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The Underwriters are acting exclusively for the Company, the Selling Shareholders and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

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ALFEN N.V.

(a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, with its statutory seat in Amsterdam, the Netherlands)

Initial public offering of up to 9.775.000 ordinary shares and admission to listing and trading of all ordinary shares on Euronext Amsterdam

Infestos Holding M B.V. and Infestos Energy Transition B.V. (the “**Selling Shareholders**”) together are offering up to 9.775.000 existing ordinary shares (the “**Offer Shares**”, which includes, unless the context indicates otherwise, the Over-Allotment Shares (as defined below)) in the capital of Alfen N.V. (the “**Company**”) with a nominal value of €0,10 each (the “**Ordinary Shares**”). The Offer Shares excluding the Over-Allotment Shares constitute approximately 42,50% of the issued share capital of the Company. Assuming the Over-Allotment Option is exercised in full, the Offer Shares and the Over-Allotment Shares will constitute approximately 48,88% of the issued share capital of the Company.

The offering of the Offer Shares (the “**Offering**”) consists of: (i) an initial public offering to certain institutional and retail investors in the Netherlands; and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered and sold within the United States of America (the “**United States**” or “**U.S.**”), to persons reasonably believed to be qualified institutional buyers (“**QIBs**”) as defined in Rule 144A (“**Rule 144A**”) under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), pursuant to rule 144A or another exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws, and outside the United States, in accordance with Regulation S under the U.S. Securities Act (“**Regulation S**”).

Prior to the Offering, there has been no public market for the Ordinary Shares. Application has been made to admit all of the Ordinary Shares to listing and trading on Euronext Amsterdam (“**Euronext Amsterdam**”), a regulated market operated by Euronext Amsterdam N.V., under the symbol “**ALFEN**”. Subject to acceleration or extension of the timetable for the Offering, trading on an “as-if-and-when-delivered” basis in the Ordinary Shares on Euronext Amsterdam is expected to commence on or about 22 March 2018 (the “**First Trading Date**”).

*Investing in the Ordinary Shares involves risks. See “**Risk Factors**” for a description of the risk factors that should be carefully considered before investing in the Ordinary Shares.*

The price per Offer Share (the “Offer Price”) is expected to be in the range of €11,25 and €15,00 (inclusive) (the “Offer Price Range”)

The Offering will take place from 9:00 CET on 12 March 2018 until 17:30 CET on 20 March 2018 for prospective retail investors in the Netherlands and from 9:00 CET on 12 March 2018 until 14:00 CET on 21 March 2018 for prospective institutional investors (the “**Offer Period**”), subject to acceleration or extension of the timetable for the Offering, and subject as set out below for the Preferential Retail Allocation (as defined below). The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Selling Shareholders and the Company, in consultation with the Joint Global Coordinators (as defined below), after the end of the Offer Period on the basis of the book-building process and taking into account the conditions and factors described in “*The Offering*”. The Selling Shareholders and the Company, together with the Joint Global Coordinators, reserve the right to increase or decrease the number of Offer Shares and to change the Offer Price Range prior to allocation of the Offer Shares. Any increase in the top end of the Offer Price Range on the last day of the Offer Period or the determination of an Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days; any increase in the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. In these cases, if the Offer Period for retail investors in the Netherlands would already have closed, such Offer Period will be reopened. Accordingly, all investors, including retail investors in the Netherlands, will have at least two business days to reconsider their subscriptions. Any change in the number of Offer Shares and/or the Offer Price Range will be announced in a press release published and placed on the Company’s website. The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in a pricing statement (the “**Pricing Statement**”) that will be filed with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”) and announced through a press release published and placed on the Company’s website. Printed copies of the Pricing Statement will be made available at the registered office of the Company.

There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands (the “**Preferential Retail Allocation**”). Each eligible retail investor in the Netherlands (each a “**Dutch Retail Investor**”) will be allocated the first 500 (or fewer) Offer Shares for which such investor subscribes, provided that if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of Offer Shares (assuming no exercise of the Over-Allotment Option (as described below)) the preferential allocation to each Dutch Retail Investor may take place *pro rata* in respect of the first 500 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch Retail Investors may not be allocated all of the first 500 (or fewer) Offer Shares that they subscribe for. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended. To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 12 March 2018 at 9:00 CET and ending on

20 March 2018 at 17:30 CET through their bank or other financial intermediaries. Dutch Retail Investors are entitled to cancel or amend their subscription, at the financial intermediary where their original subscription was submitted, at any time prior to the end of the Offer Period for retail investors (if applicable, as accelerated or extended).

ABN AMRO Bank N.V. (“**ABN AMRO**”) and Barclays Bank PLC, acting through its investment bank (“**Barclays**”) which is authorised by the Prudential Regulation Authority (“**PRA**”) and regulated by the Financial Conduct Authority and the PRA in the United Kingdom, are acting as joint global coordinators (the “**Joint Global Coordinators**”) and together with Coöperatieve Rabobank U.A. (“**Rabobank**”) as joint bookrunners for the Offering (the “**Joint Bookrunners**” or the “**Underwriters**”). The Selling Shareholders have granted the Joint Global Coordinators, on behalf of the Underwriters, an option (the “**Over-Allotment Option**”), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators (on behalf of the Underwriters) may require the Selling Shareholders to sell at the Offer Price up to 1.275.000 additional Ordinary Shares, comprising up to 15% of the total number of Offer Shares sold in the Offering (the “**Over-Allotment Shares**”), to cover over-allotments, if any, in connection with the Offering or to facilitate stabilisation transactions, if any.

Subject to acceleration or extension of the timetable for the Offering, payment (in euro) for, and delivery of, the Offer Shares (“**Settlement**”) is expected to take place on 26 March 2018 (the “**Settlement Date**”) through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland.

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned. The Company, the Selling Shareholders, ABN AMRO, in its capacity as listing and paying agent (the “**Listing and Paying Agent**”), the Underwriters and Euronext Amsterdam N.V. do not accept any responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares. For more information regarding the conditions to the Offering and the consequences of any termination or withdrawal of the Offering, see “*The Offering*”.

At the date of this Prospectus, the Company is still a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) named Alfen Beheer B.V. with its statutory seat in Almere, the Netherlands. The Company is expected to be converted into a public company with limited liability (*naamloze vennootschap*) with its statutory seat in Amsterdam, the Netherlands, and to be renamed to Alfen N.V. with effect as of the First Trading Date.

The Offering is only made in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares may lawfully be made. The distribution of this prospectus (the “**Prospectus**”) and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves and observe any restrictions. The Offer Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, may not be offered or sold in the United States except to certain QIBs in reliance on Rule 144A under the U.S. Securities Act or pursuant to another exemption from the registration requirements of the U.S. Securities Act or to certain persons outside the United States in reliance on Regulation S under the U.S. Securities Act. Each purchaser of Offer Shares, in making a purchase, will be deemed to have made certain acknowledgments, representations and agreements as set out in “*Selling and Transfer Restrictions*”. Prospective investors in the Offer Shares should carefully read the restrictions described under “*Important Information – Notice to Investors*” and “*Selling and Transfer Restrictions*”. The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside the Netherlands.

This Prospectus constitutes a prospectus for the purposes of Article 3 of the Directive 2003/71/EC of the European Parliament and of the Council of the European Union as amended, including by Directive 2010/73/EU (the “**Prospectus Directive**”) and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules promulgated thereunder. This Prospectus has been approved by and filed with the AFM.

Joint Global Coordinators and Joint Bookrunners

ABN AMRO

Barclays

Joint Bookrunner
Rabobank

This Prospectus is dated 12 March 2018

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SUMMARY

Summaries are made up of disclosure requirements known as “elements”. The elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the elements required to be included in a summary for this type of security and issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the elements. Even though such elements may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding such elements. In this case a short description of such elements is included in the summary with the mention of “not applicable”.

Section A – Introduction and Warnings		
A.1	Introduction and warnings	<p>This summary should be read as an introduction to the prospectus (the “Prospectus”) relating to the offering (the “Offering”) by Infestos Holding M B.V. and Infestos Energy Transition B.V. (the “Selling Shareholders”) together of up to 9.775.000 existing ordinary shares (the “Offer Shares”, which includes, unless the context indicates otherwise, the Over-Allotment Shares (as defined below)) in the share capital of Alfen N.V. (the “Company”) with a nominal value of €0,10 each (the “Ordinary Shares”), and the admission to listing and trading of the Ordinary Shares on Euronext Amsterdam (“Euronext Amsterdam”), a regulated market operated by Euronext Amsterdam N.V. The Offer Shares excluding the Over-Allotment Shares constitute approximately 42,50% of the Company’s issued share capital.</p> <p>Any decision to invest in any Ordinary Shares should be based on a consideration of the Prospectus as a whole by the investor and not just the summary. Where a claim relating to the information contained in, or incorporated by reference into, the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating the Prospectus and any documents incorporated by reference therein before the legal proceedings can be initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.</p>
A.2	Consent of the Company	Not applicable. The Company does not consent to the use of the Prospectus for the subsequent resale or final placements of Offer Shares by financial intermediaries.
Section B – Company		
B.1	Legal and commercial name	Alfen N.V. will be the legal and commercial name of the Company. At the date of the Prospectus the Company is a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) named Alfen Beheer B.V. The Company is expected to be converted into a public company with limited liability (<i>naamloze vennootschap</i>) and to be renamed to Alfen N.V. with effect as of the First Trading Date (as defined below).
B.2	Domicile, legal form, legislation and country of incorporation	The Company is a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of the Netherlands and is domiciled in the Netherlands. The Company is expected to be converted into a public company with limited liability (<i>naamloze vennootschap</i>) with effect as of the First Trading Date (as defined below). The Company will have its statutory seat (<i>statutaire zetel</i>) in Amsterdam, the Netherlands, as from the conversion.

B.3	Current operations and principal activities	<p>The Company together with its subsidiaries (“Alfen”) is active in three business lines: Smart Grids, Energy Storage and electric vehicle (“EV”) Charging, operating as an innovative international developer and supplier of standardised and integrated electric energy products, systems and solutions. It endeavours to play a central role in the electricity grid by facilitating the technological advances and industrial shifts being implemented in connection with the energy transition, based on a range of in-house developed products, systems and solutions that build on its expertise as a systems integrator. Alfen primarily operates in the Netherlands and Belgium, with additional sales activities in the United Kingdom and Germany. Through its network of distribution partners, resellers and international clients, Alfen also supplies its products to other European markets and to selected markets outside of Europe.</p> <p>Smart Grids</p> <p>In its Smart Grids business line, Alfen supplies standardised electricity grid connection systems, secondary transformer substations, local power grids, devices for grid automation and proprietary software and back-end systems for remote management and grid control. Alfen builds privately-owned electricity grids for a diverse range of companies such as greenhouse horticulturalists, industrial companies and contractors which engineer and construct solar photovoltaic (“PV”) plants. The Smart Grids business line accounted for approximately €57,0 million or 77% of total revenue¹ for the financial year 2017. Approximately 8% of Alfen’s revenue in the Smart Grids business line for the financial year 2017 was generated outside the Netherlands. Approximately 66% of the revenue of Alfen’s Smart Grids business line was generated through framework and reseller agreements (or other on-going supply arrangements), while approximately 34% was generated by project assignments. Services offering represented approximately 14% of 2017 project revenues. Alfen estimates that it holds a market share of approximately 70% in smart grid solutions in the Netherlands.²</p> <p>Energy Storage</p> <p>In its Energy Storage business line, Alfen is active in the development, production and installation of a range of modular energy storage systems under its label TheBattery. Energy storage systems are used by multiple utilities, grid operators, large and small energy producers and traders, EV (fast charging) service providers and industrial production companies. Alfen has in-house developed and produced modular energy storage systems in its Energy Storage business line since 2011. The Energy Storage business line started to generate commercial revenues in the financial year 2016 (€0,8 million) and has increased its revenues to €8,3 million or 11% of Alfen’s total revenue for the financial year 2017. Approximately 61% of 2017 revenues in the Energy Storage business line were derived from outside the Netherlands. Approximately 100% of the revenues of the Energy Storage business line in the financial year 2017 were derived from project assignments. In a recent project, approximately 5% of the total contract value consisted of a 10 year maintenance service component. Alfen believes that it holds a strong market position as one of the few European players with a proven working battery storage concept in all major storage applications and a supplier for leading European utility companies.</p>
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1 In this Prospectus, the Company’s “total revenue” includes “revenue” as well as “other income” as included in the consolidated statement of comprehensive income of the Consolidated Financial Statements. Other income is generated from government grants received in connection with Alfen’s business operations.

2 Alfen’s analysis based on its contractual share of the supply of the number of substations to each of the four largest Dutch DSOs (which jointly comprise approximately 97% of the Dutch market for mid-voltage substations), multiplied by the relevant market share of each of these DSOs by the number of mid-voltage substations based on <https://energiecijfers.info/hoofdstuk-1/>.

		<p>EV Charging</p> <p>Since 2008, Alfen has been developing and producing electric vehicle charging stations for all types of electric vehicles. Alfen's EV Charging business line supplies a range of smart and connected EV charge points for use at home, work and in public areas. These charging points are available in a large variety of charging capacities and functionalities. As at 31 December 2017, Alfen has sold more than 30.000 chargers in its selected geographical markets. Alfen believes that it holds a market leading position in the Netherlands and solid market positions in other Western European countries. The EV Charging business line accounted for approximately €9,0 million or 12% of Alfen's total revenue for the financial year 2017. Approximately 39% of 2017 revenues in the EV charging business line were derived from outside the Netherlands. In the financial year 2017, Alfen's service offering comprised 7% of the revenue generated by the EV Charging business line. Approximately 100% of the revenues of the EV Charging business line in the financial year 2017 were generated through framework and reseller agreements (or other on-going supply arrangements).</p> <p>Integrated solutions overlapping the three business lines</p> <p>Alfen incorporates various systems and solutions, applying in-house developed and produced products and systems to local situations and client requirements. In this way, Alfen's standardised products, systems and solutions function as "building blocks" to be used in complex integrated systems and solutions that overlap across its three business lines. This unique capability allows Alfen to be prepared for changing markets and benefits Alfen's clients in that they can engage Alfen as a one-stop-shop for a broad range of projects related to renewable energy solutions and do not have to contract different suppliers.</p> <p>Projects and services</p> <p>Alfen executes hundreds of projects each year, supported by a dedicated projects and services department. The department provides project management services to clients for tailor-made projects that involve Alfen's in-house developed and produced products, systems and solutions, including system integration performed by specialist engineering and electricity grid technicians. In addition, Alfen offers service, management and maintenance activities, including 24-hour remote support and monitoring as well as an in-house technological know-how center.</p> <p>Competitive strengths</p> <p>Alfen's main competitive strengths are the following:</p> <ul style="list-style-type: none"> • well positioned to benefit from current trends in relation to the energy transition; • technologically advanced supplier with open architecture approach and an asset-light business model; • integrated offering and end-to-end solutions for Smart Grids, EV Charging and Energy Storage; and • market leading positions in its home market and "first mover" in other Western European countries. <p>Strategy</p> <p>Alfen's aim is to deliver controlled profitable growth based on the following three pillars:</p> <ol style="list-style-type: none"> (i) building on technology leadership; (ii) capturing exponential growth; and (iii) increasing profitability.
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	<p>Medium-Term Objectives</p> <p>The Company has set the following medium-term objectives, which it aims to achieve by executing its strategy as described above:</p> <ul style="list-style-type: none"> • <i>revenue growth</i>: achieve a CAGR (compound annual growth rate) of above 40% by leveraging Alfen’s market positions in its geographical markets to capture the market growth expected for each of its business lines resulting from current trends in relation to the energy transition as well as by international expansion of Alfen’s sales network, further supported by cross-selling of its products and volume growth of its service offering; • <i>internationalisation</i>: grow Alfen’s revenue from outside the Netherlands to above 50% of Alfen’s total revenue and achieve a market share of at least 30% in selected target markets in Europe in annual EV chargers sold; • <i>adjusted EBITDA margin</i>: improve Alfen’s annual EBITDA margin in the medium term to a mid to high teens percentage by leveraging its fixed cost base³ as it realises its revenue growth; and • <i>capital expenditure</i>: normalise and maintain a sustainable capital expenditure level at approximately 3% of Alfen’s total revenue, supported by recent investments and sustained by Alfen’s asset-light business model. <p>The Company has not defined, and does not intend to define, “medium term”. These medium-term financial objectives should not be read as forecasts or projections and should not be read as indicating that Alfen is targeting such metrics for any particular year, but are merely objectives that result from the Company’s pursuit of its strategy. The Company can provide no assurances that these objectives can be met or that its strategy can be implemented, and the actual results could differ materially. The objectives have been determined based on trends, data, assumptions and estimates that the Company considers reasonable as of the date of this Prospectus but which may change as a result of uncertainties related to its economic, financial or competitive environment and as a result of future business decisions, as well as the occurrence of certain factors, and they are inherently subject to significant business, operational, economic and other risks, including but not limited to those described in “<i>Important Information – Information Regarding Forward-Looking Statements</i>” and “<i>Risk Factors</i>”, many of which are outside of Alfen’s control. The assumptions upon which the medium-term objectives are based may change or may not materialise at all. In addition, unanticipated events may adversely affect the actual results that Alfen achieves in future periods whether or not its assumptions relating to the medium-term objectives prove to be correct. Investors are urged not to place undue reliance on any of the statements set out above.</p> <p>Revenue outlook for the financial year 2018</p> <p>Alfen has estimated its revenues for the financial year 2018 by adding the following components: (i) expected revenues from existing framework and reseller agreements under which purchase orders are received throughout the year and (ii) expected revenues from project pipeline, project backlog and services. In aggregate, as at 31 December 2017, Alfen estimates that its total revenue will increase to above €99 million in 2018. See “<i>Operating and Financial Review – Revenue outlook for the financial year 2018</i>”. Additional revenue may potentially be sourced from the following sources: (i) international expansion of Alfen’s sales activities through new and existing resellers; (ii) signing additional orders which are not yet visible</p>
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³ By leveraging its fixed cost base, Alfen means that it expects to be able to realise revenue growth without increasing its fixed costs at the same rate. In addition, Alfen expects that its variable costs will increase as it realises revenue growth. However, Alfen cannot guarantee that its costs will increase in accordance with its expectations.

		<p>at the date of calculating the backlog and pipeline given the average lead-to-order period of three to six months for projects generally; (iii) further growth in the Energy Storage business line; and (iv) expansion of Alfen's sales organisation by attracting additional sales employees.</p> <p>A substantial portion of the projects included in Alfen's revenue estimates are subject to decisions ultimately made by Alfen's clients. Alfen's revenue estimates, including its backlog and pipeline figures, are not audited and should not be read as forecasts or projections for any particular year, but are management estimates resulting from the Company's pursuit of its strategy. The Company can provide no assurances that the estimated future revenues will be realised and the actual revenue for the financial year 2018 could differ materially. The levels of Alfen's backlog are not necessarily indicative of its future revenue related to the performance of such work or of Alfen's future levels of backlog. Cancellations or delays have occurred, and in the future may occur, from time to time. The expected revenues from existing framework and reseller agreements and project pipeline have been determined based on assumptions and estimates that the Company considered reasonable at the date these were made. These estimates and assumptions are inherently uncertain and reflect management's views that are also based on its experience of historic success of being assigned projects, which may materially differ from the success rates for any future projects. In particular for the Energy Storage business line, which has a limited operating history, there is limited historic information on which management's views can be based. Alfen regularly monitors the estimates and assumptions made since 31 December 2017 and believes the applied methodology for its revenue projections for the financial year 2018 is still accurate on the date of this Prospectus; however, these estimates and assumptions have not been updated and may change as a result of uncertainties related to the economic, financial or competitive environment as a result of future business decisions of Alfen or its clients, such as cancellations or delays, as well as the occurrence of certain events, including but not limited to, those described in "<i>Important Information – Information Regarding Forward-Looking Statements</i>" and "<i>Risk Factors</i>". Investors are therefore urged not to place undue reliance on the revenue estimate for the financial year 2018 set out above.</p>
B.4a	Significant recent trends affecting the Company and industries in which it operates	<p>Alfen believes that the following trends may have a significant impact on the industry in which the Company operates, as well as on the Company's position therein.</p> <ul style="list-style-type: none"> • <i>Increasing share of intermittent renewable power generation.</i> Global energy investment in 2016 was over \$1,7 trillion, of which 43% was for low-carbon supply-side investments, including electricity networks. In Europe, 86% of new power generation capacity in 2016 came from renewable energy generation sources. Continued strong growth in renewables in the longer term is expected. • <i>Decentralisation of energy generation.</i> Over recent years, production of electricity is increasingly taking place decentrally. This is primarily driven by the growth in solar PV and onshore wind capacity, which are located dispersed throughout the country and are connected to the distribution rather than the transmission grid. Additionally, rooftop PV panels at residential, commercial and industrial users' premises contribute to the decentralization of the energy system. The share of decentralized energy is expected to increase rapidly over the next decades. • <i>Electrification of transport.</i> Global EV sales have risen quickly over the past years on the back of supportive government policies, increasing demand for EVs, increasing supply of EVs and battery technology advancements, which improves the range of EVs and

		<p>leads to a significant decline in EV battery prices. As a result of the acceleration of the aforementioned developments, a number of forecasters have significantly increased their outlooks for EV sales over the past year.</p> <ul style="list-style-type: none"> • <i>Electrification of heat.</i> Decarbonisation of the heat sector will play an important role in meeting targets related to the energy transition. Although predominantly a vision for the longer-term, the electrification of heat can result in material energy efficiency gains. Full electrification of heat would require significant network reinforcement and new generation to meet increased overall demand for electricity and higher peak loads. • <i>Technological developments.</i> Renewables can now, in certain circumstances, compete with conventional generation technologies (such as coal and gas) without subsidies. With cost reductions expected to continue and energy storage technologies developing, the cost competitiveness of renewables will improve further and continue to drive investment in renewables. In addition, batteries have undergone a significant cost decrease and improvement in performance over the past years, driven by, amongst others, mega-factories serving the market for electric vehicle batteries. 															
B.5	Description of the group and the Company's position therein	The Company is the holding company of a group of operating companies held directly or indirectly by the Company. The principal assets of the Company include the equity interests it holds in its operating subsidiaries.															
B.6	Shareholders of the Company	<p>Infestos Holding M B.V. and Infestos Energy Transition B.V. are the sole shareholders of the Company as at the date of this Prospectus, each holding Ordinary Shares in the amounts set out below:</p> <table> <tr> <th>Selling Shareholder</th><th colspan="2">Amount of share capital owned</th></tr> <tr> <th></th><th>Number of Ordinary Shares</th><th>Percentage of issued share capital</th></tr> <tr> <td>Infestos Holding M B.V.....</td><td>609.000</td><td>30,45%</td></tr> <tr> <td>Infestos Energy Transition B.V.....</td><td>1.391.000</td><td>69,55%</td></tr> <tr> <td>Total</td><td>2.000.000</td><td>100%</td></tr> </table>	Selling Shareholder	Amount of share capital owned			Number of Ordinary Shares	Percentage of issued share capital	Infestos Holding M B.V.....	609.000	30,45%	Infestos Energy Transition B.V.....	1.391.000	69,55%	Total	2.000.000	100%
Selling Shareholder	Amount of share capital owned																
	Number of Ordinary Shares	Percentage of issued share capital															
Infestos Holding M B.V.....	609.000	30,45%															
Infestos Energy Transition B.V.....	1.391.000	69,55%															
Total	2.000.000	100%															

B.7	Selected consolidated financial information	Selected Consolidated Income Statement		
		Financial year		
		2017	2016	2015
		(EUR '000)	(EUR '000)	(EUR '000)
	Revenue	73.368	61.522	50.548
	Other Income.....	968	—	—
		74.336⁴	61.522	50.548
	Operating Expenses			
	Costs of raw materials and consumables.....	(49.854)	(42.113)	(34.611)
	Costs of outsourced work and other external costs.....	(2.852)	(2.395)	(2.460)
	Personnel expenses.....	(12.773)	(10.730)	(8.262)
	Amortisation on intangible assets	(1.030)	(745)	(497)
	Depreciation on property, plant and equipment	(568)	(450)	(422)
	Other operating costs.....	(4.842)	(3.482)	(2.956)
		(71.919)	(59.915)	(49.208)
	Operating profit.....	2.417	1.607	1.340
	Finance income.....	—	—	—
	Finance costs	(128)	(79)	(43)
	Finance income (costs) – net.....	(128)	(79)	(43)
	Profit (loss) before income tax	2.289	1.528	1.297
	Income tax expense.....	(568)	(393)	(313)
	Profit (loss) for the period	1.721	1.135	984

⁴ In this Prospectus, the Company's "total revenue" includes "revenue" as well as "other income" as included in the consolidated statement of comprehensive income of the Consolidated Financial Statements. Other income is generated from government grants received in connection with Alfen's business operations.

Selected Consolidated Balance Sheet

	As at 31 December		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Non-current assets			
Property, plant and equipment.....	4.435	3.163	1.580
Intangible assets.....	3.948	3.092	2.413
Deferred tax assets.....	424	376	428
Receivables.....	23	30	30
Total non-current assets	8.830	6.661	4.451
Current assets			
Inventories	3.487	3.756	2.410
Trade and other receivables.....	17.539	11.102	9.393
Cash and cash equivalents.....	—	1.408	1.335
Total current assets	21.026	16.266	13.138
Total assets	29.856	22.927	17.589
Group Equity			
Share capital	18	18	18
Share premium.....	3.895	3.895	3.895
Retained earnings	1.172	37	(952)
Result for the year.....	1.721	1.135	984
Total group equity	6.806	5.085	3.945
Liabilities			
Non-current liabilities			
Borrowings	1.660	1.870	1.200
Deferred tax liabilities	1.024	808	638
Provisions.....	29	29	32
Total non-current liabilities	2.713	2.707	1.870
Current Liabilities			
Trade and other payables.....	18.536	13.699	9.843
Current tax liabilities.....	255	193	598
Bank overdraft.....	1.224	—	—
Borrowings.....	210	210	150
Deferred revenue.....	112	1.033	1.183
Total current liabilities	20.337	15.135	11.774
Total liabilities	23.050	17.842	13.644
Total equity and liabilities	29.856	22.927	17.589

		Selected Consolidated Statement of Cash Flows		
		Financial year		
		2017	2016	2015
		(EUR '000)	(EUR '000)	(EUR '000)
	Cash flows from operating activities			
	Operating profit	2.417	1.607	1.340
	<i>Adjustments for:</i>			
	– Depreciation, amortisation and impairment expenses.....	1.598	1.195	919
	– Change in provision.....	—	(3)	7
	– Change in non-current receivables.....	7	—	(30)
	<i>Changes in operating assets and liabilities</i>			
	– (Increase)/decrease inventories...	269	(1.346)	318
	– (Increase)/decrease construction contracts.....	(1.489)	(540)	(871)
	– (Increase)/decrease trade and other receivables	(4.522)	(401)	(1.911)
	– Increase/(decrease) trade and other payables.....	3.473	2.931	3.564
	Cash generated from operations	1.753	3.443	3.336
	Income taxes (paid) / received	(338)	(576)	(19)
	Interest (paid)	(111)	(67)	(40)
	Interest received	—	—	—
	Net cash inflow / (outflow) from operating activities.....	1.304	2.800	3.277
	Cash flows from investing activities			
	Payment for property, plant and equipment	(1.840)	(2.033)	(518)
	Payment for intangible assets	(1.886)	(1.424)	(1.019)
	Net cash inflow / (outflow) from investing activities.....	(3.726)	(3.457)	(1.537)
	Cash flows from financing activities			
	Proceeds from issuance of shares .	—	—	—
	Proceeds from borrowings.....	—	900	—
	Repayments of borrowings.....	(210)	(170)	(150)
	Dividends paid to company's shareholders	—	—	(2.300)
	Net cash inflow / (outflow) from financing activities	(210)	730	(2.450)
	Net increase/(decrease) in cash and cash equivalents	(2.632)	73	(710)
	Cash and cash equivalents at the beginning of the financial year	1.408	1.335	2.045
	Cash and cash equivalents at the end of the financial year	(1.224)	1.408	1.335
B.8	Selected key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> financial information has been included in the Prospectus.		
B.9	Profit forecast	Not applicable. The Company has not issued a profit forecast.		
B.10	Historical audit report qualifications	Not applicable. There are no qualifications in the independent auditor's report on the historical financial information for the years ended 31 December 2017, 2016 and 2015.		
B.11	Working capital	In the opinion of the Company, Alfen's working capital is sufficient for Alfen's present requirements for at least 12 months following the date of the Prospectus.		

Section C – Securities		
C.1	Type of and class, security identification number	The Ordinary Shares are ordinary shares in the share capital of the Company with a nominal value of €0,10 each. Application has been made to list all Ordinary Shares under the symbol “ALFEN” on Euronext Amsterdam under ISIN code: NL0012817175.
C.2	Currency of the Ordinary Shares	The Ordinary Shares are denominated in and will trade in euro.
C.3	Number of Ordinary Shares issued, nominal value per Ordinary Share	<p>As of the date of the Prospectus, the Company’s outstanding and issued share capital consists of 2.000.000 Ordinary Shares. All of the issued and outstanding Ordinary Shares are fully paid. The nominal value per Ordinary Share is €1,00. As of the date of the Prospectus, no Ordinary Shares are held by the Company. All issued Ordinary Shares are subject to, and have been created under, the laws of the Netherlands.</p> <p>On the First Trading Date and pursuant to a notarial deed of conversion and amendment of the articles of association of the Company, each Ordinary Share with a value of €1,00 will be split into 10 Ordinary Shares, each with a nominal value €0,10, as a result of which the Company’s issued capital will amount to €2.000.000 divided into 20.000.000 Ordinary Shares, each with a nominal value of €0,10.</p>
C.4	Rights attached to the Ordinary Shares	<p>The rights of the holders of Offer Shares offered and sold in the Offering will rank <i>pari passu</i> with each other and with all other Ordinary Shares. The Ordinary Shares carry dividend rights. Each Ordinary Share entitles its holder the right to attend and to cast one vote at the Company’s general meeting, being the corporate body or, where the context so requires, the physical meeting. There are no restrictions on voting rights.</p> <p>The general meeting, or the Management Board (each member thereof, a “Managing Director”) subject to the approval by the Company’s supervisory board (the “Supervisory Board” and each member thereof, a “Supervisory Director”) to the extent so designated by the general meeting for a specific period, may resolve to issue Ordinary Shares (including the granting of rights to subscribe for Ordinary Shares). Such an authorisation will be irrevocable unless otherwise stipulated and will each time only be valid for a fixed term of no more than five years and may each time only be renewed for a maximum period of five years. The Company may not subscribe for its own Ordinary Shares on issue.</p> <p>Upon the issue of Ordinary Shares, each shareholder shall subject to exceptions have a pre-emptive right in respect of the Ordinary Shares to be issued, in proportion to the number of Ordinary Shares already held by it. The pre-emptive right of Ordinary Shares may be restricted or excluded pursuant to a resolution of the general meeting. Subject to the approval of the Supervisory Board, the pre-emptive right may also be restricted or excluded by the Management Board if the Management Board has been designated by a decision of the general meeting for a limited period of time of no longer than five years to restrict or exclude the pre-emption right. The Management Board has the authority for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to issue Ordinary Shares (either in the form of stock dividend or otherwise) and/or grant rights to acquire up to a maximum of 10% of the issued Ordinary Shares immediately following Settlement and may be revoked at any time by the General Meeting.</p>

C.5	Restrictions on free transferability of the Ordinary Shares	There are no restrictions on the free transferability of the Ordinary Shares under the articles of association of the Company. However, the offer and sale of Offer Shares to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands, and the transfer of Offer Shares into jurisdictions other than the Netherlands, may be subject to specific regulations and restrictions. For lock-up arrangements see section E.5 of this summary.
C.6	Listing and admission to trading	Prior to the Offering, there has been no public market for the Ordinary Shares. Application has been made to list and admit all of the Ordinary Shares to trading under the symbol “ALFEN” on Euronext Amsterdam. Subject to acceleration or extension of the timetable for the Offering, trading in the Ordinary Shares on Euronext Amsterdam is expected to commence, on an “as-if-and-when-delivered” basis, on or about 22 March 2018 (the “ First Trading Date ”).
C.7	Dividend policy	The Company does not intend to declare or pay dividends for the financial year 2018 or in the medium term.

Section D – Risks

D.1	Risks relating to the Company and industry	<p>The following is a summary of selected key risks that relate to Alfen’s business and industry. Investors should read, understand and consider all risk factors, which are material and should be read in their entirety, in “<i>Risk Factors</i>” beginning on page 46 of the Prospectus before making an investment decision to invest in the Ordinary Shares.</p> <ul style="list-style-type: none"> • Demand for Alfen’s products, systems and services depends on the continuation of certain trends, including the trend towards alternative energy sources. • The global environmental issues driving the energy transition and the current trends towards alternative energy sources may be addressed by various solutions and none of the solutions offered by Alfen may prove to be the acceptable for addressing these environmental issues in the future. • Many factors outside of Alfen’s control, including actions of its clients and competitors, may affect the demand for its products and services. • Technology is constantly evolving and Alfen must successfully develop, manufacture and market products that improve upon existing technologies and gain market acceptance in order to remain competitive. • Alfen may be unsuccessful in adequately protecting its technological know-how and trade secrets. • Competition in the industries and market segments in which Alfen operates may materially adversely affect its market shares, margins and overall profitability. • 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 has a limited operating history in energy storage systems which may result in uncertainty regarding the future performance of its Energy Storage business line. • The market for electric vehicles is relatively new which makes it difficult to predict whether or not consumers will adopt electric vehicles as a generally accepted means of transportation and
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		<p>consequently to predict the future demand for charging equipment as well as charging behaviour.</p> <ul style="list-style-type: none"> • Alfen may be unable to successfully execute its strategy of growing in existing markets and expanding into additional markets and products. • Significant increases in the cost of raw materials, components and finished goods may materially adversely affect Alfen's business, financial condition and results of operation. • Alfen is dependent on third-party suppliers to deliver raw materials and components for its products. • Alfen's business depends, in part, on contracts with certain significant clients. If one or more of such contracts were discontinued or renewed on less favourable terms, Alfen's financial position and results of operation could be materially adversely affected. • 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 and its clients are dependent on national political and financial support for research and development and renewable energy projects. • Alfen is subject to laws and regulations across multiple jurisdictions, which are becoming increasingly stringent, particularly related to environmental, health and safety and transportation. • A failure to comply with data protection and privacy laws could harm Alfen's reputation and give rise to fines. • Alfen could become liable for site remediation or other environmental matters. • Alfen is exposed to risks associated with product liability, warranties, recall claims or other lawsuits or claims that may be brought against it. • Alfen is exposed to operational risks of disruption associated with its production and assembly facilities, project locations and business operations. • Disruptions of Alfen's information technology systems could have a material adverse effect on its business.
D.3	Risks relating to the Offering and the Ordinary Shares	<p>The following is a summary of selected key risks that relate to the Ordinary Shares and the Offering. Investors should read, understand and consider all risk factors, which are material and should be read in their entirety, in "<i>Risk Factors</i>" beginning on page 46 of the Prospectus before making an investment decision to invest in the Ordinary Shares.</p> <ul style="list-style-type: none"> • Immediately after Settlement, the Selling Shareholders will be in a position to exert substantial influence on the Company and the interests pursued by the Selling Shareholders could differ from the interests of the Company's other shareholders. • Future offerings of debt or equity securities by the Company, or the perception thereof, may adversely affect the market price of the Ordinary Shares and any future issuances of Ordinary Shares may dilute investors' shareholdings. • Future sales or the possibility of future sales of a substantial number of Ordinary Shares by the Selling Shareholders, members of the Management Board or other key managers of the Company may adversely affect the market price of the Ordinary Shares. • Shareholders outside the Netherlands may not be able to exercise pre-emptive rights in future offerings.

		<ul style="list-style-type: none"> • The payment of any future dividends will depend on the Company's financial condition, working capital developments and results of operations, as well as on the Company's operating subsidiaries' distributions to the Company. • There is currently no public trading market for the Ordinary Shares on Euronext Amsterdam. Consequently, there is a risk that an active and liquid market for the Ordinary Shares will not develop and the price of the Ordinary Shares may be volatile. • If securities or industry analysts do not publish research or reports about the Company's business or industry, or if such analysts (if any) change their recommendations regarding the Ordinary Shares adversely, the market price and trading volume of the Ordinary Shares could decline. • If Settlement does not take place, purchases of the Offer Shares will be disregarded and transactions effected in the Offer Shares will be annulled. • Investors with a reference currency other than euro will become subject to certain foreign exchange risks when investing in the Ordinary Shares.
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Section E – Offer

E.1	Net proceeds and estimated expenses	<p>The Company will not receive any proceeds from the sale of the Offer Shares and/or the sale of any Over-Allotment Shares by the Selling Shareholders, the net proceeds of which will be received by the Selling Shareholders.</p> <p>After deducting the estimated expenses, commissions and taxes related to the Offering payable by the Selling Shareholders, the Selling Shareholders expect to receive approximately €107 million in net proceeds from the Offering (based on an Offer Price (defined below) at the mid-point of the Offer Price Range (defined below) and assuming the sale of the maximum number of Offer Shares by the Selling Shareholders and no exercise of the Over-Allotment Option (defined below) granted by the Selling Shareholders in connection with the Offering). The total expenses and taxes related to the Offering are estimated to amount to approximately €4,4 million, which will be paid by the Selling Shareholders.</p>
E.2a	Reasons for the Offering and use of proceeds	<p>The Company believes that the Offering and listing of Ordinary Shares on Euronext Amsterdam will further enhance Alfen's profile and brand recognition, with <i>inter alia</i> investors, business partners, customers and employees. In addition, the Offering will create a market in the Ordinary Shares for existing and future shareholders and provides the Selling Shareholders with a partial realisation of their investment in the Company. The Company will not receive any proceeds from the sale of the Offer Shares and/or the sale of any Over-Allotment Shares by the Selling Shareholders, the net proceeds of which will be received by the Selling Shareholders.</p>
E.3	Terms and conditions of the Offering	<p>Offer Shares</p> <p>The Selling Shareholders are offering up to 8.500.000 Offer Shares, not including any Over-Allotment Shares. The Offering consists of (i) an initial public offering to institutional and retail investors in the Netherlands, and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered and sold within the United States of America (the “United States” or “U.S.”), to persons reasonably believed to be qualified institutional buyers (“QIBs”) as defined in Rule 144A (“Rule 144A”) under the U.S. Securities Act of 1933, as amended</p>

(the “**U.S. Securities Act**”), pursuant to rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws, and outside the United States, in accordance with Regulation S under the U.S. Securities Act (“**Regulation S**”). The Offering is made only in those jurisdictions where, and only to those persons to whom, offer and sales of the Offer Shares may be lawfully made.

Over-Allotment Option

The Selling Shareholders have granted ABN AMRO Bank N.V. (“**ABN AMRO**”) and Barclays Bank PLC, acting through its investment bank (“**Barclays**”, and together with ABN AMRO, the “**Joint Global Coordinators**”), on behalf of the Underwriters, an option (the “**Over-Allotment Option**”), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators (on behalf of the Underwriters) may require the Selling Shareholders to sell at the Offer Price up to 1,275,000 additional existing Ordinary Shares held by them, comprising up to 15% of the total number of Offer Shares sold in the Offering (the “**Over-Allotment Shares**”), to cover over-allotments, if any, in connection with the Offering or to facilitate stabilisation transactions, if any.

Offer Period

Subject to acceleration or extension of the timetable for the Offering, prospective Dutch Retail Investors may subscribe for Offer Shares during the period commencing at 9:00 Central European Time (“**CET**”) on 12 March 2018 until 17:30 CET on 20 March 2018 and prospective institutional investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 12 March 2018 and ending at 14:00 CET on 21 March 2018 (the “**Offer Period**”). In the event of an acceleration or extension of the Offer Period, pricing, allocation, admission and first trading of the Offer Shares, as well as payment (in euro) for and delivery of the Offer Shares may be advanced or extended accordingly. The timetable below lists certain expected key dates for the Offering:

Event	Time (CET) and date
Start of Offer Period	09:00 – 12 March 2018
End of Offer Period for Dutch Retail Investors	17:30 – 20 March 2018
End of Offer Period for institutional investors	14:00 – 21 March 2018
Pricing and allocation	21 March 2018
Publication of results of the Offering	22 March 2018
First Trading Date (trading on an “as if and when-delivered” basis)	22 March 2018
Settlement Date (payment and delivery)	26 March 2018

Please note that the Selling Shareholders and the Company, together with the Joint Global Coordinators, reserve the right to accelerate or extend the Offer Period.

Offer Price Range and number of Offer Shares

The offer price per Offer Share (the “**Offer Price**”) is currently expected to be in the range of €11,25 to €15,00 (inclusive) (the “**Offer Price Range**”). The Offer Price Range is an indicative price range and the Offer Price can be set outside the Offer Price Range. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Selling Shareholders and the Company, in consultation with the Joint Global Coordinators, after the end of the Offer Period, which is subject to any acceleration or extension, on the basis of the book-building process and taking into account economic and market conditions, a qualitative and

		<p>quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in a pricing statement that will be deposited with the Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>, the “AFM”) and announced through a press release published and placed on the Company’s website. The Selling Shareholders and the Company, in consultation with the Joint Global Coordinators, reserve the right to increase or decrease the maximum number of Offer Shares and to change the Offer Price Range prior to allocation of the Offer Shares. Any increase of the top end of the Offer Price Range on the last day of the Offer Period or the determination of an Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days. Any increase of the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. Any such change will be announced in a press release published and placed on the Company’s website. Upon a change of the number of Offer Shares, references to Offer Shares in the Prospectus should be read as referring to the amended number of Offer Shares and references to Over-Allotment Shares should be read as referring to the amended number of Over-Allotment Shares.</p> <p>Allocation</p> <p>Allocation of the Offer Shares is expected to take place after closing of the Offer Period on or about 21 March 2018, subject to acceleration or extension of the timetable for the Offering. Allocations to investors who subscribed for Offer Shares will be made by the Joint Global Coordinators, in consultation with the Selling Shareholders and the Company, and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. Investors may not be allocated all of the Offer Shares which they subscribed for. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for. The Selling Shareholders and the Company may in consultation with the Joint Global Coordinators, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly.</p> <p>Preferential Retail Allocation</p> <p>There will be a preferential allocation of Offer Shares to eligible retail investors in the Netherlands in accordance with applicable law and regulations (the “Preferential Retail Allocation”). Each eligible retail investor in the Netherlands (each a “Dutch Retail Investor”) will be allocated the first 500 (or fewer) Offer Shares for which such investor subscribes. However, if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of the Offer Shares (assuming no exercise of the Over-Allotment Option), the preferential allocation to each Dutch Retail Investor may be reduced <i>pro rata</i> to the first 500 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch Retail Investors may not be allocated all of the first 500 (or fewer) Offer Shares for which they subscribe. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after the Offer Period has ended. The Preferential Retail Allocation will only be made in relation to Offer Shares comprising up to 10% of the total number of Offer Shares, not including the Over-Allotment Shares. The Selling Shareholders and the Company, in consultation with the Joint Global Coordinators, have full discretion as to whether or not and how to allocate the remainder of the Offer Shares applied for. Dutch Retail Investors can only subscribe on a</p>
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		<p>market (<i>bestens</i>) basis. This means that Dutch Retail Investors will be bound to purchase and pay for the Offer Shares indicated in their share subscription, to the extent allocated to them, at the Offer Price, even if the Offer Price is above the upper end of the Offer Price Range (if applicable, as amended). Dutch Retail Investors are entitled to cancel or amend their subscription, at the financial intermediary where their original subscription was submitted, at any time prior to the end of the Offer Period (if applicable, as accelerated or extended). To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 12 March 2018 at 9:00 CET and ending on 20 March 2018 at 17:30 CET through their bank or other financial intermediaries. Each bank or financial intermediary may set an earlier deadline, in advance of the closing time of the Offer Period. ABN AMRO as the retail coordinator (the “Retail Coordinator”) will consolidate all applications submitted by Dutch Retail Investors and inform the Joint Global Coordinators.</p> <p>Payment</p> <p>Payment (in euro) for, and delivery of, the Offer Shares (“Settlement”) is expected to take place on the settlement date, which is expected to be 26 March 2018 (the “Settlement Date”), subject to acceleration or extension. Taxes and expenses, if any, must be borne by the investor. Dutch Retail Investors may be charged expenses by their bank or other financial intermediary. Investors must pay the Offer Price in immediately available funds in full in euro on or before the Settlement Date (or earlier in the case of an early closing of the Offer Period and consequent acceleration of pricing, allocation, commencement of trading and Settlement).</p> <p>Delivery of Offer Shares</p> <p>The Offer Shares will be delivered through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (<i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i>) trading as Euroclear Nederland. If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned.</p> <p>Underwriting Agreement</p> <p>The Company, the Selling Shareholders and the Underwriters named below (the “Underwriters”) entered into an underwriting agreement on 12 March 2018 with respect to the offer and sale of the Offer Shares in connection with the Offering (the “Underwriting Agreement”). The Underwriting Agreement is conditional on, among others, the entry into a pricing agreement between the Company, the Selling Shareholders and the Underwriters setting the Offer Price per Offer Share. Pursuant to, on the terms of and subject to the conditions set forth in the Underwriting Agreement, the Selling Shareholders have agreed to sell the Offer Shares at the Offer Price to purchasers procured by the Underwriters or, failing which, to the Underwriters themselves, and each of the Underwriters has, severally but not jointly, agreed to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves at the Offer Price. In the Underwriting Agreement, the Selling Shareholders and the Company have made certain representations and warranties and given</p>
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		<p>certain undertakings. In addition, the Selling Shareholders and the Company have agreed to indemnify the Underwriters against certain liabilities in connection with the Offering.</p> <p>The Underwriting Agreement provides that the obligations of the Underwriters to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves are subject to, among other things, the following conditions precedent: (i) receipt of customary opinions from legal counsel on certain legal matters, (ii) receipt of an officer's certificate from the Company, (iii) approval of this Prospectus by the AFM and publication of such Prospectus, (iv) the Ordinary Shares having been admitted to trading and listing on Euronext Amsterdam, (v) compliance with the Underwriting Agreement, and (vi) certain other customary conditions. The Underwriters have the right to waive any such conditions or part thereof. The Joint Global Coordinators (as defined below) on behalf of the Underwriters, may <i>inter alia</i> terminate the Underwriting Agreement at any time if (i) any statement contained in this Prospectus is or has become untrue, incorrect or misleading which is material in the context of the Offering, (ii) there has been a breach of the material obligations of the Company or the Selling Shareholders under the Underwriting Agreement, (iii) any matter or circumstance arises as a result of which it is reasonable to expect that any of the condition precedents will not be satisfied, (iv) the representations and warranties not being true and accurate any time prior to admission to trading of the Ordinary Shares on Euronext Amsterdam, (v) there has been a material adverse change in the Company or its business taken as a whole, (vi) there has occurred: (A) or a material disruption in commercial banking or securities settlement, payment or clearance services in the Netherlands, the United Kingdom, the United States or in any Relevant Member State; or (B) suspension of, or occurrence of material limitations to, trading in any securities by Euronext Amsterdam or any exchange or over the counter market, or of trading generally on Euronext Amsterdam, the New York Stock Exchange or the London Stock Exchange; or (C) a banking moratorium has been declared by the Netherlands, the United States, the United Kingdom, or New York authorities, or (vii) the admission to listing and trading of the Ordinary Shares has been withdrawn or rejected. Following termination of the Underwriting Agreement, all subscriptions for Offer Shares or the Over-Allotment Shares only, as the case may be, will be disregarded, any allotments made will be deemed not to have been made and any subscriptions payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in the Offer Shares prior to Settlement are at the sole risk of the parties concerned.</p> <p>Joint Global Coordinators and Joint Bookrunners</p> <p>ABN AMRO and Barclays are acting as Joint Global Coordinators and together with Coöperatieve Rabobank U.A. as joint bookrunners for the Offering (the “Joint Bookrunners”).</p> <p>Underwriters</p> <p>The Joint Bookrunners are acting as the Underwriters.</p> <p>Listing and Paying Agent</p> <p>ABN AMRO is the listing and paying agent with respect to the admission to listing and trading of the Ordinary Shares on Euronext Amsterdam.</p> <p>Stabilisation Agent</p> <p>ABN AMRO is the stabilisation agent with respect to the Offer Shares on Euronext Amsterdam.</p>
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E.4	Interests material to the Offering	<p>Certain of the Underwriters and/or their respective affiliates have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholders (or any parties related to the Company and/or the Selling Shareholders) for which they have received or may receive customary compensation, fees and/or commission. In connection with the Offering, each of the Underwriters and any of their respective affiliates may take up Offer Shares in the Offering as a principal position and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any Offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so. As a result of these transactions, the Underwriters may have interests that may not be aligned, or could potentially conflict, with the interests of investors, the Selling Shareholders or with the interests of the Company.</p> <p>Mr D.W.E. Riefel has been designated by the Selling Shareholders as a Supervisory Director, he holds a management position at Infestos Nederland B.V. (which is an affiliate of the Selling Shareholders) and he also holds indirect investments in the Selling Shareholders. Mr E.Q. van der Arend has been designated by the Selling Shareholders as a Supervisory Director and has been providing advisory and consulting services to affiliates of the Selling Shareholders from time to time and may continue to do so in the future (in person as well as through the consultancy firm of which he is the owner and managing director). Since the interests of the Selling Shareholders do not have to be aligned with the interests of the Company, a conflict of interest might arise.</p>
E.5	Person or entity Offering to sell the Ordinary Shares and lock-up arrangements	<p>Selling Shareholders lock-up</p> <p>Pursuant to the Underwriting Agreement, the Selling Shareholders have agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 270 days from the Settlement Date, it will not, except as set forth below, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters): (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other securities of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other securities of the Company or request or demand that the Company file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part,</p>

		<p>directly or indirectly, the economic consequence of ownership of any Ordinary Shares or other securities of the Company or otherwise has the same economic effect as (i), whether in the case of (i) and (ii) any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to its shareholders or the General Meeting or any other body of the Company a proposal to effect any of the foregoing. The foregoing restrictions shall not apply to: (i) the sale of the Offer Shares and Over-Allotment Shares in the Offering; (ii) the lending of Ordinary Shares to the Joint Global Coordinators (acting on behalf of the Underwriters) pursuant to the Share Lending Agreement; (iii) the transfer of Ordinary Shares to a foundation in connection with the transfer of those Ordinary Shares to members of the Senior Management and certain other key managers of the Company; (iv) the granting of conditional rights to acquire Ordinary Shares for no consideration to all other eligible employees of Alfen under a one-off share incentive; (v) the sale, transfer or disposal of Ordinary Shares following the acceptance of a full or partial takeover offer made in accordance with the Dutch Financial Supervision Act or the provision of an irrevocable undertaking to accept such an offer, provided that the Joint Global Coordinators shall be notified in writing two business days prior to such acceptance or undertaking, (vi) the transfer of all issued Ordinary Shares pursuant to a legal (de)merger or similar business combination with a third party; or (vii) the sale or transfer of shares in the capital of the Selling Shareholders to one or more person, whether natural or legal, who are the direct or indirect beneficial owners of the Selling Shareholders at the date of the Underwriting Agreement, provided that prior to any such transfer the transferee shall have agreed to be bound by the foregoing restrictions for the remainder of the lock-up period.</p> <p>Company lock-up</p> <p>Pursuant to the Underwriting Agreement, the Company has agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date, it will not, except as set forth below, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters), (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other securities of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or other securities of the Company or file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or securities of the Company or otherwise has the same economic effect as (i), whether in the case of (i) and (ii) any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to its shareholders or any other body of the Company a proposal to effect any of the foregoing. The foregoing restrictions shall not apply to (i) the granting of conditional awards of Ordinary Shares by the Company pursuant to the Company's long term incentive plan, and (ii) accepting a general offer made to all the holders of the issued and allotted Ordinary Shares of the Company on terms which treat all such holders alike and which has become or been declared unconditional in all respects or been recommended for acceptance by the Management Board and Supervisory</p>
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		<p>Board. The Joint Global Coordinators (acting on behalf of the Underwriters) may, in their sole discretion and at any time without prior public notice, waive these restrictions in writing, on sales, issues or transfers of Ordinary Shares, described above. If the consent of the Joint Global Coordinators (acting on behalf of the Underwriters) in respect of a lock-up arrangement is requested, full discretion can be exercised by the Joint Global Coordinators as to whether or not such consent will be granted.</p> <p>Management lock-up</p> <p>Certain key managers of the Company (including the Senior Management) hold depositary receipts of shares in the Selling Shareholders (the “DRs”) as they have been given the opportunity to indirectly participate in the capital of the Company. As of the First Trading Date, these DRs will be cancelled as a result of which these participating managers will ultimately receive Ordinary Shares and cash, meaning that they realise part of their indirect investment in the Company. As a result of this, the relevant key managers will no longer hold an indirect economic interest of 10,36% in the capital of the Company through DRs, but will directly hold Ordinary Shares which jointly amount to 7,77% of the share capital of the Company. These Ordinary Shares of the members of the Senior Management and certain other key managers of the Company will be subject to lock-up restrictions. The Ordinary Shares transferred to the members of the Senior Management and certain other key managers of the Company will be released from the lock-up restrictions as follows: 60% of the Ordinary Shares will be unconditionally released from the lock-up restrictions on the day that is 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 that the relevant member of the Senior Management or relevant key manager of the Company continues to be employed by the Company on these dates.</p> <p>Employee lock-up</p> <p>Alfen will grant to all eligible employees (who do not hold depositary receipts of shares in the capital of each of the Selling Shareholders at the date of this Prospectus) conditional rights to acquire a cumulative total of 120.000 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 Ordinary Shares granted to these employees of Alfen will be exercisable in exchange for Ordinary Shares on the day that is two years after the First Trading Date, on the condition that the relevant employee of Alfen continues to be employed by the Company on this date.</p>
E.6	Dilution	Not applicable. As only existing Ordinary Shares will be offered, the Offering will not have a dilutive effect.
E.7	Estimated expenses charged to the investor by the Company	Not applicable. No expenses will be charged to the investors by the Company or the Selling Shareholders in respect of the Offering.

SAMENVATTING

*Dit hoofdstuk bevat een Nederlandse vertaling van de Engelse samenvatting van het prospectus gedateerd 12 maart 2018 (het “**Prospectus**”). In het geval van een mogelijke discrepantie in uitleg van begrippen prevaleert de Engelstalige samenvatting van het Prospectus.*

Samenvattingen bestaan uit verplichte vermeldingen, die “elementen” worden genoemd. Deze elementen zijn genummerd in Onderdeel A-E (A.1-E.7). Deze samenvatting bevat alle elementen die in een samenvatting voor dit soort effecten en uitgevende instelling verplicht dienen te worden opgenomen. Omdat sommige elementen niet verplicht zijn, kan het zijn dat de nummering van de elementen niet altijd aansluit. Hoewel bepaalde elementen mogelijk op grond van het soort effecten en uitgevende instelling in de samenvatting wel moeten worden opgenomen, kan het zijn dat er geen relevante informatie over dergelijke elementen kan worden gegeven. In dat geval is er een korte beschrijving van het element opgenomen met de vermelding ‘niet van toepassing’.

Onderdeel A – Inleiding en waarschuwingen		
A.1	Inleiding en waarschuwingen	<p>Deze samenvatting dient te worden gelezen als een inleiding tot het Prospectus met betrekking tot de aanbieding (de “Aanbieding”) door Infestos Holding M B.V. en Infestos Energy Transition B.V. (de “Verkopende Aandeelhouders”) van gezamenlijk ten hoogste 9.775.000 bestaande gewone aandelen (de “Aangeboden Aandelen”, waaronder begrepen, tenzij uit de context anders blijkt, de Overtoewijzingsaandelen (zoals hierna gedefinieerd)) in het kapitaal van Alfen N.V. (de “Vennootschap”) met een nominale waarde van €0.10 elk (de “Gewone Aandelen”), en de toelating tot de notering van en handel in de Gewone Aandelen aan Euronext in Amsterdam (“Euronext Amsterdam”), een gereglementeerde markt van Euronext Amsterdam N.V. De Aangeboden Aandelen exclusief de Overtoewijzingsaandelen vertegenwoordigen circa 42,50% van het geplaatste aandelenkapitaal van de Vennootschap.</p> <p>Een eventueel besluit om te beleggen in de Gewone Aandelen dient gebaseerd te worden op bestudering door de belegger van het gehele Prospectus en niet slechts deze samenvatting. Wanneer een vordering met betrekking tot de in het Prospectus opgenomen of door middel van verwijzing daarin opgenomen informatie bij een rechterlijke instantie aanhangig wordt gemaakt, is het mogelijk dat de belegger die als eiser optreedt volgens de nationale wetgeving van de lidstaten van de Europese Economische Ruimte de kosten dient te dragen van de vertaling van het Prospectus, of documenten die door middel van verwijzing daarin zijn opgenomen, alvorens de gerechtelijke procedure kan worden aangebracht. Alleen de personen die de samenvatting, met inbegrip van een vertaling daarvan, hebben opgesteld, kunnen civielrechtelijk aansprakelijk worden gesteld en dan alleen indien de samenvatting misleidend, onjuist of tegenstrijdig is wanneer zij in samenhang met de andere delen van het Prospectus wordt gelezen of indien de samenvatting, wanneer zij in samenhang met de andere delen van het Prospectus wordt gelezen, niet de belangrijke informatie bevat op basis waarvan beleggers kunnen besluiten al dan niet in de Gewone Aandelen te beleggen.</p>
A.2	Toestemming van de Vennootschap	Niet van toepassing. De Vennootschap geeft geen toestemming voor het gebruik van het Prospectus voor de verdere wederverkoop of definitieve plaatsing van Aangeboden Aandelen door financiële tussenpersonen.
Onderdeel B – Vennootschap		
B.1	Statutaire – en handelsnaam	Alfen N.V. zal de statutaire naam en handelsnaam van de Vennootschap zijn. Op de datum van het Prospectus is de Vennootschap nog een besloten vennootschap met beperkte aansprakelijkheid genaamd Alfen Beheer B.V. Naar verwachting zal de Vennootschap worden omgezet in een naamloze vennootschap, en zal de naam van de Vennootschap worden gewijzigd in

		Alfen N.V. met ingang van de Eerste Handelsdatum (zoals hierna gedefinieerd).
B.2	Zetel, rechtsvorm, wetgeving en land van oprichting	De Vennootschap is een besloten vennootschap met beperkte aansprakelijkheid, die naar Nederlands recht is opgericht en in Nederland is gevestigd. De Vennootschap zal naar verwachting met ingang van de Eerste Handelsdatum worden omgezet in een naamloze vennootschap. De Vennootschap zal haar statutaire zetel in Amsterdam hebben vanaf de omzetting.
B.3	Huidige bedrijfsvoering en hoofdactiviteiten	<p>De Vennootschap is, tezamen met haar dochterondernemingen (“Alfen”), actief in drie bedrijfsonderdelen: Smart Grids (intelligente elektriciteitsnetten), Energy Storage (energieopslag) en EV Charging (opladen van elektrische voertuigen (“EV”)), waarmee zij opereert als innovatieve internationale ontwikkelaar en leverancier van gestandaardiseerde en geïntegreerde elektrische energieproducten, -systemen en -oplossingen. Zij streeft naar een centrale rol in het elektriciteitsnet door het faciliteren van technologische verbeteringen en het implementeren van industriële verschuivingen die verband houden met de energietransitie, op basis van een scala aan intern ontwikkelde producten, systemen en oplossingen die voortbouwen op haar expertise als systeemintegrator. Alfen is voornamelijk actief in Nederland en België, met daarnaast verkoopactiviteiten in het Verenigd Koninkrijk en Duitsland. Via haar netwerk van distributiepartners, wederverkopers en internationale afnemers levert Alfen haar producten ook aan andere Europese markten en geselecteerde markten buiten Europa.</p> <p>Smart Grids</p> <p>In haar Smart Grids bedrijfsonderdeel levert Alfen gestandaardiseerde verbindingssystemen voor het elektriciteitsnet, secundaire transformatorstations, lokale elektriciteitsnetten, apparaten voor elektriciteitsnetautomatisering en eigen software en back-end systemen voor beheer op afstand en elektriciteitsnetcontroles. Alfen bouwt complete particuliere elektriciteitsnetten voor diverse bedrijven waaronder glastuinbouwers, industriële bedrijven en opdrachtnemers die fotonvoltaïsche (“PV”) zonnecentrales ontwikkelen en bouwen. Het Smart Grids bedrijfsonderdeel vertegenwoordigde ongeveer €57,0 miljoen of 77% van de omzet⁵ voor het jaar 2017. Ongeveer 8% van Alfens omzet in het Smart Grids bedrijfsonderdeel voor 2017 werd gegenereerd buiten Nederland. Ongeveer 66% van de omzet van het Smart Grids bedrijfsonderdeel is afkomstig van framework of reseller overeenkomsten (of andere doorlopende leveringsarrangementen), terwijl ongeveer 34% afkomstig is van projecten. Het dienstenaanbod genereerde ongeveer 14% van de projectomzet in 2017. Alfen schat dat zij een marktaandeel heeft van ongeveer 70% in intelligente netwerkoplossingen.⁶</p> <p>Energy Storage</p> <p>Op het gebied van energieopslag is Alfen actief in de ontwikkeling, productie en installatie van een breed assortiment aan modulaire energieopslagsystemen onder haar merk TheBattery. Energy Storage systemen worden gebruikt door verscheidene nutsbedrijven, netbeheerders, grote en kleine energieproducenten en handelaren, dienstverleners van EV (snel)laaddiensten en industriële</p>

5 In dit Prospectus bestaat de “omzet” van de Vennootschap uit zowel “bedrijfsopbrengsten” als “overige baten” zoals opgenomen in de geconsolideerde winst- en verliesrekening van de geconsolideerde jaarrekening. Overige baten worden gegenereerd door overheidssubsidies ontvangen in verband met Alfens bedrijfsactiviteiten.

6 Alfens analyse is gebaseerd op haar contractuele aandeel in het aantal geleverde transformatorstations aan ieder van de vier grootste Nederlandse netbeheerders (die samen ongeveer 97% van de Nederlandse markt voor ‘mid-voltage’ substations vertegenwoordigen), vermenigvuldigd met het marktaandeel van ieder van deze netbeheerders gebaseerd op het totaal aantal geleverde ‘mid-voltage’ substations volgens <https://energiecijfers.info/hoofdstuk-1/>.

	<p>productiebedrijven. Alfen heeft sinds 2011 intern ontwikkelde en geproduceerde modulaire energie opslagsystemen binnen haar Energy Storage bedrijfsonderdeel. Het Energy Storage bedrijfsonderdeel begon commerciële omzet te genereren in het jaar 2016 (€0,8 miljoen) en heeft haar omzet verhoogd tot €8,3 miljoen of 11% van de omzet voor het jaar 2017. Ongeveer 61% van de omzet in 2017 in het Energy Storage bedrijfsonderdeel werd gegenereerd buiten Nederland. Ongeveer 100% van de omzet van het Energy Storage bedrijfsonderdeel werd gegenereerd door projectopdrachten. In een recent project, bestond ongeveer 5% van de totale contractswaarde uit een onderhoudscomponent met looptijd van tien jaar. Alfen is van mening dat zij een sterke marktpositie houdt als één van de weinige Europese spelers met een bewezen werkende batterijopslagconcept in alle voorname opslagapplicaties en als toeleverancier voor leidende Europese nutsbedrijven.</p> <p>EV Charging</p> <p>Alfen ontwikkelt en produceert sinds 2008 laadstations voor alle soorten elektrische voertuigen. Alfens EV Charging bedrijfsonderdeel levert een scala aan slimme en met het internet verbonden EV laadpunten voor gebruik aan huis, op het werk en in openbare ruimtes. Deze laadpunten zijn beschikbaar in verschillende soorten laadcapaciteit en functionaliteit. Per 31 december 2017 heeft Alfen meer dan 30.000 laadpalen verkocht binnen de geselecteerde geografische markten. Alfen is van mening dat zij een leidende marktpositie inneemt in Nederland en solide marktposities in andere West-Europese landen. Het bedrijfsonderdeel EV Charging genereerde een omzet van ongeveer €9,0 miljoen of 12% van de omzet voor het boekjaar 2017. Ongeveer 39% van de omzet in 2017 voor het EV Charging bedrijfsonderdeel werd gegenereerd buiten Nederland. In het boekjaar 2017, besloeg Alfens dienstenaanbod 7% van de omzet gegenereerd door het EV Charging bedrijfsonderdeel. Ongeveer 100% van de omzet van het EV Charging bedrijfsonderdeel in het boekjaar 2017 was afkomstig van framework of reseller overeenkomsten (of andere doorlopende leveringsarrangementen).</p> <p>Geïntegreerde oplossingen die de drie bedrijfslijnen overlappen</p> <p>Alfen integreert verschillende systemen en oplossingen, waarbij in-house ontwikkelde en geproduceerde producten en systemen worden afgestemd op lokale situaties en behoeftes van afnemers. Op deze manier werken de gestandaardiseerde producten, systemen en oplossingen van Alfen als “bouwstenen” welke gebruikt worden in complexe geïntegreerde systemen en oplossingen die overlappen binnen de drie bedrijfsonderdelen. Deze unieke capaciteiten stellen Alfen in staat voorbereid te zijn op veranderende markten en komen haar afnemers ten goede omdat Alfen hen een <i>one-stop-shop</i> biedt voor veel verschillende projecten die verband houden met duurzame energie oplossingen en zij niet gedwongen zijn verschillende leveranciers te contracteren.</p> <p>Projecten en diensten</p> <p>Alfen voert jaarlijks honderden projecten uit, ondersteund door een toegewijde ‘projects and services’ afdeling. De afdeling levert diensten op het gebied van project management aan afnemers voor projecten op maat waarbij Alfens intern ontwikkelde en geproduceerde producten, systemen en oplossingen worden geïntegreerd. Daarnaast biedt Alfen service, management en onderhoudsactiviteiten, waaronder zowel 24-uurs ondersteuning en monitoring op afstand als een in-house technologisch kenniscentrum.</p>
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		<p>Concurrentiekracht</p> <p>De concurrentiekracht van Alfen bestaat voornamelijk uit de volgende elementen:</p> <ul style="list-style-type: none"> • goed gepositioneerd om te profiteren van huidige trends op het gebied van de energietransitie; • technologisch geavanceerde leverancier met een <i>open architecture</i> aanpak en een <i>asset-light</i> bedrijfsmodel; • geïntegreerd aanbod en <i>end-to-end</i> oplossingen voor Smart Grids, EV Charging en Energy Storage; en • marktleidende posities in haar thuismarkt en <i>first mover</i> in andere West-Europese landen. <p>Strategie</p> <p>Alfen streeft naar het leveren van gecontroleerde winstgevende groei gebaseerd op de volgende drie pijlers:</p> <ol style="list-style-type: none"> voortbouwen op technologieleiderschap; realiseren van exponentiële groei; en verhogen van de winstgevendheid. <p>Doelstellingen op de middellange termijn</p> <p>De Vennootschap heeft de volgende doelstellingen voor de middellange termijn geïdentificeerd, welke zij streeft te behalen door het uitvoeren van de hierboven beschreven strategie.</p> <ul style="list-style-type: none"> • <i>omzetgroei</i>: behalen van een CAGR (samengestelde jaarlijkse groei) van meer dan 40% door Alfens marktpositie in haar geografische markten te benutten om zo de marktgroei te realiseren die verwacht wordt voor elk van haar bedrijfsonderdelen als gevolg van huidige trends in verband met de energietransitie en internationale uitbreiding van Alfens verkoopnetwerk. Deze groei wordt verder ondersteund door cross-selling van Alfens producten en volumetoename van haar service-aanbod; • <i>internationalisering</i>: groei van Alfens omzet afkomstig van buiten Nederland tot 50% van Alfens omzet en het behalen van een marktaandeel van ten minste 30% in geselecteerde doelmarkten in Europa voor wat betreft de jaarlijkse verkoop van EV chargers; • <i>EBITDA marge</i>: verbeteren van Alfens jaarlijkse EBITDA marge op de middellange termijn tot een “mid to high teens” percentage door het optimaal benutten van haar vaste lasten terwijl omzetgroei wordt gerealiseerd; en • <i>kapitaalinvesteringen</i>: het normaliseren en behouden van een duurzaam kapitaal investeringsniveau van circa 3% van Alfens omzet, ondersteund door recente investeringen en behouden door Alfens <i>asset-light</i> bedrijfsmodel. <p>De Vennootschap heeft de term “middellange termijn” niet gedefinieerd en is niet voornemens deze te definiëren. De gestelde financiële middellange termijn doelen moeten niet gelezen worden als voorspellingen voor enig specifiek jaar, maar zijn enkel en alleen doelen die voortvloeien uit het nastreven van de door de Vennootschap gekozen strategie. De Vennootschap kan geen zekerheden geven dat deze doelen behaald kunnen worden of dat het haar strategie kan implementeren en de daadwerkelijk behaalde resultaten kunnen hiervan afwijken. De doelen zijn bepaald op basis van trends, gegevens, aannames en inschattingen die op de datum van het Prospectus als redelijk worden gezien door de Vennootschap, maar deze kunnen veranderen ten gevolge van onzekerheden met betrekking tot haar economische, financiële of competitieve omgeving en ten gevolge van toekomstige zakelijke</p>
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		<p>beslissingen, alsmede het voordoen van bepaalde factoren, waaronder, maar niet beperkt tot, die als omschreven in “<i>Important Information – Information Regarding Forward-Looking Statements</i>” en “<i>Risk Factors</i>”, waarvan velen buiten de invloedssfeer van Alfens liggen. De aannames waarop de middellange termijn doelstellingen zijn gebaseerd kunnen veranderen of zich in het geheel niet verwezenlijken. Bovendien kunnen onverwachte gebeurtenissen de daadwerkelijk door Alfens behaalde resultaten in toekomstige periodes aanzienlijk negatief beïnvloeden, ongeacht of Alfens aannames in verband met de middellange termijn doelstellingen correct blijken. Investeerders wordt met klem verzocht geen bovenmatig vertrouwen te hechten aan hetgeen hierboven is omschreven.</p> <p>Omzetvoorzicht voor het boekjaar 2018</p> <p>Alfens heeft haar toekomstige omzet voor het financieel jaar 2018 geschat door de volgende componenten op te tellen: (i) verwachte omzet van bestaande framework en reseller overeenkomsten waaronder inkooporders worden ontvangen gedurende het jaar en (ii) verwachte omzet van de projectpijplijn, de project backlog en diensten. In totaal verwacht Alfens per 31 december 2017 een groei in omzet tot boven de €99 miljoen in 2018. Zie ook “<i>Operating and Financial Review – Revenue outlook for the financial year 2018</i>”. Aanvullende omzet kan potentieel worden gegenereerd uit de volgende bronnen: (i) internationale uitbreiding van Alfens verkoopactiviteiten door nieuwe en bestaande resellers, (ii) het tekenen van additionele orders die nog niet zichtbaar zijn op de datum van berekening van de backlog en pijplijn gegeven de gemiddelde ‘lead-to-order’ periode van drie tot zes maanden voor projecten in het algemeen; (iii) verdere groei van het Energy Storage bedrijfs onderdeel; en (iv) uitbreiding van Alfens verkooporganisatie door het aantrekken van additionele verkoopmedewerkers.</p> <p>Een substantieel deel van de projecten meegenomen in Alfens omzetverwachting zijn onderhevig aan besluiten die uiteindelijk door Alfens afnemers worden gemaakt. Alfens omzetinschattingen, waaronder haar backlog- en pijplijn aantallen, zijn niet geaudit en moeten niet gelezen worden als winstverwachting of projectie voor een bepaald jaar, maar als inschattingen van het management als resultaat van het nastreven van de strategie van de Vennootschap. De Vennootschap kan geen garantie geven dat de verwachte toekomstige omzetten worden gerealiseerd en de daadwerkelijke omzet voor het boekjaar 2018 kan materieel verschillen. De omvang van Alfens backlog is niet noodzakelijkerwijs indicatief voor haar toekomstige omzet gerelateerd aan de prestatie van die opdrachten of de toekomstige omvang van Alfens backlog. Annuleringen of vertragingen zijn voorgekomen, en kunnen in de toekomst van tijd tot tijd voorkomen. De verwachte omzetten voortkomend uit bestaande framework en reseller overeenkomsten en de projectpijplijn zijn bepaald op basis van aannames en inschattingen die de Vennootschap redelijk achtte op het moment dat ze werden gemaakt. Deze inschattingen en aannames zijn inherent onzeker en reflecteren het beeld van het management dat ook is gebaseerd op ervaring en behaalde successen in het worden aangewezen in historische projecten, die materieel kunnen verschillen van slagingsratio’s voor toekomstige projecten. In het bijzonder met betrekking tot het Energy Storage bedrijfs onderdeel, dat een beperkte operationele geschiedenis kent, is er weinig historische informatie beschikbaar waarop het management haar beeld kan baseren. Alfens monitort de inschattingen en aannames die per 31 december 2017 zijn gemaakt regelmatig en is van mening dat de toegepaste methode voor haar omzetprojecties voor het boekjaar 2018 nog steeds correct is op de datum van dit Prospectus; echter, deze inschattingen en aannames zijn niet geüpdatet en kunnen veranderen als resultaat van onzekerheden gerelateerd aan economische, financiële of competitieve omstandigheden en als resultaat van toekomstige zakelijke beslissingen van</p>
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		<p>Alfen of haar afnemers, zoals annuleringen of vertragingen, en ook ten gevolge van het intreden van bepaalde gebeurtenissen, waaronder maar niet beperkt tot die beslissingen beschreven in “<i>Important Information – Information Regarding Forward-Looking Statements</i>” en “<i>Risk Factors</i>”. Investeerders wordt daarom dringend verzocht geen overmatig vertrouwen te hechten aan de omzetverwachtingen voor het boekjaar 2018 zoals hierboven uiteengezet.</p>
B.4a	<p>Belangrijke recente ontwikkelingen die van invloed zijn op de Vennootschap en de sectoren waarin zij actief is</p>	<p>Alfen is van mening dat de volgende trends een aanzienlijke impact kunnen hebben op de markt waarop de Vennootschap actief is en tevens op de positie van de Vennootschap binnen die markt.</p> <ul style="list-style-type: none"> • <i>Toename van niet continu producerende elektriciteitsbronnen.</i> De wereldwijde energie-investering bedroeg in 2016 meer dan \$1,7 biljoen, waarvan 43% bestond uit koolstofarme investeringen aan de aanbodzijde, waaronder elektriciteitsnetwerken. In Europa was 86% van de nieuwe elektriciteitsopwekking in 2016 afkomstig van duurzame energiebronnen. Verdere groei van duurzame bronnen op de lange termijn wordt verwacht. • <i>Decentralisatie van energieopwekking.</i> Gedurende de afgelopen jaren vindt de productie van elektriciteit in toenemende mate decentraal plaats. Dit wordt voornamelijk veroorzaakt door de groei in zonnepanelen (solar PV) en windcapaciteit op land, die zich beiden verspreid door het land bevinden en in verbinding staan met het distributienet, in plaats van het transmissienet. Bovendien dragen PV-dakpanelen op de gebouwen van residentiële, commerciële en industriële gebruikers bij aan de decentralisatie van het energiesysteem. Het aandeel van gedecentraliseerde energie zal naar verwachting de komende decennia snel toenemen. • <i>Elektrificatie van transport.</i> Wereldwijde verkopen van elektrische voertuigen zijn de afgelopen jaren snel gestegen, profiterend van ondersteunend overheidsbeleid, toenemende vraag naar en aanbod van elektrische voertuigen en technologische vooruitgang op het gebied van batterijen waardoor een divers aanbod aan elektrische voertuigen wordt gestimuleerd, hetgeen leidt tot een aanzienlijke daling van de kosten van batterijen voor deze elektrische voertuigen. Als gevolg van de versnelling in de hiervoor genoemde ontwikkelingen, hebben een aantal analisten hun voorspellingen voor de verkoop van EVs in de komende jaren aanzienlijk verhoogd. • <i>Elektrificatie van warmte.</i> Het koolstofarm maken van de warmtesector gaat een belangrijke rol spelen in het behalen van de doelstellingen met betrekking tot de energietransitie. Hoewel voornamelijk een langetermijnvisie, kan de elektrificatie van warmte resulteren in materiële optimalisatie van energie-efficiëntie. Volledige elektrificatie van warmte zou significante netwerkversterking en nieuwe opwekking vereisen om te voldoen aan de toegenomen algemene vraag naar elektriciteit en hogere piekbelastingen. • <i>Technologische ontwikkelingen.</i> Duurzame bronnen kunnen nu, onder bepaalde omstandigheden, concurreren met traditionele technologieën voor energieopwekking (zoals steenkool en gas) zonder subsidie. De verwachte verdere kostenreductie en ontwikkeling van technologieën op het gebied van energie opslag zal het kostenconcurrentievermogen van duurzame energiebronnen verder doen toenemen en zullen verdere investeringen in duurzame bronnen worden gestimuleerd. Daarnaast hebben batterijen de afgelopen jaren een significante kostenreductie en verbetering in prestaties ondergaan, ingegeven door, onder andere, mega-fabrieken die de markt voor elektrische voertuigen bedienen.

B.5	Beschrijving van de groep en de positie daarin van de Vennootschap	De Vennootschap is de moedermaatschappij van een groep van werkmaatschappijen die direct of indirect door de Vennootschap worden gehouden. Tot de voornaamste activa van de Vennootschap behoren de aandelenbelangen die zij direct of indirect in de werkmaatschappijen houdt.																																																																																						
B.6	Aandeelhouders van de Vennootschap	<div>Infestos Holding M B.V. en Infestos Energy Transition B.V. zijn de enige aandeelhouders van de Vennootschap per de datum van dit Prospectus, ieder een aantal Gewone Aandelend houdend zoals hieronder uiteengezet:</div> <table><thead><tr><th rowspan="2">Verkopende Aandeelhouder</th><th colspan="2">Bedrag aandelenkapitaal in bezit</th></tr><tr><th>Aantal gewone aandelen</th><th>Percentage van het geplaatst kapitaal</th></tr></thead><tbody><tr><td>Infestos Holding M B.V.....</td><td>609.000</td><td>30,45%</td></tr><tr><td>Infestos Energy Transition B.V.....</td><td>1.391.000</td><td>69,55%</td></tr><tr><td>Totaal</td><td>2.000.000</td><td>100%</td></tr></tbody></table>	Verkopende Aandeelhouder	Bedrag aandelenkapitaal in bezit		Aantal gewone aandelen	Percentage van het geplaatst kapitaal	Infestos Holding M B.V.....	609.000	30,45%	Infestos Energy Transition B.V.....	1.391.000	69,55%	Totaal	2.000.000	100%																																																																								
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B.7	Geselecteerde geconsolideerde financiële informatie	<div>Geselecteerde geconsolideerde winst- en verliesrekening</div> <table><thead><tr><th rowspan="3"></th><th colspan="3">Boekjaar</th></tr><tr><th>2017</th><th>2016</th><th>2015</th></tr><tr><th>(EUR ‘000)</th><th>(EUR ‘000)</th><th>(EUR ‘000)</th></tr></thead><tbody><tr><td>Bedrijfsopbrengsten.....</td><td>73.368</td><td>61.522</td><td>50.548</td></tr><tr><td>Overige baten.....</td><td>968</td><td>—</td><td>—</td></tr><tr><td></td><td>74.336⁷</td><td>61.522</td><td>50.548</td></tr><tr><td>Bedrijfslasten</td><td></td><td></td><td></td></tr><tr><td>Kosten van grond- en hulpstoffen</td><td>(49.854)</td><td>(42.113)</td><td>(34.611)</td></tr><tr><td>Kosten uitbesteed werk en andere externe kosten.....</td><td>(2.852)</td><td>(2.395)</td><td>(2.460)</td></tr><tr><td>Personeelslasten</td><td>(12.773)</td><td>(10.730)</td><td>(8.262)</td></tr><tr><td>Afschrijving van immateriële activa.....</td><td>(1.030)</td><td>(745)</td><td>(497)</td></tr><tr><td>Afschrijving van gebouwen, machines en inventaris.....</td><td>(568)</td><td>(450)</td><td>(422)</td></tr><tr><td>Overige bedrijfslasten.....</td><td>(4.842)</td><td>(3.482)</td><td>(2.956)</td></tr><tr><td></td><td>(71.919)</td><td>(59.915)</td><td>(49.208)</td></tr><tr><td>Bedrijfsresultaat.....</td><td>2.417</td><td>1.607</td><td>1.340</td></tr><tr><td>Financiële baten.....</td><td>—</td><td>—</td><td>—</td></tr><tr><td>Financiële lasten</td><td>(128)</td><td>(79)</td><td>(43)</td></tr><tr><td>Netto financieel resultaat</td><td>(128)</td><td>(79)</td><td>(43)</td></tr><tr><td>Resultaat voor belastingen</td><td>2.289</td><td>1.528</td><td>1.297</td></tr><tr><td>Belastingen</td><td>(568)</td><td>(393)</td><td>(313)</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td>Resultaat over het boekjaar</td><td>1.721</td><td>1.135</td><td>984</td></tr></tbody></table>		Boekjaar			2017	2016	2015	(EUR ‘000)	(EUR ‘000)	(EUR ‘000)	Bedrijfsopbrengsten.....	73.368	61.522	50.548	Overige baten.....	968	—	—		74.336 ⁷	61.522	50.548	Bedrijfslasten				Kosten van grond- en hulpstoffen	(49.854)	(42.113)	(34.611)	Kosten uitbesteed werk en andere externe kosten.....	(2.852)	(2.395)	(2.460)	Personeelslasten	(12.773)	(10.730)	(8.262)	Afschrijving van immateriële activa.....	(1.030)	(745)	(497)	Afschrijving van gebouwen, machines en inventaris.....	(568)	(450)	(422)	Overige bedrijfslasten.....	(4.842)	(3.482)	(2.956)		(71.919)	(59.915)	(49.208)	Bedrijfsresultaat.....	2.417	1.607	1.340	Financiële baten.....	—	—	—	Financiële lasten	(128)	(79)	(43)	Netto financieel resultaat	(128)	(79)	(43)	Resultaat voor belastingen	2.289	1.528	1.297	Belastingen	(568)	(393)	(313)					Resultaat over het boekjaar	1.721	1.135	984
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7 In dit Prospectus bestaat de “omzet” van de Vennootschap uit zowel “bedrijfsopbrengsten” als “overige baten” zoals opgenomen in de geconsolideerde winst- en verliesrekening van de geconsolideerde jaarrekening. Overige baten worden gegenereerd door overheidssubsidies ontvangen in verband met Alfens bedrijfsactiviteiten.

Geselecteerde geconsolideerde balans

	Per 31 December		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Vaste activa			
Gebouwen, machines en inventaris	4.435	3.163	1.580
Immateriële active.....	3.948	3.092	2.413
Uitgestelde belastingvorderingen ..	424	376	428
Vorderingen	23	30	30
Totaal vaste active.....	8.830	6.661	4.451
Vlottende activa			
Vorraden	3.487	3.756	2.410
Handelsvorderingen en overige vorderingen	17.539	11.102	9.393
Geldmiddelen en kasequivalenten.	—	1.408	1.335
Totaal vlottende activa	21.026	16.266	13.138
Totaal activa	29.856	22.927	17.589
Groepsvermogen			
Aandelenkapitaal	18	18	18
Agio	3.895	3.895	3.895
Winstreserve.....	1.172	37	(952)
Resultaat over het boekjaar.....	1.721	1.135	984
Totaal groepsvermogen	6.806	5.085	3.945
Vreemd vermogen			
Langlopende verplichtingen			
Leningen	1.660	1.870	1.200
Uitgestelde belastingverplichtingen.....	1.024	808	638
Voorzieningen	29	29	32
Totaal langlopende verplichtingen..	2.713	2.707	1.870
Vlottende passiva			
Handelsschulden en overige te betalen posten	18.536	13.699	9.843
Actuele belastingverplichtingen	255	193	598
Bankvoorschotten in rekening-courant.....	1.224	—	—
Leningen	210	210	150
Uitgestelde baten	112	1.033	1.183
Totaal vlottende passiva	20.337	15.135	11.774
Totaal vreemd vermogen.....	23.050	17.842	13.644
Totaal eigen en vreemd vermogen..	29.856	22.927	17.589

		Geselecteerde geconsolideerd kasstroomoverzicht			
		Financial year			
		2017	2016	2015	
		(EUR '000)	(EUR '000)	(EUR '000)	
	Kasstroom uit bedrijfsactiviteiten				
	Bedrijfsresultaat	2.417	1.607	1.340	
	<i>Aanpassingen voor:</i>				
	– Afschrijvingen, amortisatie en waardeveranderingen	1.598	1.195	919	
	– Wijzigingen in voorziening	—	(3)	7	
	– Wijzigingen in langlopende vorderingen	7	—	(30)	
	<i>Wijzigingen in bedrijfsactiva- en passiva</i>				
	– (Toename)/afname voorraad	269	(1.346)	318	
	– (Toename)/afname onderhanden projecten	(1.489)	(540)	(871)	
	– vorderingen	(4.522)	(401)	(1.911)	
	– Toename/(afname) handelsschulden en overige te betalen posten	3.473	2.931	3.564	
	Kasstroom uit bedrijfsactiviteiten...	1.753	3.443	3.336	
	Inkomstenbelastingen (betaald) / ontvangen	(338)	(576)	(19)	
	Rente (betaald)	(111)	(67)	(40)	
	Rente ontvangen	—	—	—	
	Netto kasinstroom (kasuitstroom) uit bedrijfsactiviteiten	1.304	2.800	3.277	
	Kasstroom uit investeringsactiviteiten				
	Betalen voor gebouwen, machines en inventaris	(1.840)	(2.033)	(518)	
	Betalen voor immateriële activa	(1.886)	(1.424)	(1.019)	
	Netto kasinstroom (kasuitstroom) uit investeringsactiviteiten	(3.726)	(3.457)	(1.537)	
	Kasstroom uit financieringsactiviteiten.....				
	Opbrengsten uit uitgifte van aandelen	—	—	—	
	Opbrengsten uit leningen	—	900	—	
	Aflossingen van leningen	(210)	(170)	(150)	
	Dividenden uitgekeerd aan aandeelhouders vennootschap	—	—	(2.300)	
	Netto kasinstroom I (uitstroom) uit financieringsactiviteiten	(210)	730	(2.450)	
	Netto toename/(afname) geldmiddelen en kasequivalenten	(2.632)	73	(710)	
	Geldmiddelen en kasequivalenten bij aanvang van het boekjaar	1.408	1.335	2.045	
	Geldmiddelen en kasequivalenten op het einde van het boekjaar	(1.224)	1.408	1.335	
B.8	Geselecteerde belangrijke pro forma financiële informatie	Niet van toepassing. Er is geen <i>pro forma</i> financiële informatie opgenomen in het Prospectus.			
B.9	Winstverwachting	Niet van toepassing. De Vennootschap heeft geen winstverwachting afgegeven.			
B.10	Afwijkende verklaringen in de accountantsverklaringen	Niet van toepassing. Er zijn in de controleverklaringen van de onafhankelijke accountant over de jaren eindigend per 31 december 2017, 2016 en 2015 geen afwijkende verklaringen afgegeven ten aanzien van de historische financiële informatie over de betreffende jaren.			

B.11	Werkkapitaal	De Vennootschap is van mening dat Alfens werkkapitaal toereikend is om aan Alfens huidige behoeften te voldoen voor een periode van ten minste 12 maanden na de datum van het Prospectus.
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Onderdeel C – Effecten		
C.1	Soort en klasse, ISIN	De Gewone Aandelen zijn gewone aandelen in het aandelenkapitaal van de Vennootschap, elk met een nominale waarde van €0,10. Er is een aanvraag ingediend voor een notering van alle Gewone Aandelen onder het symbool “ALFEN” op Euronext Amsterdam met ISIN-code: NL0012817175.
C.2	Valuta van de Gewone Aandelen	De Gewone Aandelen luiden in euro's en zullen verhandeld worden in euro's.
C.3	Aantal uitgegeven Gewone Aandelen, nominale waarde per Gewoon Aandeel	<p>Op de datum van het Prospectus bestaat het uitstaande en geplaatste aandelenkapitaal van de Vennootschap uit 2.000.000 Gewone Aandelen. Alle geplaatste en uitstaande Gewone Aandelen zijn volgestort. De nominale waarde per Gewoon Aandeel is €0,10. Op de datum van het Prospectus worden door de Vennootschap geen Gewone Aandelen gehouden. Alle geplaatste Gewone Aandelen zijn onderworpen aan, en uitgegeven naar, Nederlands recht.</p> <p>Op de Eerste Handelsdag en krachtens een notariële akte van omzetting en wijziging van de statuten van de Vennootschap zal elk Gewoon Aandeel met een waarde van €1,00 worden gesplitst in 10 Gewone Aandelen, elk met een nominale waarde van €0,10, als gevolg waarvan het geplaatste aandelenkapitaal van de Vennootschap €2.000.000 zal bedragen, verdeeld in 20.000.000 Gewone Aandelen, elk met een nominale waarde van €0,10.</p>
C.4	Aan de Gewone Aandelen verbonden rechten	<p>De rechten van de houders van Aangeboden Aandelen die in de Aanbieding zijn aangeboden en verkocht, zullen in rangorde aan elkaar en aan alle overige Gewone Aandelen gelijkgesteld zijn. Aan de Gewone Aandelen zijn dividendrechten verbonden. Ieder Gewone Aandeel geeft de houder ervan het recht om de algemene vergadering van de Vennootschap, zijnde het vennootschappelijk orgaan of, indien de context dat vereist, de fysieke vergadering, bij te wonen en één stem uit te brengen. Er gelden geen beperkingen op de stemrechten.</p> <p>De algemene vergadering, of de het bestuur (het “Bestuur” en ieder lid daarvan, een “Directeur”) behoudens de goedkeuring van de raad van commissarissen van de Vennootschap (de “Raad van Commissarissen”, en ieder lid daarvan een “Commissaris”) voor zover voor een bepaalde periode daartoe door de algemene vergadering aangewezen, kan besluiten tot de uitgifte van Gewone Aandelen (daaronder begrepen het verlenen van rechten tot het nemen van Gewone Aandelen). Een dergelijke aanwijzing is onherroepelijk, tenzij anders gestipuleerd, en is telkens slechts geldig voor een vaste termijn van maximaal vijf jaar en kan telkens slechts met een periode van ten hoogste vijf jaar worden verlengd. De Vennootschap mag bij uitgifte van aandelen geen eigen Gewone Aandelen nemen.</p> <p>Bij uitgifte van Gewone Aandelen zal iedere aandeelhouder, behoudens uitzonderingen, een voorkeursrecht hebben op de te uitgeven Gewone Aandelen, naar verhouding van het aantal Gewone Aandelen dat hij al houdt. Het voorkeursrecht op Gewone Aandelen kan ingevolge een besluit van de algemene vergadering worden beperkt of uitgesloten. Behoudens de goedkeuring van de Raad van Commissarissen kan het voorkeursrecht ook door het Bestuur worden beperkt of uitgesloten indien het Bestuur door een besluit van de algemene vergadering voor een beperkte periode van maximaal vijf jaar aangewezen is het voorkeursrecht te beperken of uit te sluiten. Het Bestuur is, behoudens de goedkeuring van de Raad van Commissarissen, bevoegd zijn Gewone Aandelen uit te geven of rechten te</p>

		verlenen tot het nemen van Gewone Aandelen voor een periode van 18 maanden na de Afwikkelingsdatum en de voorkeursrechten ten aanzien van die Gewone Aandelen te beperken of uit te sluiten. Deze bevoegdheid van het Bestuur is beperkt tot 10% van de uitgegeven Gewone Aandelen direct na de Afwikkeling en kan op elk moment worden ingetrokken door de Algemene Vergadering.
C.5	Beperkingen op vrije overdraagbaarheid van de Gewone Aandelen	Er gelden geen beperkingen op de vrije overdraagbaarheid van de Gewone Aandelen op grond van de statuten van de Vennootschap. Specifieke regelgeving en beperkingen kunnen echter van toepassing zijn op de aanbidding en verkoop van Aanbieden Aandelen aan personen die gevestigd of ingezetenen of inwoners zijn van, of die een geregistreerd adres hebben in een ander land dan Nederland, alsmede op de overdracht van Aanbieden Aandelen naar een ander rechtsgebied dan Nederland. Voor de lock-up bepalingen onderdeel E.5 van deze samenvatting.
C.6	Notering en toelating tot de handel	Voorafgaand aan de Aanbidding was er geen openbare markt voor de Gewone Aandelen. Er is een aanvraag ingediend voor een notering en toelating van alle Gewone Aandelen tot de handel onder het symbool “ALFEN” op Euronext Amsterdam. Behoudens een inkorting of verlenging van het tijdschema voor de Aanbidding zal de handel in de Gewone Aandelen op Euronext Amsterdam naar verwachting op of rond 22 maart 2018 (de “ Eerste Handelsdatum ”) aanvangen op een “as-if-and-when-delivered” basis.
C.7	Dividendbeleid	De Vennootschap is niet voornemens om dividend vast te stellen of uit te keren voor het boekjaar 2018 of op de middellange termijn.

Onderdeel D – Risico's		
D.1	Risico's ten aanzien van de Vennootschap en de sector	<p>Hieronder volgt een samenvatting van een selectie van belangrijke risico's die betrekking hebben op de activiteiten van Alfen en de markt waarop zij opereert. Beleggers dienen alle risicofactoren in het Prospectus te lezen, te begrijpen en in overweging te nemen, welke materieel zijn en als geheel dienen te worden gelezen, in “<i>Risk Factors</i>” te beginnen op pagina 46 van het Prospectus alvorens een besluit te nemen om in de Gewone Aandelen te beleggen.</p> <ul style="list-style-type: none"> • Vraag naar Alfens producten, systemen en diensten hangt af van de voorzetting van bepaalde trends, waaronder de trend richting alternatieve energiebronnen. • De wereldwijde milieukwesties die de energietransitie aandrijven en de huidige trend richting alternatieve energiebronnen kan door verschillende oplossingen worden geadresseerd en het kan zo zijn dat geen van de oplossingen die Alfen biedt acceptabel blijkt om deze kwesties in de toekomst te adresseren. • Veel factoren buiten de macht van Alfen, waaronder acties door Alfens klanten en concurrenten, kunnen de vraag naar de producten en diensten van Alfen beïnvloeden. • De technologie is constant in vooruitgang en het is aan Alfen om succesvol te zijn in het ontwikkelen, produceren en aanbieden van producten die een verbetering zijn ten opzichte van bestaande technologieën. • Het kan zo zijn dat Alfen er niet in slaagt haar technologische kennis en beroepsgeheimen adequaat te beschermen. • Concurrentie in de markten en deelmarkten waarop Alfen actief is kan haar marktaandeel en gehele winstgevendheid significant beïnvloeden.

		<ul style="list-style-type: none"> • Als Alfen er niet in slaagt projecten adequaat te managen of indien projecten vertragen, kan dit resulteren in additionele kosten of claims en daardoor een negatief effect op of vertraging in omzet, winst en cash flows. • Alfen is nog niet lang actief op de markt voor Energy Storage, waardoor onzekerheid kan ontstaan met betrekking tot de toekomstige prestaties van haar Energy Storage bedrijfsonderdeel. • De markt voor elektrische voertuigen is een relatief nieuwe markt waardoor het lastig te voorspellen is of consumenten elektrische voertuigen gaan zien als algemeen geaccepteerde vorm van transport en om de toekomstige vraag naar oplaadinfrastructuur en oplaadgedrag te voorspellen. • Het kan zo zijn dat Alfen niet in staat zal zijn haar strategie om te groeien in bestaande markten en uit te breiden naar aanvullende markten en producten succesvol uit te voeren. • Aanzienlijke stijgingen in de kosten van grondstoffen, componenten en afgewerkte producten kan de activiteiten, financiële conditie en bedrijfsresultaten van Alfen aanzienlijk beïnvloeden. • Alfen is wat betreft grondstoffen en onderdelen van haar producten afhankelijk van derde-partij leveranciers. • De bedrijfsvoering van Alfen is, voor een deel, afhankelijk van contracten met grote afnemers. Als een of meer van die contracten wordt stopgezet of verlengd met minder gunstige voorwaarden, kan dit de financiële positie en bedrijfsresultaten van Alfen negatief beïnvloeden. • Alfen is afhankelijk van haar vermogen om deskundige managers, belangrijke werknemers en andere gekwalificeerde en vakkundige werknemers aan te trekken en te behouden en zij is wellicht niet in staat dergelijk personeel aan te trekken en te behouden. • Alfen en haar afnemers zijn afhankelijk van nationale politieke en financiële ondersteuning voor onderzoek en ontwikkeling en projecten op het gebied van hernieuwbare energie. • Alfen is onderworpen aan wetten en regelgeving van verschillende jurisdicties, die steeds strenger worden, met name gerelateerd aan milieu, gezondheid en veiligheid en transport. • Indien Alfen er niet in slaagt te voldoen aan wetgeving op het gebied van gegevensbescherming en privacy kan dit haar reputatie schaden en leiden tot hoge boetes. • Alfen kan aansprakelijk worden gesteld voor grondsanering en andere milieuzaken. • Alfen is blootgesteld aan risico's op het gebied van productaansprakelijkheid, garanties, terugroepclaims of andere rechtszaken of claims die tegen haar kunnen worden ingesteld. • Alfen is blootgesteld aan operationele risico's van onderbreking het gebied van productie- en montagefaciliteiten, projectlocaties en bedrijfsactiviteiten. • Onderbrekingen in de IT-systemen van Alfen kunnen een aanzienlijk negatief effect hebben op de bedrijfsvoering van Alfen.
D.3	Risico's verbonden aan de Aanbidding en de Gewone Aandelen	<p>Hieronder volgt een samenvatting van de belangrijkste risico's met betrekking tot de Gewone Aandelen en de Aanbidding. Beleggers dienen alle risicofactoren in het Prospectus te lezen, te begrijpen en in overweging te nemen, welke materieel zijn en als geheel dienen te worden gelezen in "<i>Risk Factors</i>" te beginnen op pagina 46 van het Prospectus alvorens een besluit te nemen om in de Gewone Aandelen te beleggen.</p>

		<ul style="list-style-type: none"> • Direct na Afwikkeling, zullen de Verkopende Aandeelhouders zich in een positie bevinden waarin aanzienlijke invloed op de Vennootschap kan worden uitgeoefend en de belangen van de Verkopende Aandeelhouders kunnen afwijken van die van de medeaandeelhouders van de Vennootschap. • De beurskoers van de Gewone Aandelen kan nadelig worden beïnvloed door (mogelijke) toekomstige aanbiedingen of door schuld- of aandeeleffecten, of de perceptie daarvan en (mogelijke) toekomstige uitgaven van Gewone Aandelen kunnen het belang van beleggers doen verwateren. • De beurskoers van de Gewone Aandelen kan nadelig worden beïnvloed door de (mogelijke) toekomstige verkoop van een aanzienlijk aantal Gewone Aandelen door de Verkopende Aandeelhouders, leden van het Bestuur of andere belangrijke managers van de Vennootschap. • Aandeelhouders buiten Nederland kunnen bij toekomstige plaatsingen mogelijk geen voorkeursrecht uitoefenen. • De uitkering van toekomstige dividenden is afhankelijk van de financiële conditie van de Vennootschap, ontwikkelingen in het werkkapitaal en bedrijfsresultaten, en van de uitkering van de werkmaatschappijen van de Vennootschap aan de Vennootschap. • Er is momenteel geen openbare markt voor de Gewone Aandelen op Euronext Amsterdam. Daardoor is er een risico dat er geen actieve en liquide markt voor de Gewone Aandelen zal ontwikkelen en de koers van de Gewone Aandelen kan volatiel zijn. • Als effecten- of marktanalisten geen onderzoek of rapporten over de activiteiten of de markt van de Vennootschap publiceren, of als zulke analisten (indien die er zijn) hun aanbevelingen met betrekking tot de Gewone Aandelen nadelig wijzigen, kunnen het handelsvolume en de koers van de Gewone Aandelen dalen. • Indien geen Afwikkeling plaatsvindt, worden aankopen van de Aangeboden Aandelen buiten beschouwing gelaten en worden transacties in de Aangeboden Aandelen tenietgedaan. • Beleggers met een andere referentiewaarde dan de euro zullen bij het beleggen in de Gewone Aandelen te maken krijgen met bepaalde valutarisico's.
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Onderdeel E – Aanbieding		
E.1	Netto-opbrengsten en geschatte kosten	<p>De Vennootschap zal geen opbrengsten ontvangen uit de verkoop van de Aangeboden Aandelen en/of de verkoop van Overtoewijzingsaandelen door de Verkopende Aandeelhouders, waarvan de netto-opbrengsten door de Verkopende Aandeelhouders zullen worden ontvangen.</p> <p>De Verkopende Aandeelhouders verwachten na aftrek van de geschatte kosten, provisies en belastingen die met betrekking tot de Aanbieding ten laste van de Verkopende Aandeelhouders komen, circa €107 miljoen in netto-opbrengsten van de Aanbieding te ontvangen (op basis van een Aanbiedingsprijs (hieronder gedefinieerd) in het midden van de Bandbreedte Aanbiedingsprijs (hieronder gedefinieerd), ervan uitgaande dat het maximale aantal door de Verkopende Aandeelhouders Aangeboden Aandelen wordt verkocht en dat de Overtoewijzingsoptie (hieronder gedefinieerd) die door de Verkopende Aandeelhouders in verband met de Aanbieding is verleend, niet wordt uitgeoefend). De totale uitgaven en belastingen met betrekking tot de Aanbieding bedragen naar schatting €4,4 miljoen, dat door de Verkopende Aandeelhouders zal worden betaald.</p>

E.2a	Redenen voor de Aanbieding en aanwending van de opbrengsten	<p>De Vennootschap is van mening dat de Aanbieding en beursnotering van Gewone Aandelen op Euronext Amsterdam het profiel en de naamsbekendheid van Alfen zal versterken, met onder andere investeerders, zakenpartners, afnemers en werknemers. Daarnaast zal door de Aanbieding een markt in de Gewone Aandelen voor bestaande en toekomstige aandeelhouders ontstaan en krijgen de Verkopende Aandeelhouders deels hun investering in de Vennootschap terug. De Vennootschap ontvangt geen opbrengsten van de verkoop van de Aangeboden Aandelen en/of de verkoop van Overtoewijzingsaandelen door de Verkopende Aandeelhouders, waarvan de netto opbrengsten zullen worden ontvangen door de Verkopende Aandeelhouders.</p>
E.3	Voorwaarden van de Aanbieding	<p>Aangeboden Aandelen</p> <p>De Verkopende Aandeelhouders bieden maximaal 8.500.000 Aangeboden Aandelen aan, exclusief Overtoewijzingsaandelen. De Aanbieding bestaat uit (i) een openbare aanbieding aan institutionele en particuliere beleggers in Nederland en (ii) een onderhandse plaatsing bij bepaalde institutionele beleggers in verschillende andere jurisdicties. De Aangeboden Aandelen worden binnen de Verenigde Staten van Amerika (de “Verenigde Staten”) aangeboden en verkocht aan gekwalificeerde institutionele beleggers zoals gedefinieerd in Rule 144A (“Rule 144A”) ingevolge de US Securities Act of 1933, zoals gewijzigd (de “US Securities Act”), op grond van Rule 144A of een andere vrijstelling van, of in een transactie die niet is onderworpen aan, de registratievereisten van de US Securities Act en toepasselijke Amerikaanse effectenwetgeving van een staat, en buiten de Verenigde Staten, overeenkomstig Regulation S ingevolge de US Securities Act (“Regulation S”). De Aanbieding wordt uitsluitend in die jurisdicties gedaan waar en uitsluitend aan diegenen aan wie de Aangeboden Aandelen rechtsgeldig mogen worden aangeboden en verkocht.</p> <p>Overtoewijzingsoptie</p> <p>De Verkopende Aandeelhouders hebben aan ABN AMRO Bank N.V. (“ABN AMRO”) en Barclays Bank PLC, handelend door middel van haar investeringsbank (“Barclays”, en samen met ABN AMRO, de “Joint Global Coordinators”), namens de Underwriters (als hierna gedefinieerd), een optie verleend (de “Overtoewijzingsoptie”), die binnen 30 kalenderdagen na de Eerste Handelsdatum kan worden uitgeoefend, uit hoofde waarvan de Joint Global Coordinators (namens de Underwriters) van de Verkopende Aandeelhouders kunnen eisen dat deze maximaal 1.275.000 extra Gewone Aandelen door hen gehouden verkoopt tegen de Aanbiedingsprijs, bestaande uit maximaal 15% van het totale aantal Aangeboden Aandelen dat bij de Aanbieding is verkocht (met uitzondering van Overtoewijzingsaandelen) (de “Overtoewijzingsaandelen”), teneinde overtoewijzingen af te dekken, indien van toepassing, in verband met de Aanbieding of, indien van toepassing, het tot stand brengen van stabilisatietransacties.</p> <p>Aanbiedingsperiode</p> <p>Onder voorbehoud van verkorting of verlenging van het tijdschema van de Aanbieding kunnen potentiële Nederlandse Particuliere Beleggers inschrijven op de Aangeboden Aandelen tijdens de periode vanaf 9:00 Centraal Europese Tijd (“CET”) op 12 maart 2018 tot 17:30 CET op 20 maart 2018 en kunnen potentiële institutionele beleggers inschrijven op Aangeboden Aandelen tijdens de periode vanaf 9:00 CET op 12 maart 2018 tot 14:00 CET op 21 maart 2018 en (de “Aanbiedingsperiode”).</p> <p>In geval van verkorting of verlenging van de Aanbiedingsperiode kan de prijsstelling, toewijzing, toelating en eerste verhandeling van de Aangeboden Aandelen, alsmede betaling (in euro’s) voor en levering van</p>

de Aangeboden Aandelen, dienovereenkomstig worden vervroegd of verlengd. In het tijdsschema hieronder worden bepaalde verwachte belangrijke data voor de Aanbieding vermeld:

Gebeurtenis	Tijd (CET) en Datum
Start Aanbiedingsperiode	09:00 – 12 maart 2018
Einde Aanbiedingsperiode voor Nederlandse Particuliere Beleggers	17:30 – 20 maart 2018
Einde Aanbiedingsperiode voor institutionele beleggers	14:00 – 21 maart 2018
Prijsstelling en toewijzing	21 maart 2018
Publicatie resultaat Aanbieding	22 maart 2018
Eerste Handelsdatum (handel op basis van “as if and when-delivered”)	22 maart 2018
Afwikkelingsdatum (betaling en levering)	26 maart 2018

NB: de Verkopende Aandeelhouders en de Vennootschap behouden zich het recht voor om samen met de Joint Global Coordinators de Aanbiedingsperiode te verkorten of te verlengen.

Bandbreedte Aanbiedingsprijs en aantal Aangeboden Aandelen

De aanbiedingsprijs per Aangeboden Aandeel (de “**Aanbiedingsprijs**”) ligt naar verwachting tussen een prijs van €11,25 en €15,00 (inclusief) (de “**Bandbreedte Aanbiedingsprijs**”). De Bandbreedte Aanbiedingsprijs is een indicatieve bandbreedte en de Aanbiedingsprijs kan buiten de Bandbreedte Aanbiedingsprijs worden gesteld. De Aanbiedingsprijs en het exacte aantal in de Aanbieding Aangeboden Aandelen worden na het einde van de Aanbiedingsperiode, die kan worden verkort dan wel verlengd, op basis van het book building-proces vastgesteld door de Verkopende Aandeelhouders en de Vennootschap in overleg met de Joint Global Coordinators, waarbij rekening wordt gehouden met economische- en marktomstandigheden, een kwalitatieve en kwantitatieve beoordeling van de vraag naar de Aangeboden Aandelen en andere factoren die gepast worden geacht. De Aanbiedingsprijs en het exacte aantal in de Aanbieding Aangeboden Aandelen zullen worden genoemd in een *pricing statement* dat bij de Stichting Autoriteit Financiële Markten (de “**AFM**”) zal worden gedeponneerd en middels aangekondigd door een persbericht dat zal worden gepubliceerd en op de website van de Vennootschap zal worden geplaatst. De Verkopende Aandeelhouders en de Vennootschap, in overleg met de Joint Global Coordinators, behouden zich het recht voor het maximum aantal Aangeboden Aandelen te verhogen of te verlagen en voor toewijzing van de Aangeboden Aandelen de Bandbreedte Aanbiedingsprijs aan te passen. Iedere verhoging van de bovengrens van de Bandbreedte Aanbiedingsprijs op de laatste dag van de Aanbiedingsperiode of de vaststelling van een Aanbiedingsprijs boven de Bandbreedte Aanbiedingsprijs heeft tot gevolg dat de Aanbiedingsperiode met ten minste twee werkdagen wordt verlengd. Iedere verhoging van de bovengrens van de Bandbreedte Aanbiedingsprijs op de dag voor de laatste dag van de Aanbiedingsperiode heeft tot gevolg dat de Aanbiedingsperiode met ten minste één werkdag wordt verlengd. Iedere wijziging zal in een persbericht worden aangekondigd gepubliceerd en geplaatst op de website van de Vennootschap. Bij een wijziging van het aantal Aangeboden Aandelen dient een verwijzing naar Aangeboden Aandelen in het Prospectus te worden gelezen als een verwijzing naar gewijzigd aantal Aangeboden Aandelen, en dient een verwijzing naar Overtoewijzingsaandelen te worden gelezen als een verwijzing naar het gewijzigd aantal Overtoewijzingsaandelen.

		<p>Toewijzing</p> <p>Toewijzing van de Aangeboden Aandelen vindt naar verwachting plaats na sluiting van de Aanbiedingsperiode op of rond 21 maart 2018, behoudens verkorting of verlenging van het tijdschema voor de Aanbieding. Toewijzingen aan beleggers die hebben ingeschreven op Aangeboden Aandelen worden gedaan door de Joint Global Coordinators, in overleg met de Verkopende Aandeelhouders en de Vennootschap, en of, en op welke wijze, de Aangeboden Aandelen waarop is ingeschreven al dan niet worden toegewezen geschiedt geheel ter eigen beoordeling. Het kan zijn dat beleggers niet alle Aangeboden Aandelen toegewezen krijgen waarop zij hebben ingeschreven. Er geldt geen maximum of minimum aantal Aangeboden Aandelen waarop potentiële beleggers kunnen inschrijven en meerdere (aanvragen voor) inschrijvingen zijn toegestaan. Mocht de Aanbieding overtekend zijn, dan kan het zijn dat beleggers minder Aangeboden Aandelen ontvangen dan waarop zij hebben ingeschreven. De Verkopende Aandeelhouder en de Vennootschap kunnen in overleg met de Joint Global Coordinators ter eigen beoordeling en zonder opgave van redenen elke inschrijving geheel of gedeeltelijk afwijzen.</p> <p>Voorkeurstoewijzing Particulieren</p> <p>Er geldt een voorkeurstoewijzing van Aangeboden Aandelen aan in aanmerking komende particuliere beleggers in Nederland, in overeenstemming met toepasselijke wet- en regelgeving (de “Voorkeurstoewijzing Particulieren”). Aan iedere in aanmerking komende particuliere belegger in Nederland (ieder afzonderlijk een “Nederlandse Particuliere Belegger”) worden, in principe, de eerste 500 Aangeboden Aandelen (of minder) toegewezen waarop die belegger heeft ingeschreven. Wanneer het totale aantal Aangeboden Aandelen waarop door Nederlandse Particuliere Beleggers ingevolge de Voorkeurstoewijzing Particulieren is ingeschreven echter hoger is dan 10% van het totale aantal Aangeboden Aandelen (aangenomen dat de Overtoewijzingsoptie niet wordt uitgeoefend), kan de voorkeurstoewijzing aan iedere Nederlandse Particuliere Belegger naar evenredigheid worden verlaagd tot de eerste 500 Aangeboden Aandelen (of minder) waarop deze belegger inschrijft. Hierdoor kan het zijn dat Nederlandse Particuliere Beleggers niet alle van de eerste 500 (of minder) Aangeboden Aandelen krijgen toegewezen waarop zij hebben ingeschreven. Het exacte aantal Aangeboden Aandelen dat aan Nederlandse Particuliere Beleggers zal worden toegewezen, zal na afloop van de Aanbiedingsperiode worden vastgesteld. De Voorkeurstoewijzing Particulieren zal alleen plaatsvinden met betrekking tot de Aangeboden Aandelen bestaande uit maximaal 10% van het totaal aantal Aangeboden Aandelen, exclusief de Overtoewijzingsaandelen. De Verkopende Aandeelhouders en de Vennootschap hebben, in overleg met de Joint Global Coordinators, volledige discretie om te bepalen of, en hoe, de resterende Aangeboden Aandelen waarvoor is aangemeld toegewezen zullen worden. Nederlandse Particuliere Beleggers kunnen alleen inschrijven op basis van een ‘bestens’ order. Dit houdt in dat Nederlandse Particuliere Beleggers verplicht zijn de in hun aandeleninschrijving aangegeven Aangeboden Aandelen tegen de Aanbiedingsprijs te kopen en te betalen, voor zover aan hen toegewezen, zelfs als de Aanbiedingsprijs boven de bovengrens ligt van de Bandbreedte Aanbiedingsprijs (indien van toepassing, zoals gewijzigd). Nederlandse Particuliere Beleggers zijn gerechtigd op elk moment vóór het einde van de Aanbiedingsperiode (indien van toepassing, zoals verkort of verlengd) hun inschrijving te annuleren of te wijzigen bij de financiële tussenpersoon waar hun oorspronkelijke inschrijving was ingediend. Om in aanmerking te komen voor de Voorkeurstoewijzing Particulieren dienen Nederlandse Particuliere Beleggers hun inschrijvingen te plaatsen tijdens de periode vanaf 12 maart 2018 om 9:00 CET tot 20 maart 2018 om 17:30 CET, via</p>
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		<p>hun bank dan wel andere financiële tussenpersonen. Iedere bank dan wel financiële tussenpersoon kan een vroegere indieningstermijn stellen, die voor de sluitingstijd van de Aanbiedingsperiode gelegen is. ABN AMRO zal als retail coördinator (de “Retail Coördinator”) alle inschrijvingen van Nederlandse Particuliere Beleggers samenvoegen en de Joint Global Coordinators hiervan op de hoogte stellen.</p> <p>Betaling</p> <p>Betaling (in euro) voor, en levering van, de Aangeboden Aandelen (“Afwikkeling”) zal naar verwachting plaatsvinden op de afwikkelingsdatum, naar verwachting 26 maart 2018 (de “Afwikkelingsdatum”), behoudens verkorting dan wel verlenging. Belastingen en kosten, indien van toepassing, zijn voor rekening van de belegger. Bij Nederlandse particuliere beleggers kunnen door hun bank of overige financiële tussenpersoon kosten in rekening worden gebracht. Beleggers dienen de Aanbiedingsprijs op of voor de Afwikkelingsdatum (of eerder bij een vroegtijdig sluiten van de Aanbiedingsperiode en daaropvolgende verkorting van het vaststellen van de Aanbiedingsprijs, toewijzing, aanvang van handel en Afwikkeling) in onmiddellijk beschikbare gelden in euro te voldoen.</p> <p>Levering Aangeboden Aandelen</p> <p>De Aangeboden Aandelen worden geleverd via de girale systemen van het Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., handelend als Euroclear Nederland. Indien Afwikkeling niet op de Afwikkelingsdatum plaatsvindt zoals gepland, of in het geheel niet plaatsvindt, kan de Aanbieding worden ingetrokken, in welk geval alle inschrijvingen voor de Aangeboden Aandelen worden genegeerd, eventueel gedane toewijzingen worden geacht niet te zijn gedaan, gedane inschrijvingsbetalingen zonder rente of overige vergoeding worden terugbetaald en transacties in de Aangeboden Aandelen op Euronext Amsterdam nietig kunnen worden verklaard. Iedere handel in Aangeboden Aandelen voorafgaande aan Afwikkeling geschiedt volledig voor het risico van de betrokkenen.</p> <p>Underwritingovereenkomst</p> <p>De Vennootschap, de Verkopende Aandeelhouders en de hieronder genoemde underwriters (de “Underwriters”) zijn op 12 maart 2018 een underwritingovereenkomst aangegaan ten aanzien van de aanbidding en verkoop van de Aangeboden Aandelen in verband met de Aanbidding (de “Underwritingovereenkomst”). De Underwritingovereenkomst is onder meer voorwaardelijk gesteld aan het aangaan van een prijsstellingsovereenkomst tussen de Vennootschap, de Verkopende Aandeelhouders en de Underwriters waarin de Aanbiedingsprijs per Aangeboden Aandeel wordt bepaald. Op grond van en onder de in de Underwritingovereenkomst uiteengezette voorwaarden hebben de Verkopende Aandeelhouders ermee ingestemd de Aangeboden Aandelen te verkopen tegen de Aanbiedingsprijs aan de door Underwriters aangetrokken kopers of, bij gebreke daarvan, aan de Underwriters zelf, en de Underwriters hebben ieder voor zich, maar niet gezamenlijk, ermee ingestemd kopers aan te trekken voor de Aangeboden Aandelen of, bij gebreke daarvan, de Aangeboden Aandelen zelf te kopen tegen de Aanbiedingsprijs. De Verkopende Aandeelhouders en de Vennootschap hebben in de Underwritingovereenkomst bepaalde verklaringen en garanties gegeven en bepaalde toezeggingen gedaan. Daarnaast zijn de Verkopende Aandeelhouder en de Vennootschap overeengekomen de Underwriters te vrijwaren tegen bepaalde aansprakelijkheid in verband met de Aanbidding.</p>
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		<p>De Underwritingovereenkomst bepaalt dat de verplichtingen van de Underwriters tot het aantrekken van kopers voor de Aangeboden Aandelen of, bij gebreke daarvan, tot het zelf kopen van de Aangeboden Aandelen onder meer zijn onderworpen aan de volgende opschortende voorwaarden: (i) de ontvangst van gebruikelijke opinies van juridisch adviseurs over bepaalde juridische kwesties, (ii) de ontvangst van een certificaat van een functionaris van de Vennootschap, (iii) de goedkeuring van de AFM van het Prospectus en publicatie van het Prospectus, (iv) de toelating tot notering en handel aan Euronext Amsterdam van de Gewone Aandelen, (v) nakoming van de Underwritingovereenkomst, en (v) bepaalde andere gebruikelijke voorwaarden. De Underwriters hebben het recht geheel of gedeeltelijk afstand te doen van deze voorwaarden. De Joint Global Coordinators (zoals hieronder gedefinieerd) mogen, namens de Underwriters, <i>inter alia</i>, de Underwritingovereenkomst beëindigen op ieder moment indien (i) een stelling gedaan in dit Prospectus onwaar, onjuist of misleidend is of is geworden en die materieel is in de context van het Aanbod, (ii) er een schending van de materiële verplichtingen van de Vennootschap of de Verkopende Aandeelhouders op grond van de Underwritingovereenkomst is geweest, (iii) een aangelegenheid of omstandigheid ontstaat waardoor het redelijk is te verwachten dat niet aan een van de opschortende voorwaarden zal worden voldaan, (iv) de verklaringen of garanties op elk moment niet waar of niet nauwkeurig blijken te zijn voor toelating tot de handel van de Gewone Aandelen op Euronext Amsterdam, (v) er een materiële negatieve verandering in de Vennootschap of de bedrijfsactiviteiten in het geheel is geweest, (vi) het volgende is gebeurd: (A) een materiële onderbreking in commerciële bank- of effectenafwikkeling, betaling of clearingdiensten is geweest in Nederland, het Verenigd Koninkrijk of de Verenigde Staten of in een andere Relevante Lidstaat; of (B) onderbreking van, of het ontstaan van een materiële beperking van, handel in effecten door Euronext Amsterdam of een andere exchange of ‘<i>over the counter</i>’ markt, of handel in het algemeen op Euronext Amsterdam, de New York Stock Exchange of de London Stock Exchange; of (C) een surceance van betaling van banken is uitgesproken door de autoriteiten in Nederland, de Verenigde Staten, het Verenigd Koninkrijk of New York, of (vii) de toelating tot notering en handel van de Gewone Aandelen is ingetrokken of afgewezen. Na beëindiging van de Underwritingovereenkomst zullen alle inschrijvingen voor de Aangeboden Aandelen of enkel de Overtoeijzingsaandelen, zoals in dat geval van toepassing is, worden genegeerd, eventueel gedane toewijzingen worden geacht niet te zijn gedaan, gedane inschrijvingsbetalingen worden zonder rente of andere vergoeding terugbetaald en transacties in de Aangeboden Aandelen op Euronext Amsterdam kunnen worden geannuleerd. Handelsverkeer in de Aangeboden Aandelen voorafgaand aan de Afwikkeling zijn geheel voor risico van de daarbij betrokken partijen.</p> <p>Joint Global Coordinators and Joint Bookrunners</p> <p>ABN AMRO en Barclays treden op als Joint Global Coordinators (de “Joint Global Coordinators”) en tezamen met Coöperatieve Rabobank U.A. als joint bookrunners voor de Aanbieding (de “Joint Bookrunners”).</p> <p>Underwriters</p> <p>De Joint Bookrunners treden op als de Underwriters.</p> <p>Noteringsagent en betaalkantoor</p> <p>ABN AMRO is de noteringsagent en het betaalkantoor met betrekking tot de toelating tot de notering en handel van de Gewone Aandelen op Euronext Amsterdam.</p>
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		<p>Stabilisatieagent</p> <p>ABN AMRO is de stabilisatieagent met betrekking tot de Aangeboden Aandelen op Euronext Amsterdam.</p> <p>Retail Coordinator</p> <p>ABN AMRO is de Retail Coordinator met betrekking tot de Voorkeurstoewijzing Particulieren.</p>
E.4	Materiële belangen bij de Aanbieding	<p>Bepaalde Underwriters, en/of hun respectieve gelieerde ondernemingen houden zich van tijd tot tijd bezig, en kunnen zich in de toekomst bezighouden, met commercial banking, investment banking en financiële adviesverlening en aanverwante activiteiten in hun gebruikelijke gang van zaken met de Vennootschap en/of de Verkopende Aandeelhouders (of daaraan gelieerde partijen) waarvoor zij een gebruikelijke compensatie, vergoeding en/of provisie hebben of kunnen ontvangen. Ieder van de Underwriters en ieder van hun respectieve gelieerde ondernemingen kunnen in verband met de Aanbieding als primaire positie Aangeboden Aandelen in de Aanbieding nemen en kunnen in die hoedanigheid voor eigen rekening deze effecten en alle Aangeboden Aandelen of gerelateerde beleggingen behouden, kopen of verkopen en kunnen deze Aangeboden Aandelen of andere beleggingen aanbieden of verkopen anders dan in verband met de Aanbieding. Verwijzingen in het Prospectus naar Aangeboden Aandelen die worden aangeboden of geplaatst dienen dan ook te worden gelezen als zijnde inclusief iedere Aanbieding of plaatsing van Aangeboden Aandelen aan een van de Underwriters of een van hun respectieve gelieerde ondernemingen die in die hoedanigheid handelen. Daarnaast kunnen bepaalde Underwriters of hun gelieerde ondernemingen met beleggers financieringsregelingen (met inbegrip van <i>swaps</i> of <i>contracts for difference</i>) treffen in het kader waarvan deze Underwriters (of hun gelieerde ondernemingen) van tijd tot tijd Gewone Aandelen kunnen verwerven, houden of vervreemden. Geen van de Underwriters is voornemens de omvang van deze belegging of transacties openbaar te maken anders dan op grond van een wettelijke of regelgevende verplichting daartoe. De Underwriters kunnen als gevolg van deze transacties belangen hebben die mogelijk niet overeenkomen met de belangen van beleggers, de Verkopende Aandeelhouders of met de belangen van de Vennootschap, of hiermee strijdig kunnen zijn.</p> <p>Dhr D.W.E. Riefel is aangewezen als Commissaris door de Verkopende Aandeelhouders, houdt een managementpositie bij Infestos Nederland B.V. (een vennootschap gelieerd aan de Verkopende Aandeelhouders) en houdt ook indirecte investeringen in de Verkopende Aandeelhouders. Mr E.Q. van der Arend is aangewezen als Commissaris door de Verkopende Aandeelhouders, heeft van tijd tot tijd adviesdiensten verleend aan vennootschappen gelieerd aan de Verkopende Aandeelhouders en zal dat mogelijk in de toekomst blijven doen (in persoon alsmede via het advieskantoor waarvan hij eigenaar en directeur is). Aangezien de belangen van de Verkopende Aandeelhouders mogelijk niet overeenkomen met de belangen van de Vennootschap, kan een belangenconflict ontstaan.</p>
E.5	Persoon of entiteit die heeft aangeboden de Gewone Aandelen te verkopen en Lock-up-afspraken	<p>Lock-up Verkopende Aandeelhouders</p> <p>De Verkopende Aandeelhouder is op grond van de Underwritingovereenkomst met de Underwriters overeengekomen dat hij voor een periode vanaf de datum van de Underwritingovereenkomst tot 270 dagen na de Afwikkelingsdatum, anders dan zoals hieronder uiteengezet, zonder de voorafgaande schriftelijke toestemming van de Joint Global Coordinators (handelend namens de Underwriters) niet: (i) rechtstreeks of indirect een optie, recht, warrant of overeenkomst tot koop</p>

		<p>zal aanbieden, verpanden, verkopen, overeenkomen te verkopen, of verlenen, een optie tot verkoop uit zal oefenen, een optie of overeenkomst tot verkoop zal kopen met betrekking tot Gewone Aandelen of andere effecten van de Vennootschap of effecten die converteerbaar zijn naar of uitoefenbaar of inwisselbaar zijn voor, of wezenlijk gelijk zijn aan, Gewone Aandelen of overige effecten van de Vennootschap, of deze rechtsreeks of indirect zal uitlenen of anderszins overdragen of vervreemden, of zal verzoeken of verlangen dat de Vennootschap een inschrijvingsverklaring ingevolge de US Securities Act of een vergelijkbaar document indient bij een andere toezichthouder van de financiële markten, effectenbeurs of beursautoriteit met betrekking tot het voorgaande; (ii) een swap of andere overeenkomst of transactie zal aangaan waarmee rechtsreeks of indirect, geheel of gedeeltelijk, de economische gevolgen van de eigendom van Gewone Aandelen of andere effecten van de Vennootschap worden overgedragen, of die op andere wijze hetzelfde economische effect heeft als (i), ongeacht of in het geval van (i) en (ii) een dergelijke transactie zal worden afgewikkeld door levering van Gewone Aandelen of dergelijke andere effecten, in contanten of anderszins; (iii) een dergelijk voornemen tot het aangaan van deze transactie publiekelijk bekend zal maken; of (iv) een voorstel tot het bewerkstelligen van het voorgaande zal voorleggen aan de aandeelhouders of de algemene vergadering of enig ander orgaan van de Vennootschap. De voorgaande beperkingen zijn niet van toepassing op: (i) de verkoop van de Aangeboden Aandelen en de Overtoewijzingsaandelen in de Aanbieding; (ii) het lenen van Gewone Aandelen aan de Joint Global Coordinators (handelend namens de Underwriters) op grond van de Share Lending Agreement; (iii) overdracht van die Gewone Aandelen aan leden van het Senior Management en bepaalde andere belangrijke managers van de Vennootschap; (iv) het toekennen van voorwaardelijke rechten tot het verkrijgen van Gewone Aandelen om niet aan alle in aanmerking komende werknemers van Alfen als onderdeel van een eenmalige aandelenbeloning; (v) de verkoop, overdracht of vervreemding van Gewone Aandelen na de aanvaarding van een volledig of partieel overnamebod in lijn met de Wet op het financieel toezicht of het verstrekken van een onherroepelijke toezegging om een dusdanig bod te aanvaarden, mits de Joint Global Coordinators twee werkdagen voor een dusdanige aanvaarding of toezegging schriftelijk hiervan worden geïnformeerd; (vi) de overdracht van alle uitgegeven Gewone Aandelen op grond van een juridische splitsing, fusie of een gelijksoortige zakelijke combinatie met een derde partij en (vii) de verkoop of overdracht van aandelen in het kapitaal van de Verkopende Aandeelhouders aan een of meer personen, zijnde een natuurlijk persoon of rechtspersoon, die de directe of indirecte economisch eigenaar is van de Verkopende Aandeelhouders op de datum van de Underwritingovereenkomst, op voorwaarde dat voorafgaand aan elke zodanige overdracht de verkrijger akkoord is gegaan om gebonden te zijn door de hiervoorafgaande beperkingen voor het resterende deel van de lock-up periode.</p> <p>Lock-up Vennootschap</p> <p>De Vennootschap is op grond van de Underwritingovereenkomst met de Underwriters overeengekomen dat hij voor een periode vanaf de datum van de Underwritingovereenkomst tot 180 dagen na de Afwikkelingsdatum, anders dan zoals hieronder uiteengezet, zonder de voorafgaande schriftelijke toestemming van de Joint Global Coordinators (handelend namens de Underwriters) niet: (i) rechtstreeks of indirect een optie, recht, warrant of overeenkomst tot koop zal uitgeven, zal aanbieden, verpanden, verkopen, overeenkomen te verkopen, of verlenen, een optie tot verkoop uit zal oefenen, een optie of overeenkomst tot verkoop zal kopen met betrekking tot Gewone Aandelen of andere effecten van de Vennootschap of effecten die converteerbaar zijn naar of uitoefenbaar of</p>
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		<p>inwisselbaar zijn voor, of wezenlijk gelijk zijn aan, Gewone Aandelen of overige effecten van de Vennootschap, of deze rechtsreeks of indirect zal uitlenen of anderszins overdragen of vervreemden, of zal verzoeken of verlangen dat de Vennootschap een inschrijvingsverklaring ingevolge de US Securities Act of een vergelijkbaar document indient bij een andere toezichthouder van de financiële markten, effectenbeurs of beursautoriteit met betrekking tot het voorgaande; (ii) een swap of andere overeenkomst of transactie zal aangaan waarmee rechtsreeks of indirect, geheel of gedeeltelijk, de economische gevolgen van de eigendom van Gewone Aandelen of andere effecten van de Vennootschap worden overgedragen, of die op andere wijze hetzelfde economische effect heeft als (i), ongeacht of in het geval van (i) en (ii) een dergelijke transactie zal worden afgewikkeld door levering van Gewone Aandelen of dergelijke andere effecten, in contanten of anderszins; (iii) een dergelijk voornemen tot het aangaan van deze transactie publiekelijk bekend zal maken; of (iv) een voorstel tot het bewerkstelligen van het voorgaande zal voorleggen aan de aandeelhouders of de algemene vergadering of enig ander orgaan van de Vennootschap.</p> <p>De voorgaande beperkingen zijn niet van toepassing op (i) het verlenen van voorwaardelijke rechten op Gewone Aandelen door de Vennootschap op grond van het medewerkersbeloningsprogramma van de Vennootschap, en (ii) het accepteren van een algemeen bod aan alle houders van uitgegeven en toegekende Gewone Aandelen van de Vennootschap op voorwaarden die al die houders gelijk behandelen en die volledig onvoorwaardelijk is geworden of is verklaard of is aanbevolen te accepteren door het Bestuur en de Raad van Commissarissen. De Joint Global Coordinators (handelend namens de Underwriters) kunnen geheel ter eigen beoordeling en op ieder moment zonder voorafgaande openbare kennisgeving schriftelijk afstand van deze beperkingen doen met betrekking tot de hiervoor omschreven verkoop, emissies of overdrachten van Gewone Aandelen. Indien de toestemming van de Joint Global Coordinators (handelend namens de Underwriters) met betrekking tot een lock-up-afpraak wordt aangevraagd, kan door de Joint Global Coordinators geheel ter eigen beoordeling worden bepaald of deze toestemming al dan niet wordt verleend.</p> <p>Lock-up Management</p> <p>Bepaalde belangrijke managers van de Vennootschap (inclusief het Senior Management) houden certificaten van aandelen in de Verkopende Aandeelhouders (de “Certificaten”) omdat zij de mogelijkheid hebben gekregen om indirect te participeren in het kapitaal van de Vennootschap. Vanaf de Eerste Handelsdag zullen deze Certificaten geroyeerd worden als gevolg waarvan deze participerende managers uiteindelijk Gewone Aandelen en cash ontvangen, wat betekent dat de managers een deel van hun indirecte investering in de Vennootschap realiseren. Als gevolg daarvan zullen de relevante belangrijke managers niet langer een indirect economisch belang van 10,36% in het kapitaal van de Vennootschap houden via de Certificaten, maar zullen zij direct Gewone Aandelen houden die gezamenlijk optellen tot 7,77% in het kapitaal van de Vennootschap. Deze Gewone Aandelen van de leden van het Senior Management en bepaalde andere belangrijke managers van de Vennootschap zullen zijn onderworpen aan bepaalde lock-up beperkingen. De Gewone Aandelen overgedragen aan de leden van het Senior Management en bepaalde andere belangrijke managers van de Vennootschap zullen als volgt worden ontheven van alle lock-up beperkingen: 60% van de Gewone Aandelen zal onvoorwaardelijk worden ontheven van de lock-up beperkingen op de dag een jaar na de Eerste Handelsdatum, 20% van de Gewone Aandelen zal onvoorwaardelijk worden ontheven van de lock-up beperkingen op de dag twee jaar na de Eerste Handelsdatum, en de overige 20% van de Gewone Aandelen zal</p>
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		<p>onvoorwaardelijk worden ontheven van de lock-up beperkingen op de dag drie jaar na de Eerste Handelsdatum, in ieder geval op voorwaarde dat de betreffende leden van het Senior Management en andere belangrijke managers van de Vennootschap voortdurend in dienst zijn bij de Vennootschap op deze data.</p> <p>Lock-up werknemers</p> <p>Alfen zal aan alle in aanmerking komende werknemers (die geen certificaten van aandelen of aandelen in het kapitaal van elk van de Verkopende Aandeelhouders houden op de datum van dit Prospectus) voorwaardelijke rechten toekennen tot het kopen van in totaal 120.000 Gewone Aandelen of 0,6% van het geplaatst aandelenkapitaal van de Vennootschap om niets anders onderdeel van een eenmalige aandelenbeloning. De voorwaardelijke rechten tot het verkrijgen van Gewone Aandelen die toegekend worden aan deze werknemers van Alfen zijn uitoefenbaar ter uitwisseling van Gewone Aandelen op de dag twee jaar na de Eerste Handelsdag, onder de voorwaarde dat de desbetreffende werknemer van Alfen in loondienst blijft van de Vennootschap op deze datum.</p>
E.6	Verwatering	Niet van toepassing. Aangezien alleen bestaande Gewone Aandelen worden aangeboden, heeft de Aanbieding geen verwaterend effect.
E.7	Verwachte kosten die door de Vennootschap aan de belegger berekend worden	Niet van toepassing. Er worden ten aanzien van de Aanbieding geen kosten door de Vennootschap of de Verkopende Aandeelhouders aan de beleggers in rekening gebracht.

RISK FACTORS

Before investing in the Ordinary Shares, prospective investors should consider carefully the risks and uncertainties described below, together with the other information contained or incorporated by reference in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, may have a significant negative impact on Alfen's business, results of operations, financial condition and prospects. The price of the Ordinary Shares could decline and an investor might lose part or all of its investment upon the occurrence of any such event.

All of these risk factors and events are contingencies which may or may not occur. Alfen may face a number of these risks described below simultaneously and one or more of the risks described below may be interdependent. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to Alfen's business, results of operations, financial condition and prospects.

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although Alfen believes that the risks and uncertainties described below are the material risks and uncertainties concerning Alfen's business and industry, and the Ordinary Shares, they are not the only risks and uncertainties relating to Alfen and the Ordinary Shares. Other risks, events, facts or circumstances not presently known to Alfen, or that Alfen currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on Alfen's business, results of operations, financial condition and prospects.

Prospective investors should carefully read and review the entire Prospectus and should form their own views before making an investment decision with respect to any Ordinary Shares. Furthermore, before making an investment decision with respect to any Ordinary Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and/or tax advisers and carefully review the risks associated with an investment in the Ordinary Shares and consider such an investment decision in light of their personal circumstances.

Risks relating to Alfen's business and industry

Demand for Alfen's products, systems and services depends on the continuation of certain trends, including the trend towards alternative energy sources.

The present and projected demand for Alfen's products, systems and services is driven by certain trends, such as the energy transition from fossil fuels to renewable energy, policies to mitigate climate change and eco-consciousness, the investment in and the transition to renewable sources for energy production and the decentralisation of energy production, electrification of transport and heat. These trends could change due to a number of factors which are outside of Alfen's control, including a significant decrease in the cost of oil, an improved outlook for the long-term supply of oil to high net-energy consuming countries, the modification or elimination of economic incentives encouraging fuel efficiency, the use of alternative forms of energy and a change in the public perception that the burning of fossil fuels negatively impacts the environment. If any of these or other changes were to occur, demand for Alfen's products, systems or services could be reduced significantly, and hamper the business and its revenues. In particular, a departure from present and projected policies (such as subsidy schemes or fiscal policies to stimulate the transition from combustion engines to electric vehicles) designed to disincentivise the use of fossil fuels and encourage the use of alternative forms of energy could have a negative impact on the demand for Alfen's products, systems and solutions. For example, Alfen expects that in the medium term, government policies and incentives will continue to have a significant impact on the demand for electric vehicles ("EVs") and consequently for the products and systems of the EV Charging business line, but these policies and incentives may be changed or terminated. The occurrence of any of these events may have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

The global environmental issues driving the energy transition and 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 environmental issues in the future.

There are multiple responses available to address the energy transition and current trends affecting the energy landscape. Various alternative solutions are and may be brought to the market, including grid upgrades, intelligent grids, energy storage solutions, customer demand management, and smart charging of electric vehicles. Other 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. Each of Alfen's products, systems and solutions may be substitutable and may be replaced by existing or new alternatives, which may cause one or more of Alfen's business lines to perform better or less well than expected or to discontinue its operations entirely. 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.

Many factors outside of Alfen's control, including actions of its clients and competitors, may affect the demand for its products, systems and services.

The market for Alfen's products, systems and services is partly dependent upon third parties creating or expanding markets for end-user products (for example, electric vehicles) that utilise Alfen's products, systems and services. If such end-user products are not developed, or if Alfen is unable to develop products compatible with such end-user products, or if the cost of these end-user products is too high, or the market for such end-user products contracts or fails to develop, the market for Alfen's products, systems and services would be expected similarly to contract or collapse. Alfen's clients operate in highly competitive industries, and competition to supply their needs focuses on delivering sufficient power and capacity in a cost, size and weight efficient package. The ability of Alfen's clients to adopt new technologies will depend on many factors outside of Alfen's control. Many other factors outside of Alfen's control may also affect the demand for its products, systems and services and the viability of widespread adoption of its advanced applications, including the following:

- disruptive developments in alternative energy technologies which render Alfen's products, systems and services obsolete;
- the performance and reliability of Alfen's products, systems and services compared to conventional energy sources and products;
- the cost-effectiveness of Alfen's products and systems compared to products and systems powered by conventional energy sources;
- other parties, such as Alfen's clients, insourcing technologies which compete with Alfen's products, systems and services (for example, Alfen's client ENGIE acquired EVBox, which is a competitor of Alfen in the field of EV Charging equipment, in 2017 and also signed an agreement to acquire the majority of the shares of EPS, which is a competitor of Alfen in the field of Energy Storage solutions, in 2018);
- the availability of government subsidies and incentives to support the development of the renewable power industry and EVs;
- fluctuations in economic and market conditions that affect the cost of products, such as increases or decreases in the prices of materials or the cost of alternatives such as an increase or decrease in the cost of conventional fuels; and
- less awareness of environmental issues and decreased concern about global warming and climate change.

If Alfen fails to successfully develop, manufacture and market evolving technologies or if its competitors are more successful in developing and implementing competing technologies, the demand for Alfen's products, systems and solutions may be negatively affected. If any of these factors outside of Alfen's control were to materialise, such factors could have a materially adverse effect on its business, financial condition, results of operations and prospects.

Technology is constantly evolving and Alfen must successfully develop, manufacture and market products and systems that improve upon existing technologies and gain market acceptance in order to remain competitive.

The markets for energy storage, electric vehicle charging technology and other products provided by Alfen are at a relatively early stage of development, and the extent to which Alfen's products, systems and services will be able to meet its clients' requirements and achieve significant market acceptance is uncertain. Disruptive changes in technology and product standards could render its products less competitive, or even obsolete. In some instances, this may lead to write-offs of parts of Alfen's inventory. In addition, software systems will most likely continue to play an increasingly important role as products and services such as those provided by Alfen get more interconnected. Alfen may in the future be required to provide updates on the software implemented in its products, which could involve significant investment and implementation costs to Alfen. Other companies that seek to enhance traditional technologies have recently introduced or are currently developing products

based on emerging and potential technologies. These competitors are engaged in significant research and development work on products, systems and solutions that are similar to Alfen's products, systems and solutions. New products, systems and solutions could be introduced that are in direct competition with, or superior to, Alfen's products, systems and solutions. Competing technologies that outperform Alfen's technology could be developed and successfully introduced and as a result, Alfen's products may not be able to compete effectively in its current or future target markets. If Alfen's technology is not adopted by its clients, or if its technology does not meet industry requirements, Alfen's products may not gain or maintain market acceptance.

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 and it believes that these cannot be adequately protected through registered intellectual property rights. Consequently, 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. Although Alfen relies on various confidentiality agreements and technical precautions to protect its technology, know-how and other proprietary information, 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, misappropriation or disclosure of Alfen's technology, knowhow, and other proprietary information may result in lengthy and costly litigation or administrative proceedings and cause significant disruption to the business and operations of Alfen. If Alfen is unable to protect or effectively enforce its proprietary technology and information, this could have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

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. Competition is based on several key criteria including price, product technology and performance, delivery times, flexibility, design and innovation, reputation, brand recognition, customer access and sales power as well as the scope and quality of Alfen's services. 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. Alfen's ability to compete in the industries and markets in which it operates may be adversely affected by a number of additional factors, such as the following:

- new products or product improvements by competitors, including product substitution of Alfen's products for new technologies;
- failure to maintain existing clients, particularly significant clients in particular business lines, and to enter into new, renew or extend existing agreements with significant clients;
- greater financial and technical resources available to competitors specialising in one or more of Alfen's business lines;
- larger players in the industry investing in research and development in the same parts of the value chain as Alfen;
- competitors having lower production costs (due to geographic location, currency fluctuations or other advantages), larger production and assembly capacity or larger spending budgets, which may enable competitors to compete more aggressively in offering discounts and lowering prices, including through alternate sales channels such as electronic commerce platforms;
- consolidation among competitors; and
- competitors temporarily offering their products and services at significant discounts in order to enter the market or to increase their market share, thereby impacting profitability throughout the sector.

Alfen's ability to maintain or increase its profitability is, and will continue to be dependent upon its ability to offset decreases in prices and margins of its products by reducing production costs. If Alfen is unable to do so or to otherwise maintain its competitive position, it may lose market share. 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.

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, including problems relating to the non-performance, default or bankruptcy of third parties that Alfen works with or is dependent on for a project, unexpected issues related to site conditions, weather conditions or unforeseen accidents. This may lead to delays in revenue streams which may adversely affect Alfen's profits or cash flows. Additionally, clients may require extra work or may change the original scope of work, which may result in delays. Furthermore, Alfen may not deliver its products, systems and solutions timely or in accordance with their specifications, or it may incur additional costs which could negatively impact its profit margin or damage Alfen's reputation and customer relationship. Alfen commits to a proper performance to its clients and, despite aiming to have back-to-back agreements in place with its suppliers, it may be liable for underperformance or delays.

Alfen's revenues, cash flows and results from operations fluctuate during the year and will continue to vary due to a number of factors, such as fluctuations in the volume of incoming orders, the timing of receipt of necessary permits or reaching other key milestones, the timing of delivery of large projects, delays in financing and the start of new projects. Project delays may be caused by Alfen or the third parties and may result in material timing deviations that could materially and adversely affect Alfen's expected revenues and cash flows. In addition, if Alfen is engaged in a large number of new projects relative to Alfen's current organisation, Alfen may not be able to prioritise all of them and not capture its full potential in market share as a result.

As a consequence, Alfen's failure to properly manage its projects, or projects delays caused by events or parties beyond Alfen's control may have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

Alfen has a limited operating history in the energy storage sector which 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. 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. The future financial performance and success of the Energy Storage business line depends on Alfen's ability to implement its business strategy successfully, including its strategy to develop this business line towards entering and expanding in future markets. 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 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. If Alfen is unable to effectively process and deliver orders from its clients in the future, or if it is unable to meet its clients' delivery expectations, Alfen's clients could decide to purchase comparable products and services from Alfen's competitors. They may also seek price reductions as a result of delivery delays or could cancel their orders altogether. The occurrence of any of these events may have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

The market for electric vehicles is relatively new which makes it difficult to predict whether or not consumers will adopt electric vehicles as a generally accepted means of transportation and consequently 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 characterized by changing technologies, price competition, additional competitors, evolving government regulation

and industry standards, frequent new vehicle announcements and changing consumer demand and behaviour. For example, in 2017 the Dutch market experienced a 95% decline in the sales of plug-in hybrid EVs due to a significant reduction in the incentives for those vehicles, which resulted in a 46% decrease in the number of EV chargers sold by Alfen in the Netherlands compared to 2016. Future developments in technology trends, especially competition between alternating current ('AC') and direct current ('DC') charging behaviour, is still uncertain. Slower sales of electric vehicles may result in lower demand for charging equipment, which could have a negative impact on Alfen's revenue. Slower sales of electric vehicles could be the result of adverse economic conditions, reduced fiscal incentives, development and popularity of competing technologies (such as efficient diesel or hydrogen), technology limitations, less attractive pricing of electric vehicles (for example due to slower than anticipated reduction in the price of batteries in comparison to other technologies) and/or production and capacity restrictions (for example, the delayed roll-out of the Tesla model 3). The popularity of electric vehicles also depends on the driving distance that the battery provides and the availability of charging infrastructure. As such, popularity and subsequent sales of electric vehicles are dependent on electric vehicle battery and infrastructure development by third parties. 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, or may even result in this business line becoming obsolete, which may have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

Alfen may be unable to successfully execute its strategy of growing in existing markets and expanding into additional markets and products.

Alfen's strategy is based on building on technology leadership, capturing exponential growth and increasing profitability. Part of that strategy includes continued growth in its current markets and expansion into new markets where it currently has no presence, as well as the development of new products for its current and new markets. As such, Alfen is aiming to expand its sales activities internationally, including setting up a sales network in the medium-term in France, Italy, Spain, Eastern Europe and certain locations in the Nordic countries. Alfen also intends to grow its business by participating in new projects in various countries that may arise as its existing client base expands internationally. If Alfen fails to implement its growth strategy successfully, its ability to increase revenue and operating profits may be adversely affected.

Moreover, expanding into new markets subjects Alfen to additional risks and costs which may reduce profitability. New markets in which Alfen has little or no experience may present competitive conditions that are more difficult to predict or customer demands that are more difficult to satisfy or predict than the markets in which it currently operates. The Alfen brand, which has been a strength of the Company, may not be recognised in new markets. There are no assurances that Alfen will be able to successfully establish and maintain brand awareness as it seeks to expand. Alfen may also incur higher costs from entering new markets due to other expenses being difficult to predict, including regulatory and legal framework change and country-specific project adjustments.

As Alfen continues to expand in additional markets, Alfen expects that an increasing part of its total revenues will be generated outside of the Netherlands and even outside of Europe. This means that Alfen may be increasingly exposed to potential social, political, regulatory, legal and economic changes, challenges and instabilities in the markets in which it operates. In addition, Alfen's strategy to expand into additional markets may be unsuccessful as a result of many factors associated with conducting business internationally over which it has little or no control and which may adversely affect its business, results of operations and financial condition. These factors include, among other things: underdeveloped infrastructure, lack of qualified management or adequately trained personnel, currency exchange controls, exchange rate fluctuations and devaluations, changes in local economic conditions, governmental restrictions on foreign investments, restrictions on the transfer or repatriation of funds, protectionist trade measures, such as anti-dumping measures, duties, tariffs or embargoes, sanctions and penalties, prohibitions or restrictions on acquisitions or joint ventures, changes in laws or regulations and unpredictable or unlawful government actions, wage increases and national and regional labour strikes, the difficulty of enforcing agreements and collecting receivables through foreign legal systems, variations in protection of intellectual property and other legal rights, potential nationalisation of enterprises or other expropriations, bribery and corruption as well as crime and fraud, and political or social unrest or acts of sabotage or terrorism.

Alfen may not be able to successfully execute its plans to enter into new markets or grow its market share in its existing markets due to any or a combination of these factors, which may materially adversely affect its business, financial condition, results of operations and prospects.

Significant increases in the cost of raw materials, components and finished goods may materially adversely affect Alfen's business, financial condition and results of operation.

Alfen's profitability is to a significant extent a function of the relationship between the prices that it is able to charge for its products and the costs of the materials required to make these products. The cost of processed raw materials, components and finished goods historically has represented a significant portion of Alfen's cost of raw materials and consumables used. For example, in the financial year 2017, the cost of raw materials and consumables amounted to €49,9 million, or 67,1% of Alfen's total revenue. As a consequence, sudden and significant increases in the prices of raw materials or similar volatility with respect to the currency exchange rates between the euro and the currency of such goods may lead to corresponding price increases in components and finished goods used in the assembly of Alfen's products. Alfen's operations depend on the supply of various commodities, which affect manufacturing and transportation costs and the supply of which could be interrupted by a number of factors, including natural disasters. Alfen is also indirectly exposed to fluctuations of labour costs, commodity prices and energy costs as the price of components it orders from third-party suppliers and manufacturers will increase if Alfen's suppliers' costs increase. Increases in the costs of raw materials, components and finished goods may have a material adverse effect on Alfen's business, financial condition, results of operations and prospects, particularly if it is not able to pass on such price increases or reduce other costs to offset the higher commodity prices or if the price of commodities becomes so high that there is a decline in the demand of certain products, systems and solutions provided by Alfen.

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

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. For example, Alfen's two largest categories of spending are transformers and mid-voltage switchgear, for each of which Alfen has three (interchangeable) key suppliers. With respect to certain raw materials, such as prefabricated concrete for Alfen's secondary compact transformer substations, Alfen may also depend on a single supplier from time to time due to specific quality or other requirements or because the small volumes required may not justify the cost of sourcing from multiple suppliers or other suppliers may not be available to provide necessary quantities.

If any of Alfen's suppliers are unable to meet their obligations under purchase orders or supply agreements, including due to their own production capacity limitations or otherwise limited supply of materials as a result of their obligations to other clients, 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. Changing suppliers can be time-consuming and costly, as resources are required to qualify new suppliers and ensure the quality and consistency of the raw materials. 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 in the future or be unable to extend current or enter into new supply agreements, especially agreements for certain raw materials with relatively low volume requirements where Alfen's negotiating power is limited. If Alfen fails to maintain its relationships with current suppliers, if suppliers offer pricing and other terms that are not satisfactory, or if a supplier fails to supply raw materials that meet Alfen's quality, quantity and cost requirements, Alfen 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. These factors could, in turn, have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

Alfen's business depends, in part, on contracts with certain significant clients. If one or more of such contracts were discontinued or renewed on less favourable terms, 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's top 10 clients accounted for 59% of Alfen's total revenue in the financial year 2017 and, in Smart Grids, its clients Enexis and Alliander represented 50% of the 2017 revenues of that business line. These revenues are generated through both project agreement as well as contracts for significant volumes of products which are

often long-term. Alfen may not be able to renew such contracts upon their expiry or may only be able to do so on less favourable terms. If Alfen is unable to renew or extend such contracts on favourable terms, it could have a negative impact on Alfen's revenue and profits. Grid operators are obliged to enter into competitive tender processes every few years which could lead these clients to terminate or amend their contractual relationship with Alfen. More generally, Alfen's inability to maintain customer relationships with key clients or otherwise retain their business at current levels, including those whom Alfen supplies on a purchase order basis, could also have a negative impact on Alfen's sales and profits. Together with the adverse impact this could have on the volume of products sold by Alfen as well as Alfen's market positions, such contract losses or failure to renew larger customer contracts could have an adverse impact on the volume of products sold by Alfen or its market positions and consequently have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

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. Alfen's efforts to retain and motivate management and key employees or attract and retain other highly qualified personnel in the future may not be successful. A failure to attract and retain key personnel may have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

Alfen and its clients are dependent on national political and financial support for research and development and renewable energy projects.

The demand for Alfen's products, systems and solutions is, in part, dependent on continuing political and financial support for its clients' renewable energy projects and initiatives, such as subsidies and tax exemptions or deductions. Alfen may also benefit from subsidies related to research and development and renewable energy initiatives. Governments in various countries in which Alfen operates, or is planning to operate, have support schemes in place for renewable energy initiatives. Such schemes include, among other things, subsidies and tax or levy exemptions or reductions. Current support schemes or other financial benefits may expire, be suspended or be phased out over time, cease upon the exhaustion of allocated funding or be subject to cancellation, non-renewal or change. This may lead to uncertainty regarding the support level for individual projects of Alfen's clients in the future. If the governments in the jurisdictions in which Alfen operates, or plans to operate, were to decrease or abandon their support for research and development and renewable energy projects, these projects could become less profitable than anticipated or cease to be economically viable. Such a development could negatively impact the demand for Alfen's products, systems and solutions and may lead Alfen to modify or reduce its development plans and adjust or downscale its organisation, which may materially adversely affect its business, financial condition, results of operations and prospects.

Alfen is subject 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. 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. For instance, Alfen must comply with the applicable rules on the transportation of Alfen's products. Amendments or revisions to the list of restricted substances under such laws and regulations may require changes to

Alfen's product designs or production processes. Also, extensive environmental and product stewardship legislation applies to Alfen's products and the components and parts used in manufacturing these products. Such legislation includes, *inter alia*, safety requirements, information requirements and requirements relating to the hazardous properties of substances used. In addition, Alfen may in the future experience revisions in grid code requirements which are specified by authorities responsible for national energy networks. Especially with the increase of renewable energy use and the increased attention for security of grid connections, the standards and grid codes may be revised to meet new requirements. Alfen may not be able to adapt its products, systems and solutions to comply with changes to such standards and national grid codes.

Alfen's business operations must also comply with laws and regulations relating to, *inter alia*, the protection of natural resources, the management of hazardous substances and wastes, air emissions, water discharges, the use, management, storage, treatment, transportation and disposal of waste and by-products, the protection and restoration of plants, wildlife and natural resources, the investigation and remediation of contaminated property and public and workplace health and safety (such as rules regarding the handling of carcinogenic substances or rules governing the use of protection equipment). Many new laws and amendments, as well as amendments to existing ones, have become more stringent, particularly in the European Union (the "EU"). Alfen may incur additional costs to ensure that it operates its business and supplies products and systems that comply with applicable laws and regulations, and any failure to comply with such laws and regulations may lead to fines, penalties or claims, injunctions which may lead to disruptions of Alfen's business, or harm Alfen's reputation, which may have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

A failure to comply with data protection and privacy laws could harm Alfen's reputation and give rise to fines.

Alfen is subject to evolving laws and regulations regarding the processing (including collection, use, handling, retention, sharing and protection) of personal data. These data protection laws apply to personal data concerning customers, employees, third parties and other individuals that it deals with. On 14 April 2016, the European Parliament adopted a regulation on the protection of individuals with regard to the processing of personal data and on the free movement of such data (the "**General Data Protection Regulation**"), which, once entered into force on 25 May 2018, will be directly applicable in each EU Member State. The General Data Protection Regulation will replace the current European and Dutch regimes applicable to data protection. The General Data Protection Regulation contains, among other things, high accountability standards for data controllers, stricter requirements to providing information notices to individuals, restrictions on the collection and use of sensitive personal data, compulsory data protection impact assessments of certain processing operations, and maintaining an internal register and mandatory notification of data security breaches. Additional requirements on the content of data processing agreements could require updating current outsourcing arrangements.

Any failure to comply with data protection laws may lead to fines or harm Alfen's reputation. Also, data security breaches may lead to unlawful use of personal data for which Alfen may be responsible and consequently to notification obligations towards data protection authorities or affected individuals which may result in damage to Alfen's reputation, fines from data protection authorities and claims from individuals. Evolving laws and regulations, and specifically the entry into force of the General Data Protection Regulation, may result in more stringent data protection obligations and a higher compliance burden. Any failure to comply with these laws and regulations may have a material adverse effect on Alfen's business, results of operations, financial condition and prospects.

Alfen could become liable for site remediation or other environmental matters.

Although Alfen is not currently aware of any material outstanding site remediation or environmental clean-up obligations at the locations for which it is directly liable, it could incur significant additional monitoring and/or clean-up costs if additional contamination is discovered in the future or if contractual arrangements with the buyers of former production sites and properties are held to be unenforceable or insufficient to cover such costs. Discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate soil or groundwater contamination, at Alfen's former or current production facilities or properties could result in substantial unanticipated costs and have a material adverse effect on its business, financial condition, results of operations and prospects.

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

Alfen is exposed to product liability and warranty claims in the normal course of business in the event that its products (i) fail or allegedly fail to perform as expected or otherwise do not conform to the product's specifications or (ii) the use of the Alfen's products results, or is alleged to result, in bodily injury or property damage, including from malfunction of Alfen's clients' end products. In addition, Alfen is exposed to claims or reputational damage in the normal course of business in the event that its services fail or allegedly fail to perform as expected or otherwise do not conform to the expectations of its clients. Alfen commits to a proper performance to its clients and, despite aiming to have back-to-back agreements in place with its suppliers, it may be liable for underperformance or delays.

Furthermore, Alfen may become subject to other proceedings alleging violations of due care, safety provisions and claims arising from breaches of contract (like delivery delays) or fines imposed by government or regulatory authorities in relation to its customised and semi-customised products, systems and solutions. Any such lawsuits, proceedings and other claims could result in significant increased costs, including costs to defend against these claims and/or make payments to compensate for damages. In addition, under certain circumstances, any such issues could give rise to an investigation by regulatory authorities, which could result in the need for remedial action such as a recall requiring the repair or replacement of Alfen's products or even a prohibition of future sales. The risks arising from such warranty and product liability lawsuits, proceedings and other claims are insured to the extent Alfen considers economically reasonable, but the insurance coverage could prove insufficient in individual cases. Any such product liability or warranty issues may damage Alfen's reputation as a provider of high-quality, technologically advanced and safe products and place a significant strain on management and divert management's attention from other business concerns. Any litigation or complaints and any adverse publicity surrounding such allegations or actions could have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

Alfen is exposed to operational risks of disruption associated with its production and assembly facilities, project locations and business operations.

Alfen operates production and assembly facilities in the Netherlands and implements its projects at its clients' premises in various countries. Alfen's business is therefore exposed to the various hazards and risks of disruption associated with industrial operations. These risks of disruptions include, but are not limited to the following: production or machinery equipment failures (included due to unexpected downtime for maintenance); chemical spills and other discharges or releases of toxic or hazardous substances; explosions and fires; and natural disasters such as floods and earthquakes.

These risks, in particular risks of machinery equipment failures, could result in the Company not being able to accept orders, or deliver its products in a timely manner and a loss of market share if current clients decide to place orders from the Company's competitors. These risks could expose employees or third parties (such as clients, partners, or contractors) to toxic chemicals and other hazards, contaminate the environment, damage property, result in personal injury or death, lead to an interruption or suspension of operations, reputational damage and adversely affect the productivity and profitability of a particular production or assembly facility or Alfen's business operations as a whole, and result in the need for remediation, governmental enforcement, regulatory shutdowns, the imposition of government fines and penalties and claims brought by governmental entities or third parties. If disruptions at production or assembly facilities occur, alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant time to commence operations. If any of Alfen's production or assembly facilities is unable to operate, or if any project is delayed or cancelled, for an extended period of time, Alfen's sales may decline due to the disruption and it may not be able to meet clients' needs, which could cause them to seek other suppliers. If any of the risks described above arise, this could have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

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, including risks associated with upgrading systems, network disruptions and breaches

of security could disrupt operations by impeding Alfen's cyber security, processing of transactions, its protection of customer or company information and its financial reporting, leading to increased costs. In addition, Alfen's computer systems, including its back-up systems, could be damaged or interrupted by power outages, computer and telecommunications failures, computer viruses, internal or external security breaches, events such as fires, earthquakes, floods and/or errors by Alfen's employees. Disruptions, security breaches or failures of Alfen's information technology systems could impair its ability to effectively and timely provide products, systems, solutions and services, which could damage Alfen's reputation and have a material adverse effect on its business, financial condition, results of operations and prospects.

The deterioration of economic conditions in the markets in which Alfen is active may materially adversely impact Alfen's business, financial condition and results of operations.

Alfen's business and results of operation are affected by changes in the general economic conditions of the industries and markets in which its products, systems, solutions and services are sold. Changes in general economic conditions, including constraints on the supply of credit, uncertainty and weakness in the labour market and general consumer fears of an economic downturn, directly impact consumer confidence and consumer spending as well as the general business climate and levels of business investment. It is difficult to predict changes in general economic conditions and how such changes may impact customer demand for Alfen's products or those of its clients.

Fluctuations in global economic conditions have significantly affected economic markets in certain industries in recent years. Similarly, negative economic factors could adversely impact levels of discretionary investments by industrial and commercial clients. In addition to overall reduced demand for the Alfen's products, systems and services, an economic downturn or worsening of global economic conditions could result in disruptions in the supply of processed raw materials and components and clients delaying or even cancelling orders. Any such weakness or deterioration in economic conditions could have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

In addition, the outcome of the British referendum to exit the European Union ("Brexite") has led to a number of economic uncertainties in European and global markets. In particular, this has led to economic uncertainties in the United Kingdom, which is one of the markets in which Alfen operates. The negotiation of the economic terms of Brexite could take a number of years. The decision of the British government to implement a so called "hard Brexite" could also have a detrimental effect on European trade relations as could the election of other anti-free trade candidates in other European countries and/or the resulting general deterioration of the European Union and any economic disturbances resulting therefrom.

Any of these factors could have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

Alfen is subject to risks from future legal, administrative and arbitration proceedings.

Alfen is involved from time to time in various legal, administrative and arbitration proceedings related to products, patents, trademarks, company signs and other matters incidental to its business and could become involved in additional legal, administrative and arbitration proceedings in the future. For example, suppliers, customers, business partners or employees may claim ownership of certain intellectual property rights developed by Alfen based on Alfen's contractual relationship with such party. These proceedings or potential proceedings could involve claims for damages in substantial amounts or other payments. Litigation costs could also be significant. Based on a judgment or a settlement agreement, Alfen could be obligated to pay substantial damages and contractual penalties. In addition, such judgments or settlement agreements could lead to injunctions against Alfen or one of its subsidiaries, which may result in significant restriction and disruption to Alfen's business operations and lost sales revenue. Although historically Alfen has not been involved in any legal proceedings that had a significant impact on its business in recent years, Alfen cannot guarantee that there will be no such proceedings in the future, especially as Alfen continues to expand its operations into new business areas (such as larger energy storage projects) as well as outside of the Netherlands. Further, litigation proceedings may be more commonly initiated in other countries. Claims and allegations in relation to Alfen's products and systems, should they become public, could also lead to adverse publicity and need not be well founded, true or successful to have a negative impact on Alfen's reputation. In addition, any claims or proceedings may place a significant strain on management and divert management's attention from other business concerns. If

any of these factors were it to materialise, it could have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

Alfen is exposed to currency risks associated with changes in currency exchange rates.

Alfen's results of operations and financial condition may be affected by transaction and translation effects of foreign currency exchange rate fluctuations, in particular for the British Pound. In the financial year 2017, approximately 0.9% of Alfen's total revenue was in foreign currency, however in the future this amount may increase significantly. Alfen is exposed to transaction effects when one of its subsidiaries incurs costs or generates revenue in a currency different from its functional currency. Fluctuations in exchange rates may also affect the relative competitive position of Alfen's production facilities, as well as its ability to market its products successfully in other markets. Alfen is exposed to currency fluctuations when it converts currencies that it receives for sales of products into currencies required to pay debt obligations, or into currencies in which it purchases processed raw materials or components, meet its fixed costs or pay for services, which could result in a gain or loss depending on fluctuations in exchange rates. A certain proportion of Alfen's revenue is invoiced in British Pound, while Alfen's financial statements are reported in euro. If the value of the euro declines against currencies in which Alfen's obligations are denominated or increases against currencies in which its sales are denominated, its results of operations and financial condition could be materially adversely affected.

Alfen's insurance coverage may be inadequate, may increase in cost and may not cover certain risks or unexpected events.

Alfen maintains insurance coverage for a number of risks, including product and environmental liability, property damage and business interruption. There is no guarantee that Alfen's insurance policies will adequately cover these and other risks it may face. Some risks generally cannot be insured, such as certain market risks or natural disasters, and for certain risks and in certain countries, insurance may not be available to cover all risks or may be available only at costs that are not economically viable. Some risks may, if these materialise, result in damages that cannot easily be measured or compensated, such as reputational harm. In addition, following a significant insurance claim or a history of claims, insurance premiums may increase or the terms and conditions of insurance coverage may become less favourable. Unfavourable policy changes may also occur as a result of general change in the insurance markets. There is no guarantee that Alfen will be able to continue to obtain sufficient levels of insurance on economically viable terms. The materialisation of any of the risks described above could have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

Alfen may need additional financing in the future, and such financing may not be available on favourable terms, or at all, and may be dilutive to shareholders.

Alfen may need to seek additional financing in the future for general corporate purposes, and to implement its growth strategy. For example, additional funding may be needed to increase investment in product development activities and production capacity or to make selective acquisitions and cooperation agreements. Alfen may be unable to obtain desired additional financing on favourable terms or at all, including accessing the capital markets when it may be necessary or beneficial to do so, which could negatively impact its flexibility to react to changing economic and business conditions. For example, during periods when credit markets are volatile, lenders may fail or refuse to honour credit commitments and obligations, including but not limited to, extending credit up to the maximum permitted by a credit facility and otherwise accessing capital or honouring loan commitments. If lenders are unable to fund under loan commitments or Alfen is otherwise unable to borrow, it could be difficult to replace such loan commitments on similar terms or at all. If adequate funds are not available on acceptable terms, Alfen may be unable to fund growth opportunities, successfully develop or enhance products, or respond to competitive pressures, any of which could negatively affect Alfen's business, financial condition and results of operation. In addition, if Alfen raises additional funds through the issuance of equity securities, the Company's shareholders may experience dilution of their ownership interest. If Alfen raises additional funds by issuing debt, it may become subject to additional limitations on its operations and ability to pay dividends due to additional restrictive covenants.

Alfen is subject to the credit risk of its clients, suppliers and distributors.

Alfen engages in sales transactions with its clients, suppliers and distributors and is therefore subject to the risk that one or more of these counterparties becomes insolvent or otherwise becomes

unable to discharge its obligations to Alfen. In particular, if one of Alfen's clients were to experience financial difficulties or even insolvency, Alfen may be unable to collect outstanding amounts payable to it, resulting in write-offs of such receivables. Alfen maintains an allowance for doubtful accounts, which amounted to €77 thousand as at 31 December 2017. However, there can be no assurance that such allowance will be sufficient for the third-party credit risks Alfen faces. Significant or recurring delays in receipt of payments, or incidents of bad debts, could have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

Changes in accounting rules could adversely affect the Alfen's financial condition and results of operations.

From time to time, the IASB and IFRS Interpretations Committee have issued and will issue new standards and amendments to applicable standards, which govern the preparation of Alfen's financial statements. These changes can be difficult to predict and could materially affect how Alfen records and reports its financial condition and results of operations. In some cases, Alfen could be required to apply a new or revised standard retrospectively, resulting in restating prior periods' financial statements. The IASB may make other changes to the financial accounting and reporting standards that govern the preparation of Alfen's financial statements, which the Company may adopt prior to the date on which such changes become mandatory if determined to be appropriate, or which the Company may be required to adopt. Any such change in accounting policies or accounting standards could have a material adverse effect on Alfen's business, financial condition, results of operations and prospects.

Changes in tax treaties, laws, rules or interpretations or the outcome of tax audits could have an adverse effect on Alfen.

The tax laws and regulations in the jurisdictions in which Alfen operates may be subject to change. New tax laws or regulations may be introduced by competent authorities with or without retrospective effect and there may be changes in the interpretation and enforcement of such tax laws or regulations. As a result, Alfen may face increases in taxes payable, for example, if tax rates increase, if tax laws or regulations are modified in an adverse manner, or if new tax laws or regulations are introduced by the competent authorities, with or without retrospective effect.

In addition, tax authorities in the relevant jurisdictions may periodically examine Alfen. Tax audits for periods not yet reviewed may consequently lead to higher tax assessments (plus accrued interest and penalties). Any additional taxes or other sums that become due may have a material adverse effect on Alfen's business, results of operations, financial condition and prospects.

Risks relating to the Ordinary Shares and the Offering

Immediately after Settlement, the Selling Shareholders will be in a position to exert substantial influence on the Company and the interests pursued by the Selling Shareholders could differ from the interests of the Company's other shareholders.

Immediately after Settlement, the Selling Shareholders will continue to be the Company's largest shareholders and will hold approximately 47,38% of the Company's issued and outstanding share capital (41,01% assuming full placement of the Offer Shares and the Over-Allotment Option is exercised in full). As a result, the Selling Shareholders will continue to be able to influence substantially or control matters requiring approval by the general meeting (*algemene vergadering*) of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders of the Company (the "**General Meeting**"), and may vote its Ordinary Shares in a way with which other shareholders do not agree.

Moreover, pursuant to the relationship agreement between the Selling Shareholders and the Company dated 8 March 2018, which will become effective as of the First Trading Date (the "**Relationship Agreement**"), the Selling Shareholders will have the right to designate for nomination, and propose replacements for, a certain number of positions of the supervisory board (*raad van commissarissen*) of the Company (the "**Supervisory Board**" and each member thereof, a "**Supervisory Director**"). Initially, the Selling Shareholders will be in a position to designate for nomination a majority of two out of three positions on the Supervisory Board. For more information, see "*Selling Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement*".

Mr D.W.E. Riefel has been designated by the Selling Shareholders as a Supervisory Director, he holds a management position at Infestos Nederland B.V. (which is an affiliate of the Selling Shareholders) and he also holds indirect investments in the Selling Shareholders. Mr E.Q. van der Arend has been designated by the Selling Shareholders as a Supervisory Director and has been

providing advisory and consulting services to affiliates of the Selling Shareholders from time to time and may continue to do so in the future (in person as well as through the consultancy firm of which he is the owner and managing director). Since the interests of the Selling Shareholders do not have to be aligned with the interests of the Company, a conflict of interest might arise. See “*Management, Employees and Corporate Governance – Potential Conflicts of Interests and Other Information*”.

Therefore, in combination with their large shareholding, the Selling Shareholders will be in a position to exert substantial influence on the General Meeting and, consequently, on matters decided by the General Meeting, including the appointment of Supervisory Directors, the distribution of dividends, the amendment of the Articles of Association or any proposed capital increase. This concentration of ownership could adversely affect the trading volume and market price of the Ordinary Shares.

The interests of the Selling Shareholders could deviate from the interests of the Company's other shareholders. The Selling Shareholders, as the major shareholders of the Company, may delay, postpone or prevent transactions that might be advantageous for investors or other shareholders.

Future offerings of debt or equity securities by the Company, or the perception thereof, may adversely affect the market price of the Ordinary Shares and any future issuances of Ordinary Shares may dilute investors' shareholdings.

Pursuant to a resolution of the General Meeting to be adopted prior to Settlement, the Management Board, subject to the approval of the Supervisory Board, will be designated to issue Ordinary Shares or grant rights to subscribe for Ordinary Shares for a period of 18 months following the Settlement Date and to limit or exclude the pre-emptive rights pertaining to such Ordinary Shares. This authorisation of the Management Board is limited to 10% of the issued Ordinary Shares immediately following Settlement and may be revoked at any time by the General Meeting.

The Company may in the future, subject to the lock-up arrangements in the Underwriting Agreement (as defined below) seek to raise capital through public or private debt or equity financings by issuing additional Ordinary Shares, debt or equity securities convertible into Ordinary Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding Ordinary Shares. In addition, the Company may in the future seek to issue additional Ordinary Shares as stock dividend or as consideration for or otherwise in connection with the acquisition of new businesses. Furthermore, the Company may issue new Ordinary Shares in connection with the establishment of employee stock option plans. The issuance of any additional Ordinary Shares may dilute an investor's shareholding interest in the Company.

Furthermore, any additional debt or equity financing the Company may need may not be available on terms favourable to Alfen or at all, which could adversely affect its future plans and the market price of the Ordinary Shares. Any additional offering or issuance of Ordinary Shares by the Company, or the perception that an offering or issuance may occur, could also have a negative impact on the market price of the Ordinary Shares and could increase the volatility in the market price of the Ordinary Shares.

Future sales or the possibility of future sales of a substantial number of Ordinary Shares by the Selling Shareholders, members of the Senior Management, other key managers or employees of Alfen may adversely affect the market price of the Ordinary Shares.

The Selling Shareholders and the Company have agreed with the Underwriters, pursuant to an underwriting agreement entered into on 12 March 2018 (the “**Underwriting Agreement**”), to restrictions on their ability to issue, sell or transfer Ordinary Shares for a period of 270 days and 180 days respectively after the Settlement Date. After the expiration of the applicable lock-up period, the Selling Shareholders may sell their Ordinary Shares or the Company may sell additional Ordinary Shares in the public market. In addition, the Joint Global Coordinators have full discretion to waive the lock-up in connection with the Selling Shareholders and the Company at any time before its expiry. This could also result in the Selling Shareholders and the Company selling Ordinary Shares in the public market before expiry of the applicable lock-up periods. In addition, there could also be a perception in the market that such sales could occur due to the expiry of the relevant lock-up period or its waiver. See “*Plan of Distribution – Lock-up Arrangements*”.

The Selling Shareholders will transfer Ordinary Shares to the members of the Senior Management and certain other key managers of the Company, see “*Management, Employees and Corporate Governance – Shareholding Information*”). The Ordinary Shares of the members of the Senior Management and certain other key managers will be subject to lock-up restrictions. The

Ordinary Shares transferred to the members of the Senior Management and certain other key managers of the Company will be unconditionally released from the lock-up restrictions as follows: 60% of the Ordinary Shares will be unconditionally released from the lock-up restrictions on the day that is 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 that the relevant member of the Senior Management or other key manager of the Company continues to be employed by the Company on these dates. Should a member of the Senior Management or other key manager of the Company cease to be employed by the Company prior to the day that is three years after the First Trading Date (other than as a result of exceptional circumstances such as disability or death), he will have the obligation to transfer the number of Ordinary Shares that are not yet released from the lock-up restrictions, to the Company for a price per Ordinary Share applying a discount of 40% to the then current trading price of the Ordinary Shares on Euronext Amsterdam. The applicable discount is determined in the custody agreement and can be mitigated by the Supervisory Board provided that the relevant manager meets certain requirements set out in the custody agreement. If the Company does not have sufficient funds or is unwilling to purchase the relevant Ordinary Shares, the Selling Shareholders may opt to purchase these Ordinary Shares. If neither the Company nor the Selling Shareholders purchase the Ordinary Shares, the manager will be authorised to retain the Ordinary Shares and they will remain subject to the lock-up restrictions. See “*Plan of Distribution – Management lock-up*”.

The Selling Shareholders will grant to eligible employees of Alfen conditional rights to acquire Ordinary Shares for no consideration under a one-off share incentive. The conditional rights to acquire Ordinary Shares granted to these employees of Alfen will be exercisable in exchange for Ordinary Shares on the day that is two years after the First Trading Date, on the condition that the relevant employee of Alfen continues to be employed by the Company on this date.

The market price of the Ordinary Shares could decline if, following the Offering and after the expiration of the lock-up period, a substantial number of Ordinary Shares are sold by the Selling Shareholders, members of the Senior Management, other key managers or employees of Alfen in the public market or if there is a perception that such sales could occur. In addition, such sales could make it more difficult for the Company to raise capital through the issuance of equity securities in the future.

Shareholders outside the Netherlands may not be able to exercise pre-emptive rights in future offerings.

In the event of an increase in the Company’s share capital, shareholders are generally entitled to full pre-emptive rights unless these rights are limited or excluded either by virtue of Dutch law, by a resolution of the General Meeting, or by a resolution of the Management Board, which is subject to the approval by the Supervisory Board (if the Management Board has been designated by the General Meeting or the Articles of Association for this purpose). The Management Board will be designated by the General Meeting prior to Settlement for a period of 18 months following Settlement to limit or exclude pre-emptive rights subject to limits as set out in this Prospectus. However, certain holders of Ordinary Shares outside the Netherlands may not be able to exercise pre-emptive rights, and therefore could suffer dilution, unless local securities laws have been complied with.

In particular, holders of Ordinary Shares in certain other countries, including the United States, may not be able to exercise their pre-emptive rights or participate in a rights offer, as the case may be, unless the Company complies with local requirements, or in the case of the United States, unless a registration statement under the U.S. Securities Act is effective with respect to such rights or an exemption from the registration requirements is available. In such cases, shareholders resident in such non-Dutch jurisdictions may experience a dilution of their holding of Ordinary Shares, possibly without such dilution being offset by any compensation received in exchange for subscription rights. Alfen will evaluate at the time of any issue of Ordinary Shares subject to pre-emptive rights or in a rights offer, as the case may be, the costs and potential liabilities associated with compliance with any such local laws or any such registration statement, as well as the indirect benefits to it of enabling the exercise of such holders of their pre-emptive rights to Ordinary Shares or participation in a rights offer, as the case may be, and any other factors considered appropriate at the time and then to make a decision as to whether to comply with such local laws or file a registration statement. Alfen cannot assure investors that any registration statement would be filed as to enable the exercise of such holders’ pre-emptive rights or participation in a rights offer.

The payment of any future dividends will depend on the Company's financial condition, working capital developments and results of operations, as well as on the Company's operating subsidiaries' distributions to the Company.

The Company does not intend to declare and pay a dividend for the financial year 2018 or in the medium term. If the Company does decide to pay dividends in the future, a distribution of dividends may take place after the adoption of the annual accounts by the General Meeting, which show that the distribution is allowed. The Company may only make distributions to its shareholders insofar as the Company's equity exceeds the sum of the paid-in and called-up share capital increased by the reserves as required to be maintained by Dutch law or by the Articles of Association. The Management Board may furthermore determine, subject to the approval of the Supervisory Board, that any amount out of the profit remaining, if any, will be added to the reserves. The Management Board determines whether the Company is able to make the distributions. Because the Company is a holding company that conducts its business mainly through its subsidiaries, the Company's ability to pay dividends will depend directly on the Company's subsidiaries' distributions to the Company. The amount and timing of such distributions will depend on the laws of such subsidiaries' respective jurisdictions. In addition, Alfen has credit facilities with Rabobank which require the written consent of Rabobank for dividend distributions by the Company or its subsidiaries. The credit agreements do not identify any specific circumstances in which Rabobank may give or withhold its consent. The distribution by the Company of an interim dividend and the distribution of dividends in the form of Ordinary Shares are subject to the prior approval of the Supervisory Board. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends.

There is currently no public trading market for the Ordinary Shares on Euronext Amsterdam. Consequently, there is a risk that an active and liquid market for the Ordinary Shares will not develop and the price of the Ordinary Shares may be volatile.

Prior to the Offering, there has been no public trading market for the Ordinary Shares. There can be no assurance that an active trading market for the Ordinary Shares will develop after the Offering or, if it does develop, that it will be sustained or liquid. If such market fails to develop or be sustained, this could negatively affect the liquidity and price of the Ordinary Shares, as well as increase their price volatility. Investors may not be in a position to sell their Ordinary Shares quickly or at the market price if there is no active trading in Ordinary Shares. In addition, an illiquid market for the Ordinary Shares may result in lower market prices and increased volatility, which could adversely affect the value of an investment in the Ordinary Shares.

The Offer Price may not be indicative of the market price for the Ordinary Shares after the Offering has completed. The market price of the Ordinary Shares could also fluctuate substantially due to various factors, some of which could be specific to the Company and its operations and some of which could be related to the industry in which the Company operates or equity markets generally. As a result of these and other factors mentioned in this "Risk Factors" section, the Ordinary Shares may trade at prices significantly below the Offer Price. Alfen cannot assure that the market price of the Ordinary Shares will not decline, or that the Ordinary Shares will not trade at prices significantly below the Offer Price, regardless of Alfen's actual operating performance.

If securities or industry analysts do not publish research or reports about the Company's business or industry, or if such analysts (if any) change their recommendations regarding the Ordinary Shares adversely, the market price and trading volume of the Ordinary Shares could decline.

The trading market for the Ordinary Shares will be influenced by the research and reports that securities or industry analysts publish about the Company's business or industry. Currently the Company is not yet covered by analysts, but this might be otherwise in the near future. If securities or industry analysts do not or cease to publish research or reports about the Company's business or industry, the Company could lose visibility in the financial markets, which could cause the market price of the Ordinary Shares or trading volume to decline. Also, if one or more of the analysts covering the Company's business or industry recommends to sell the Ordinary Shares, the market price of the Ordinary Shares could decline.

If Settlement does not take place, purchases of the Offer Shares will be disregarded and transactions effected in the Offer Shares will be annulled.

Application has been made to list the Ordinary Shares on Euronext Amsterdam under the symbol "ALFEN". The Company expects that the Offer Shares will be admitted to listing and that trading in the Offer Shares will commence prior to the Settlement Date on the First Trading Date on

an “as-if-and-when-delivered” basis. Settlement may not take place on the Settlement Date or at all, if certain conditions of events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date (see “*Plan of Distribution*”). Trading in the Offer Shares before Settlement will take place subject to the condition that, if Settlement does not take place, the Offering will be withdrawn, all applications for the Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and transactions on Euronext Amsterdam will be annulled. All dealings in the Offer Shares prior to Settlement and delivery are at the sole risk of the parties concerned. The Company, the Selling Shareholders, the Listing and Paying Agent, the Underwriters and Euronext Amsterdam do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transaction on Euronext Amsterdam.

Investors with a reference currency other than euro will become subject to certain foreign exchange risks when investing in the Ordinary Shares.

The Company’s equity capital is denominated in euro, and all dividends on the Ordinary Shares will be paid by the Company in euro. Investors whose reference currency is a currency other than the euro may be adversely affected by any reduction in the value of euro relative to the respective investor’s reference currency. In addition, such investors could incur additional transaction costs in converting euro into another currency. Investors whose reference currency is a currency other than the euro are therefore urged to consult their financial advisers.

The rights and responsibilities of a shareholder are governed by Dutch law and will differ in some respects from the rights and obligations of shareholders under the laws of other jurisdictions and the shareholder rights under Dutch law may not be as clearly established as the rights of a shareholder established under the laws of some other jurisdictions.

The Company is incorporated and exists under the laws of the Netherlands. Accordingly, the Company’s corporate structure as well as the rights and obligations of the shareholders may be different from the rights and obligations of shareholders of companies under the laws of other jurisdictions. The exercise of certain shareholders’ rights by shareholders outside the Netherlands may be more difficult and costly than the exercise of rights in a company organised under the laws of other jurisdictions. Resolutions of the General Meeting may be taken with majorities different from the majorities required for adoption of equivalent resolutions in companies organised under the laws of other jurisdictions. Any action to contest any of the Company’s corporate actions must be filed with, and will be reviewed by, a Dutch court, in accordance with Dutch law.

If the Company is dissolved, distributions to holders of Ordinary Shares will be subordinated to the claims of creditors.

On a return of capital following a dissolution of the Company, holders of Ordinary Shares will be entitled to be paid out of the assets of the Company only after the claims of all creditors of the Company have been settled. Further, the Company’s right to participate in any distribution of its subsidiaries’ assets upon their liquidation, reorganisation or insolvency would generally be subject to prior claims of the subsidiaries’ creditors, including lenders and trade creditors. As a result of this, holders of Ordinary Shares may not be able to reclaim all or part of their investment in the Ordinary Shares and consequently suffer a loss.

IMPORTANT INFORMATION

General

Prospective investors are expressly advised that an investment in the Offer Shares entails certain risks and that they should therefore carefully review the entire contents of this Prospectus. Prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. A prospective investor should not invest in the Offer Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Offer Shares will perform under changing conditions, the resulting effects on the value of the Offer Shares and the impact this investment will have on the prospective investor's overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Offer Shares.

The content of this Prospectus should not be construed as legal, business or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Managing Directors and Supervisory Directors, the Selling Shareholders or any of the Underwriters or any of their respective representatives that any recipient of this Prospectus should subscribe for or purchase any Offer Shares. Prior to making any decision whether to purchase the Offer Shares, prospective investors should read the entire content of this Prospectus and, in particular, the section entitled "*Risk Factors*" when considering an investment in the Company. None of the Company, the Selling Shareholders or any of the Underwriters, or any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares by such offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial or legal advisers before making any investment decision with regard to the Offer Shares, to among other things consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer Shares. In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, the Offer Shares and the terms of the Offering, including the merits and risks involved.

Prospective investors should only rely on the information contained in this Prospectus, the Pricing Statement and any supplement to this Prospectus within the meaning of Section 5:23 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). The Company does not undertake to update this Prospectus, unless required pursuant to Section 5:23 of the Dutch Financial Supervision Act, and therefore prospective investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, the Management Board and the Supervisory Board, the Selling Shareholders or the Underwriters or any of their respective affiliates or representatives. Neither the delivery of this Prospectus nor any subscription or sale made hereunder at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time since its date.

No representation or warranty, express or implied, is made or given by, or on behalf of, the Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the accuracy, fairness, verification or completeness of information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the past or future. None of the Underwriters, the Listing and Paying Agent or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person in any of their respective capacities in connection with the Offering, accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, Selling Shareholders, Alfen, the Offering or the Offer Shares. Accordingly, the Underwriters and the Listing and Paying Agent and each of their respective affiliates or representatives, or their respective

directors, officers or employees or any other person disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

Although the Underwriters are party to various agreements pertaining to the Offering and each of the Underwriters has or might enter into a financing arrangement with the Company, this should not be considered as a recommendation by any of them to invest in the Offer Shares.

The Underwriters are acting exclusively for the Selling Shareholders and/or the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Selling Shareholders and/or the Company for providing the protections afforded to their respective clients or for giving advice in relation to, respectively, the Offering or any transaction or arrangement referred to herein.

The Listing and Paying Agent is acting exclusively for the Company and will not regard any other person as its client in relation to the Offering and will not be responsible to anyone other than for providing the protections afforded to its clients or for giving advice in relation to the Offering and the listing or any transaction or arrangement referred to herein.

The Offering and the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, the Offer Shares may be restricted by law in certain jurisdictions other than the Netherlands, including but not limited to the United States.

This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Offer Shares offered hereby in any jurisdiction in which such offer or invitation would be unlawful. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Other than in the Netherlands, no action has been or will be taken in any jurisdiction by the Company or the Underwriters that would permit an initial public Offering of the Offer Shares or possession or distribution of a prospectus in any jurisdiction where action for that purpose would be required. Neither the Company nor the Management Board and the Supervisory Board, the Selling Shareholders or any of the Underwriters accept any responsibility for any violation by any person, whether or not such person is a prospective purchaser of the Offer Shares, of any of these restrictions. See *“Selling and Transfer Restrictions”*.

The Company, the Selling Shareholders and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Offer Shares that the Company, the Selling Shareholders, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

Each person receiving this Prospectus acknowledges that (i) such person has not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus or its investment decision; and (ii) it has relied only on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Company or the Offer Shares (other than as contained herein and information given by the Company's duly authorised officers and employees in connection with investors' examination of the Company and the terms of the Offering) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Underwriters.

In connection with the Offering, each of the Underwriters and any of their respective affiliates, may take up a portion of the Offer Shares in the Offering as a principal position and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares. None of the Underwriters intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Responsibility Statement

This Prospectus is made available by the Company, and the Company accepts sole responsibility for the information contained in this Prospectus. The Company declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Presentation of Financial and Other Information

Historical financial data

Unless otherwise indicated, financial information contained in this Prospectus has been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“**IFRS**”). In this Prospectus, the term “**Consolidated Financial Statements**” refers to the audited consolidated special purpose financial statements of the Company as at and for the years ended 31 December 2017, 31 December 2016 and 31 December 2015 and the notes thereto beginning on page F-1 of this Prospectus. The Consolidated Financial Statements have been audited by PricewaterhouseCoopers Accountants N.V., an independent registered public audit firm located at Newtonlaan 205, 3584 BH Utrecht, the Netherlands (“**PwC**”). The auditor signing the auditor’s report on behalf of PricewaterhouseCoopers is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*). The Consolidated Financial Statements should be read in conjunction with the accompanying notes thereto and PwC’s auditor’s report thereon.

The Consolidated Financial Statements are special-purpose statements prepared for the purposes of the Offering and present the historical financial information of the Company in the format that it intends to report its financial results in the future beginning with the publication of the Company’s statutory consolidated financial statements for the year ended 31 December 2017.

The financial information as at and for the year ended 31 December 2016 in the Consolidated Financial Statements has been prepared on the basis of the Dutch GAAP statutory financial statements of the Company as at and for the year ended 31 December 2016 filed with the Chamber of Commerce (*Kamer van Koophandel*), subject to a conversion to IFRS and certain scope adjustments.

The financial information as at and for the year ended 31 December 2015 in the Consolidated Financial Statements has been prepared on the basis of the Dutch GAAP statutory financial statements of Alfen B.V. as the former sole entity of the Alfen group as at and for the years ended 31 December 2015 filed with the Chamber of Commerce (the Dutch GAAP statutory financial statements of Alfen B.V. for the year ended 31 December 2015 together with the Dutch GAAP statutory financial statements of the Company for the year ended 31 December 2016, the “**GAAP Statutory Accounts**”), subject to a conversion to IFRS and certain scope adjustments. This information is based on the statutory financial statements of the Alfen group prior to the incorporation of the Company. The Company was incorporated on 1 November 2015 and prepared its first set of financial statements, which were Dutch GAAP statutory financial statements on the basis of an extended (14 month) financial year for the period ending 31 December 2016. The operation of the Company still reflects the business of the former Alfen B.V. Therefore, the Consolidated Financial Statements are based on the Company’s predecessor figures for the financial year 2015.

In this Prospectus, the Company’s “total revenue” includes “revenue” as well as “other income” as included in the consolidated statement of comprehensive income of the Consolidated Financial Statements. Other income is generated from government grants received in connection with Alfen’s business operations.

General note on Non-GAAP Measures

In this Prospectus Alfen presents certain measures which the Management Board uses in addition to IFRS measures as financial measures to monitor the performance and which the Management Board regards as being useful for investors.

Non-GAAP financial measures are derived from the Consolidated Financial Statements (IFRS) but are not recognized measures under IFRS (so called “**Non-GAAP Measures**”) and should, for this reason, not be considered as an alternative to the applicable IFRS measures.

None of these Non-GAAP Measures have been audited by Alfen’s auditor. Certain of these measures, in particular EBITDA, adjusted EBITDA, EBITDA margin and adjusted EBITDA margin

are calculated based on figures from the Consolidated Financial Statements. These are alternative performance measures (“**Alternative Performance Measures**”) as defined in the guidelines issued by the European Securities and Markets Authority (“**ESMA**”) on 5 October 2015 on Alternative Performance Measures (the “**ESMA Guidelines on Alternative Performance Measures**”).

The Company provides Non-GAAP Measures and other information because the Management Board believes that they provide investors with additional information to measure the operating performance of the business activities and Alfen is of the opinion that the presentation of these Non-GAAP Measures included in this Prospectus complies with the ESMA Guidelines on Alternative Performance Measures. Alfen’s use of Non-GAAP Measures may vary from the use of other companies in the industry. The measures used should not be considered as an alternative to net income (loss), revenue or any other performance measure derived in accordance with IFRS or to net cash inflow (outflow) from operating activities as a measure of liquidity. The Non-GAAP Measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of Alfen’s results as reported under IFRS. They may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable GAAP measures in accordance with IFRS. Their usefulness is therefore subject to limitations, which are described below. In particular, other companies in the industry may define the Non-GAAP Measures used herein differently than the Management Board does. In those cases, it may be difficult to compare the performance of those entities to Alfen’s based on these similarly-named Non-GAAP Measures.

The exclusion of certain items from non-GAAP performance measures does not imply that these items are necessarily non-recurring. From time to time, the Management Board may exclude additional items if the Management Board believes doing so would result in a more transparent and comparable disclosure.

The Non-GAAP Measures should be considered in conjunction with Alfen’s Consolidated Financial Statements prepared in accordance with IFRS. The following discussion provides definitions of Non-GAAP Measures, provides information regarding the usefulness of Non-GAAP Measures and, where appropriate, a reconciliation of Non-GAAP Measures to their most directly comparable GAAP measures.

The table below presents certain non-IFRS financial metrics as at and for the years ended 31 December 2017, 2016 and 2015.

	Financial Year		
	2017	2016	2015
	(EUR ‘000)	(EUR ‘000)	(EUR ‘000)
EBITDA ⁽¹⁾	4,015	2,802	2,259
Adjusted EBITDA ⁽¹⁾	4,887	3,076	2,533
EBITDA Margin ⁽¹⁾	5,4%	4,6%	4,5%
Adjusted EBITDA margin ⁽¹⁾	6,6%	5,0%	5,0%

(1) These non-IFRS financial metrics are unaudited. The reconciliation of EBITDA and Adjusted EBITDA to operating result and the calculation of EBITDA margin are presented in the Operating and Financial Review. EBITDA margin is defined as the ratio of EBITDA to total revenue. Adjusted EBITDA margin is defined as the ratio of Adjusted EBITDA to total revenue.

Rounding and negative amounts

Certain figures in this Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

In preparing the financial information included in this Prospectus, most numerical figures are presented in millions of euros. For the convenience of the reader of this Prospectus, certain numerical figures in this Prospectus are rounded to the nearest thousand. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

The percentages (as a percentage of revenue or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Prospectus are derived directly from the financial information included elsewhere in this Prospectus. Such percentages may be computed on the

numerical figures expressed in thousands of euros. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Prospectus.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by “-” or “negative” before the amount.

Currency

In this Prospectus, unless otherwise indicated: all references to “EUR”, “euro” or “€” are references to the single currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 on 3 May 1998 on the introduction of the euro, as amended from time to time. All references in this Prospectus to “United States dollar”, “USD” or “\$” are references to the lawful currency of the United States. All references in this Prospectus to “British Pound”, “GBP” or “£” are references to the lawful currency of the United Kingdom.

Exchange Rates

The Consolidated Financial Statements are published in EUR. The exchange rates below are provided solely for the information and convenience of investors from outside of the EU. The table below shows, for the periods indicated, the period end, average, high and low Bloomberg composite rate expressed as USD per €1,00. The Bloomberg composite rate is a ‘best market’ calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The average rate for a year means the average of the Bloomberg composite rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily Bloomberg composite rates during that month, or shorter period, as the case may be. The rates may differ from the actual rates used in the preparation of the Consolidated Financial Statements and other financial information appearing in this Prospectus. No representation is made that euros could have been, or could be, converted into USD at any particular rate indicated or any other rate.

	<u>Period end</u>	<u>Average rate</u>	<u>High</u>	<u>Low</u>
	USD per €1,00			
Year				
2013.....	1,3789	1,3283	1,3804	1,2772
2014.....	1,2100	1,3285	1,3925	1,2100
2015.....	1,0975	1,1100	1,2099	1,0492
2016.....	1,0547	1,1068	1,1527	1,0384
2017.....	1,2022	1,1297	1,2026	1,0427
2018 (through to 7 March 2018)	1,2401	1,2273	1,2492	1,1921

	<u>Period end</u>	<u>Average rate</u>	<u>High</u>	<u>Low</u>
	USD per €1,00			
Month				
September 2017.....	1,1803	1,1904	1,2026	1,1752
October 2017.....	1,1648	1,1754	1,1846	1,1590
November 2017.....	1,1891	1,1744	1,1928	1,1583
December 2017	1,2022	1,1837	1,2022	1,1724
January 2018.....	1,2415	1,2204	1,2492	1,1921
February 2018.....	1,2209	1,2348	1,2479	1,2209
March 2018 (through to 7 March 2018)	1,2401	1,2330	1,2401	1,2212

On 7 March 2018, the Bloomberg composite rate between the USD and EUR was \$1,24 per €1,00.

Market and Industry Data

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of Alfen’s own assessment of its sales and markets. Statements based on the Company’s own proprietary information, insights, opinions or estimates

contain words such as 'believe', 'the Company believes', 'expect', 'the Company expects', 'see', 'the Company sees', and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read.

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Alfen's business and markets. The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as Alfen is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Prospectus, the source of such information has been identified.

In this Prospectus, certain statements are made regarding Alfen's competitive and market position. Alfen believes these statements to be true, based on market data and industry statistics, but Alfen has not independently verified the information. Alfen cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, Alfen's competitors may define their markets and their own relative positions in these markets differently than Alfen does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with Alfen's figures.

Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Shares, arises or is noted between the date of this Prospectus and the final closing of the Offer Period, a supplement to this Prospectus will be published in accordance with relevant provisions under the Dutch Financial Supervision Act. Such a supplement will be subject to approval by the AFM in accordance with Section 5:23 of the Dutch Financial Supervision Act and will be made public in accordance with the relevant provisions under the Dutch Financial Supervision Act. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Investors who have already agreed to purchase or subscribe for the Offer Shares before the supplement is published shall have the right, exercisable within two business days following the publication of a supplement, to withdraw their acceptances, provided that the new factor, material mistake or inaccuracy, arose or was noted before the final closing of the Offering. Investors are not allowed to withdraw their acceptance in any other circumstances.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any supplement shall specify which statement is so modified or superseded and shall specify that such statement shall, except as so modified or superseded, no longer constitute a part of this Prospectus. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the Pricing Statement.

Notice to Investors

EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN, AND THIS PROSPECTUS SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Ordinary Shares.

This Prospectus does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside the Netherlands.

The distribution of this Prospectus, and the offer or sale of Offer Shares is restricted by law in certain jurisdictions. This Prospectus may only be used where it is legal to offer, solicit offers to purchase or sell Offer Shares. Persons who obtain this Prospectus must inform themselves about and observe all such restrictions.

No action has been or will be taken to permit a public offer or sale of Offer Shares, or the possession or distribution of this Prospectus or any other material in relation to the Offering in any jurisdiction outside the Netherlands where action may be required for such purpose. Accordingly, neither this Prospectus nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Shareholders who have a registered address in, or who are resident or located in, jurisdictions other than the Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside the Netherlands should read “*Selling and Transfer Restrictions*” in this Prospectus.

Notice to Prospective Investors in the United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons unless the Offer Shares are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available. In the United States the Offer Shares will be sold only to persons reasonably believed to be qualified institutional buyers (“QIBs”) as defined in Rule 144A under the U.S. Securities Act. All offers and sales of the Ordinary Shares outside the United States will be made in compliance with Regulation S under the U.S. Securities Act and in accordance with applicable law. In addition, until the expiration of 40 days after the commencement of the Offering, an offer or sales of the Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act. See “*Selling and Transfer Restrictions*”.

Neither the Securities and Exchange Commission nor any State securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

For so long as any of the Offer Shares are ‘restricted securities’ as defined in Rule 144(a)(3) under the U.S. Securities Act, Alfen will, during any period in which Alfen is neither subject to section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered pursuant Rule 144A(d)(4) under the U.S. Securities Act. Alfen expects to be exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder.

Notice to Investors in Other Jurisdictions

In the United Kingdom, this Prospectus is being distributed only to, and is directed only at, persons (a) who have professional experience in matters relating to investments who fall within the

definition of “investment professionals” in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), or (b) who are high net worth entities, and other persons to whom it may be lawfully communicated, falling within article 49(2)(a) to (d) of the Financial Promotion Order (all such persons being referred to as relevant persons). In the United Kingdom, this Prospectus is directed only at relevant persons and any investment or investment activity to which this Prospectus relates is only available to and will only be engaged in with relevant persons. Persons in the United Kingdom who are not relevant persons who receive this Prospectus should not take any action on the basis of this Prospectus and should not rely on or act upon it. Subject to certain exceptions, this Prospectus should not be forwarded or transmitted in or into the United States, the European Economic Area (other than the Netherlands), Australia, Canada, Hong Kong, Japan, Switzerland, Singapore, Bahrain, Dubai International Financial Centre, the Kingdom of Saudi Arabia, Kuwait, Oman, Qatar and the United Arab Emirates. See “*Selling and Transfer Restrictions*”.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area other than the Netherlands (each, a “**Relevant Member State**”) no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant Member State, except that the Offer Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- to legal entities which are qualified investors as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Relevant Member State, subject to obtaining the prior consent of the Joint Global Coordinators; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purpose of this provision, the expression an “**offer to the public**” in relation to any Offer Shares in any Relevant Member State means the communication to persons in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to acquire any Offer Shares, as that definition may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors in the Netherlands and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory

selling restrictions in relation to the Offering, including the selling restrictions described in “*Selling and Transfer Restrictions*”.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

Enforceability of Civil Liabilities

The Company is incorporated under the laws of the Netherlands. The ability of shareholders in certain countries other than the Netherlands, in particular the United States, to bring an action against the Company may be limited under applicable law. At the date of this Prospectus, all Managing Directors and Supervisory Directors, and most of Alfen’s employees, are citizens or residents of countries other than the United States. Most of the assets of such persons and most of the assets of Alfen are located outside the United States. As a result, it may be impossible or difficult for investors to effect service of process within the United States upon such persons or the Company or to enforce against them in United States courts a judgment obtained in such courts. In addition, there is doubt as to the enforceability, in the Netherlands, of original actions or actions for enforcement based solely on the federal or state securities laws of the United States or judgments of United States courts, including judgments based on the civil liability provisions of the United States federal or state securities laws, brought in a court of competent jurisdiction in the Netherlands.

The United States and the Netherlands currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final and enforceable judgment rendered by a court in the United States would not be enforceable in the Netherlands. However, if a person has obtained a final judgment without possibility of appeal for the payment of money rendered by a court in the United States which is enforceable in the United States and files his or her claim with the competent Dutch court, the Dutch court will generally recognise and give effect to such foreign judgment insofar as it finds that (i) the jurisdiction of the United States court has been based on a ground of jurisdiction that is generally acceptable according to international standards, (ii) the judgment by the United States court was rendered in legal proceedings that comply with the standards of the proper administration of justice that includes sufficient safeguards (*behoorlijke rechtspleging*), or (iii) the judgment by the United States court is not incompatible with a decision rendered between the same parties by a Dutch court, or with a previous decision rendered between the same parties by a foreign court in a dispute that concerns the same subject and is based on the same cause, provided that the previous decision qualifies for acknowledgement in the Netherlands and except to the extent that the foreign judgment contravenes Dutch public policy (*openbare orde*). Even if such foreign judgment is given binding effect, a claim based thereon may, however, still be rejected if the foreign judgment is not or no longer formally enforceable.

Information Regarding Forward-Looking Statements

Certain statements in this Prospectus other than statements of historical fact are forward-looking, including statements that reflect Alfen’s intentions, beliefs or current expectations and projections about Alfen’s future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which Alfen operates. In particular, this Prospectus contains forward-looking statements under the following headings: “*Risk Factors*”, “*Dividends and Dividend Policy*”, “*Operating and Financial Review*”, “*Industry*” and “*Business*”, which are based on Alfen’s current beliefs and projections and on information currently available to it. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Alfen’s control and all of which are based on Alfen’s current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as “believe”, “expect”, “may”, “will”, “could”, “would”, “should”, “intend”, “estimate”, “plan”, “assume”, “predict”, “project”, “hope”, “seek”, “anticipate”, “annualised”, “goal”, “target”, “potential”, “objective” or “aim” and similar expressions or the negatives thereof or other variations thereof or comparable terminology, or by discussions of Alfen’s strategy, objectives and future plans that involve risks and uncertainties.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Except as required by applicable law, Alfen does not undertake and expressly disclaims any duty to update or revise publicly any forward-looking statement in this Prospectus, whether as a result of new information, future events or otherwise. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections of Alfen's directors and Alfen's management of, public statements made by it, present and future business strategies and the environment in which Alfen will operate in the future. By their nature, they are subject to known and unknown risks and uncertainties, which could cause Alfen's actual results and future events to differ materially from those implied or expressed by forward-looking statements. Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Prospectus include those described under "*Risk Factors*".

Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, "*Risk Factors*", "*Dividends and Dividend Policy*", "*Operating and Financial Review*", "*Industry*" and "*Business*" and include, among other things, statements relating to:

- Alfen's strategy, outlook and growth prospects;
- Alfen's liquidity, capital resources and capital expenditures;
- Alfen's expectation as to future growth in demand for Alfen's products, systems and services;
- Alfen's medium-term objectives in relation to certain metrics;
- Alfen's future revenue;
- Alfen's future production capacity;
- general economic trends, in particular economic conditions in Alfen's key countries/regions; and
- the competitive environment in which Alfen operates.

Should one or more of these risks or uncertainties materialise, or should any of the assumptions underlying the above or other factors prove to be incorrect, Alfen's actual future financial condition or results of operations could differ materially from those described herein as currently anticipated, believed, estimated or expected. In light of the risks, uncertainties and assumptions, underlying the above factors, the forward-looking events described in this Prospectus may not occur or be realised. Additional risks not known to Alfen or that Alfen does not currently consider material could also cause the forward-looking events discussed in this Prospectus not to occur. Prospective investors are advised to read "*Risk Factors*", "*Dividends and Dividend Policy*", "*Selected Consolidated Financial Information*", "*Operating and Financial Review*", "*Industry*" and "*Business*" for a more complete discussion of the factors that could affect Alfen's future performance and the industry in which Alfen operates.

Defined Terms

As used herein, all references to the "Company" refers to Alfen N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands (or Alfen Beheer B.V., where the context requires so) and together with its consolidated group companies "Alfen". "Management Board", "Supervisory Board" and "General Meeting" refer to, respectively, the management board (*bestuur*), the supervisory board (*raad van commissarissen*) and the general meeting (*algemene vergadering*) of the Company, being the corporate body or, where the context so requires, the physical meeting of the Company.

This Prospectus is published in English only. Defined terms used in this Prospectus are defined in "*Defined Terms*".

Incorporation by Reference

The Articles of Association (the official Dutch version and an English translation thereof) are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. Copies of the Articles of Association can be obtained in electronic form from the Company's website ipo.alfen.com.

Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents or information, including the contents of the Company's website (ipo.alfen.com), or of websites accessible from hyperlinks on that website, form part of, or are incorporated by reference into, this Prospectus.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

Background and Reasons for the Offering

The Company believes that the Offering and listing of Ordinary Shares on Euronext Amsterdam will further enhance Alfen's profile and brand recognition with *inter alia* investors, business partners, clients and employees. In addition, the Offering will create a market in the Ordinary Shares for existing and future shareholders and provides the Selling Shareholders with a partial realisation of their investment in the Company.

Use of Proceeds

The Company will not receive any proceeds from the sale of the Offer Shares and/or the sale of any Over-Allotment Shares by the Selling Shareholders, the net proceeds of which will be received by the Selling Shareholders.

After deducting the estimated expenses, commissions and taxes related to the Offering payable by the Selling Shareholders, the Selling Shareholders expect to receive approximately €107 million in net proceeds from the Offering (based on an Offer Price at the mid-point of the Offer Price Range and assuming the sale of the maximum number of Offer Shares by the Selling Shareholders and no exercise of the Over-Allotment Option granted by the Selling Shareholders in connection with the Offering).

The total expenses and taxes related to the Offering are estimated to amount to approximately €4,4 million, which will be paid by the Selling Shareholders.

DIVIDENDS AND DIVIDEND POLICY

Dividend history

The Company did not pay any dividend in respect of the financial years 2017 and 2016 and for the year ended 31 December 2015 the Company paid a dividend of €127,78 per Ordinary Share to the Selling Shareholders amounting to €2.300.000 in total. See Note 24 of the Consolidated Financial Statements.

Dividend Policy

The Company does not intend to declare or pay dividends for the year ended 31 December 2018 or in the medium term. Cash generation will in the medium term most likely be used to fund growth opportunities.

Since the Company conducts a substantial part of its operations through its direct or indirect subsidiaries, its ability to pay dividends depends significantly on its operating subsidiaries generating profits and distributing them to the Company. In addition, Alfen has credit facilities with Rabobank which require the written consent of Rabobank for dividend distributions by the Company or its subsidiaries. The credit agreements do not identify any specific circumstances in which Rabobank may give or withhold its consent.

The ability and intention of the Company to pay dividends in the future will depend on its financial position, results of operations, capital requirements, investment alternatives, the existence of distributable reserves, available liquidity, market developments, industry peers and other factors that the Management Board and Supervisory Board may deem relevant. The Company's intentions in relation to dividends are subject to numerous assumptions, risks and uncertainties, many of which may be beyond the Company's control. Please see "*Important Information – Information Regarding Forward-Looking Statements*".

Manner and Time of Dividend Payments

Payment of any dividend in cash will in principle be made in euro. Any dividends that are paid to shareholders through Euroclear Nederland will be automatically credited to the relevant shareholders' accounts without the need for the shareholders to present documentation proving their ownership of the Ordinary Shares. Payment of dividends on the Ordinary Shares not held through Euroclear Nederland will be made directly to the relevant shareholder using the information contained in the Company's shareholders' register and records. Dividends become eligible and payable with effect from the date established by the Management Board.

Uncollected Dividends

A claim for any declared dividend and other distributions lapses five years after the date those dividends or distributions were released for payment. Any dividend or distribution that is not collected within this period will be considered to have been forfeited to the Company.

Taxation

Dividend payments are generally subject to withholding tax in the Netherlands. See "*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*".

INDUSTRY

The information presented in this section is taken or derived from the sources identified in this section. In addition, certain statements below are based on Alfen's own proprietary information, insights, opinions or estimates and not on any third party or independent source. These statements contain words such as 'believe', 'expect', 'see', and as such do not purport to cite, refer to or summarise any third party or independent source and should not be so read.

Alfen is a provider of products and integrated systems and solutions for the electricity grid. It is active in various segments of this market, including smart grids, electric vehicle ("EV") charging, and energy storage. The Netherlands is Alfen's main geographic market, followed by Belgium, Germany, the United Kingdom, and it is also active in the rest of Europe and other parts of the world.

This section provides an overview of the relevant industry developments for Alfen. It describes the energy transition and how this transition is impacting the electricity grid and each of Alfen's business lines. This section also describes the competitive landscape in which Alfen operates.

Industry Context

Energy Transition

The energy transition can be described as a long-term structural change in the way energy is generated, transported and consumed. The current phase of the energy transition is generally attributed to the increase in low-carbon energy sources, particularly renewable sources (such as wind and solar) as a result of increased environmental awareness, the desire to limit the rise in global temperatures and policies supporting the reduction of carbon emissions within power generation. However, technological developments are accelerating and broadening the energy transition to include areas such as the electrification of transport and heating, smart grids, energy storage and households with their own electricity production and storage solutions. As such, the energy transition is best described as an ongoing, long-term and evolving trend revolutionising the way energy is generated, transported and consumed.

Drivers of the Energy Transition

Policies to mitigate climate change

Research by the Intergovernmental Panel on Climate Change ("IPCC") shows that current concentrations and emissions of greenhouse gasses ("GHGs") are expected to result in a 1,5 – 2,5°C increase of the global mean temperature above pre-industrial levels (before 1880) by the end of this century.⁸ As a result, the average sea level is predicted to rise 24-30 centimetres by 2065 and up to 63 centimetres by 2100 relative to the period of 1986 – 2005. The United Nations founded the United Nations Framework Convention on Climate Change ("UNFCCC") to stabilize the GHG concentration in the atmosphere at a level that prevents dangerous anthropogenic interference with the climate system. In pursuit of this objective a number of intergovernmental agreements have been passed such as the Kyoto Protocol (1997) and the Paris Agreement (2015). The Paris Agreement aims to keep the global temperature increase this century well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1,5 °C. As of November 2017 a total of 171 countries are a party to and have ratified the Paris Agreement. The Agreement requires all Parties to put forward their best efforts through "intended nationally determined contributions".

In order to comply with the Paris Agreement, the European Union ("EU") adopted a 2030 climate and energy framework. With its '2030 Strategy' the EU targets a reduction of GHGs from 1990 levels of at least 40%, a minimum of 27% renewable energy generation and at least a 27% improvement in energy efficiency. Eventually the EU aims to cut GHG emissions with at least 80% by 2050. To achieve the 2030 targets, the EU projects average annual additional investments in renewable energy sources will amount to €38 billion for the EU as a whole. These investments will be supported by subsidies and other incentive schemes. Although the relevant parties of the Paris Agreement all have significantly increased their efforts for enhanced GHG emission reduction, and there has been a significant increase in the amount of renewables globally, both the EU and the secretary of the UNFCCC state that even greater efforts will be required in order to achieve the longer term goals.

⁸ IPCC, 1990.

Technological developments

Over the past few years the cost of renewable technologies has been declining continuously. Cost comparisons published by IEA (2015)⁹ and Lazard (2017),¹⁰ show that renewables can now, in certain circumstances, compete with conventional generation technologies (such as coal and gas) without subsidies. This is evidenced for instance by recent offshore windpark tenders in Europe which were won by parties bidding with zero subsidy requirements.¹¹ With cost reductions expected to continue and energy storage technologies developing, the cost competitiveness of renewables will improve further and continue to drive investment in renewables.

Following a similar technology curve to that of renewables, batteries have undergone a significant cost decrease and improvement in performance over the past years. This has been driven by mega-factories that, amongst others, are serving the battery market for EVs. The reduction in battery cost and improved battery performance are a key driver for the recent, and future, success of EVs and energy storage projects.

The energy transition and implications for the electricity grids

Historically, the electricity market was characterised by large-scale centralised power generation, typically based on fossil fuels (such as natural gas, coal or oil) and subsequently transported to electricity users through high voltage transmission grids and regional distribution grids. Grids were relatively stable as electricity generation from conventional power plants was highly predictable, steady and easily adjustable to changing energy demand patterns. Conventional power plants were typically directly connected to the central high-voltage transmission grid.

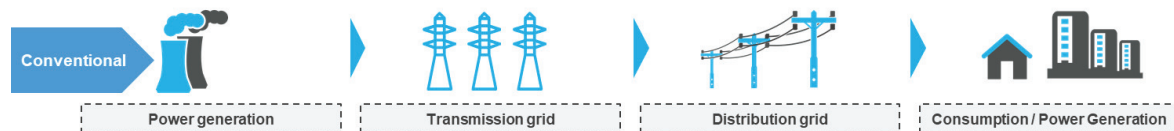


Figure 1: Schematic overview of the historical electricity value chain

Over the past years, the situation on the electricity grid has started to change fundamentally:

1. Instead of predictable and stable electricity production from fossil fuel-fired electric power plants, an increasing share of electricity is being generated from intermittent (unpredictably fluctuating) renewable energy sources such as wind and solar photovoltaic (“PV”);
2. Instead of centrally generated energy at large power plants, an increasing amount of energy is being generated locally, for example with regional solar PV farms, rooftop solar panels or local wind turbines. As a result, locally generated energy is, at times, feeding back into the distribution (and transmission) grids, reversing traditional one-way power flows;
3. On the demand side, an increasing share of energy consumption is derived from electricity instead of other sources of energy. Most notably, EVs are replacing internal combustion engine (“ICE”) cars based on fossil fuels, and electric heat pumps are replacing natural gas boilers for heating. These trends are resulting in an electrification of energy demand and more concentrated (peak) consumption of electricity.

⁹ IEA & NEA, Projected Costs of Generating Electricity 2015.

¹⁰ Lazard, Levelized Cost of Storage Analysis 2017.

¹¹ <https://www.bloomberg.com/news/articles/2017-04-13/germany-gets-bids-for-first-subsidy-free-offshore-wind-farms>.

As a result of these changes in electricity supply and demand, the use of the electricity grid is changing fundamentally, as depicted in figure 2 below:

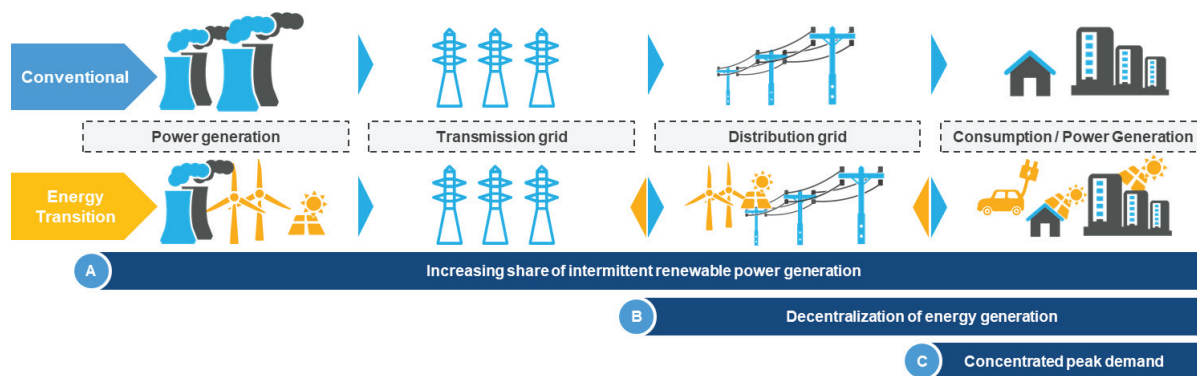


Figure 2: Schematic overview of the future electricity grid¹²

Increasing share of intermittent renewable power generation

Global energy investment in 2016 was over \$1,7 trillion, of which 43% was for low-carbon supply-side investments, including electricity networks (IEA, 2017). In Europe, 86% of new power generation capacity in 2016 came from renewable energy generation sources.¹³ Renewable energy generation sources are in many cases connected to local distribution grids, rather than high voltage transmission grids.

Bloomberg New Energy Finance (“BNEF”)¹⁴ sees continued strong growth in renewables in the longer term. The strongest growth is forecast for solar PV, which is expected to increase 18 fold over the period from 2015 to 2040, and wind increasing 5 fold over the same period. Wind and solar PV capacity are forecasted to represent 48% of total generation capacity in 2040.

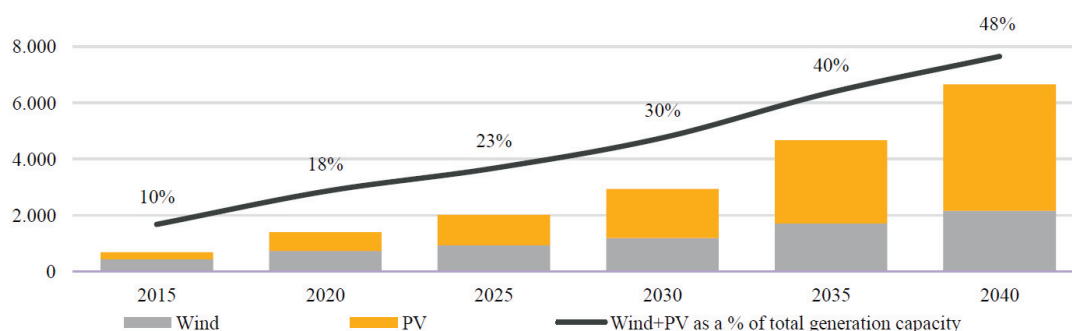


Figure 3: Global cumulative installed wind and solar PV capacity (GW)

Source: BNEF, New Energy Outlook 2017

¹² This figure solely focuses on key trends that are relevant for Alfen’s business lines. It does not contain an exhaustive selection of key trends in the energy transition generally.

¹³ Source: www.navigantresearch.com/blog/wind-energy-surpasses-coal-generation-in-europe.

¹⁴ BNEF, New Energy Outlook 2017.

In Europe, the shift towards renewables is even more pronounced. In 2040, wind and solar PV capacity are forecasted to represent 58% of total generation capacity, with solar PV expected to be the largest single source of generation capacity.

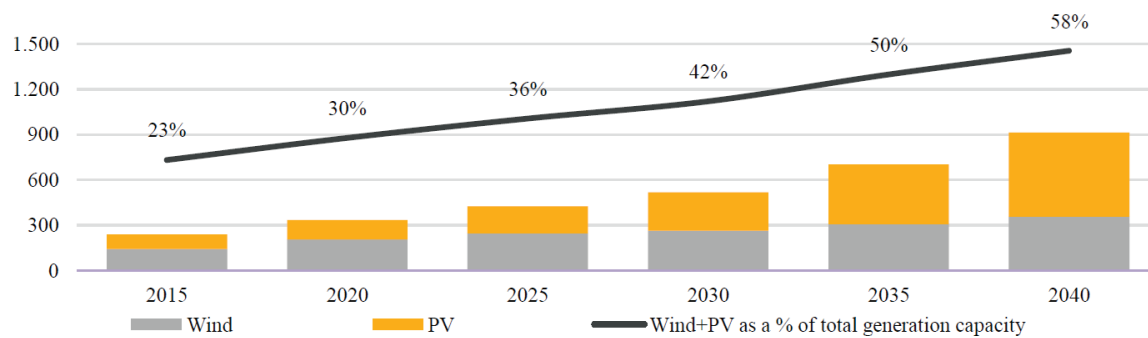


Figure 4: European cumulative installed wind and solar PV capacity (GW)

Source: BNEF, New Energy Outlook 2017

Decentralisation of energy generation

Traditionally, electricity production was centrally organized, with large fossil-fuel power plants feeding their electricity into the central power grid. Over recent years, production of electricity is increasingly taking place decentrally. This is primarily driven by the growth in solar PV and onshore wind capacity, which are dispersed throughout the country and are connected to the distribution rather than the transmission grid. Additionally, rooftop PV panels at residential, commercial and industrial users' premises contribute to the decentralization of the energy system. In order to facilitate the decentralization of production significant investments are required in the distribution grid to address the intermittency of the decentralized renewable energy production and changing power flows. In addition, grids increasingly need to cope with locally generated energy feeding back into the distribution (and transmission) grids.

BNEF expects the share of decentralized energy to increase rapidly over the next decades as depicted in figure 5 below. Their definition only takes into account residential energy, whereas onshore wind and solar PV farms are often also decentrally connected to power grids and have a much more dispersed character than the conventional central power plants.

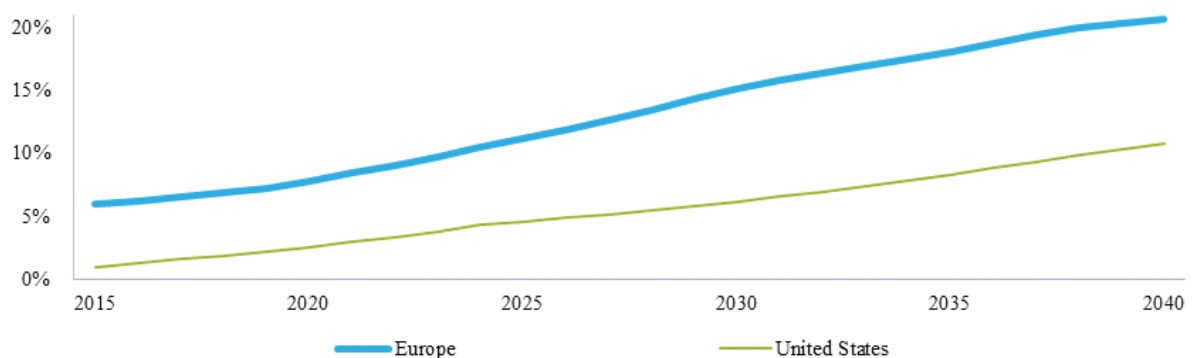


Figure 5: Decentralisation ratio of energy production (%) in Europe and the United States

Note: Decentraliaiton ratio is the ratio of residential decentralized solar PV and storage to total installed generation capacity

Source: Bloomberg New Energy Finance, New Energy Outlook 2017

Electrification of transport

The electrification of transport, most notably EVs replacing traditional ICE vehicles, is resulting in an increase in electricity consumption (partly offset by energy efficiency measures) and further changing power flows within the grid. Most importantly, electricity demand for EVs tends to be concentrated at the same time (for example when multiple EVs connect to the grid in a residential area at the end of a working day) creating higher peak demand of electricity.

Global EV sales have risen quickly over the past years on the back of supportive government policies, increasing demand for EVs, increasing supply of EVs and battery technology advancements, which improves the range of EVs and leads to a significant decline in EV battery prices.

- *Government Support:* Several European countries have ambitious plans for all new vehicles to be fully electric in the next 25 years to meet their targets under the Paris Agreement. Norway and Denmark announced targets to end the sales of petrol and diesel vehicles by 2025, the Netherlands, Germany, Belgium and Sweden by 2030 and France and the UK by 2040.¹⁵ In addition to planned legislation banning the sale of ICE vehicles, government incentives for consumers to purchase EVs are expected to remain a key driver of EV growth in the medium-term;
- *Increasing Demand for EVs:* Growing environmental awareness and concerns among consumers makes them more susceptible to buy EVs. Companies are showing similar ambitions to move to EVs. For example, a group of multinationals launched a global program to speed up the transition to electric vehicles by 2030. Participants include Baidu, Deutsche Post DHL Group, Heathrow Airport, HP Inc., IKEA Group, LeasePlan, METRO AG, PG&E, Unilever and Vattenfall;¹⁶

15 Sources: Dutch coalition agreement 2017; TheGuardian “France to ban sales of petrol and diesel cars by 2040”, 6 July 2017; Der Spiegel “Bundesländer wollen Benzin- und Dieselaautos verbieten”, 8 October 2016; Elbil (Norwegian Electric Vehicle Association), 2017; NY Times “Britain to Ban New Diesel and Gas Cars by 2040”, 26 July 2017; Fleet Europe “Flanders to ban ‘fossil’ vehicle sales in 2035”, 23 May 2017; The Guardian “Sweden is challenging the world to go fossil fuel-free”, 26 November 2015.

16 Source: Multinationals launch global program to speed up switch to electric vehicles, The Climate Group, 19 September 2017.

- Increasing Supply of EVs:** Car manufacturers are making the shift towards electrification of their fleet by introducing an increasing number of electric models and by publicly announcing targets for future model launches and sales of EVs. Volkswagen, the second largest global car manufacturer by volume announced it would roll out 80 new electric car models across its multi-brand group by 2025, up from a previous goal of 30, and plans to offer an electric version of each of its approximately 300 group models by 2030.¹⁷ In the short term, multiple new electric models with a lower price point and larger range are expected to come to the market in 2018. Examples include the Nissan Leaf 2018 and the Tesla Model 3.¹⁸ Figure 6 below summarises EV-related targets by selected prominent car manufacturers.







	15-25% of the BMW group's sales coming from EVs / hybrids by 2025
GENERAL MOTORS	Targets over 1 million EV sales by 2026
DAIMLER	Up to 25% EV share in Mercedes Benz sales
	13 new EV models to be brought to market by 2020
HONDA	Two-thirds of the 2030 sales to be EVs
	15 new (EV, Hybrid or FCV) models to be launched by 2020
RENAULT NISSAN	1,5 million cumulative EV sales by 2020; 20% of offering to be EV and 50% to be electrified (EV or Hybrid) by 2022
TESLA	0,5 million annual EV sales by 2018; 1 million annual EV sales by 2020
	10 new EV models to be brought to market by 2020, setting an annual sales target of c. 1 million EVs and FCVs by 2030
	2-3 million annual EV sales by 2025, full electrification of model range by 2030
	1 million cumulative EV sales by 2025

Figure 6: Selected Major OEM EV Ambitions

Source: Company reporting and public comments

- Battery Technology Advancements:** Batteries currently represent 25-50% of the cost of an EV, and battery performance determines EV range, both critical factors in the EV purchasing decision. Battery technology advancements such as higher energy density and manufacturing efficiencies have driven a significant reduction in the cost of electric vehicle batteries. According to a survey by BNEF, lithium-ion battery packs are selling at an average price of \$209 a kilowatt-hour, down 24 percent from a year ago and about a fifth of 2010 prices. Prices are projected to reach below \$100 a kilowatt-hour by 2025, which is widely seen as “a tipping point in the adoption of EVs”.¹⁹ Purchase cost parity is assumed to be achieved in the period 2022-2026 for a full EV and a comparable ICE, with EVs being comparatively lower in cost after that. Parity of total cost of ownership level is expected to be achieved two to four years before the purchase cost parity is achieved.²⁰

As a result of the acceleration of the aforementioned developments, a number of forecasters have significantly increased their outlooks for EV sales over the past year. Bloomberg New Energy Finance increased its outlook for EVs from 406 million to 530 million worldwide in 2040 (+31%), ExxonMobil increased its outlook from 65 million to 100 million in 2040 (+54%), the Organization of the Petroleum Exporting Countries (“OPEC”) increased its outlook from 46 million to 266 million in

17 Source: Volkswagen spends billions more on electric cars in search for mass market, Reuters, 11 September 2017.

18 <http://pushevs.com/2017/08/17/important-electric-cars-2018/>.

19 Source: <https://www.bloomberg.com/news/articles/2017-12-05/latest-bull-case-for-electric-cars-the-cheapest-batteries-ever>.

20 Source: EAFO: The transition to a Zero Emission Vehicles fleet for cars in the EU by 2050, November 2017.

2040 (+478%)²¹ and the International Energy Agency (“IEA”) increased its outlook from 150 million to 160 million in 2030 (+7%).^{22;23}

Europe is expected to lead the way in the roll-out of EVs. DNV GL²⁴ expects the market share of EVs in European new passenger car sales to reach 40% in 2025 and close to 100% in 2035.

Figure 7 below shows the market share of EVs as a percentage of new light vehicle sales.

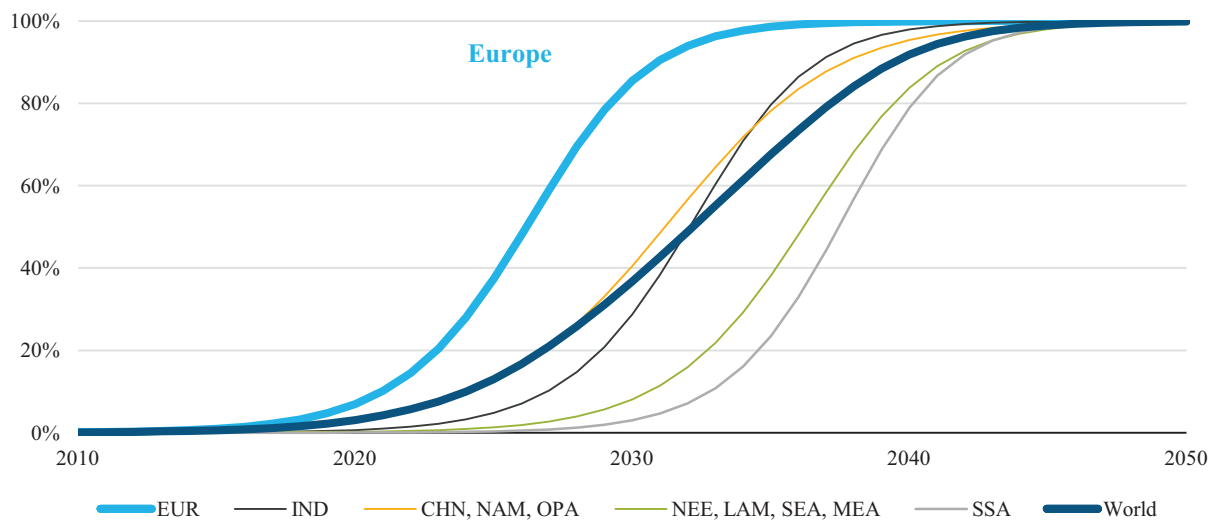


Figure 7: Market share of electric vehicles in new light vehicles sales (%)

Source: DNV GL, *Energy Transition Outlook 2017*

Note: NAM = North America, LAM = Latin America, EUR = Europe, SSA = Sub-Saharan Africa, MEA = Middle East and North Africa, NEE = North East Eurasia, CHN = China, IND = Indian Subcontinent, SEA = South East Asia, OPA = OECD Pacific

The fast growth of EVs will have significant ramifications for the distribution electricity grids. Assuming a significant increase in EV penetration in the coming years, EV charging will cause significant increases in the load requirements put on the distribution grids as well as generate peak load problems. For example, at charging hubs, where many EVs charge at the same time, the grid connection may not be large enough to accommodate the total electricity demand. Similarly, in residential neighbourhoods, the grid will be severely pressured by many EVs plugging into home charge points at the end of a working day.

Electrification of Heat

In order to meet the targets set out in the section “– Policies to mitigate climate change”, the decarbonisation of the heat sector will play an important role. Today, heating and cooling in buildings and industry account for approximately 40% of final energy consumption (as compared to transportation, which accounts for 27%), and nearly 65% of this demand globally relies on fossil fuel sources.²⁵ The remainder of this demand is made up of a combination of electric heating and renewable sources such as biomass, geothermal and solar thermal energy.

Although predominantly a vision for the longer-term, the electrification of heat can result in material energy efficiency gains. For example, global fossil fuel consumption for heating and cooling is expected to be cut in half by 2060.²⁶

The reduction in base heat demand through improved energy efficiency will be crucial to the successful decarbonisation of heat. Hence, improving the energy efficiency of existing buildings, through wall insulation, double glazing and smart sensors, and setting high standards for the

21 Source: Bloomberg New Energy Finance, Comparison of Long-Term EV Adoption Forecasts, 15 July 2017.

22 Source: IEA, Global EV Outlook 2016 & 2017.

23 Note: Based on IEA 2DS scenario, describing an energy system consistent with an emissions trajectory giving a 50% chance of limiting average global temperature increase to 2°C (in line with COP21).

24 Source: DNV GL, *Energy Transition Outlook 2017*. DNV GL is a global quality assurance and risk Management Company focused on maritime, oil and gas, and energy industries.

25 Source: IEA, *Energy Technology Perspectives 2017*.

26 Source: IEA, *Energy Technology Perspectives 2017*.

performance of new-builds, is a necessary component in lowering emissions from the heat sector and subsequently improving the effectiveness of low carbon technologies such as heat pumps, solar thermal and modern district energy.

Heat pumps have a high energy requirement as they use electricity to upgrade low temperature heat from sources such as the air, ground and water. Full electrification of heat would require significant network reinforcement and new generation to meet increased overall demand for electricity and higher peak loads.

Specific industry segments in which Alfen operates

The energy transition will require significant new investments in energy infrastructure. Alfen aims to capture this growth by providing solutions across the electricity value chain: smart grid solutions, energy storage systems and EV charging equipment.

Alfen provides smart grid solutions to distribution system operators (“DSOs”), decentralized renewable projects and large industrial energy users and producers. Given the wide breath of applications of battery storage, the company provides its energy storage systems throughout the entire electricity value chain, while its EV charging equipment is targeted at households and business customers as well as for use at public locations.

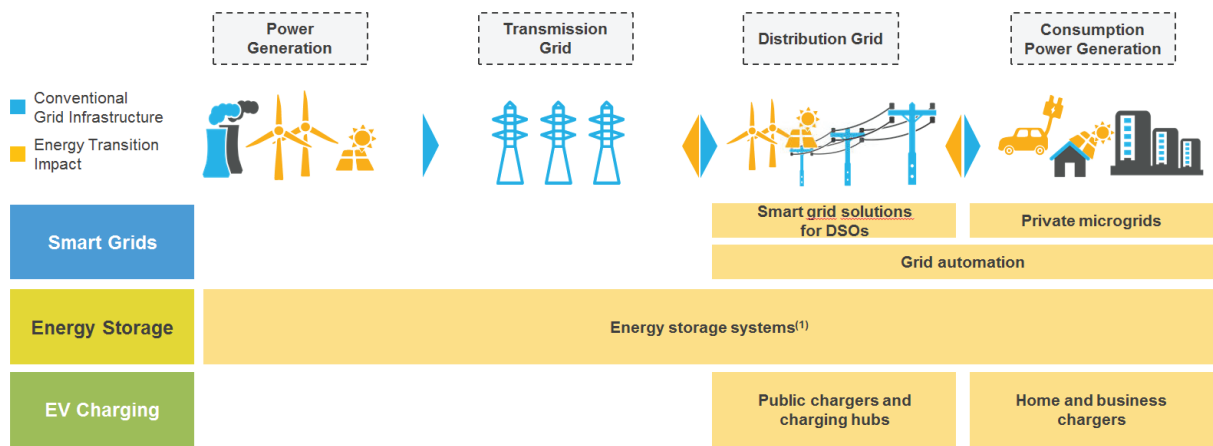


Figure 8: Overview Alfen's offering throughout the electricity value chain

(1) Alfen focuses on industrial and utility scale, as opposed to residential storage.

Smart grids

Investments in smart grids are made by (i) DSOs, (ii) decentralized renewables project developers and (iii) large energy users. Alfen supplies the smart grid market with secondary substations, develops private micro-grids and offers grid automation solutions.

The market for secondary substations for DSOs is more regional in nature compared to the markets for micro-grid projects and grid automation solutions. This is driven by the high relative transportation costs and country-specific requirements to integrate these into the existing regulated power infrastructure. Micro-grid and grid automation solutions can be implemented internationally, as these solutions incur limited transportation costs and are less dependent on the set-up of the local grid.

Developers of decentralized renewables require private electricity infrastructure to efficiently connect solar PV panels and wind turbines to each other and establish a connection with the central grid. In order to do so, significant investments in secondary substations and dedicated grids for these projects are required.

Large industrial energy users and greenhouses require relatively large and complex on-site private electricity infrastructure (micro-grids). This often consists of several substations, a connection to local energy sources (such as combined heat and power plants, solar PV and wind), cable infrastructure and energy management systems, sometimes complemented with energy storage.

DSO investments in Secondary Substations and Grid Automation

DSOs use smart grid solutions to ensure the grid can facilitate the increased intermittency of renewable energy sources, to connect renewable energy to the central grid and to facilitate changes in (peak) energy demand. The number of intermittent renewable energy sources which are connected to the grid is growing rapidly, whereby a large part of these renewable energy sources are connected to the distribution grid (rather than the transmission grid). In 2011, the European Commission expected a total of €400 billion of distribution grid investments within the European Union for the period 2010-2020 to support the integration of renewable energy and to upgrade the grid.²⁷

The traditional base of DSOs in the Netherlands and Belgium, which Alfen has been serving for decades, is experiencing strong and lasting growth as a result of the energy transition. DSOs are making significant investments to upgrade and strengthen the electricity grid. Between 2017 and 2020 (forecasted), the three largest DSOs (Enexis, Liander and Stedin), together representing 94% of the mid-voltage substations in the Netherlands,²⁸ expect the number of new substations to increase by approximately 12% per annum versus 2017 actuals.²⁹ In order to accommodate higher peak loads, substations need to be larger and are increasingly complex in nature. Therefore, Alfen estimates that the revenue potential of this segment will show significantly higher growth than the 12% envisaged growth in the number of substations. Driven by the implications of the energy transition, Alfen expects this trend to continue for the foreseeable future. Alfen estimates that it has approximately 70%³⁰ market share with the Dutch DSOs, and therefore has a representative view on overall market developments.

In Belgium, Alfen expects a similar development in growth of secondary substations, driven by the expected development of onshore wind and solar PV.

Grid automation is also an important investment area for DSOs since many grid activities are still manual and time consuming (for example in case of a grid outage, every substation has to be checked manually). Grid automation includes hardware and software that allow for remote control and remote monitoring of grid infrastructure. This helps grid owners to identify bottlenecks, perform preventive maintenance by early identification of potential technical issues and remote control of energy grids. Automating distribution interventions, such as switching during fault events, reduces the number of customers affected by an outage, and the outage duration. An automated distribution network will also play a more prominent role in providing grid stability services. The grid's responsiveness must increase if it is to absorb more power from intermittent renewable energy. Grid automation can assist DSOs to manage peak demand, enhance preventive maintenance and reduce outages. Europe is the biggest distribution grid automation market globally, and is expected to maintain its leadership position for the years to come.³¹ BNEF expects the annual spend on distribution automation in Europe and North America to grow with a CAGR of 11% between 2017 and 2020, to a total spend of \$3,4 billion in 2020.³²

Private micro-grid solutions

Decentralized renewable energy projects require local micro-grids to connect solar PV panels and wind turbines. Additionally, local substations are required to ensure connection of the renewable energy sources to the DSO grid. Renewable energy project developers and engineering, procurement and construction ("EPC") contractors are procuring services and products to develop local micro-grids and ensure connection to the central power grid.

In Alfen's home market, the Netherlands, the installed solar PV capacity is expected to increase from 1,5GW in 2016 to 4,7GW in 2020 (CAGR of 33%), and continue to grow to 15,1GW in 2031.³³ This is driven by a favourable government support scheme for renewables, and in particular solar PV. In the spring of 2017, €2,9 billion of renewables subsidies were allocated to new projects. This included 4,386 new solar PV projects with a combined capacity of 2,4 GW,³⁴ 73,3% of the total capacity of new renewables projects in the Netherlands. In 2018, the Dutch government envisages to

27 Source: European Commission, Energy infrastructure priorities for 2020 and beyond.

28 Source: Netbeheer Nederland via <https://energiecijfers.info/hoofdstuk-1> (*aantal middenspanningsruimten*).

29 Source: Alfen Analysis based on Kwaliteits- en capaciteitsdocument Alliander, Enexis and Stedin as provided by the DSOs.

30 Source: Alfen's analysis based on its contractual share of the supply of the number of substations to each of the four largest Dutch DSOs (which jointly comprise approximately 97% of the Dutch market for mid-voltage substations), multiplied by the relevant market share of each of these DSOs by the number of mid-voltage substations based on <https://energiecijfers.info/hoofdstuk-1/>.

31 Source: Frost & Sullivan, European Smart Grid Market Overview.

32 Source: Bloomberg New Energy Finance, Digitalization of Energy Systems, 2017.

33 Source: TenneT Rapport Monitoring Leveringszekerheid 2016.

34 Source: Rijksdienst voor Ondernemend Nederland, 2017.

award an additional €12,0 billion of subsidies to renewable energy projects.³⁵ The strong government support has attracted significant interest from international and national renewable energy developers to invest in solar PV in the Netherlands.

In addition to the connection of decentralized energy, micro-grids also offer a solution to large energy users. Globally, Navigant Research expects micro-grid solutions for commercial and industrial users to show the highest growth rates within the micro-grids sector, with a CAGR of annual new capacity additions of 32% between 2017 and 2026 (from 448 MW annually in 2017 to 5.389 MW annually in 2026).³⁶ Within the commercial and industrial micro-grids segments, grid-tied micro-grids in Europe are expected to show strong growth with an expected CAGR of 35% in annual capacity, projected to grow from 24,4 MW to 358,3 MW annually by 2026. The corresponding implementation spending is anticipated to increase from \$97,1 million in 2017 to \$1,3 billion in 2026 (CAGR of 34%).³⁷

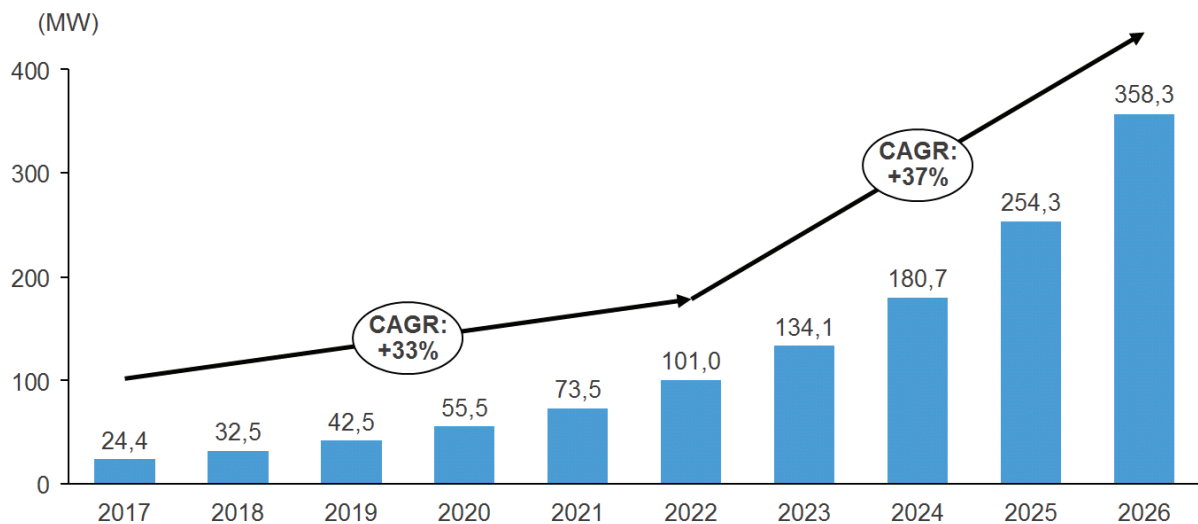


Figure 9: European grid-tied commercial and industrial micro-grid capacity

Source: Navigant Research, *C&I Microgrids*, 2017

An important example of large energy users are horticulture greenhouses, which provide an attractive customer base for micro-grids. The horticulture greenhouse sector is a large consumer and producer of energy. In 2016, the total installed electricity production capacity in the horticulture sector in the Netherlands amounted to 2.771 MW,³⁸ representing 14% of installed generation capacity in the Netherlands.³⁹ The greenhouse horticulture sector produces a large share of energy (electricity and heat) through combined heat and power (“CHP”) units. As these CHPs are also used for energy trading, the switching boxes and grid connections are used intensively. Since most of these installations were installed approximately 10 years ago,⁴⁰ Alfen management is experiencing a replacement wave, which is currently commencing and is expected to reach its peak over the next 5 – 10 years. Additionally, the greenhouse horticulture sector is increasingly focused on renewable energy. The share of renewable energy in the horticulture sector increased from 1,9% in 2010 to 4,8% in 2015.⁴¹ This includes solar PV and wind, but also large geothermal projects.

The size of individual greenhouses is increasing driven by large expansion programs⁴² and the sector is increasingly expanding internationally. Alfen management is experiencing growth with Dutch greenhouse companies opening operations in other parts of Europe.

Micro-grid solutions are also provided to users in countries with less-developed electricity infrastructure and a need for reliable access to power in locations where a central distribution grid is

35 Source: Kamerbrief over Stimuleren Duurzame Energieproductie (SDE+) 2018.

36 Source: Navigant Research, *C&I Microgrids*, 2017.

37 Source: Navigant Research, *C&I Microgrids*, 2017.

38 Source: Energiemonitor van de Nederlandse glastuinbouw 2016, Wageningen University and Research.

39 Source: CBS Statline.

40 Source: Energiemonitor van de Nederlandse glastuinbouw 2016, Wageningen University and Research.

41 Source: Energiemonitor van de Nederlandse glastuinbouw 2016, Wageningen University and Research.

42 Energiemonitor van de Nederlandse glastuinbouw 2016, Wageningen University and Research.

unavailable or not sufficiently reliable. In these cases, micro-grid solutions are often combined with renewable energy sources and energy storage solutions. Furthermore, micro-grid solutions can be adopted to provide reliable lighting, climate control and operation of electronic goods in hospitals, military bases and university campuses. This is a significant growth area given that access to electricity in emerging markets is still well below the developed world.

Energy storage

As a result of intermittent generation and changes in peak demand patterns, a need for battery driven energy storage has evolved. Energy storage provides a solution to intermittency and changes in demand patterns and can play an important role in off-grid and micro-grid solutions. Energy storage is therefore expected to play a pivotal role in the energy transition since it can be implemented at all parts of the electricity value chain. Typical users of energy storage solutions include commercial & industrial users, utilities, energy traders, renewable energy developers and residential users.

Various technologies for energy storage exist. These storage solutions are often dependent on location (such as pumped hydro⁴³) or are limited in energy storage time (such as flywheels⁴⁴). Battery storage is considered the most suitable technology for most energy storage solutions in the electricity value chain. Batteries combine the benefits of rapid charge and discharge times, transportability and flexibility. As described before, batteries have experienced large technological advancements, contributing to the economic viability of battery storage. Within batteries, lithium-ion is currently the predominant technology. By 2025, it is expected that lithium-ion batteries will be included in up to 80% of all global electricity battery storage installations.⁴⁵

There are multiple applications for energy storage solutions, which are adopted by different actors in the electricity value chain. Key applications of battery storage are:

1. *Generation smoothing*: Renewable energy sources do not provide a constant flow of electricity. Excess production by renewable energy can result in grid congestion and spillage of renewable energy, in particular when the capacity of the grid is insufficient to distribute the generated energy. Energy storage solutions can store excess energy, which can be discharged when the energy supply is low;
2. *Grid stability*: In order to guarantee stability and a constant energy flow in the power grid, supply and demand of electricity have to be in balance at all times. Grid operators need to be able to influence the grid's frequency in order to match changing loads. Renewable energy sources do not have the flexibility to provide balancing services, as the base load they provide cannot be directed. Energy storage systems can assist in providing these types of short-term stability services to the grid;
3. *Load balancing / peak shaving*: The implications of the energy transition are expected to increase the variability of electricity demand throughout the day. Without energy storage, the electricity system, including the generation and grid capacity, need to be sized to meet peak level of demand. This results in significant under-utilization of generation and grid capacity. Energy storage solutions help reduce these inefficiencies by reducing the peak demand. In locations with high demand variability (for example driven by EVs), energy storage solutions can provide electricity during peak hours, thereby reducing the grid and production capacity requirements. The battery can be charged during off-peak hours, when sufficient grid capacity and power generation capacity is available;
4. *Trading*: Energy storage can also be utilized for energy trading – whereby power can be procured and stored in times when the electricity price is relatively low and sold at higher electricity prices. In many cases, trading using battery storage solutions can be used in parallel with other applications. For example, an energy storage solution can be used for grid stability purposes, whilst at the same time using excess capacity for trading purposes;
5. *Off-grid solutions*: Energy storage also enables autonomous (off-grid) solutions. These solutions combine renewable energy sources with storage, without a connection to the central power grid. This provides opportunities for regions with unreliable central power infrastructure, which until recently depended on diesel generators to secure a reliable power supply. In addition, replacement of local generators with renewable generation and storage

43 Stores energy in the form of gravitational potential energy of water, pumped from a lower elevation reservoir to a higher elevation.

44 Functions by accelerating a rotor (flywheel) to a very high speed and maintaining the energy in the system as rotational energy.

45 Source: IHS Markit, 2015.

provides opportunities at locations where power is required but no direct grid access is available, such as festivals or construction sites, also minimizing pollution at these locations.

In addition, energy storage solutions can have multiple other applications. For example, storage solutions can be used for emergency power or as black start capacity in case of power outages.

The global cumulative energy storage market size increased from 1,3GW in 2012 to 2,7GW in 2016 (CAGR of 22%).⁴⁶ BNEF estimates that this number further increases to 13GW in 2020 (CAGR 2016-2020 of 47%) and to 125GW by 2030 (CAGR 2016-2030 of 31%).⁴⁷ Growth expectations for the energy storage market differ between various forecasters. The International Renewable Energy Agency (IRENA) forecasts significantly higher growth rates for stationary battery storage capacity, with a forecast of total installed capacity of 175GW by 2030. Citi expects that the global market for energy storage grows to 240GW by 2030, representing a required investment of approximately \$400 billion until 2030.⁴⁸

The EMEA (Europe, Middle East & Africa) region is expected to strongly contribute to the aforementioned growth. Within the EMEA region, total cumulative energy storage market size (excluding residential storage) increased from 53MW in 2012 to 641MW in 2016 (86% CAGR). Over a longer forecast period, BNEF estimates that the installed battery storage capacity (excluding residential storage) in the EMEA region will increase to 24GW by 2030. Including residential storage, the total energy storage capacity in EMEA is expected to amount to 36GW by 2030.

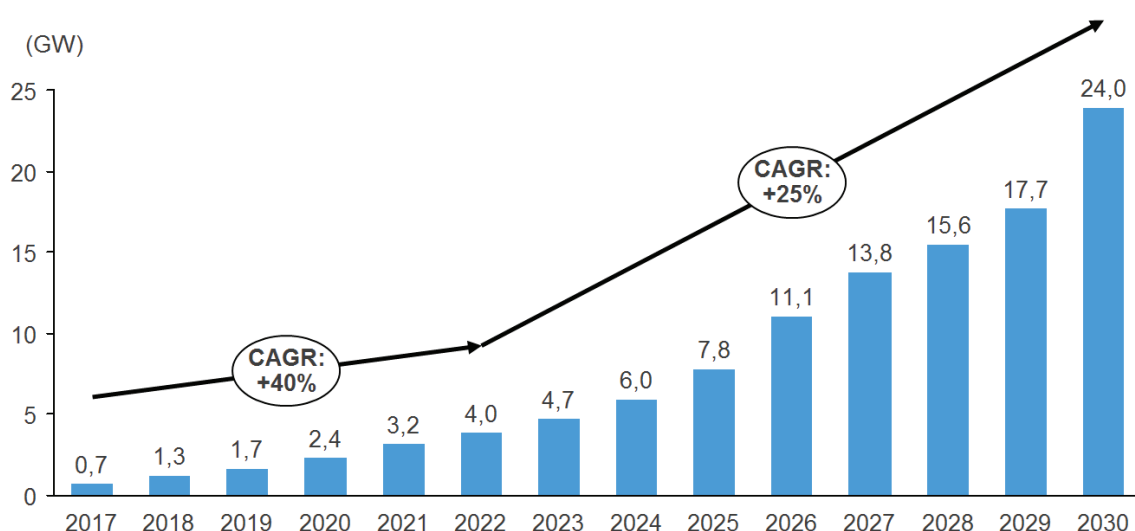


Figure 10: EMEA cumulative energy storage market size (excluding residential storage)

Source: Bloomberg New Energy Finance, 2017

Out of the 7,8GW of expected cumulative market size (excluding residential storage) in the EMEA region by 2025, providing short-term balancing (grid stability) services (38%) and renewable energy integration (38%) are expected to be key applications for the storage capacity. Peak shaving (11%), storage as a replacement for investments in transmission and distribution grids (7%) and commercial and industrial users (6%) account for utilization of the remainder of the capacity.

EV charging

Europe is a leader in EV trends, positioning fuel efficiency and government support as key focus areas in the energy transition.⁴⁹

Charging infrastructure can broadly be broken down into two types of chargers based on speed: direct current (“DC”) allows for faster charging than alternating current (“AC”). AC charging is mainly utilized at home and in public areas, while DC charging is often used on highways and at designed spots near cities (similar to petrol stations).

⁴⁶ Source: Bloomberg New Energy Finance, New Energy Outlook 2017.

⁴⁷ Source: Bloomberg New Energy Finance, Global Energy Storage Forecast, (2017).

⁴⁸ Source: Citi GPS: Global Perspectives & Solutions, 2015.

⁴⁹ Source: DNVGL, Energy Transition Outlook 2017

The transition from ICE cars to EVs will establish charging behaviour which is yet to be developed for the mass market. As more EVs are adopted in metropolitan, urban areas where people do not have a private garage or parking space, more public charging stations will be required.

According to IEA, EV users are not following ICE refuelling habits, most of the EV owners utilize an AC charger at home or at work, and public charging stations are mostly utilized as a third option.⁵⁰ Also Navigant⁵¹ believes that EV car owners meet their charging needs at home or at the workplace, and charge their EVs during stale hours (for example at night or during office hours). Navigant expects AC chargers to remain the dominant technology, representing approximately 99% of chargers by 2022, and fast charging stations to be primarily used for emergency charging or during longer distance travel.

As a result of the interplay between fuel efficiency standards and favourable government incentives towards EVs, the Netherlands is amongst Europe's leading countries for EVs and corresponding chargingpoints. Germany, the United Kingdom and France are major European countries that are quickly following. This is visualised in figure 11 below.

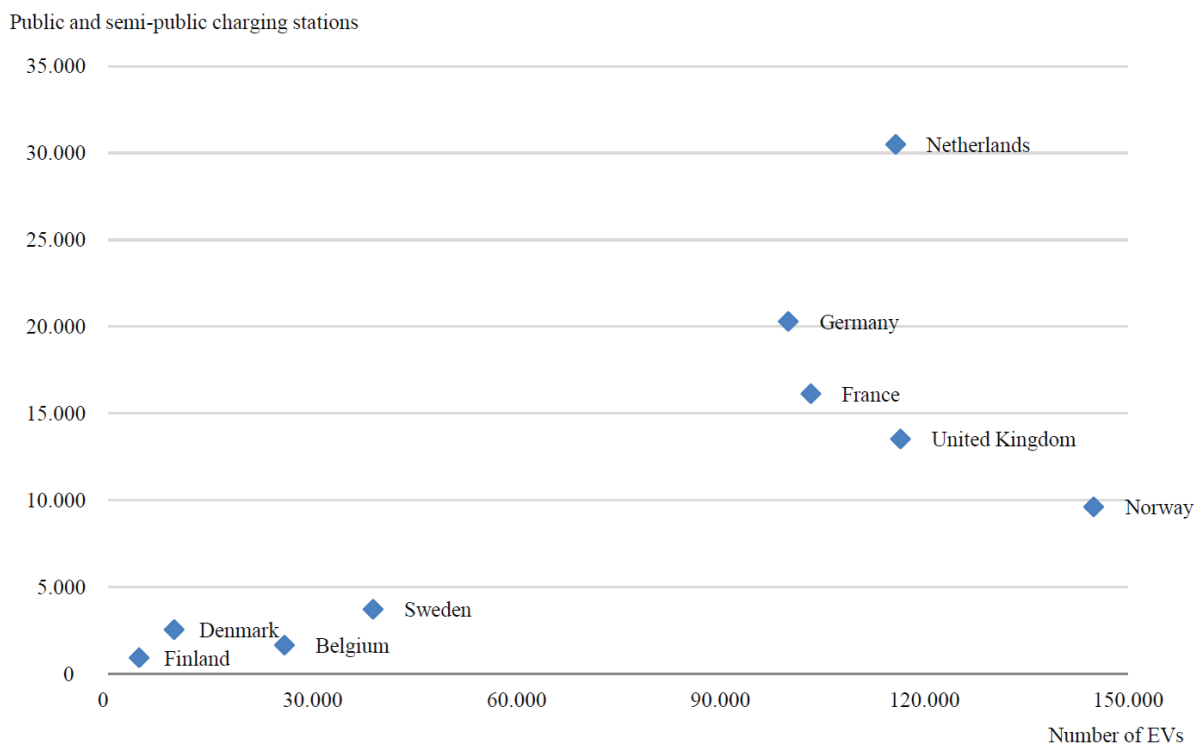


Figure 11: Mapping of selected European countries in terms of EVs and charging stations (excluding household charging stations)

Source: European Alternative Fuel Observatory (EAFO), July 2017

Global EV charging stations amounted to approximately 2,3 million in 2016.⁵² According to the IEA, electric cars outnumber public charging stations by more than six to one, indicating that most drivers rely primarily on private charging stations. Based on the IEA assessment, the total number of EV charging points has surpassed 2.000.000 in 2016, roughly in line with the total number of EVs on the road.

Private households as well as businesses are currently the main parties deploying EV charging infrastructure. The need for public charging stations has increased and is expected to continue to increase as more EV owners live in urban areas and do not have access to a garage or other (semi-private) residential parking. National and local governments will mostly trigger the deployment of public charging infrastructure in order to facilitate the EV roll-out.⁵³

⁵⁰ Source: IEA, Global EV Outlook 2017

⁵¹ Source: Navigant, Electric Vehicle Charging Equipment 2Q 2017.

⁵² Source: IEA, Global EV Outlook 2017

⁵³ Source: IEA, Global EV Outlook 2017

It is expected that the number of installed EV chargers will continue to grow in line with the increase in EVs. Navigant estimates that the current ratio of EVs to charging ports in Europe is 1:1.3. They expect the ratio to settle slightly above 1:1 over the next decade. The anticipated growth in European charging ports is expected to be 50% per year between 2017 and 2022, as outlined in figure 12 below. The Netherlands is expected to show the largest annual growth (62% per year) and represent the largest single market in Europe by 2022, followed by Germany, France and the United Kingdom.

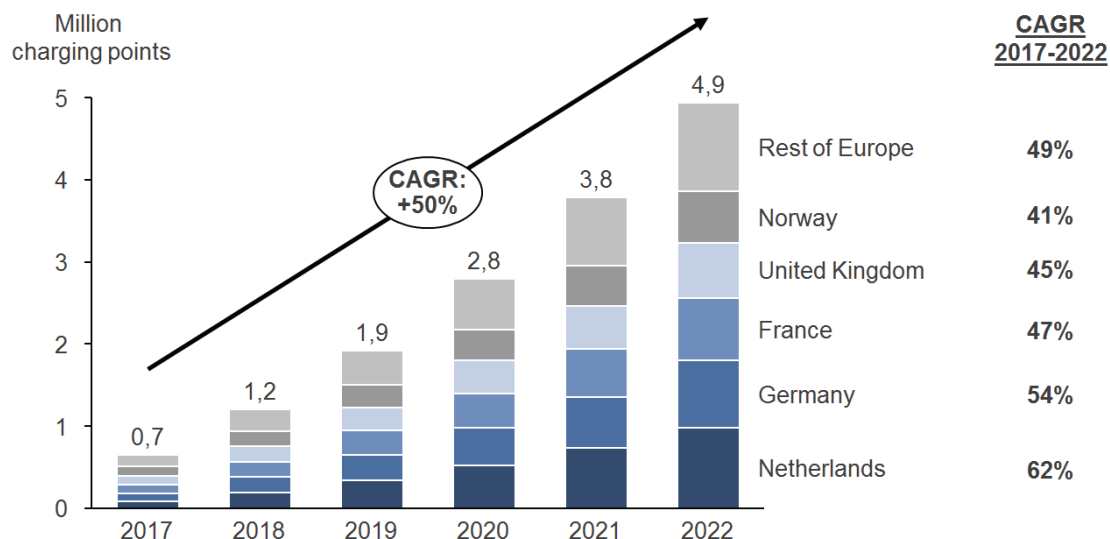


Figure 12: Installed EV charging ports in Europe

Source: Navigant, *Electric Vehicle Charging Equipment 2Q 2017*

Competitive Landscape

In order to assess the competitive landscape it is relevant to outline the value chain, as depicted in figure 13 below. In each of its businesses lines, Alfen competes with system integrators (“**Integrators**”) that are positioned between component suppliers and the client facing parties or direct (business) clients.

The component suppliers provide the parts and materials which are utilized by the Integrators. In certain cases, the component suppliers are vertically integrated and also sell their components in a system. Examples include Tesla producing its own batteries for its energy storage systems, and ABB and Siemens partly relying on their own components for their systems. In other cases, Integrators operate on an ‘open source basis’ where they source all components externally.

The Integrators source the required components to create the overall system or product and can add an advanced technological element, as well as other bespoke solutions, to serve the needs of their clients. A high level of technological expertise and independence is required to offer tailor-made solutions across a broad geographical and client landscape.

The client base of Integrators consists of DSOs, utilities, traders, resellers and EV payment and service providers. These parties are typically (end) customer facing with revenue models based on trading (for example with energy storage systems) or margins on transaction services (for example for EV charging). Some of Alfen’s competitors also play a role in this part of the value chain. Examples include Belectric, a storage player, and EVBox. A number of charging equipment integrators sell both through resellers as well as directly to end-customers.

Most competitors operate in one of Alfen's business lines. Although some of Alfen's competitors have business activities across multiple of Alfen's business lines, none of them offers a similar integrated proposition as Alfen does.

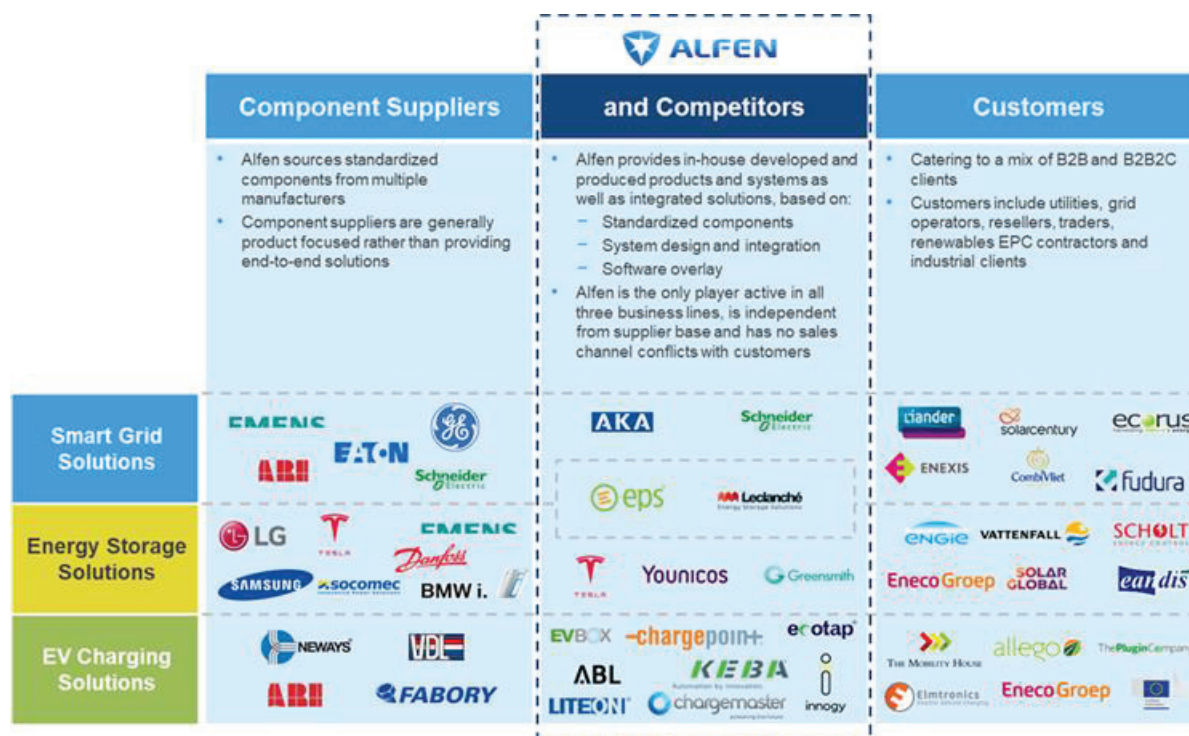


Figure 13: Illustrative competitive playing field

Smart grids

The value chain for smart grid solutions contains several players, offering different types of services. Key suppliers of smart grid equipment include companies such as Siemens, ABB, Schneider Electric, GE/Alstom and Eaton Cooper Power. Integrators can source standardised components from these suppliers, to integrate them into their smart grid solutions.

The competition in secondary substations is often local and specialized since the demand is driven by national DSOs. In the Netherlands, the main competitor for Alfen in substations is AKA (Alberts & Kluft). Alfen estimates that it has approximately 70% market share with the Dutch DSOs.⁵⁴ In Belgium, the only competitor providing fully integrated substations is Cabines de Ciney, as Belgian DSOs typically rely on separate suppliers for substation casings and grid technology.

The dynamics in micro-grids and grid automation are more international and consequently the competition is more international. A number of component suppliers, such as Schneider Electric and LG CNS, are active in this segment as well as more specialised players like Mikronika and Silverspring Networks related to grid automation. A number of international competitors provide integrated (micro) grid solutions paired with an energy storage solution, like EPS and Leclanché.

Energy Storage

Integrators play a strategic role in the field of energy storage. Suppliers of energy storage technologies must provide not only the batteries but also the associated power electronics and software applications, in order to provide a complete energy storage solution. Very often, micro-grids and energy storage systems are packaged in one solution. Very few of Alfen's competitors also provide the integration of their energy storage system in a local situation, for which they rely on third parties.

⁵⁴ Source: Alfen's analysis based on its contractual share of the supply of the number of substations to each of the four largest Dutch DSOs (which jointly compromise approximately 97% of the Dutch market for mid-voltage substations), multiplied by the relevant market share of each of these DSOs by the number of mid-voltage substations based on <https://energiecijfers.info/hoofdstuk-1/>.

The competitive playing field can roughly be divided into three categories.

1. Some battery manufacturers, most notably Tesla and NEC, also offer integrated storage solutions on a project basis. In these cases, storage solutions are based on these companies' own batteries, which makes them relatively inflexible to cater to clients' requests for certain technological specifications or adapt to future developments in relation to battery technologies;
2. A number of large international players, such as ABB, Siemens and GE, offer storage solutions based on externally sourced battery cells. Alfen management experiences limited competition from these players in small- or mid-sized projects that require flexibility and strong system integration capabilities, as these players excel in providing standardised components. The integration of multiple organizational divisions is often more challenging to provide for these large players, except in very large storage projects for which they can set-up a dedicated project organization;
3. A third category consists of smaller pure-play storage (and micro-grid) players such as EPS, Leclanché and Belectric. US-based players Greensmith and Younicos are also increasingly expanding into Europe. Belectric was recently acquired by German utility Innogy (2017), Younicos by generator rental company Aggreko (2017), Greensmith by Finnish manufacturer of marine energy equipment Wartsila (2017) and Engie signed an agreement to acquire the majority of the shares of EPS (2018). EPS and Leclanché are both companies listed on public stock exchanges.

EV Charging

According to Alfen, the competitive landscape in EV Charging equipment is diverse and varies by country. As the market for EVs and EV charging quickly developed over the past decade, many players have tried to enter the market. Few have succeeded in providing a scalable solution based on the latest technology and, as such, the number of competitors has reduced significantly over the past years. Competition can be split into providers of low-end chargers without smart technology and providers of internet-connected chargers with integrated smart technology. As the EV market matures, Alfen primarily sees its competition in the latter segment of high-end EV charging technology.

EV charging equipment manufacturers are increasingly competing internationally, such as EVBox, Keba, ABL and Schneider. In addition, US-based Chargepoint is intensifying its efforts across European markets. The market can be split into private charging (at home), semi-public charging (for example at offices or restaurants) and public charging. Some competitors are active throughout these segments (for example EVBox and Ecotap), whereas others primarily focus on private charging (for example Keba and Liteon) or public charging (for example Ennovates, DBT and Ensto). The table below gives an overview of the players that Alfen considers as most important competitors in each of its markets and segments.

						
Private and Semi-public	   	   	   	   	   	  
Public	   	  	   	  	  	   

Figure 14: Alfen views on key EV Charging competitors in selected countries

In the Netherlands, Alfen's largest competitor is EVBox (acquired by Engie in 2017), with a similar or somewhat lower market share than Alfen as per management estimates.⁵⁵ EVBox is, in addition to selling its charging equipment to resellers and other B2B customers, also offering its products, systems and services to end-customers, contrary to Alfen. In addition, a number of players are active in the Dutch market with lower market shares, including LiteOn, Keba, Ecotap and Ennovates. Alfen is not aware of any competitors in the Dutch market which have the combination of in-house design, development and charger production.

In the German market, Alfen's competitors include Keba, ABL, Schneider, Innogy and EBG. Alfen is not aware of any competitors already offering products that comply with the German *Eichrecht*, a regulation on encrypted communication that will be mandatory as of 2020. Only Innogy is offering a product that is temporarily allowed. Other players may however be in the process of developing or introducing *Eichrecht* compliant products as well.

The largest competitor in the UK is Chargemaster, followed by Podpoint. Chargemaster is operating a closed charging system, i.e. only accessible for Chargemaster clients. As the UK market is developing towards the general European protocol of open charging (a 'roaming' model through which chargers can be accessed by all users), other players are gradually entering the market, including EVBox.

The Belgian market is still in a nascent stage, and saw the first larger EV projects being realized in 2017. Competition includes EVBox, Keba, Ecotap and Ennovates. France is characterized by local players because of country specific requirements to EV chargers, but international competitors such as ABL and DBT are slowly entering the market. In the Nordics, competition includes Keba, EVBox, ABL and Ensto. The most important EV market in Scandinavia, Norway, is characterized by very

⁵⁵ Based on Alfen's analysis of its own installed base of EV chargers in the Netherlands as at 31 December 2017 compared to the total installed base of chargers in the Netherlands as provided by Navigant, and EV Box's annual report for the financial year 2016.

low electricity prices, reducing the necessity for smart chargers, which is reflected in the competitive landscape.

BUSINESS

Overview

Alfen's mission is to develop, produce and connect the key elements of the future electricity grid. To achieve the EU's '2030 strategy' targets,⁵⁶ an estimated €38 billion of additional investments in renewable energy sources is needed in Europe and Alfen's expertise in electricity grids, energy storage systems and electric vehicle ("EV") charging equipment will enable it to play a central role in contributing to these investments.

Alfen is active in three business lines: Smart Grids, Energy Storage and EV Charging, operating as an innovative international developer and supplier of standardised and integrated electric energy products, systems and solutions. It endeavours to play a central role in the electricity grid by facilitating the technological advances and industrial shifts being implemented in connection with the energy transition, based on a range of in-house developed products, systems and solutions that build on its expertise as a systems integrator.

The business operations of Alfen are organised in three business lines, as set out in the table below.



Smart Grids	Energy Storage	EV Charging
<p><i>Products</i></p> <ul style="list-style-type: none"> • In-house developed, produced and assembled standardised range of secondary substations • Internally developed and produced grid automation devices for remote management and control of electricity grids <p><i>Systems and solutions</i></p> <ul style="list-style-type: none"> • Standardised grid connection systems, local power grids and supplementary offerings • Proprietary software and back-end system for remote management and grid control <p><i>Total revenue⁵⁷</i></p> <ul style="list-style-type: none"> • €57,0 million for the financial year 2017 	<p><i>Products</i></p> <ul style="list-style-type: none"> • In-house developed and produced range of standardised modular energy storage systems based on multiple third party batteries (for example BMW and Samsung) <p><i>Systems and solutions</i></p> <ul style="list-style-type: none"> • Proprietary developed embedded software and back office system for remote control by the client and supporting all storage applications: load balancing, frequency control, peak shaving and mobile power supply applications <p><i>Total revenue</i></p> <ul style="list-style-type: none"> • €8,3 million for the financial year 2017 	<p><i>Products</i></p> <ul style="list-style-type: none"> • In-house developed and produced range of smart and connected EV chargers for private, corporate and public applications <p><i>Systems and solutions</i></p> <ul style="list-style-type: none"> • Standardised solutions for load balancing, smart charging and charging hubs • Proprietary online management platform for charging infrastructure <p><i>Total revenue</i></p> <ul style="list-style-type: none"> • €9,0 million for the financial year 2017
<p><i>Integrated solutions overlapping the three business lines</i></p> <ul style="list-style-type: none"> • Standardised integrated solutions across Alfen's business lines, such as EV charging with integrated peak shaving from energy storage and end-to-end storage systems including local power system and grid connection <p><i>Projects and services</i></p> <ul style="list-style-type: none"> • System integration, including the application of in-house developed products, systems and solutions to local situations • Extensive project management organisation, including engineering and field services • Own after-sales department, including remote support and technical knowledge center 		

Alfen operates primarily in the Netherlands and Belgium, with additional sales activities in the United Kingdom and Germany. From 2017, Alfen has undertaken activities to attract international sales employees to expand its sales organisations across Europe. Through its network of distribution partners, resellers and international clients, Alfen also supplies its products to other European markets and to selected markets outside of Europe. Alfen believes that it has market-leading positions in the Netherlands in Smart Grids and EV Charging⁵⁸ and a strong market position in Energy Storage. In addition, it has a unique position in the market with an integrated offering of products, solutions, project management and services across its three business lines.

⁵⁶ See "Industry".

⁵⁷ In this Prospectus, the Company's "total revenue" includes "revenue" as well as "other income" as included in the consolidated statement of comprehensive income of the Consolidated Financial Statements. Other income is generated from government grants received in connection with Alfen's business operations.

Alfen provides high-quality, technologically advanced and innovative products, systems, solutions and services. Its products and systems are developed and produced in-house, resulting in short innovation cycles and high adaptability to new market developments. Alfen works with open architecture systems, so that its products, systems and solutions can be adapted to work and interface with those components most suitable for the applications of its clients. To meet demands from clients and industry developments Alfen has intentionally focused its business lines to create multidimensional solutions that cover more than just one product or service. Alfen's business lines provide part of their products, systems, solutions and services on a project basis. Through its supply network Alfen sources standardised parts and components (such as batteries or transformers) allowing it to develop successful innovations and launch new products to offer the latest technology to its clients.

Alfen's production facilities and corporate headquarters as well as its main research and development center are located in Almere, the Netherlands, utilising 4.000 m² of production area and 2.200 m² of office area, including newly added facilities in 2016. The office buildings comprise Alfen's research and development, project management, service, sales and staff activities, as well as being used for warehousing and logistics. Alfen also has an office in Belgium with sales and project management activities. Alfen has 234 employees based on a full-time contract ("FTE") as at 31 December 2017.

Alfen's total revenue for the financial years 2017, 2016 and 2015 were €74,3 million, €61,5 million and €50,5 million, respectively. Alfen's revenues outside the Netherlands accounted for 18% of its total revenue for the financial year 2017, compared to 8% for each of the financial years 2016 and 2015. In 2017, €10,9 million or 15% of Alfen's 2017 total revenue was generated from clients residing in countries in Europe other than the Netherlands (2016: 5,0 million or 8%; 2015: 4,3 million or 8%). The remainder of the total revenue was generated from clients residing outside of Europe.

History

Alfen was founded in 1937 in Hilversum, the Netherlands as *J. van Alfen's Hoog- en Laagspanningsapparaten*. In its early years, Alfen primarily manufactured high and low voltage switching equipment in the Netherlands. From 1968, Alfen started to supply secondary transformer substations. In 1971, the Company was acquired by *Overzeese Gas- en Elektriciteitsmaatschappij N.V.*, which later continued its activities under the name TBI Techniek B.V. In 1983, the Company moved from Hilversum to Almere, both within the Netherlands, where it is currently still headquartered. The Company changed its name to *Van Alfen* in 1996 and again in 2007 to Alfen.

In 2007, Alfen expanded its activities to Belgium and in 2008 Alfen started operating in the EV Charging business line. In 2011, the Energy Storage business line was added to Alfen's portfolio. Alfen expanded its sales efforts in the United Kingdom and Germany in 2014. Between 2015 and 2017, the Company further extended its offering of products, systems and solutions to selected markets through development of its network of distributors and resellers across Europe.

In 2014, 69,6% of the shares of Alfen B.V. held by TBI Techniek B.V. was acquired by Alfen Holding B.V. (currently Infestos Energy Transition B.V.), a holding company which is an affiliate of Infestos Nederland B.V., a Dutch investment firm. The Company, Alfen Beheer B.V., was incorporated as a holding company of Alfen B.V. in 2015. At incorporation of the Company, its shareholders (Alfen Holding B.V. and TBI Techniek B.V.) acquired shares in the Company against contribution of their shares into Alfen B.V. The shares held by TBI Techniek B.V. were acquired by Alfen Holding B.V. in 2015 and subsequently transferred to its affiliate Infestos Holding M B.V. in 2016. All of the Ordinary Shares are now indirectly held by Infestos Nederland B.V.

In 2015, Alfen B.V. was subject to a partial demerger as a result of which parts of its assets and liabilities were transferred to the newly incorporated subsidiary Alfen ICU B.V. The Company's subsidiary Alfen Projects B.V. was incorporated as a separate projects company in 2016, but it has not been in operation prior to the date of this Prospectus. In 2017, Alfen België BVBA was incorporated as an operating company against a contribution in kind of Alfen B.V.'s activities in Belgium.

58 For Smart Grids, this is Alfen's analysis based on its contractual share of the supply of the number of substations to each of the four largest Dutch DSOs (which jointly compromise approximately 97% of the Dutch market for mid-voltage substations), multiplied by the relevant market share of each of these DSOs by the number of mid-voltage substations based on <https://energiecijfers.info/hoofdstuk-1/>. For EV Charging, this is Alfen's analysis based on its own installed base of EV chargers in the Netherlands as at 31 December 2017 compared to the total installed base of chargers in the Netherlands as provided by Navigant. The latter analysis shows that Alfen has a leading position together with EVBox, jointly holding a market share of over 60% in the Netherlands.

Selected significant corporate events since 2007

Year	Description
2007	First expansion abroad with the opening of Alfen's office in Ghent, Belgium
2008	Start of Alfen's activities in the EV Charging business line
2011	Start of Alfen's activities in the Energy Storage business line
2014	Infestos' acquisition of the majority of Alfen's shares
2014	The establishment of a sales organisation in the United Kingdom and Germany
2015	Infestos' acquisition of Alfen's remaining shares
2015	Smart Grids business line extended with grid automation solution
2016	Expansion of production facilities in the Netherlands

Competitive strengths

Alfen's main competitive strengths are the following:

Well positioned to benefit from current trends in relation to the energy transition

Alfen believes that it is strategically well-positioned to benefit from current trends across its business lines, which are characterised by underlying growth supported by the need for Alfen's products, systems and services in connection with the energy transition. The trend towards stricter climate regulations and an increasing focus on sustainable energy sources such as solar and wind energy are expected to drive growing demand for reliable and cost-efficient solutions for renewable energy and energy storage as well as EV charging infrastructure.

Alfen offers a portfolio of solutions to transform, store and distribute electric energy. As a result of the expected investment growth in Alfen's market segments, new clients are entering Alfen's markets in response to the energy transition. For example, new resellers and distributors are entering the market for EV charging equipment as a result of the promising growth prospects for this market. Also, responding to ambitious government plans for solar PV plants, new solar EPC contractors are entering Alfen's markets. Given Alfen's market leading position and the adaptability of its products, systems and solutions, it is well positioned to serve these new clients.⁵⁹

Alfen has a track record of early investments in markets with promising growth perspectives. It has been developing its EV Charging business line since 2008 and its Energy Storage business line since 2011. Alfen's management believes that it can now start to capitalise on these investments since these markets are starting to show a strongly increasing client demand.

Technologically advanced supplier with open architecture approach and an asset-light business model

As an industry leader in the assembly, delivery, management and maintenance of secondary transformer substations in the Netherlands,⁶⁰ Alfen has a solid foundation of electrical and technical expertise needed to develop the energy solutions of the future. Alfen has an asset-light business model and sources standardised components for its products from various suppliers and outsources the production of certain other parts. By applying this open architecture approach, Alfen ensures that its products, systems and solutions can be adapted to work with components most suitable for the its clients' requirements and can be adapted to various future scenarios and developments. In its production facilities, Alfen assembles those prefabricated components to create new technologically advanced products and systems. Alfen proactively engages with clients to create tailored solutions, utilising its knowledge and innovative strength.

Alfen believes it is a highly reliable partner for industrial organisations in the field of distributing electric energy and the construction of electricity grids. Alfen has an extensive in-house research and development team which facilitates the design and development of products, systems and services. The team consists of professionals from various technological backgrounds, combining different skill sets and knowledge. Alfen is able to deliver fully serviced, turnkey solutions for clients, such as entire privately owned high- and medium-voltage grids. Alfen's software capabilities enable it to develop proprietary software solutions to facilitate customer or country specific configurations for its standardised products and systems.

Alfen protects the know-how, business and trade secrets and intellectual property that it develops through strict intellectual property and confidentiality clauses in agreements with its

⁵⁹ See note 58 in "– Overview".

⁶⁰ See note 58 in "– Overview".

employees and suppliers as well as technical precautions in its production and operational processes. This approach is preferable for Alfen as other types of intellectual property protection may require public disclosure of certain technology developments and specific know-how, which may lead competitors to benefit from Alfen's expertise by using these insights to develop competing technologies and products.

Integrated offering and end-to-end solutions for Smart Grids, EV Charging and Energy Storage

Alfen believes that it is unique in the way it operates its business by combining three business lines. Often, clients require a multidimensional solution that combines products and systems. Alfen's broad product and systems portfolio is uniquely qualified to supply integrated solutions and to facilitate cross-selling opportunities. Each of Alfen's three business lines can be integrated with the others in response to particular client needs and situations. For example, in case there are a large number of electric vehicles in a given area, Alfen has a number of solutions to apply, such as upgrading or automating the connection to the local electric grid using Alfen's smart grid products, implementing load balancing and reduction of bottlenecks in the local grid by providing an Alfen energy storage solution, or introducing smart EV chargers to mitigate the impact of a large number of electric vehicles on the grid.

In practice, products, systems and solutions from different business lines often need to be combined into integrated systems and solutions. Since Alfen has proven products and systems in all three business lines, it can design the best solution for its clients and it will not face the same limitations as those of its competitors that are able to provide an offering in only one of the sectors in which Alfen operates.

In addition, Alfen can combine and integrate its various products, systems and services seamlessly to offer end-to-end project assistance and turnkey solutions for clients. Through its own project management organisation, Alfen is able to integrate its products in existing electricity systems of a client. This gives Alfen an advantage over competitors supplying standardised products who are not able to integrate these in existing systems and system integration companies who do not offer in-house products and systems.

Alfen's integrated offering is further supported by Alfen's ability to offer extensive service operations for installed products, systems and solutions. This strengthens the client relationship and results in a high rate of repeat work. Alfen estimates that repeat customers represented over 75% of total revenues on average for the financial years 2017 and 2016.⁶¹

Market leading positions in its home market and "first mover" in other Western European countries

Since its founding in 1937, Alfen has gained extensive experience and expertise in the field of transforming and distributing high and medium voltage electricity. Building on its long history, experience, innovative strength and adaptive business model, Alfen has been able to expand its business operations into the fields of EV charging and energy storage, in each case in an early stage of market developments in those sectors. Alfen has long-term relationships with grid operators and has a network of resellers and distributors of Alfen's products and systems. It works together with these strategic partners in its business lines of Smart Grids, Energy Storage and EV Charging to develop solutions for the current and anticipated energy needs of society to make the electric infrastructure more sustainable and innovative. Through its established position in the markets in which it operates, long-standing experience and relationships and early adoption of innovative technology, Alfen believes that it is well placed to play a central role in the energy market and is considered a trustworthy partner for its clients.

Alfen has a strong position in its home markets. Alfen believes that it holds market leading positions in each of its business lines in the Netherlands and is a "first mover" in its areas of operations in other countries in Western Europe. Based on Company information and Alfen's analysis of publicly available market data, Alfen estimates that it holds a market share of approximately 70% in Smart Grids solutions in the Netherlands.⁶² In the field of energy storage, Alfen estimates that it holds a strong market position as one of the few European players with a proven battery storage concept in all major storage applications and a supplier for leading European utility companies. Alfen believes that it realised multiple 'firsts' in 2017, including the first wind-connected battery storage system in the Netherlands, the first battery storage system for frequency containment in Belgium, the

⁶¹ Repeat customers defined as having had an order entry during the preceding 12 months from the same customer entity; analysis based on order entry in 2016 and 2017.

⁶² See note 58 in "– Overview".

first large-scale working battery storage system based on BMW batteries and the first large-scale battery-based storage systems in the Czech Republic and Nigeria. In addition, Alfen estimates that it holds a market share of over 30% in the field of EV charging equipment in the Netherlands,⁶³ which is the most developed country for EV charging infrastructure within Europe.⁶⁴

By delivering high-quality and innovative products, Alfen endeavours to ensure that its clients are satisfied which results in recurring clients and continuous business opportunities. Alfen has developed strong loyalty with its client base and has not lost any of its major clients with which it has framework and reseller agreements in the last five years.

Strategy

Over the past years, Alfen has developed a strong foundation for further development of its business. It holds a distinctive leading position in its market segments, with in-house developed products, systems and services that are designed to support the energy transition. Alfen has stable and long-term relationships with clients, including major grid operators and energy companies in the markets in which it operates. It has also expanded its organisational structure in line with latest developments and professional standards. Alfen's aim is to deliver controlled profitable growth based on the following three pillars: (i) building on technology leadership, (ii) capturing exponential growth, and (iii) growing profitability.

Building on technology leadership

Alfen's focus is on further building on its position as a technology leader in its business lines and geographical markets. Alfen has a mature product portfolio which includes standardised building blocks that can be applied across products, systems and solutions of each of its business lines. In combination with Alfen's in-house development and production capacities, this drives continuous innovation cycles and an extensive application of innovative solutions across different products. This results in the development of new product and market combinations. For example, by adjusting hardware and software configurations that were originally developed for grid operators, Alfen developed a grid automation solution that is now used for clients in, for example, the greenhouse horticulture sector. The same sort of minor adjustments can open up new geographies for Alfen's existing products. In this manner, Alfen has adjusted EV charging equipment to comply with local market regulations, for example by adding electronic shutters, as is required in France. In addition, Alfen believes that it may be the first company that will be able to supply EV chargers in compliance with German *Eichrecht*, a regulation on encrypted communication that will be mandatory as of 2020. Alfen also aims to further expand its offering of integrated products, for example by combining EV charging hubs with energy storage systems.

Research and development are important for Alfen to develop new products, to adapt its existing products for new markets and to continuously ensure that its products are equipped with leading technology. Alfen expects to further increase its investments in research and development to maintain its position as a front runner in the innovative renewable energy market.

Capturing exponential growth

Alfen aims to capture exponential growth by executing a growth strategy that is primarily driven by market growth, the internationalisation and cross-selling of Alfen's operations and extension of its service offering.

Market growth. Alfen has its own sales organisations in the Netherlands, Belgium, the United Kingdom and Germany, where it focuses on benefiting from the expected market growth across its business lines.

Internationalisation. Alfen aims to further expand its sales activities internationally to countries in Europe where it currently does not yet have a presence. Alfen's innovative products, systems and solutions for the Smart Grids, Energy Storage and EV Charging business lines are adaptable and can be used for markets where Alfen currently is not yet active. In 2017, approximately €13,2 million of revenues, representing 18% of Alfen's total revenue, were derived from outside the Netherlands. In addition, Alfen aims to further increase its international revenues by:

63 See note 58 in “– Overview”.

64 See “Industry – Specific industry segments in which Alfen operates – EV charging”.

- Strengthening its current international sales force in Belgium, the United Kingdom and Germany. Alfen entered these markets as a “first mover”, in an early stage of market growth and already established a strong position in business-to-business channels (including resellers and distributors) in these markets. Alfen’s existing markets are currently growing exponentially and Alfen plans to build on its established position to increase its sales in these markets, as well as to expand its sales organisation in these countries.
- Growing its own sales organisation in selected new countries in Europe. Alfen intends to set up a sales network in the medium-term in France, Italy, Spain, Eastern Europe and the Nordic countries. These markets have a combination of the following attributes: increasing demand for the products of Alfen’s business lines, a large number of potential clients and a market in which Alfen already sells its products through distributors and resellers. As such, Alfen’s products have already been introduced in these markets and it has established a market position to further build on.
- Leveraging the footprint of clients that already have an international presence. For example, its customer Solarcentury, for which Alfen builds solar PV grid connections in the Netherlands, has offices in nine countries. Where possible, Alfen also executes projects or supplies its products outside of Europe. As an example, in 2016 Alfen was awarded a contract for an energy storage system as part of a sustainable micro-grid based on 8.000 solar panels on the factory roofs of a Dutch company with operations in Nigeria, which Alfen believes is the first large-scale battery-based storage system in Nigeria.
- Growing by continuing to offer products, systems and solutions to existing clients that are pursuing an international growth strategy. For example, its customer Allego, to whom Alfen started supplying its EV charging equipment in 2016, expanded its activities to Belgium and Germany in 2017, also using Alfen’s charging equipment.

Cross-selling. Alfen aims to leverage its existing client base by cross-selling its products, systems and solutions. For example, for its client Stedin, Alfen first supplied Smart Grid solution over the last 20 years and subsequently supplied an Energy Storage system in 2016, while for its client Vattenfall, Alfen first supplied an energy storage system in 2017 and subsequently was assigned an EV charging equipment contract later that same year.

Service offering. Alfen aims to further extend its service offering and benefit from an increasing installed base of installed products and projects to which Alfen can supply service. In the financial year 2017, Alfen’s service offering comprised approximately 14% of the revenue generated by project contracts for the Smart Grids business line and 7% of the total revenue generated by the EV Charging business line. For projects of the Energy Storage business line, service operations typically represent a component of the total contract value. For example, for an energy storage system supplied by Alfen as part of a sustainable micro-grid in Nigeria, approximately 5% of the total contract value consists of a 10 year maintenance service component.

To further support the expected growth in its core markets, during the course of 2016 and 2017 Alfen has created six new key management positions in the fields of marketing, sales, human resources, production and research and development, to ensure that its organisation is able to manage and control its expanding operational activities. In its international sales organisation, Alfen had 7 FTE employed at 31 December 2017 (2016: 6 FTE; 2015: 4 FTE) and proposed to further increase its sales force with 7 additional employees, supporting its strategy of internationalisation.

Increasing profitability

Alfen aims to increase its profitability by expanding its current practice of standardisation at a larger scale to further improve efficiencies across its organisation. Alfen offers a standardised, mature and modular range of products and systems. Alfen believes this approach enables it to spread out its fixed cost over a larger volume of products, resulting in an increase in profitability. In addition, Alfen expects its on-going operational excellence programs in the fields of production, purchasing and project execution to contribute to further increases in profitability.

In response to an increasing requirement for shorter lead times as well as demand for increased product specific requirements, Alfen has reconfigured and modernised its production facilities to introduce a flow production with standardised processes to replace the traditional batch production model. In combination with an optimisation of its logistic operations in warehouses, Alfen is able to provide shorter lead times and increased quantities as well as accommodate product specific adjustments which Alfen believes will reduce its cost base and increase profitability.

Through its continuous innovation efforts, Alfen ensures that its products, systems and solutions are technologically advanced and meet the demands of its clients. Alfen believes that its focus on technology development will further increase the performance and appeal of its products and systems. Alfen believes that its increased scale, resulting from market growth and further internationalisation, will enable it to spread out its fixed cost base over a larger volume of products, resulting in an increase in profitability.

Medium-Term Objectives

The Company has set the following medium-term objectives, which it aims to achieve by executing its strategy as described in “– Strategy”:

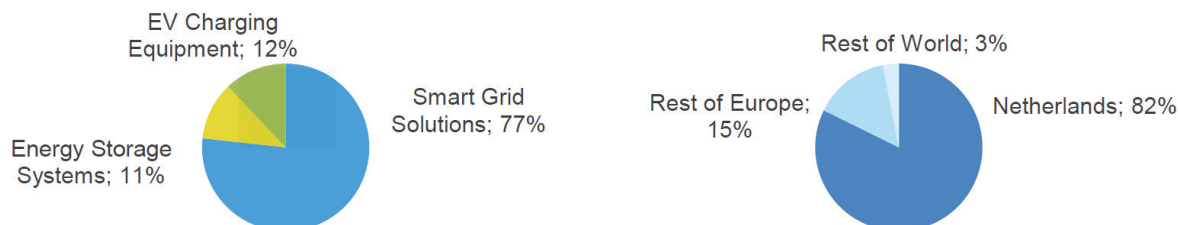
- *revenue growth*: achieve a CAGR (compound annual growth rate) of above 40% by leveraging Alfen’s market positions in its geographical markets to capture the market growth expected for each of its business lines resulting from current trends in relation to the energy transition as well as by international expansion of Alfen’s sales network, further supported by cross-selling of its products and volume growth of its service offering (for example Alfen aims to enlist at least 30% of its clients to its customer care program);
- *internationalisation*: grow Alfen’s revenue from outside the Netherlands to above 50% of Alfen’s total revenue and achieve a market share of at least 30% in selected target markets in Europe in annual EV chargers sold;
- *adjusted EBITDA margin*: improve Alfen’s annual EBITDA margin in the medium term to a mid to high teens percentage by leveraging its fixed cost base⁶⁵ as it realises its revenue growth; and
- *capital expenditure*: normalise and maintain a sustainable capital expenditure level at approximately 3% of Alfen’s revenue, supported by recent investments and sustained by Alfen’s asset-light business model.

The Company has not defined, and does not intend to define, “medium term”. These medium-term financial objectives should not be read as forecasts or projections and should not be read as indicating that Alfen is targeting such metrics for any particular year, but are merely objectives that result from the Company’s pursuit of its strategy. The Company can provide no assurances that these objectives can be met or that its strategy can be implemented, and the actual results could differ materially. The objectives have been determined based on trends, data, assumptions and estimates that the Company considers reasonable as of the date of this Prospectus but which may change as a result of uncertainties related to its economic, financial or competitive environment and as a result of future business decisions, as well as the occurrence of certain factors, and they are inherently subject to significant business, operational, economic and other risks, including but not limited to those described in “Important Information – Information Regarding Forward-Looking Statements” and “Risk Factors”, many of which are outside of Alfen’s control. The assumptions upon which the medium-term objectives are based may change or may not materialise at all. In addition, unanticipated events may adversely affect the actual results that Alfen achieves in future periods whether or not its assumptions relating to the medium-term objectives prove to be correct. Investors are urged not to place undue reliance on any of the statements set out above.

⁶⁵ By leveraging its fixed cost base, Alfen means that it expects to be able to realise revenue growth without increasing its fixed costs at the same rate. In addition, Alfen expects that its variable costs will increase as it realises revenue growth. However, Alfen cannot guarantee that its fixed costs will increase in accordance with its expectations.

Business lines

Alfen's business is divided into three business lines: Smart Grids, Energy Storage and EV Charging. Alfen believes that it has a market-leading position in Smart Grids and EV Charging⁶⁶ and a strong market position in Energy Storage in the Netherlands. It has activities throughout the rest of Europe as well as in selected other geographical markets outside the EU. The following diagrams illustrate the contribution to the total revenue of Alfen in 2017 from each business line and from each geographical destination of the customer:



Smart Grids

Overview of operations

Electricity grids are networks comprising various components, including transmission lines, substations and transformers that transport electricity. Smart grids use technology to enable automation, monitoring, management and control of the electricity grid. Alfen supplies standardised electricity grid connection systems, secondary transformer substations, local power grids, devices for grid automation and proprietary software and back-end systems for remote management and grid control. In addition to secondary transformer substations, which are primarily delivered to grid operators, Alfen builds complete privately-owned electricity grids for a diverse range of companies such as greenhouse horticulturalists, industrial companies and contractors which engineer and construct solar PV plants.

Products, systems and solutions from the Smart Grids business line are increasingly being used in combination with those from Alfen's other business lines. One of the differentiating factors of Alfen's offering is its ability to connect energy storage systems and EV charging hubs to the grid through its Smart Grids business line products. Alfen estimates that it holds a market share of approximately 70% in smart grid solutions in the Netherlands.⁶⁷

The Smart Grids business line is currently Alfen's largest business line in terms of revenue and accounted for approximately €57,0 million or 77% of Alfen's total revenue for the financial year 2017 (2016: €51,1 million or 83%; 2015: €44,8 million or 89%). Approximately 8% of Alfen's revenues in the Smart Grids business line for the financial year 2017 were generated outside the Netherlands.

Smart Grids products, systems and solutions

Products

Alfen constructs standardised grid connection products, local power grids and prefabricated secondary transformer substations for grid operators. A transformer substation is part of an electrical generation, transmission and distribution system and transforms electricity to different voltage levels between the generating station and the consumer. Alfen built its first transformer substation over 50 years ago, and it has continued to develop them since. Alfen has delivered more than 25.000 substations in the Benelux and its clients include both grid operators and many industrial clients. Alfen's long-standing experience with electricity grids and its market leading position as supplier for grid operators in the Netherlands⁶⁸ also make Alfen a reliable partner for commercial and industrial clients in the Smart Grid business line, as well as in its other business lines. Alfen is specialised in the production and installation of secondary transformer substations and related projects. Alfen manufactures and delivers many types of secondary transformer substations with different capacities that are suitable for a range of industrial applications as well as public distribution networks.

In its Smart Grids business line, Alfen also offers devices for grid automation that are developed and produced in-house. Alfen Connect is the name of Alfen's grid automation device that

⁶⁶ See note 58 in "– Overview".

⁶⁷ See note 58 in "– Overview".

⁶⁸ See note 58 in "– Overview".

connects secondary transformer substations with the internet and offers a large range of smart functionalities that can be applied for measuring and managing electricity grids. These functionalities include the visualisation of gathered data, temperature and fire detection, configuration management, asset management, fault detection, alarm and warnings overview and the remote and flexible control of public lighting and switchgear. This is applicable for integration in both existing and new secondary transformer substations. The development of Alfen Connect was made possible by know-how and experience obtained by Alfen during decades of work on electricity grids and secondary transformer substations, combined with its knowledge of charge points that communicate with back-end systems.

Systems and solutions

Alfen provides solutions in the field of high and medium voltage grids, supported by its technical know-how, mechanical experience and the development of systems for the distribution of electric energy. Alfen believes that its experience with electric installations and its extensive know-how enable it to offer clients expert advice on the layout of electricity grids. It provides supplementary offerings for the greenhouse horticulture sector, where typically clients consume large amounts of energy, as well as for solar PV parks and wind farms. For solar PV parks, Alfen provides dedicated transformer stations, local high-voltage networks and grid connections to enable the reduction in cabling and reduction of energy losses.

Alfen offers several complementary systems in its Smart Grids business line. The most important of those complementary systems is the Sicuro, a solution that connects combined heat and power (“CHP”) energy units, often used in the greenhouse horticulture sector, to the electricity grid. In applications where there is frequent loading of generators (such as with greenhouse horticulturists through their CHPs), there is a resulting increase in switching connections to the energy grid. As a reference, the greenhouse horticulture sector in the Netherlands is responsible for consuming approximately 14% of the installed power generation capacity⁶⁹ and an average greenhouse uses the same amount of energy as a small city. The Smart Grids Sicuro system was developed to ensure a reliable generator cable connection and is designed to facilitate a large number of generator switches. Alfen has supplied this system throughout the greenhouse horticulture sector in the Netherlands in the past decade. Alfen also supplies its Sicuro product internationally (including to Belgium, the United Kingdom and Austria) for industrial applications to connect CHP systems to the grid.

Combined with Alfen’s own proprietary software and back-end systems, Alfen provides its grid automation device with remote management and grid control to gather data on how clients use energy and to monitor the effects on the grid. As a result of the on-going energy transition, energy demands and power flows are changing. By enabling grid operators to gather data about these energy demands, they can monitor the effects on the grid and anticipate and mitigate potential bottlenecks. Having insights into instantaneous loads at different nodes within the electricity grid is a precondition for many smart grid developments. For industrial clients, the automation of substations also plays an important role. Continuous insights into the performance of transformers allow for improved service levels and real-time monitoring. Alfen’s online web application allows for the monitoring and control of all grid-connected energy infrastructures. This includes secondary substations, energy storage systems and charging equipment for EVs. Large amounts of data are generated about grid loads (as well as energy storage systems and EVs connected to the grid), which can be used to manage assets remotely and enables the development of new applications such as EV charging hubs and the roll-out of improved service models.

Clients

Alfen’s Smart Grids business line has built strong partnerships with various grid operators in its geographic markets, including Enexis (including its subsidiary Fudura), Alliander (including its subsidiaries Liander and Kenter), Stedin and Enduris. With Alliander and Enexis, the two largest grid operators in the Netherlands in terms of number of customers in 2017,⁷⁰ Alfen has had an on-going relationship for over 20 years.⁷¹ Alfen’s grid operator clients have central roles in the operation and connection of the electricity grid and act as references providing Alfen access to specialised markets and key projects.

⁶⁹ Source: CBS Statline.

⁷⁰ Alliander and Enexis are jointly responsible for 70% of all Dutch low- and mid-voltage clients. Source: <https://energiecijfers.info/hoofdstuk-1/>.

⁷¹ Including the legal predecessors of Alliander and Enexis.

Alfen's Smart Grids customer base also includes a range of industrial companies such as solar power companies, including Solarcentury and Ecorus and greenhouse horticulturist operators, including CombiVliet and Koppert. For over ten years, Alfen has been an important partner for the greenhouse horticulture industry in the Netherlands. Alfen's experience in high and medium voltage grids means it has expertise with aspects such as installing lighting stations, in connecting generators and energy management systems. Alfen is able to realise complete projects, from the initial design phase to service and maintenance, with a high rate of repeat work for its industrial clients. In addition, the service engineers of grid operators are often trained to work with Alfen's technology and Alfen's web shop ordering is connected with the grid operators' systems.

Business development

Alfen's Smart Grids business line typically secures new project assignments through a combination of its long term relationships with grid operators and through recognition of its market leadership in smart grids solutions. For the financial year 2017, approximately 66% of the revenues of Alfen's Smart Grids business line was generated through framework and reseller agreements (or other on-going supply arrangements), while 34% was generated by project assignments. Services offering represented approximately 14% of 2017 project revenues. Alfen typically has framework agreements in place with its grid operator clients which include cost price indexation clauses. Sales volumes for those framework agreements are generally based on purchase orders and not on volume guarantees, with an average lead time from purchase order to delivery of six to eight weeks. With its industrial company clients, Alfen works primarily on a project-agreement basis, for example for micro-grids. Alfen acquires projects either by tender procedures or through Alfen's industry connections and sales network. Alfen is often involved in the project planning phase with clients because of its smart grids expertise, and can position itself as a strategic partner in the project assignment at a later stage. Alfen expects that as larger projects are initiated in the future, more projects will be granted through formal tender procedures. For these tender procedures, Alfen involves individuals with the required knowledge and experience, who discuss projects and processes with the Senior Management.

Recent projects

The following projects are examples chosen to give an impression of the type of work carried out by Alfen through its Smart Grids business line, rather than for their size by revenue or profit contribution.

- *Micro-grid for the first large-scale solar PV farm in the Netherlands.* This project for solar EPC contractor Solarcentury involved a micro-grid to connect the solar panels, multiple substations and connections to the main electricity grid. Alfen was responsible for the engineering, project management, installation and commissioning of the local micro-grid in 2016 and continues to service its installations on the solar park area. Each year these solar panels generate approximately 5,6 million kilowatt hours of sustainable energy, which is equal to the annual energy needs of 1.500 households. During the winter season, when not many tourists are at the island, this solar park generates enough energy to meet the needs of the entire island, which makes Ameland fully self-sufficient during those periods.
- *Micro-grid for greenhouse expansion of CombiVliet.* CombiVliet is a family owned company and one of the world's largest suppliers of vine tomatoes, producing about 70 million kilos of tomatoes per year. At their largest premises, NoordVliet Middenmeer in the Netherlands, CombiVliet is working on an eight-step expansion plan that was initiated in 2011 and was at the start of phase six at the end of 2017. Each phase adds about 12 hectares of greenhouses to the facilities. Alfen has been supporting CombiVliet with the energy infrastructure for its greenhouse expansions since 2011 and has delivered the complete medium voltage private micro-grid, including over 40 substations for growing lights, two energy centres for micro-grid control, a smart micro-grid with automatic emergency power and local grid connection. As part of its scope of work, Alfen also provides the engineering, project management, installation, commissioning and service of the micro-grid.
- *Cellular Smart Grids Platform pilot project.* Alfen supplied the energy storage system for a joint project – the Cellular Smart Grids Platform project – with amongst others grid operator Alliander, certification body DNV GL, Wind Energy Solutions and Delft University of Technology. The system started operating in 2017 and is a new grid solution that divides the central grid into many small cells that have the ability to function autonomously. In case of a central grid power outage, the local cells take over control and

automatically start restoring all local sources of energy supply, such as solar and wind, and distribute this energy amongst local consumers. Interconnecting multiple of these cells offers significant benefits, including reducing the duration and size of central grid power outages. At the heart of this infrastructure is an 0,5 MW energy storage system and a sophisticated algorithm used for local energy management, both developed and delivered by Alfen. This concept can be scaled to large systems that form a self-adjusting energy system. The Cellular Smart Grid Platform can prepare grids that are already well-developed for a future that will be significantly more decentral and renewables-oriented. Furthermore, even more promising opportunities exist in parts of the world that still need to be electrified, instead of constructing central systems based on large fossil-fuel power plants, local grids based on renewables are the logical approach in green field situations.

Energy Storage

Overview of operations

In its Energy Storage business line, Alfen is active in the development, production and installation of a range of modular energy storage systems under its label TheBattery. Storage of electricity is important in energy grid operations for balancing energy supply and demand and also to mitigate the unpredictability of renewable energy sources and is expected to play a large role in the future of energy supply. Energy storage systems are used by multiple utilities, grid operators, large and small energy producers and traders, EV fast charging service providers and industrial production companies.

Alfen has in-house developed and produced modular energy storage systems in its Energy Storage business line since 2011. The Energy Storage business line's products are used for several applications such as load balancing, energy trading, frequency control, grid stability and creating autonomous electricity grids in combination with solar or wind energy. Alfen's in-house developed software is embedded in all of these integrated systems and solutions. Alfen's energy storage systems can be used throughout the electricity grid, from bulk storage at the transmission level to small-scale storage at industrial sites or in residential areas, although Alfen is not active in providing storage applications in individual homes. Alfen has experience with complex grid-connected storage systems and is active in a broad range of applications for energy storage. In a recent project, approximately 5% of the total contract value consisted of a 10 year maintenance service component.

The Energy Storage business line started to generate revenues in the financial year 2016 (€0,8 million) and has increased its revenues to €8,3 million or 11% of Alfen's total revenue for the financial year 2017. Approximately 61% of 2017 revenues in the Energy Storage business line were derived from outside the Netherlands. Approximately 100% of the revenues of the Energy Storage business line in the financial year 2017 were derived from project assignments. Alfen believes that it holds a strong market position as one of the few European players with a proven working battery storage concept in all major storage applications and a supplier for leading European utility companies.

Energy Storage products, systems and solutions

Products

Alfen's in-house developed and produced industrial energy storage product TheBattery balances energy supply and demand by absorbing fluctuations in peak demands without requiring significant investments in power grids and connections. TheBattery comes as a "plug and play" standardised unit, manufactured, preconfigured, commissioned and tested in Alfen's production facilities. This guarantees minimal on-site impact and instant operation that can be expanded over time to meet future demands and customisation. TheBattery has been developed by Alfen's research and development team, which has extensive experience in working with inverters, batteries, management software and auxiliary grid solutions.

Alfen distinguishes itself by sourcing from a selection of battery and component suppliers to ensure the optimal solution for each situation. For example, Alfen's system is operational for both Samsung and BMW batteries and is technologically compatible with battery products from other manufacturers. In combination with the offering of its Smart Grids business line, Alfen is able to realise a fully integrated end-to-end storage solution, including project management, substations, grid connection, remote monitoring and on-site service.

Systems and solutions

Alfen's prefabricated storage system includes a proprietary developed software platform called TheBattery Connect. It enables continuous insights in system performance, data logging and the communication of software updates to TheBattery and is based on Alfen's extensive experience with remote communication in its EV charging operations. It allows clients to access TheBattery, both wirelessly and through their own IT systems, and enables configuration for multiple storage applications and country-specific functionalities.

The primary applications of TheBattery offered by Alfen are:

- *Peak shaving / load balancing:* Due to the growing demand for electricity in combination with local intermittent renewable power generation, the grid needs to facilitate increasingly fluctuating patterns. TheBattery can reduce the grid capacity that is required by charging in off-peak hours and discharging the battery during peak load hours. This can mitigate required investments in the grid and generation capacity to facilitate increased peak load.
- *Energy trading:* TheBattery can be used for energy trading, whereby energy can be procured and stored in times when the electricity price is relatively low and sold in times of higher electricity prices.
- *Micro-grid and mobile:* TheBattery enables autonomous electricity grids without a connection to the central power grid connected with solar or wind energy. As such, TheBattery provides an alternative for new grid connections or oil-fuelled generators. It delivers a reliable supply of electricity for production processes in parts of the world without (stable) electricity grids, and offers solutions for temporary use at (for example) construction sites or festivals.
- *Frequency control reserve.* In order to guarantee stability and a constant energy flow in the power grid, supply and demand of electricity generally have to be in balance. Renewable energy sources do not have the flexibility to influence the grid's frequency in order to match changing load, as the base load they provide is uncertain. In times of excess electricity supply, TheBattery can store energy, which can be discharged in times of underproduction.
- *Generation smoothing.* As the production and load factors of renewable energy cannot be controlled, TheBattery can assist in smoothing the electricity flow into the grid from renewable energy sources. This can avoid grid congestions and prevent the waste of generated renewable energy due to grid capacity constraints or excess generation.

Clients

In the Energy Storage business line, Alfen's clients include grid operators like Eandis, and energy utilities, including Vattenfall, ENGIE and Eneco. In addition, its clients are energy traders, such as Scholt, and industrials companies, such as Solar Global and the Ecom/Theobroma group.

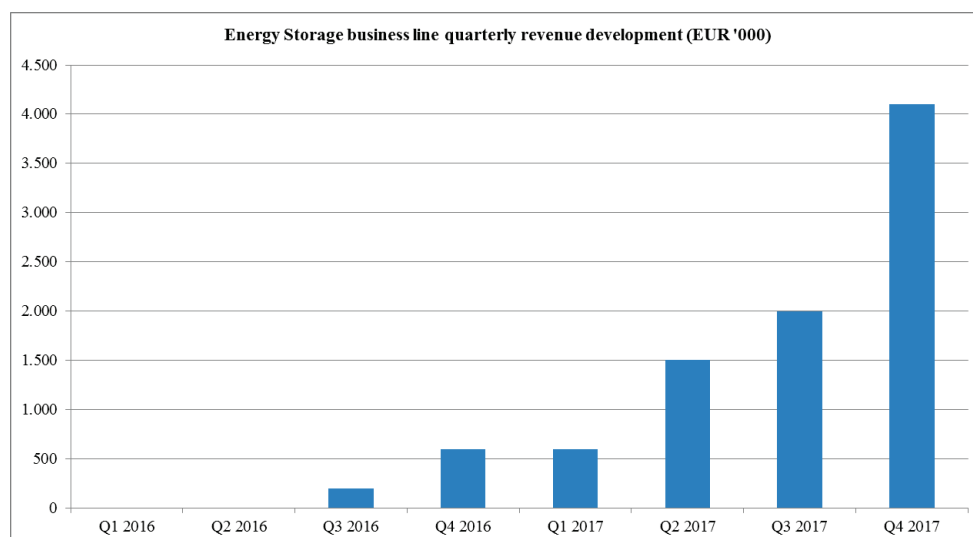
Business development

Alfen's Energy Storage activities benefit from its client relationships from Alfen's other business lines that are also engaging in energy storage projects, such as energy suppliers and grid companies. Approximately 100% of the revenues from Alfen's Energy Storage business line are generated by projects agreements. In addition, new types of clients such as energy traders work closely together with Alfen to develop business cases for their projects. This close cooperation with various industry players has resulted in repeat business from the same clients. For example, Alfen realised the first wind farm connected energy storage system in the Netherlands for energy supplier Scholt Energy Control in June 2017, and was awarded a second project assignment for this client in November 2017. Finally, Alfen at times engages in tender processes to source project assignments for the Energy Storage business line.

Alfen has an established international sales organisation with extensive experience in Energy Storage products, systems and solutions. Alfen's sales executives utilise a standardised approach for existing and prospective clients by using detailed account plans for various customer segments: utilities, grid companies, flexibility service providers, industrials and EV companies. In its discussions with its existing and prospective clients, Alfen seeks to position itself as a long-standing partner, investing time and expertise in cooperative preparations for new projects. Alfen believes that it has a differentiated position as it is able to offer an end-to-end solution for Energy Storage products and

systems in combination with its Smart Grids business line, which is particularly valuable in cases where Alfen can integrate its solutions into specific situations for small and medium sized projects.

Although Alfen started its Energy Storage business line in 2011, this type of business requires a period of investments, development and pilot projects before it is able to generate revenues as an operational business, as it needs to be developed and tested before it can be implemented as a viable solution. Together with the increase of client demand in the market, these early investments and technological developments have lead to a strong growth in revenue development over the financial years 2016 and 2017. The graphic below is included to show the quarterly revenue development for the Energy Storage as from 1 January 2016 until 31 December 2017.



Alfen believes that it realised multiple 'firsts' in 2017, including the first wind-connected battery storage system in the Netherlands, the first battery storage system for frequency containment in Belgium, the first working large-scale battery storage system based on BMW batteries and the first large-scale battery-based storage systems in the Czech Republic and Nigeria.

Recent projects

The following projects have been included to give an impression of the work carried out by Alfen through its Energy Storage business line, rather than for their size by revenue or profit contribution.

- *One megawatt storage system in Belgium for ENGIE.* In 2017, Alfen delivered a one megawatt battery storage system for ENGIE in Belgium. The storage system, based on Samsung batteries, provides for a so-called frequency containment reserve for stabilising the Belgian grid. Alfen is responsible for the full end-to-end integration of the energy storage system, including the software platform for frequency control, integration in the local energy system and connection to the high-voltage grid. Alfen believes that this is the first battery storage system for frequency containment (grid stability) in Belgium since the grid operator opened its network for battery systems in May 2017.
- *Three megawatt energy storage system for Vattenfall's largest onshore wind farm in the Netherlands.* In 2017 at Vattenfall's Prinses Alexia Windpark in Zeewolde, the Netherlands, Alfen developed a large energy storage system by connecting a large number of BMW-designed car batteries. The system stores the surplus of energy so that it can be used when the grid requires the power at a later moment in time, and helps to better match the supply and demand for energy. For its collaboration with Vattenfall, Alfen made its energy storage system compatible with BMW batteries and it believes that it has developed the first working large-scale storage system based on BMW batteries.
- *First large-scale battery-based storage system in the Czech Republic for SolarGlobal.* In November 2017, Alfen delivered a one megawatt energy storage system connected to SolarGlobal's Prakšice solar PV farm. Alfen believes that this is the first large scale

battery-based storage system in the Czech Republic. The system is based on Samsung batteries and will be used for energy trading. Next to the storage system, Alfen delivered its platform for gathering and analysing real time data.

EV Charging

Overview of operations

In its EV Charging business line Alfen designs, produces, manages and services charging equipment for electric vehicles. Since 2008, Alfen has been developing and producing EV charging stations for all types of electric vehicles. Alfen's EV Charging business line supplies a range of smart and connected EV charge points for use at home, work and in public areas. These charging points are available in a large variety of charging capacities and functionalities.

As at 31 December 2017, Alfen has sold more than 30.000 chargers (amounting to approximately 40.000 charging points, as some chargers have multiple sockets) in its selected geographical markets. Alfen believes that it holds a market leading position in the Netherlands and solid market positions in other Western European countries.⁷² The EV Charging business line is focused on innovative solutions, such as charging hubs, smart charging, load balancing and smart home devices. Alfen's charging stations are produced with European A-quality components that have been tested and certified by renowned European car manufacturers and are SIM lock free so that the client can choose to work with any provider of EV charging services.

Alfen estimates that it holds a market share of over 30% in the field of EV charging equipment in the Netherlands,⁷³ which is the most developed country for EV charging infrastructure within Europe.⁷⁴ It believes it will be able to leverage this leading position as EV sales continue to grow and new and existing reseller clients may be looking for a reliable supplier. As a medium-term strategic target, Alfen has the ambition to achieve at least a 30% market share in annual chargers sold in each of the European countries it is targeting, and to enroll at least 30% of its EV Charging clients to its customer care program for after-sales service.

The EV Charging business line is currently Alfen's second largest business line measured by its revenues of approximately €9,0 million or 12% of Alfen's total revenue for the financial year 2017 (2016: €9,7 million or 16%; 2015: €5,7 million or 11%). Approximately 39% of 2017 revenues in the EV charging business line were derived from outside the Netherlands. In the financial year 2017, Alfen's service offering comprised 7% of the total revenue generated by the EV Charging business line. All revenues of the EV Charging business line in the financial year 2017 were generated through framework and reseller agreements (or other on-going supply arrangements).

EV Charging products, systems and solutions

Products

Alfen's charging products have been tested by car manufacturers and have been DEKRA (a global certification in the fields of safety, environment and health) and CE (European health, safety and environmental protection mark) approved and received the Z.E. Ready (for Renault vehicles) certificate. The latest generation of EV smart chargers enable a charge point to connect to the internet, which allows a user to programme when their car will charge to be able to benefit from lower electricity tariffs.

Alfen's products are all alternating current ('AC') chargers, which is the predominant technology for home, work and public charging. Going forward, Alfen is considering the development of new fast charging technology, possibly directly connected to its energy storage system. Alfen manufactures and delivers various types of in-house developed and produced EV charger products to use at home, at work and at public places, including the following:

- *Eve Mini* offers smart technology in a very small, modern shaped casing. The Eve Mini is a compact wall box that comes with integrated direct current fault detection and GPRS and ethernet connectivity. The socket version also has a full colour display. Like all other Alfen charging stations, the Eve Mini is completely designed, developed and produced in Europe with A-quality components. Eve Mini is mostly used in private or semi-public spaces.

⁷² See note 58 in “– Overview”. Alfen's analysis for its sales in Western Europe is based on a bottom-up assessment of Alfen sales team based on clients and competition.

⁷³ See note 58 in “– Overview”.

⁷⁴ See “Industry – Specific industry segments in which Alfen operates – EV charging”.

- *Eve* is a high-tech robust charging station that is equipped with two charging outlets and a large display situated in the front. The fibreglass enforced casing makes it vandalism proof. The Eve comes with many functionalities and is easy to use and install. The charger is available in a large number of charging capacities. Eve is mostly used in semi-public spaces.
- *Twin* is a highly robust and solid charging station, specifically designed for public locations. The housing of the charging station has been made completely out of stainless steel and naturally blends in to the streetscape because of its neutral design. The Twin has no protruding parts and has a sloped top so no objects can be put on top of the station. Alfen has supplied the Twin for application in public locations in various locations, for example The Hague in the Netherlands and municipalities in Flanders, Belgium. Alfen also developed various adaptations on the Twin, such as the Twin 5, which will comply with the German *Eichrecht*, a regulation on encrypted communication.

For certain clients, Alfen delivers its products combined with its clients' branding (for example stickering or labelling). In addition, for selected clients, Alfen provides a white-label service, offering Alfen's charging technology in the EV charger casing of its clients.

Systems and solutions

In addition to Alfen's standardised products, it offers a range of systems and solutions in connection with charging points, including smart charging, demand management and remote control of charge points.

Charging electric vehicles puts a significant pressure on the electricity grid, especially where multiple EVs are being charged simultaneously in a small area. If even just a handful of people are charging their EV at the same time in the same street, in some cases this could create capacity issues in the local grid. This pressure on the grid can be mitigated by the use of smart charging technology that can adjust the charging speed to the available grid capacity. This is called 'load balancing' or 'smart charging'. Alfen has developed in-house solutions for several key applications in this market, including those listed below.

- *Load balancing.* Chargers with multiple charging sockets can optimally distribute the grid capacity over the connected cars.
- *Charging hubs.* This solution applies the same principle as load balancing, but instead of balancing within one charger, the grid capacity is balanced over multiple chargers. One example where this is applied is the charging hub for electric vehicles on the rooftop of a shopping mall in Utrecht, which was constructed by Alfen for business charging solutions provider NL MAB in 2017.
- *Balancing with intelligent home devices.* Alfen's home charger can be connected to a smart meter in a customer's home, allowing for an optimal use of local grid capacity and electricity. For example, the home charger can be set up so that the car will charge when solar energy is being generated or so that the car is charged during the night at lower tariffs.

Alfen's EV Charging offering includes online management systems that enable its clients to have full control of their charging stations via PC, smartphone or tablet. Alfen's systems and solutions offer functionalities like insights in charging activity, management of access to charging points, configuration of operating hours, remote assistance and an instant overview of all charging stations. The remote monitoring, maintenance and control functionality allow clients to record EV charge usage per user and EV charger, which can be utilised by clients, for example, as part of their employment tax declarations to claim benefit-in-kind for usage not specifically related to commercial purposes, for example commuting.

Alfen has extensive knowledge on communication protocols, for example through its role in co-developing the Open Charge Point Protocol, which is the communication standard between an EV charger and back office across the world (except for the United States of America). This knowledge also enables Alfen to further develop and adapt its EV chargers to comply with local requirements, such as specific German smart meter requirements.

Clients

Clients of the EV Charging business line include electric vehicle service companies, like Allego, The Mobility House, Greenflux, the Plugin Company and Elmtronics. Energy utilities company clients

include Vattenfall and Eneco in the Netherlands and Stadtwerke in Germany. In addition, Alfen supplies EV charging equipment to wholesalers and resellers such as Technische Unie, Rexel and Van Leeuwen.

Business development

In the EV Charging business line, Alfen uses resellers and distributors that sell Alfen's products and systems to end-customers. Generally, it has framework agreements in place with large resellers. Sales volumes for those framework agreements are generally based on purchase orders with no volume guarantees, with an average lead time from purchase order to delivery of one to four weeks. Alfen's strategy is not to sell directly to end-customers to avoid conflicts with resellers' sales channels. Alfen has international partnerships and sells its EV Charging products throughout Europe, including to EV charging service providers. In addition, through Alfen's existing relationships with utilities companies, it is able to procure assignments from companies that are migrating to EV technologies.

The key focus of Alfen's international sales organisation for EV charging equipment relate to contracting new resellers and exploring new business opportunities with existing resellers. Contracting new resellers typically involves discussions on the technical performance of Alfen's products, the scalability of the solution and the connection and requirements with the back-end systems of end-customers.

Recent projects

The following projects have been included to give an impression of the work carried out by Alfen through its EV Charging business line, rather than for their size by revenue or profit contribution.

- *EV chargers for the European Commission offices in Brussels.* In 2017, Alfen's EV Charging business line won a tender to supply the European Commission offices in Brussels with charging equipment for electric vehicles. Alfen also provided an online management tool for real-time insights in the usage of chargers and remote control of the chargers. Initially, 60 chargers of the model Eve, Alfen's smart charger with two outlets, will be installed in various parking lots of the European Commission around Brussels. The decision of the European Commission to implement charging infrastructure at its offices is in line with the EU rules which encourage the instalment of publicly accessible chargers for electric cars across the member states of the EU. This includes placing charging points at large parking lots, for example in apartment blocks or office buildings.
- *Public chargers throughout Belgium.* Alfen supplies charging points to Allego in Belgium for a project to provide 305 municipalities throughout the Flanders region in Belgium with a public EV charging infrastructure. Over a period of four years, the government aims to install around 2.500 charging stations near public- and carpool parking places, commercial hubs, office buildings and recreational areas. Alfen's scope includes the supply of smart public charging stations of the Twin model, and the integration of grid connection boxes of DSOs Eandis and Infrax for safety and measurement purposes, facilitating the integration of smart meters, which Belgium will roll-out during the next years. Towards the end of 2017, an extension of the project for 2018 was awarded.
- *Smart charging for the Electric Nation project.* In 2016, Alfen was selected to supply its intelligent EV charging stations of the Eve Mini model to the Electric Nation project in the United Kingdom. The objective of the Electric Nation project, the largest smart charging project in the world, is to allow the numbers of electric vehicles in the UK to increase, while minimising the cost and disruption involved in upgrading local electricity infrastructure. The project seeks to deploy smart chargers and as such minimise the ramifications of the increase in the number of EVs for the electricity network. Electric Nation is the customer-facing brand of CarConnect, a Western Power Distribution and Network Innovation Allowance funded project. Western Power Distribution's collaboration partners in the project are EA Technology, DriveElectric, Lucy Electric GridKey and TRL.

Integrated solutions overlapping the three business lines

Increasingly, challenges related to the energy transition require a multidimensional solution that covers a range of products or services. In many of its projects, Alfen incorporates various systems and solutions, applying in-house developed and produced products and systems to local situations and client requirements. In this way, Alfen's standardised products, systems and solutions function as

“building blocks” to be used in complex integrated systems and solutions that overlap across its three business lines. This unique capability allows Alfen to be prepared for changing markets and benefits Alfen’s clients in that they can engage Alfen as a one-stop-shop for a broad range of projects related to renewable energy solutions, offering them a holistic approach for optimal solutions. Examples include integrated charging hubs for electric vehicles connected with energy storage stations through a local smart grid, charging hubs or energy storage systems with a transformer substation connected to a local power grid. Through the combination of offering secondary transformer substations, energy storage systems and charge points, Alfen is able to provide for effective balancing of local grids.

For its offering of integrated systems and solutions, Alfen has the benefit of using its in-house developed products and standardised systems and solutions, which sets it apart from its competitors that are active in only one sector. Alfen has extensive expertise on how to adapt these various elements to meet local requirements, to fit local situations and to design and construct the right solution for each project. In order to fully align its operations with the industry trend towards complex integrated solutions, Alfen’s EV charging equipment business is located next to Alfen’s production facilities for substations and energy storage solutions, which enables Alfen to develop the concept of combining its products and solutions to deliver innovative solutions on the grid. Through the combination of its three business lines, Alfen also increasingly benefits from cross-selling opportunities with its clients. For example, for its client Stedin, Alfen first supplied a Smart Grid solution and subsequently an Energy Storage system, while for its client Vattenfall, Alfen first supplied an energy storage system and subsequently was assigned an EV charging equipment contract.

The following projects are examples chosen to give an impression of the type of work carried out by Alfen by offering complex solutions overlapping its business lines.

- *Integrated EV charging hub with energy storage at The Hague football-stadium in the Netherlands.* In 2018, Alfen is providing charging infrastructure for electric vehicles and energy storage at the ADO Den Haag football stadium in The Hague, the Netherlands, allowing visitors to charge their electric vehicles with energy from renewable resources. Alfen will provide a fully integrated project for Scholt Energy Control, supported by grid operator Stedin and the municipality of The Hague. Alfen’s 750 kW energy storage system can store the solar energy that is generated during the day, and supply this energy to the electric vehicles. For this project Alfen will supply a charging hub for electric vehicles consisting of 20 charge points with an advanced load balancing platform to maximise the utilisation of the existing grid connection. This charging hub will be connected directly to Alfen’s energy storage system, which is based on Samsung batteries. Alfen will also supply its remote management platform and connect the system to renewable energy sources and the electricity grid of Stedin.
- *Charging hub for electric vehicles on the rooftop of a shopping mall.* For its client NL MAB, a business charging solutions provider in the Netherlands, Alfen built a charging hub for EVs on the rooftop parking space of a shopping mall in Utrecht. For the project, Alfen delivered eight chargers of the Eve Mini model (22 kilowatts each) together with Alfen’s integrated “smart charging network”-solution with a central connection for local load management. In addition, Alfen provided one central back-end connection for all chargers, which displays the smart charging status of the chargers and allows for remote management and control and transaction services.
- *Energy storage system connected to an EV fast charging station and a rooftop solar system.* In 2016, Alfen started a project for grid operator Stedin and EV lease company MisterGreen in which a fast charging station for electric vehicles was equipped with solar panels and a local energy storage battery. As a result of the solar energy and local energy storage, peak loads decreased, maximum flexibility in offering variable price rates was attained and the charging station itself became more sustainable. If no EVs are connected to the charging station, the energy generated by the solar panels is stored for later use in the energy storage system. If the energy from the solar panels and the storage system has been used in full, the charging system can draw energy from the central grid.

Projects and services

Alfen executes hundreds of projects each year, supported by a dedicated projects and services department comprising 59 FTE as at 31 December 2017. The department provides project management services to clients for tailor-made projects that involve Alfen’s in-house developed and produced products, systems and solutions, including system integration performed by specialist

engineering and electricity grid technicians. In addition, Alfen offers service, management and maintenance activities, including 24-hour remote support and monitoring as well as an in-house technological know-how center.

Alfen's projects and service activities are provided across its business lines and are tailored to specific applications or local requirements. As part of its Smart Grids business line, Alfen delivers a complete medium voltage private micro-grid, including engineering, project management, installation and commissioning services. It provides fully operational turnkey solutions for transformer stations, including design and implementation of medium voltage networks. In addition, for its Energy Storage clients, Alfen offers prefabricated products in combination with installation and maintenance capacities, including for medium voltage design, transport, installation and commissioning. Alfen can provide a fully operational turnkey delivery of complete battery projects including project management, substations, grid connection, remote monitoring and on-site service. Alfen also offers its EV Charging clients a wide range of services in connection with its charging points, ranging from installation, smart charging to back-end management and remote control of charge points and maintenance services.

As part of its after-sales services, Alfen periodically monitors – either on site or remotely – the products and systems in the projects that it has installed. In addition, Alfen's clients often have to meet legal requirements in respect of their grid operations or energy storage facilities, which Alfen's project management services is also able to provide assistance on an on-going basis. Through years of experience with maintenance of electrical infrastructure, Alfen's maintenance and service technicians provide expert technical assistance to maintain reliable energy facilities and supply for its clients. Maintenance services are tailor-made to the client's needs for installation, compliance with legal safety standards and preventative and corrective maintenance.

Alfen has internal procedures in place to adequately ensure oversight, control and risk management over projects and tender processes, including an authorisation schedule that sets out the internal approvals required for Alfen to enter into legal and financial obligations.

Research and development

Alfen is focused on developing new products and pioneering new technologies to better serve its clients through the work of an in-house innovation team of 31 FTE as at 31 December 2017 in its facilities in Almere, the Netherlands. The members of this innovation team have extensive experience in mechanical and grid engineering, power electronics, software and communication techniques. New products are the culmination of the know-how of the research and development team combined with the experience obtained by Alfen during decades of work on electricity grids and secondary transformer substations and charge points. Research and development engineers employed by Alfen have been with the Company for 5,2 years on average (as at 31 December 2017). Excluding new hires in 2017, this average was 9,4 years. Alfen conducts its research and development activities with a focus on innovation for product and process enhancements as well as quality and cost improvements. Alfen's approach to innovation is based on three pillars (i) maintaining a research and development team covering a broad set of disciplines, (ii) engaging in early stage pilot projects to develop innovations with long-standing clients, and (iii) cross leveraging innovations between product groups, customer segments and geographies.

Alfen aims to participate in pilot projects that focus on innovative solutions that contribute to Alfen's development capacities within its business lines. An example of a pilot project is the development of one of the first EV chargers in Europe in 2008, as a response to the question of a grid operator what the impact on the grid could be from a large scale roll-out of EVs. Another example is the participation in a pilot testing for grid automation for a grid operator to equip its secondary transformer substations with smart technology that enables their operators to gain real-time insights in the status of the electricity grid, including insights into instantaneous loads at different nodes within the electricity grid.

Alfen currently has a unique and mature product portfolio with standardised elements that can easily be combined or slightly changed. This results in a high level of adaptiveness and flexibility and facilitates new product and market introductions. Alfen also aims to cross leverage innovations between product groups, customer segments and geographies. For example, the communication software and back office originally developed for Alfen's charging equipment, was also used for its grid automation devices and energy storage systems. In this manner, Alfen drives continuous innovation and strengthens the relationship with its major clients.

Alfen intends to continue to focus on adding functionalities to existing products and to develop new products to ensure that it remains technologically competitive. For example, in 2017 Alfen updated and redesigned the Eve charger, taking into account the latest trends and requirements in EV charging, including a larger display, additional safety features and compliance with the latest standards for electric vehicle conductive charging system.

Alfen offers extensive options for configuring the charging station. In addition, Alfen is adapting its products to make them fit for other countries. For example, Alfen will be releasing a product for the German market that complies with the *Eichrecht*, a regulation on encrypted communication that will be mandatory as of 2020, when all non-compliant chargers will have to be adjusted.

Alfen's research and development costs include all costs, internal and external, which are spent for research and development. This includes mainly salaries and wages for own staff as well as external personnel as well as third-party services for research and development support. Research and development costs accounted for 2,1% of total revenue in the financial year 2017. The development costs are capitalised on Alfen's balance sheet and amortised over a five-year period.

Intellectual property

Alfen's intellectual property and know-how, resulting from the in-house development of various innovative products, systems and solutions is primarily protected through strict contractual protections on confidentiality and intellectual property in Alfen's agreements with its employees and suppliers. The Management Board of Alfen considers this to be the preferred approach, instead of protecting its intellectual property through patents or design rights. The reason for this strategy is that the patent request procedures require public disclosure of certain technology developments and specific know-how that may enable competitors to benefit from Alfen's technology by using these insights to develop their own (potentially competing) technology. As a result of this strategy, patents and licenses are not material to Alfen's business or profitability.

Alfen owns registrations and applications for various trademarks, design rights and domain names and one patent. One of the most important trademarks is the name "Alfen", as this name is currently used by its operating companies. This trademark is protected in the EU. The Alfen logo has also been registered in the EU.

Suppliers

Alfen requires parts and components for its products, such as transformers, batteries and displays, and benefits from reliable supplier access. Since Alfen operates an asset-light business model, it sources standardised components, such as transformers or batteries, from multiple suppliers and outsources the production of certain other parts, such as printed circuit boards or displays, to long-term partners.

Important electrical components like batteries, mid and low voltage switchgears and other related electronics are sourced from A-brand component suppliers like Samsung, Danfoss, Eaton and Socomec. Alfen works with its suppliers to make tailor-made products that comply with specific customer needs. Examples are battery container manufacturers, sheet metal and copper production companies, prefabricated concrete substation housing manufacturers and other sub-component, raw material and parts suppliers. Alfen has a number of framework agreements in place with key suppliers. With some of these key suppliers, Alfen has agreed that they will supply exclusively to Alfen and not to any of its competitors. Alfen carries out ongoing quality controls of its suppliers to ensure the highest quality materials are used for the production of Alfen's products. For its A-brand component suppliers, Alfen has a multiple supplier strategy in place in respect of potentially critical component suppliers (for example transformers or batteries) in order to ensure a continuous operation.

Alfen has carefully selected its suppliers and strives to cooperate with its partners in the supply chain to use sustainable materials. In addition, many of Alfen's products, systems and solutions are developed and produced in-house, including hardware and software applications. This makes Alfen adaptable to new market developments, resulting in short innovation cycles, cross leverage of concepts and short time to market. It also facilitates Alfen's potential to offer its clients system integration and project management and services, including remote support and technical knowledge. Alfen believes that access to reliable and reputable suppliers will ensure Alfen's continuous operation. Suppliers are selected based on various principles that are applied and weighted depending on the specific requirements for a particular situation and include product quality, performance (reliability and

availability), exclusivity, intellectual property protection and competitive commercial conditions. The procurement department facilitates supplier selection processes with relevant internal stakeholders including the departments for sales, project management, research and development and operations.

The majority of Alfen's suppliers are based in Europe, however, some components used by these suppliers are sourced from countries outside of Europe. Batteries are the most important category of components for which Alfen substantially relies on suppliers from outside Europe (for example, Samsung and LG), but Alfen also sources batteries from Germany (BMW). All suppliers provide, on request, 'harmonised system' codes indicating the country of origin of their products. Alfen is currently in the process of having its suppliers adhere to its supplier code of conduct to ensure that as it expands its operations, the partners in its supply chain continue to comply with relevant laws and regulations and best practices relating to conflicts of interest, child labour, health, safety and environmental matters, employee wellbeing, corporate social responsibility, anti-bribery and data protection, privacy and security.

Sales, marketing and distribution

Alfen has its own local sales and marketing organisations in the Netherlands, Belgium, the United Kingdom and Germany as well as a network of distributors and resellers throughout Europe which service its business lines. Alfen has 19 FTE in its sales and marketing department as at 31 December 2017, of which 7 FTE are focussing on international sales, each of whom is specialised in one or more of Alfen's business lines.

Alfen has an extensive distribution network for the sale of Alfen products, systems and solutions across Europe, which it intends to further develop. Alfen has 80 years of experience and typically has long-standing relationships with its distributors and resellers. Through this network, Alfen has access to markets that are still in early stages of development but may prove to be important markets in the future.

Alfen sells its products under the Alfen brand. In the past, Alfen sold and marketed EV charging equipment under a separate 'ICU' ('Integrated Charging Unit') brand, but from early 2017 the entire EV Charging business line has been operating under the Alfen brand. Resellers, distributors and dealers are supplied with standardised marketing packages to support coherent communication about Alfen to clients. Marketing materials are available in multiple languages to support the internationalisation of Alfen's sales efforts. Alfen generates media exposure through its own press releases and news items which are published on its website and on social media. This also allows Alfen to advertise with the projects it implements for large multinationals. In addition, Alfen has presence at various leading industry trade fairs, for example the European Utility Week, Cired (a forum for Electricity Distribution Community in Glasgow) and several EV related fairs, such as Ecomobiel in the Netherlands, Cenex Low Carbon Vehicle Event in the United Kingdom and eMove360° in Munich.

Production

Alfen's production facilities are located in Almere, the Netherlands, and serve each of its business lines. Alfen's production operations currently comprise a work force of 101 FTE as at 31 December 2017, including mechanical workforce, quality controllers, warehousing and planning.

Alfen's production activities are characterised by asset-light operations. Standard components, such as batteries, transformers and switches, are sourced from external suppliers and capital-intensive production of several parts (such as printed circuit boards and product casings) is outsourced to long-term partners. Alfen's production processes focus on assembling the components and parts and integrating them into Alfen's final products. This results in low inventory levels, limited working capital requirements and a high level of adaptability to new market developments, which can be integrated into existing production activities.

At its headquarters on the Hefbrugweg in Almere, the Netherlands, Alfen has a production facility of approximately 3.000 m². In this facility, Alfen produces products for the Smart Grids business line and it has laboratories, prototype development and testing facilities. The testing facilities include 100 kilovolt high voltage testing, electromagnetic compatibility testing, load testing and climate rooms. The area is also designed for the production of Smart Grid products and the final assembly of Alfen's Energy Storage systems. In 2017, the facilities were upgraded by a full refurbishment of the entrance, offices and meeting rooms.

In 2016, Alfen acquired the premises at the Vlotbrugweg in Almere, the Netherlands, adjacent to the existing facilities at the Hefbrugweg. Next to office space, it houses a production facility of 1.000 m², including the pre-assembly of the energy storage systems and the production and warehousing of EV Charging equipment. It also houses the service and replacement components for Smart Grid solutions and EV Charging equipment.

In 2017, Alfen changed the production system after it experienced increasing demand from its clients for shorter lead times, as well as for increased product specific requirements. Alfen initiated a project which resulted in the introduction of a flow production based on lean principles to replace the traditional batch production. This leads to better standardisation processes with shorter lead times and consistent quality. At the same time, the logistical operations have also been further optimised. Just-in-time delivery has increasingly been agreed with key suppliers and Alfen's logistic operations in warehouses have been optimised, accommodating the scale-up of standardised production flows.

Alfen believes that it has sufficient capacity potential to be able to increase its production without requiring substantial capital expenditures to realise such additional production capacity. In its Smart Grids business line, Alfen would be able to produce over 3,5 thousand substations (production in 2017: approximately 1,3 thousand), while in its EV Charging business line, it would be able to produce over 90 thousand EV chargers (production in 2017: 8 thousand) and in the Energy Storage business line, Alfen could potentially produce over 125 MW of energy storage systems (production in 2017: 7 MW).⁷⁵ This production capacity potential can be reached in each of Alfen's business units simultaneously and one would not be at the cost of the other.

Governmental regulation

Alfen's operating companies and their subcontractors are engaged in the design, engineering, construction and production of Alfen's products at sites in the Netherlands and Belgium and are affected by various statutes, regulations and laws in the countries and markets in which it operates. Alfen is subject to various national, state and local laws applicable to businesses generally, including, but not limited to, laws affecting tax, land use, the environment, occupational health and safety, product safety, quality and liability, transportation, labour and employment practices (including pensions), competition and other matters. In addition, manufacturing codes may affect the products that Alfen is permitted to sell. These laws are administered by various regulatory bodies in the Netherlands and in the other countries in which Alfen operates.

Alfen's production facilities in the Netherlands include two facilities located in Almere, at the Hefbrugweg and the Vlotbrugweg respectively, adjacent to each other. Both facilities qualify as a facility (*inrichting*) under the Dutch Environmental Management Act (*Wet milieubeheer*). The production facility at the Hefbrugweg in Almere, the Netherlands is considered a type B facility and the facility located at the Vlotbrugweg in Almere, the Netherlands, qualifies as a type A facility. Both facilities are covered by the general environmental rules in the Activities Decree and do not require environmental operating permits. The Company is not aware of any environmental issues or a failure to comply with any applicable environmental laws or regulations.

Alfen is committed to environmental protection, quality management and control, and safety. Alfen's quality management system is ISO9001 certified and Alfen is in the process of implementing ISO14001 relating to environmental management. Alfen's quality control team is responsible for ensuring product quality. Alfen regularly holds 'toolbox meetings' during which employees are educated on workplace hazards and safe work practices in accordance with Alfen's safety policy. Employees may only operate certain hazardous equipment, such as hoisting equipment, forklifts and waste presses, after having received appropriate instructions and having demonstrated capability of handling the relevant equipment. Part of Alfen's business includes the combination of products manufactured by its suppliers. Often, such suppliers are subject to certain EU-regulations and national legislation governing product safety, which may also apply to Alfen's products and their components.

In addition, Alfen receives government support for research and development initiatives and for some of the renewable energy projects that it provides its products and services to. These include subsidies and tax deductions and may additionally include tax exemptions in the future. Alfen undertakes part of its renewable energy projects in cooperation with third parties. This means that

⁷⁵ Based on Alfen estimates, assuming implementation of further efficiency measures, logistical measures, additional building lease and introducing multiple shifts for production teams, all depending on the exact product mix, without requiring multimillion capital expenditure costs.

the total sum of government support is split between the participating project parties. As security for projects that receive government support, project parties may be required to provide a co-financing declaration for the costs that are not covered by the government support received.

Property, plant and equipment

Alfen has two owned and interconnected premises in the Netherlands that it uses as production and office facilities. It also has leased premises in Belgium, which houses the local sales organisation, a project management team and warehousing facilities.

The following table provides an overview of Alfen's real estate holdings.

Real estate	Total land size	Office area	Production area	Owned / leased
Hefbrugweg 28, Almere, the Netherlands	9.500 m ²	1.300 m ² (1)	3.000 m ²	Owned
Vlotbrugweg 24, Almere, the Netherlands ...	2.700 m ²	900 m ² (2)	1.000 m ²	Owned
Wittewalle 1E, Ghent, Belgium	216 m ²	432 m ² (3)	N/A	Leased

(1) The office area at Hefbrugweg comprises two floors.

(2) The office area at Vlotbrugweg comprises two floors.

(3) The property at Wittewalle comprises 1 floor of office area and 1 floor of warehouse area.

Recent developments

Alfen entered into an agreement for the lease of an additional logistics centre next to Alfen's headquarters in Almere as of 1 February 2018 for an amount of €2 thousand per month until 15 January 2019. Alfen has agreed with the landlord to acquire these premises as at 15 January 2019 for a purchase price of €325 thousand which Alfen plans to pay for in cash upon delivery. In addition, Alfen entered into an agreement for the lease of an area for the assembly of TheBattery and office area located at Hefbrugweg 6 in Almere, the Netherlands, effective as from 1 July 2018 for an annual amount of €180.000, payable in quarterly instalments. The agreement has a duration of ten years and contains a break clause allowing Alfen to terminate the agreement after five years from the effective date, provided that upon such termination Alfen pays a penalty to the landlord of €65.000.

Material contracts

In addition to the agreements referred to in "*Operating and Financial Review – Liquidity and Capital Resources*" and "*Selling Shareholders – Related Party Transactions – Relationship Agreement*", the following are agreements (other than the Underwriting Agreement described under "*Plan of Distribution*" or agreements entered into in the ordinary course of business), that have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this Prospectus, which are material or which have been entered into by the Company or any of its subsidiaries at any other time and which contain provisions under which the Company or any of its subsidiaries has an obligation or entitlement that is material to Alfen as of the date of this Prospectus.

Combination agreement BAM/Alfen V.O.F.

Alfen B.V. and BAM Infratechniek Mobiliteit B.V. ("**BAM**") jointly develop products and jointly participate in public and private tenders for the sale, installation, maintenance and exploitation of charging systems. BAM is a Dutch construction company specialised in infrastructure projects. To formalize their cooperation, on 15 April 2013, Alfen B.V. and BAM incorporated BAM/Alfen V.O.F., a general partnership (*vennootschap onder firma*) under Dutch law and registered in the trade register of the Chamber of Commerce (*Kamer van Koophandel*) under number 852793674 ("**BAM/Alfen V.O.F.**"). The management board of BAM/Alfen V.O.F. consist of one representative of each of the two general partners and decides on, amongst others, the following:

- whether certain projects/contracts are in scope of the Combination Agreement (as defined below);
- the extent to which Alfen B.V. and BAM participate in a project agreement in the tender- and maintenance phase;
- the appointment of project leaders for each project agreement; and
- changes to the combination agreement;

The BAM/Alfen V.O.F. general partnership is governed by a combination agreement (*combinatieovereenkomst*) dated 15 April 2013, which arranges, among others, the governance of BAM/Alfen V.O.F. and sets out the procedure for participation in projects and execution of project agreements. For each project or contract, a separate project agreement will be concluded. As at 31 December 2017, the only project undertaken by BAM/Alfen V.O.F. is in relation to a framework agreement with the municipality of The Hague, the Netherlands, for the supply of EV charging systems entered into on 15 March 2013. Alfen B.V. and BAM have each executed the project agreement in relation to this framework agreement. The contract for management, maintenance and exploitation of EV charging equipment with the municipality of The Hague terminated on 31 December 2017. BAM/Alfen V.O.F. will remain existing as a general partnership for another year after such termination, in connection with certain guarantees that BAM/Alfen V.O.F. has provided for the EV charging systems. It is envisaged that BAM/Alfen V.O.F. will be dissolved after all obligations have expired.

Credit agreement with Rabobank

On 8 January 2018, Alfen entered into a new credit agreement with Rabobank pursuant to which Alfen increased its existing working capital credit facility from €8 million to €11,3 million and obtained two new loans, each with principal amount of €875 thousand. The agreement includes the following credit facility and loans:

- a €11,3 million credit facility for an indefinite period of time (Alfen B.V. being jointly and severally liable with the other Alfen entities) consisting of a base amount of €4,0 million plus a variable facility equal to a maximum of 60% of secured receivables outstanding (with a maximum of €7,3 million);
- a €875 thousand loan for a duration of ten years (Alfen B.V. as the recipient of the loan being jointly and severally liable with the other Alfen entities) to be repaid at once after expiry of the ten year term; and
- a €875 thousand loan for a duration of ten years (Alfen B.V. as the recipient of the loan being jointly and severally liable with the other Alfen entities) with a repayment schedule of ten equal instalments over a ten year term.

The credit agreement contains events of default customary for this type of facility, including change of control events (which will not be applicable to the Offering). Furthermore, the agreement includes the following covenants: (i) a negative pledge, stating that Alfen will not pledge any of its assets without the written consent of Rabobank; (ii) a non-distribution clause (*niet-onttrekkingsbepaling*), pursuant to which Alfen B.V., as long as they are indebted, can only distribute dividend after receiving the written consent of Rabobank; and (iii) a minimal bank EBITDA⁷⁶ covenant on a consolidated net level of €1,5 million for an amount drawn of less than €10 million under the credit facility and the loans from Rabobank (in case the total amount drawn is between €10 million and €12,5 million, a minimal bank EBITDA covenant of €1,75 million applies and in case the total amount drawn is between €12,5 million and €15 million, a minimal bank EBITDA covenant of €2 million applies). Compliance with the minimal bank EBITDA will be tested each financial year based on the financial statement and the annual certificate of the Company, commencing in the financial year of 2018.

The two loans are secured with additional mortgages in the total amount of €1,3 million on the real estate owned by the Company. For further details of Alfen's credit facility and securities that have been issued, see "*Operating and Financial Review – Liquidity and Capital Resources*".

Information technology

Alfen relies on a number of IT systems to support its business operations. It has implemented a combination of standard and custom-made IT systems, including application-specific measures such as market practice virus and access protection and encryption systems as well as standardised IT infrastructure and applications, which are mainly used for enterprise resource planning, finance and human resource management. Custom made solutions are in place to enable communication and configuration between the various different applications used by Alfen. All *internal* data is stored at company servers spread over its two locations in Almere, the Netherlands, providing full redundancy in the event of malfunctions or external events. Alfen regularly tests and updates its IT systems. Risk

⁷⁶ "bank EBITDA" is defined as EBITDA minus the capitalised development cost for the respective year. The bank EBITDA for 2017 amounts to €2,1 million, being EBITDA of €4,0 million minus 2017 capitalised development cost of € 1,9 million.

management related to IT systems and applications is conducted using standardised applications as well as an internal control system.

For its remote management and control platform Alfen Connect, Alfen has implemented an ISO 27001 certified information security management system, resulting in a framework of policies and procedures that include legal, physical and technical controls regarding Alfen's information risk management processes. Through its webshops and EDI (Electronic Data Interchange) connections, Alfen ensures a high degree of customer integration.

Corporate social responsibility

Alfen has a corporate social responsibility agenda in place which focuses on footprint optimisation, the product lifecycle and people development and safety.

Alfen regards saving energy as an important aspect of its business. To monitor and reduce its carbon footprint, Alfen monitors the CO₂ emissions resulting from operating business. It reports on and has certified its CO₂ emission reduction measures. With the Carbon Footprint Analysis, Alfen obtains insights in its current energy consumption and carbon emissions, which enables it to define and implement realistic reduction targets. This turns the reduction of Alfen's carbon footprint into an intrinsic part of its daily work. Furthermore, Alfen aims to enhance its product lifecycle by using sustainable materials for its own design process, all in compliance with Alfen's code of conduct. Alfen strives to cooperate with its partners in the supply chain to recycle and reuse materials and to reduce emissions and waste. As a result, Alfen has a high ranking (four out of five) on the CO₂ "prestatieladder" (an important rating mechanism).

Production, installation and maintenance activities can be potentially hazardous for human safety. In order to prevent accidents, occupational illness and injuries within its business as much as possible, Alfen has implemented various safety measures. In addition, Alfen believes it is important to develop the knowledge of its employees to make them better aware of the potential risks of materials and techniques that are used within Alfen.

Since 2008, Alfen has its own in-house training centre, called Alfen Academy. In cooperation with the local Deltion College, a modern apprenticeship track was formed, with a professional and practical approach. Based on Alfen's focus on people and involvement in society, it received various awards. The Dutch regional network VBA designated Alfen the "Internship Company of the Year" in 2009, 2013 and 2014. In November 2017, Alfen was awarded a prize for best educational program for students of intermediate vocational studies in the Netherlands, out of 230.000 registered corporate education programs, awarded by Samenwerkingsorganisatie Beroepsonderwijs Bedrijfsleven, an organisation which stimulates vocational education in business environments. Alfen has long offered 'Work & Learn' positions to vocational students in the heart of the energy transition. This also helps Alfen to discover talented individuals to become a part of Alfen's organisation.

Insurance

Alfen maintains insurance cover that is customary for the industry it is active in. Alfen's insurances provide cover for claims by third parties for damages as a result of, for example, general civil liability, product liability, professional liability and environmental liability. The insurances also provide cover for damages incurred by Alfen, such as property damage (relating to buildings, equipment, inventory or goods), business interruption and business loss.

Alfen has not made any material claims under any of its insurance policies. Alfen believes that its insurance coverage, including the maximum coverage amounts and terms and conditions of the insurance policies, are appropriate and standard for Alfen's industry. Alfen cannot, however, guarantee that it will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

Legal and arbitration proceedings

At any given time, the Company may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of its business. Alfen is currently involved in a limited number of proceedings and settlement negotiations, all of which are in the ordinary course of business and none of which are considered material in the context of Alfen's business, financial condition or results of operations.

A property rental claim was filed against the Company's subsidiary Alfen B.V. in 2016 for a principal amount of €605 thousand. On 18 October 2017, the district court rendered a judgment in

favour of Alfen B.V. to dismiss the claim. On 16 January 2018, the claimant gave Alfen B.V. formal notice of appeal and proceedings to appeal have been filed. Although Alfen cannot guarantee a certain outcome, it currently expects that there will be no negative consequences for its financial position resulting from these proceedings.

Neither the Company nor any of its group companies are, or during the 12 months preceding the date of this Prospectus have been, involved in any governmental, legal, tax or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) that may have, or have had in the recent past, significant effects on Alfen's financial position or profitability.

Group structure

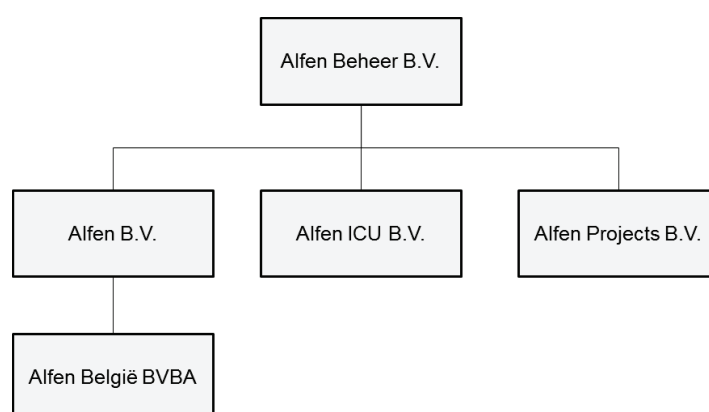
The Company is a holding company with no material, direct business operations. The principal assets of Alfen are the equity interests it directly holds in its operating subsidiaries. As a result, Alfen is dependent on dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the future payment of dividends, if any. See "*Dividends and Dividend Policy*". Alfen's group company Alfen Projects B.V. has not carried out any activities prior to the date of this Prospectus.

Legal structure

The legal structure of Alfen consists of five legal entities. The legal structure chart included below presents the structure of the Company as a holding company of Alfen's operating companies. The chart provides an overview as at the date of this Prospectus.

Legal structure chart as at the date of this Prospectus

All legal entities shown are 100% owned by their shareholder.



The following table provide an overview of the subsidiaries of Alfen as at the date of this Prospectus. All of these are 100% owned. Alfen Beheer B.V. will be converted into Alfen N.V. with effect as of the First Trading Date.

Holding company	Principal subsidiaries
Alfen Beheer B.V.	Alfen B.V. (the Netherlands) Alfen ICU B.V. (the Netherlands) Alfen Projects B.V. (the Netherlands)
Alfen B.V.	Alfen België BVBA (Belgium)

CAPITALISATION AND INDEBTEDNESS

The tables below set forth Alfen's capitalisation and indebtedness as at 31 December 2017, on an actual basis (based on its audited consolidated balance sheet as at 31 December 2017) and as adjusted to reflect the issuance of Ordinary Shares to the Selling Shareholders on 1 March 2018. The column headed "adjusted for the issuance" shows what the capitalisation and indebtedness would have been at 31 December 2017 had the issuance of Ordinary Shares to the Selling Shareholders been completed at that date.

The information set forth in the table below should be read in conjunction with, and is qualified by reference to, "*Operating and Financial Review*" and the Consolidated Financial Statements included as an annex to this Prospectus.

Capitalisation

	As at 31 December 2017 (in EUR '000)	
	(actual)	(adjusted for the issuance) ⁽¹⁾
Total current debt		
Guaranteed	—	—
Secured	1.434 ⁽²⁾	1.434 ⁽²⁾
Unguaranteed/Unsecured	—	—
Total current debt	1.434	1.434
Total non-current debt (excluding current portion of long-term debt)		
Guaranteed	—	—
Secured	1.660	1.660
Unguaranteed/Unsecured	—	—
Total non-current debt	1.660	1.660
Shareholders' equity		
Share capital	18	2.000
Legal reserves	3.948	3.948
Other reserves	2.840	858
Total shareholders' equity	6.806	6.806
Total capitalisation	9.900	9.900

(1) Unaudited.

(2) Secured current debt comprises current bank debt (€1.224 thousand) and current portion of non-current debt (€210 thousand).

As at 31 December 2017, the following security has been granted for the secured debt:

- a first ranked mortgage that amounts to €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 that amounts to €0,9 million for land and buildings on the Vlotbrugweg 24, 1332 AJ Almere, cadastral known as section M number 60, Almere; and
- a first pledge for:
 - all current and future equipment of the Company;
 - all current and future inventory of the Company;
 - all current and future vehicles of the Company; and
 - all current and future rights and receivables whether or not resulting from current and future relationships, including the rights from insurance agreements.

Since 31 December 2017 there has not been a material change in any of the information included in the tables above, except that on 8 January 2018, the Company increased its working capital credit facility with Rabobank from €8 million to €11,3 million and obtained two new loans, each with a principal amount of €875 thousand and a duration of 10 years. See “*Business — Material Contracts*” and “*Operating and Financial Review — Liquidity and Capital Resources*”. These changes have the following impact on the information included in the “adjusted for the issuance” table above:

- one of the two new loans has to be repaid at once after expiry of its ten year term, which means that the secured non-current debt increases with an amount of €875 thousand;
- the other of the two new loans has a repayment schedule of ten equal instalments over a ten year term, which means that 90% of the loan qualifies as secured non-current debt, which increases with an amount of €787.500, and 10% of the loan qualifies as secured current debt, which increases with an amount of €87.500;
- the increase of the working capital credit facility has no impact on the information included in the tables above.

As a result of this impact on the information included in the “adjusted for the issuance” table above, the secured non-current debt increases from €1.660 thousand to €3.323 thousand and the secured current debt increases from €1.434 thousand to €1.522 thousand.

Indebtedness

	As at 31 December 2017 (in EUR ‘000)	
	(actual)	(adjusted for the issuance) ⁽¹⁾
Cash.....	—	—
Cash equivalents.....	—	—
Trading securities	—	—
Liquidity.....	—	—
Current financial receivables	—	—
Current bank debt.....	1.224	1.224
Current portion of non-current debt.....	210 ⁽²⁾	210
Other current financial debt	—	—
Current financial debt.....	1.434	1.434
Net current financial indebtedness		
Non-current bank loans.....	1.660 ⁽²⁾	1.660
Bonds issued.....	—	—
Other non-current loans.....	—	—
Non-current financial debt.....	1.660	1.660
Net financial indebtedness	—	—

(1) Unaudited.

(2) The current portion of non-current debt (€210 thousand) and the non-current bank loans (€1.660 thousand) jointly comprise the aggregate book value of the two mortgage loans (€1.870 thousand) as at 31 December 2017. See “*Operating and Financial Review — Liquidity and Capital Resources — Credit Facility*”.

Since 31 December 2017 there has not been a material change in any of the information included in the tables above, except that on 8 January 2018, the Company increased its working capital credit facility with Rabobank from €8 million to €11,3 million and obtained two new loans, each with a principal amount of €875 thousand and a duration of 10 years. See “*Business — Material Contracts*” and “*Operating and Financial Review — Liquidity and Capital Resources*”. These changes have the following impact on the information included in the “adjusted for the issuance” table above:

- one of the two new loans has to be repaid at once after expiry of its ten year term, which means that the non-current debt increases with an amount of €875 thousand;
- the other of the two new loans has a repayment schedule of ten equal instalments over a ten year term, which means that 90% of the loan qualifies as non-current debt, which increases with an amount of €787.500, and 10% of the loan qualifies as current debt, which increases with an amount of €87.500;
- the increase of the working capital credit facility has no impact on the information included in the tables above.

As a result of this impact on the information included in the “adjusted for the issuance” table above, the secured non-current debt increases from €1.660 thousand to €3.323 thousand and the secured current debt increases from €1.434 thousand to €1.522 thousand.

See “*Operating and Financial Review — Off-Balance Sheet Arrangements and Contingent Liabilities*” for a discussion of the Group’s indirect and contingent indebtedness.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth Alfen's selected consolidated income statement, selected consolidated balance sheet and selected consolidated statement of cash flows and certain other financial data as at the dates and for the periods indicated. The selected consolidated financial information set out below is a summary only. It may not contain all of the information that is important to prospective investors and, accordingly, should be read in conjunction with "*Important Information — Presentation of Financial and Other Information*", "*Capitalisation and Indebtedness*", "*Reasons for the Offering and Use of Proceeds*", "*Operating and Financial Review*", and the Consolidated Financial Statements beginning on page F-1 of this Prospectus, including the notes thereto.

Alfen's consolidated financial information as at and for the years ended 31 December 2017, 2016 and 2015 were extracted from the Consolidated Financial Statements. The following tables also include certain non-IFRS financial metrics for the periods indicated.

Selected Consolidated Income Statement

	Financial Year		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Revenue.....	73.368	61.522	50.548
Other Income	968	—	—
	74.336⁷⁷	61.522	50.548
Operating Expenses			
Costs of raw materials and consumables.....	(49.854)	(42.113)	(34.611)
Costs of outsourced work and other external costs	(2.852)	(2.395)	(2.460)
Personnel expenses	(12.773)	(10.730)	(8.262)
Amortisation on intangible assets.....	(1.030)	(745)	(497)
Depreciation on property, plant and equipment	(568)	(450)	(422)
Other operating costs.....	(4.842)	(3.482)	(2.956)
	(71.919)	(59.915)	(49.208)
Operating profit	2.417	1.607	1.340
Finance income	—	—	—
Finance costs.....	(128)	(79)	(43)
Finance income (costs) – net	(128)	(79)	(43)
Profit (loss) before income tax	2.289	1.528	1.297
Income tax expense.....	(568)	(393)	(313)
Profit (loss) for the period	1.721	1.135	984

⁷⁷ In this Prospectus, the Company's "total revenue" includes "revenue" as well as "other income" as included in the consolidated statement of comprehensive income of the Consolidated Financial Statements. Other income is generated from government grants received in connection with Alfen's business operations.

Selected Consolidated Balance Sheet

	Financial Year		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Assets			
Non-current assets			
Property, plant and equipment	4.435	3.163	1.580
Intangible assets	3.948	3.092	2.413
Deferred tax assets	424	376	428
Receivables	23	30	30
Total non-current assets	8.830	6.661	4.451
Current assets			
Inventories	3.487	3.756	2.410
Trade and other receivables	17.539	11.102	9.393
Cash and cash equivalents	—	1.408	1.335
Total current assets	21.026	16.266	13.138
Total assets	29.856	22.927	17.589
Group Equity			
Share capital	18	18	18
Share premium	3.895	3.895	3.895
Retained earnings	1.172	37	(952)
Result for the year	1.721	1.135	984
Total group equity	6.806	5.085	3.945
Liabilities			
Non-current liabilities			
Borrowings	1.660	1.870	1.200
Deferred tax liabilities	1.024	808	638
Provisions	29	29	32
Total non-current liabilities	2.713	2.707	1.870
Current Liabilities			
Trade and other payables	18.536	13.699	9.843
Current tax liabilities	255	193	598
Bank overdraft	1.224	—	—
Borrowings	210	210	150
Deferred revenue	112	1.033	1.183
Total current liabilities	20.337	15.135	11.774
Total liabilities	23.050	17.842	13.644
Total equity and liabilities	29.856	22.927	17.589

Selected Consolidated Statement of Cash Flows

	Financial Year		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Cash flows from operating activities			
Operating profit	2.417	1.607	1.340
<i>Adjustments for:</i>			
– Depreciation, amortisation and impairment expenses	1.598	1.195	919
– Change in provision	—	(3)	7
– Change in non-current receivables	7	—	(30)
<i>Changes in operating assets and liabilities</i>			
– (Increase)/decrease inventories	269	(1.346)	318
– (Increase)/decrease construction contracts	(1.489)	(540)	(871)
– (Increase)/decrease trade and other receivables	(4.522)	(401)	(1.911)
– Increase/(decrease) trade and other payables	3.473	2.931	3.564
Cash generated from operations	1.753	3.443	3.336
Income taxes (paid) / received	(338)	(576)	(19)
Interest (paid)	(111)	(67)	(40)
Interest received	—	—	—
Net cash inflow / (outflow) from operating activities	1.304	2.800	3.277
Cash flows from investing activities			
Payment for property, plant and equipment	(1.840)	(2.033)	(518)
Payment for intangible assets	(1.886)	(1.424)	(1.019)
Net cash inflow / (outflow) from investing activities	(3.726)	(3.457)	(1.537)
Cash flows from financing activities			
Proceeds from issuance of shares	—	—	—
Proceeds from borrowings	—	900	—
Repayments of borrowings	(210)	(170)	(150)
Dividends paid to company's shareholders	—	—	(2.300)
Net cash inflow / (outflow) from financing activities	(210)	730	(2.450)
Net increase/(decrease) in cash and cash equivalents	(2.632)	73	(710)
Cash and cash equivalents at the beginning of the financial year	1.408	1.335	2.045
Cash and cash equivalents at the end of the financial year	(1.224)	1.408	1.335

OPERATING AND FINANCIAL REVIEW

The following is a discussion of the results of operations and financial condition of the Company and its consolidated subsidiaries as at and for the financial years 2017, 2016 and 2015. This discussion should be read in conjunction with the Consolidated Financial Statements, including the notes thereto starting on page F-1 of this Prospectus. This discussion should also be read in conjunction with the information relating to the business of Alfen included elsewhere in this Prospectus in “Important Information — Presentation of Financial and Other Information”, “Industry”, “Business” and “Selected Consolidated Financial Information”.

The Consolidated Financial Statements as at and for the financial years 2017, 2016 and 2015 starting on page F1 of this Prospectus are special purpose financial statements prepared for the purposes of the Offering and have been prepared in accordance with IFRS as adopted by the European Union. Further, the Company has adopted “First-time Adoption of International Financial Reporting Standards” (IFRS 1). These are the first consolidated financial statements that the Company has prepared in accordance with IFRS, and 1 January 2015 was the date of transition. Information about the use of mandatory exceptions in IFRS 1 applied in the conversion from Dutch GAAP to IFRS and the reconciliation of Dutch GAAP to IFRS required by IFRS 1 are presented in Note 29 to the Consolidated Financial Statements.

Unless otherwise stated, the annual information included in this operating and financial review is based on the Consolidated Financial Statements. Some tables in this section also present so called Non-GAAP Measures (i.e. figures not defined under IFRS). These Non-GAAP Measures are key figures used by the Management Board to monitor the performance of the company. Non-GAAP measures are defined and reconciled to the most comparable IFRS measure below. See “Important Information — Presentation of Financial and Other Information”.

The following discussion includes forward looking statements that reflect the current views of the Management Board and involves risks and uncertainties. Alfen’s actual results could differ materially from those contained in any forward looking statements as a result of factors discussed below and elsewhere in this Prospectus, particularly in “Risk Factors”, “Important Information — Presentation of Financial and Other Information” and “Important Information — Information Regarding Forward-Looking Statements”. Prospective investors should read this Prospectus in its entirety and not just rely upon summarised information set forth in this Operating and Financial Review.

All of the financial information presented in the following tables is shown in euro (“€”). Numerical figures contained in the following tables in thousands or millions, as well as percentages relating to numerical figures have been rounded in accordance with standard commercial practice. Therefore, totals or subtotals contained in the following tables may differ minimally from figures provided elsewhere in this Prospectus, which have not been rounded. Due to rounding differences, individual numbers and percentages may not add up exactly to the totals or subtotals contained in the following tables or mentioned elsewhere in this Prospectus.

Overview

Alfen’s mission is to develop, produce and connect the key elements of the future electricity grid. To achieve the EU’s ‘2030 strategy’ targets,⁷⁸ an estimated €38 billion of additional investments in renewable energy sources is needed in Europe and Alfen’s expertise in electricity grids, energy storage systems and EV charging equipment will enable it to play a central role in contributing to these investments.

Alfen is active in three business lines: Smart Grids, Energy Storage and EV Charging, operating as an innovative international developer and supplier of standardised and integrated electric energy products, systems and solutions. It endeavours to play a central role in the electricity grid by facilitating the technological advances and industrial shifts being implemented in connection with the energy transition, based on a range of in-house developed products, systems and solutions that build on its expertise as a systems integrator.

⁷⁸ See “Industry”.

The business operations of Alfen are organised in three business lines, as set out in the table below.



Smart Grids	Energy Storage	EV Charging
<p><i>Products</i></p> <ul style="list-style-type: none"> • In-house developed, produced and assembled standardised range of secondary substations • Internally developed and produced grid automation devices for remote management and control of electricity grids <p><i>Systems and solutions</i></p> <ul style="list-style-type: none"> • Standardised grid connection systems, local power grids and supplementary offerings • Proprietary software and back-end system for remote management and grid control <p><i>Total revenue⁷⁹</i></p> <ul style="list-style-type: none"> • €57,0 million for the financial year 2017 	<p><i>Products</i></p> <ul style="list-style-type: none"> • In-house developed and produced range of standardised modular energy storage systems based on multiple third party batteries (for example BMW and Samsung) <p><i>Systems and solutions</i></p> <ul style="list-style-type: none"> • Proprietary developed embedded software and back office system for remote control by the client and supporting all storage applications: load balancing, frequency control, peak shaving and mobile power supply applications <p><i>Total revenue</i></p> <ul style="list-style-type: none"> • €8,3 million for the financial year 2017 	<p><i>Products</i></p> <ul style="list-style-type: none"> • In-house developed and produced range of smart and connected EV chargers for private, corporate and public applications <p><i>Systems and solutions</i></p> <ul style="list-style-type: none"> • Standardised solutions for load balancing, smart charging and charging hubs • Proprietary online management platform for charging infrastructure <p><i>Total revenue</i></p> <ul style="list-style-type: none"> • €9,0 million for the financial year 2017
<p><i>Integrated solutions overlapping the three business lines</i></p> <ul style="list-style-type: none"> • Standardised integrated solutions across Alfen's business lines, such as EV charging with integrated peak shaving from energy storage and end-to-end storage systems including local power system and grid connection <p><i>Projects and services</i></p> <ul style="list-style-type: none"> • System integration, including the application of in-house developed products, systems and solutions to local situations • Extensive project management organisation, including engineering and field services • Own after-sales department, including remote support and technical knowledge center 		

Alfen operates primarily in the Netherlands and Belgium, with additional sales activities in the United Kingdom and Germany. From 2017, Alfen has undertaken activities to attract international sales employees to expand its sales organisations across Europe. Through its network of distribution partners, resellers and international clients, Alfen also supplies its products to other European markets and to selected markets outside of Europe. Alfen believes that it has market-leading positions in the Netherlands in Smart Grids and EV Charging⁸⁰ and a strong market position in Energy Storage. In addition, it has a unique position in the market with an integrated offering of products, solutions, project management and services across its three business lines.

Alfen provides high-quality, technologically advanced and innovative products, systems, solutions and services. Its products and systems are developed and produced in-house, resulting in short innovation cycles and high adaptability to new market developments. Alfen works with open architecture systems, so that its products, systems and solutions can be adapted to work and interface with those components most suitable for the applications of its clients. To meet demands from clients and industry developments Alfen has intentionally focused its business lines to create multidimensional solutions that cover more than just one product or service. Alfen's business lines provide part of their products, systems, solutions and services on a project basis. Through its supply network Alfen sources standardised parts and components (such as batteries or transformers) allowing it to develop successful innovations and launch new products to offer the latest technology to its clients.

⁷⁹ In this Prospectus, the Company's "total revenue" includes "revenue" as well as "other income" as included in the consolidated statement of comprehensive income of the Consolidated Financial Statements. Other income is generated from government grants received in connection with Alfen's business operations.

⁸⁰ For Smart Grids, this is Alfen's analysis based on its contractual share of the supply of substations to each of the four largest Dutch grid operators (which jointly comprise approximately 97% of the Dutch market for mid-voltage substations), multiplied by the relevant market share of each of these grid operators based on <https://energiecijfers.info>. For EV Charging, this is Alfen's analysis based on its own installed base of EV chargers in the Netherlands as at 31 December 2017 compared to the total installed base of chargers in the Netherlands as provided by Navigant. The latter analysis shows that Alfen has a leading position together with EVBox, jointly holding a market share of over 60% in the Netherlands.

Alfen's production facilities and corporate headquarters as well as its main research and development center are located in Almere, the Netherlands, utilising 4.000 m² of production area and 2.200 m² of office area, including newly added facilities in 2016. The office buildings comprise Alfen's research and development, project management, service, sales and staff activities, as well as being used for warehousing and logistics. Alfen also has an office in Belgium with sales and project management activities. Alfen has 234 employees based on FTE as at 31 December 2017.

Alfen's total revenue for the financial years 2017, 2016 and 2015 were €74,3 million, €61,5 million and €50,5 million, respectively. Alfen's revenues outside the Netherlands accounted for 18% of its total revenue for the financial year 2017, compared to 8% for each of the financial years 2016 and 2015. In 2017, €10,9 million or 15% of Alfen's 2017 total revenue was generated from clients residing in countries in Europe other than the Netherlands (2016: 5,0 million or 8%; 2015: 4,3 million or 8%). The remaining revenues were generated from clients residing outside of Europe.

Basis of Preparation

Alfen Beheer B.V. was incorporated on 1 November 2015 as the holding company of the Alfen group. On 1 January 2016, the activities of Alfen B.V. were split between Alfen B.V. and Alfen ICU B.V. At incorporation of Alfen Beheer B.V. the issued shares of Alfen Beheer B.V. were paid in kind by a non cash contribution of all the outstanding shares in Alfen B.V. This transaction resulted in a share premium reserve and did not impact share capital at the Alfen group level. Since there was no economic change of circumstances, the results of the Alfen group still reflect the activities of the former Alfen B.V. reporting entity. Therefore, the Consolidated Financial Statements use Alfen B.V. comparative figures for 2015 and Alfen Beheer B.V. comparative figures for 2016.

Key Factors Affecting Results of Operations

Alfen's performance and results of operations during the periods covered by this Prospectus have been primarily affected and may continue to be affected by the following factors.

General Economic Climate

Global economic conditions in general, and the economic climate in the jurisdictions in which Alfen operates and sells in particular, have an effect on the Company's performance and results of operations. The economic climate affects levels of global investment and infrastructure spending which can have an impact on Alfen's business and that of its customers and can also affect access to and cost of capital. In particular, the general economic climate can affect a customer's willingness to invest in expansion projects and their interest in Alfen's products, systems and solutions.

Energy transition and alternative energy sources

The transition from large-scale, typically fossil-fuel-fired power plants to intermittent renewable energy sources is the key driver for Alfen's business lines. The energy transition has a major effect on Alfen's revenues and profits. Alfen's Smart grid solutions business benefits from de-bottlenecking efforts on grids as a result of more volatile energy generation from renewables, from decentralization of energy generation requiring additional generation units and power flows both to and from consumers and producers, and from the electrification of energy demand (for example, EVs and heat pumps). As a result, there is an increase in the number of secondary substations as well as a trend of increasingly large and more complex secondary transformer substations. Alfen's Smart grid solutions business also benefits from investments in solar PV farms, which require grid connection. Growth of the EV charging equipment business is driven by the increasing penetration of EVs in the countries in which Alfen is active. Alfen's Energy storage systems business is benefitting from the roll-out of intermittent renewable energy sources, which require generation smoothing and grid stability that can be delivered from storage. In addition, the increasing penetration of EVs is leading to concentrated peak demand for electricity that can be addressed by storage systems.

The energy transition will require significant new investments in energy infrastructure, and Alfen believes that it is well positioned to capture this growth by providing solutions across the electricity value chain: smart grid solutions, energy storage systems and EV charging equipment. Current energy trends could however change, and current renewable energy solutions could be replaced by existing or new technologies, which could cause one or more of Alfen's business lines to perform better or less well than expected.

Government policies and incentives

To accelerate the energy transition, governments are implementing various incentive programs that directly or indirectly have an impact on Alfen's business. The most important incentives affecting Alfen's markets include the following:

- *Tax incentives for (semi) electric vehicle leasing in the Netherlands.* Until the start of 2017, the acquisition of plug-in hybrid electric vehicles ("PHEV") and full electric vehicles ("FEV") was substantially subsidised by the Dutch government, which has been driving demand for EV charging equipment. As of 1 January 2017, the incentives on PHEVs were reduced significantly, while subsidies for FEVs continued unchanged (current schemes are set to continue until 2020). The beginning of 2018 is expected to mark an inflection point for FEVs, since a number of affordable FEV models with increasing range are coming to market. Cost parity with ICE (internal combustion engine) vehicles may be achieved as soon as the early 2020s, further encouraging mass adoption of FEVs. For Alfen's EV charging equipment business line, the decline in EV sales in the Netherlands was nearly fully offset by an increase in its market share and international growth in its EV charging business.
- *Operating grants for renewable energy in the Netherlands.* The SDE+ (Stimulerende Duurzame Energieproductie) is an operating grant under which producers receive financial compensation for the renewable energy they generate. Production of renewable energy is not always profitable because the cost can be higher than the market price. The difference between cost and price is called the unprofitable component. SDE+ compensates producers for the unprofitable component for a fixed number of years, depending on the technology used.⁸¹ In 2017 Alfen's Smart grid solutions business benefited from supplying the grid connection for a number of solar PV farms which were awarded the SDE+ grant, a trend which is expected to continue in 2018 and beyond.
- *Subsidies for innovative customer projects.* In certain cases, Alfen's clients' projects receive national, European and/or other subsidies that contribute to their business case. Such subsidies primarily relate to first-of-a-kind projects with an innovative character, for example, the realization of an off-grid energy system in rural Africa that combines solar and energy storage, which Alfen is well positioned to provide. Alfen expects such projects to be an ongoing part of its business. To the extent its products, systems and services are delivered to subsidised projects, Alfen itself may benefit from these subsidies.

Alfen's business has been positively affected by government policies which incentivise the use of alternative energy sources and discourage the use of fossil fuels. The continuation and strengthening of such policies or the implementation of related new policies could have a materially positive impact on Alfen's performance and results of operations. However, any changes to or repeal of such policies could have a materially negative impact on Alfen's performance. Alfen's continued power to adapt and respond to dynamic government policies will be critical to its success going forward.

Product development cost

In order to maintain its technological leadership position, Alfen continuously invests in its research and development activities for further improvement of existing products and development of new products. Research and development costs accounted for 2,1%, 1,9% and 1,6% of total revenue in the financial years 2017, 2016 and 2015, respectively. Development costs that are directly attributable to the design and testing of identifiable and unique products and systems controlled by the Company are recognized as intangible assets and are capitalized as part of the product. Other research and development expenditures are recognized as an expense as incurred.

During the period under review, Alfen's research & development activities primarily focused on the following:

- The development of Alfen's grid automation solution Alfen Connect, which is utilized across Alfen's three business lines;
- Product improvements of Alfen's Energy storage system, primarily related to the incorporation of the use of BMW batteries in Alfen's system (in addition to Samsung batteries) and upgrades to Alfen's software enabling new storage applications;

⁸¹ <https://english.rvo.nl/subsidies-programmes/sde>.

- Upgrades to Alfen's platform used for remote monitoring and control of EV charging equipment, preparing the business for larger scale roll-out; and
- Country specific adaptations of Alfen's products, systems and services.

Alfen currently relies on an established, standardized set of products and systems with proven applications. Going forward, the Company's strategy is to build further on this standardised set of building blocks in order to accelerate innovation and use solutions across different applications and markets.

Industry competition and pricing

Alfen's industries and market segments are competitive, and it faces competition from large international competitors as well as smaller regional competitors in certain markets. The competitive behaviour of other companies active in Alfen's markets has an impact on Alfen's ability to win projects and the pricing of such projects.

In the Smart grid solutions business Alfen has a market leading position and long term relationships with many of its customers. As a result, Alfen can typically index price levels with inflation through yearly index clauses in framework contracts.

In the Energy storage business, Alfen presently has few competitors with a proven system. Competition for projects has exerted a downward pressure on prices. Over time, however, Alfen expects these pressures to potentially decrease and prices to stabilize as the competitive playing field evolves towards a reduced number of market players with proven and working systems, serving customers that are prepared to pay for reliable, state-of-the-art technology. In the EV charging equipment business, Alfen has a position at the high-end of the market focusing on technologically advanced products. As a result of this differentiated market position, Alfen has experienced limited pressure on prices to date.

Alfen operates in relatively young and fast growing markets in which the competitive environment may change in the future.

Business development costs

The cost of developing Alfen's business has had a significant impact on its results of operations. Alfen has invested significantly in order to prepare for anticipated growth. Expenses have included the strengthening of the middle management team, improved branding, updated production processes (including certifications) and the transition to IFRS. Alfen has also expanded and improved its production facilities to accommodate anticipated future growth, including a change from batch to flow production, which enable Alfen to significantly increase capacity in its facilities. Alfen expects to make further adjustments and expansion at its Almere locations in the Netherlands. Given the early stage of the energy storage market, Alfen has also incurred increased costs for setting up production, logistics and training of energy storage related staff.

Since 2014, Alfen has developed its presence in the United Kingdom and Germany. Expenses related to these efforts include building a sales force which has been lining up resellers and distributors in these markets and market development costs. As a consequence, Alfen believes it is now well positioned to benefit from the strong expected growth of EVs and energy storage in these countries.

In 2017, Alfen executed an accelerated launch of a new version of its Eve charge point, resulting in additional costs. Alfen also incurred business development costs in connection with a new project to enter the nautical vessel charging market. This project was subsequently abandoned.

Alfen's strategy includes continued growth in its current markets and expansion into new markets where it currently has no presence, as well as the development of new products for both markets. New markets in which Alfen has little or no experience may present competitive conditions that are more difficult to predict or customer demands that are more difficult to satisfy or predict than the markets in which it currently operates. Alfen may also incur higher costs from entering new markets due to other expenses that are difficult to predict.

As a result of the Offering, Alfen will become a publicly traded company. The transition will require the Company to comply with new regulations and incur new expenses, including those related to corporate governance and compliance. Not all costs related to the transition can be anticipated, and Alfen's ability, especially the ability of Alfen's Management, to successfully accommodate new demands and adapt to its new status as a publicly traded company will be critical to its success going forward.

Client base

Alfen's traditional customer base of grid operators continues to generate stable income and to function as a catalyst for innovation. As companies respond to the trends driving the energy transition, over the past years, Alfen has added a new group of significant customers, including Vattenfall, Eneco and Engie, and its customer base is continuing to expand. In addition, Alfen expanded its base of resellers and distributors (with strong business-to-consumer channels) throughout Europe, which positively affected sales outside of the Netherlands.

Fluctuations in Raw Materials prices and Availability

Raw materials, including components, are a significant part of Alfen's variable cost structure. The cost of raw materials and consumables accounted for 67,1%, 68,5% and 68,5% of total revenue in the financial years 2017, 2016 and 2015, respectively. The raw materials that Alfen routinely purchases include lithium-ion battery packs, electrical and automation components, printed circuit boards, copper wiring, steel components (including containers), concrete components, plastic casings components and high to low voltage transformers. Alfen purchases these raw materials, including components from A-brand international suppliers such as Samsung, Danfoss, Eaton and Socomec, as well as selected local suppliers. See "*Business – Suppliers*". Historically, Alfen has been able to pass on costs through contractual agreements with its customers.

The price of raw materials can fluctuate considerably. As the global economic climate changes, the Company anticipates that material costs may fluctuate. Alfen expects material prices for battery packs to decrease over time in line with the historical trend driven by rapid technology development and decreasing production cost. Prices for battery packs purchased by Alfen decreased approximately 25% over the past year, in line with the general market trend. Alfen currently expects that the cost of raw materials and consumables will not increase significantly in the near future.

Project Nature of the Business

Alfen is regularly engaged 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. Complex projects often expose Alfen to a number of factors that require careful management, including collaborative input from third parties, site conditions, and weather. Additionally, clients may require extra work or may change the original scope of work after the project has commenced. The project nature of Alfen's business may therefore lead to delays due to the interdependencies described above, which may lead to fluctuations in revenue streams and have an effect on the Company's profits or cash flows.

Seasonality

As is common in the industry, Alfen's results of operations are affected by seasonality. Alfen typically experiences increased levels of project activity during the second half of the year and, consequently, revenue and EBITDA are typically lowest in the first half of the year. During the third and fourth quarters, Alfen has historically experienced increased activity as industrial customers, especially greenhouses, invest in expansion projects during August, September, October and November. Revenue and EBITDA are typically highest during the second half of the year. Results of any one quarter, particularly the first quarter, may therefore not be a reliable proxy for full financial year results.

Current Trading and Outlook

Revenue outlook for the financial year 2018

Alfen has estimated its revenues for the financial year 2018 by adding the following components: (i) expected revenues from existing framework and reseller agreements under which purchase orders are received throughout the year and (ii) expected revenues from project pipeline, project backlog and services. In aggregate, as at 31 December 2017, Alfen estimates that its total revenue will increase to above €99 million in 2018. As at the date of this Prospectus, Alfen believes that this estimate remains a reasonable projection of its expected revenue in 2018; however, it is based on certain assumptions described below that may not be realised and the actual revenue for 2018 could differ materially from the estimated figure.

(i) Expected revenues from framework and reseller agreements:

Revenues from framework and reseller agreements are estimated based on publicly available data on growth projections for Alfen's EV Charging and Smart Grids business lines in the

geographies in which these business lines operate, assuming that Alfen will be able to maintain its market share for each of these business lines.

Some of Alfen's framework and reseller agreements are other on-going supply arrangements, such as recurring purchase orders or other written confirmations. While there typically is no obligation on Alfen's clients to continue the framework and reseller agreements with Alfen nor to place a minimum amount of orders with Alfen, Alfen's management has no indication that it would lose market share in this respect. This is supported by the fact that Alfen has not lost any of its major clients with which it has framework and reseller agreements in place during the last five years. Alfen's management also engages in regular planning discussions with its clients and therefore has reasonable visibility on the potential order intake for 2018.

For the Smart Grid business line, approximately 66% of the 2017 revenues were generated through framework and reseller agreements or other on-going supply arrangements, while approximately 34% of these revenues were generated from project assignments. In 2017, framework and reseller agreements in the Smart Grids business line accounted for revenues of €37,4 million. Based on the capacity forecast documents published by Alfen's grid operator clients, the estimated growth for the Smart Grids business line is approximately 12%. As a result, and assuming constant market shares, the expected revenue from framework and reseller agreements for 2018 for the Smart Grids business line is €41,9 million.

In the EV Charging business line approximately 100% of the revenues are derived from framework and resellers agreements or other on-going supply arrangements. In 2017, revenues from EV Charging were €9,0 million. Based on a weighted average of geographical growth rates of the markets in which Alfen operated in 2017, and assuming constant market shares, Alfen expects to see average revenue growth of approximately 56% in 2018 for the EV Charging business line. This results in an expected revenue for 2018 in the EV Charging business line of €14,1 million.

As a result, as at 31 December 2017, the weighted market growth for framework and reseller agreements (including other on-going supply arrangements) in the EV Charging and Smart Grids business lines jointly is expected to be approximately 20% and revenues for 2018 are expected to be approximately €56 million.

(ii) Expected revenues from project pipeline, project backlog and services:

The project pipeline consists of concrete projects leads for the Energy Storage and Smart Grids business lines, which are planned for the relevant year and for which Alfen has been in contact with the client in question, as well as offers that are being prepared and that are submitted for such specific projects. Since the project pipeline is not based on signed purchase orders, Alfen's management uses a bottom-up approach for each specific project to estimate the probability of each potential project being executed in 2018 and of Alfen being engaged by the relevant client to carry out the project work based on its historical record at winning projects from the time it becomes aware of leads, prepares offers and submits offers for consideration by the client and its interaction with the relevant client. Based on this exercise for the Energy Storage business line as at 31 December 2017, Alfen estimates that in 2018 it will generate revenues as follows:

- €5,4 million from projects that are still only leads at 31 December 2017 (47 projects leading to a total of 128MW with a value of €71 million against a weighted average probability of 8%); and
- €6,4 million from projects for which it was preparing an offer at 31 December 2017 (13 projects leading to a total of 58 MW with a value of €36 million against a weighted average probability of 18%); and
- €7,3 million from projects for which it has submitted an offer at 31 December 2017 (19 projects leading to a total of 28 MW with a value of €22 million against a weighted average probability of 33%).

As a result, as at 31 December 2017, Alfen estimated the probability-weighted project pipeline for 2018 for the Energy Storage business line to amount to €19,1 million.

Based on this same exercise for projects in the Smart Grids business line as at 31 December 2017, Alfen estimated that in 2018 it will be able to generate revenues as follows:

- €3,7 million from projects that are currently still leads at 31 December 2017 (43 project with a total value of € 21 million against a weighted average probability of 18%); and

- €0,9 million from projects for which it was preparing an offer at 31 December 2017 (14 projects with a total value of € 4 million against a weighted average probability of 26%); and
- €9,3 million from projects for which had submitted an offer at 31 December 2017 (223 projects with a total value of € 25 million against a weighted average probability of 37%).

As a result, as at 31 December 2017, Alfen estimated the probability weighted project pipeline for 2018 for the Smart Grids business line to amount to €13,9 million.

In aggregate, as at 31 December 2017, Alfen estimated the probability weighted project pipeline for 2018 for the Energy Storage and the Smart Grids business lines jointly to amount to approximately €33 million.

The probability weightings for the sales funnels of Energy Storage and Smart Grids are different, amongst others because the Energy Storage market is still in a nascent stage. Alfen started generating revenues in the Energy Storage market in 2016 and as such is still developing its knowledge on decision making processes in connection with these projects, the timing of projects from leads to sales and Alfen's probabilities of winning such projects. Alfen's management has therefore taken a conservative approach in attaching probabilities to each of the stages in its sales funnel for Energy Storage. In Smart Grids, Alfen has many years of experience, and also longer client relationships, and as such is more comfortable to attach higher probabilities to projects in each stage of the sales funnel based on its historical record of winning projects from both new and returning clients.

For the project pipeline of the Energy Storage business line, Alfen estimates that as at 31 December 2017, the aggregate megawatt of all such potential projects that could potentially lead to revenues recognized in 2018 (including leads, prepared offers and submitted offers for such projects) amounts to 214 MW (31 December 2016: 64 MW). Of that total amount of 214 MW, 25% of the projects are expected to be executed in the Benelux (as at 31 December 2016: 53%), 18% in the United Kingdom (as at 31 December 2016: 36%), 3% in Germany (as at 31 December 2016: 5%) and 54% in other countries (as at 31 December 2016: 6%).

Project backlog and services comprise signed purchase orders and service agreements for the relevant year for the Smart Grids and Energy Storage business lines. For each of the Smart Grids business line and the Energy Storage business line, the signed purchase orders and service agreements for project revenue in 2018 is approximately €5 million, resulting in a total project backlog and services of approximately €10 million as at 31 December 2017 for the financial year 2018.

Consequently, the aggregate of the estimated revenues from existing framework and reseller agreements for the EV Charging and Smart Grids business lines, the estimated revenue from the project pipeline for the Energy Storage and Smart Grids business lines and the estimated revenue from project backlog and services for the Energy Storage and the Smart Grids business lines for the financial year 2018 amount to a total of €99 million as at 31 December 2017.

Additional revenue may potentially be sourced from the following sources:

- international expansion of Alfen's sales activities through new and existing resellers;
- signing additional orders which are not yet visible at the date of calculating the backlog and pipeline given the average lead-to-order period of three to six months for projects generally;
- further growth in the Energy Storage business line; and
- expansion of Alfen's sales organisation by attracting additional sales employees.

However, a substantial portion of the projects included in Alfen's revenue estimates are subject to decisions ultimately made by Alfen's clients. Alfen's revenue estimates, including its backlog and pipeline figures, are not audited and should not be read as forecasts or projections for any particular year, but are management estimates resulting from the Company's pursuit of its strategy. The Company can provide no assurances that the estimated future revenues will be realised and the actual revenue for the financial year 2018 could differ materially. The levels of Alfen's backlog are not necessarily indicative of its future revenue related to the performance of such work or of Alfen's future levels of backlog. Cancellations or delays have occurred, and in the future may occur, from time to time. The expected revenues from existing framework and reseller agreements and project pipeline have been determined based on assumptions and estimates that the Company considered

reasonable at the date these were made. These estimates and assumptions are inherently uncertain and reflect management's views that are also based on its experience of historic success of being assigned projects, which may materially differ from the success rates for any future projects. In particular for the Energy Storage business line, which has a limited operating history, there is limited historic information on which management's views can be based. Alfen regularly monitors the estimates and assumptions made since 31 December 2017 and believes the applied methodology for its revenue projections for the financial year 2018 is still accurate on the date of this Prospectus; however, these estimates and assumptions have not been updated and may change as a result of uncertainties related to the economic, financial or competitive environment and as a result of future business decisions of Alfen or its clients, such as cancellations or delays, as well as the occurrence of certain events, including but not limited to, those described in "*Important Information — Information Regarding Forward-Looking Statements*" and "*Risk Factors*". Investors are therefore urged not to place undue reliance on the revenue estimate for the financial year 2018 set out above.

Description of Key Statement of Income Line Items

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and related sales taxes and value-added tax.

Revenue from goods sold, reflecting revenue from the sale of goods, is recognised at the date of delivery. Revenue from the sale of goods is recognised when the most significant risks and benefits of ownership have been transferred to the buyer.

Revenue earned from smart grid, energy storage and EV charging projects is accounted for in proportion to the stage of completion, in accordance with IAS 11 'Construction Contracts.'

Revenue from service and maintenance, reflecting revenue in connection with service related activities and deliveries, is recognised in the period in which the related services are rendered. Revenues generated through services rendered are recognised in the income statement in proportion to the stage of completion of the transaction on the reporting date. The stage of completion is determined on the basis of the costs incurred compared with the expected total costs. Expenditure related to these services is allocated to the same period.

In this Prospectus, the Company's "total revenue" also includes "other income" which is included in the consolidated statement of comprehensive income in the Consolidated Financial Statements. This other income is generated from government grants received in connection with Alfen's business operations.

Costs of raw materials and consumables

Costs of raw materials and consumables relate to the costs incurred for the production of components and the delivery of products, systems and projects. Costs for raw materials and consumables relate directly to production and the projects under construction and as such directly correlate to the volume and size as well as the complexity and scope of products, systems and projects.

Costs of outsourced work and other external costs

Costs of outsourced work and other external costs relate principally to expenses for subcontractors and externally-hired labour.

Personnel expenses

Personnel expenses relate to the costs of personnel employed by Alfen such as wages and salaries, social security payments and pension costs. Personnel expenses are related to the products, systems and projects of Alfen, either directly, in the form of personnel working on projects, in production and in service or indirectly, in the form of support staff and management.

Amortisation of intangible fixed assets

Development costs that are directly attributable to the design and testing of identifiable and unique products and systems controlled by the Company are recognized as intangible assets. 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 economic life is 5 years.

Depreciation on property, plant and equipment

Depreciation on assets is calculated by recognizing the difference between historical cost and the estimated residual values using the straight-line method over their estimated useful live in profit or loss. The estimated useful lives of property, plant and equipment for current and comparable periods are as follows:

- buildings 5 – 30 years;
- furniture, fittings and equipment 5 years; and
- other fixed operating assets 4 – 5 years.

Other operating costs

Other operating costs relate to expenses which have a limited or no direct connection with Alfen's products and projects. As such, these expenses do not correlate directly with the revenue or volumes of Alfen's business. These expenses relate to housing expenses, other personnel expenses, development expenses, and other general expenses.

Net financial income

Net financial result reflects financial income and financial expenses. Financial income includes interest income. Financial expenses include interest expenses.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA

Alfen defines EBITDA as earnings before interest, taxes, amortization and depreciation. This financial measure is disclosed because Management believes that this is a valuable and common measure to evaluate the performance of the business over time.

The most comparable IFRS line item to EBITDA is operating profit, which represents earnings before interest and taxes. The table below reconciles EBITDA and Adjusted EBITDA to operating profit for 2017, 2016 and 2015.

Alfen defines Adjusted EBITDA as EBITDA adjusted for certain one-off, incidental and non-recurring expenses.

EBITDA and Adjusted EBITDA⁽¹⁾	Financial Year		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Operating profit	2.417	1.607	1.340
Amortisation of intangible fixed assets	1.030	745	497
Depreciation of property, plant and equipment	568	450	422
EBITDA	4.015	2.802	2.259
Other adjustments ⁽²⁾	872	274	274
Adjusted EBITDA	4.887	3.076	2.533

(1) These non-IFRS financial metrics are unaudited.

(2) Other adjustments for 2017 include (1) the management fee paid to the current shareholder in the amount of €255 thousand, which Alfen will continue to pay for one more year in 2018, (2) costs related to the Consolidated Financial Statements in IFRS in the amount of €92 thousand, (3) costs related to Alfen's new brand identity in the amount of €61 thousand and 80-year anniversary celebrations in 2017 in the amount of €24 thousand, (4) one-off legal fees related to a non-operational rental dispute in the amount of €19 thousand, (5) incremental and excessive (above average) recruiting cost for strengthening the middle management team with 3 key management positions to be able to manage its future growth in the amount of €70 thousand and (6) specific one-off business development costs in connection with certifications in the amount of €18 thousand, the accelerated release of a new EV charging model in the amount of €71 thousand and a new non-strategic project to enter the nautical vessel charging market which was subsequently abandoned, in the amount of €262 thousand. Other adjustments for 2016 include (1) the management fee paid to the current shareholder in the amount of €250 thousand and (2) crisis tax levy in the amount of €24 thousand. Other adjustments for 2015 include (1) the management fee paid to the current shareholder in the amount of €150 thousand, (2) cost related to the legal restructuring of the Company in the amount of €42 thousand and (3) external consultancy cost related to financial reporting and forecasting in the amount of €82 thousand.

EBITDA Margin

EBITDA margin is defined as the ratio of EBITDA to total revenue. Alfen believes that the presentation of EBITDA margin provides useful information on how Alfen's business is performing throughout time.

The table below is a reconciliation of EBITDA margin to EBITDA for 2017, 2016 and 2015:

EBITDA and Adjusted EBITDA ⁽¹⁾	Financial Year		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
EBITDA.....	4.015	2.802	2.259
Adjusted EBITDA	4.887	3.076	2.533
Total revenue	74.336 ⁸²	61.522	50.548
EBITDA Margin ⁽²⁾	5,4%	4,6%	4,5%
Adjusted EBITDA Margin ⁽³⁾	6,6%	5,0%	5,0%

(1) These non-IFRS financial metrics are unaudited.

(2) EBITDA Margin is defined as the ratio of Adjusted EBITDA to total revenue.

(3) Adjusted EBITDA margin is defined as the ratio of Adjusted EBITDA to total revenue.

Results of Operations

Comparison of Results of Operations for the Financial Years 2017 and 2016

The table below shows Alfen's consolidated results of operations for the periods indicated:

	Financial Year	
	2017	2016
	(EUR '000)	(EUR '000)
Revenue	73.368	61.522
Other Income	968	—
	74.336	61.522
Operating Expenses		
Costs of raw materials and consumables	(49.854)	(42.113)
Costs of outsourced work and other external costs	(2.852)	(2.395)
Personnel expenses	(12.773)	(10.730)
Amortisation on intangible assets	(1.030)	(745)
Depreciation on property, plant and equipment	(568)	(450)
Other operating costs	(4.842)	(3.482)
	(71.919)	(59.915)
Operating profit	2.417	1.607
Financial income	—	—
Financial costs	(128)	(79)
Financial income (costs) – net	(128)	(79)
Profit (loss) before income tax	2.289	1.528
Income tax expense	(568)	(393)
Profit (loss) for the period	1.721	1.135

Revenue

Total revenue increased by 20,8%, or €12,8 million, to €74,3 million for the financial year 2017 as compared to €61,5 million in the prior year, driven by growth in the Smart grid solutions and

82 In this Prospectus, the Company's "total revenue" includes "revenue" as well as "other income" as included in the consolidated statement of comprehensive income of the Consolidated Financial Statements. Other income is generated from government grants received in connection with Alfen's business operations.

Energy storage systems business lines. In particular, the sales of Alfen's Energy storage systems gained traction in 2017, generating €8,3 million of revenues in 2017 as compared to €0,8 million in 2016.

Costs of Raw Materials and Consumables

Costs of raw materials and consumables increased by 18,4%, or €7,7 million, to €49,9 million in 2017 as compared to €42,1 million in the prior year, principally driven by the growth in revenue. These costs directly correlate to the revenue recognised in the period. Cost of raw materials and consumables amounted to 67,1% of revenue in 2017 as compared to 68,5% in 2016. The decrease as percentage of revenue is mainly the result of purchasing savings.

Costs of outsourced work and other external costs

Costs of outsourced work and other external costs increased by 19,1%, or €0,5 million, to €2,9 million in 2017 as compared to €2,4 million in the prior year. The total cost for outsourced work was 3,8% of Alfen's total revenue in 2017, as compared to 3,9% of revenue in 2016 in line with the increase in revenues.

Personnel Expenses

Personnel expenses can be split between direct personal costs for production, project execution and services and indirect personnel costs for management, sales, research and development and support staff. Personnel expenses increased by 19,0%, or €2,1 million, to €12,8 million in 2017 as compared to €10,7 million in 2016. Total direct personnel costs amounted to €5,1 million in 2017 compared to €4,4 million in 2016, or 6,9% and 7,1% of total revenue, respectively. Total indirect personnel costs amounted to €7,7 million in 2017 compared to €6,4 million in 2016. This increase mainly relates to an increase in research and development employees, an increase in average salaries and higher external labour costs related to the temporary hire of personnel with (project) specific competencies. The average number of employees changed in 2017 as follows:

	Financial Year	
	2017	2016
Full-time Employees		
Direct Employees	111,0	99,3
Indirect Employees	95,5	86,4
Total Full-time Employees	206,5	185,8

Amortisation of intangible assets

Amortisation on intangible assets increased by 38,3%, or €0,3 million, to €1,0 million in 2017 as compared to €0,7 million in the prior year. This increase was due to the amortisation of increased capitalised development costs in previous years related to all three business lines.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by 26,2%, or €0,1 million, to €0,6 million in 2017 as compared to €0,5 million in the prior year, principally driven by the depreciation of the 2016 and 2017 capital expenditures related to the refurbishment of the Alfen headquarter offices and production facilities.

Other operating costs

Other operating costs increased by 39,1%, or €1,3 million, to €4,8 million in 2017 as compared to €3,5 million in the prior year, principally driven by recruiting fees, mobility expenses and sales expenses; most importantly related to branding and exhibitions.

Financial Cost

Finance costs increased by 62,0%, or €49 thousand, to €128 thousand in 2017 as compared to €79 thousand in the prior year, largely due to a new bank loan drawn in 2016 and increased interest due under the working capital facility.

Income Tax

Income tax increased by €0,2 million, to €0,6 million in 2017 as compared to €0,4 million in the prior year, principally driven by increased profitability. Alfen's effective tax rate decreased from 25,7%

in 2016 to 24,8% in 2017. The effective tax rate in 2016 was higher due to previous year adjustments and the effect of tax rates in other countries.

Segmental Analysis for the Financial Years 2017 and 2016

Revenue

The following table sets forth revenue with respect to Alfen's sources of revenue for the periods indicated:

	Financial Year	
	2017	2016
	(EUR '000)	(EUR '000)
Revenue		
Smart Grid Solutions	57.043	51.066
Energy Storage Systems	8.341	786
EV Charging Equipment	8.952	9.670
Total Revenue	74.336	61.522

Revenue from sales of Smart grid solutions increased by 11,7%, or €5,9 million, to €57,0 million in 2017 as compared to €51,1 million in the prior year, principally driven by grid upgrades and extensions, the connection of renewable energy sources to the grid and large-scale industrial expansion programs, particularly in greenhouses.

Revenue from sales of Energy storage systems increased by 961,2%, or €7,5 million, to €8,3 million in 2017 as compared to €0,8 million in the prior year, principally driven by the market momentum for energy storage.

Revenue from sales of EV charging equipment slightly decreased by 7,4%, or €0,7 million, to €9,0 million in 2017 as compared to €9,7 million in the prior year. This decline was principally driven by a change in incentive schemes for PHEVs in the Netherlands, significantly reducing the number of PHEVs sold in the Netherlands. This decline in the market was partly offset by the increase in FEV car sales in the Netherlands. Combined PHEV and FEV sales decreased by 62,4% from 24.477⁸³ in 2016 to 9.209⁸⁴ in 2017. Over the same period, the number of chargers sold by Alfen in the Netherlands decreased by 45,8% from 9.649 chargers in 2016 to 5.234 chargers in 2017. This decline in sales for the Netherlands was partly offset by further internationalisation of Alfen's operations. Between 2016 and 2017, the number of chargers that Alfen sold outside the Netherlands increased by 205,1% from 784 chargers in 2016 to 2,392 chargers in 2017.

The following table sets forth revenues by country, based on the location of the customer:

	Financial Year	
	2017	2016
	(EUR '000)	(EUR '000)
Revenue		
The Netherlands	61.165	56.545
Rest of Europe	10.877	4.963
Outside Europe	2.294	14
Total revenue	74.336	61.522

The Netherlands revenue increased by 8,2%, or €4,7 million, to €61,2 million in 2017 as compared to €56,5 million in the prior year, principally driven by Smart grid solutions and Energy storage systems.

83 <https://www.rvo.nl/sites/default/files/2017/10/Elektrisch%20rijden-Special-Analyse%20over%202016.pdf>

84 <https://nederlandelektrisch.nl/u/images/2018-01-analyse-rvo-2017.pdf>

Rest of Europe revenue increased by 119,2%, or €5,9 million, to €10,9 million in 2017 as compared to €5,0 million in the prior year, principally driven by further growth of sales activities in Belgium, Germany and the United Kingdom, as well as increased revenues through the distribution model in other European countries.

Outside Europe revenues significantly increased in 2017 mainly related to energy storage system revenues in the African continent.

Comparison of Results of Operations for the Financial Years 2016 and 2015

The table below shows Alfen's consolidated results of operations for the periods indicated:

	Financial Year	
	2016	2015
	(EUR '000)	(EUR '000)
Revenue	61.522	50.548
Other Income	—	—
	61.522	50.548
Operating Expenses		
Costs of raw materials and consumables	(42.113)	(34.611)
Costs of outsourced work and other external costs	(2.395)	(2.460)
Personnel expenses	(10.730)	(8.262)
Amortisation of intangible assets	(745)	(497)
Depreciation on property, plant and equipment	(450)	(422)
Other operating costs	(3.482)	(2.956)
	(59.915)	(49.208)
Operating profit	1.607	1.340
Financial income	—	—
Financial costs	(79)	(43)
Financial income (costs) – net	(79)	(43)
Profit (loss) before income tax	1.528	1.297
Income tax expense	(393)	(313)
Profit (loss) for the period	1.135	984

Revenue

Revenue increased by 21,7%, or €11,0 million, to €61,5 million for the financial year 2016 as compared to €50,5 million in the prior year, principally driven by growth in volume in the Smart grid solutions and EV charging equipment business lines. Smart grid solutions revenue increased by €6,2 million, while EV charging equipment revenue increased by €4,0 million. Sales of Energy storage systems generated €0,8 million revenue in 2016 and were the first commercial systems delivered.

Costs of Raw Materials and Consumables

Costs of raw materials and consumables increased by 21,7%, or €7,5 million, to €42,1 million in 2016 as compared to €34,6 million in the prior year, driven by the growth in revenue. These costs directly correlate to the revenue recognised in the period. Costs of raw materials and consumables amounted to 68,5% of revenue in 2016, the same as in 2015.

Costs of outsourced work and other external costs

Costs of outsourced work and other external costs decreased by 2,6%, or €0,1 million, to €2,4 million in 2016 as compared to €2,5 million in the prior year. The total cost for outsourced work was 3,9% of revenue in 2016, as compared to 4,9% of revenue in 2015. The decrease was primarily due to lower transportation and handling costs reached through renegotiating the contract with Alfen's main logistics service provider and achieving a better transportation efficiency factor.

Personnel Expenses

Personnel expenses can be split between direct personal costs for production, project execution and services and indirect personnel costs for management, sales, research and development and support staff. Personnel expenses increased by 29,9%, or €2,5 million, to €10,7 million in 2016 as compared to €8,3 million in 2015. Total direct personnel costs amounted to €4,4 million in 2016 compared to €3,6 million in 2015, or 7,1% and 7,2% of revenue, respectively. Total indirect personnel costs amounted to €6,4 million in 2016 compared to €4,6 million in 2015. This increase mainly relates to an increase in sales support and engineering full-time employees, an increase in average salaries and higher external labour costs related to the temporary hire of personnel with (project) specific competencies. The average number of employees changed in 2016 as follows:

	Financial Year	
	2016	2015
Full-time Employees		
Direct Employees	99,3	81,9
Indirect Employees	86,4	70,4
Total Full-time Employees	185,8	152,3

Amortisation of intangible assets

Amortisation of intangible assets increased by 49,9%, or €0,2 million, to €0,7 million in 2016 as compared to €0,5 million in the prior year. This increase was caused by the amortization of capitalized research and development costs due to increased indirect personnel and external development costs across all three business lines.

Depreciation on property, plant and equipment

Depreciation on property, plant and equipment increased by 6,6%, or €0,03 million, to €0,45 million in 2016 as compared to €0,42 million in the prior year. This increase mainly relates to the depreciation on the office and production facilities purchased and refurbished in 2016. These premises are adjacent and connected to Alfen's headquarters.

Other operating costs

Other operating costs increased by 17,8%, or €0,5 million, to €3,5 million in 2016 as compared to €3,0 million in the prior year, principally driven by increased sales, travel and office costs.

Financial Costs

Net financial cost increased by 83,7%, or €36 thousand, to a net financial expense of €79 thousand in 2016 as compared to a net financial cost of €43 thousand in the prior year, as a result of a new mortgage loan for the purchase of the premises adjacent to Alfen's headquarters.

Income Tax

Income tax increased by €0,1 million, to €0,4 million in 2016 as compared to €0,3 million in the prior year. Alfen's effective tax rate increased from 24,1% in 2015 to 25,7% in 2016. The effective tax rate in 2016 was higher mainly due to the effects of adjustments for previous years and lower non-taxable income.

Segmental Analysis for the Financial Years 2016 and 2015 Revenue

The following table sets forth revenue with respect to Alfen's sources of revenue for the periods indicated:

	Financial Year	
	2016	2015
	(EUR '000)	(EUR '000)
Revenue		
Smart Grid Solutions	51.066	44.847
Energy Storage Systems	786	—
EV Charging Equipment	9.670	5.701
Total Revenue	61.522	50.548

Smart grid solutions revenue increased by 13,9%, or €6,2 million, to €51,1 million in 2016 as compared to €44,8 million in the prior year, mainly driven by grid upgrades and extensions.

Sales of Energy storage systems generated €0,8 million revenue in 2016 and were the first commercial systems delivered. In previous years, systems were produced only for testing and prototyping purposes.

EV charging equipment revenue increased by 69,6%, or €4,0 million, to €9,7 million in 2016 as compared to €5,7 million in the prior year, primarily driven by government incentive schemes and the introduction of a number of PHEV car models.

The following table sets forth revenue by country, based on the destination of the customer:

	Financial Year	
	2016	2015
	(EUR '000)	(EUR '000)
Revenue		
The Netherlands	56.545	46.258
Rest of Europe	4.963	4.261
Outside Europe.....	14	29
Total revenue	61.522	50.548

The revenue from the Netherlands increased by 22,2%, or €10,3 million, to €56,5 million in 2016 as compared to €46,3 million in the prior year, principally driven by strong sales for Smart grids solutions and EV charging equipment.

The revenue from the Rest of Europe increased by 16,5%, or €0,7 million, to €5,0 million in 2016 as compared to €4,3 million in the prior year, principally driven by the international sales organisation gaining traction in the sale of EV charging equipment.

Liquidity and Capital Resources

Overview

Liquidity represents Alfen's ability to pay its liabilities when they become due, fund business operations, meet its contractual obligations and execute its business plan. Alfen's primary liquidity needs are for working capital, income tax and capital expenditures. Due to the nature of the business, the use of cash and cash equivalents is not highly sensitive to liquidity risks. Projects have a relatively short duration, and the company is relatively asset light. However, the company does notice a seasonal pattern in liquidity. During the third and fourth quarters, Alfen has historically experienced increased activity as industrial Smart grid customers, especially greenhouses, invest in expansion projects during August, September, October and November.

Alfen's primary sources of liquidity are cash flows from operating activities, available cash balances and committed credit facilities. As at 31 December 2017, Alfen had drawn €1,2 million under its working capital facility of €8,0 million.

On 8 January 2018, the Company increased its working capital credit facility with Rabobank from €8 million to €11,3 million and obtained two new loans, each with a principal amount of €875 thousand and a duration of 10 years. These two loans are secured to the bank with additional mortgages in the amount of €1,3 million on the real estate owned by the Company. As at the date of this Prospectus, €5,1 million is drawn of the total working capital credit facility. Scheduled repayments on all outstanding mortgage loans are €0,3 million in 2018 and €0,3 million in 2019.

In the opinion of the Company, Alfen's working capital is sufficient for Alfen's present requirements for at least 12 months following the date of the Prospectus.

Cash Flows

The following table sets out Alfen's cash flows and net cash positions for the periods indicated:

	Financial Year		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Cash flows from operating activities			
Operating profit	2.417	1.607	1.340
<i>Adjustments for:</i>			
– Depreciation, amortisation and impairment expenses	1.598	1.195	919
– Change in provision	—	(3)	7
– Change in non-current receivables	7	—	(30)
<i>Changes in operating assets and liabilities</i>			
– (Increase)/decrease inventories	269	(1.346)	318
– (Increase)/decrease construction contracts	(1.489)	(540)	(871)
– (Increase)/decrease trade and other receivables	(4.522)	(401)	(1.911)
– Increase/(decrease) trade and other payables	3.473	2.931	3.564
Cash generated from operations	1.753	3.443	3.336
Income taxes (paid) / received	(338)	(576)	(19)
Interest (paid)	(111)	(67)	(40)
Interest received	—	—	—
Net cash inflow / (outflow) from operating activities	1.304	2.800	3.277
Cash flows from investing activities			
Payment for property, plant and equipment	(1.840)	(2.033)	(518)
Payment for intangible assets	(1.886)	(1.424)	(1.019)
Net cash inflow / (outflow) from investing activities	(3.726)	(3.457)	(1.537)
Cash flows from financing activities			
Proceeds from issuance of shares	—	—	—
Proceeds from borrowings	—	900	—
Repayments of borrowings	(210)	(170)	(150)
Dividends paid to company's shareholders	—	—	(2.300)
Net cash inflow / (outflow) from financing activities	(210)	730	(2.450)
Net increase/(decrease) in cash and cash equivalents	(2.632)	73	(710)
Cash and cash equivalents at the beginning of the financial year	1.408	1.335	2.045
Cash and cash equivalents at the end of the financial year	(1.224)	1.408	1.335

Net cash flows from operating activities

Alfen's total net cash inflow from operating activities was €1,3 million in 2017, compared to a net cash inflow of €2,8 million in 2016. The decrease in net cash inflow from operating activities was primarily due to an increase of work in progress (construction contracts) from €2,6 million per 31 December 2016 to €4,1 million per 31 December 2017, an increase in trade receivables from €7,3 million per 31 December 2016 to €11,7 million per 31 December 2017, partially offset by an increase in trade payables from €10,3 million per 31 December 2016 to €13,0 million per 31 December 2017.

Alfen's total net cash inflow from operating activities was €2,8 million in 2016, compared to €3,3 million in 2015. The decrease was primarily due to higher income tax payments, which accounted for €576 thousand of cash outflows in 2016, an increase of €557 thousand as compared to €19 thousand in 2015.

Cash flows from investing activities

Alfen's total net cash outflow from investing activities in 2017 was €3,7 million, compared to a net cash outflow of €3,5 million in 2016. Payment for property, plant and equipment accounted for €1,8 million of total net cash outflow from investing activities in 2017, a decrease of €0,2 million compared to €2,0 million in 2016. The decrease was mainly caused by the completion of the refurbishment projects begun 2016 at the offices and production facilities located at both the Vlotbrugweg and Hefbrugweg in Almere, the Netherlands. Payments for intangible assets accounted for €1,9 million of total net cash outflow from investing activities in 2017, an increase of €0,5 million compared to €1,4 million in 2016. The increase was primarily due to increased development activity for Alfen's grid automation solution, energy storage systems and EV charging equipment.

Alfen's total net cash outflow from investment activities was €3,5 million in 2016, compared to €1,5 million in 2015. Payment for property, plant and equipment accounted for €2,0 million of total net cash outflow from investing activities in 2016, an increase of €1,5 million compared to €0,5 million in 2015. The increase was primarily due to the purchase and refurbishment of the offices and production facilities located at the Vlotbrugweg in Almere, the Netherlands, and start of the refurbishment project of Alfen's headquarter offices at Hefbrugweg in Almere, the Netherlands. Payments for intangible assets accounted for €1,4 million of total net cash outflow from investing activities in 2016, an increase of €0,4 million compared to €1,0 million in 2015. The increase was primarily due to increased development activity for Alfen's grid automation solution, energy storage systems and EV charging equipment.

Cash flows from financing activities

Alfen's total net cash outflow from financing activities in 2017 was €0,2 million, compared to a net cash inflow of €0,7 million in 2016. The 2017 cash outflow fully relates to repayment of borrowings. The 2016 cash inflow reflected €0,9 million of proceeds from borrowings.

Alfen's total net cash inflow from financing activities in 2016 was €0,7 million, compared to a net cash outflow of €2,5 million in 2015. Alfen did not pay dividends to shareholders in 2016, after payments of €2,3 million in dividends to shareholders in 2015. Alfen received €0,9 million in proceeds from borrowings (mortgage) in 2016, for the purchase of the building located at the Vlotbrugweg in Almere, the Netherlands.

The only material changes to the cash flows from financing activities after the latest financial period are the cash inflows from two bank loans obtained on 8 January 2018, each with principal amount of €875 thousand and a duration of 10 years. For further details, see "*Business — Material Contracts*".

Credit Facility

Alfen holds a group credit facility with Rabobank. As at 31 December 2017, the credit facility amounted to €10,4 million, as compared to €7,4 million in 2016 and €4,5 million in 2015. The credit facility consists of:

- a mortgage loan with a duration of 10 years and a principal amount of €1,5 million used for the financing of the building located at the Hefbrugweg in Almere, the Netherlands, with a book value of €1.050 thousand as at 31 December 2017;
- a mortgage loan with a duration of 15 years and a principal amount of €0,9 million used for the purchase of the building located at the Vlotbrugweg in Almere, the Netherlands, with a book value of €820 thousand as at 31 December 2017; and
- a working capital facility of €8,0 million, as compared to €5,0 million in 2016 and €3,0 million in 2015. The 2017 interest rate was 2,7%, as compared to 2,7% in 2016 and 3,0% in 2015. The bank has first ranked mortgages on the real estate owned by the Company with a book value of €3,3 million as at 31 December 2017. The real estate has an economic value of €3,7 million, as compared to €3,1 million in 2016 and €1,8 million in 2015.

The following security has been granted:

- a first ranked mortgage that amounts to €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 that amounts to €0,9 million for land and buildings on the Vlotbrugweg 24, 1332 AJ Almere, cadastral known as section M number 60, Almere; and
- a first pledge for:
 - all current and future equipment of the Company;
 - all current and future inventory of the Company;
 - all current and future vehicles of the Company; and
 - all current and future rights and receivables whether or not resulting from current and future relationships, including the rights from insurance agreements.

The agreement relating to the group credit facility contains events of default customary for this type of facility, including change of control events (which will not be applicable to the Offering). Furthermore, the agreement includes the following (non-)financial covenants:

- a negative pledge, stating that Alfen will not pledge any of its assets if doing so gives the lender less security and the “*pari passu*” clause, stating that the loan ranks equally with Alfen’s other indebtedness (if applicable);
- a non-distribution clause (*niet-onttrekkingsbepaling*), pursuant to which Alfen B.V., as long as it is indebted, can only distribute dividend after receiving a written consent of Rabobank; and
- complying with a minimal bank EBITDA⁸⁵ covenant on a (consolidated) net level (adjusted for capitalised development costs) of €1,5 million for 2017 and thereafter (2016: €1,0 million; 2015: €0,4 million).

On 8 January 2018, the Company increased its working capital credit facility with Rabobank from €8 million to €11,3 million for an indefinite period of time and obtained two new loans, each with principal amount of €875 thousand and a duration of 10 years. These two loans are secured to the Rabobank with second ranking mortgages in the amount of €1,3 million on the real estate owned by the Company. For further details on the credit agreement relating to the increased working capital credit facility, see “*Business — Material Contracts*”.

Hedging

The Company is exposed to interest rate risks on its borrowings. The Management Board has determined, based on a risk assessment, that the interest rate risks on its borrowings do not need to be hedged. The Company’s exposure is not significant and therefore no sensitivity analysis is included.

The Company mainly operates in the European Union, in those countries that use the euro as a basis currency. The currency risk is limited and largely concerns positions and (future) transactions in euros. The Company’s exposure to other foreign exchange movements is not significant. The Management Board has determined, based on a risk assessment, that these currency risks do not need to be hedged.

⁸⁵ “**bank EBITDA**” is defined as EBITDA minus the capitalised development cost for the respective year. The bank EBITDA for 2017 amounts to €2,1 million, being EBITDA of €4,0 million minus 2017 capitalised development cost of € 1,9 million.

Borrowings

The following table summarises Alfen's borrowings for the periods indicated:

	As at 31 December		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Borrowings	1.870	2.080	1.350
Bank overdrafts.....	1.224	—	—
Total	3.094	2.080	1.350

As at 31 December 2017, Alfen had reduced its borrowings by €0,2 million to €1,9 million, as compared to €2,1 million in the prior year. As at 31 December 2016, Alfen had increased its borrowings by €0,7 million to €2,1 million as compared to the prior year, primarily due to the new mortgage loan entered into for the purchase of the building (offices and production facilities) located at the Vlotbrugweg in Almere, the Netherlands.

Contractual Obligations

The table below analyzes the Company's financial liabilities on its 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:

	Financial Year 2017 (EUR '000)				
	Less than 3 months	3 months to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables.....	18.423	98	15	—	18.536
Long-term debt.....	64	193	981	868	2.106
Total non-derivatives	18.488	291	996	868	20.642

Working Capital

	As at 31 December		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Current assets			
Inventories.....	3.487	3.756	2.410
Trade and other receivables.....	17.539	11.102	9.393
Total Current assets (excluding Cash and cash equivalents) ..	21.026	14.858	11.803
Current liabilities			
Trade and other payables	(18.536)	(13.699)	(9.843)
Current tax liabilities	(255)	(193)	(598)
Borrowings	(210)	(210)	(150)
Deferred revenue.....	(112)	(1.033)	(1.183)
Total current liabilities (excluding Bank overdraft)	(19.113)	(15.135)	(11.774)
Working capital	1.913	(277)	29

Alfen has robust working capital management procedures in place. The Company's working capital balances are affected by a seasonal pattern, with slightly higher working capital typically expected in the second half of the year.

Alfen's working capital was €1,9 million in 2017, an increase of €2,2 million as compared to negative €0,3 million in 2016. The increase was mainly due to higher trade and other receivables, which accounted for €17,5 million of assets in 2017, an increase of €6,4 million as compared to €11,1 million in 2016. The increase was partially offset by higher trade and other payables, which accounted for €18,5 million of liabilities in 2017, an increase of €4,8 million as compared to €13,7 million in 2016.

Alfen's working capital was negative €277 thousand in 2016, a decrease of €306 thousand as compared to €29 thousand in 2015. The decrease was mainly due to higher trade and other payables, partly offset by higher trade and other receivables and inventories. These balance increases were driven by the growth of the Company during the year. Trade and other payables accounted for €13,7 million of assets in 2016, an increase of €3,9 million as compared to €9,8 million in 2015. Trade and other receivables accounted for €11,1 million of assets in 2016, an increase of €1,7 million as compared to €9,4 million in 2015. Inventories accounted for €3,8 million of assets in 2016, an increase of €1,4 million as compared to €2,4 million in 2015.

Capital Expenditures and Investments

	As at 31 December		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Capital Expenditure			
Additions to property, plant and equipment.....	1.840	2.033	518
Additions to intangible assets.....	1.886	1.424	1.019
Total capital expenditure	3.726	3.457	1.537

Alfen's capital expenditure was €3,7 million in 2017, an increase of €0,2 million as compared to €3,5 million in 2016. Additions to property, plant and equipment accounted for €1,8 million in 2017, a decrease of €0,2 million as compared to €2,0 million in 2016. The decrease was mainly caused by the completion of the in 2016 started refurbishment projects at the offices and production facilities located at both the Vlotbrugweg and Hefbrugweg in Almere, the Netherlands. Additions to intangible assets accounted for €1,9 million in 2017, an increase of €0,5 million as compared to €1,4 million in 2016 due to increased development activity for Alfen's grid automation solution, energy storage systems and EV charging equipment.

Alfen's capital expenditure was €3,5 million in 2016, an increase of €2,0 million as compared to €1,5 million in 2015. Additions to property, plant and equipment accounted for €2,0 million in 2016, an increase of €1,5 million as compared to €0,5 million in 2015 due to the purchase and refurbishment of the offices and production facilities located at Vlotbrugweg in Almere, the Netherlands and the start of the refurbishment project of Alfen's headquarter offices at Hefbrugweg in Almere, the Netherlands. Additions to intangible assets accounted for €1,4 million in 2016, an increase of €0,4 million as compared to €1,0 million in 2015 due to increased development activity for Alfen's grid automation solution, energy storage systems and EV charging equipment.

Alfen's capital expenditure was €355 thousand from 31 December 2017 up to the date of this Prospectus. Additions to property, plant and equipment accounted for €151 thousand during this period and mainly relate to information technology hardware, testing equipment, dies and moulds. Additions to intangible assets accounted for €204 thousand.

Off-Balance Sheet Arrangements and Contingent Liabilities

The following table sets forth Alfen's off-balance sheet commitments as of the dates indicated:

	As at 31 December		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
No later than 1 year	600	400	400
Later than 1 year and no later than 5 years.....	900	700	900
Later than 5 years.....	—	—	—
Total	1.500	1.100	1.300

The commitments in the table mainly refer to leasing the automotive fleet. The commitments in respect to operational leases are nominal amounts and are charged to the income statement on a linear basis.

Net Debt

The following table sets forth Alfen's net debt as of the dates indicated:

	As at 31 December		
	2017	2016	2015
	(EUR '000)	(EUR '000)	(EUR '000)
Long-term debt	1.870	2.080	1.350
Plus: bank overdraft	1.224	—	—
Less: cash and cash equivalents	—	1.408	1.335
Net debt	3.094	672	15

Net debt increased by €2,4 million to €3,1 million as at 31 December 2017, compared to a net debt position of €0,7 million as at 31 December 2016, principally driven by the cash flow for the year as explained in the cash flows paragraph above.

Net debt increased by €657 thousand to €672 thousand as at 31 December 2016 as compared to €15 thousand as at 31 December 2015, principally due to the new mortgage loan entered into for the purchase of the building (offices and production facilities) located at Vlotbrugweg in Almere, the Netherlands.

Alfen's debt to equity ratio is defined as the ratio of net debt to total group equity. As at 31 December 2017, Alfen's debt to equity ratio was 0,45. As at 31 December 2017, Alfen's interest cover ratio (defined as the ratio of operating profit to finance costs) was 18,9.

Quantitative and Qualitative Disclosures about Market Risk

For a discussion of quantitative and qualitative disclosures about market risks, see Note 3 to the Consolidated Financial Statements.

Critical Accounting Policies and Estimates and Forthcoming Changes

Critical Accounting Estimates and Judgements

The preparation of the Consolidated Financial Statements requires the Management Board 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 distinction between research and development costs is based on management judgements and takes 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; and
- the availability of adequate technical, financial and other resources to complete the development.

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

The carrying amount of capitalised development costs was €3,9 million in 2017, as compared to €3,1 million in 2016 and €2,4 million in 2015. The group 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.

Contract Revenue

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue and costs are recognised over the period of the contract by reference to the stage of completion using the ‘percentage-of-completion method’ to determine the appropriate amount to recognise in a given period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

To determine the stage of completion 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’s 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 construction contracts. However, historical experience has shown that estimates in total are sufficiently reliable.

Future Accounting Developments

The following additional/amended standards and interpretations are effective for the Consolidated Financial Statements for the financial year 2017:

- IFRS 9 “Financial Instruments” addresses the classification, valuation and initial recognition of financial instruments. IFRS 9 replaces IAS 39. IFRS 9 applies the concept of business models to determine the classification of a financial instrument. In addition, a new model is introduced for the calculation of impairments. The assumptions are based on expected credit losses. IFRS 9 introduces more flexible requirements for the hedge effectiveness tests. The standard is effective for accounting periods beginning on or after 1 January 2018. The impact of this standard on Alfen is yet to be determined but considered low. Alfen does not have (complex) instruments that would trigger a change in accounting. The Company does not apply any hedge accounting. Furthermore, based on the analysis of historical information the expected loss evaluation for receivables and WIP is considered insignificant.
- IFRS 15 “Revenue from Contracts with Customers” deals with revenue recognition. The standard replaces IAS 18, Revenue and IAS 11, Construction contracts and related interpretations. IFRS 15 includes a five-step approach for determining revenue recognition. Revenue is recognised when a customer obtains control over a good or service and has the ability to direct the use and obtain the economic benefits from the good or service. IFRS 15 contains additional disclosure requirements for the assumptions applied and estimate made. The standard is effective for accounting periods beginning on or after 1 January 2018. The application of IFRS 15 is expected to have limited to no impact on the current accounting as the company has very few contracts with multiple performance obligations. The company will implement this new standard prospectively without adjusting the comparative figures.

- IFRS 16 “Leasing” requires that nearly all liabilities resulting from lease, rental and leasehold agreements shall be recognised on the balance sheet. The current accounting standard for leases allows entities to present some of the lease agreements off balance. The new standard allows exemptions for on-balance sheet recognition for short-term contracts and products with a low value. The standard is effective for accounting periods beginning on or after 1 January 2019. The impact of this standard on Alfen is yet to be determined but considered low. The Company does not have any material lease contracts. Existing lease contracts mainly relate to company cars, warehouse equipment and office (printing) equipment. In 2017 the company had approximately €1,5 million of lease premium obligations. The impact of IFRS 16 is considered low (less than 10% of balance sheet total).

MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

General

This section gives an overview of the material information concerning the Management Board, the Supervisory Board, Senior Management, Alfen's employees and its corporate governance. It is based on and discusses relevant provisions of Dutch law as in effect on the date of this Prospectus, the Articles of Association, the Management Board Rules and the Supervisory Board Rules (both as defined below) as these will be in effect ultimately on the First Trading Date. The Articles of Association in the Dutch language and in an unofficial English translation are available on the Company's website (ipo.alfen.com) or during regular business hours at the Company's business address at Hefbrugweg 28, 1332 AP in Almere, the Netherlands. The Management Board Rules and the Supervisory Board Rules in the English language are available on the Company's website (ipo.alfen.com).

Management Structure

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**") who 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's responsibilities include, among other things, setting the Company's management agenda, developing a view on long-term value creation by the Company, enhancing the performance of the Company, developing a strategy, identifying, analysing and managing the risks associated with the Company's strategy and activities and establishing and implementing internal procedures, which safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely manner. The Management Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Articles of Association (see "*– Management Board Meetings and Decision-making*"). Pursuant to the Management Board Rules, the Management Board may delegate duties and powers to individual Managing Directors and/or committees consisting of one or more Managing Directors whether or not assisted by staff officers. In fulfilling their responsibilities, the Managing Directors must act in the interest of the Company and give specific attention to the relevant interests of Alfen's employees, shareholders, lenders, clients, suppliers and other stakeholders of Alfen. The Management Board Rules furthermore provide that the Management Board focuses on long-term value creation for the Company.

The Management Board shall timely provide the Supervisory Board with the information necessary for the performance of the Supervisory Board's duties. The Management Board is required to keep the Supervisory Board informed and to consult with the Supervisory Board on important matters. The Management Board shall inform the Supervisory Board, in writing, and at least once a year, of the main outlines of the Company's strategic policy, the general and financial risks, and the risk management and control systems.

Subject to certain statutory exceptions, the Management Board as a whole is authorised to represent the Company. Additionally, two Managing Directors are jointly authorised to represent the Company. See "*– Conflict of Interest*". 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.

Management Board Rules

Pursuant to the Articles of Association, the Management Board may adopt rules and regulations, allocating duties to one or more Managing Directors and regulating any such subjects as the Management Board deems necessary or appropriate (the "**Management Board Rules**"). The Management Board Rules are expected to become effective as of the First Trading Date.

Composition, Appointment, Dismissal and Suspension

The General Meeting appoints the Managing Directors. A resolution of 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.

Term of Appointment

Any new Managing Director that is appointed is appointed for a maximum period of four years, provided that, unless a Managing Director resigns earlier, his or her appointment period shall end immediately after the annual General Meeting that will be held in the fourth calendar year after the date of his or her appointment. A Managing Director may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion. The Company's diversity policy drawn up in accordance with the Supervisory Board Rules will be considered in the preparation of the appointment or reappointment.

Management Board Meetings and Decision-making

The Management Board meets monthly in accordance with the Management Board Rules. Furthermore, the Management Board must meet whenever the CEO or two members of the Management Board have called a meeting.

Pursuant to the Management Board Rules, resolutions of the Management Board are adopted by unanimous vote where possible. Where this is not possible, resolutions of the Management Board are adopted by a majority vote of the Managing Directors present or represented. Resolutions can only be adopted if at least two-thirds of the members are present or represented. Each Managing Director has one vote. If there will be more than two Managing Directors in office and entitled to vote, the CEO shall have a casting vote in the event of a tie. In other cases, the proposal shall be deemed rejected in case of a tie of votes within the Management Board.

The Management Board may also adopt resolutions without convening a meeting upon a proposal by or on behalf of the CEO, provided that none of the Managing Directors in office have raised an objection to adopt resolutions in this manner and all Managing Directors – with the exception of any Managing Director that are suspended or have reported a conflict of interest – have been consulted.

Dutch law and the Articles of Association provide that resolutions of the Management Board involving major changes in the Company's identity or character are subject to the approval of the General Meeting. Such changes in any event include:

- the transfer of the business, or virtually all of the business, to a third party;
- entering into or cancelling any long-term cooperative relationship between the Company or a subsidiary of the Company and another legal entity or company, or in its capacity as a fully liable partner in a limited partnership or general partnership, if such cooperation or cancellation has a substantial impact on the Company; and
- acquiring or disposing of a participation in the capital of a Company worth at least one-third of the amount of the assets in accordance with the balance sheet and explanation, or if the Company draws up a consolidated balance sheet, in accordance with the consolidated balance sheet and explanation according to the most recently adopted annual accounts of the Company, by the Company or a subsidiary of the Company.

Any such resolution shall only be submitted to the General Meeting after the Works Council has been timely granted the opportunity to determine its point of view before the date of the notice of such General Meeting. The absence of the statement of the Works Council shall not affect the decision-making concerning such proposal. If the Works Council determines its point of view in respect of the proposal, the Management Board shall inform the Supervisory Board and the General

Meeting of such point of view. The Works Council may have its point of view explained in the General Meeting.

In addition, resolutions of the Management Board identified in the Articles of Association, the Management Board Rules or identified pursuant to a resolution of the Supervisory Board from time to time on the basis of the relevant provisions in the Articles of Association require the prior approval of the Supervisory Board. For some of these resolutions, the approval must include the affirmative vote of (at least) one independent Supervisory Director.

In each of the above-mentioned situations, the absence of approval (whether from the General Meeting or from the Supervisory Board) does not affect the authority of the Management Board or the Managing Directors to represent the Company.

Conflict of Interest

Dutch law provides that a member of the management board of a Dutch public limited liability company, such as the Company (following conversion of the Company to a *naamloze vennootschap*), may not participate in the deliberation or decision-making of a relevant management board resolution if he or she has a direct or indirect personal interest conflicting with the interests of the relevant company and the business connected with it. Such a conflict of interest exists if in the situation at hand the Managing Director is deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity.

Pursuant to the Articles of Association and the Management Board Rules, each Managing Director shall immediately report any (potential) personal conflict of interest concerning a Managing Director to the chairman of the Supervisory Board and to the other Managing Directors and shall provide all information relevant to the conflict. The Supervisory Board must determine whether a reported (potential) conflict of interest qualifies as a conflict of interest, in which case the Managing Director who has a conflict of interest is not permitted to participate in the decision-making and deliberation process on a subject or transaction in relation to which such member has a conflict of interest. Such transaction must be concluded on terms customary in the sector concerned and must be approved by the Supervisory Board. In addition, if there is a conflict of interest in connection with the Management Board, the Supervisory Board may, whether or not on an ad hoc basis, appoint one or more persons to authorise to represent the Company with respect to matters in which a (potential) conflict of interest occurs.

If as a consequence no resolution can be adopted by the Management Board, the resolution may be referred to the Supervisory Board. In addition, if a Managing Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and this member may be held liable towards the Company. As a general rule, the existence of a (potential) conflict of interest does not affect the authority to represent the Company as described under “– Powers, Responsibilities and Functioning” above. Furthermore, as a general rule, agreements and transactions entered into by a company based on a decision of its management board that are adopted with the participation of a member of the management board who had a conflict of interest with respect to the matter cannot be annulled. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

Related Party Transactions Policy

The Management Board Rules provide for a related party transactions policy. According to this policy, no related party transactions shall be undertaken without the approval of the Supervisory Board, which approval includes the affirmative vote of at least one independent Supervisory Director. A related party transaction includes transactions between the Company and its subsidiaries on the one hand and certain related parties, including parties holding at least 10% of the Ordinary Shares, on the other hand.

The related party transactions policy provides for certain procedures for members of the Management Board or the Supervisory Board to notify a potential related party transaction. The Supervisory Board shall decide whether a transaction qualifies as a related party transaction. Potential related party transactions shall be subject to review by the Supervisory Board. The Supervisory Board may approve the related party transaction only if it determines in good faith that the related party transaction is fair as to the Company.

The related party transactions policy is an annex to the Management Board Rules and as such is available in full on the Company’s website (ipo.alfen.com).

Managing Directors

As at the date of this Prospectus, the Management Board is composed of the following members:

Name	Age	Position	Member since
Mr M. (Marco) Roeleveld.....	56	CEO and COO	November 2015
Mr J. (Jeroen) van Rossen	44	CFO	August 2017

Mr M. (Marco) Roeleveld (born 1962, Dutch) is Alfen's CEO (chief executive officer) and COO (chief operations officer). Mr M. 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, Mr M. 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.

Mr J. (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 accountant and advisor for a number of large and mid-size companies in the Netherlands. Mr J. van Rossen was also a member of the supervisory board of Vlinderstichting (2009-2015) and is currently a member of the supervisory board of Stichting Aorta (Architectuur Centrum Utrecht). Mr J. 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 R. (Richard) Jongsma	49	CCO	August 2013

Mr R. (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. Mr R. 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 their duties, the Supervisory Directors are required *inter alia* to focus 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 assist the Management Board with advice on general policies related to the activities of Alfen. In the fulfilment of their duty, the Supervisory Directors shall orient themselves according to the interests of the Company and its related business.

Supervisory Board Rules

Pursuant to the Articles of Association, the Supervisory Board may adopt rules and regulations, allocating duties to one or more Supervisory Directors and regulating any such subjects as the Supervisory Board deems necessary or appropriate (the "**Supervisory Board Rules**"). The Supervisory Board Rules are expected to become effective as of the First Trading Date.

Composition, Appointment, Dismissal and Suspension

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. As of the date of this Prospectus, 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 (*profielschets*) 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.

Term of Appointment

The Supervisory Directors are appointed for a maximum period of four years, provided that, unless a Supervisory Director resigns earlier, his or her appointment period shall end immediately after the annual General Meeting that will be held in the fourth calendar year after the date of his or her appointment. Supervisory Directors may be reappointed once more for another four-year period and then subsequently be reappointed again for a period of two years, which reappointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the Supervisory Board. In any appointment or reappointment, the profile as prepared by the Supervisory Board should be observed. The Supervisory Board will prepare a retirement schedule for the Supervisory Directors.

Supervisory Board Meetings and Decision-Making

The Supervisory Board meets at least four times per year, to the extent possible in accordance with the annually adopted meeting schedule. The Supervisory Board shall also meet earlier than scheduled if this is deemed necessary by the Chairman, two other members of the Supervisory Board, or the Management Board.

Pursuant to the Articles of Association and the Supervisory Board Rules, resolutions of the Supervisory Board are adopted by majority vote in a meeting of the Supervisory Board, in which at least the majority of the Supervisory Directors are present or represented. In addition, according to the Supervisory Board Rules, certain specified resolutions require the affirmative vote of at least one independent Supervisory Board member. Each Supervisory Board director has one vote. If the vote is tied, the proposal shall be deemed to have been rejected.

The Supervisory Board may also adopt resolutions without convening a meeting, upon a proposal by or on behalf of the chairman of the Supervisory Board provided that none of the Supervisory Directors in office have raised an objection to adopt resolutions in this manner and all Supervisory Directors – with the exception of the Supervisory Directors that are suspended or have reported a conflict of interest – have been consulted. If all members are present and agree, the Supervisory Directors may resolve on issues not on the agenda.

Conflict of Interest

Similar to the rules that apply to the Managing Directors as described above, Dutch law also provides that a supervisory director of a Dutch public limited liability company, such as Alfen (after conversion of the Company), may not participate in deliberating or decision-making within the Supervisory Board if he or she has a direct or indirect personal interest conflicting with the interests of the relevant company and the business connected with it.

Pursuant to the Supervisory Board Rules, a Supervisory Director that has a (potential) conflict of interest with respect to a proposed Supervisory Board resolution should immediately report this to the chairman of the Supervisory Board and provides all relevant information. If the chairman of the Supervisory Board has a (potential) conflict of interest with respect to a proposed Supervisory Board resolution, he should immediately report this to the other Supervisory Directors. The Supervisory Board, without the relevant Supervisory Director being present or represented, determines whether a reported (potential) conflict of interest qualifies as a conflict of interest. A Supervisory Director shall not participate in the deliberation and decision-making process if he has a conflict of interest.

If as a result of such a conflict of interest a resolution cannot be adopted, the resolution will be adopted by the General Meeting. In addition, if a Supervisory Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and this member may be held liable towards the Company. Furthermore, as a general rule, agreements and transactions entered into by a company based on a decision of its supervisory board that are adopted with the participation of a Supervisory Director who had a conflict of interest with respect to the matter cannot be annulled. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

Supervisory Directors

As at the date of this Prospectus, Mr E.Q. van der Arend and Mr D.W.E. Riefel are the members of the Supervisory Board. As from the First Trading Date, the Supervisory Board will be composed of the following members:

Name	Age	Position	Member since
Mr H. (Henk) ten Hove	65	Chairman	22 March 2018
Mr E.Q. (Edmond) van der Arend	53	Member	1 March 2018
Mr D.W.E. (Erwin) Riefel	52	Member	1 March 2018

Mr H. (Henk) ten Hove (born 1952, Dutch) will be a supervisory board member of Alfen as from 22 March 2018. Mr H. ten Hove also holds supervisory board positions at the publicly listed company Kendrion since 2013 (as chairman) and at Unica since 2014. In addition, he is chairman of the Economic Board of the Zwolle area (which will be terminated as from 1 April 2018). He is also chairman of the foundation owning the shares in BDR Thermea group. Mr 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, logistics manager, general manager Germany, member of the executive board and, between 2010 and 2013, CEO of the group. Mr Ten Hove holds a masters degree in Economics from the University of Amsterdam, the Netherlands.

Mr E.Q. (Edmond) van der Arend (born 1964, Dutch) is a supervisory board member of Alfen since 1 March 2018. Since 2009, Mr E.Q. van der Arend is the owner and managing director of Arend & Markslag, a consultancy firm specialised in corporate finance and accounting. Prior to founding Arend & Markslag, Mr E.Q. 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. Mr E.Q. van der Arend also holds supervisory board positions at Foundation Sport & Recreatie Tubbergen since May 2012 (as chairman) and Foundation Bibliotheken Tubbergen since August 2017. In addition, he is the treasurer of Financieel Netwerk Twente. Mr E.Q. van der Arend holds a CPA degree since 1992.

Mr D.W.E. (Erwin) Riefel (born 1966, Dutch) is a supervisory board member of Alfen since 1 March 2018. Since 2008 Mr D.W.E. Riefel is an investment director at Infestos Nederland B.V. (which is an affiliate of the Selling Shareholders). Prior to joining Infestos, Mr D.W.E. Riefel worked as senior relationship manager for corporate clients at Rabobank (formerly known as “Rabobank Nederland”) (2000-2008). He holds a masters degree finance small and medium sized enterprises from TIAS Business School in Tilburg, the Netherlands.

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

Maximum Number of Supervisory Positions of Managing Directors and Supervisory Directors

Since 1 January 2013, restrictions apply with respect to the overall number of supervisory positions that a managing director or supervisory director of “large Dutch companies”, a Dutch public company, a Dutch private limited liability company or a qualifying Dutch foundation may hold. The term “large Dutch companies” applies to Dutch public limited liability companies, Dutch private limited liability companies and Dutch foundations that meet at least two of the following three criteria: (i) the value of the company’s/foundation’s assets according to its balance sheet together with explanatory notes on the basis of the purchase price or manufacturing costs exceeds €20,0 million; (ii) its net turnover in the applicable year exceeds €40,0 million; and (iii) its average number of employees in the applicable year is 250 or more.

A person cannot be appointed as a managing or executive director of a “large Dutch company” if he/she already holds a supervisory position at more than two other “large” Dutch public or private

companies or “large” Dutch foundations or if he/she is the chairman of the supervisory board or one-tier board of another “large” Dutch public or private company or “large” Dutch foundation. Also, a person cannot be appointed as a supervisory director or non-executive director of a “large Dutch company” if he/she already holds a supervisory position or non-executive position at five or more other “large” Dutch public or private companies or Dutch foundations, whereby the position of chairman of the supervisory board or one-tier board of another “large” Dutch company is counted twice.

Remuneration Information for the Management Board

Management Board Remuneration Policy

The remuneration policy applicable to the Management Board was determined by the General Meeting on the date of this Prospectus, 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 are required to be determined by the Supervisory Board, 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.

Annual base pay

This represents a fixed cash remuneration consisting of the base salary including holiday allowance that is set based on the level of responsibility of the Managing Directors.

Pension and other benefits

Managing Directors are eligible to participate in the Company’s pension scheme similar to the other employees of the Company in the Netherlands. In addition, the Managing Directors are eligible for other pension related benefits, such as old-age and life insurance, as determined by the Supervisory Board from time to time.

Managing Directors are eligible for a range of other emoluments such as the use of a company car, an expense allowance reflective of the position of the Managing Director and a collective health insurance. The Company will arrange for and pay a directors and officers liability insurance for the members of the Management Board.

Severance

In line with their current employment agreements, the maximum severance payment applicable to the Managing Directors amounts to one year base pay in the preceding financial year. No severance payment will be awarded if the Managing Director’s agreement is terminated early at the initiative of the Managing Director, or in the event of seriously culpable or negligent behaviour on the part of the Managing Director.

Management Board Remuneration over 2017

The total amount of remuneration of the Managing Directors for the financial year 2017 comprised €420.000. For the financial year 2017, the gross annual base salary of Mr M. Roeleveld comprised €200.000 (including holiday allowance) and he received an additional amount of €20.000 as compensation for losses in previous pensions, and the total gross annual base salary of Mr J. van Rossen comprised €200.000 (including holiday allowance). In addition, Infestos Nederland B.V. (which is an affiliate of the Selling Shareholders) paid a bonus of €50.000 to Mr Roeleveld in the financial year 2017.

Management Board Remuneration over 2018

For the financial year 2018, the gross annual base salary of Mr M. Roeleveld comprises €250.000 and the gross annual base salary of Mr J. van Rossen comprises €210.000. In addition,

Infestos Nederland B.V. (which is an affiliate of the Selling Shareholders) will pay to each Managing Director a bonus of €50.000 prior to the First Trading Date (which is not part of the remuneration policy).

As of the date of this Prospectus, the Company has not provided any personal loans, advances or guarantees to the Managing Directors.

Remuneration Information for the Senior Management other than the Management Board

The total amount of management fee payable to the management company through which Mr R. Jongsma provides his services to Alfen comprised €230.004 for the financial year 2017. As of the date of this Prospectus, the Company has not provided any personal loans, advances or guarantees to the members of the Senior Management.

In addition, Infestos Nederland B.V. (which is an affiliate of the Selling Shareholders) paid a bonus of €46.000 to the management company through which Mr R. Jongsma provides his services to Alfen in the financial year 2017. Infestos Nederland B.V. (which is an affiliate of the Selling Shareholders) will pay a bonus of €46.000 to the management company through which Mr R. Jongsma provides his services to Alfen prior to the First Trading Date.

The annual management fee for the management company through which Mr R. Jongsma provides his services to Alfen has been set at €230.000 for the financial year 2018.

Remuneration Information for the Supervisory Board

The Company has installed a supervisory board at 1 March 2018. The General Meeting determines the remuneration of the Supervisory Directors. The Supervisory Board submits from time to time proposals to the General Meeting in respect of the remuneration of the Supervisory Directors. The remuneration of the Supervisory Board may not be made dependent on the Company's results. Supervisory Directors will not receive Ordinary Shares and/or rights to Ordinary Shares as remuneration.

The compensation for the chairman of the Supervisory Board has been set at €50.000 per year and the compensation for Mr E.Q. van der Arend has been set at €30.000 per year. Mr D.W.E. Riefel is employed by Infestos Nederland B.V. (which is an affiliate of the Selling Shareholders) and does not receive compensation for his Supervisory Board activities.

Shareholding Information

As at the date of this Prospectus, all of the Company's outstanding and issued share capital is held by the Selling Shareholders.

As at the date of this Prospectus, certain key managers of Alfen (including the Senior Management) indirectly participate in the share capital of the Company. These indirect investments are held through two trust foundations (*stichtingen administratiekantoor*) which have issued depositary receipts of shares (*certificaten van aandelen*) in the capital of each of the Selling Shareholders (the "DRs") to the participating managers (for which these participating managers paid the estimated fair market value). In this manner, the participating key managers indirectly hold an economic interest of 10,36% in the share capital of the Company. The DRs were issued as from 2014 to offer the key managers the opportunity to participate in the investment of the Selling Shareholders in the Company.

On the First Trading Date, the DRs held by the participating managers will be cancelled following which these managers will receive shares in the capital of the Selling Shareholders. The Selling Shareholders will repurchase those shares by way of a share buyback from the participating managers for a purchase price that is composed of 75% in Ordinary Shares and 25% in cash, meaning that the participating managers realise part of their indirect investment in the Company. An amount will be deducted from the cash part to be used for termination of financing structures at Selling Shareholder level, payment of costs and incurred taxes. The Selling Shareholders are undertaking this restructuring to have the relevant key managers exit the current investment structure at Selling Shareholder level and, by offering Ordinary Shares to the participating managers, allowing them to participate directly in the capital of the Company.

As a result of the above and as from the First Trading Date, the relevant key managers will no longer hold an indirect economic interest of 10,36% in the capital of the Company through DRs, but will directly hold Ordinary Shares which jointly amount to 7,77% (which is 75% of the current indirect economic interest of 10,36%) of the share capital of the Company. No individual key

manager will hold a substantial holding equal to or exceeding 3%. The following table sets out the shareholdings of each of the Selling Shareholders, the members of the Senior Management and the other key managers as at the First Trading Date.

Shareholder	Number of Ordinary Shares	Percentage of the issued share capital of the Company
Infestos Holding M.B.V.....	2.497.205 ⁽¹⁾	12,49% ⁽¹⁾
Infestos Energy Transition B.V.....	5.703.796 ⁽¹⁾	28,52% ⁽¹⁾
Mr M. Roeleveld.....	520.000	2,60%
Mr J. van Rossen.....	208.000	1,04%
Mr R. Jongsma ⁽²⁾	470.000	2,35%
Other key managers.....	356.000	1,78%

(1) Assuming all Offer Shares are sold in the Offering.

(2) Mr R. Jongsma and a business partner each indirectly hold 50% of the shares in Spring Enterprises B.V., a management company through which Mr Jongsma provides his services to Alfen, which in turn will directly hold Ordinary Shares comprising 4,7% of the issued share capital of the Company.

The Ordinary Shares received by the relevant key managers will be subject to lock-up restrictions as described below. To administer the lock-up restrictions, those Ordinary Shares will be held in custody in a securities account administered by a foundation (*stichting*). The board of the foundation is composed of one representative of the Selling Shareholders and the chairman of the Supervisory Board.

The Ordinary Shares transferred to the members of the Senior Management and certain other key managers of the Company will be released from the lock-up restrictions as follows: 60% of the Ordinary Shares will be unconditionally released from the lock-up restrictions on the day that is 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 that the relevant member of the Senior Management or relevant key manager of the Company continues to be employed by the Company on these dates. See “*Plan of Distribution – Management lock-up*”. Upon each moment that Ordinary Shares are unconditionally released from the lock-up restrictions, the foundation will, provided that the relevant manager meets the requirements set out in the custody agreement, transfer the Ordinary Shares into the securities account of the relevant key managers.

Should a member of the Senior Management or other key manager of the Company cease to be employed by the Company prior to the day that is three years after the First Trading Date (other than as a result of exceptional circumstances such as disability or death), he will have the obligation to transfer the number of Ordinary Shares that are not yet released from the lock-up restrictions, to the Company for a price per Ordinary Share applying a discount of 40% to the then current trading price of the Ordinary Shares on Euronext Amsterdam. The applicable discount is determined in the custody agreement and can be mitigated by the Supervisory Board provided that the relevant manager meets certain requirements set out in the custody agreement. If the Company does not have sufficient funds or is unwilling to purchase the relevant Ordinary Shares, the Selling Shareholders may opt to purchase these Ordinary Shares. If neither the Company nor the Selling Shareholders purchase the Ordinary Shares, the manager will be authorised to retain the Ordinary Shares and they will remain subject to the lock-up restrictions.

After the expiration of the three year lock-up period, the Company intends to offer the relevant key managers the opportunity to participate in the long term incentive plan that will be implemented following the Offering (as described below). The details of such a plan will be determined in due course.

Share incentive for all eligible employees

On the First Trading Date, Alfen will grant to all eligible employees (excluding the key managers who hold DRs at the date of this Prospectus) conditional rights to acquire a cumulative total of 120.000 existing Ordinary Shares or 0,6% of the issued share capital of the Company for no consideration under a one-off share incentive. Eligible employees are all employees of Alfen (excluding

the key managers who hold DRs at the date of this Prospectus) that are employed by Alfen and who have not given or been given notice of termination of their employment agreements.

The conditional rights to acquire existing Ordinary Shares granted to these employees of Alfen will be exercisable in exchange for Ordinary Shares on the day that is two years after the First Trading 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). Alfen 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

Following the Offering, Alfen intends to implement an employee participation plan in order to support ownership of Ordinary Shares by key employees. It is anticipated that certain high-performing key employees of Alfen (excluding, for a period of three years following the First Trading Date, the key managers who hold DRs at the date of this Prospectus) will be invited to receive a conditional award of Ordinary Shares under the plan. The award is subject to the achievement of predetermined financial and non-financial performance conditions set by the Supervisory Board. The purpose of the share-based long-term incentive plan is to foster alignment between key employees and the shareholders of the Company and to focus key employees on the delivery of sustainable performance. Conditionally awarded Ordinary Shares will vest at the end of a three-year period subject to continued employment or engagement to Alfen.

Employment Agreements and Service Agreements

As at the date of this Prospectus, the Managing Directors are employed by the Company. The terms and conditions of employment are governed by Dutch employment law and their respective employment agreements. Each of the Managing Directors have entered into a services agreement (*overeenkomst van opdracht*) that will replace their respective existing employment agreements and become effective as of the First Trading Date. The new agreements contain severance provisions which provide for compensation for the loss of income resulting from a termination of employment at the initiative of the Company, with a maximum of one year's base compensation, subject to certain conditions such as that the termination is not based on seriously culpable acts or negligence of the Managing Director. The contractual severance amount will replace or be subtracted from any statutory or other severance payments.

Each Supervisory Director is expected to enter into a service agreement with the Company, effective as of the First Trading Date. The agreements are governed by Dutch law. The agreements will be entered into for a period of four years. The Supervisory Directors do not have a severance contract with the Company.

Potential Conflicts of Interests and Other Information

Other than the circumstances described below, the Company is not aware of any circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of each of the members of the Senior Management (including the Managing Directors) and Supervisory Directors on the one hand and the duties to the Company on the other hand. According to best practice principle 2.7 of the Dutch Corporate Governance Code, the Company will report on conflicts of interest in its management report.

Mr D.W.E. Riefel has been designated as Supervisory Director by the Selling Shareholders. He holds indirect investments in the Selling Shareholders and following Settlement will continue to hold his management position at Infestos Nederland B.V., which is the sole shareholder of Infestos Bestuur B.V., which in turn is the sole managing director of each of the Selling Shareholders (see “– *Supervisory Directors*”). The Selling Shareholders will continue to perform advisory and consulting services (see “*Selling Shareholders and Related Party Transactions – Related Party Transactions*”). Since Mr D.W.E. Riefel has been designated by the Selling Shareholders, and holds a management position at Infestos Nederland B.V. and indirect investments in the Selling Shareholders, and the interests of the Selling Shareholders may not be aligned with the interests of the Company (see “*Selling Shareholders and Related Party Transactions – Related Party Transactions*”), a conflict of interest might arise.

The Company is aware of the fact that Mr E.Q. van der Arend has been designated as Supervisory Director by the Selling Shareholders. He has been providing advisory and consulting services to affiliates of the Selling Shareholders from time to time since 2009 and may continue to do so in the future (in person as well as through the consultancy firm of which he is the owner and managing director). Since Mr E.Q. van der Arend has been designated by the Selling Shareholders, has been providing advisory and consulting services to affiliates of the Selling Shareholders from time to time and may continue to do so in the future, and the interests of the Selling Shareholders may not be aligned with the interests of the Company (see “*Selling Shareholders and Related Party Transactions – Related Party Transactions*”), a conflict of interest might arise.

The Supervisory Board does not expect that the circumstances described above will cause any of the Supervisory Directors to have a conflict with the duties they have towards the Company. However, the Supervisory Board Rules include arrangements to ensure that the Supervisory Board will in each relevant situation handle and decide on any (potential) conflict of interest, also in this respect. A Supervisory Director shall not participate in the deliberation and decision-making process if he has a conflict of interest. See “*Supervisory Board – Conflict of Interest*”. The Supervisory Board will procure that relevant transactions, in relation to which it has been determined that a conflict of interest exists, are published in the management report. Other than these circumstances, the Company is not aware of any other circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of Managing Directors and private interests or other duties of Supervisory Directors towards the Company.

During the last five years, none of the members of the Senior Management (including the Managing Directors) or Supervisory Directors: (i) has been convicted of fraudulent offenses; (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation; or (iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

Other than as disclosed in “*Selling Shareholders and Related Party Transactions – Related Party Transactions – Relationship Agreement*”, the Company is not aware of any arrangement or understanding with the Selling Shareholders, clients, suppliers or others, pursuant to which any Managing Director or Supervisory Director was selected as a member of such management body of the Company.

Liability of members of the Management Board and Supervisory Board

Under Dutch law, members of the management board and supervisory board may be liable towards the company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the company for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In addition, they may be liable towards third parties for infringement of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil, administrative and criminal liabilities.

Insurance

Managing Directors, Supervisory Directors and certain other officers are insured under an insurance policy taken out by Alfen against damages resulting from their conduct when acting in their capacities as members or officers.

Indemnification

The Articles of Association include provisions regarding the indemnification, to the extent permissible by the rules and regulations applicable to the Company, of current and former Managing Directors and Supervisory Directors against: (a) the reasonable costs of conducting a defence against claims for damages or of conducting defence in other legal proceedings, (b) any damages payable by them, and (c) the reasonable costs of appearing in other legal proceedings in which they are involved as current or former Managing Directors or Supervisory Directors, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf, based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the Company’s request – in the latter situation only if and to the extent that these costs and damages are not reimbursed on account of these other duties.

However, there shall be no entitlement to reimbursement and any person concerned will have to repay the reimbursed amount if and to the extent that: (i) a Dutch court, or in the case of arbitration, an arbitrator, has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterised as wilful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness, (ii) the costs or damages directly relate to or arise from legal proceedings between a current or former Managing Directors or Supervisory Directors and Alfen, with the exception of legal proceedings that have been brought by one or more shareholders, according to Dutch law or otherwise, on behalf of the Company, or (iii) the costs or financial loss of the person concerned are covered by an insurance and the insurer has paid out the costs or financial loss.

Works Council

Alfen has a works council (*ondernemingsraad*) (“**Works Council**”) in place at the level of the Company. Pursuant to Dutch law and the Articles of Association, any proposal (i) to appoint, suspend or remove a Managing Director or a Supervisory Director, (ii) to determine or modify the remuneration policy of the Management Board, or (iii) to approve a resolution entailing a significant change in the identity or character of Alfen or its business (see “– *Management Board – Management Board Meetings and Decision-making*”) shall only be submitted to the General Meeting after the Works Council has been timely granted the opportunity to determine its point of view before the date of the notice of such General Meeting. The absence of the statement of the Works Council shall not affect the decision-making concerning such proposal. If the Works Council determines its point of view in respect of the proposal, the Management Board shall inform the Supervisory Board and the General Meeting of such point of view. The Works Council may have its point of view explained in the General Meeting.

Employees

The table below provides an overview of the average number of employees Alfen employed, subdivided per organisational department. These numbers are measured in FTE as at 31 December of each of the years indicated in the table below.

Subdivision of Employees Measured in FTEs	2017	2016	2015
Production	100,6	85,4	67,4
Projects and services	58,8	53,8	50,4
Research and development	30,9	20,8	17,4
Sales	19,1	16,4	14,1
Staff	24,8	18,7	16,8
Total	234,1	195,0	166,0

Employees and Pension Obligations Schemes

Alfen participates in the pension plan of a mandatory industry wide pension fund, the *Pensioenfonds van de Metalektro* (abbreviated PME) (the “**Industry Pension Plan**”). The arrangements of the Industry Pension Plan provide pension benefits on a defined benefit basis, *i.e.* an old age pension on the basis of a conditionally indexed career average scheme (to a maximum pensionable salary).

In addition to the Industry Pension Plan, Alfen has implemented additional pension arrangements on a voluntary basis with PME. These additional pension arrangements provide for benefits in excess of the maximum pensionable salary in the Industry Pension Plan (2017: EUR 72.222 gross/annum), benefits in addition to the benefit according to the Work and Income (Ability to Work) Act and benefits covering the General Surviving Dependants Benefits Act pension gap.

Although the arrangements of the Industry Pension Plan provide benefits on a defined benefit basis (a conditionally indexed career average scheme), the entities participating in these mandatory industry-wide pension plans are unable to identify their share of the underlying assets and liabilities and consequently these multi-employer plans are therefore accounted for as defined contribution plans for accounting purposes under IFRS.

A defined benefit contribution plan is a pension plan under which an entity pays fixed contributions into a separate entity. Alfen has no legal or constructive obligations to pay further contributions if the fund should not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, Alfen pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Alfen has no further payment obligations once the contributions have been paid.

The total amount accrued by Alfen for pension costs amounted to €71 thousand as at 31 December 2017. The aggregate expected contributions for the financial year 2018 amount to €1.387 thousand. The contributions are recognised as employee benefit expenses 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.

Alfen has approximately 230 participants in the Industry Pension Plan out of approximately 146.000 active participants in the total plan. At the end of October 2017 PME's so-called policy funding ratio – this is the average UFR funding ratio over the last 12 months – was 99,1%. This is below the minimum funding level of 104,3%. Alfen does not have any commitments for additional contributions in case of a deficit of PME, other than paying increased future premiums. If applicable and in case of sufficient funding, PME applies an annual indexation to the accrued rights and pension payments.

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 will be 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.

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, it is expected that the Company will deviate from one best practice principle, which is the following:

- After Settlement, 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, for as long as the Selling Shareholders hold, 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, the Selling Shareholders 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. The Selling Shareholders will not have any designation rights if they hold, directly or indirectly, less than 15% of the Ordinary Shares.

SELLING SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Selling Shareholders

As at the date of this Prospectus, Infestos Holding M B.V. and Infestos Energy Transition B.V. (jointly the Selling Shareholders) hold 100% of the Company's issued share capital. Each Ordinary Share has one voting right attached to it.

The Selling Shareholders are offering up to 8.500.000 Offer Shares in the Offering, assuming no exercise of the Over-Allotment Option.

The Offer Shares excluding the Over-Allotment Shares constitute 42,50% of the Ordinary Shares. Assuming the Over-Allotment Option is exercised in full, the Offer Shares and the Over-Allotment Shares will constitute not more than 48,88% of the Ordinary Shares.

Related Party Transactions

The Company acknowledges the importance of ensuring that related party transactions shall be at arm's length terms and shall be dealt with in accordance with the applicable legal framework.

Relationship Agreement

The Selling Shareholders and the Company entered into a relationship agreement on 8 March 2018 (the "**Relationship Agreement**"), of which the material elements as described below will become effective as of the First Trading Date. The Relationship Agreement contains certain arrangements regarding the relationship between the Selling Shareholders and the Company as of the First Trading Date. Below is overview of the material elements of the Relationship Agreement.

Amendment of the Articles of Association

The Relationship Agreement states that the Selling Shareholders shall (and each of them shall procure that its affiliates shall) not exercise any of its voting or other shareholder rights and powers to procure any amendment to the Articles of Association that would contravene or be inconsistent with any of the provisions of the Relationship Agreement.

Related party transactions

The Relationship Agreement provides that the Company shall have a related party transactions policy as from the Settlement Date. See "*Management, Employees and Corporate Governance – Related Party Transactions Policy*". An amendment of such related party transactions policy can only be made subject to approval by the Supervisory Board, including the affirmative vote of at least one independent Supervisory Director. No amendment of the related party transactions policy shall be proposed that would contravene, or be contrary to, any provision of the Relationship Agreement.

Composition of the Supervisory Board and Designation Rights

Pursuant to the Relationship Agreement, the Supervisory Board shall consist of three members. The Supervisory Board shall elect and appoint the chairman of the Supervisory Board, who shall be an independent Supervisory Director. As from the First Trading Date, the Selling Shareholders shall have the right to jointly designate two individuals for nomination by the Supervisory Board to be appointed by the General Meeting as members of the Supervisory Board. The Selling Shareholders shall only designate individuals that cause the Supervisory Board to be composed in accordance with the profile drawn up by the Supervisory Board. Such individuals will not need to be "independent" within the meaning of the Dutch Corporate Governance Code. Initially, Mr E.Q. van der Arend and Mr D.W.E. Riefel will be the non-independent Supervisory Directors. The designation rights of the Shareholders will expire depending on the percentage of Ordinary Shares they jointly hold, in accordance with the following:

- (a) if the Selling Shareholders, directly or indirectly, jointly hold less than 40% but at least 15% of the Ordinary Shares, the Selling Shareholders will have the right to designate one Supervisory Board member; and
- (b) if the Selling Shareholders, directly or indirectly, jointly hold less than 15% of the Ordinary Shares, the right of the Selling Shareholders to designate a Supervisory Board member will expire.

The Shareholders shall procure that the Supervisory Board member appointed pursuant to their expired designation right offers his or her resignation effective upon the earlier of:

- (a) the next General Meeting; and

(b) the date as determined by the chairman of the Supervisory Board.

Any designation right that expires shall not revive, regardless of any subsequent increase of any Selling Shareholder's shareholding.

Orderly Market Arrangements

The Relationship Agreement states that, at any time after its lock-up period, the Selling Shareholders are entitled to sell all or part of their Ordinary Shares. The Selling Shareholders may require the Company to provide reasonable assistance to optimise any sale of their Ordinary Shares, including but not limited to (a) providing reasonable access to information required for a due diligence and drafting a prospectus, (b) providing assistance in obtaining regulatory, stock exchange and other approvals required for a sale of their Ordinary Shares and (c) being a party to an underwriting agreement containing customary provisions

In addition, the Relationship Agreement provides that the Selling Shareholders may require the Company to provide reasonable assistance with an offering which entails the Company's involvement in the form of a management road show and/or the preparation of a prospectus (a "**Fully Marketed Offering**"). If the Selling Shareholders request the Company to assist on a Fully Marketed Offering of (part of) their Ordinary Shares, the Company and the Selling Shareholders shall cooperate in executing the Fully Marketed Offering to the highest possible standard. This will require the Company's assistance with documentation (including potentially a prospectus), due diligence, comfort letters, listing requirements, road shows and marketing and any other reasonable requests from any underwriters or advisers in relation to such an offering and the Company agrees to give such full assistance. The Company shall only be required to provide assistance with a Fully Marketed Offering once every four months.

The Relationship Agreement furthermore provides that in the event of a sale of 3% or more of the Ordinary Shares by the Selling Shareholders other than by way of a Fully Marketed Offering, the Company shall facilitate, upon reasonable request by the Selling Shareholders, such sale by providing an opportunity to perform a limited due diligence investigation by or on behalf of (a) a bookrunner or coordinator, (b) a reputable investment bank engaged to assist in a sale or (c) a *bona fide*, creditworthy potential purchaser of 3% or more of the Ordinary Shares. Such due diligence shall include at least: a management interview, customary issuer representations and management representation letters, a review of the minutes of the Management Board and Supervisory Board and a limited documentary review relating to major litigation and acquisitions and disposals.

Other relevant terms

The Relationship Agreement shall terminate with immediate effect on the date on which the Selling Shareholders cease to be jointly the holders of, directly or indirectly, at least 15% of the Ordinary Shares. The chairman of the Supervisory Board and the other independent members of the Supervisory Board (if any) may jointly enforce the Relationship Agreement on behalf of the Company. The Relationship Agreement is governed by the laws of the Netherlands and the courts of Amsterdam, the Netherlands, are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Relationship Agreement.

Consultancy agreements with the Selling Shareholders

The Selling Shareholders provide advisory and consulting services related to strategic decision making, change management project 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 €255.000 in 2017 (2016: €250.000; 2015: €150.000). Following the First Trading Date, the Selling Shareholders will continue to provide advisory and consulting services related to strategic decision making, change management project and processes and various other services, including those related to legal, financial, organisational matters and other relevant expertise, all for the benefit of Alfen for a consultancy fee of €255.000 per year in aggregate. These advisory and consulting services will be terminated on 31 December 2018, unless otherwise agreed between Alfen and the Selling Shareholders.

Key management compensation

Management compensation must be disclosed as a related party transaction under IFRS. Accordingly, this has been disclosed as a related party transaction in note 16 to the Consolidated Financial Statements. In addition, information on remuneration for Senior Management (including the Managing Directors) can be found in the section "*Management, Employees and Corporate Governance*

– *Remuneration Information for the Management Board*” and “*Management, Employees and Corporate Governance – Remuneration Information for the Senior Management other than the Management Board*”.

Share investment structures

At the date of this Prospectus, certain key managers of the Company (including the Senior Management) hold DRs as they have been given the opportunity to indirectly participate in the capital of the Company (referred to as “share based payments” in notes 12 and 30 of the Consolidated Financial Statements), for which DRs these participating managers paid the estimated fair market value. As of the First Trading Date, these DRs will be cancelled as a result of which these participating managers will ultimately receive Ordinary Shares and cash. This is set out in detail in the section “*Management, Employees and Corporate Governance – Shareholding Information*”.

Supervisory Board members

Supervisory Board member Mr D.W.E. Riefel indirectly holds investments in the Selling Shareholders and following Settlement will continue to hold his management position at Infestos Nederland B.V. (which is an affiliate of the Selling Shareholders). Supervisory Board member Mr E.Q. van der Arend has been providing advisory and consulting services to affiliates of the Selling Shareholders from time to time since 2009 and may continue to do so in the future (in person as well as through the consultancy firm of which he is the owner and managing director). See “*Management, Employees and Corporate Governance – Potential Conflicts of Interests and Other Information*”.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

This section gives an overview of the material information concerning the Company's share capital and of certain significant provisions of Dutch law and the Articles of Association. It is based on relevant provisions of Dutch law as in effect on the date of this Prospectus and the Articles of Association. The Articles of Association are available in the governing Dutch language and in an unofficial English translation thereof on the Company's website (ipo.alfen.com) or at the Company's business address at, the Netherlands during regular business hours. See also "*Management, Employees and Corporate Governance*" for a summary of the material provisions of the Articles of Association, the Management Board Rules, the Supervisory Board Rules and Dutch law relating to the Management Board and the Supervisory Board. The Company was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) named Alfen Beheer B.V. under the laws of the Netherlands on 1 November 2015 by notarial deed. The Articles of Association will be amended and the Company will be converted to a public company with limited liability (*naamloze vennootschap*) with effect as of the First Trading Date pursuant to a notarial deed of amendment and conversion in accordance with a resolution of the General Meeting to be adopted prior to Settlement. The legal and commercial name of the Company will then be Alfen N.V.

The statutory seat (*statutaire zetel*) of the Company will, as from the conversion into a public company with limited liability (*naamloze vennootschap*) be in Amsterdam, the Netherlands, and its registered office is at Hefbrugweg 28, 1332 AP in Almere, the Netherlands. The Company is registered with the trade register of the Netherlands Chamber of Commerce (*Kamer van Koophandel*) under number 64462846, and its telephone number is +31(0)36-5493400.

Corporate Purpose

Pursuant to article 3 of the Articles of Association, the corporate purposes of the Company are:

- to develop, produce and market products and systems for the electricity grid, including, but not limited, to high, middle and low voltage equipment and systems;
- to participate in, manage or otherwise hold a stake in and to finance other companies, of whatever nature;
- to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities;
- to render advice and services to businesses and companies with which the Company forms a group and to third parties;
- to grant guarantees, to bind the Company and to pledge its assets for obligations of businesses and companies with which it forms a group and on behalf of third parties;
- to acquire, manage, exploit and alienate registered property and items of property in general;
- to trade in currencies, securities and items of property in general;
- to develop and trade in patents, trademarks, licences, know-how, copyrights, data base rights and other intellectual property rights; and
- to perform any and all activities of an industrial, financial or commercial nature,

as well as everything that can relate to or may be conducive to the foregoing, either in the Netherlands or abroad, either individually or in cooperation with third parties and at the Company's own expense or at the expense of third parties, all in the broadest sense.

Share Capital

Authorised and Issued Share Capital

As at the date of this Prospectus, the Company's issued share capital amounts to €2.000.000, divided into 2.000.000 Ordinary Shares, each with a nominal value of €1,00. With effect as of the First Trading Date, pursuant to a notarial deed of conversion and amendment of the Articles of Association, the Company's authorised share capital will amount to €4.000.000 and the issued share capital will amount to €2.000.000 divided into 20.000.000 Ordinary Shares, each with a nominal value

of €0,10. At the date of this Prospectus, no Ordinary Shares are held by the Company or its subsidiaries and all outstanding Ordinary Shares are paid up.

The Ordinary Shares are subject to, and have been created under, Dutch law. Set out below is an overview of the Company's authorised and issued shares in the Company's capital for the dates stated in the overview.

History of Share Capital

	31 December 2017	31 December 2016	31 December 2015
	Issued share capital	Issued share capital	Issued share capital
Ordinary Shares.....	18.000	18.000	18.000
Total	18.000	18.000	18.000

Issuance of Shares and amendment of Articles of Association

On 1 March 2018, the General Meeting resolved to issue 1.982.000 Ordinary Shares in the capital of the Company, whereby Infestos Holding M B.V. acquired 603.519 Ordinary Shares and Infestos Energy Transition B.V. acquired 1.378.481 Ordinary Shares. Pursuant to the execution of a notarial deed of issuance, such Ordinary Shares were issued on 1 March 2018 to the Selling Shareholders and have been paid up at the expense of the Company's freely distributable reserves. As a result, the issued share capital of the Company at the date of this Prospectus amounts to €2.000.000, divided into 2.000.000 Ordinary Shares, each with a nominal value of €1,00.

On the First Trading Date and pursuant to a notarial deed of conversion and amendment of the Articles of Association, each Ordinary Share with a value of €1,00 will be split into 10 Ordinary Shares, each with a nominal value €0,10, as a result of which the Company's issued capital will amount to €2.000.000 divided into 20.000.000 Ordinary Shares, each with a nominal value of €0,10.

Form of Ordinary Shares

All Ordinary Shares are in registered form.

'The Company's shareholders' register

Pursuant to Dutch law and the Articles of Association, the Company must keep a register of shareholders. 'The Company's shareholders' register records the names and addresses of all holders of Ordinary Shares and must be kept up to date. The shareholders' register also contains the names and addresses of usufructuaries (*vruchtgebruikers*) or pledgees (*pandhouders*) of Ordinary Shares, stating whether they hold the rights attached to such Ordinary Shares pursuant to Section 2:88 paragraphs 2, 3 and 4 of the Dutch Civil Code and, if so, which rights have been conferred upon them. With regard to pledgees, the register shall state that neither the voting right attached to the Ordinary Shares, nor the rights Dutch law attaches to depositary receipts for Ordinary Shares issued with the Company's cooperation, have been conferred upon them. The register shall also state, with regard to each shareholder, pledgee or usufructuary, the date on which they acquired the Ordinary Shares, their right of pledge or usufruct as well as the date of acknowledgement or service.

If requested, the Management Board will provide a holder of Shares, usufructuary or pledgee of such Shares with an extract from the register relating to its title to a Share free of charge. If the Ordinary Shares are encumbered with a right of usufruct, the extract will state to whom such rights will fall. The shareholders' register is kept by the Management Board.

If Ordinary Shares, as referred to in the Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*) belong to (i) a collective deposit as referred to in the Act on Securities Transactions by Giro, of which Ordinary Shares form part, kept by an intermediary, as referred to in the Act on Securities Transactions by Giro or (ii) a giro deposit as referred to in the Act on Securities Transactions by Giro of which Ordinary Shares form part, as being kept by a central institute as referred to in the Act on Securities Transactions by Giro, the name and address of the intermediary or the central institute shall be entered in the shareholders' register, stating the date on which those Ordinary Shares became part of a collective deposit or the giro deposit, the date of acknowledgement by or giving of notice to, as well as the paid-up amount on each Ordinary Share.

Issue of Ordinary Shares

Resolutions to issue Ordinary Shares are adopted by the General Meeting or the Management Board – subject to the Supervisory Board’s approval – if the General Meeting designates the Management Board to do so. A resolution of the General Meeting to issue Ordinary Shares or to designate the Management Board as competent corporate body to issue Ordinary Shares, can only be adopted with an absolute majority.

The foregoing also applies to the granting of rights to subscribe for Ordinary Shares, such as options, but do not apply to the issue of Ordinary Shares to a person exercising a previously acquired right to subscribe for Ordinary Shares. A designation by the General Meeting to issue Ordinary Shares must state the term for which it is valid, which term may not be longer than five years. The designation may be renewed in each case for another maximum period of five years. Unless provided otherwise in the authorisation, it may not be withdrawn.

Pursuant to a resolution of the General Meeting to be adopted prior to Settlement, the Management Board has been designated for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to issue Ordinary Shares (either in the form of stock dividend or otherwise) and/or grant rights to acquire up to a maximum of 10% of the issued Ordinary Shares immediately following Settlement and may be revoked at any time by the General Meeting.

Pre-emptive rights

Upon the issue of Ordinary Shares, each shareholder shall have a pre-emptive right in respect of the Ordinary Shares to be issued, in proportion to the number of Ordinary Shares already held by it. Exceptions to these pre-emptive rights include: (i) the issue of Ordinary Shares against a contribution in kind, (ii) the issue of Ordinary Shares to the Company’s employees or the employees of a group company as defined in Section 2:24b of the Dutch Civil Code, and (iii) the issue of Ordinary Shares to persons exercising a previously granted right to subscribe for Ordinary Shares. These pre-emptive rights and such non-applicability of pre-emptive rights also apply in case of the granting of rights to subscribe for Ordinary Shares.

Pursuant to the Articles of Association, the pre-emptive right may be restricted or excluded pursuant to a resolution of the General Meeting. The proposal to this effect must explain in writing the reasons for the proposal and the intended issue price. Subject to the approval of the Supervisory Board, the pre-emptive right may also be restricted or excluded by the Management Board if the Management Board has been designated by a decision of the General Meeting for a limited period of time of no longer than five years to restrict or exclude the pre-emptive right. A resolution of the General Meeting to restrict or exclude the pre-emptive right to Ordinary Shares or to designate the Management Board to restrict or exclude the pre-emptive right requires a majority of at least two-thirds of the votes cast if less than 50% of the issued share capital is represented at the General Meeting.

Pursuant to a resolution of the General Meeting to be adopted prior to Settlement, the Management Board is designated for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to resolve to restrict or exclude the pre-emptive rights of shareholders in relation to the issue of, or grant of rights to subscribe for, Ordinary Shares for which it was designated by the General Meeting to resolve upon as described above.

Acquisition of own Ordinary Shares

Subject to the approval of the Supervisory Board, the Management Board is authorised to acquire its own fully paid-up Ordinary Shares either gratuitously (*om niet*), under universal succession, of title or if: (i) the Company’s equity, less the payment required to make the acquisition, does not fall below the sum of called-up and paid-in share capital and any statutory reserves; (ii) the aggregate nominal value of the Ordinary Shares which the Company acquires, holds or holds as pledge or which are held by a subsidiary does not exceed 50% of the issued share capital; and (iii) the Management Board has been authorised by the General Meeting to repurchase Ordinary Shares. The Company may, without authorisation by the General Meeting, acquire its own Ordinary Shares for the purpose of transferring such Ordinary Shares to its employees under a scheme applicable to such employees, provided such Ordinary Shares are quoted on the price list of a stock exchange.

The General Meeting’s authorisation is valid for a maximum of 18 months. As part of the authorisation, the General Meeting must determine the number of Ordinary Shares that may be acquired, the manner in which the Ordinary Shares may be acquired and the limits within which the

price must be set. In addition, the approval of the Supervisory Board is required for any such acquisition.

Pursuant to a resolution of the General Meeting to be adopted prior to Settlement, the Management Board is, authorised for a period of 18 months following the Settlement Date, subject to the approval of the Supervisory Board, to cause the Company to acquire its own Ordinary Shares (including Ordinary Shares issued as stock dividend), subject to the approval of the Supervisory Board, up to a maximum of 10% of the total number of Ordinary Shares issued following the Settlement Date, provided the Company will hold no more Ordinary Shares in stock than at maximum 50% of the issued share capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Ordinary Shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%. Certain aspects of taxation of the acquisition by the company of its Ordinary Shares are described in See “*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*”.

The Company may not cast votes on, and is not entitled to dividends paid on, Ordinary Shares held by it nor will such Ordinary Shares be counted for the purpose of calculating a voting quorum. Votes may be cast on Ordinary Shares held by the Company if the Ordinary Shares are encumbered with a right of usufruct that benefits a party other than the Company or a subsidiary, the voting right attached to those Ordinary Shares accrues to another party and the right of usufruct was established by a party other than the Company or a subsidiary before the Ordinary Shares belonged to the Company or the subsidiary.

No dividend shall be paid to the Ordinary Shares held by the Company in its own capital, unless such Ordinary Shares are subject to a right of usufruct or pledge. For the computation of the profit distribution, the Ordinary Shares held by the Company in its own capital shall not be included. The Management Board is authorised, subject to the approval of the Supervisory Board, to dispose of the Company's own Ordinary Shares held by it.

Reduction of share capital

Subject to the provisions of Dutch law and the Articles of Association, the General Meeting may, but only if proposed by the Management Board after approval by the Supervisory Board, and in compliance with Section 2:99 of the Dutch Civil Code, pass resolutions to reduce the issued share capital by (i) cancelling Ordinary Shares or (ii) reducing the value of the Ordinary Shares by amendment of the Articles of Association. A resolution to cancel Shares may only relate to Shares held by the Company itself. A reduction of the nominal value of Ordinary Shares, whether without redemption or against partial repayment on the Ordinary Shares or upon release from the obligation to pay up the Ordinary Shares, must be made *pro rata* on all Ordinary Shares. This *pro rata* requirement may be waived if all shareholders concerned so agree. A resolution of the General Meeting to reduce the share capital requires a majority of at least two-thirds of the votes cast if less than 50% of the issued and outstanding share capital is represented at the General Meeting. If 50% or more of the issued and outstanding share capital is represented at the General Meeting, the resolution of the General Meeting requires an absolute majority. In addition, a resolution to reduce the share capital shall require the prior or simultaneous approval of each group of holders of shares of a similar class (if any) whose rights are prejudiced.

In addition, Dutch law contains detailed provisions regarding the reduction of capital. A resolution to reduce the issued share capital shall not take effect as long as creditors have legal recourse against the resolution.

Certain aspects of taxation of a reduction of share capital are described in See “*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*”.

Transfer of Ordinary Shares

A transfer of a Share (not being, for the avoidance of doubt, a Share held through the system of Euroclear Nederland) or of a restricted right (*beperkt recht*) thereto requires a deed of transfer drawn up for that purpose and acknowledgement of the transfer by the Company in writing. The latter condition is not required in the event that the Company is party to the transfer.

If a registered Ordinary Share is transferred for inclusion in a collective deposit, the transfer will be accepted by the intermediary concerned. If a registered Ordinary Share is transferred for inclusion in a giro deposit, the transfer will be accepted by the central institute, being Euroclear Nederland. Upon issue of a new Ordinary Share to Euroclear Nederland or to an intermediary, the transfer and acceptance in order to include the Ordinary Share in the giro deposit or the collection deposit will be

effected without the cooperation of the other participants in the collection deposit or the giro deposit, respectively. Deposit shareholders are not recorded in the shareholders' register of the Company.

Ordinary Shares included in the collective deposit or giro deposit can only be delivered from a collective deposit or giro deposit with due observance of the related provisions of the Act on Securities Transactions by Giro. The transfer by a deposit shareholder of its book-entry rights representing such Ordinary Shares shall be effected in accordance with the provisions of the Act on Securities Transactions by Giro. The same applies to the establishment of a right of pledge and the establishment or transfer of a right of usufruct on these book-entry rights.

Dividend Distributions

General

The Company may only make distributions to its shareholders if its equity does not fall below the sum of called-up and paid-in share capital and any statutory reserves. The dividend pay-out can be summarised as follows.

Annual profit distribution

A distribution of profits other than an interim distribution is only allowed after the adoption of the Company's annual accounts (i.e. non-consolidated), and the information therein will determine if the distribution of profits is legally permitted for the respective financial year.

Right to reserve

The Management Board, with the approval of the Supervisory Board, may decide that the profits realised during a financial year are fully or partially appropriated to increase and/or form reserves. The profits remaining after being allocated to the reserves 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.

Furthermore, the Management Board may, with the approval of the Supervisory Board, decide that payments to the shareholders shall be at the expense of reserves.

Interim distribution

Subject to Dutch law and the Articles of Association, the Management Board may, with the approval of the Supervisory Board, resolve to make an interim distribution of profits provided that it appears from an interim statement of assets signed by the Management Board that the Company's equity does not fall below the sum of called-up and paid-in share capital and any statutory reserves.

Distribution in kind

The Management Board may, with the approval of the Supervisory Board, decide that a distribution on Ordinary Shares shall not take place as a cash payment but as a payment in Ordinary Shares, or decide that shareholders shall have the option to receive a distribution as a cash payment and/or as a payment in Ordinary Shares, provided that the Management Board is designated by the General Meeting to resolve to the issuance of Ordinary Shares.

Profit ranking of the Ordinary Shares

All of the Ordinary Shares issued and outstanding on the day following the Settlement Date, including the Offer Shares, will rank equally and will be eligible for any profit or other payment that may be declared on the Ordinary Shares.

Payment

Payment of any future dividend on Ordinary Shares in cash will be made in euro. Any dividends on Ordinary Shares that are paid to shareholders through Euroclear Nederland will be automatically credited to the relevant shareholders' accounts. There are no restrictions in relation to the payment of dividends under Dutch law in respect of holders of Ordinary Shares who are non-residents of the Netherlands. However, see "*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*" for a discussion of certain aspects of taxation of dividends and refund procedures for non-tax residents of the Netherlands.

Payments of profit and other payments are announced in a notice by the Company and will be made payable pursuant to a resolution of the Management Board within four weeks after adoption, unless the Management Board sets another date for payment. A shareholder's claim to payments of profits and other payments lapses five years after the day on which the claim became payable. Any profit or other payments that are not collected within this period revert to the Company.

Exchange Controls and other Provisions relating to non-Dutch shareholders

Under Dutch law, subject to the 1977 Sanction Act (*Sanctiewet 1977*) or otherwise by international sanctions, there are no exchange control restrictions on investments in, or payments on, shares (except as to cash amounts). There are no special restrictions in the Articles of Association or Dutch law that limit the right of shareholders who are not citizens or residents of the Netherlands to hold or vote Ordinary Shares.

Meetings of shareholders and voting rights

General Meetings

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

The annual General Meeting must be held within six months after the close of each financial year. An extraordinary General Meeting may be convened, whenever the Company's interests so require, by the Supervisory Board or the Management Board. 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.

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 profits, 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 €250,000 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.

The General Meeting is chaired by the chairman of the Supervisory Board. If the chairman of the Supervisory Board wishes another party to chair the General Meeting, or if he/she is absent from the General Meeting, the Supervisory Directors present at the General Meeting shall appoint a chairman from their midst. The chairman will have all powers necessary to ensure the proper and orderly functioning of the General Meeting. Managing Directors and Supervisory Directors may attend a General Meeting. In these General Meetings, they have an advisory vote. The external auditor of the Company is also authorised to attend the General Meeting. The chairman of the General Meeting may decide at its discretion to admit other persons to the General Meeting.

Each shareholder (as well as other persons with voting rights or meeting rights) may attend the General Meeting, address the General Meeting and, in so far as they have such right, exercise voting rights *pro rata* to its shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of Ordinary Shares on the registration date, which is currently the twenty-eighth day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

The Management Board may decide that persons entitled to attend and vote at General Meetings may cast their vote electronically or by post in a manner to be decided by the Management Board. Votes cast in accordance with the previous sentence rank as equal to votes cast at the General Meeting.

Voting rights

Each shareholder may cast one vote at the General Meeting for each Ordinary Share held. All shareholders have the same voting rights. The voting rights of the holders of Offer Shares will rank *pari passu* with each other and with all other Ordinary Shares. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Ordinary Shares which are held by the Company. Resolutions of the General Meeting are passed by an absolute majority of the valid votes cast at the General Meeting, except where Dutch law or the Articles of Association prescribe a greater majority.

Amendment of Articles of Association

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.

Dissolution and Liquidation

The Company may be dissolved by a resolution of the General Meeting 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. If the General Meeting has resolved to dissolve the Company, the Management Board will be charged with the liquidation of the Company under supervision by the Supervisory Board. During liquidation, the provisions of the Articles of Association will remain in force as far as possible.

The balance of the Company's assets remaining after all liabilities have been paid shall, if possible, be distributed to the shareholders in proportion to the nominal amount of each shareholder's holding in Ordinary Shares. Once the liquidation has been completed, the books, records and other data carriers of the dissolved Company will be held by the person or legal person appointed for that purpose by the General Meeting for the period prescribed by law (which as of the date of this Prospectus is seven years).

Certain tax aspects of liquidation proceeds are described in "*Taxation*".

Annual and Semi-Annual Financial Reporting

Annually, within four months after the end of the financial year, the Management Board must prepare the annual accounts. The annual accounts must be accompanied by an independent auditor's statement, a management report and certain other information required under Dutch law. Annually, the Supervisory Board must prepare a report, which will be enclosed with the annual accounts and the management report. All Managing Directors and Supervisory Directors must sign the annual accounts. If the signature of one or more of them is missing, this will be stated and reasons for this omission will be given. The annual accounts must be adopted by the General Meeting.

The annual accounts, the management report and other information required under Dutch law, as well as the supervisory report, must be made available at the offices of the Company to the shareholders and other persons entitled to attend and address the General Meetings from the date of the notice convening the annual General Meeting.

The annual accounts, the management report and other information required under Dutch law, as well as the supervisory report, must be filed with the AFM within five days following adoption.

After the proposal to adopt the annual accounts has been discussed and voted on, a proposal shall be made to the General Meeting, in connection with the annual accounts and the statements made regarding them at the General Meeting, to discharge the Managing Directors for their management and the Supervisory Directors for their supervision in the last financial year.

Within three months after the end of the first six months of each financial year, the Management Board must prepare semi-annual financial statements and make them publicly available. If the semi-annual financial statements are audited or reviewed, the independent auditor's report must be made publicly available together with the semi-annual financial statements.

Dutch Financial Reporting Supervision Act

On the basis of the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*) (the “FRSA”), the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange, such as the Company.

Pursuant to the FRSA, the AFM has an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards if, based on publicly known facts or circumstances, it has reason to doubt that the issuer's financial reporting meets such standards and (ii) recommend the issuer to make available further explanations. If the Company does not comply with such a request or recommendation, the AFM may request the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) (the “Enterprise Chamber”) to order the Company to (A) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports or (B) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

Obligations of shareholders to make a public offer

Pursuant to the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), and in accordance with European Directive 2004/25/EC, also known as the takeover directive, any shareholder who directly or indirectly obtains control of a Dutch listed company, such as the Company after Settlement, is required to make a public offer for all issued and outstanding shares in that company's share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of such listed company (subject to a grandfathering exemption for major shareholders who, acting alone or in concert, already had control at the time of the company's initial public offering).

In addition, it is prohibited to launch a public offer for shares of a listed company, such as the Ordinary Shares, unless an offer document has been approved by the AFM. A public offer may only be launched by way of publication of an approved offer document. The public offer rules are intended to ensure that in the event of a public offer, among others, sufficient information is made available to the holders of the shares, the holders of the shares are treated equally, that there is no abuse of inside information and that there is a proper and timely Offer Period.

Squeeze-out proceedings

Pursuant to Section 2:92a of the Dutch Civil Code, a shareholder who for his or her own account contributes at least 95% of a Dutch company's issued share capital may institute proceedings

against such company's minority shareholders jointly for the transfer of their shares to him. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he is required to publish the same in a daily newspaper with nationwide circulation.

The offeror under a public offer is also entitled to start squeeze-out proceedings if, following the public offer, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the Offer Price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

The Dutch takeover provisions of the Dutch Financial Markets Supervision Act also entitles those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. In regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

Obligations to disclose holdings

Holders of the Ordinary Shares may be subject to notification obligations under the Dutch Financial Markets Supervision Act. Shareholders are advised to seek professional advice on these obligations.

Obligations of shareholders to disclose holdings

Pursuant to the Dutch Financial Markets Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of a listed company must immediately notify the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the above-mentioned thresholds as a result of a change in the Company's total outstanding share capital or voting rights. Such notification must be made no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital. The Company is required to notify the AFM immediately of the changes to its total share capital or voting rights if its issued share capital or voting rights changes by 1% or more since the Company's previous notification. The Company must furthermore notify the AFM within eight days after each quarter, in the event its share capital or voting rights changed by less than 1% in that relevant quarter since the Company's previous notification.

In addition, every holder of 3% or more of the Company's share capital or voting rights whose interest changes in respect of the previous notification to the AFM by reaching or crossing one of the thresholds mentioned above as a consequence of the interest being differently composed due to having acquired shares or voting rights through the exercise of a right to acquire such shares or voting rights, must notify the AFM of the changes within four trading days after the date on which the holder knows or should have known that his or her interest reaches or crosses a relevant threshold.

Controlled entities, within the meaning of the Dutch Financial Markets Supervision Act, do not have notification obligations under the Dutch Financial Markets Supervision Act, as their direct and indirect interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the Dutch Financial Markets Supervision Act, including a natural person. A person who has a 3% or larger interest in the Company's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the AFM. As of that moment, all notification obligations under the Dutch Financial Markets Supervision Act will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person's controlled entity or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third party referred to above, may acquire pursuant to any option or other right to acquire shares; (v) shares that determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares that are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

Special attribution rules apply to shares and voting rights that are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the same purpose, the following instruments qualify as "shares": (a) shares, (b) depositary receipts for shares (or negotiable instruments similar to such receipts), (c) negotiable instruments for acquiring the instruments under (a) or (b) (such as convertible bonds), and (d) options for acquiring the instruments under (a) or (b).

Notification of short positions

Each person holding a gross short position in relation to the issued share capital of a Dutch listed company that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the AFM. If a person's gross short position reaches, exceeds or falls below one of the above-mentioned thresholds as a result of a change in the Company's issued share capital, such person must make a notification not later than the fourth trading day after the AFM has published the Company's notification in the public register of the AFM. Shareholders are advised to consult with their own legal advisers to determine whether the gross short selling notification obligation applies to them.

In addition, pursuant to Regulation (EU) No 236/2012, each person holding a net short position attaining 0,2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0,1% above 0,2% must also be notified. Each net short position equal to 0,5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0,1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located.

Obligations of Managing Directors and Supervisory Directors to disclose holdings

Pursuant to the Dutch Financial Markets Supervision Act, each Managing Director and Supervisory Director must notify the AFM: (a) immediately following the admission to trading and listing of the Ordinary Shares of the number of Ordinary Shares he/she holds and the number of votes he/she is entitled to cast in respect of the Company's issued share capital, and (b) subsequently of each change in the number of Ordinary Shares he/she holds and of each change in the number of votes he/she is entitled to cast in respect of the Company's issued share capital, immediately after the relevant change. If a Managing Director or Supervisory Director has notified a transaction to the

AFM under the Dutch Financial Markets Supervision Act as described under “– *Obligations of shareholders to disclose holdings*” above, such notification is sufficient for purposes of the Dutch Financial Markets Supervision Act as described in this paragraph.

Furthermore, pursuant to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the “**Market Abuse Regulation**”), which entered into force on 3 July 2016 and which is directly applicable in the Netherlands, persons discharging managerial responsibilities must notify the AFM and the Company of any transactions conducted for his or her own account relating to Ordinary Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto.

Persons discharging managerial responsibilities within the meaning of the Market Abuse Regulation include: (a) Managing Directors and Supervisory Directors; or (b) members of the senior management who have regular access to inside information relating directly or indirectly to that entity and the authority to take managerial decisions affecting the future developments and business prospects of the Company.

In addition, pursuant to the Market Abuse Regulation and the regulations promulgated thereunder, certain persons who are closely associated with persons discharging managerial responsibilities, are also required to notify the AFM and the Company of any transactions conducted for their own account relating to Ordinary Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto. The Market Abuse Regulation and the regulations promulgated thereunder cover, *inter alia*, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to under (i), (ii) or (iii) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interest of which are substantially equivalent to those of such a person.

These notification obligations under the Market Abuse Regulation apply when the total amount of the transactions conducted by a person discharging managerial responsibilities or a person closely associated to a person discharging managerial responsibilities reaches or exceeds the threshold of €5,000 within a calendar year (calculated without netting). When calculating whether the threshold is reached or exceeded, persons discharging managerial responsibilities must add any transactions conducted by persons closely associated with them to their own transactions and vice versa. The first transaction reaching or exceeding the threshold must be notified as set forth above. The notifications pursuant to the Market Abuse Regulation described above must be made to the AFM and the Company no later than the third business day following the relevant transaction date.

Non-compliance

Non-compliance with the notification obligations Market Abuse Regulation set out in the paragraphs above is an economic offence (*economisch delict*) and could lead to the imposition of criminal fines, administrative fines, imprisonment or other sanctions. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, the AFM is no longer allowed to impose administrative penalties and vice versa, the AFM is no longer allowed to seek criminal prosecution if administrative penalties have been imposed. In addition, non-compliance with some of the notification obligations set out in the paragraphs above may lead to civil sanctions, including suspension of the voting rights relating to the shares held by the offender for a period of not more than three years, voiding of a resolution adopted by the General Meeting in certain circumstances and ordering the person violating the disclosure obligations to refrain, during a period of up to five years, from acquiring shares and/or voting rights in shares.

Public registry

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the Dutch Financial Markets Supervision Act on its website www.afm.nl. Third parties can request to be notified automatically by e-mail of changes to the public register in relation to a particular company's shares or a particular notifying party.

Identity of shareholders

Dutch listed companies may request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of their shareholders. Such requests may only be made during a period of 60 days up to the day on which the general meeting of shareholders will be held. No information will be given on shareholders with an interest of less than 0,5% of the issued share capital. A shareholder who, individually or together with other shareholders, holds an interest of at least 10% of the issued share capital may request the company to establish the identity of its shareholders. This request may only be made during a period of 60 days until (and not including) the forty-second day before the day on which the general meeting will be held.

Dutch Market Abuse Regime

Reporting of Insider Transactions

The regulatory framework on market abuse is laid down in the Market Abuse Directive (2014/57/EU) as implemented in Dutch law and the Market Abuse Regulation.

Pursuant to the Market Abuse Regulation, no natural or legal person is permitted to: (a) engage or attempt to engage in insider dealing in financial instruments listed on a regulated market or for which a listing has been requested, such as the Ordinary Shares, (b) recommend that another person engages in insider dealing or induce another person to engage in insider dealing or (c) unlawfully disclose inside information relating to the Ordinary Shares or the Company.

Furthermore, no person may engage in or attempt to engage in market manipulation.

The Company is required to inform the public as soon as possible and in a manner that enables fast access and complete, correct and timely assessment of the information, of inside information which directly concerns the Company. Pursuant to the Market Abuse Regulation, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not yet been made public and publication of which could significantly affect the trading price of the securities (i.e. information a reasonable investor would be likely to use as part of the basis of his or her investment decision). An intermediate step in a protracted process can also deemed to be inside information. The Company is required to post and maintain on its website all inside information for a period of at least five years. Under certain circumstances, the disclosure of inside information may be delayed, which needs to be notified to the AFM after the disclosure has been made. Upon request of the AFM, a written explanation needs to be provided setting out why a delay of the publication was considered permitted.

A person discharging managerial responsibilities is not permitted to (directly or indirectly) conduct any transactions on its own account or for the account of a third party, relating to Ordinary Shares or debt instruments of the Company or other financial instruments linked thereto, during a closed period of 30 calendar days before the announcement of a half-yearly report or a management report of the Company.

Non-compliance with Market Abuse Rules

In accordance with the Market Abuse Regulation, the AFM has the power to take appropriate administrative sanctions, such as fines, and/or other administrative measures in relation to possible infringements. Non-compliance with the market abuse rules set out above could also constitute an economic offense and/or a crime (*misdrif*) and could lead to the imposition of administrative fines by the AFM. The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and vice versa.

The AFM shall in principle also publish any decision imposing an administrative sanction or measure in relation to an infringement of the Market Abuse Regulation.

The Company has adopted a code of conduct in respect of the reporting and regulation of transactions in the Company's securities by Managing Directors and Supervisory Directors and Alfen's employees, which will be effective as at the First Trading Date.

The Company and any person acting on its behalf or on its account is obligated to draw up an insiders' list, to promptly update the insider list and provide the insider list to the AFM upon its request. The Company and any person acting on its behalf or on its account is obligated to take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.

Transparency Directive

The Netherlands will be the Company's home member state for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU), as a consequence of which the Company will be subject to the Dutch Financial Supervision Act in respect of certain on-going transparency and disclosure obligations.

THE OFFERING

Introduction

The Selling Shareholders are offering up to 9.775.000 Offer Shares. The Offer Shares excluding the Over-Allotment Shares constitute approximately 42,50% of the issued share capital of the Company. Assuming the Over-Allotment Option is exercised in full, the Offer Shares and the Over-Allotment Shares will constitute not more than approximately 48,88% of the issued share capital of the Company.

The Offering consists of: (i) an initial public offering to certain institutional and retail investors in the Netherlands and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered and sold within the United States, to persons reasonably believed to be QIBs as defined in Rule 144A under the U.S. Securities Act, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, and outside the United States, in accordance with Regulation S under the U.S. Securities Act.

The Selling Shareholders have granted the Joint Global Coordinators, on behalf of the Underwriters, the Over-Allotment Option, exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require the Selling Shareholders to sell at the Offer Price up to 1.275.000 additional Ordinary Shares held by them, comprising up to 15% of the total number of Offer Shares (excluding Over-Allotment Shares) sold in the Offering to cover over-allotments, if any, in connection with the Offering or facilitate stabilisation transactions, if any.

Timetable

Subject to acceleration or extension of the timetable by the Selling Shareholders and the Company, together with the Joint Global Coordinators for, or withdrawal of, the Offering, the timetable below lists certain expected key dates for the Offering. See “– *Acceleration or Extension*” below.

Event	Time (CET) and Date
Start of Offer Period	09:00 – 12 March 2018
End of Offer Period for Dutch Retail Investors	17:30 – 20 March 2018
End of Offer Period for institutional investors	14:00 – 21 March 2018
Pricing and Allocation	21 March 2018
Publication of results of the Offering	21 March 2018
First Trading Date (trading on an ‘as-if-and-when- delivered’ basis)	22 March 2018
Settlement Date (payment and delivery)	26 March 2018

Please note that the Selling Shareholders and the Company, together with the Joint Global Coordinators, reserve the right to accelerate or extend the Offer Period. See “– *Acceleration or Extension*” below.

Offer Period

Subject to acceleration or extension of the timetable for the Offering, prospective Dutch Retail Investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 12 March 2018 until 17:30 CET on 20 March 2018 and prospective institutional investors may subscribe for Offer Shares during the period commencing at 9:00 CET on 12 March 2018 and ending at 14:00 CET on 21 March 2018. In the event of an acceleration or extension of the Offer Period, pricing, allocation, admission and first trading of the Offer Shares, as well as payment (in euro) for and delivery of the Offer Shares may be advanced or extended accordingly.

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus, which is capable of affecting the assessment of the Offer Shares arises or is noted before the end of the Offer Period, a supplement to this Prospectus will be published the Offer Period will be extended, if so required by, and in accordance with, the Prospectus Directive, the Dutch Financial Supervision Act or the rules promulgated thereunder. Investors who have already agreed to purchase Offer Shares before the supplement is published shall have the right, exercisable within two business days following the publication of a supplement, to withdraw their acceptances, provided that the new factor, material mistake or inaccuracy, arose or was noted before the final closing of the

Offering. Investors are not allowed to withdraw their acceptance in any other circumstances. A supplement to this Prospectus shall be subject to approval by the AFM.

Acceleration or Extension

Any extension of the timetable for the Offering will be published in a press release published and placed on the Company's website at least three hours before the end of the original Offer Period, and will be for at least one full business day. Any acceleration of the timetable for the Offering will be published in a press release published and placed on the Company's website at least three hours before the proposed end of the accelerated Offer Period. In any event, the period between the date of this Prospectus and the end of the Offer Period will be at least six business days.

Offer Price and Number of Offer Shares

The Offer Price and the exact number of Offer Shares will be determined on the basis of a book-building process. The Offer Price may be set within, above or below the Offer Price Range. The Offer Price Range is expected to be in the range of €11,25 to €15,00 (inclusive) per Offer Share. The Offer Price Range is an indicative price range. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Selling Shareholders and the Company, in consultation with the Joint Global Coordinators, after the Offer Period has ended, taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares, and other factors deemed appropriate.

The Offer Price and the exact number of Offer Shares offered in the Offering will be set out in the Pricing Statement that will be deposited with the AFM and announced in a press release published and placed on the Company's website. Printed copies of the Pricing Statement will be made available at Alfen's registered office address. The Offer Price Range, which is an indicative price range, may be changed and/or the number of Offer Shares being offered may be increased or decreased. See "*Change of the Offer Price Range or Number of Offer Shares*" below.

Change of the Offer Price Range or Number of Offer Shares

The Offer Price Range is an indicative price range. The Selling Shareholders and the Company, in consultation with the Joint Global Coordinators, reserve the right to change the Offer Price Range and/or increase or decrease the number of Offer Shares being offered prior to the allocation of the Offer Shares. Any increase in the top end of the Offer Price Range on the last day of the Offer Period or the determination of an Offer Price above the Offer Price Range will result in the Offer Period being extended by at least two business days; any increase in the top end of the Offer Price Range on the day prior to the last day of the Offer Period will result in the Offer Period being extended by at least one business day. In these cases, if the Offer Period for Dutch Retail Investors will already have closed, the Offer Period for Dutch Retail Investors would be reopened. Accordingly, all investors, including Dutch Retail Investors, will have at least two business days to reconsider their subscriptions. Any such change in the Offer Price Range and/or the number of Offer Shares being offered will be published in a press release which is placed on the Company's website. In the event that either (i) the Offer Price is set above the Offer Price Range; or (ii) the top end of the Offer Price Range is revised upwards, then investors who have already agreed to purchase Offer Shares may withdraw their subscriptions in their entirety following the publication of the press release announcing such change and before the end of the Offer Period, as extended.

Upon a change of the number of Offer Shares, references to Offer Shares in this Prospectus should be read as referring to the amended number of Offer Shares and references to Over-Allotment Shares should be read as referring to the amended number of Over-Allotment Shares.

Subscription and Allocation

Subscription by Dutch Retail Investors

Dutch Retail Investors who wish to purchase Offer Shares should instruct their financial intermediary. The financial intermediary will be responsible for collecting applications from Dutch Retail Investors and for informing ABN AMRO, acting as the bank coordinating demands sourced by the banks and financial intermediaries participating in the public offering to retail investors in the Netherlands (the "**Retail Coordinator**"), of their subscription. The Company, the Selling Shareholders, the Underwriters and the Retail Coordinator are not liable for any action or failure to act by a financial intermediary in connection with any subscription for or purchase of, or purported subscription for or purchase of, Offer Shares.

Dutch Retail Investors can only subscribe on a market order (*bestens*) basis. This means that Dutch Retail Investors will be bound to purchase and pay for the Offer Shares indicated in their share subscription, to the extent allocated to them, at the Offer Price, even if the Offer Price is above the upper end of the Offer Price Range (if applicable, as amended). Dutch Retail Investors can submit their applications through their own bank or financial intermediary. The bank or financial intermediary will be responsible for collecting applications from Dutch Retail Investors and for submitting their applications to the Retail Coordinator. The Retail Coordinator will consolidate all applications submitted by Dutch Retail Investors to their bank or other financial intermediary and inform the Joint Global Coordinators. Dutch Retail Investors are entitled to cancel or amend their subscription, at the bank or financial intermediary where their original subscription was submitted, at any time prior to the end of the Offer Period for Dutch Retail Investors (if applicable, as accelerated or extended). All questions concerning the timelines, validity and form of instructions to a bank or financial intermediary in relation to the purchase of Offer Shares will be determined by the bank or financial intermediary in accordance with their usual procedures or as otherwise notified to the Dutch Retail Investors.

Allocation

Allocation of the Offer Shares is expected to take place after the closing of the Offer Period on or about 21 March 2018, subject to acceleration or extension of the timetable for the Offering. Allocations to investors who subscribed for Offer Shares will be determined by the Underwriters in consultation with the Selling Shareholders and the Company and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. Investors may be allocated less than the Offer Shares which they subscribed for. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for. The Selling Shareholders and the Company, as well as the Joint Global Coordinators, may at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly. On the day that allocation occurs, the Joint Global Coordinators, on behalf of the Underwriters, will notify institutional investors or the relevant financial intermediary of any allocation of Offer Shares made to them or their clients. Any monies received in respect of subscriptions which are not accepted in whole or in part will be returned to the investors without interest and at the investor's risk.

Investors participating in the Offering will be deemed to have checked and confirmed that they meet the selling and transfer restrictions described in "*Selling and Transfer Restrictions*". Each investor should consult his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of Offer Shares.

Preferential Retail Allocation

There will be a preferential allocation of Offer Shares to Dutch Retail Investors in accordance with applicable law and regulations. Each Dutch Retail Investor will be allocated the first 500 (or fewer) Offer Shares for which such investor subscribes. However, if the total number of Offer Shares subscribed for by Dutch Retail Investors under the Preferential Retail Allocation would exceed 10% of the total number of the Offer Shares (assuming no exercise of the Over-Allotment Option), the preferential allocation to each Dutch Retail Investor may be reduced *pro rata* to the first 500 (or fewer) Offer Shares for which such investor subscribes. As a result, Dutch Retail Investors may not be allocated all of the first 500 (or fewer) Offer Shares for which they apply. The exact number of Offer Shares allocated to Dutch Retail Investors will be determined after of the Offer Period has ended.

The Preferential Retail Allocation will only be made in relation to Offer Shares comprising up to 10% of the total number of Offer Shares, not including the Over-Allotment Shares. The Selling Shareholders and the Company, in consultation with the Joint Global Coordinators, have full discretion as to whether or not and how to allocate the remainder of the Offer Shares applied for.

For the purpose of the Preferential Retail Allocation, a Dutch Retail Investor is either: (i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands that is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person.

To be eligible for the Preferential Retail Allocation, Dutch Retail Investors must place their subscriptions during the period commencing on 12 March 2018 at 9:00 CET and ending on 20 March

2018 at 17:30 CET through their bank or other financial intermediaries. Each bank or financial intermediary may set an earlier deadline, in advance of the closing time of the Offer Period.

The Retail Coordinator will communicate to the bank or financial intermediary the aggregate number of Offer Shares allocated to their respective Dutch Retail Investors. It is up to the bank or financial intermediary to notify Dutch Retail Investors of their individual allocations.

Payment

Payment for the Offer Shares will take place on the Settlement Date. The Offer Price must be paid in full in euro and is exclusive of any taxes and expenses, if any, which must be borne by the investor (see “*Taxation*”). Dutch Retail Investors may be charged expenses by their financial intermediary. The Offer Price must be paid by Dutch Retail Investors in cash upon remittance of their share subscription or, alternatively, by authorising their financial intermediary to debit their bank account with such amount for value on or around the Settlement Date (or earlier in the case of an early closing of the Offer Period and consequent acceleration of pricing, allocation, first trading and payment and delivery).

Delivery, Clearing and Settlement

The Ordinary Shares are registered shares which will be entered into the collection deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Securities Giro Act. Application has been made for the Ordinary Shares to be accepted for delivery through the book-entry facilities of Euroclear Nederland. Euroclear Nederland is located at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.

Delivery of the Offer Shares will take place on the Settlement Date through the book-entry facilities of Euroclear Nederland, in accordance with its normal settlement procedures applicable to equity securities and against payment for the Offer Shares in immediately available funds.

Subject to acceleration or extension of the timetable for the Offering, the Settlement Date is expected to be 26 March 2018, the second business day following the First Trading Date (T+2). The closing of the Offering may not take place on the Settlement Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived on or prior to such date. See “*Plan of Distribution – Underwriting Arrangements*”.

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any transactions in Ordinary Shares prior to Settlement are at the sole risk of the parties concerned. Neither the Company, the Selling Shareholders, the Underwriters, the Listing and Paying Agent nor Euronext Amsterdam N.V. accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Ordinary Shares on Euronext Amsterdam.

There are certain restrictions on the transfer of Ordinary Shares, as set forth in “*Selling and Transfer Restrictions*”.

Listing and Trading

Prior to the Offering, there has been no public market for the Ordinary Shares. Application has been made to list all of the Ordinary Shares on Euronext Amsterdam under the symbol “ALFEN”. The ISIN (International Security Identification Number) is NL0012817175 and the common code is 178983253.

Subject to acceleration or extension of the timetable for the Offering, unconditional trading in the Offer Shares on Euronext Amsterdam is expected to commence on the Settlement Date. Trading in the Offer Shares before the closing of the Offering will take place on an ‘as-if-and-when-delivered’ basis.

Listing and Paying Agent

ABN AMRO is the Listing and Paying Agent with respect to the Ordinary Shares on Euronext Amsterdam.

Stabilisation Agent

ABN AMRO is the stabilisation agent (the “**Stabilisation Agent**”) with respect to the Offer Shares on Euronext Amsterdam.

Retail Coordinator

ABN AMRO is the Retail Coordinator with respect to the Preferential Retail Allocation.

Fees and Expenses of the Offering and Listing

No expenses or taxes will be charged by the Company or the Selling Shareholders in respect of the Offering.

PLAN OF DISTRIBUTION

Underwriting Arrangements

The Company, the Selling Shareholders and the Underwriters entered into the Underwriting Agreement on 12 March 2018 with respect to the offer and sale of the Offer Shares in connection with the Offering.

The Underwriting Agreement is conditional on, among others, the entry into a pricing agreement between the Company, the Selling Shareholders and the Underwriters setting the Offer Price per Offer Share. Pursuant to, on the terms of and subject to the conditions set forth in the Underwriting Agreement, the Selling Shareholders have agreed to sell the Offer Shares at the Offer Price to purchasers procured by the Underwriters or, failing which, to the Underwriters themselves, and each of the Underwriters has, severally but not jointly, agreed to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves at the Offer Price.

Subject to the satisfaction of conditions precedent, the proportion of total Offer Shares that each Underwriter may severally but not jointly be required to subscribe for and/or purchase is indicated below.

Underwriters	Underwriting commitment of Offer Shares
ABN AMRO Bank N.V.	40%
Barclays Bank PLC.....	40%
Coöperatieve Rabobank U.A.	20%
Total	100%

In the Underwriting Agreement, the Company has made certain representations and warranties and given certain undertakings. In addition, the Selling Shareholders and the Company have agreed to indemnify the Underwriters against certain liabilities in connection with the Offering.

The Underwriting Agreement provides that the obligations of the Underwriters to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves are subject to, among other things, the following conditions precedent: (i) receipt of receipt of customary opinions from legal counsel on certain legal matters, (ii) receipt of an officer's certificate from the Company, (iii) approval of this Prospectus by the AFM and publication of such Prospectus, (iv) the Ordinary Shares having been admitted to trading and listing on Euronext Amsterdam, (v) compliance with the Underwriting Agreement, and (vi) certain other customary conditions. The Underwriters have the right to waive any such conditions or part thereof.

The Joint Global Coordinators on behalf of the Underwriters, may *inter alia* terminate the Underwriting Agreement at any time if (i) any statement contained in this Prospectus is or has become untrue, incorrect or misleading which is material in the context of the Offering, (ii) there has been a breach of the material obligations of the Company or the Selling Shareholders under the Underwriting Agreement, (iii) any matter or circumstance arises as a result of which it is reasonable to expect that any of the condition precedents will not be satisfied, (iv) the representations and warranties not being true and accurate any time prior to admission to trading of the Ordinary Shares on Euronext Amsterdam, (v) there has been a material adverse change in the Company or its business taken as a whole, (vi) there has occurred: (A) or a material disruption in commercial banking or securities settlement, payment or clearance services in the Netherlands, the United Kingdom, the United States or in any Relevant Member State; or (B) suspension of, or occurrence of material limitations to, trading in any securities by Euronext Amsterdam or any exchange or over the counter market, or of trading generally on Euronext Amsterdam, the New York Stock Exchange or the London Stock Exchange; or (C) a banking moratorium has been declared by the Netherlands, the United States, the United Kingdom, or New York authorities, or (vii) the admission to listing and trading of the Ordinary Shares has been withdrawn or rejected. Following termination of the Underwriting Agreement, all subscriptions for Offer Shares or the Over-Allotment Shares only, as the case may be, will be disregarded, any allotments made will be deemed not to have been made and any subscriptions payments made will be returned without interest or other compensation and transactions in the Offer Shares on Euronext Amsterdam may be annulled. Any dealings in the Offer

Shares prior to Settlement are at the sole risk of the parties concerned. See “*The Offering – Delivery, Clearing and Settlement*”.

In consideration of the agreement by the Underwriters to procure purchasers for or, failing which, to purchase themselves, the Offer Shares at the Offer Price and subject to the Offer Shares being sold as provided for in the Underwriting Agreement, the Selling Shareholders have agreed to pay the Joint Global Coordinators (on behalf of the Underwriters) an aggregate commission of 2.5% of the gross proceeds of the Offering (including, if applicable, any gross proceeds from the exercise of the Over-Allotment Option). In addition, the Selling Shareholders may pay the Joint Global Coordinators (on behalf of the Underwriters) a discretionary commission of up to 1.25% of the gross proceeds of the Offering (including, if applicable, any gross proceeds from the exercise of the Over-Allotment Option). Certain expenses incurred by the Underwriters in connection with the Offering will also be borne by the Selling Shareholders.

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States. The Offer Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States to QIBs pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Any offer or sale of Offer Shares in the United States will be made by the Underwriters, their affiliates or agents, who are registered United States broker-dealers, pursuant to applicable United States securities laws.

Potential Conflicts of Interest

The Underwriters are acting exclusively for the Selling Shareholders and/or the Company (in its selling capacity) and for no one else and will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than to the Company and/or the Selling Shareholders for giving advice in relation to the Offering and for the listing and trading of the Offer Shares and/or any other transaction or arrangement referred to in this Prospectus.

Certain of the Underwriters and/or their respective affiliates have in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Selling Shareholders or any parties related to any of them, in respect of which they have and may in the future, receive customary fees and commissions. More specifically, Alfen entered into a credit agreement with Rabobank, which is one of the Underwriters. See “*Business —Material Contracts*” and “*Operating and Financial Review – Liquidity and Capital Resources*”.

Additionally, the Underwriters and/or their respective affiliates may in the ordinary course of their business, hold the Company’s securities for investment purposes. As a result, these parties may have interests that may not be aligned, or could possibly conflict with the interests of investors or of the Company. In respect hereof, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures and by rules and regulations.

In connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than pursuant to any legal or regulatory obligation to do so.

As a result of these transactions, these parties may have interests that may not be aligned, or could potentially conflict, with the interests of (potential) holders of the Offer Shares, or with the Company’s interests.

Lock-up Arrangements

The Joint Global Coordinators (acting on behalf of the Underwriters) may, in their sole discretion and at any time without prior public notice, waive in writing the restrictions, including

those on sales, issues or transfers of Ordinary Shares, described below. If the consent of the Joint Global Coordinators (acting on behalf of the Underwriters) in respect of a lock-up arrangement is requested as described below, full discretion can be exercised by the Joint Global Coordinators as to whether or not such consent will be granted.

Selling Shareholders lock-up

Pursuant to the Underwriting Agreement, the Selling Shareholders have agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 270 days from the Settlement Date, it will not, except as set forth below, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters): (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or securities of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or securities of the Company or request or demand that the Company file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or securities of the Company or otherwise has the same economic effect as (i), whether in the case of (i) and (ii) any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to its shareholders or the General Meeting or any other body of the Company a proposal to effect any of the foregoing.

The foregoing restrictions shall not apply to: (i) the sale of the Offer Shares and Over-Allotment Shares in the Offering; (ii) the lending of Ordinary Shares to the Joint Global Coordinators (acting on behalf of the Underwriters) pursuant to the Share Lending Agreement; (iii) the transfer of Ordinary Shares to a foundation in connection with the transfer of those Ordinary Shares to members of the Senior Management and certain other key managers of the Company (see *“Management, Employees and Corporate Governance – Shareholding Information”*); (iv) the granting of conditional rights to acquire Ordinary Shares for no consideration to all other eligible employees of Alfen under a one-off share incentive (see *“Management, Employees and Corporate Governance – Shareholding Information”*); (v) the sale, transfer or disposal of Ordinary Shares following the acceptance of a full or partial takeover offer made in accordance with the Dutch Financial Supervision Act or the provision of an irrevocable undertaking to accept such an offer, provided that the Joint Global Coordinators shall be notified in writing two business days prior to such acceptance or undertaking, (vi) the transfer of all issued Ordinary Shares pursuant to a legal (de)merger or similar business combination with a third party; or (vii) the sale or transfer of shares in the capital of the Selling Shareholders to one or more person, whether natural or legal, who are the direct or indirect beneficial owners of the Selling Shareholders at the date of the Underwriting Agreement, provided that prior to any such transfer the transferee shall have agreed to be bound by the foregoing restrictions for the remainder of the lock-up period.

Company lock-up

Pursuant to the Underwriting Agreement, the Company has agreed with the Underwriters that, for a period from the date of the Underwriting Agreement until 180 days from the Settlement Date, it will not, except as set forth below, without the prior written consent of the Joint Global Coordinators (acting on behalf of the Underwriters), (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or securities of the Company or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or securities of the Company or file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Ordinary Shares or securities of the Company or otherwise has the same economic effect as (i), whether in the case of (i) and (ii) any such transaction is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv)

submit to its shareholders or any other body of the Company a proposal to effect any of the foregoing.

The foregoing restrictions shall not apply to (i) the granting of conditional awards of Ordinary Shares by the Company pursuant to the long term incentive plan as disclosed in the section “*Management, Employees and Corporate Governance – Long Term Incentive Plan*” and (ii) accepting a general offer made to all the holders of the issued and allotted Ordinary Shares of the Company on terms which treat all such holders alike and which has become or been declared unconditional in all respects or been recommended for acceptance by the Management Board and Supervisory Board.

Management lock-up

The Selling Shareholders will transfer Ordinary Shares to the members of the Senior Management and certain other key managers of the Company, see “*Management, Employees and Corporate Governance – Shareholding Information*”). The Ordinary Shares of the members of the Senior Management and certain other key managers will be subject to lock-up restrictions. The Ordinary Shares transferred to the members of the Senior Management and certain other key managers of the Company will be unconditionally released from the lock-up restrictions as follows: 60% of the Ordinary Shares will be unconditionally released from the lock-up restrictions on the day that is 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 that the relevant member of the Senior Management or relevant key manager of the Company continues to be employed by the Company on these dates. Upon each moment that Ordinary Shares are unconditionally released from the lock-up restrictions, the foundation will, provided that the relevant manager meets the requirements set out in the custody agreement, transfer the Ordinary Shares into the securities account of the relevant key managers.

Should a member of the Senior Management or other key manager of the Company cease to be employed by the Company prior to the day that is three years after the First Trading Date (other than as a result of exceptional circumstances such as disability or death), he will have the obligation to transfer the number of Ordinary Shares that are not yet released from the lock-up restrictions, to the Company for a price per Ordinary Share applying a discount of 40% to the then current trading price of the Ordinary Shares on Euronext Amsterdam. The applicable discount is determined in the custody agreement and can be mitigated by the Supervisory Board provided that the relevant manager meets certain requirements set out in the custody agreement. If the Company does not have sufficient funds or is unwilling to purchase the relevant Ordinary Shares, the Selling Shareholders may opt to purchase these Ordinary Shares. If neither the Company nor the Selling Shareholders purchase the Ordinary Shares, the manager will be authorised to retain the Ordinary Shares and they will remain subject to the lock-up restrictions.

Employee lock-up

Alfen will grant to all eligible employees (who do not hold depositary receipts of shares in the capital of each of the Selling Shareholders at the date of this Prospectus) conditional rights to acquire a cumulative total of 120.000 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 Ordinary Shares granted to these employees of Alfen will be exercisable in exchange for Ordinary Shares on the day that is two years after the First Trading Date, on the condition that the relevant employee of Alfen continues to be employed by the Company on this date.

Over-Allotment and Stabilisation

In connection with the Offering, ABN AMRO as Stabilisation Agent, or any of its agents, on behalf of the Underwriters, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares or effect other transactions with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail in the open market. The Stabilisation Agent will not be required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange (including Euronext Amsterdam) or otherwise and may be undertaken at any time during the period commencing on the First Trading Date and ending no later than 30 calendar days thereafter. The Stabilisation Agent or any of its agents will not be obligated to effect stabilising transactions, and

there will be no assurance that stabilising transactions will be undertaken. Such stabilising transactions, if commenced, may be discontinued at any time without prior notice. Save as required by law or regulation, neither the Stabilisation Agent nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions under the Offering. The Underwriting Agreement provides that the Stabilisation Agent may, for purposes of the stabilising transactions, over-allot Ordinary Shares up to 15% of the total number of Offer Shares sold in the Offering (excluding Over-Allotment Shares), or up to 1,275,000 Ordinary Shares assuming the maximum number of Offer Shares is offered and sold in the Offering.

In connection with the Over-Allotment Option, up to 15% of the total number of Offer Shares (excluding Over-Allotment Shares) will be made available by the Selling Shareholders to the Stabilisation Agent for the account of the Underwriters, through a securities loan to be entered into on or around the date of the pricing agreement (the “**Share Lending Agreement**”).

None of the Company, the Selling Shareholders or any of the Underwriters makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Ordinary Shares or any other securities of the Company. In addition, none of the Company, the Selling Shareholders or any of the Underwriters makes any representation that the Stabilisation Agent will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

SELLING AND TRANSFER RESTRICTIONS

No action has been taken or will be taken in any jurisdiction outside of the Netherlands by the Company, the Selling Shareholders or the Underwriters that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any other country or jurisdiction than the Netherlands where action for that purpose is required.

Accordingly, no Offer Shares may be offered or sold either directly or indirectly, and neither this Prospectus nor any other Offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

If an investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other Offering materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in, any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an investor forwards this Prospectus or any other Offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to accept, sell or purchase Offer Shares must satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Investors that are in any doubt as to whether they are eligible to purchase Offer Shares should consult their professional adviser without delay.

None of the Company, the Selling Shareholders or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of any of the Offer Shares, of any such restrictions.

European Economic Area

In relation to each Relevant Member State no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant Member State, except that the Offer Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (i) to legal entities which are qualified investors as defined in the Prospectus Directive;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Relevant Member State, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purpose of this provision, the expression an 'offer of any shares to the public' in relation to any Offer Shares in any Relevant Member State means the communication to persons in any form and by any means of sufficient information on the terms of the Offering and any Offer Shares to be offered so as to enable an investor to decide to acquire any Offer Shares, as that definition may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Member State.

Each person in a Relevant Member State other than the Netherlands who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Underwriters, the Selling Shareholders and the Company that:

- (i) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (ii) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (a) the Offer Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (b) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Directive as having been made to such persons.

The Company, the Selling Shareholders, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators of such fact in writing may, with the prior consent of the Joint Global Coordinators, be permitted to acquire Offer Shares in the Offering.

United Kingdom

Offers of Offer Shares pursuant to the Offering are only being made to persons in the United Kingdom who are ‘qualified investors’ within the meaning of section 86 of the UK Financial Services and Markets Act 2000 or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the UK Financial Services and Markets Act 2000.

This Prospectus is only being distributed to, and is only directed at, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with (i) persons falling within the definition of ‘investment professionals’ in Article 19(5); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2)(a) to (d), of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (in this paragraph, together, “**Relevant Persons**”). Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not act or rely on it.

United States

This Prospectus is not a public offering (within the meaning of the U.S. Securities Act) of securities in the United States. The Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold within the United States unless the Ordinary Shares are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available. In the United States the Offer Shares will be sold only to persons reasonably believed to be QIBs as defined in Rule 144A under the U.S. Securities Act. All offers and sales of the Offer Shares outside the United States will be made in compliance with Regulation S under the U.S. Securities Act and in accordance with applicable law. In addition, until the end of the fortieth calendar day after commencement of the Offering, an offering or sale of Ordinary Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

The Offering of the Offer Shares is being made in the United States through U.S. broker-dealer affiliates of the Underwriters.

Each purchaser of our securities in the United States will be deemed to have represented and agreed as follows:

- (i) The purchaser (a) is a qualified institutional buyer, or QIB, as defined in Rule 144A, or a broker-dealer acting for the account of a QIB, (b) is acquiring the securities for its own account or for the account of a QIB, and (c) is aware that the securities are restricted within the meaning of the Securities Act and may not be deposited into any unrestricted depository facility, unless at the time of such deposit the securities are no longer restricted.
- (ii) The purchaser is aware that such securities have not been and will not be registered under the Securities Act and are being offered in the United States only to QIBs in a transaction not involving any public offering in the United States within the meaning of the Securities Act.
- (iii) The purchaser understands and agrees that such securities may not be offered, sold, pledged or otherwise transferred, except (a) to a person that the seller and any person acting on its behalf reasonably believe is another QIB purchasing for its own account or for the account of a QIB *or* (b) outside the United States in accordance with Regulation S under the Securities Act *or* (c) pursuant to an exemption from registration under the Securities Act *or* (d) pursuant to an effective registration statement under the Securities Act.

Canada

The Offer Shares may not, directly or indirectly, be offered, sold or distributed within Canada, or to, or for the benefit or account of, any resident of Canada, except in compliance with all applicable securities laws, regulations or rules of the provinces and territories of Canada and with the prior approval of the Joint Global Coordinators. This Prospectus, or any other material relating to the Offer Shares, may not be distributed or delivered in Canada, except in compliance with all applicable securities laws, regulations or rules of the provinces and territories of Canada.

Any offer and sale of the Offer Shares in Canada will only be made in the Provinces of Alberta, British Columbia, Ontario and Québec or to residents thereof and not in, or to the residents of, any other Province or Territory of Canada. Such offers and sales will be made only pursuant to this Prospectus.

Japan

The Offer Shares offered by this Prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**Financial Instruments and Exchange Law**”). Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (including Japanese corporations), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (including Japanese corporations) except with the prior approval of the Joint Global Coordinators and pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and relevant regulations of Japan.

Australia

This Prospectus (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (“**Corporations Act**”); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 6.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (“**ASIC**”), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors (“**Exempt Investors**”) who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act; and (ii) are ‘wholesale clients’ for the purpose of section 761G of the Corporations Act.

The Offer Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offer Shares may be issued, and no draft or definitive offering memorandum, advertisement or other Offering material relating to any Offer Shares may be distributed, received or published in Australia, except where disclosure to investors is not required

under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting a subscription for the Offer Shares, each purchaser or subscriber of Offer Shares represents and warrants to the Company, the Underwriters and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Offer Shares under this document, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offer Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offer Shares each purchaser or subscriber of Offer Shares undertakes to the Company, the Selling Shareholders, the Underwriters and their affiliates that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Offer Shares, offer, transfer, assign or otherwise alienate those Offer Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (the “**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for the issuance of prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Article 27ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Offering, the Company or the Offer Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of Offer Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of Offer Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (the “**CISA**”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Offer Shares.

Singapore

This Prospectus or any other material relating to the Offer Shares has not been and will not be registered as a prospectus with the monetary authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Offer Shares may not be circulated or distributed, nor may any Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289, of Singapore (the “**Securities and Futures Act**”);
- (b) to a relevant person or any pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where Offer Shares are subscribed for or purchased under Section 275 by a relevant person which is:

- (i) a corporation (which is not an accredited investor) (as defined in Section 4A of the Securities and Futures Act) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

Offer Shares (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Offer Shares pursuant to an offer made under Section 275 except to an institutional investor or to a relevant person as defined in Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act:

- (A) where no consideration is or will be given for the transfer;
- (B) where the transfer is by operation of law; or
- (C) as specified in Section 276(7) of the Securities and Futures Act.

Hong Kong

No Offer Shares have been offered or sold or will be offered or sold in Hong Kong, by means of any document, other than (a) to 'professional investors' as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**Securities and Futures Ordinance**") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a 'prospectus' as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No advertisement, invitation or document relating to the Offer Shares has been issued or has been in the possession of any person for the purposes of issue, nor will any such advertisement, invitation or document be issued or be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares, which are or are intended to be disposed of only to persons outside Hong Kong or only to 'professional investors' as defined in the Securities and Future Ordinance and any rules made under the Securities and Future Ordinance.

DFIC

This Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("**DFSA**"). This Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Prospectus nor taken steps to verify the information set forth herein and has no responsibility for this Prospectus. The Offer Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offer Shares offered conduct their own due diligence on the Offer Shares. If you do not understand the contents of this Prospectus you should consult an authorised financial adviser.

TAXATION

Taxation in the Netherlands

The following summary gives an overview of the material Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of Ordinary Shares. For purposes of Netherlands tax law, a holder of Ordinary Shares may include an individual or entity who does not have the legal title of these Ordinary Shares, but to whom nevertheless the Ordinary Shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Ordinary Shares or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of Ordinary Shares.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands corporate and individual income tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Netherlands tax resident entities that are not subject to or exempt from Netherlands corporate income tax;
- (iii) corporate holders of Ordinary Shares which qualify for the participation exemption (*deelnemingsvrijstelling*) or would qualify for the participation exemption had the corporate holders of Ordinary Shares been resident in the Netherlands or which qualify for participation credit (*deelnemingsverrekening*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption or participation credit if it represents an interest of 5% or more of the nominal paid-up share capital;
- (iv) holders of Ordinary Shares holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and holders of Ordinary Shares of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (a) an interest of 5% or more of the total issued capital of the Company or 5% or more of the issued capital of a certain class of shares of the Company, (b) rights to acquire, directly or indirectly, such interest or (c) certain profit-sharing rights in the Company;
- (v) persons to whom the Ordinary Shares and the income from the Ordinary Shares are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) or the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);
- (vi) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Ordinary Shares are attributable to such permanent establishment or permanent representative;
- (vii) holders of Ordinary Shares which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these Ordinary Shares or the benefits derived from or realised in respect of these Ordinary Shares; and
- (viii) individuals to whom Ordinary Shares or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Dividend Withholding Tax

Withholding Requirement

The Company is required to withhold 15% Netherlands dividend withholding tax in respect of dividends paid on the Ordinary Shares. Generally, the Netherlands dividend withholding tax will not be borne by the Company, but will be withheld from the gross dividends paid on the Ordinary Shares. In the Netherlands Dividend withholding tax Act 1965 (*Wet op de dividendbelasting 1965*), dividends are defined as the proceeds from Ordinary Shares, which include:

- (i) direct or indirect distributions of profit, regardless of their name or form;
- (ii) liquidation proceeds, proceeds on redemption of the Ordinary Shares and, as a rule, the consideration for the repurchase of the Ordinary Shares by the Company in excess of its average paid-in capital recognised for Netherlands dividend withholding tax purposes, unless a particular statutory exemption applies;
- (iii) the nominal value of Ordinary Shares issued to a holder of the Ordinary Shares or an increase of the nominal value of the Ordinary Shares, insofar as the (increase in the) nominal value of the Ordinary Shares is not funded out of the Company's paid-in capital as recognised for Netherlands dividend withholding tax purposes; and
- (iv) partial repayments of paid-in capital recognised for Netherlands dividend withholding tax purposes, if and to the extent there are qualifying profits (*zuivere winst*), unless the General Meeting has resolved in advance to make such repayment and provided that the nominal value of the Ordinary Shares concerned has been reduced by an equal amount by way of an amendment of the Articles of Association and the paid-in capital is recognised as capital for Netherlands dividend withholding tax purposes. The term "qualifying profits" includes anticipated profits that have yet to be realised.

Residents of the Netherlands

If a holder of Ordinary Shares is a resident or deemed to be a resident of the Netherlands for Netherlands corporate or individual income tax purposes, Netherlands dividend withholding tax which is withheld with respect to proceeds from the Ordinary Shares will generally be creditable for Netherlands corporate income tax or Netherlands individual income tax purposes.

Non-residents of the Netherlands

If a holder of Ordinary Shares is a resident of a country other than the Netherlands and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and such holder is a resident for the purposes of such treaty, such holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Netherlands dividend withholding tax.

A refund of the Netherlands dividend withholding tax is available to entities resident in another member state of the European Union, Norway, Iceland, or Liechtenstein provided (i) these entities are not subject to corporate income tax there and (ii) these entities would not be subject to Netherlands corporate income tax, if these entities would be tax resident in the Netherlands for corporate income tax purposes and (iii) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Netherlands dividend withholding tax may be available to entities resident in other countries, under the additional condition that (i) the Ordinary Shares are considered portfolio investments for purposes of article 63 (taking into account article 64) of the Treaty on the functioning of the European Union and (ii) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information.

A (partial) refund of Netherlands dividend withholding tax is available to a holder of Ordinary Shares resident in another member state of the European Union, Norway, Iceland or Liechtenstein if (i) this holder of Ordinary Shares is not subject to Netherlands individual income tax or Netherlands corporate income tax with respect to the income from the Ordinary Shares and (ii) such Netherlands dividend withholding tax is higher than the Netherlands individual income tax or Netherlands corporate income tax would have been had this holder of Ordinary Shares been tax resident in the Netherlands, after taking into account a possible refund based on the Netherlands Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) or a refund based on a treaty for the avoidance of double taxation with respect to taxes on income and (iii) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the

holder of Ordinary Shares is tax resident, for the full amount of Netherlands dividend withholding tax withheld, and (iv) this holder of Ordinary Shares does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*). Furthermore, a similar refund of Netherlands dividend withholding tax may be available to a holder of Ordinary Shares resident in another country, under the additional conditions that (A) the Ordinary Shares are considered portfolio investments for purposes of article 63 (taking into account article 64) of the Treaty on the functioning of the European Union and (B) the Netherlands can exchange information with this other country in line with the international standards for the exchange of information and (C) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the holder of Ordinary Shares is tax resident, for the full amount of Netherlands dividend withholding tax withheld and (D) this holder of Ordinary Shares does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*).

Beneficial Owner

A recipient of proceeds from the Ordinary Shares will not be entitled to any exemption, reduction, refund or credit of Netherlands dividend withholding tax if such recipient is not considered to be the beneficial owner of such proceeds. The recipient will not be considered the beneficial owner of these proceeds, if, in connection with such proceeds, the recipient has paid a consideration as part of a series of transactions in respect of which it is likely:

- (i) that the proceeds have in whole or in part accumulated, directly or indirectly, to a person or legal entity that would:
 - (A) as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend withholding tax; or
 - (B) in comparison to the recipient paying the consideration, to a lesser extent be entitled to a reduction or refund of dividend withholding tax; and
- (ii) that such person or legal entity has, directly or indirectly, retained or acquired an interest in Ordinary Shares, profit-sharing certificates or loans, comparable to the interest it had in similar instruments prior to the series of transactions being initiated.

Netherlands Dividend Withholding Tax upon Redistribution of Foreign Dividends

The Company must pay to the Netherlands tax authorities all Netherlands dividend withholding tax it withholds on dividends it distributed with respect to the Ordinary Shares. Provided certain conditions are met, the Company may apply a reduction with respect to the dividend withholding tax that it has to pay to the Netherlands tax authorities. This reduction can be applied if the Company distributes dividends that stem from dividends the Company itself has received from certain qualifying non-Netherlands subsidiaries, provided these dividends the Company has received are exempt from Netherlands corporate income tax and were subject to a withholding tax of at least 5% upon distribution to the Company. The reduction is applied to the Netherlands dividend withholding tax that the Company must pay to the Netherlands tax authorities and not to the amount of the Netherlands dividend withholding tax that the Company must withhold. The reduction is equal to the lesser of:

- (i) 3% of the amount of the dividends distributed by the Company that are subject to Netherlands dividend tax; and
- (ii) 3% of the gross amount of the dividends received during a certain period from the qualifying non-Netherlands subsidiaries.

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder of Ordinary Shares is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Ordinary Shares are attributable, income derived from the Ordinary Shares and gains realised upon the redemption, settlement or disposal of the Ordinary Shares are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If a holder of Ordinary Shares is an individual and is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes, income derived

from the Ordinary Shares and gains realised upon the redemption, settlement or disposal of the Ordinary Shares are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands Income Tax Act 2001, if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Ordinary Shares are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Ordinary Shares are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Ordinary Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies to the holder of the Ordinary Shares, taxable income with regard to the Ordinary Shares must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Ordinary Shares will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on income from savings and investments is taxed at a rate of 30%.

Non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Netherlands corporate income tax or Netherlands individual income tax purposes, such person is not liable to Netherlands income tax in respect of income derived from the Ordinary Shares and gains realised upon the redemption or disposal of the Ordinary Shares, unless:

- (i) The person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Ordinary Shares are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Ordinary Shares are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25%.

- (ii) The person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Ordinary Shares are attributable, or (2) realises income or gains with respect to the Ordinary Shares that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands which include activities with respect to the Ordinary Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Ordinary Shares are attributable.

Income derived from the Ordinary Shares as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 52%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under “– Corporate and Individual Income Tax – Residents of the Netherlands”).

Recently announced intentions to introduce new tax legislation as from 2019 at the earliest

On October 10, 2017, the four parties that have formed the new government of the Netherlands released their coalition agreement (“**Coalition Agreement**”) (*regeerakkoord*) 2017-2021. The Coalition

Agreement does not include concrete legislative proposals, but instead sets out a large number of policy intentions of the new government.

One of the policy intentions described in the Coalition Agreement is to abolish the Netherlands dividend withholding tax as per 2020, except for specific abusive situations.

In addition, the new government aims at lowering the corporate income tax rate and the individual income tax rate in the Netherlands. If enacted, the corporate income tax rate applicable to the first bracket, that includes the first EUR 200,000 of taxable profit which is currently taxed at 20%, would then decrease to 19% in 2019, 17,5% in 2020 and to 16% in 2021. The corporate income tax rate applicable to the second bracket, that includes the remainder of taxable profit which is currently taxed at 25%, would decrease to 24% in 2019, 22,5% in 2020 and to 21% in 2021. The individual income tax rate will be lowered and limited to two brackets, instead of three brackets. The first bracket includes the first EUR 68,600 of taxable profit which will be taxed at 36,93% and the second bracket, that includes the remainder of taxable profit, will be taxed at 49,5%.

Gift and Inheritance tax

Netherlands gift or inheritance taxes will not be levied on the occasion of the transfer of the Ordinary Shares by way of gift by, or on the death of, a holder of the Ordinary Shares, unless:

- (i) the holder of the Ordinary Shares is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Ordinary Shares or in respect of a cash payment made under the Ordinary Shares, or in respect of a transfer of Ordinary Shares.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Ordinary Shares.

Residence

A holder of Ordinary Shares will not become or be deemed to become a resident of the Netherlands solely by reason of holding these Ordinary Shares.

Certain United States Federal Income Tax Consequences

This disclosure is limited to the United States federal tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the United States federal tax treatment of the Offer Shares. Prospective investors should seek their own advice based on their particular circumstances from independent tax advisers.

The following describes certain United States federal income tax consequences of the purchase, ownership and disposition of the Ordinary Shares as of the date hereof to United States Holders and Non-United States Holders (as defined below). Except where noted, this discussion deals only with initial purchasers of Ordinary Shares in the Offering that are United States Holders and that will hold the Ordinary Shares as capital assets. As used herein, the term “**United States Holder**” means a beneficial owner of Ordinary Shares that is for United States federal income tax purposes:

- (i) an individual citizen or resident of the United States;
- (ii) a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia;
- (iii) an estate the income of which is subject to United States federal income taxation regardless of its source; or

- (iv) a trust if it (A) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (B) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A “**Non-United States Holder**” is a beneficial owner of Ordinary Shares that is neither a partnership nor a United States Holder.

This discussion does not represent a detailed description of the United States federal income tax consequences applicable to United States Holders that are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organisation;
- a person holding the Ordinary Shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting;
- an S corporation;
- a person who owns or is deemed to own 10% or more of the Company’s stock by vote or value;
- a person that has ceased to be a U.S. citizen or a lawful permanent resident of the United States;
- a U.S. citizen or a lawful permanent resident living abroad; or
- a United States Holder whose ‘functional currency’ is not the United States dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”), its legislative history, and final, temporary, and proposed regulations (the “**Regulations**”), published rulings and judicial decisions thereunder as of the date hereof as well as on the Convention between the United States of America and the Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (together with a Protocol, the “**Treaty**”), and such authorities may be replaced, revoked or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those discussed below.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds the Ordinary Shares, the tax treatment of a partner in the entity or arrangement treated as a partnership for United States federal income tax purposes will generally depend upon the status of the partner and the activities of the partnership. Partners of a partnership holding the Ordinary Shares should consult their tax advisers.

This discussion does not contain a detailed description of all the United States federal income tax consequences to investors in light of their particular circumstances and does not address the alternative minimum tax or Medicare tax on net investment income, the effects of any state, local or non-United States tax laws, or the possible application of United States estate or gift taxes. Investors considering the purchase, ownership or disposition of the Ordinary Shares should consult their own tax advisers concerning the United States federal income tax consequences in light of their particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.

Taxation of Dividends

Subject to the passive foreign investment company (“**PFIC**”) rules discussed below, the gross amount of distributions on the Ordinary Shares (including any amounts withheld to reflect Dutch withholding taxes) will be taxable as dividends to the extent paid out of the current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including any withheld taxes) generally will be includable in gross income as ordinary income on the

day actually or constructively received. Such dividends will not be eligible for the dividends received deduction allowed to corporations under the Code.

To the extent that the amount of any distribution exceeds the Company's current and accumulated earnings and profits for a taxable year, as determined under United States federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the Ordinary Shares, and to the extent the amount of the distribution exceeds the tax basis, the excess will be taxed as capital gain recognised on a sale or exchange. The Company does not expect to determine earnings and profits in accordance with United States federal income tax principles. Therefore, United States Holders should expect that a distribution will generally be treated as a dividend (as discussed above).

Dividends received by individuals and certain other non-corporate United States Holders should be taxed at the preferential rate applicable to long-term capital gain if (i) the Company is a "qualified foreign corporation" (as defined below), (ii) such dividend is paid on Ordinary Shares that have been held by such US Holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date, and (iii) certain other holding period requirements are met. The Company generally will be a "qualified foreign corporation" if (1) it qualifies for the benefits of the Treaty, which the Company believes it does, and (2) it is a PFIC in the taxable year of the distribution or the immediately preceding taxable year, which the Company does not expect to be. No assurance can be given that the Company will be eligible for the benefits of the Treaty.

The amount of any dividend paid in euros will equal the United States dollar value of the euros received calculated by reference to the exchange rate in effect on the date the dividend is received, regardless of whether the euros are converted into United States dollars. If the euros received as a dividend are converted into United States dollars on the date they are received, United States Holders generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. If the euros received as a dividend are not converted into United States dollars on the date of receipt, you will have a basis in the euros equal to their United States dollar value on the date of receipt. Any gain or loss realised on a subsequent conversion or other disposition of the euros will be treated as United States source ordinary income or loss.

Subject to certain conditions and limitations, Dutch withholding taxes on dividends may be treated as foreign taxes eligible for credit against, or deduction in computing, United States federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the Ordinary Shares will be treated as income from sources outside the United States and will generally constitute passive category income. The rules governing the foreign tax credit are complex. Investors are urged to consult their tax advisers regarding the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company Rules

In general, a corporation organised or incorporated outside the U.S. is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75 per cent. of its gross income is classified as "passive income" or (ii) at least 50 per cent. of the average quarterly value attributable to its assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. Based on the present nature of its activities, including the Offer, and the present composition of its assets and sources of income, the Company believes that it was not a PFIC for the year ended 31 December 2017 and does not expect to become a PFIC for the current year. There can be no assurances, however, that the Company will not be considered to be a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If the Company is classified as a PFIC in any taxable year that a United States Holder is a shareholder, the Company generally will continue to be treated as a PFIC for that U.S. Holder in all succeeding years, regardless of whether the Company continues to meet the income or asset test described above. If the Company were a PFIC in any taxable year, United States Holders would be required (i) to pay a special addition to tax on certain distributions and gains on sale and (ii) to pay tax on any gain from the sale of Ordinary Shares at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Additionally, dividends paid by the Company would not be eligible for the preferential rates of tax described above under "*Taxation of Dividends*".

Taxation of Capital Gains

Subject to the PFIC rules discussed above, for United States federal income tax purposes, United States Holders generally will recognise taxable gain or loss on any sale or exchange of the Ordinary Shares in an amount equal to the difference between the amount realised for the Ordinary Shares and their tax basis in the Ordinary Shares. Such gain or loss will generally be capital gain or loss. Capital gains of certain non-corporate United States Holders (including individuals) derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognised by United States Holders will generally be treated as United States source gain or loss. Accordingly, United States Holders may not be able to use the foreign tax credit arising from any foreign tax imposed on the sale or exchange of the Ordinary Shares unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources.

A United States Holder that receives non-United States currency from a sale or disposition of Ordinary Shares generally will realise an amount equal to the United States dollar value of the non-United States currency on the date of sale or disposition or, if such United States Holder is a cash basis or electing accrual basis taxpayer and the Ordinary Shares are treated as being traded on an “established securities market” for this purpose, the settlement date. If the Ordinary Shares are so treated and the non-United States currency received is converted into United States dollars on the settlement date, a cash basis or electing accrual basis United States Holder will not recognise foreign currency gain or loss on the conversion. If the non-United States currency received is not converted into United States dollars on the settlement date, the United States Holder will have a basis in the non-United States currency equal to the United States dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the non-United States currency generally will be treated as ordinary income or loss to such United States Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Investors should consult their own tax advisers concerning any potential foreign currency gain or loss in connection with the sale or exchange of the Ordinary Shares for a cash amount paid in euros or other non-United States currency.

Non-United States Holders

Subject to the backup withholding rules described below, a Non-United States Holder generally should not be subject to United States federal income or withholding tax on any payments on the Ordinary Shares or gain from the sale, redemption or other imposition of the Ordinary Shares unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-United States Holder of a trade or business in the United States, and if required by an applicable income tax treaty, that payment and/or gain is attributable to a permanent establishment or fixed base that such Non-United States Holder maintains in the United States; or (ii) in the case of any gain realised on the sale or exchange of a share by an individual Non-United States Holder, that Non-United States Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

Backup Withholding and Information Reporting

In general, information reporting will apply to dividends in respect of the Ordinary Shares and the proceeds from the sale, exchange or redemption of the Ordinary Shares that are paid to United States Holders within the United States (and in certain cases, outside the United States), unless a United States Holder is an exempt recipient. A backup withholding tax may apply to such payments if a United States Holder fails to provide a taxpayer identification number or certification of other exempt status or fails to otherwise comply with the backup withholding requirements. Non-United States Holders may be required to comply with applicable certification procedures to establish that they are not United States Holders in order to avoid the application of such information reporting requirements and backup withholding.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the United States Internal Revenue Service. Certain United States Holders that own “specified foreign financial assets” that meet certain United States dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Ordinary Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the Ordinary Shares are held in an account at certain financial

institutions. United States Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Ordinary Shares.

GENERAL INFORMATION

Domicile, Legal Form and Incorporation

The Company is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and is domiciled in the Netherlands. The Company is expected to be converted into a public company with limited liability (*naamloze vennootschap*) under the laws of the Netherlands with effect as of the First Trading Date. The Company was incorporated in the Netherlands on 1 November 2015 and is domiciled in the Netherlands. The Company's statutory seat (*statutaire zetel*) will as from the conversion into a public company with limited liability (*naamloze vennootschap*) be in Amsterdam, the Netherlands, and its registered office is at Hefbrugweg 28, 1332 AP in Almere, the Netherlands. The Company is registered with the Business Register of the Netherlands Chamber of Commerce (*Kamer van Koophandel*) under number 64462846, and its telephone number is +31(0)36-5493400.

Corporate Resolutions

Prior to Settlement, it is expected that the Management Board will, pursuant to a resolution of the General Meeting to be adopted prior to Settlement, be authorised for a period of 18 months following Settlement Date, subject to the approval of the Supervisory Board, to resolve to issue Ordinary Shares (either in the form of stock dividend or otherwise) and/or grant rights to acquire Ordinary Shares up to a maximum of 10% of the number of Ordinary Shares issued immediately following the Settlement Date, and to exclude pre-emptive rights in relation thereto. In addition, it is expected that the Management Board will, pursuant to a resolution of the General Meeting to be adopted prior to Settlement, be authorised for a period of 18 months following Settlement, to acquire Ordinary Shares, subject to the approval of the Supervisory Board, its own Ordinary Shares (including Ordinary Shares issued as stock dividend), up to a maximum of 10% of the issued capital at the date of acquisition, provided that Company will hold no more Ordinary Shares in stock than a maximum of 50% of the issued capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Ordinary Shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%.

Independent Auditors

The Company's consolidated special purpose financial statements for the years ended 2017, 2016 and 2015 have been audited by PwC. The auditor signing the auditor's report on behalf of PwC is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

PwC is located at Newtonlaan 205, 3584 BH Utrecht, the Netherlands.

PwC has issued an unqualified independent auditor's report on the consolidated special purpose financial statements for the years ended 2017, 2016 and 2015, dated 7 February 2018.

No Significant Change

There has been no significant change in the financial or trading position of Alfen since 31 December 2017.

Expenses of the Offering

Based on an Offer Price at the mid-point of the Offer Price Range and assuming the sale of the maximum number of Offer Shares and no exercise of the Over-Allotment Option, the expenses related to the Offering are estimated at €4.4 million and include, among other items, the fees due to AFM and Euronext Amsterdam N.V., the commission for the Underwriters and legal and administrative expenses, as well as publication costs and applicable taxes, if any. See also "*Reasons for the Offering and Use of Proceeds*" and "*Plan of Distribution*".

Available Documents

Subject to any applicable selling and transfer restrictions (see "*Selling and Transfer Restrictions*"), copies of this Prospectus are available and can be obtained free of charge from the date of publication of this Prospectus from the Company's website at ipo.alfen.com.

In addition, copies of these documents will be available free of charge at the Company's offices during normal business hours from the date of this Prospectus until at least the Settlement Date.

Copies of the Articles of Association (in Dutch, and an unofficial English translation) are available in electronic form from the Company's website at ipo.alfen.com.

Provision of information

Alfen has agreed that, for so long as any of the Offer Shares are outstanding and are 'restricted securities' within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will, during any period in which the Company is neither subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted Offer Shares or to any prospective purchaser of such restricted Offer Shares designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

Alfen is not currently subject to the periodic reporting and other informational requirements of the U.S. Exchange Act.

No Incorporation of Website

The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website or any websites of an individual Alfen group company or business line, do not form part of and are not incorporated by reference into this Prospectus.

DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of certain of the defined terms used in this Prospectus.

ABN AMRO	ABN AMRO Bank N.V.
AFM	Netherlands Authority for the Financial Markets (<i>Autoriteit Financiële Markten</i>)
Alfen	the Company together with its subsidiaries
Articles of Association	the articles of association of the Company that will become effective on the First Trading Date, including any further amendments from time to time
Barclays	Barclays Bank PLC
CET	Central European Time or, when applicable, Central European Summer Time
Company	Alfen N.V. (at the date of this Prospectus still a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) named Alfen Beheer B.V., expected to be converted into a public company with limited liability (<i>naamloze vennootschap</i>) with effect as of the First Trading Date
Consolidated Financial Statements	the audited consolidated special purpose financial statements of the Company as at and for the years ended 31 December 2017, 31 December 2016 and 31 December 2015 and the notes thereto beginning on page F-1 of this Prospectus
DRs	the depositary receipts of shares in the capital of each of the Selling Shareholders, issued by two trust foundations (<i>stichtingen administratiekantoor</i>)
DSOs	distribution system operators
Dutch Corporate Governance Code	means the Dutch corporate governance code dated 8 December 2016 as established under article 2:391 paragraph 5 of the Dutch Civil Code
Dutch Financial Supervision Act	the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>) and the rules promulgated thereunder
Dutch Retail Investor	a Dutch retail investor is either: (i) a natural person resident in the Netherlands; or (ii) a special investment vehicle having its seat in the Netherlands which is a legal entity established for the express and sole purpose of providing asset management and/or retirement planning services for a natural person
Enterprise Chamber	the enterprise chamber of the court of appeal in Amsterdam (<i>Ondernemingskamer van het Gerechtshof te Amsterdam</i>)
EU	European Union
Euroclear Nederland	the Netherlands Central Institute for Giro Securities Transactions (<i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i>) trading as Euroclear Nederland
Euronext Amsterdam	Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V.
EUR or €	the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time
EV	electric vehicle
First Trading Date	the date on which trading in the Ordinary Shares on an “as-if-and-when-delivered” basis on Euronext Amsterdam commences which,

	subject to acceleration or extension of the timetable for the Offering, is expected to be on or around 22 March 2018
General Meeting	the general meeting (<i>algemene vergadering</i>) of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders of the Company
IFRS	International Financial Reporting Standards as adopted by the EU
Joint Global Coordinators	ABN AMRO and Barclays Bank PLC
Joint Bookrunners	Coöperatieve Rabobank U.A. and the Joint Global Coordinators
Listing and Paying Agent	ABN AMRO
Management Board	the management board (<i>bestuur</i>) of the Company
Management Board Rules	rules and regulations, allocating duties to one or more Managing Directors and regulating any such subjects as the Management Board deems necessary and appropriate, as adopted by the Management Board
Managing Director	a member of the Management Board
Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, which entered into force on 3 July 2016
Offer Period	the period during which the Offering will take place, commencing on 12 March 2018 at 9:00 CET and ending on 20 March 2018 at 17:30 CET for prospective retail investors and ending on 21 March 2018 at 14:00 CET for prospective institutional investors in the Netherlands, subject to acceleration or extension of the timetable for the Offering
Offer Price	the price of the Offer Shares to be determined after the Offer Period has ended
Offer Price Range	the range of the Offer Price from €11,25 to €15,00 (inclusive) per Offer Share
Offer Shares	up to 9.775.000 existing Ordinary Shares held and to be offered by the Selling Shareholders and, unless the context indicates otherwise, the Over-Allotment Shares
Offering	the public offering of the Offer Shares to institutional and retail investors in the Netherlands and through private placements to certain institutional investors in various other jurisdictions
Ordinary Shares	the ordinary shares in the capital of the Company with a nominal value of €0,10 each
Over-Allotment Option	the option granted to the Joint Global Coordinators (on behalf of the Underwriters), exercisable within 30 calendar days after the First Trading Date, pursuant to which the Joint Global Coordinators, on behalf of the Underwriters, may require the Selling Shareholders to sell at the Offer Price Over-Allotment Shares held by the Selling Shareholders
Over-Allotment Shares	the additional Ordinary Shares that may be sold by the Selling Shareholders pursuant to the Over-Allotment Option
Preferential Retail Allocation	the preferential allocation of Offer Shares to Dutch retail investors
Pricing Statement	the pricing statement in which the offer price and the exact number of Offer Shares offered in the Offering will be set out
Prospectus	this prospectus dated 12 March 2018
Prospectus Directive	Directive 2003/71/EC of the European Union, including any amendments thereto, including Directive 2010/73/EU
PV	photovoltaic
QIBs	qualified institutional buyers, as defined in Rule 144A

Rabobank	Coöperatieve Rabobank U.A.
Recipient	a holder of Ordinary Shares who is the recipient of dividends
Regulation S	Regulation S under the U.S. Securities Act
Relationship Agreement	the relationship agreement between the Company and the Selling Shareholders dated 8 March 2018
Relevant Member State	each member state of the European Economic Area that has implemented the Prospectus Directive
Retail Coordinator	ABN AMRO
Rule 144A	Rule 144A under the U.S. Securities Act
Selling Shareholders	Infestos Holding M B.V. and Infestos Energy Transition B.V.
Senior Management	the members of the Management Board together with the non-statutory member of the Company's senior management
Settlement	payment for and delivery of the Offer Shares
Settlement Date	the date on which Settlement occurs, which, subject to acceleration or extension of the timetable of the Offering, is expected to be on or around 26 March 2018
Share Lending Agreement	the share lending agreement dated on or about the date of the Underwriting Agreement between the Selling Shareholders and the Stabilisation Agent
Stabilisation Agent	ABN AMRO
Supervisory Board	the supervisory board (<i>raad van commissarissen</i>) of the Company
Supervisory Board Rules	rules and regulations, allocating duties to one or more Supervisory Directors and regulating any such subjects as the Supervisory Board deems necessary and appropriate, as adopted by the Supervisory Board
Supervisory Director	a member of the Supervisory Board
Underwriters	the Joint Bookrunners
Underwriting Agreement	the underwriting agreement between the Company, the Selling Shareholders and the Underwriters dated 12 March 2018
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
USD or \$	the lawful currency of the United States
U.S. Exchange Act	the United States Securities Exchange Act of 1934, as amended
U.S. Securities Act	the U.S. Securities Act of 1933, as amended
Works Council	the Company's works council

FINANCIAL STATEMENTS

***Alfen Beheer B.V.,
Almere***

***Special Purpose Consolidated Financial Statements for the years ended 31 December
2017, 2016 and 2015 and the opening statement of financial position as of 1 January
2015***

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Special purpose consolidated financial statements

Alfen Beheer B.V.

Consolidated statement of comprehensive income For the years ended 31 December 2017, 2016 and 2015

(In EUR '000)

	Note	2017	2016	2015
Continuing operations				
Revenue	8	73.368	61.522	50.548
Other income	9	968	-	-
		<u>74.336</u>	<u>61.522</u>	<u>50.548</u>
Operating expenses				
Costs of raw materials and consumables		(49.854)	(42.113)	(34.611)
Costs of outsourced work and other external costs		(2.852)	(2.395)	(2.460)
Personnel expenses	10	(12.773)	(10.730)	(8.262)
Amortisation on intangible fixed assets	18	(1.030)	(745)	(497)
Depreciation on property, plant and equipment	17	(568)	(450)	(422)
Other operating costs	11	(4.842)	(3.482)	(2.956)
		<u>(71.919)</u>	<u>(59.915)</u>	<u>(49.208)</u>
Operating profit		2.417	1.607	1.340
Finance income	13	-	-	-
Finance costs	13	(128)	(79)	(43)
Finance income (costs) - net		<u>(128)</u>	<u>(79)</u>	<u>(43)</u>
Profit (loss) before income tax		2.289	1.528	1.297
Income tax expense	14	(568)	(393)	(313)
Profit (loss) for the period		<u>1.721</u>	<u>1.135</u>	<u>984</u>
Other comprehensive income for the period				
-		-	-	-
Total comprehensive income for the period		<u>1.721</u>	<u>1.135</u>	<u>984</u>
Total comprehensive income for the period (attributable to the owner of the company)		1.721	1.135	984
Earnings per share for profit attributable to the ordinary equity holders of the company:	15			
Basic earnings per share		95,61	63,03	54,65
Diluted earnings per share		95,61	63,03	54,65

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

Alfen Beheer B.V.

Consolidated balance sheet

For the years ended 31 December 2017, 2016, 2015 and 1 January 2015

(In EUR '000)

	Note	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Assets					
Non-current assets					
Property, plant and equipment	17	4.435	3.163	1.580	1.484
Intangible assets	18	3.948	3.092	2.413	1.891
Deferred tax assets	19	424	376	428	37
Receivables		23	30	30	-
Total non-current assets		8.830	6.661	4.451	3.412
Current assets					
Inventories	20	3.487	3.756	2.410	2.728
Trade and other receivables	22	17.539	11.102	9.393	6.920
Cash and cash equivalents	23		1.408	1.335	2.045
Total current assets		21.026	16.266	13.138	11.693
Total assets		29.856	22.927	17.589	15.105
Group equity					
	24				
Share capital		18	18	18	18
Share premium		3.895	3.895	3.895	837
Retained earnings		1.172	37	-952	4.540
Result for the year		1.721	1.135	984	-134
Total group equity		6.806	5.085	3.945	5.261
Liabilities					
Non-current liabilities					
Borrowings	25	1.660	1.870	1.200	1.350
Deferred tax liabilities	19	1.024	808	638	506
Provisions	26	29	29	32	25
Total non-current liabilities		2.713	2.707	1.870	1.881
Current liabilities					
Trade and other payables	27	18.536	13.699	9.843	7.768
Current tax liabilities		255	193	598	45
Bank overdraft	23	1.224			
Borrowings	25	210	210	150	150
Deferred revenue		112	1.033	1.183	-
Total current liabilities		20.337	15.135	11.774	7.963
Total liabilities		23.050	17.842	13.644	9.844
Total equity and liabilities		29.856	22.927	17.589	15.105

The above balance sheet should be read in conjunction with the accompanying notes.

Alfen Beheer B.V.

Consolidated statement of changes in equity

For the years ended 31 December 2017, 2016, 2015 and 1 January 2015

(In EUR '000)

Note	Attributable to equity owners of Alfen Beheer B.V.				
	Share capital	Share premium	Retained earnings	Result for the year	Total equity
Balance – 1 January 2015	18	837	4.540	(134)	5.261
Profit (loss) for the period	-	-	-	984	984
Other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	984	984
Transactions with owners in their capacity as owners					
Issuance of ordinary shares	1	5.358	(5.358)	-	-
Dividend	-	(2.300)	-	-	(2.300)
Allocation of profit (loss)	-	-	(134)	134	-
Balance – 31 December 2015	18	3.895	(952)	984	3.945
Profit (loss) for the period	-	-	-	1.135	1.135
Other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	1.135	1.135
Transactions with owners in their capacity as owners					
Dividend	-	-	-	-	-
Other	-	-	5	-	5
Allocation of profit (loss)	-	-	984	(984)	-
Balance – 31 December 2016	18	3.895	37	1.135	5.085
Profit (loss) for the period	-	-	-	1.721	1.721
Other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	1.721	1.721
Transactions with owners in their capacity as owners					
Dividend	-	-	-	-	-
Allocation of profit (loss) for the period	-	-	1.135	(1.135)	-
Balance – 31 December 2017	18	3.895	1.172	1.721	6.806

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

Alfen Beheer B.V.

Consolidated statement of cash flows

For the years ended 31 December 2017, 2016 and 2015

(In EUR '000)

	Note	2017	2016	2015
Cash flows from operating activities				
Operating profit		2.417	1.607	1.340
Adjustments for:				
- Depreciation, amortisation and impairment expenses	17/18	1.598	1.195	919
- Change in provision	26	-	(3)	7
- Change in non-current receivables		7	-	(30)
Changes in operating assets and liabilities:				
- (Increase)/decrease inventories	20	269	(1.346)	318
- (Increase)/decrease construction contracts	22	(1.489)	(540)	(871)
- (Increase)/decrease trade and other receivables	22	(4.522)	(401)	(1.911)
- Increase/(decrease) trade and other payables	27	3.473	2.931	3.564
Cash generated from operations		1.753	3.443	3.336
Income taxes (paid)/ received	14	(338)	(576)	(19)
Interest (paid)	13/25	(111)	(67)	(40)
Interest received		-	-	-
Net cash inflow/ (outflow) from operating activities		1.304	2.800	3.277
Cash flows from investing activities				
Payment for property, plant and equipment	17	(1.840)	(2.033)	(518)
Payment for intangible assets	18	(1.886)	(1.424)	(1.019)
Net cash inflow/ (outflow) from investing activities		(3.726)	(3.457)	(1.537)
Cash flows from financing activities				
Proceeds from issuance of shares		-	-	-
Proceeds from borrowings	25	-	900	-
Repayments of borrowings	25	(210)	(170)	(150)
Dividends paid to company's shareholders	24	-	-	(2.300)
Net cash flow inflow/ (outflow) from financing activities		(210)	730	(2.450)
Net increase/ (decrease) in cash and cash equivalents		(2.632)	73	(710)
Cash and cash equivalents at the beginning of the financial year		1.408	1.335	2.045
Cash and cash equivalents at end of year of the financial year	23	(1.224)	1.408	1.335

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

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Notes to the special purpose consolidated financial statements

1 General information

Activities:

Alfen Beheer B.V. (hereafter “the Company”) is a private limited liability company (B.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 Belgium, Germany, the United Kingdom and the rest of Europe.

Alfen Beheer B.V. is the head of the group.

The companies included in the special purpose consolidated financial statements are the following:

- Alfen B.V., Almere, 100%
- Alfen ICU B.V., Almere, 100%
- Alfen Projects B.V., Almere, 100%
- Alfen België BVBA, Gent, 100%

Alfen Beheer B.V. has its registered office at Hefbrugweg 28, 1332 AP, Almere, the Netherlands. The shares of Alfen Beheer B.V. are held by Alfen Holding B.V. and Infestos Holding M B.V., which are ultimately held by Infestos Nederland B.V.

Alfen Beheer B.V. is incorporated at 1 November 2015 and is established as holding company of the Group. On 1 January 2016, the activities of Alfen B.V. were split between Alfen B.V. and Alfen ICU B.V. At incorporation of Alfen Beheer at 1 November 2015 the issued shares of Alfen Beheer B.V. are paid in kind by a non cash contribution of all the outstanding shares in Alfen B.V. This transaction resulted in a share premium reserve and did not impact share capital on Group level. As there is no economic change of circumstances the Group still reflects the activities of the former Alfen B.V. reporting entity. Therefore, these special purpose consolidated financial statements uses Alfen B.V. comparative figures for the financial year 2015 and Alfen Beheer B.V. comparative figures for the 12 month financial year 2016.

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

These special purpose consolidated financial statements were authorized for issue by the Company’s Board of Directors on 7 February 2018.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these special purpose 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 2015-2017 of Alfen Beheer B.V. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as applicable for financial years commencing on 1 January 2017.

The applicable IFRS standards have been applied as from 1 January 2015 and apply for all the years presented in these special purpose consolidated financial statements. Further the Company has adopted IFRS 1 ‘First-time Adoption of International Financial Reporting Standards’ (IFRS 1). These are the first consolidated financial statements that the Company has prepared in accordance with IFRS, and 1 January 2015 was the date of transition. These special purpose consolidated financial statements 2015-2017 have been prepared for inclusion in the offering document (prospectus). These special purpose financial statements are not the Company’s financial statements as referred to in Part 9, Book 2, of the Dutch Civil Code.

Alfen B.V. filed financial statements under NL GAAP as at and for the financial year ended 31 December 2015 and Alfen Beheer B.V. filed financial statements under NL GAAP as at and for the extended (14 month) financial year ending 31 December 2016 with the Chamber of Commerce. An explanation of the effect of the transition to IFRS on the financial position and results of operations and cash flows are included in note 29.

The preparation of the special purpose consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

Basis of measurement

The special purpose consolidated financial statements have been prepared on a historical cost convention, unless stated otherwise. All amounts in the notes to the special purpose consolidated financial statements are stated in euros ‘000, unless otherwise stated.

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Changes in accounting policies and disclosures

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

Nature of change	Impact	Mandatory application date
<i>IFRS 9 Financial Instruments</i>		
IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	The Company evaluated its financial assets and liabilities in accordance with IFRS 9. The Company does not have (complex) instruments that would trigger a change in accounting. The Company does not apply any hedge accounting. Furthermore, based on the analysis of historical information the expected loss evaluation for receivables and contract assets is considered insignificant. Overall, the impact of IFRS 9 is considered low.	Must be applied for financial years commencing on or after 1 January 2018. Date of adoption by the Company: 1 January 2018.
<i>IFRS 15 Revenue from Contracts with Customers</i>		
The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognize transitional adjustments in retained earnings on the date of initial application (e.g. 1 January 2018), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.	The Company evaluated its contracts with customers in accordance with IFRS 15. The application of IFRS 15 is expected to have limited to no impact on the current accounting as the company has very few contracts with multiple performance obligations. The company will implement this new standard prospectively without adjusting the comparative figures. The impact of IFRS 15 is considered low.	Mandatory for financial years commencing on or after 1 January 2018. Date of adoption by the Company: 1 January 2018
<i>IFRS 16 Leasing</i>		
IFRS 16 principally requires lessees to recognize assets and liabilities for all leases and to present the rights and obligations associated with these leases in the statement of financial position. Going forward, lessees 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. For all leases, the lessee will recognize a lease liability in its statement of financial position for the obligation to make future	The Company does not have any material lease contracts. Existing lease contracts mainly relate to company cars, warehouse equipment and office (printing) equipment. The company has about EUR 1.5m of lease premium obligations (see note 28). The impact of IFRS 16 is considered low (less than 10% of balance sheet total)	Mandatory for financial years commencing on or after 1 January 2019 (subject to EU endorsement). Expected date of adoption by the Company: 1 January 2019.

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lease payments. At the same time, the lessee will capitalize a right of use to the underlying asset which is generally equivalent to the present value of the future lease payments plus directly attributable expenditure. Similar to the guidance on finance leases in IAS 17, the lease liability will be adjusted over the lease term for any remeasurement, while the right-of-use asset will be depreciated, which normally leads to higher expenses at the inception date of a lease. For the lessor, on the other hand, the provisions of the new standard are similar to the existing guidance in IAS 17. The criteria for lease classification have been taken over from IAS 17. IFRS 16 also includes new provisions on the definition of a lease and its presentation, on disclosures in the notes, and on sale and leaseback transactions.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Principles for consolidation

(a) 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.

(b) Acquisitions and disposals of subsidiaries

The acquisition of subsidiaries by the Group is accounted for using the acquisition method. 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 expenses as incurred.

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.

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(c) 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.

(d) 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

(i) 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 EUR, which is the functional currency of all companies within the Group and the Group's presentation currency.

(ii) 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 recognized 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 recognized 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 derecognized 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 recognizing the difference between historical cost and the estimated residual values using the straight-line method over their estimated useful live in profit or loss. The estimated useful lives of property, plant and equipment for current and comparable periods are as follows:

- Buildings 5 – 30 years
- Furniture, fittings and equipment 5 years
- Other fixed operating assets 4 – 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

Intangible fixed assets are carried at historical cost less accumulated amortisation and any impairments. The group amortises intangible assets with a limited useful life using the straight-line method over the estimated useful economic life of the intangible assets. The expected useful life and the depreciation method are reviewed each reporting period.

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 recognized 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 capitalized 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 recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Expenditure on research activities is recognized as expense in the period in which it is incurred.

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 economic life is 5 years.

The amortization charge of these intangibles is included under the amortization expense.

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 recognized 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 assets and liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Initial recognition is at fair value plus transaction costs. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, the Company classifies its financial instruments in the following categories:

- i. Financial assets and liabilities at fair value through profit or loss
- ii. Loans and receivables
- iii. Available-for-sale financial assets
- iv. Financial liabilities at amortized cost
- v. Held-to-maturity investments

The Company only has loans and receivables (ii) and financial liabilities at amortized cost (iv) and makes no use of derivative financial instruments.

ii. Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables and cash and cash equivalents are classified as 'loans and receivables', and are included in the current assets 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 assets.

Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

iv. Financial liabilities at amortized costs:

Financial liabilities at amortized cost include trade and other payables and long-term debt. Trade and other payables and long-term debt are initially recognized at fair value equaling the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade and other payables and long-term debt are measured at amortized 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.

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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Company does not have any legally enforceable right to offset the recognized amounts in the balance sheet.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Assets carried at amortized cost

For loans and receivables, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss. If a loan or held-to-maturity investment has a

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variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognized in a separate provision for impairment. The Company considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganization, and;
- default or delinquency in payments.

Receivables for which an impairment provision was recognized are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognized in the income statement within other operating expenses. Subsequent recoveries of amounts previously written off are credited against other operating expenses.

Inventories

Inventories mainly relate to raw materials and are valued at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labor 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 realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Construction contracts

A construction contract is defined as a contract specifically negotiated for the construction of an asset. Work in progress on construction contracts is valued at cost plus the profit recognised to date less a provision for foreseeable losses and less progress billings. 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 progress percentage applied consists of the proportion of recognised costs against the total expected costs for each individual project. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of the contract cost incurred that is likely to be recoverable.

Construction contracts 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 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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

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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 and cash in hand.

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.

Long-term debt

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized 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 recognized 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 recognized 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.

Trade and other payables

These amounts represent liabilities provided to the Company prior to the end of 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 recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

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Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and related sales taxes and value-added tax.

Sale of goods sold and services rendered

The Group sells products and services related to the electricity grid, charging equipment for electric vehicles and energy storage systems and solutions. Revenue from the sale of goods is recognised when the most significant risks and benefits of ownership have been transferred to the buyer. Revenues generated through services rendered are recognised in the income statement in proportion to the stage of completion of the transaction on the reporting date. The stage of completion is determined on the basis of the costs incurred compared with the expected total costs. Expenditure related to these services is allocated to the same period.

Construction contracts

The Group realizes construction contracts related to the electricity grid (including smart grid solutions), electric vehicle charging solutions and energy storage systems and solutions. If the outcome of a construction contract can be estimated reliably and if it is probable that the contract will be profitable, contract revenue and costs are recognised in the income statement in proportion to the stage of completion of the project using the percentage of completion method. The stage of completion is determined on the basis of the costs incurred compared with the expected total costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent that it is probable that contract costs incurred will be recoverable. Contract costs are recognized as expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

The Company uses the 'percentage-of-completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to cost incurred since contract initiation up to the end of the reporting period as a percentage of total costs for each contract.

Employee benefits

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

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, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

Selected and eligible managers of the Group participate indirectly in the share capital of the Company. This management participation plan is classified as an equity-settled share-based payment arrangement.

The Company determines the fair value of the share-based payment awards at the grant date and recognises an

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expense for the services received over the service period, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the awards made. For this purpose, the Company analyses at each grant date whether the purchase price paid by a manager is in line with the market price of the underlying shares. Only if a positive difference exists between (i) the actual market value of the shares as determined at the grant date and (ii) the purchase price paid; this results in a fair value to be reported as a share-based payment expense.

Service conditions and non-market vesting conditions are taken into account when estimating the number of awards that will ultimately vest.

Government grants

Grants from the government are recognized 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 recognized in the statement of income over the period necessary to match them with the costs that they are intended to compensate.

Expenses

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

Leases

At the inception of an agreement, the Group assesses if the agreement contains a lease. Leases of property, plant and equipment where the group, 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 group 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 recognized 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.

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 recognized 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 substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities and assets are not recognized 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

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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 realize the asset and settle the liability simultaneously.

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

3 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 and 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 assets or a group of financial assets. If an objective indication for impairment exists, the company determined 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 knows a strict policy that aims to minimize and control these risks as much as possible.

(a) 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 clients. The company executes a strict policy to minimize 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 as low. The Group did not incur any impairment losses on trade and other receivables in 2015 and 2016.

An ageing analysis of the Company's trade and other receivables at 31 December 2017, 31 December 2016, 31 December 2015 and 1 January 2015 is as follows:

Trade and other receivables	Current amount	Overdue < 30 days	Overdue 31-60 days	Overdue 61-90 days	Overdue > 90 days
31 December 2017	13.383	2.265	935	567	389
31 December 2016	9.239	1.375	419	18	51
31 December 2015	7.411	1.562	278	57	85
1 January 2015	5.806	754	128	103	129

(b) 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. 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 analyze 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.

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	31 December 2017				
	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)	18.423	98	15	-	18.536
Long-term debt	64	193	981	868	2.106
Total non-derivatives	18.488	291	996	868	20.642

	31 December 2016				
	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)	13.140	537	22	-	13.699
Long-term debt	66	198	1.004	1.106	2.374
Total non-derivatives	13.206	735	1.026	1.106	16.073

	31 December 2015				
	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)	9.603	200	40	-	9.843
Long-term debt	46	138	702	636	1.522
Total non-derivatives	9.649	338	742	636	11.365

	1 January 2015				
	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)	7.576	192	-	-	7.768
Long-term debt	47	141	719	807	1.714
Total non-derivatives	7.623	333	719	807	9.482

(c) Market risk

(i) Foreign exchange risk

The Company mainly operates in the European Union, in those countries that use the Euro as a basis currency (see note 22 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.

(ii) 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 company's policy aims to use indexation clauses in its sales contracts. If indexation is impossible, prices and conditions are negotiated with existing (key) suppliers to minimize price risk. In addition, the company controls price risk by using framework purchase agreements, tender procedures and other high valued information sources.

(iii) 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. The Company's exposure is not significant and therefore no sensitivity analysis is included.

4 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, return capital to the shareholder, 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 2017, 31 December 2016, 31 December 2015 and 1 January 2015 were as follows:

	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Long-term debt (note 25)	1.870	2.080	1.350	1.500
plus: bank overdrafts (note 23)	1.224	-	-	-
Less: cash and cash equivalents (note 23)	-	1.408	1.335	2.045
Net debt	3.094	672	15	(545)
Total equity	6.806	5.085	3.945	5.261
Total capital	9.900	5.757	3.960	4.716
Gearing ratio	45%	13%	0%	(10%)

The increase in the gearing ratio during 2017 resulted primarily from investments in the Company's production facilities and offices, which is financed through the working capital facility. The increase in the gearing ratio during 2016 resulted primarily from an increase in the long term debt for the purpose of acquiring new property (new production location).

5 Fair value estimation

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

Fair values, including valuation methods and assumptions

At 31 December 2017, 31 December 2016, 31 December 2015 and 1 January 2015 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.

6 Critical accounting estimates and judgments

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 capitalized 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 capitalized, the Company estimates the expected future economic benefits of the respective product or system that are the result of the development project. Furthermore management estimates the useful life of such product or system.

The carrying amount of capitalized development costs is EUR 3.9M (2016 EUR 3.1M, 2015 EUR 2.4M). The group 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.

Contract revenue

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue and costs are recognised over the period of the contract by reference to the stage of completion using the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

To determine the stage of completion 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 construction contracts. However, historical experience has shown that estimates in total are sufficiently reliable.

7 Segment information

Description of segments and principal activities

The Group 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 Group's different business activities, hence Management reviews the overall business based on the Group's profitability.

8 Revenue

The Company derives the following revenues per businessline:

	2017	2016	2015
Smart Grid Solutions	57.043	51.066	44.847
Energy Storage Systems	8.341	786	-
EV Charging Equipment	8.952	9.670	5.701
	<u>74.336</u>	<u>61.522</u>	<u>50.548</u>

Revenues from customers by country, based on the destination of the customer:

	2017	2016	2015
The Netherlands	61.165	56.545	46.258
Other European Union countries	10.720	4.946	4.228
Rest of Europe	157	17	33
Outside Europe	2.294	14	29
	<u>74.336</u>	<u>61.522</u>	<u>50.548</u>

All revenue is considered to be revenue from construction contracts.

9 Other income

	2017	2016	2015
Government grants	<u>968</u>	<u>-</u>	<u>-</u>
	<u>968</u>	<u>-</u>	<u>-</u>

The government grants relate to the subsidy for a project to realize an off-grid energy system in rural Africa that combines solar and energy storage.

10 Personnel expenses

The personnel expenses can be broken out as follows:

	2017	2016	2015
Salaries and wages	9.994	8.503	6.860
Social security contributions	1.523	1.284	984
Pension contributions (DC)	888	753	551
Hire indirect personnel	1.206	771	463
Capitalized personnel expense	(838)	(581)	(596)
Other personnel expenses	-	-	-
	<u>12.773</u>	<u>10.730</u>	<u>8.262</u>

The average number of FTE are:

	2017	2016	2015
Direct Employees	111,0	99,3	81,9
Indirect Employees	95,5	86,4	70,4
	<u>206,5</u>	<u>185,7</u>	<u>152,3</u>

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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 22.9% (2017). In 2011, the industry pension fund announced a recovery plan to strengthen the fund, which resulted in a premium increase of 2.87%. The premiums are fixed for the period until 2019. Total expected contributions for 2018 amount to € 1,387. 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 230 active participants in the industry pension plan, of 146,000 active participants in the total plan. The industry pension fund has a deficit and the coverage ratio per December 2017 is 100.1%. 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.

11 Other operating costs

The other operating costs can be broken out as follows:

	2017	2016	2015
Housing expenses	440	499	448
Other personnel expenses	778	361	332
Development expenses	266	132	164
Other general expenses	3.358	2.490	2.012
	4.842	3.482	2.956

12 Share based payments

Eligible and selected managers of The Group 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.

A manager who is leaving the Group is obliged to offer all the DRs held to a shareholder of the Company. If a manager is leaving the Group within seven years after purchasing the DRs, the price will be equal to the lower of the original purchase price and the fair market value at the leaver date for a portion of the DRs. A manager leaving after seven years will be entitled to the fair market value for all DRs held. Since the Company and its subsidiaries do not have an obligation to repurchase the DRs from a manager or to otherwise settle these awards in cash, the management participation plan is classified as an equity-settled share-based payment arrangement.

As of 31 December 2017, managers indirectly hold 10.36% of the ordinary shares in the Company (31 December 2016: 9.66%, 31 December 2015: 9.24% and 1 January 2015: 6.60%). The managers that indirectly invested in ordinary shares of the Company, generally paid the actual fair value of the shares at the respective grant date.

As the Company's shares are not listed, management need to estimate the fair value of the shares when managers indirectly acquire DRs in the Company. On each subsequent grant date, the fair market value of the Company's DRs has been estimated taking into account relevant valuation parameters available as well as the Company's development in the respective period. The results of the DR valuations and the related share-based payment expenses are dependent on the model and input parameters used. Even though management considers the fair values reasonable and defensible based on the methodologies applied and the information available, others might derive at a different fair market values for the underlying DRs.

Given that the managers paid the estimated fair market value of the underlying DRs in the Company at the grant date,

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the fair value of those share-based payment awards is nil. The total fair value to be reported as a share-based payment expense for the awards granted during the year amounted to nil (2016:nil and, 2015:nil). The share-based payment expense recognised for the Company's equity-settled management participation plan amounts to € nil (2016: € nil, 2015: € nil).

13 Finance income and costs

	2017	2016	2015
Finance cost:			
- Other interest expenses	(128)	(79)	(43)
Total finance cost	(128)	(79)	(43)
Finance income:			
- Other interest income	-	-	-
Total finance income	-	-	-
Net finance income/ (expenses)	(128)	(79)	(43)

14 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.

Income tax expense

	2017	2016	2015
Current tax:			
Current tax on profits for the year	(731)	(581)	(417)
Adjustments for previous years	(5)	(18)	(11)
Total current tax expense	(736)	(599)	(428)
Deferred income tax:			
Income tax on continuing operations	168	206	115
Total deferred tax (expense) benefit	168	206	115
Total income tax expense	(568)	(393)	(313)

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:

	2017	2016	2015
Result from continuing operations	1.721	1.135	984
Total income tax	(568)	(393)	(313)
Result (excluding income tax)	2.289	1.528	1.297
Tax calculated based on Dutch tax rate	25,0%	25,0%	25,0%
Tax effects of:			
- adjustments for previous years	0,2%	1,2%	0,8%
- effect of tax rates in other countries	(0,4%)	0,1%	(0,1%)
- non-taxable (income) / expenses	0,4%	0,1%	(0,8%)
- other differences	(0,4%)	(0,7%)	(0,8%)
Effective tax rate	24,8%	25,7%	24,1%
Applicable tax rate	25,0%	25,0%	25,0%

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The applicable tax rate is based on the relative proportion of the companies' contribution to profit and the tax rates in the countries concerned.

15 Earnings per share

	2017	2016	2015
Weighted average number of ordinary shares in issue (x 1)	18.000	18.000	18.000
Net result attributable to shareholders	1.721.010	1.134.516	983.712
Basic earnings per share	95,61	63,03	54,65

Allowing for dilution, the earnings per share are as follows:

Weighted average number of ordinary shares in issue (x 1)	18.000	18.000	18.000
Net result attributable to shareholders	1.721.010	1.134.516	983.712
Basic earnings per share	95,61	63,03	54,65

Earnings per ordinary share are calculated on the basis of the weighted average number of ordinary shares outstanding. In calculating the weighted average number of ordinary shares outstanding the following is applied:

- own shares held by group companies are deducted from the total number of ordinary shares in issue;
- the computation is based on daily averages.

The earnings per share are calculated based on the weighted average number of shares outstanding during the year which amounts to 18,000 shares. There are no (potential) dilutive rights (instruments) outstanding.

16 Key management compensation

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

The compensation paid or payable to key management for employee services is shown below:

The compensation paid or payable to key management for employee services is shown below:

	2017	2016	2015
Salaries and wages	636	611	490
Social security contributions	28	26	10
Pension costs	49	47	(1)
Other	78	62	48
	791	746	547

17 Property, plant and equipment

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

	Buildings	Furniture, fittings and equipment	Assets under Construction	Total
At 1 January 2015:				
Cost	2.592	4.812	-	7.404
Accumulated impairments and depreciation	(1.897)	(4.023)	-	(5.920)
Net book value	695	789	-	1.484
Year ended 31 December 2015:				
Opening net book value	695	789	-	1.484
Additions	151	303	64	518
Disposal	-	(98)	-	(98)
Depreciation for the year	(85)	(337)	-	(422)
Depreciation of disposal	-	98	-	98
Consolidation and deconsolidation	-	-	-	-
Closing net book value	761	755	64	1.580
At 1 January 2016:				
Cost	2.743	5.017	64	7.824
Accumulated impairments and depreciation	(1.982)	(4.262)	-	(6.244)
Net book value	761	755	64	1.580
Year ended 31 December 2016:				
Opening net book value	761	755	64	1.580
Additions	1.349	557	127	2.033
Disposal	-	(131)	-	(131)
Depreciation for the year	(99)	(351)	-	(450)
Depreciation of disposal	-	131	-	131
Consolidation and deconsolidation	-	-	-	-
Closing net book value	2.011	961	191	3.163
At 1 January 2017:				
Cost	4.092	5.443	191	9.726
Accumulated impairments and depreciation	(2.081)	(4.482)	-	(6.563)
Net book value	2.011	961	191	3.163
Year ended 31 December 2017				
Opening net book value	2.011	961	191	3.163
Additions	1.414	617	(191)	1.840
Disposal	(32)	(36)	-	(68)
Depreciation for the year	(164)	(404)	-	(568)
Depreciation of disposal	32	36	-	68
Consolidation and deconsolidation	-	-	-	-
Closing net book value	3.261	1.174	-	4.435
At 31 December 2017:				
Cost	5.474	6.024	-	11.498
Accumulated impairments and depreciation	(2.213)	(4.850)	-	(7.063)
Closing net book value	3.261	1.174	-	4.435

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18 Intangible fixed assets

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

	Development costs
At 1 January 2015:	
Cost	2.493
Accumulated impairments and amortization	(602)
Net book value	<u>1.891</u>
Year ended 31 December 2015:	
Opening net book value	1.891
Additions	1.019
Amortization for the year	(497)
Consolidation and deconsolidation	-
Closing net book value	<u>2.413</u>
At 1 January 2016:	
Cost	3.512
Accumulated impairments and amortization	(1.099)
Net book value	<u>2.413</u>
Year ended 31 December 2016:	
Opening net book value	2.413
Additions	1.424
Amortization for the year	(745)
Consolidation and deconsolidation	-
Closing net book value	<u>3.092</u>
At 1 January 2017:	
Cost	4.936
Accumulated impairments and amortization	(1.844)
Net book value	<u>3.092</u>
Year ended 31 December 2017:	
Opening net book value	3.092
Additions	1.886
Amortization for the year	(1.030)
Consolidation and deconsolidation	-
Closing net book value	<u>3.948</u>
At 31 December 2017:	
Cost	6.822
Accumulated impairments and amortization	(2.874)
Net book value	<u>3.948</u>

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 cost for R&D, including amortization of the capitalized development costs amount to EUR 1,585 (2016: EUR 1,167 2015: EUR 826).

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19 Deferred tax balances

Deferred tax assets

The balance comprises temporary differences attributable to:

	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Property, plant and equipment	65	39	53	37
Carry forward losses	59	-	-	-
Goodwill	300	337	375	-
Total	424	376	428	37
Of which:				
Current(< 1 year)	38	38	38	-
Non-current (> 1 year)	386	338	390	37

The Company's legal restructuring (see note 1) resulted in a fiscal goodwill amount, which is tax deductible over a 10 year period.

Deferred tax liabilities

The balance comprises temporary differences attributable to:

	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Intangible assets	987	772	603	473
Maintenance provision	37	36	35	33
Total	1.024	808	638	506
Of which:				
Current(< 1 year)	256	259	187	125
Non-current (> 1 year)	768	549	451	381

20 Inventories

	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Raw materials	3.487	3.756	2.410	2.728
Total	3.487	3.756	2.410	2.728

During 2017 inventories of EUR 222 were written down to net realizable value (2016: EUR 284, 2015: EUR 271).

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21 Financial instruments by category

	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Assets				
Loans and receivables	Loans and receivables	Loans and receivables	Loans and receivables	Loans and receivables
Trade and other receivables	17.539	11.102	9.393	6.920
Cash and cash equivalents	-	1.408	1.335	2.045
Total	17.539	12.510	10.728	8.965
	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Liabilities				
Financial liabilities at amortized cost	Financial liabilities at amortized cost	Financial liabilities at amortized cost	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Long-term debt	1.660	1.870	1.200	1.350
Bank overdraft	1.224			
Trade and other payables	18.536	13.699	9.843	7.768
Total	21.420	15.569	11.043	9.118

22 Trade and other receivables

	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Trade receivables	11.810	7.369	7.037	4.925
Less: allowance for doubtful accounts	(77)	(27)	(28)	(61)
Trade receivables – net	11.733	7.342	7.009	4.864
Amounts due from customers for contract work	5.488	3.575	2.267	1.702
Other taxes	18	3	26	17
Other receivables	300	182	91	337
	17.539	11.102	9.393	6.920
Less non-current portion:	-	-	-	-
Current portion	17.539	11.102	9.393	6.920

The fair value of the receivables approximates the book value. 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 book values and the fair values are insignificant.

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

Currency	31 December 2017	31 December 2016	31 December 2015	1 January 2015
EURO	17.480	11.044	9.366	6.920
GBP	59	58	27	-

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The net balance sheet position for ongoing construction contracts is as follows:

	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Amounts due from customers for contract work	5.488	3.575	2.267	1.702
Amounts due to customers for contract work	(1.370)	(946)	(178)	(484)
Total	<u>4.118</u>	<u>2.629</u>	<u>2.089</u>	<u>1.218</u>
Aggregate costs incurred and recognised profits (less recognised losses) to date	17.220	5.554	2.649	2.066
Less: progress billings	(13.102)	(2.925)	(560)	(848)
Total	<u>4.118</u>	<u>2.629</u>	<u>2.089</u>	<u>1.218</u>

23 Cash and cash equivalents

	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Cash and cash equivalents	(1.224)	1.408	1.335	2.045
Total	<u>(1.224)</u>	<u>1.408</u>	<u>1.335</u>	<u>2.045</u>

The cash and cash equivalents are freely disposable to the Company, except for an amount of EUR 130 on so called G-accounts and a bankguarantee deposit account.

24 Equity

Share capital

The authorized share capital of Alfen Beheer B.V. of EUR 18,000 is divided into 18,000 ordinary shares, fully paid-up, with a par value of EUR 1 each.

Share premium

The share premium reserve relates to contribution on issued shares in excess of the nominal value of the shares (above par value). See note 1 for further information.

Dividend

In 2015 a dividend distribution of EUR 2,300,000 was made to the shareholders of the Company, which is EUR 127.78 per share.

The retained earnings of EUR 1,172 are restricted due to a legal reserve of EUR 3,948 which is not available for distribution.

25 Borrowings

	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Borrowings	1.870	2.080	1.350	1.500
Total	<u>1.870</u>	<u>2.080</u>	<u>1.350</u>	<u>1.500</u>

The repayment obligation as per 31 December 2017 is as follows:

	31 December 2017	Repayment obligation in 2018	Remaining term >1 year and < 5 year	Remaining term > 5 years
Borrowings	1.870	210	840	820
	<u>1.870</u>	<u>210</u>	<u>840</u>	<u>820</u>

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Repayments due within 12 months of the reporting date have been recognized as current liabilities, amounting to EUR 210 per 31 December 2017 (2016: EUR 210 and 2015: EUR 150).

Alfen Beheer B.V. holds a group credit facility. At 31 December 2017, the credit facility amounts to EUR 10,400 (2016: EUR 7,400 and 2015: EUR 4,500). The credit facility consists of (1) a mortgage loan with a duration of 10 years and a principal amount of EUR 1,500 used for the purchase of the building located at the Hefbrugweg Almere, (2) a mortgage loan with a duration of 15 years and a principal amount of EUR 900 used for the purchase of the building located at the Vlotbrugweg Almere and (3) a working capital facility of EUR 8,000 (2016: EUR 5,000 and 2015: 3,000). The 2017 interest rate is 2.66% (2016: 2.74% and 2015: 2.96%). The bank has first ranked mortgages on the real estate owned by the Company with a book value of EUR 3,261 per 31 December 2017.. The real estate has an economic value of EUR 3,745 (2016: EUR 3,125 and 2015: EUR 1,825).

The following securities have been issued:

- a first ranked mortgage that amounts to EUR 1,750 for land and buildings on the Hefbrugweg 28, 1332 AP Almere cadastral known as section M number 70, Almere;
- a first ranked mortgage that amounts to EUR 900 for land and buildings on the Vlotbrugweg 24, 1332 AJ Almere, cadastral known as section M number 60, Almere;
- 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.

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 (adjusted for capitalized development costs) of EUR 1,500.

On January 8, 2018, Alfen Beheer BV increased its working capital credit facility from EUR 8,000 to EUR 11,250 and obtained 2 new loans with each a principal amount of EUR 875 and a duration of 10 years. These 2 loans are secured by the banks with additional mortgages in the amount of EUR 1,250 on the real estate owned by the Company.

26 Provisions

Jubilee provision

Balance – 1 January 2015	25	Balance – 1 January 2016	32	Balance – 1 January 2017	29
Additions	23	Additions	8	Additions	8
Deductions	(16)	Deductions	(11)	Deductions	(8)
Other	-	Other	-	Other	-
Balance – 31 December 2015	32	Balance – 31 December 2016	29	Balance – 31 December 2017	29
Of which:					
Current(< 1 year)	11		8		8
Non-current (> 1 year)	21		21		21

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 percentage of 4%.

27 Trade and other payables

	31 December 2017	31 December 2016	31 December 2015	1 January 2015
Trade payables	13.014	10.278	8.127	5.859
Amounts due to customers for contract work	1.370	946	178	484
Due to affiliated companies	-	-	-	-
Other taxes	1.614	1.356	643	496
Other liabilities	2.538	1.119	895	929
Total	18.536	13.699	9.843	7.768

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

28 Contingencies and commitments

The off balance sheet commitments for lease are as follows:

(in million EUR)	31 December 2017	31 December 2016	31 December 2015	1 January 2015
No later than 1 year	0,6	0,4	0,4	0,4
Later than 1 year and no later than 5 years	0,9	0,7	0,9	0,5
Later than 5 years	-	-	-	-
Total	1,5	1,1	1,3	0,9

The commitments for leasing mainly refer to the automotive fleet. The commitments in respect to operational lease are nominal amounts and are charged to the income statement on a linear basis.

A bank guarantee for an amount of EUR 78 is outstanding at 31 December 2017 with an end date of 27 July 2019.

A property rental claim has been filed in respect of a group company. On 18 October 2017 the court concluded in favor of the group company. The counterpart had the ability to appeal at a higher court until 18 January 2018. On 16 January 2018 the counterpart gave the group company formal notice that they will appeal. It is expected that there will be no negative consequences for the financial position of the group company.

The Company forms a fiscal unity with Alfen B.V., Alfen ICU B.V. and Alfen Projects B.V. for corporate income tax (CIT) and value-added tax (VAT) purposes. 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.

29 First time adoption of IFRS**Statement of compliance**

The special purpose consolidated financial statements presented herein have been prepared by the Company for the first time in accordance with IFRS.

An explanation of how the transition from Dutch GAAP to IFRS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

IFRS 1 requires full retrospective application of IFRS for first-time adopters. However, it provides some voluntary and mandatory exemptions from full retrospective applications. Adjustments as a result of the first time adoptions of IFRS and these exemptions are recognized through retained earnings or other components of equity at the date of transition.

Alfen Beheer B.V.

IFRS exemption options

IFRS mandatory exceptions

Set out below are the applicable mandatory exceptions in IFRS 1 applied in the conversion from Dutch GAAP to IFRS.

Exception for estimates

Under IFRS 1, a first-time adopter, should not change the estimates made in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

Reconciliations of Dutch GAAP to IFRS

Reconciliation of shareholders' equity as at 1 January 2015, 31 December 2015 and 31 December 2016:

		31 December 2016	31 December 2015	1 January 2015
	Note			
Equity (before changes in accounting policies)		5.085	3.945	5.261
Adjustment		-	-	-
Total adjustments		-	-	-
Equity (after changes in accounting policies)	24	5.085	3.945	5.261

Reconciliation of total comprehensive income for the year ended 31 December 2015 and 31 December 2016:

	Year ended 31 December 2016	Year ended 31 December 2015
Profit for the period (before changes in accounting policies)	1.135	984
Adjustment	-	-
Total adjustments	-	-
Total comprehensive income for the period (after changes in accounting policies)	1.135	984

The transition from Dutch GAAP to IFRS had no significant impact on cash flows generated by the company.

The following reclassifications affected the presentation of the statement of financial position:

(a) the deferred tax assets and the deferred tax liabilities are separately shown in the face of the balance sheet whereas under Dutch GAAP these are classified under the financial fixed assets respectively provisions;

(b) the current tax liabilities are separately shown in the face of the balance sheet whereas under Dutch GAAP these are classified under the trade and other payables;

(c) the amount due from customers for ongoing construction contracts is presented as an asset and the amount due to customers is presented as a liability whereas under Dutch GAAP these positions are presented as a net balance which is separately shown in the face of the balance sheet.

Alfen Beheer B.V.

30 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 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 16);
- Share based payments (note 12).

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

- Alfen Holding B.V. and Infestos Holding M B.V. provides 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 EUR 255 in 2017 (2016: EUR 250; 2015: EUR 150).

31 Events after the reporting period

On January 8, 2018, Alfen Beheer BV increased its working capital credit facility from EUR 8,000 to EUR 11,250 and obtained 2 new loans with each a principal amount of EUR 875 and a duration of 10 years. These 2 loans are secured by the banks with additional mortgages in the amount of EUR 1,250 on the real estate owned by the Company.

Authorization of the special purpose financial statements

Almere, 7 February 2018
Alfen Beheer B.V.

Board of Directors,

M. Roeleveld
CEO

J. van Rossen
CFO

Alfen Beheer B.V.

32 Independent auditor's report

We refer to the following page.



Independent auditor's report

To: the general meeting of Alfen Beheer B.V.

Report on the special purpose consolidated financial statements for the years ended 31 December 2017, 2016 and 2015 and the opening statement of financial position as of 1 January 2015

Our opinion

In our opinion Alfen Beheer B.V.'s special purpose consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2017, 31 December 2016 and 31 December 2015, and of its result and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS).

What we have audited

We have audited the accompanying special purpose consolidated financial statements for the years ended 31 December 2017, 2016 and 2015 and the opening statement of financial position as of 1 January 2015 of Alfen Beheer B.V., Almere ('the Company').

The special purpose consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2017, 2016 and 2015;
- the following statements for 2017, 2016 and 2015: the consolidated statements of comprehensive income, changes in equity and consolidated statement of cash flows; and
- the notes to the special purpose consolidated financial statements, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the special purpose consolidated financial statements is EU-IFRS.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the special purpose consolidated 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.

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Independence

We are independent of Alfen Beheer B.V. in accordance with 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 – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

Emphasis of matter - Basis of accounting and restriction on use and distribution

These special purpose consolidated financial statements and our auditor’s report are prepared for the purpose of including these in the prospectus in connection with the initial public offering and admission to listing and trading on Euronext Amsterdam. Consequently, the auditor’s report, or any part of it, may not be made available in any form to other third parties without our prior written consent. We do not accept any liability to any other third parties who may have access to this report or into whose hands this report may come.

Responsibilities for the special purpose consolidated financial statements and the audit

Responsibilities of the board of directors

The board of directors is responsible for:

- the preparation and fair presentation of the special purpose consolidated financial statements in accordance with EU-IFRS; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the special purpose consolidated financial statements, the board of directors is responsible for assessing the company’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the special purpose consolidated financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the company’s ability to continue as a going concern in the special purpose consolidated financial statements.

Our responsibilities for the audit of the special purpose consolidated 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 audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all 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, 7 February 2018
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.C. Mulder RA

Appendix to our auditor's report on the special purpose consolidated financial statements for the years ended 31 December 2017, 2016 and 2015 and the opening statement of financial position as of 1 January 2015

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 special purpose consolidated financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the special purpose consolidated 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 objectives are to obtain reasonable assurance about whether the special purpose consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- identifying and assessing the risks of material misstatement of the special purpose consolidated 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 board of directors;
- concluding on the appropriateness of the board of directors' 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 special purpose consolidated 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 special purpose consolidated 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 special purpose consolidated financial statements, including the disclosures, and evaluating whether the special purpose consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's special purpose 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 board of directors 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.

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