2020.

Note 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of Alfen N.V. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. They also comply with the financial reporting requirements included in section 9 of Book 2 of the Dutch Civil Code.

This is the first set of the Company's annual financial statements in which IFRS 16 Leases has been applied. Changes to significant accounting policies are described under paragraph: Changes in accounting policies and disclosures.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention, unless stated otherwise. The consolidated financial statements are presented in euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Changes in accounting policies and disclosures

The Company has initially adopted IFRS 16 Leases from 1 January 2019 ("the date of initial application"). A number of other new standards, such as IFRIC 23 Uncertainty over Income Tax Treatments, are effective from 1 January 2019 but they do not have a material effect on the Company's consolidated financial statements.

IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. Going forward the Company will therefore no longer be required to make the distinction between finance and operating leases that was required in the past in accordance with IAS 17 Leases. As a result, the Company, as a lessee, recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

IFRS 16 replaces existing lease guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Company has adopted IFRS 16 using the modified retrospective approach, under which the cumulative effect of initially applying this standard, if any, is recognised at the date of initial application within retained earnings. Accordingly, information presented for 2018 has not been restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

Definition of a lease

The Company previously determined at contract inception whether an arrangement was or contained a lease under IFRIC 4. As per the date of initial application, the Company assesses whether the contract is or contains a lease based on the new definition of a lease - i.e. when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are considered leases. It applied IFRS 16 only to contracts that were previously identified as a lease. Contracts that were not identified as a lease under IAS 17 and IFRIC 4 were not reassessed. Consequently, the new definition of a lease has been applied only to contracts entered into or changed on or after the date of initial application.

The Company elected not to separate non-lease components for all asset classes and will instead account for the lease and non-lease components as a single lease component.

Critical accounting estimates and judgements

Under IFRS 16, critical accounting estimates and judgements are made with regard to the determination of the lease term for Land & Buildings leases with renewal options. The assessment on whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of the lease liability and right-of-use asset recognised.

Transition principles

The Company leases several assets, which can be combined into the asset classes: (i) Land & Buildings, (ii) Manufacturing equipment, (iii) Office equipment and (iv) Company cars. These contracts are typically entered into for a period between 3 and 10 years, but some leases may include renewal and/or termination options.

At the date of initial application, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. Right-of-use assets were measured at the amount equal to the lease liability, adjusted for any prepaid or accrued lease expenses. As such, no cumulative effect was recognised within retained earnings as at the date of initial application.

Besides the practical expedients already disclosed, the Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Initial direct costs: the Company excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Use of hindsight: the Company used hindsight if necessary to determine if the contract contains options to extend or terminate the lease.

Impact on the consolidated financial statements

On the transition to IFRS 16, the Company recognised right-of-use assets and lease liabilities. The impact on transition and for the year ended 31 December 2019 is summarised below:

In EUR '000	**31 December 2019**	**1 January 2019**
Land and buildings	5,148	5,635
Manufacturing equipment	544	99
Cars	2,278	2,084
Right-of-use assets	7,970	7,818
Deferred tax asset	24	-
Land and buildings	5,209	5,635
Manufacturing equipment	551	99
Cars	2,333	2,084
Lease liabilities	8,093	7,818
Of which:		
Current (< 1 year)	1,608	1,268
Non-current (> 1 year)	6,485	6,550

The leases within asset class Office equipment (e.g. printers) are considered low-value leases for which the Company has elected not to recognise right-of-use assets and lease liabilities.

When measuring the lease liability for leases that were classified as operating leases, the Company discounted lease payments using the incremental borrowing rate at 1 January 2019. The weighted average rate applied by the Company is 3%.

In EUR '000	**1 January 2019**
Operating lease commitments at 31 December 2018 as reported in the Annual Report 2018	8,520
Effect of discounting the lease commitments using the incremental borrowing rate at 1 January 2019	(642)
Discounted lease commitments at 1 January 2019	7,878
Recognition exemption for leases of low value assets	(60)
Recognition exemption for short-term leases	-
Extension options reasonably certain to be exercised	-
Lease liability recognised at 1 January 2019	7,818

As a result of applying IFRS 16, the Company recognised within the consolidated statement of comprehensive income €1.8 million of depreciation charges and €0.2 million of interest expenses from these leases instead of €1.9 million of operating lease expenses. The impact of IFRS 16 on profit before tax and profit after tax amounts to €123 thousand and €97 thousand, respectively. The impact on both basic and diluted earnings per share is €0.005.

Within the consolidated statement of cash flows as at and for the year ended 31 December 2019, total net cash inflow/outflow from operating activities increased with €1.9 million, while the net cash inflow/outflow from financing activities decreased with €1.9 million.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for reporting periods starting on or after 1 January 2019 and have not been early adopted by the Company. For none of these standards that are not yet effective it is expected that they have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Principles for consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are deconsolidated from the date that control ceases.

The financial data of the subsidiaries and other entities included in the consolidation have been included in full, to the exclusion of intercompany relationships, intercompany profit and intercompany receivables and liabilities between subsidiaries and other entities included in the consolidation, to the extent that the results are not realised by a third party outside the Group. Unrealised losses on intercompany transactions are eliminated unless they concern impairments.

Business combinations

The Company accounts for business combinations using the acquisition method when control is transferred to the Group. Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Negative goodwill arising from an acquisition is recognised directly in the income statement. Acquisition-related costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred and the liabilities incurred to the former shareholders of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in the income statement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the income statement.

Changes in ownership interests in subsidiaries without change of control

Transactions with subsidiaries that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

If the Group ceases to have control of an entity, any retained interest in the entity is remeasured to fair value at the date when control is lost with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or other financial asset. Amounts previously recognised in other comprehensive income are reclassified to profit or loss. Deconsolidation occurs when the Group no longer controls a subsidiary.

Foreign currency translation

Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in euro, which is the functional currency of all companies within the Group and the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated by recognising the difference between historical cost and the estimated residual values using the straight-line method over their estimated useful life in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparable periods are as follows:

Building	5 – 30 years
Furniture, fittings and equipment	5 – 10 years
Other fixed operating assets	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The costs of future replacement are capitalised based on the component approach. Under this approach the total costs are allocated to the 'component assets'. Government grants on investments are deducted from the purchase price or manufacturing price of the assets to which the government grants relate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within the income statement.

Intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at historical cost less accumulated impairment losses. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Other intangible assets

Research and development

Development costs that are directly attributable to the design and testing of identifiable and unique products and systems controlled by the Company are recognised as intangible assets only if all of the following conditions are met:

- it is technically feasible to complete the product or system so that it will be available for use;
- management intends to complete the product or system and use or sell it;
- there is an ability to use or sell the product or system;
- it can be demonstrated how the product or system will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product or system are available; and
- the expenditure attributable to the product or system during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the product include the development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Expenditure on research activities is recognised as expense in the period in which it is incurred.

Customer related intangibles

Customer related intangibles that are acquired by the Company with finite useful lives are recognised at fair value at the acquisition date and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation of intangible assets is calculated by recognising the difference between historical cost and the estimated residual values using the straight-line method over their estimated useful lives in the income statement. Amortisation is recognised in the income statement on a straight-line basis and commences as soon as the assets are ready for use.

The estimated useful lives of intangible assets for current and comparable periods are as follows:

Development costs	5 years
Customer related intangibles	1 – 7 years

The expected useful life and the amortisation method are reviewed each reporting period.

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Financial instruments

Financial assets - Classification and measurement

The Company classifies its financial assets in the following measurement categories:

(i) those to be measured subsequently at fair value (either through OCI or through profit or loss), and
(ii) those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets - Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurements

At initial recognition the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments: (i) Amortised cost, (ii) Fair value through profit or loss; and (iii) Fair value through other comprehensive income.

The Company only has financial assets at amortised cost and makes no use of derivative financial instruments.

Amortised costs

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/losses together with foreign exchange gains and losses.

Financial assets - Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

The Company has no trade receivables nor amounts due from customers for contract work including a significant finance component and is therefore required to apply the simplified approach under IFRS 9, in which the credit losses are measured using a lifetime expected loss allowance for all trade receivables and amounts due from customers for contract work.

Information about the Company's exposure to credit risk and measurement of impairment losses for trade receivables and amounts due from customers for contract work is included in Note 4.

Financial liabilities - Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

The Company only has financial liabilities at amortised cost and makes no use of derivative financial instruments.

Financial liabilities at amortised costs

Financial liabilities at amortised cost include trade and other payables and long-term debt. Trade and other payables and long-term debt are initially recognised at fair value equalling the amount required to be paid, less, when material, a discount

Notes to the consolidated financial statements

to reduce the payables to fair value. Subsequently, trade and other payables and long-term debt are measured at amortised cost using the effective interest method. Trade and other payables are classified as current liabilities due to their short-term nature, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current liabilities.

Financial liabilities - Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the income statement.

The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. However, when the cash flows of the modified liability are not substantially different, the Company (i) recalculates the amortised cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate and (ii) recognises any adjustment in the income statement.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Company does not have any legally enforceable right to offset the recognised amounts in the balance sheet.

Inventories

Inventories mainly relate to raw materials and are valued at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Costs are determined using the weighted average price method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Contract balances

Contract balances comprise of costs plus the profit recognised to date less progress billings when the Company constructs an asset that is built on the customers site or when the costs incurred are related to a product or project with no alternative use and for which the Company has an enforceable right to payment. Otherwise, contract balances are solely valued at costs.

The cost includes all expenses directly related to specific projects and an allocation of fixed costs and variable indirect costs made in relation to the contract activities based on normal operating capacity. The Company amortises the recognised costs on a systematic basis consistent with the pattern of revenue recognition.

When the capitalised costs exceed the recoverable amount - i.e. (i) remaining expected amount of consideration to be received; less (ii) cost that relate directly to providing those goods or services and that have not been recognised as expenses - an impairment charge is recognised.

Contract balances are stated as a receivable (amounts due from customers for contract work) when the balance is positive. If the balance is negative, it is stated as a liability (amounts due to customers for contract work).

Trade and other receivables

Trade and other receivables are amounts due from customers for products delivered and services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement immediately and therefore all classified as current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents are recognised at nominal value. Cash and cash equivalents include cash at banks and cash in hand. In the cash flow statement cash and cash equivalents comprises cash at banks, cash in hand and bank overdrafts.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Jubilee provision

Based on the collective labour agreement, a provision for jubilee benefits for employees is recognised based on the estimated future cost, using actuarial calculations to determine the amount to be recognised.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected net costs of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the asset associated with that contract.

Trade and other payables

These amounts represent liabilities provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The Company has no specific obligations for returns, refund clauses nor any other similar obligations specified in the contract with customers. However, standard product compliance warranty is provided to customers, which is not considered a separate performance obligation.

The following paragraphs provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies per business line. For all revenue streams, invoices are usually payable within 30 days. In general there are no variable consideration clauses, such are volume related discounts, included in the contracts with customers. However, direct discounts can be provided on a customer-by-customer basis.

Smart grid solutions

Revenue within the Smart grid solutions business line is classified as contract manufacturing, meaning that every designed and manufactured transformer substation or series of transformer substations by the Company is tailor-made for a specific customer and has as such no alternative use. If in addition, the Company has an enforceable right to payment, revenue and costs are recognised over time - i.e. before delivered to the customers' premises - in the income statement using the cost-to-cost method.

In case the Company does not have an enforceable right to payment, revenue is recognised at a point-in-time when control of the products are transferred to the customer, being when the goods are delivered to the customer and when there is no unfulfilled obligation that could affect the customers' acceptance of the product.

Within the Smart grid solutions business line, the Company always acts as a principle, because all purchased (input) materials are subsequently integrated into end products for which the Company provides significant integration services.

Uninvoiced amounts are presented as amounts due from customers for contract work, while advances received are included in the amounts due to customers for contract work.

Service related revenue within Smart grid solutions comprises additional service and/or maintenance sold to a customer by means of a separate contract for periods up to 4 years. Revenues generated through services rendered are recognised over time in the income statement as customers simultaneously receive and consume the benefits when the Company performs the services.

Energy storage systems

Energy storage systems revenue comprise of tailor-made energy storage systems for a specific customer or a commingling of multiple tailor-made energy storage systems designed and manufactured by the Company in combination with third party purchased manufactured products for which the Company subsequently provides overall project management and significant system integration services. For this reason, the Company acts as a principle for the third party purchased manufactured products.

Energy storage systems are always tailor-made for a specific customer and have as such no alternative use. For these contracts, the Company always has an enforceable right to payment. Consequently, revenue and costs are recognised over time - i.e. before delivered to the customers' premises - in the income statement using the cost-to-cost method.

Uninvoiced amounts are presented as amounts due from customers for contract work, while advances received are included in the amounts due to customers for contract work.

Service related revenue within Energy storage systems comprises additional service and/or maintenance sold to a customer by means of a separate contract for periods usually up to 5 years. Revenues generated through services rendered are recognised over time in the income statement as customers simultaneously receive and consume the benefits when the Company performs the services.

EV charging equipment

The Company sells products related to charging equipment for electric vehicles. Revenue from the sale of these goods sold is recognised at a point-in-time when control of the products is transferred to the customer, being when the goods are delivered to the customer and when there is no unfulfilled obligation that could affect the customers' acceptance of the product.

Service related revenue within EV charging equipment comprises additional service and/or maintenance sold to a customer by means of a separate contract for periods usually between 3 and 5 years. Revenues generated through services rendered are recognised over time on a straight-line basis in the income statement as customers simultaneously receive and consume the benefits when the Company performs the services.

Employee benefits

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, when they are due to employees and the tax authorities respectively.

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring.

Pension obligations

The Company has a multi-employer pension plan which is a defined benefit plan for which there is insufficient information available for the Company to account for the pension plan as a defined benefit plan. There is not sufficient information available as the pension fund does not administer the pension plan on a company-by-company basis. Therefore, the Company accounts for this pension plan as a defined contribution plan.

For the defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory and contractual basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The Company has no share-based payment awards with non-vesting conditions nor with market performance conditions.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are recognised in the statement of income over the period necessary to match them with the costs they are intended to compensate.

Expenses

Expenses arising from the Company's business operations are accounted for in the year incurred.

Leases – Policy applicable from 1 January 2019

At the inception of an agreement, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company, as a lessee, recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments at the lease commencement date.

However, the Company elected to apply the recognition exemption for both short-term and low value leases – e.g. office equipment. As such, the Company recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Subsequently, the lease liability is increased by the interest costs on the lease liability and decreased by lease payments made.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. The lease liability is remeasured when there is a change in future lease payments arising from a change in index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment whether a purchase or renewal option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured as abovementioned, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company's right-of-use assets and lease liabilities are presented under Property, plant and equipment and Borrowings, respectively.

Leases – Policy applicable until 31 December 2018

At the inception of an agreement, the Company assesses if the agreement contains a lease. Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of lease.

Finance income and expenses

Finance income and expenses are recognised using the effective interest method. Financial expenses include interest incurred on borrowings calculated using the effective interest method and interest accruals for provisions that are recognised in the income statement.

In calculating finance income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Corporate income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Non-cash transactions are not included in the statement of cash flows.

Note 3 Business combinations

On 1 July 2018 Alfen acquired 100% of the shares of Oy Elkamo Ab and its subsidiary Elsteel Oy (together referred to as "Alfen Elkamo") in Finland. At 31 December 2018 both companies merged in the company called Alfen Elkamo Oy Ab.

The acquisition-date fair value concerned a cash consideration of €4.5 million and a contingent consideration consisting out of an earn-out payable depending on the 2018 EBITDA of Alfen Elkamo under Finnish GAAP. According to the share purchase agreement the earn-out payable started at €800 thousand and could amount up to €1.2 million.

The Company has included a liability for contingent consideration of € nil at both the acquisition date and year ended 31 December 2018 as this represented the best estimate of the fair value at both measurement dates. Based on the final 2018 Finnish GAAP financial information of Alfen Elkamo, which have been completed after the publication of the Company's Annual Report 2018, the threshold for an earn-out payment as defined in the share purchase agreement was not reached. Hence, no adjustments, including measurement-period adjustments and contingent consideration adjustments have been recognised in financial year 2019.

Note 4 Financial risk management

As result of regular business practices, the Company holds positions in a variety of financial instruments. The financial instruments are presented in the balance sheet and consists of cash and cash equivalents, receivables and other receivables, interest-bearing loans, trade payables and other payables.

The Company does not use foreign exchange contracts and/or foreign exchange options and does not deal with such financial derivatives. On each balance date, financial instruments are reviewed to see whether or not an objective indication exists for the impairment of a financial asset or a group of financial assets.

If an objective indication for impairment exists, the company determines the amount of impairment losses and charges this amount to the income statement. As a result of the use of financial instruments, the company incurs credit risks, liquidity risks and market risks.

The market risks consist of currency risks, price risks and interest risks. The company has a strict policy that aims to minimise and control these risks as much as possible.

Credit risk

Credit risk is the risk of a financial loss in case a customer does not comply with the contractual obligations. Credit risks are mainly incurred from receivables to customers. The company executes a strict policy to minimise credit risks. To control these risks, the company makes use of information from licensed credit agencies. If necessary, credit risks will be mitigated by the use of credit insurances, bank guarantees, prepayments and other insurances. Cash- and cash equivalents may be placed by a number of banks.

The company determines the credit risk of cash- and cash equivalents that are placed with these banks, by solely doing business with highly respectable banks. The Company evaluates the concentration risk with respect to trade receivables and amounts due from customers for contract work as low.

Expected credit losses

The Company has two types of financial assets that are subject to the expected credit loss model:

- Trade and other receivables
- Amounts due from customers for contract work

Trade and other receivables and amounts due from customers for contract work

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables and amounts due from customers for contract work.

To measure the expected credit losses, trade and other receivables and amounts due from customers for contract work have been grouped based on shared credit risk characteristics and the days past due. The amounts due from customers for contract work relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade and other receivables are a reasonable approximation of the loss rates for the amounts due from customers for contract work.

The expected loss rates used at initially applying IFRS 9 and at 31 December 2019 are based on the payment profiles of sales over a period of 12 months of the preceding financial year and the corresponding historical credit losses experienced related to these sales. The historical loss rates are adjusted to reflect current and forward-looking information based on macro-economic factors affecting the ability of the customers to settle the receivables. The Company retrieves the latter from externally available information from credit rating agencies. Credit insured amounts are excluded from the determination of the loss allowance.

On that basis, the loss allowance as at 31 December 2019 was determined as follows for both trade and other receivables and amounts due from customers for contract work:

In EUR '000	**31 December 2019**				
	Current amount	**Overdue < 30 days**	**Overdue 31-60 days**	**Overdue 61-90 days**	**Overdue > 90 days**
Expected loss rate	0.2%	0.2%	0.3%	0.3%	14.6%
Gross carrying amount - trade receivables and other receivables	17,392	5,968	1,084	350	219
Gross carrying amount - amounts due from customers for contract work	8,512	-	-	-	-
Loss allowance	64	10	3	1	32

	31 December 2018				
	Current amount	**Overdue < 30 days**	**Overdue 31-60 days**	**Overdue 61-90 days**	**Overdue > 90 days**
Expected loss rate	0.1%	0.1%	0.3%	0.7%	9.2%
Gross carrying amount - trade receivables and other receivables	13,592	4,532	1,173	285	489
Gross carrying amount - amounts due from customers for contract work	9,174	-	-	-	-
Loss allowance	12	3	3	2	45

Besides the loss allowance as shown in the table above, the Company recognised an additional loss allowance in financial year 2018 of €198 thousand as a result of a significant increase in credit risk for one specific customer. No additional allowance has been recognised for financial year 2019.

The movement in the loss allowance in respect of trade and other receivables and amounts due from customers for contract work during the year was as follows.

In EUR '000	2019	2018
Balance - At 1 January	263	77
Amounts written off	(198)	(62)
Net remeasurement of loss allowance	45	248
Balance - At 31 December	110	263

Trade and other receivables and amounts due from customers for contract work are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company and a failure to make contractual payments.

Impairment losses on trade and other receivables and amounts due from customers for contract work are recognised in the income statement as a separate line item. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations. The Company's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its obligations when they become due, avoiding unacceptable losses or damages to the Company's reputation. The Company monitors its liquidity risk on an ongoing basis. Management believes the current capital structure of the Group will safeguard the Group's ability to continue as a going concern.

The liquidity planning considers the maturity of the financial assets (e.g. accounts receivable and other financial assets) and projected cash flows from operations. Due to the nature of the business, the use of cash- and cash equivalents is not highly sensitive to liquidity risks. However, the Company does notice a seasonal pattern in liquidity risks.

The tables below analyses the Company's financial liabilities on their contractual maturities for all non-derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows.

In EUR '000	31 December 2019				
	Less than 3 months	3 months to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables (excluding deferred revenue)	39,886	386	-	-	40,272
Borrowings	301	895	4,443	1,697	7,336
Factoring Alfen Elkamo	954	-	-	-	954
Lease liabilities	434	1,236	4,241	2,356	8,267
Total non-derivatives	41,575	2,517	8,684	4,053	56,829

	31 December 2018				
	Less than 3 months	3 months to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables (excluding deferred revenue)	29,576	329	-	-	29,905
Borrowings	333	991	4,727	2,777	8,828
Factoring Alfen Elkamo	1,352	-	-	-	1,352
Lease liabilities	-	-	-	-	-
Total non-derivatives	31,261	1,320	4,727	2,777	40,085

Market risk

Foreign exchange risk

The Company mainly operates in the European Union, in those countries that use the Euro as a basis currency (see Note 23 for further details). The currency risk is limited and largely concerns positions and (future) transactions in euros. Management has determined, based on a risk assessment, that these currency risks do not need to be hedged. The Company's exposure to other foreign exchange movements is not significant and therefore no sensitivity analysis is included. The concentration risk is therefore considered low.

Price risk

The Company incurs price risks on the purchase of (raw) materials and subcontracting for the difference between the market price at the time of the purchase and during the actual performance. For purchases related to larger projects, the companies policy aims to use indexation clauses in its sales contracts. If indexation is impossible, prices and conditions are negotiated with existing (key) suppliers to minimise price risk. In addition, the company controls price risk by using framework purchase agreements, tender procedures and other high valued information sources. The Company evaluates the concentration risk with respect to prices as low.

In case the costs of raw materials and consumables and costs of outsourced work and other external costs prices increase with 1%, the impact on profit before tax is €929 thousand.

Interest rate risk

The Company is exposed to interest rate risks on its borrowings. Management has determined, based on a risk assessment, that the interest rate risks on its borrowings do not need to be hedged.

In case the Company's interest rate increases with 1%, the impact on profit before tax is €265 thousand.

Note 5 Capital management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain the Company's capital structure, the Company may adjust its dividend policy, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents.

Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The gearing ratios at 31 December 2019, 1 January 2019 and 31 December 2018 were as follows:

In EUR '000	31 December 2019	1 January 2019	31 December 2018
Borrowings (note 26)	16,121	17,387	9,569
Plus: bank overdrafts (note 24)	3,267	7,924	7,924
Less: cash and cash equivalents (note 24)	(134)	(849)	(849)
Net debt	19,254	24,462	16,644
Total equity	13,048	6,935	6,935
Total capital	32,302	31,397	23,579
Gearing ratio	148%	353%	240%

The decrease in the gearing ratio during 2019 is mainly caused by the positive cash flow from operating activities in conjunction with the positive net result in financial year 2019.

In December 2019, Alfen increased its working capital credit facility from €20 million to €30 million, as well as its separate facility for bank guarantees from €5 million to €10 million, for which the Company needs to comply with a minimal EBITDA-covenant on a consolidated level of €6.5 or €7.5 million and a minimal EBITDA-covenant adjusted for capitalised development costs of €3.5 or €4.5 million depending on whether the credit facility is below or above €20 million for a consecutive period of 3 months and/or in total 6 months within one calendar year, respectively.

Below table sets out an analysis of net debt and the movements in net debt for each of the periods presented.

In EUR '000	Cash and bank overdrafts	Borrowings	Factoring Alfen Elkamo	Lease liabilities	Net debt
Net debt - 1 January 2018	(1,224)	(1,870)	-	-	(3,094)
Cash flows	(6,547)	(6,014)	533	-	(12,028)
Acquisition - Alfen Elkamo	696	(402)	(1,882)	-	(1,588)
Other changes	-	66	-	-	66
Net debt - 31 December 2018	(7,075)	(8,220)	(1,349)	-	(16,644)
Adjustment on initial application of IFRS 16	-	-	-	(7,818)	(7,818)
Reclassification finance leases	-	204	-	(204)	-
Restated balance - 1 January 2019	(7,075)	(8,016)	(1,349)	(8,022)	(24,462)
Cash flows	3,942	1,127	397	1,939	7,405
New leases	-	-	-	(1,950)	(1,950)
Other changes	-	(13)	-	(234)	(247)
Net debt - 31 December 2019	(3,133)	(6,902)	(952)	(8,267)	(19,254)

Other changes comprise a non-cash movement and relates to effective interest accounting on borrowings and lease liabilities.

Note 6 Fair value estimation

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

At 31 December 2019 and 31 December 2018 the carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values of the long-term debt are not materially different from the carrying amounts as the interest rate risk is a floating rate plus spread where the spread equals the current market spread.

Note 7

Critical accounting estimates and judgements

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

Development costs

The capitalised development costs are based on management judgements taken into account:

- the technical feasibility to complete the product or system so that it will be available for use;
- management intends to complete the product or system and use or sell it;
- the ability to use or sell the product or system;
- the availability of adequate technical, financial and other resources to complete the development.

In determining the development costs to be capitalised, the Company estimates the expected future economic benefits of the respective product or system that is the result of a development project. Furthermore management estimates the useful life of such product or system.

The carrying amount of capitalised development costs is €8.9 and €6.4 million at 31 December 2019 and 31 December 2018, respectively. The Company estimates the useful life of the development costs to be at 5 years based on the expected lifetime of such assets. However, the actual useful life may be shorter or longer than 5 years, depending on innovations, market developments and competitor actions.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. Further details about impairment testing are included in Note 19.

Estimates in contract work

The Company recognises revenue and costs over time - i.e. before delivered to the customers' premises - in the income statement using the cost-to-cost method. Under this method, actual costs are compared with the total estimated costs to measure progress towards complete satisfaction of the performance obligation.

To measure the progress toward complete satisfaction of the performance obligation, the Company has a robust process and system for cost estimating, forecasting and revenue and costs reporting. The system also requires a consistent forecast of the project profitability, including variance analyses of forecasted profitability compared to budget and earlier assessment dates. Estimates are an inherent part of this assessment and actual future outcome may deviate from the estimated outcome, specifically for major and complex contracts. However, historical experience has shown that estimates in total are sufficiently reliable.

Note 8

Segment information

Operating segments

The Company is engaged in the business of developing, producing and selling various products, systems and services related to the electricity grid. There is a strong interrelationship between the Company's different business activities, hence Management reviews the overall business based on the Group's profitability.

All financial segment information can be found in the consolidated financial statements.

Entity wide disclosures

Geographic information

The following table is summarising (i) revenue and other income and (ii) non-current assets, excluding financial instruments and deferred tax assets, attributable to the Company's countries of domicile.

In EUR '000

Revenue	2019	2018
The Netherlands	122,087	89,814
Finland	16,648	8,372
Belgium	4,434	3,707
	143,169	101,893

Non-current assets	31 December 2019	1 January 2019	31 December 2018
The Netherlands	20,557	16,428	12,588
Finland	6,849	7,478	3,749
Belgium	178	264	15
	27,584	24,170	16,352

Revenue and other income by region based on the destination of products and location of projects is presented in Note 9.

Major customers

There are two customers who individually account for more than 10% of the Company's consolidated revenue. The total amount for these customers is €33.8 million.

Note 9

Revenue

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

In EUR '000	2019	2018
Smart grid solutions	103,584	74,031
Energy storage systems	13,449	15,585
EV charging equipment	26,136	12,277
	143,169	101,893

Smart grid solutions and Energy storage systems revenue generated by entities domiciling in the Netherlands and Belgium amounting to €96.1 and €4.4 million, respectively, is considered to be over time revenue for which the cost-to-cost method is applied by the Company. Smart grid solutions revenue generated by Alfen Elkamo - i.e. €16.6 million - as well as the Company's EV charging equipment revenue of €26.1 million is considered to be point-in-time revenue.

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

In EUR '000	2019	2018
The Netherlands	103,125	72,930
Other European Union countries	37,669	24,524
Rest of Europe	1,469	425
Outside Europe	906	4,014
	143,169	101,893

Note 10 Other income

In EUR '000	2019	2018
Government grants	94	1,713
	94	1,713

Other income comprises of a government grant and relates to the subsidy for a project to realise an off-grid energy system in rural Africa that combines solar and energy storage.

Note 11 Personnel expenses

The personnel expenses can be divided into the following cost categories:

In EUR '000	2019	2018
Salaries and wages	23,629	15,533
Social security contributions	3,126	2,240
Pension contributions (DC)	2,153	1,429
Hire indirect personnel	1,229	1,430
Capitalised personnel expense	(2,947)	(1,578)
	27,190	19,054

The average number of FTE's are:

	2019	2018
Direct employees	249	182
Indirect employees	215	170
	464	352

As per 31 December 2019, a total of 88 employees were employed outside the Netherlands.

Dutch pensions

The company has a defined contribution scheme and a defined benefit scheme. The defined benefit plan is a multi-employer (industry) pension plan, based on average salary pay, for which insufficient information is available to account for as a defined benefit plan. Therefore, the Company accounts for this pension plan as a defined contribution plan. The pension schemes are financed through monthly contributions to the pension providers, being the insurance companies and the industry pension fund (PME). The contribution with the industry pension fund is calculated using a maximum annual gross salary level and a premium of approximately 23.0% for 2019.

In 2018, the industry pension fund announced a recovery plan to strengthen the fund, for which an additional premium of 2.32% (2018: 2.35%) is applicable. The base premium for 2020 is set at approximately 22.7% and an additional premium of 3.7% in relation to the recovery plan to strengthen the fund. Total expected contributions for 2020 amount to €2.2 million. The company applies the liability approach for all pension schemes. The premium payable during the financial year is charged to the income statement and is classified as costs of personnel.

Alfen has approximately 410 active participants in the industry pension plan, which has 160,000 active participants in the total plan. The industry pension fund has a deficit and the coverage ratio per December 2019 is 96.9%. The company does not have any commitments for additional contributions in case of a deficit of the pension fund, other than paying increased future premiums. If applicable, the industry-wide pension fund applies an annual indexation for the pension fund.

Aside from the premium payables, the company does not have any additional obligations in respect to the pension schemes.

Finnish pensions

Alfen Elkamo has a defined contribution scheme, in which the pension contribution is predetermined and based on the gross salary of the individual employee.

The annual net contribution for 2019 is 18% (2018: 18%). The pension contributions are paid on a monthly basis to the pension fund. The expected net contribution for 2020 amounts to €620 thousand. The premium payable during the financial year is charged to the income statement and is classified as costs of personnel.

Aside from premium payables, Alfen Elkamo does not have any additional obligations in respect to the pension schemes.

Key management compensation

Key management includes directors, having authority and responsibility for planning, directing and controlling the activities of the Company.

In EUR '000	2019	2018
Salaries and wages	690	678
Social security contributions	28	29
Pension costs	50	49
Other	61	90
	829	846

Key management collectively hold 1,198,000 Ordinary Shares in the share capital of the Company, which are subject to certain lock-up restrictions as described in Note 13.

Note 12 Other operating costs

The operating costs can be divided into the following cost categories:

In EUR '000	2019	2018
Housing expenses	1,031	1,059
Other personnel expenses	2,016	1,666
Development expenses	267	174
Other general expenses	5,849	5,610
	9,163	8,509

Notes to the consolidated financial statements

Note 13 Share-based payments

Share award plans

Depositary Receipts

Eligible and selected managers of the Company were given the opportunity to participate indirectly in the share capital of the Company. These indirect share investments were held via a foundation ("Stichting Administratiekantoor"), which has issued Depositary Receipts ("DRs") to participating managers. This management participation plan was classified as an equity-settled share-based payment arrangement.

As of the date of the Company's public listing on the Amsterdam Stock Exchange on 22 March 2018 ("First Trading Date") these DRs have been cancelled as a result of which these participating managers ultimately received Ordinary Shares and cash, meaning that they realised part of their indirect investment in the Company. As a result of this, the key managers and certain members of senior management no longer held an indirect economic interest of 10.36% in the capital of the Company through DRs, but directly held Ordinary Shares which jointly amounted to 7.77% or 1,554,000 shares of the share capital of the Company. This position as per 31 December 2019 amounted to 7.70% or 1,539,000 shares of the share capital of the Company.

These Ordinary Shares of the key managers and certain members of senior management of the Company are subject to lock-up restrictions. The Ordinary Shares transferred to the key managers and certain members of senior management of the Company are released from the lock-up restrictions as follows: 60% of the Ordinary Shares have been unconditionally released from the lock-up restrictions on the day that was one year after the First Trading Date, 20% of the Ordinary Shares will be unconditionally released from the lock-up restrictions on the day that is two years after the First Trading Date, and the remaining 20% of the Ordinary Shares will be unconditionally released from the lock-up restrictions on the day that is three years after the First Trading Date, in each case on the condition the key managers and certain members of senior management of the Company continues to be employed by the Company on these dates.

Celebration Share Award Plan

On 22 March 2018, the Management Board of Alfen granted to all eligible employees conditional rights to acquire a cumulative total of 118,429 existing Ordinary Shares or 0.6% of the issued share capital of the Company for no consideration under a one-off share incentive.

The conditional rights to acquire existing Ordinary Shares granted will be exercisable in exchange for Ordinary Shares on the day that is two years after the grant date, on the condition that the relevant employee of Alfen continues to be employed by the Company on this date (subject to certain arrangements for exceptional circumstances, such as death of the employee).

The Company entered into an agreement with the Selling Shareholders on 12 March 2018 pursuant to which Alfen has the right to acquire from the Selling Shareholders for no consideration a number of Ordinary Shares equal to the number of conditional rights exercised by eligible employees, being no more than 120,000 Ordinary Shares.

Long-term incentive plan

The Management Board of Alfen recognises the importance of its key employees to the future success of the Company. Therefore, on 4 October 2018, a long-term incentive plan ('LTIP') was introduced for a number of designated employees within the group of the Company. The first grant under this plan was made at 1 January 2019 and comprise of a cumulative total of 37,316 Ordinary Shares for no consideration.

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

Summary of changes in outstanding shares

Changes in outstanding shares for the period:

	Long-term Incentive Plan	Celebration Share Award Plan
Balance - 1 January 2018	-	-
Granted	-	118,429
Forfeited	-	(9,668)
Exercised	-	-
Expired	-	-
Balance - 31 December 2018	-	108,761
Granted	37,316	-
Forfeited	(2,185)	(14,523)
Exercised	-	-
Expired	-	-
Balance - 31 December 2019	35,131	94,238

None of the outstanding shares related to the Celebration Share Award Plan and LTIP are exercisable at 31 December 2019.

Fair value measurement

The Company used the Black & Scholes model to determine the fair value of the Celebration Share Awards and LTIP at grant date. The market price of the Company's Ordinary Shares at grant date for the Celebration Share Award Plan and LTIP was €10 and €12.31, respectively.

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

Share-based payment expenses

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

In EUR '000	2019	2018
Celebration Share Award Plan	383	392
Long-term Incentive Plan	105	-
Total	488	392

Note 14 Finance income and costs

In EUR '000	2019	2018
Finance costs		
Interest expenses related to lease liabilities	(234)	-
Other interest expenses	(601)	(264)
Total finance costs	(835)	(264)
Finance income		
Other interest income	9	67
Total finance income	9	67
Net finance income/(costs)	(826)	(197)

Note 15 Income tax expense

This note provides an analysis of the Company's income tax expense, showing how the tax expense is affected by non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

In EUR '000	2019	2018
Current tax		
Current tax on profits for the year	(2,713)	(333)
Adjustments for previous years	25	-
Total current tax expense	(2,688)	(333)
Deferred income tax		
Income tax on continuing operations	378	477
Change in tax rates	116	(129)
Total deferred tax (expense) benefit	494	348
Total income tax expense	(2,194)	15

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

In EUR '000	2019	2018
Result from continuing operations	5,625	(263)
Total income tax	(2,194)	15
Profit (loss) before income tax	7,819	(278)
Tax calculated based on Dutch tax rate	25.0%	(25.0%)
Tax effects of:		
Adjustments for previous years	(0.3%)	0.0%
Effect of tax rates in other countries	0.2%	6.0%
Non-taxable expenses	1.8%	63.4%
Change in tax rates	1.5%	(46.4%)
Other differences	(0.1%)	(3.5%)
Effective tax rate	28.1%	(5.5%)
Applicable tax rate	25.0%	(25.0%)

Non-taxable expenses are mainly related to non-deductible share-based payment expenses relating to the Celebration Share Award Plan and the LTIP. In addition, there were non-deductible acquisition costs in financial year 2018.

Note 16 Earnings per share

	2019	2018
Weighted average number of ordinary shares in issue (x1)	20,000,000	20,000,000
Net result attributable to shareholders	5,624,791	(262,940)
Basic earnings per share	0.28	(0.01)
Allowing for dilution, the earnings per share are as follows:		
Weighted average number of ordinary shares in issue (x1)	20,010,024	20,000,000
Net result attributable to shareholders	5,624,791	(262,940)
Diluted earnings per share	0.28	(0.01)

Note 17 Remuneration of the Management Board and Supervisory Board

Management Board

The following statement shows how the remuneration policy was applied in practice during the reporting period.

	M. Roeleveld - CEO		J. van Rossen - CFO	
In EUR '000	2019	2018	2019	2018
Salaries and wages	250	240	210	207
Social security contributions	14	15	14	14
Pension contributions (DC)	37	36	13	13
Other	19	22	21	22
	320	313	258	256

In addition to the remuneration presented above, both the CEO and CFO received a bonus of €50 thousand in financial year 2018 from Infestos Nederland B.V., an affiliated company of related parties Infestos Energy Transition B.V. and Infestos Holding M B.V., which is not part of the remuneration policy. No such bonus was granted in financial year 2019.

The following table sets out the shareholdings of the Management Board:

Shareholder	Number of ordinary shares
M. Roeleveld - CEO	520,582
J. van Rossen - CFO	208,650

These Ordinary Shares are subject to lock-up restrictions as described in Note 13.

No options have been awarded to the Management Board, nor any loans, advances or guarantees.

Supervisory Board

The total remuneration of the members of the Supervisory Board is shown below:

In EUR '000	2019	2018
H. ten Hove	50	42
E.Q. van der Arend	30	23
D.W.E Riefel	-	-
	80	65

No options have been awarded to the Supervisory Board, nor any loans, advances or guarantees.

Note 18 Property, plant and equipment

Property, plant and equipment can be divided into:

In EUR '000	31 December 2019	1 January 2019	31 December 2018
Property, plant and equipment - Owned	8,038	6,812	7,187
Property, plant and equipment - Right-of-Use	8,322	8,193	-
Total net book value	16,360	15,005	7,187

The movement in property, plant and equipment during the years was as follows:

Owned assets

In EUR '000	Buildings	Furniture, fittings and equipment	Assets under construction	Total
At 1 January 2018				
Cost	5,474	6,024	-	11,498
Accumulated impairments and depreciation	(2,213)	(4,850)	-	(7,063)
Net book value	3,261	1,174	-	4,435
Year ended 31 December 2018				
Opening net book value	3,261	1,174	-	4,435
Additions	440	1,760	506	2,706
Acquisitions	26	850	-	876
Disposal	-	-	-	-
Depreciation for the year	(242)	(588)	-	(830)
Depreciation of disposal	-	-	-	-
Consolidation and deconsolidation	-	-	-	-
Closing net book value	3,485	3,196	506	7,187
Reclassification finance leases - Cost	-	(400)	-	(400)
Reclassification finance leases - Depreciation	-	25	-	25
Restated balance - 1 january 2019	3,485	2,821	506	6,812
At 1 January 2019				
Cost	5,940	8,234	506	14,680
Accumulated impairments and depreciation	(2,455)	(5,413)	-	(7,868)
Closing net book value	3,485	2,821	506	6,812
Year ended 31 December 2019				
Opening net book value	3,485	2,821	506	6,812
Additions	573	1,429	468	2,470
Reclassification assets under construction	210	296	(506)	-
Disposal	-	-	-	-
Depreciation for the year	(334)	(910)	-	(1,244)
Depreciation of disposal	-	-	-	-
Consolidation and deconsolidation	-	-	-	-
Closing net book value	3,934	3,636	468	8,038
At 31 December 2019				
Cost	6,723	9,958	468	17,149
Accumulated impairments and depreciation	(2,789)	(6,322)	-	(9,111)
Closing net book value	3,934	3,636	468	8,038

Right-of-use assets

In EUR '000	Land and buildings	Manufacturing equipment	Cars	Total
At 31 December 2018				
Cost	-	-	-	-
Accumulated impairments and depreciation	-	-	-	-
Net book value	-	-	-	-
Adjustment on initial application of IFRS 16	5,635	99	2,084	7,818
Reclassification finance leases - Cost	-	400	-	400
Reclassification finance leases - Depreciation	-	(25)	-	(25)
Restated balance - 1 january 2019	5,635	474	2,084	8,193
At 1 January 2019				
Cost	5,635	499	2,084	8,193
Accumulated impairments and depreciation	-	(25)	-	(25)
Closing net book value	5,635	474	2,084	8,193
Year ended 31 December 2019				
Opening net book value	5,635	474	2,084	8,193
Additions	169	545	1,236	1,950
Disposal	-	-	-	-
Depreciation for the year	(656)	(122)	(1,043)	(1,821)
Depreciation of disposal	-	-	-	-
Consolidation and deconsolidation	-	-	-	-
Closing net book value	5,148	897	2,277	8,322
At 31 December 2019				
Cost	5,804	1,044	3,320	10,168
Accumulated impairments and depreciation	(656)	(147)	(1,043)	(1,846)
Closing net book value	5,148	897	2,277	8,322

At 31 December 2019, the net carrying amount of leased equipment held under finance lease was €353 thousand (2018: €375 thousand).

Note 19 Intangible assets and goodwill

The movement in intangible assets and goodwill during the years was as follows:

In EUR '000	Goodwill	Customer related intangibles	Development costs	Total
At 1 January 2018				
Cost	-	-	6,822	6,822
Accumulated impairments and amortisation	-	-	(2,874)	(2,874)
Net book value	-	-	3,948	3,948
Year ended 31 December 2018				
Opening net book value	-	-	3,948	3,948
Additions	-	-	3,356	3,356
Acquisitions	127	3,302	88	3,517
Amortisation for the year	-	(627)	(1,029)	(1,656)
Consolidation and deconsolidation	-	-	-	-
Closing net book value	127	2,675	6,363	9,165
At 1 January 2019				
Cost	127	3,302	10,266	13,695
Accumulated impairments and amortisation	-	(627)	(3,903)	(4,530)
Net book value	127	2,675	6,363	9,165
Year ended 31 December 2019				
Opening net book value	127	2,675	6,363	9,165
Additions	-	-	4,220	4,220
Acquisitions	-	-	-	-
Amortisation for the year	-	(436)	(1,725)	(2,161)
Consolidation and deconsolidation	-	-	-	-
Closing net book value	127	2,239	8,858	11,224
At 31 December 2019				
Cost	127	3,302	14,486	17,915
Accumulated impairments and amortisation	-	(1,063)	(5,628)	(6,691)
Net book value	127	2,239	8,858	11,224

Goodwill

Goodwill is completely allocated to the cash-generating unit (hereinafter: 'CGU') Alfen Elkamo.

The recoverable amount of this CGU was determined on the higher of the value-in-use calculation or fair value less costs of disposal. The valuation uses future cash flows, based on the financial budgets and forecasts of the CGU over a period of 5 years and a terminal growth rate thereafter.

The key assumptions used in the estimation of value in use were as follows.

- Revenue growth rate: based on actual experience and an analysis of expected market growth within the energy transition sector.
- Discount rate: based on the historical industry average weighted-average cost of capital, by using the capital asset pricing model ("CAPM"). The applied discount rate for 2019 was 16.5% (2018: 16.5%).
- Residual value: based on a terminal growth rate of 2.0% (2018: 2.0%).

Considering the limited amount of Goodwill, the Company's impairment exposure is not significant and therefore no sensitivity analysis is included.

Customer related intangibles

Customer related intangibles comprise the customer list and order backlog related to the acquisition of Alfen Elkamo as at 1 July 2018 and are amortised over a period of 7 years and 0.5 year, respectively. Consequently, the remaining amortisation period for the customer list is 5.5 years and for the order backlog nil.

Development costs

Additions to intangible fixed assets relate to development projects for new products or systems or development projects for new features to existing products and systems for amongst others; smart grid solutions, electric vehicle charging equipment and energy storage.

Total costs for R&D, including amortisation of the capitalised development costs amount to €3.7 and €2.6 million for the years ended 31 December 2019 and 31 December 2018, respectively.

Note 20 Deferred tax balances

The balance comprises temporary differences attributable to:

In EUR '000

Deferred tax assets	31 December 2019	31 December 2018
Property, plant and equipment	98	73
Carry forward losses	36	59
Goodwill	200	225
Lease liabilities	24	-
Total	358	357
Of which:		
Current (<1 year)	74	38
Non-current (>1 year)	284	319

Deferred tax liabilities	31 December 2019	31 December 2018
Property, plant and equipment	65	44
Intangible assets	2,412	1,933
Maintenance provision	34	38
Total	2,511	2,015
Of which:		
Current (<1 year)	617	506
Non-current (>1 year)	1,894	1,509
Net deferred tax assets	36	59
Net deferred tax liabilities	2,189	1,717

Note 21 Inventories

In EUR '000	31 December 2019	31 December 2018
Raw materials	14,411	9,517
Total	14,411	9,517

During 2019 inventories of €510 thousand were written down to net realisable value (2018: €330 thousand).

Note 22 Financial instruments by category

In EUR '000	31 December 2019	31 December 2018
Assets	Financial assets at amortised cost	Financial assets at amortised cost
Trade and other receivables	33,863	28,749
Cash and cash equivalents	134	849
Total	33,997	29,598
	31 December 2019	**31 December 2018**
Liabilities	Financial liabilities at amortised cost	Financial liabilities at amortised cost
Borrowings	16,121	9,569
Bank overdrafts	3,267	7,924
Trade and other payables	40,272	29,905
Total	59,660	47,398

Note 23 Trade and other receivables

In EUR '000	31 December 2019	31 December 2018
Trade receivables	24,092	19,112
Less: loss allowance	(110)	(263)
Trade receivables - net	23,982	18,849
Amounts due from customers for contract work	8,512	9,174
Other taxes	174	120
Other receivables	1,195	606
	33,863	28,749
Less non-current portion	-	-
Current portion	33,863	28,749

The fair value of the receivables approximates the carrying amounts. No breakdown of the fair values of trade and other receivables and the non-current portion of the receivables has been included as the differences between the carrying amounts and the fair values are insignificant.

Information about the Company's exposure to credit and market risks, and impairment losses for trade and other receivables and amounts due from customers for contract work is included in Note 4.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

In EUR '000 Currency	31 December 2019	31 December 2018
EUR	33,319	28,703
GBP	344	46
SEK	200	-

Transfer of trade receivables

In order to manage seasonality, Alfen Elkamo sold its trade receivables with recourse to a bank for cash proceeds - i.e. factoring. These trade receivables have not been derecognised from the statement of financial position, because Alfen Elkamo retains substantially all of the risks and rewards - i.e. primarily credit risk.

The amount received on the transfer of trade receivables has been recognised as a factoring liability under short-term borrowings (see Note 26). The arrangement with the bank is such that the customers remit cash directly to the bank.

The receivables are considered to be held within a held-to-collect business model consistent with the Group's continuing recognition of the receivables.

The following information shows the carrying amount of trade receivables at the reporting date that have been transferred but not derecognised and the associated liabilities.

In EUR '000	31 December 2019	31 December 2018
Carrying amount of trade receivables transferred to a bank	1,190	1,686
Carrying amount of associated liabilities	(952)	(1,349)

Notes to the consolidated financial statements

Contract balances

The net balance sheet position for contract work is as follows:

In EUR '000	31 December 2019	31 December 2018
Amounts due from customers for contract work	8,512	9,174
Amounts due to customers for contract work	(4,789)	(2,236)
Total	3,723	6,938
The net position relates to:		
Aggregate costs incurred and recognised profits (less recognised losses) to date	28,675	27,589
Less: progress billings	(24,952)	(20,651)
Total	3,723	6,938

Amounts due from customers for contract work concern the Company's right to consideration for work completed but not invoiced at 31 December 2019, for both the Smart grid solutions and Energy storage solutions business lines. Amounts due from customers for contract work will be transferred to trade receivables when the Company's right to consideration is unconditional. This usually occurs when the Company issues an invoice to the customer.

Amounts due to customers for contract work concern received prepayments for performance obligations, which are not yet realised at year-end. The amount of €2.2 million recognised in the amounts due to customers for contract work at the beginning of the reporting period has been recognised as revenue for the period ended 31 December 2019.

Both amounts due from customers and amounts due to customers have a remaining term of less than one year.

The amount of revenue recognised in the period ended 31 December 2019 from performance obligations satisfied (or partly satisfied) in prior reporting period is € nil.

No information is provided about remaining performance obligations at 31 December 2019 that have an original expected duration of one year or less, as allowed by IFRS 15.

Note 24 Cash and cash equivalents

In EUR '000	31 December 2019	31 December 2018
Cash and cash equivalents	134	849
Bank overdrafts	(3,267)	(7,924)
Total	(3,133)	(7,075)

The cash and cash equivalents are freely disposable to the Company, except for an amount of €90 thousand on so called G-accounts.

Note 25 Equity

Share capital

Share capital at 31 December 2019 of €2 million is divided into 20,000,000 ordinary shares (2018: 20,000,000), fully paid-up, with a par value of €0.1 each (2018: €0.1). Total shares authorised comprise of 40,000,000 ordinary shares (2018: 40,000,000).

Share premium

The share premium reserve relates to contribution on issued shares in excess of the nominal value of the shares (above par value).

Retained earnings

The retained earnings of €3.5 million are restricted due to a legal reserve of €8.9 million (2018: €6.4 million) which is not available for distribution.

Result for the year

The proposal to the General Meeting is that an amount of €5.6 million will be recognised in retained earnings.

Note 26 Borrowings

In EUR '000	31 December 2019	1 January 2019	31 December 2018
Borrowings	6,902	8,016	8,220
Factoring Alfen Elkamo	952	1,349	1,349
Lease liabilities	8,267	8,022	-
Total	16,121	17,387	9,569

The repayment obligation as per 31 December 2019 are as follows:

In EUR '000	31 December 2019	Repayment obligation in 2020	Remaining term >1 year and <5 years	Remaining term >5 years
Borrowings	6,902	1,086	4,160	1,656
Factoring Alfen Elkamo	952	952	-	-
Lease liabilities	8,267	1,670	4,241	2,356
	16,121	3,708	8,401	4,012

The fair values of the long-term debt are not materially different from the carrying amounts as the interest rate risk is a floating rate plus spread where the spread equals the current market spread.

Alfen N.V. holds a group credit facility for all entities located in the Netherlands. The credit facility consists of:

(i) a mortgage loan with a duration of 10 years and a principal amount of €1.5 million used for the purchase of the building located at the Hefbrugweg Almere;
(ii) a mortgage loan with a duration of 15 years and a principal amount of €900 thousand used for the purchase of the building located at the Vlotbrugweg Almere;
(iii) two loans with each a principal amount of €875 thousand and a duration of 10 years used for the refurbishment of the buildings located at the Hefbrugweg Almere;
(iv) a loan with a principle amount of €5 million and a redemption period of 7 years used for the acquisition of Alfen Elkamo at 1 July 2018; and
(v) a working capital credit facility up to €30 million (2018: €20 million) and a separate facility of €10 million for bank guarantees (2018: €5 million).

The 2019 interest rate is 2.7% (2018: 1.9%).

The bank has first ranked mortgages on the real estate owned by the Company with a carrying amount of €3.4 million per 31 December 2019. The real estate has an economic value of €6.4 million (2018: €6.4 million).

The following securities have been issued:

- a first ranked mortgage of €1.8 million for land and buildings on the Hefbrugweg 28, 1332 AP Almere cadastral known as section M number 70, Almere;
- a first ranked mortgage of €900 thousand for land and buildings on the Vlotbrugweg 24, 1332 AJ Almere, cadastral known as section M number 60, Almere;
- a second mortgage right on the abovementioned buildings of €1.7 million;
- a first pledge for
  - o all current and future equipment of the Company;
  - o all current and future stocks of the Company;
  - o all current and future rights and receivables whether or not resulting from current and future relationships, including the rights from insurance agreements;

- all current and future rights related to the trademark TheBattery, when applicable and/or registered.

Other specific conditions related to the credit facility are:

- a negative pledge and the "pari passu";
- a non-distribution clause;
- comply with a minimal EBITDA-covenant on a consolidated level of €6.5 million and a minimal EBITDA-covenant adjusted for capitalised development costs of €3.5 million.

The EBITDA-covenant was met at 31 December 2019.

Note 27 Provisions

In EUR '000			
Balance - 1 January 2019	33	**Balance - 1 January 2018**	29
Additions	15	Additions	7
Deductions	(9)	Deductions	(3)
Other	-	Other	-
Balance - 31 December 2019	39	**Balance - 31 December 2018**	33
Of which:			
Current (<1 year)	9		8
Non-current (>1 year)	30		25

The provision relates to a jubilee provision and is calculated based on the discounted value of future jubilee payments to the Company's employees. The calculation include estimated remaining employment terms and a discount rate of 4%.

Note 28 Trade and other payables

In EUR '000	31 December 2019	31 December 2018
Trade payables	26,710	21,790
Amounts due to customers for contract work	4,789	2,236
Due to affiliated companies	-	-
Other taxes	3,624	1,994
Other liabilities	5,149	3,885
Total	40,272	29,905

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the carrying amount due to its short term character.

Note 29 Leases

The Company leases several assets, which can be combined into the asset classes: (i) Land & Buildings, (ii) Manufacturing equipment, (iii) Office equipment and (iv) Company cars. These contracts are typically entered into for a period between 3 and 10 years, but some leases may include renewal and/or termination options.

The Company leases Office equipment (e.g. printers). These leases are considered low-value leases for which the Company has elected not to recognise right-of-use assets and lease liabilities.

Right-of-use assets

Right-of-use assets related to leases that do not meet the definition of investment property are presented as property, plant and equipment, which are separately disclosed in Note 18. The Company has no right-of-use assets that meet the definition of investment property.

Amounts recognised in the statement of comprehensive income and cash flows

Besides the interest expenses related to lease liabilities and depreciation charges on right-of-use assets as disclosed in Note 14 and Note 18, respectively, the Company recognised within the statement of comprehensive income €0.1 million relating to leases of low value leases.

Total cash outflow for leases in 2019 was €1.9 million.

Extension and termination options

The Company has several contracts within asset class Land & Buildings and Manufacturing equipment that include renewal and termination options or a combination of both. At 31 December 2019, all renewal options are included in the measurement of the lease liabilities. Consequently, no termination options are included.

Note 30 Contingencies and commitments

Bank guarantees

Bank guarantees amounting to €1.8 million are outstanding at 31 December 2019 with different end dates in financial year 2020.

Fiscal unity

The Company forms a fiscal unity with Alfen B.V., Alfen ICU B.V. Alfen International B.V. and Alfen Projects B.V. for corporate income tax (CIT). For value-added tax (VAT) purposes the fiscal unity consists of Alfen N.V., Alfen B.V., Alfen ICU B.V. and Alfen Projects B.V. Pursuant to the Collection of State Taxes Act, the Company, along with the subsidiary that is part of the fiscal entity, is wholly and severally liable for taxation payable by the fiscal unity.

Note 31 Related party transactions

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

Intercompany transactions are carried out at arm's length.

The following transactions were carried out with related parties:

- Key management compensation (Note 11);
- Share-based payments (Note 13);
- Remuneration of the Management Board and Supervisory Board (Note 17).

The following transactions were carried out with related parties Infestos Energy Transition B.V. and Infestos Holding M B.V.:

- Infestos Energy Transition B.V. and Infestos Holding M B.V. provide advisory and consulting services related to strategic decision making, change management projects and processes and various other services, including those related to legal, financial, organisational matters and other relevant expertise, for which a management fee was charged to the Company of €143 thousand and €255 thousand for both the years ended 31 December 2019 and 31 December 2018, respectively.

Company financial statements

Alfen N.V.
Amsterdam, the Netherlands

Company financial statements
for the year ended 31 December 2019

Company financial statements

Company balance sheet

In EUR '000	Note	31 December 2019	31 December 2018
(before appropriation of profit)			
Assets			
Non-current assets			
Property, plant and equipment	4	1,267	1,339
Investments in subsidiaries	5	18,648	12,070
		19,915	13,409
Current assets			
Receivables	6	1,816	1,237
Cash and cash equivalents	7	-	-
		1,816	1,237
		21,731	14,646
Equity and liabilities			
Shareholder's equity	8		
Share capital		2,000	2,000
Share premium		1,913	1,913
Legal and statutory reserves		8,858	6,363
Retained earnings		(5,348)	(3,078)
Result for the year		5,625	(263)
		13,048	6,935
Provisions	5	869	375
Non-current liabilities	9	605	659
Current liabilities	10	7,209	6,677
		21,731	14,646

Company income statement

In EUR '000	Note	2019	2018
Depreciation on property, plant and equipment	4	(72)	(67)
General expenses		78	70
Operating profit (loss)		6	3
Finance income		-	-
Finance expenses		-	-
		-	-
Profit (loss) before income tax		6	3
Income tax expense		24	(1)
Share of net profit of investments in subsidiaries	5	5,595	(265)
Profit (loss) for the period after income tax		5,625	(263)

Notes to the company financial statements

Note 1 General information

The company financial statements are part of the consolidated financial statements of Alfen N.V. (hereafter: the Company).

Note 2 Basis of preparation

The Company financial statements of Alfen N.V. have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the Company financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

In case no other policies are mentioned, refer to the accounting policies as described in the accounting policies in the consolidated financial statements of this Annual Report. For an appropriate interpretation, the company financial statements of Alfen N.V. should be read in conjunction with the consolidated financial statements.

All amounts are presented in euros '000, unless stated otherwise. The balance sheet and income statement include references. These refer to the notes.

The company prepared its consolidated financial statements in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union.

Note 3 Financial fixed assets

Investments in consolidated subsidiaries

Consolidated subsidiaries are all entities (including intermediate subsidiaries) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognised from the date on which control is transferred to the company or its intermediate holding entities. They are derecognised from the date control ceases.

Investments in consolidated subsidiaries are measured at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements. In case of a negative net equity value of a subsidiary, the negative value is initially deducted from loans due from the respective subsidiary, if any, and subsequently accounted for as a provision for loss making subsidiaries.

Note 4 Property, plant and equipment

Property, plant and equipment concerns solely owned assets. The movement in property, plant and equipment during the years was as follows:

In EUR '000	Buildings
At 1 January 2018	
Cost	1,419
Accumulated impairments and depreciation	(62)
Net book value	1,357
Movements in book value	
Additions	49
Disposals	-
Depreciation for the year	(67)
Depreciation of disposals	-
	(18)
At 31 December 2018	
Cost	1,468
Accumulated impairments and depreciation	(129)
Closing net book value	1,339
At 1 January 2019	
Cost	1,468
Accumulated impairments and depreciation	(129)
Net book value	1,339
Movements in book value	
Additions	-
Disposals	-
Depreciation for the year	(72)
Depreciation of disposals	-
	(72)
At 31 December 2019	
Cost	1,468
Accumulated impairments and depreciation	(201)
Closing net book value	1,267

Note 5 Investments in subsidiaries

The movement in subsidiaries during the years was as follows:

In EUR '000	Investment in subsidiaries
At 1 January 2018	
Investment in subsidiaries	11,548
Movements in book value	
Investments	412
Share of profit in participations	(265)
Reclassification to provision for loss making subsidiaries	375
Capital contribution	-
Dividend received	-
	522
At 31 December 2018	
Investment in subsidiaries	12,070
At 1 January 2019	
Investment in subsidiaries	12,070
Movements in book value	
Investments	489
Share of profit in participations	5,595
Reclassification to provision for loss making subsidiaries	494
Capital contribution	-
Dividend received	-
	6,578
At 31 December 2019	
Investment in subsidiaries	18,648

The reclassification of €494 thousand (2018: €375 thousand) to provision for loss making subsidiaries is related to the negative equity value of Alfen International B.V.

The Company is wholly and severally liable for the loans of Alfen International B.V. Consequently, a provision for loss making subsidiaries of €869 thousand (2018: €375 thousand) is recognised related to the negative equity value of Alfen International B.V.

The share in the equity of the subsidiaries was as follows:

	Share in issued share capital 31 December 2019
Alfen B.V., Almere	100%
Alfen ICU B.V., Almere	100%
Alfen International B.V., Almere	100%
Alfen Projects B.V., Almere	100%
Alfen België BVBA, Gent	100%
Alfen Elkamo Oy Ab, Pietarsaari	100%

Note 6 Receivables

In EUR '000	31 December 2019	31 December 2018
Corporate income tax	394	559
Due from affiliated companies	1,397	678
Other receivables	25	-
Total	1,816	1,237

Receivables all have a remaining term to maturity of less than one year, unless stated otherwise. The fair value of the receivables approximates the carrying amount. No breakdown of the fair values of the receivables has been included as the differences between the carrying amounts and the fair values are insignificant.

The receivables due from affiliated companies bear no interest. With respect to repayment and securities nothing has been agreed.

Note 7 Cash and cash equivalents

In EUR '000	31 December 2019	31 December 2018
Cash and cash equivalents	-	-
Total	-	-

The cash and cash equivalents are freely disposable to the Company.

Note 8 Shareholders' equity

Share capital

Share capital at 31 December 2019 of €2 million is divided into 20,000,000 ordinary shares (2018: 20,000,000), fully paid-up, with a par value of €0.1 each (2018: €0.1). Total shares authorised comprise of 40,000,000 ordinary shares (2018: 40,000,000).

Share premium

The share premium reserve relates to contribution on issued shares in excess of the nominal value of the shares (above par value).

Retained earnings

The retained earnings of €3.5 million are restricted due to a legal reserve of €8.9 million (2018: €6.4 million) which is not available for distribution.

Result for the year

The proposal to the General Meeting is that an amount of €5.6 million will be recognised in retained earnings.

In EUR '000	Share capital	Share premium	Legal and statutory reserves	Retained earnings	Result for the year	Total equity
Balance - 1 January 2018	18	3,895	3,948	(2,776)	1,721	6,806
Issuance of ordinary shares	1,982	(1,982)	-	-	-	-
Share-based payment transactions	-	-	-	392	-	392
Dividend	-	-	-	-	-	-
Allocation of prior result	-	-	-	1,721	(1,721)	-
Additions	-	-	2,415	(2,415)	-	-
Profit (loss) for the period	-	-	-	-	(263)	(263)
Balance - 31 December 2018	2,000	1,913	6,363	(3,078)	(263)	6,935
Balance - 1 January 2019	2,000	1,913	6,363	(3,078)	(263)	6,935
Issuance of ordinary shares	-	-	-	-	-	-
Share-based payment transactions	-	-	-	488	-	488
Dividend	-	-	-	-	-	-
Allocation of prior result	-	-	-	(263)	263	-
Additions	-	-	2,495	(2,495)	-	-
Profit (loss) for the period	-	-	-	-	5,625	5,625
Balance - 31 December 2019	2,000	1,913	8,858	(5,348)	5,625	13,048

Note 9 Non-current liabilities

In EUR '000	31 December 2019	31 December 2018
Borrowings	665	719
Total	665	719

The repayment obligation as per 31 December 2019 is as follows:

In EUR '000	31 December 2019	Repayment obligation in 2020	Remaining term >1 year and <5 year	Remaining term >5 years
Borrowings	665	60	240	365
Total	665	60	240	365

Repayments due within 12 months of the reporting date in the sum of €60 thousand (2018: €60 thousand) have been recognised as current liabilities.

Reference is made to Note 26 of the consolidated financial statements.

Note 10 Current liabilities

In EUR '000	31 December 2019	31 December 2018
Repayment obligation borrowings	60	60
Credit institutions	5,415	4,141
Trade payables	29	116
Due to affiliated companies	126	2,266
Corporate income tax	1,428	-
Other taxes	(14)	(14)
Other liabilities and accrued expenses	165	108
Total	7,209	6,677

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the carrying amounts due to its short term character.

The payables due to affiliated companies bear no interest. With respect to repayment and securities nothing has been agreed.

Reference is made to Note 28 of the consolidated financial statements.

Note 11 Contingencies and commitments

The Company forms a fiscal unity with Alfen B.V., Alfen ICU B.V., Alfen International B.V. and Alfen Projects B.V. for corporate income tax (CIT). For value-added tax (VAT) purposes the fiscal unity consists of Alfen N.V., Alfen B.V., Alfen ICU B.V. and Alfen Projects B.V. Pursuant to the Collection of State Taxes Act, the Company, along with the subsidiary that is part of the fiscal entity, is wholly and severally liable for taxation payable by the fiscal unity.

Note 12 Audit fees

The following audit fees were expensed in the income statement in the reporting period:

In EUR '000	PricewaterhouseCoopers Accountants N.V.		Other network		Total network	
	2019	2018	2019	2018	2019	2018
Audit of the financial statements	162	109	-	-	162	109
Other audit procedures	8	138	-	-	8	138
Tax services	-	-	-	-	-	-
Other non-audit services	-	-	-	-	-	-
Total	170	247	-	-	170	247

The fees listed above relate to the services provided to the Company by accounting firms and external independent auditors as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta).

These fees relate to the audit of the 2019 and 2018 financial statements, regardless of whether the work was performed during the financial year.

Note 13 Average numbers of employees

During the year 2019, the average number of employees, based on full time equivalents, was 3 (2018: 3). Of these employees no employees were employed outside the Netherlands.

Note 14 Events after reporting period

There are no events after the reporting period.

Notes to the company financial statements

Authorisation of the financial statements

Almere, 18 February 2020

Alfen N.V.

Board of Directors,

Marco Roeleveld CEO	**Jeroen van Rossen** CFO

Supervisory Board,

Henk ten Hove	**Edmond van der Arend**	**Erwin Riefel**

Other information

Alfen N.V.
Amsterdam, the Netherlands

Other information
for the year ended 31 December 2019

Provision in the Articles of Association relating to profit appropriation

Article 31 in the articles of association include the following information concerning profit appropriation:

1. The Management Board, with the approval of the Supervisory Board, may decide that the profits realised during a financial year fully or partially be appropriated to increase and/or form reserves.
2. The profits remaining after application of Article 31.1 shall be put at the disposal of the General Meeting. The Management Board, with the approval of the Supervisory Board, shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders.
3. Distributions from the Company's distributable reserves are made pursuant to a resolution of the Management Board, with the approval of the Supervisory Board.
4. Provided it appears from an interim statement of assets signed by the Management Board that the requirement mentioned in Article 31.7 concerning the position of the Company's assets has been fulfilled, the Management Board may, with the approval of the Supervisory Board, make one or more interim distributions to the holders of Shares.
5. The Management Board may, with the approval of the Supervisory Board, decide that a distribution on Shares shall not take place as a cash payment but as a payment in Shares, or decide that holders of Shares shall have the option to receive a distribution as a cash payment and/or as a payment in Shares, out of the profit and/or at the expense of reserves, provided that the Management Board is designated by the General Meeting pursuant to Articles 6.2. With the approval of the Supervisory Board, the Management Board shall determine the conditions applicable to the aforementioned choices.
6. The Company's policy on reserves and dividends shall be determined and can be amended by the Management Board, subject to the approval of the Supervisory Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item.
7. Distributions may be made only insofar as the Company's equity exceeds the amount of the paid in and called up part of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.

Independent auditor's report

We refer to the following page.

Other information

Independent auditor's report

To: the general meeting and supervisory board of Alfen N.V.

Report on the financial statements 2019

Our opinion

In our opinion, the financial statements of Alfen N.V. ('the Company') give a true and fair view of the financial position of the Company and the Group (the Company together with its subsidiaries) as at 31 December 2019, and of its result and its cash flows for the year then ended 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.

What we have audited

We have audited the accompanying financial statements 2019 of Alfen N.V., Amsterdam. The financial statements include the consolidated financial statements of the Group and the Company financial statements.

The financial statements comprise:

- consolidated statement of financial position and company balance sheet as at 31 December 2019;
- the following statements for 2019: consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and company income statement; and
- the notes to the consolidated financial statements and to the company financial statements, comprising the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

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

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

Independence

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

Our audit approach

Overview and context

Alfen N.V. (hereafter "Alfen" or "the Company") is a public limited liability Company (N.V.) which main activity is to develop, produce and sell products, systems and services related to the electricity grid, including smart grid solutions, charging equipment for electric vehicles and energy storage systems.

The Group comprises of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

The roll-out of the expansion strategy of the Company characterised the financial year 2019. The growth is realised by expanding to other countries and by developing and introducing new products to the market. This affected the benchmark we used for the determination of materiality as described in the section 'Materiality'.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the management board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In note 7 of the notes to the consolidated financial statements the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the estimation uncertainty and the related higher inherent risks of material misstatement in the estimate of contract work, we considered this a key audit matter as set out in the section 'Key audit matters' of this report. In addition, we determined the capitalisation of development costs as a key audit matter given the judgement involved, in determining whether such costs should be capitalised.

Other areas of focus, that were not considered as key audit matters, were the impairment of nonfinancial assets, the accounting for leases based on IFRS 16 and the accounting for share-based payments due to the magnitude to the financial statements.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of Alfen N.V. and we included specialists in the area of IT and share-based payments, in our team.

The outline of our audit approach was as follows:

Materiality

- Overall materiality: €1,145,000.

Audit scope

- We conducted audit work in the Netherlands and in Finland;
- We performed a site visit at Elkamo Oy Ab in Finland;
- Audit coverage: 97% of consolidated revenue, 99% of consolidated total assets and 100% of consolidated profit before tax.

Key audit matters

- Estimates in contract work; and
- Capitalisation of development costs.

Materiality

The scope of our audit is influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€1,145,000 (2018: €815,000).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement we used 0.8% of total revenues.
Rationale for benchmark applied	We used total revenues as the primary benchmark, as the Company is currently investing in the execution of their growth strategy, resulting in top-line growth. The Company is expanding internationally, in new markets and with new products. The primary focus of the stakeholders and the Company is therefore on growth of revenue. As a result, we believe that total revenue is an important metric for the financial performance of the Company.
Component materiality	To each component in our audit scope, we, based on our judgement, allocate materiality that is less than our overall group materiality. The range of materiality allocated across components was between €500,000 and €1,145,000. Certain components were audited to a local statutory audit materiality which is less than the allocated materiality.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them misstatements identified during our audit above €57,000 (2018: €40,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Other information

The scope of our group audit

Alfen N.V. is the parent Company of a group of entities as disclosed in note 1. The financial information of this group is included in the consolidated financial statements of Alfen N.V.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the Group engagement team and by each component auditor.

The group audit primarily focussed on one significant component, Alfen B.V., as this component performs the majority of the operational activities of the Group. Therefore, this component was subject to an audit of its complete financial information.

We further subjected three components, Alfen N.V., Alfen ICU B.V. and Alfen Elkamo Oy Ab, to audits of complete financial information to achieve appropriate coverage on financial line items in the consolidated financial statements.

Finally, Alfen International B.V. was subject to audit procedures on long-term liabilities to achieve appropriate coverage on that financial statements line item.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	97%
Total assets	99%
Profit before tax	100%

None of the remaining components represented more than 3% of total group revenue or total group assets. For those remaining components we performed, amongst others analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

The group engagement team performed the audit procedures for the Dutch entities Alfen N.V., Alfen B.V. and Alfen ICU B.V. For the component Alfen Elkamo we used a component auditor, familiar with the local laws and regulations to perform the audit work.

Where the component auditor performed the work, we determined the level of involvement we needed to have in their audit work to be able to conclude whether we had obtained sufficient appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component audit team in our audit scope. These instructions included amongst others our risk analysis, materiality and scope of the work. We explained to the component audit team the structure of the Group, the main developments that are relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach.

We had calls with the component audit team during the year and upon conclusion of their work. During these calls, we discussed the accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters, which could be of relevance for the consolidated financial statements. The group engagement team visited local management and the component auditor of Elkamo Oy Ab during the year. In the meeting with the component auditor we discussed the audit approach and reviewed selected working papers.

The group engagement team performed the audit work on the group consolidation, financial statement disclosures and a number of complex items at the head office. These included the audit of the valuation of goodwill, the accounting for leases based on IFRS 16, the accounting for the share-based payments, financing and the tax position.

By performing the procedures at the components, combined with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

Our focus on the risk of fraud and non-compliance with laws and regulations

Our objectives

The objectives of our audit are:

In respect to fraud:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate audit responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

In respect to non-compliance with laws and regulations:

- to identify and assess the risk of material misstatement of the financial statements due to noncompliance with laws and regulations; and
- to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error when considering the applicable legal and regulatory framework.

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the management board, as included in the management board report, section: Management Board approach towards risk management.

Our risk assessment

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated the fraud risk factors to consider whether those factors indicated risks of material misstatement due to fraud.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable for the Group. We identified provisions of those laws and regulations, generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements such as the financial reporting framework and tax and pension laws and regulations.

As in all of our audits, we addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the management board that may represent a risk of material misstatement due to fraud.

Our response to the risks identified

We performed the following audit procedures to respond to the assessed risks:

- We evaluated the design, the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks;
- We performed data analysis of high-risk journal entries. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk;
- We evaluated key estimates and judgements for bias by Alfen N.V., including retrospective reviews of prior year's estimates. These procedures also included testing of transactions back to source information;
- With respect to the risk of fraud in revenue, we selected a sample of revenues and traced them back to the contracts or orders, the sales invoice, the shipping documents and the payments. In addition, we evaluated the performance indicators as included in the contracts of Alfen and the recognition of the revenues overtime versus point-in-time;
- We evaluated the segregation of duties in the payment process. In addition, we attended and tested the inventory count and evaluated the results of the counting procedures;
- We incorporated an element of unpredictability in our audit;
- We considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud. If so, we reevaluated our assessment of fraud risk and its resulting impact on our audit procedures;
- We obtained audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements; and
- As to the other laws and regulations, we inquired with the management board and/or the supervisory board as to whether the entity is in compliance with such laws and regulations and inspected correspondence, if any, with relevant licensing and regulatory authorities.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

We addressed the key audit matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comment or observation we made on the results of our procedures should be read in this context.

Key audit matter	Our audit work and observations
Estimates in contract work *Refer to note 23 to the financial statements*	
Contract balances are recognised when the Company builds an asset on the customer site or when the costs incurred are related to a product with no alternative use and for which the Company has an enforceable right to payment. The net balance sheet position of contract work amounts to €3.7 million and consists of Smart grid solutions and Energy storage solutions. This net balance consists of €28.7 million amounts due from customers for contract work, being the aggregated cost incurred and recognised profits and losses less €25.0 million progress billing. For contract work, Alfen N.V. uses the cost incurred on the contract in relation to the estimated total costs as a measure towards complete satisfaction of the performance obligation (i.e. overtime recognition of revenues). The estimated total costs is a critical estimate for Alfen N.V. for determining measurement towards complete satisfaction of the performance obligation, as well as for assessing the need for provisions for loss making contracts. The estimated total costs comprise the materials used for production and hours needed for production and transportation costs. Due to the magnitude, the most critical estimate in the estimated total costs relates to the materials used for production.	We gained an understanding of Alfen N.V.'s contract work, including significant estimates made by the management board, such as those regarding the estimated total cost, the measurement of progress towards complete, satisfaction of performance obligations, contract modifications and variable considerations. We determined that the estimated total cost is the most critical input to determine the measurement of progress towards complete satisfaction of the performance obligation. In addition, we gained an understanding of and evaluated Alfen N.V.'s internal controls and processes including IT systems, relevant to the estimates in contract work. We evaluated how estimation uncertainty is addressed by the management board in their monthly detailed review of project progress. As part of our risk assessment procedures, we performed look-back procedures to assess the quality of the management board's estimates, by comparing actual costs in the current financial year to the estimated total costs in prior year's financial statements. Based on these procedures we assessed the management board's estimate in prior year to be well-balanced. We used our risk assessment procedures, understanding and assessment of the effectiveness of the internal controls to determine our audit approach. We primarily relied on substantive testing procedures, based on efficiency considerations.

Key audit matter	Our audit work and observations
The contracts of the Company generally contain one performance obligation and includes client-specific and detailed technical descriptions and breakdowns of expected costs. The management board periodically monitors the financial and technical progress of the performance obligation by analysing project profitability and variance analyses of forecasted profitability compared to budget and earlier assessments. The estimates in contract work is considered a key audit matter due to the magnitude of this balance and the estimate required from the management board to determine the estimated total costs.	We selected a sample of contracts to test the progress towards complete satisfaction of the performance obligation, based on qualitative factors, such as the risk profile and the stage of the project and quantitative factors, such as the revenue of the performance obligation and the balance of the contract asset per 31 December 2019. In our selection, we have included 6 projects with a high contract balance and 11 projects with a higher estimation uncertainty based on an estimated percentage of completion between 15% and 50% in combination with the total contract value. We tested the accuracy of the cost, which serves as the input for the management board's measurement of the progress towards the completion of the contract. We attended a site visit on 3 January 2020 to test the existence and the stage of satisfaction of the performance obligation. No misstatements were identified by performing these procedures. We tested the estimated total costs and challenged the management board's estimates applied by comparing the inputs to supporting evidence, such as external prices of materials in inventory or other projects, progress reports and progress meetings held. In addition, we tested the mathematical accuracy of the budgets and progress reports used and reconciled these to the project administration. Based on our procedures, we consider the management board's estimates in contract work to be supported by available evidence. In addition, we found the related disclosure to be adequate.
Capitalisation of development costs *Refer to note 19 to the financial statements*	
The intangible assets of Alfen N.V. amounts to €11.2 million of which €8.9 million relates to capitalised development costs for smart grid solutions, electric vehicle charging equipment and energy storage. During 2019, Alfen N.V. capitalised €4.2 million of development cost for new products or systems, or for new features to existing products or systems.	We gained an understanding of and evaluated Alfen N.V.'s process with regards to the capitalization of development costs. We primarily relied on substantive testing procedures, based on efficiency considerations. As part of our risk assessment procedures, we performed look-back procedures. We verified that the products or systems capitalized in prior years have been sold in 2019. The products and systems have generated sales, or are further developed in 2019.

Key audit matter	Our audit work and observations
The management board applies significant judgement regarding the determination on whether to capitalise development costs. This determination is highly dependent on: • Whether it is technically feasible to complete the product or system so that it will be available for use; • the management board's intention to complete the product or system and use or sell it; • the ability to use or sell the product or system; • the probability that the product or system will generate probable future economic benefits; • the availability of adequate technical, financial and other resources to complete the development; and • the reliability of the measurement of expenditures attributable to the product or system during its development. Given the level of judgement required from the management board to determine whether or not the capitalization criteria are met, we considered this area to be a key audit matter.	We obtained a listing of all projects for which development costs were capitalised in the period. We have selected 8 projects based on the amount of capitalised development costs and obtained explanations and documentation from the management board and the R&D manager on how the project met the criteria for capitalisation of development costs. We obtained the technical business plan for the projects and discussed this with the R&D manager. The technical business plans indicate that the projects are technically feasible to be completed and the products and systems will be available for use. We evaluated reasonableness of future economic benefits and the management board's intention to sell the products and systems by obtaining evidence such as new contracts with customers. The future economic benefits and the management boards intention were supported with available evidence. We discussed the ability of the Company to sell the products and systems with the R&D manager and determined that the new products are strongly related to the products and systems currently produced by the Company. We performed procedures to confirm that the R&D department employees are engaged in the projects. We performed procedures to confirm that the Company has sufficient room in the credit facility, resulting in sufficient financial and technical resources to complete the development. We tested the accuracy of directly attributable costs that are capitalised by tracing a sample of external costs back to the invoices received. In addition, we assessed the hourly rate used for the development employee costs and traced the capitalised hours back to the time registration. No differences were noted in these procedures. Based on the procedures performed we found the capitalised development costs to be supported with available evidence.capitalised development costs to be supported with available evidence.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:
- 2019 at a glance;
- about Alfen;
- the report of the Management Board;
- the report of the Supervisory Board; and
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is 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 in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our 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 such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of Alfen N.V. by the supervisory board following the passing of a resolution by the shareholders at the annual meeting held on 11 March 2018.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in Article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company and its controlled entities, for the period to which our statutory audit relates, are disclosed in note 12 to the Company financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for:
- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board 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, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The management board 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 supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Utrecht, 18 February 2020
PricewaterhouseCoopers Accountants N.V.

A.C. Mulder RA

Appendix to our auditor's report on the financial statements 2019 of Alfen N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- 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 intentional 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 the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

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

We provide the supervisory board 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 supervisory board, 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.

Colophon

Alfen Annual Report 2019
Alfen N.V.

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Alfen
Annual Report 2019