Alfen

Semi-annual Report 2020

Enabling the energy transition

ALFEN N.V.

ALFEN


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Unaudited condensed interim consolidated financial statements for the six months ended 30 June 2020

Alfen N.V.
Amsterdam, the Netherlands

Report of the Management Board

Report of the Management Board

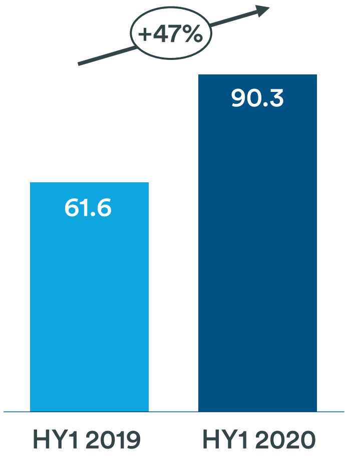
This semi-annual report of Alfen N.V. (hereafter "Alfen" or "the Company") for the six months ended 30 June 2020 consists of the semi-annual report of the management board of the Company (the "Management Board"), including the responsibility statement by the Management Board, and the Condensed Interim Consolidated Financial Statements and the accompanying notes. All information included in this report is unaudited.

The Management Board hereby declares that to the best of its knowledge, the semi-annual report of the Management Board gives a fair review of the information required pursuant to section 5:25d sub 8-9 of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht") and the Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2020, which have been prepared in accordance with IAS 34 - Interim Financial Reporting as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole.

Alfen is listed on the Amsterdam Stock Exchange.

Financial performance

Revenue and other income
(in EUR million)



Revenue and other income increased by 47% from €61.6 million in the first half-year of 2019 to €90.3 million in the first half-year of 2020, driven by continued investments in the energy transition.

In the Smart grid solutions business line, HY1 2020 revenues were €57.8 million, a growth of 23% compared with €47.2 million in the first half of 2019. Alfen continued to benefit from grid investments, investments related to solar PV and revenues from service. Alfen Elkamo contributed €8.1 million to HY1 2020 revenues. COVID-19 had limited effect on Smart grids in the first half-year as Alfen experienced a continued focus on grid expansion by the grid operators. Additionally, microgrid projects regained momentum after some project execution delays due to country lockdowns in the second quarter.

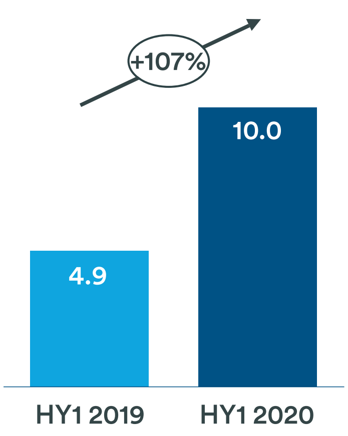
In the EV charging equipment business line, HY1 2020 revenues were €24.7 million, compared with €9.7 million in the first half of 2019. A growth of 154%, driven by increasing volumes under framework agreements that have been set-up over the past years, new client wins and further internationalisation. Although the market for light duty vehicles has been impacted by COVID-19, the electric vehicle segment has proven to be more resilient.

Additionally, governments across Europe have announced additional incentive packages to further boost EVs such as Germany and France doubling existing subsidies on electric vehicles, Spain unveiling a €3.75 billion plan to boost electric driving, Italy increasing subsidies on EVs and the UK omitting the benefit-in-kind tax on company lease cars that are fully electric. Alfen is well positioned to benefit from further market growth with its strong market position, broad international presence, its significantly expanded production capacity and its continuous focus on innovation.

In the Energy storage systems business line, HY1 revenues were €7.8 million, a growth of 67% compared with €4.7 million in the first half of 2019. This increase was driven by strong market momentum and contract wins in the last months of 2019 as well as in Q1 2020. However, as a result of COVID-19, market circumstances were again challenging in Q2 this year as decision making was postponed across the industry. In this market dynamic, Alfen's proven track record across multiple storage applications is playing to its advantage as well as its strong market position.

Adjusted EBITDA

(in EUR million)



EBITDA and net profit

Profitability in the first half-year of 2020 improved compared to the first half-year of 2019, driven by revenue growth and leverage from increased scale. Within our business units, we experience a shift towards increasingly complex solutions.

EBITDA increased by 116% from €4.5 million in HY1 2019 to €9.7 million in HY1 2020. EBITDA adjustments in the first half-year of 2020 amounted to €0.4 million (versus €0.4 million in the first half-year of 2019) and comprised of share-based payment expenses associated with the Celebration Share Award Plan and Long-Term Incentive Plans (see Note 7) and a related party consultancy fee (see Note 11). Adjusted EBITDA amounted to €10.0 million, an increase of 107% versus €4.9 million in the first half-year of 2019.

Net profit in the first half-year of 2020 amounted to €4.9 million (versus €1.1 million in the first half-year of 2019). Adjusted for one-off costs and special items after tax, net profit amounted to €5.3 million (versus €1.4 million in the first half-year of 2019).

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

In EUR '000	**30 June 2020 (Unaudited)**	**30 June 2019 (Unaudited)**
EBITDA	9,654	4,477
Related party consultancy fee	32	94
Audit fee related to new IFRS Accounting Standards	-	22
Share-based payment expenses	337	257
Adjusted EBITDA	10,023	4,850
Net profit / (loss)	4,896	1,091
Aggregated one-off costs and special items after tax	361	344
Adjusted Net profit / (loss)	5,257	1,435

Finance income and costs in HY1 2020 decreased with €52 thousand to €354 thousand, compared to €406 thousand in the first half-year of 2019.

The effective tax rate in the first half-year of 2020 decreased compared to the first half-year of 2019, mainly caused by deductible expenses recognised in Equity related to the issuance of ordinary shares (see Note 8).

Finance and investments

Net cash position at 30 June 2020 amounted to €17.2 million, compared to a net debt position of €19.3 million at 31 December 2019. Net cash at 30 June 2020 was positively impacted by the share issuance in June 2020 for an amount of €49.4 million (net of directly attributable costs). Excluding this effect, net debt at 30 June 2020 amounted to €32.2 million, compared to €19.3 million at 31 December 2019.

The increased net debt position (adjusted for the positive impact of issuance of shares) is primarily caused by the strong working capital increase from €3.1 million at 31 December 2019 to €14.8 million at 30 June 2020, due to pre-deliveries in the supply chain to cover the summer period, strategic stock for additional resilience related to COVID-19 as well as increased stock levels reflecting further growth of the business. Furthermore, contract balances increased as a result of a timing effect in triggering payment milestones.

The net debt position is further impacted by the increase in lease liabilities to an amount of €10.0 million (versus €8.3 million at 31 December 2019), mainly due to new leasing contracts in the asset class Land & Buildings comprising of new production and office facilities.

Solvency (equity divided by total assets) stood at 49.6% at the end of June 2020 compared to 17.0% at the end of December 2019 as a result of the capital that Alfen raised in June 2020. The proceeds will be used to further strengthen Alfen's position as a provider of smart energy solutions.

Capital expenditure amounted to €4.9 million as compared to €3.2 million in the same period of 2019. Capex in HY1 2020 includes investments in new moulds for the Smart grids as well as investments in a new and significantly larger EV charging production facility. Additionally, Alfen capitalised €2.5 million (versus €2.0 million in the first half-year of 2019) of development costs, which demonstrates the company's continued efforts to invest in innovations for the future.

Related party transactions

Transactions with the most important related parties are disclosed in Note 11 of the condensed interim consolidated financial statements.

Principle risks and uncertainties

In our Annual Report 2019, we have extensively described certain risks and uncertainties, which could have a material adverse effect on our financial position and results. We believe that the risks identified for the second half of 2020 are unchanged compared to the risks that were presented in our Annual Report 2019. While COVID-19 had limited effect on the first half-year there still remains an inherent macro-economic uncertainty for the second half-year of 2020 that might have an adverse effect on order intake and subsequently on revenue.

Investments

Our organisation grew from 497 FTEs at 31 December 2019 to 563 FTEs at 30 June 2020, including 84 FTEs at Alfen Elkamo. Anticipating further growth and internationalisation, we expect a further increase in FTEs for the second half-year of 2020. Investment plans for the second half-year of 2020 primarily relate to R&D as well as further investments in property, plant and equipment, specifically related to moulds for the Smart grids, our IT-infrastructure and continued investments in the EV charging production facility (initiated in the first half-year of 2020).

Outlook

Alfen anticipates positive market developments in all its business lines. The markets for Smart grid solutions and EV charging are expected to remain strong. The latter also further bolstered by the EV incentive packages across Europe that were announced as a result of the corona crisis. Furthermore, the long-term market fundamentals for energy storage remain solid. Alfen is well positioned to benefit from these market developments based on its strong market position. While COVID-19 had limited effect on the first half-year, there remains an inherent macro-economic uncertainty for the second half-year of 2020.

Alfen continues to invest in its organisation, innovation and production facilities. With the additional capital that Alfen raised in June 2020, Alfen has more financial flexibility to further strengthen and expand its international footprint throughout Europe as well as further investing in research & development. Moreover, Alfen continues to invest in further optimisation of its business and processes.

Based on the first half-year performance and current revenue visibility, the company reconfirms its full-year 2020 revenue outlook of €180-200m.

Almere, 25 August 2020

Board of Directors

Marco Roeleveld
CEO

Jeroen van Rossen
CFO


801452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Condensed interim consolidated financial statements for the six months ended 30 June 2020

Condensed interim consolidated statement of comprehensive income

In EUR '000	Note	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Continuing operations			
Revenue	6	90,327	61,505
Other income	6	-	66
		90,327	61,571
Operating expenses			
Costs of raw materials and consumables		(54,531)	(36,513)
Costs of outsourced work and other external costs		(3,756)	(2,805)
Personnel expenses		(17,107)	(13,343)
Amortisation on intangible assets		(1,291)	(1,085)
Depreciation on property, plant and equipment		(1,791)	(1,473)
Impairment loss on trade receivables and contract assets		-	(53)
Other operating costs	7	(5,279)	(4,380)
		(83,755)	(59,652)
Operating profit		6,572	1,919
Finance income		3	8
Finance costs		(357)	(414)
Finance income (costs) - net		(354)	(406)
Profit (loss) before income tax		6,218	1,513
Income tax expense	8	(1,322)	(422)
Profit (loss) for the period		4,896	1,091
Other comprehensive income for the period		-	-
Total comprehensive income for the period		4,896	1,091
Total comprehensive income for the period (attributable to the owners of the Company)		4,896	1,091
Earnings per share for profit attributable to the ordinary equity holders			
Basic earnings per share		0.24	0.05
Diluted earnings per share		0.24	0.05
Weighted average number of outstanding ordinary shares			
Basic		20,075,131	20,000,000
Diluted		20,116,294	20,004,025

The above statement of comprehensive income should be read in conjunction with the accompanying notes.
The notes are integral part of the semi-annual report.

Condensed interim consolidated statement of financial position

In EUR '000	Note	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		19,613	16,360
Intangible assets and goodwill		12,420	11,224
Deferred tax assets		163	36
Receivables		125	112
Total non-current assets		32,321	27,732
Current assets			
Inventories		21,803	14,411
Trade and other receivables		44,552	33,863
Current tax receivables		110	488
Cash and cash equivalents		35,756	134
Total current assets		102,221	48,896
Total assets		134,542	76,628
Group equity			
Share capital		2,175	2,000
Share premium		50,157	1,913
Retained earnings	7	9,472	3,510
Result for the year		4,896	5,625
Total group equity		66,700	13,048
Liabilities			
Non-current liabilities			
Borrowings	9	13,265	12,414
Deferred tax liabilities		2,414	2,189
Provisions		39	39
Total non-current liabilities		15,718	14,642
Current liabilities			
Trade and other payables		45,244	40,272
Current tax liabilities		1,224	1,428
Bank overdrafts		482	3,267
Borrowings	9	4,787	3,707
Deferred revenue		387	264
Total current liabilities		52,124	48,938
Total liabilities		67,842	63,580
Total equity and liabilities		134,542	76,628

The above statement of financial position should be read in conjunction with the accompanying notes.
The notes are integral part of the semi-annual report.

Condensed interim consolidated statement of changes in equity

In EUR '000	Note	Attributable to equity owners of Alfen N.V.				
		Share capital *	Share premium	Retained earnings	Result for the year	Total equity
Balance - 1 January 2019 (audited)		2,000	1,913	3,285	(263)	6,935
Profit (loss) for the period		-	-	-	5,625	5,625
Other comprehensive income (loss)		-	-	-	-	-
Total comprehensive income (loss) for the period		-	-	-	5,625	5,625
Transactions with owners in their capacity as owners						
Issuance of ordinary shares		-	-	-	-	-
Share-based payment transactions	7	-	-	488	-	488
Dividend		-	-	-	-	-
Allocation of profit (loss)		-	-	(263)	263	-
Balance - 31 December 2019 (audited)		2,000	1,913	3,510	5,625	13,048
Profit (loss) for the period		-	-	-	4,896	4,896
Other comprehensive income (loss)		-	-	-	-	-
Total comprehensive income (loss) for the period		-	-	-	4,896	4,896
Transactions with owners in their capacity as owners						
Issuance of ordinary shares		175	49,259	-	-	49,434
Purchase of treasury shares		-	(1,015)	-	-	(1,015)
Share-based payment transactions	7	-	-	337	-	337
Dividend		-	-	-	-	-
Allocation of profit (loss)		-	-	5,625	(5,625)	-
Balance - 30 June 2020 (unaudited)		2,175	50,157	9,472	4,896	66,700

** The outstanding ordinary shares of 21,750,000 includes 55,416 treasury shares.*

The above statement of changes in equity should be read in conjunction with the accompanying notes.
The notes are integral part of the semi-annual report.

Condensed interim consolidated statement of cash flows

In EUR '000	Note	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Cash flows from operating activities			
Operating profit		6,572	1,919
Adjustments for:			
Depreciation, amortisation and impairment expenses		3,082	2,558
Change in provision		-	-
Change in non-current receivables		(13)	8
Share-based payment expenses	7	337	257
Changes in operating assets and liabilities:			
(Increase)/decrease inventories		(7,393)	(6,449)
(Increase)/decrease contract balances		(3,062)	3,079
(Increase)/decrease trade and other receivables		(4,838)	(4,205)
Increase/(decrease) trade and other payables		2,360	2,196
Cash generated from operations		(2,955)	(637)
Income taxes (paid)/received		(1,051)	103
Interest paid		(273)	(260)
Interest received		3	8
Net cash inflow/(outflow) from operating activities		(4,276)	(786)
Cash flows from investing activities			
Payment for property, plant and equipment		(2,373)	(1,234)
Payment for intangible assets		(2,486)	(1,977)
Net cash inflow/(outflow) from investing activities		(4,859)	(3,211)
Cash flows from financing activities			
Proceeds from issuance of shares		49,434	-
Purchase of treasury shares		(1,015)	-
Proceeds from borrowings	9	772	1,002
Repayments of borrowings	9	(1,648)	(1,471)
Dividends paid to company's shareholders		-	-
Net cash inflow/(outflow) from financing activities		47,542	(469)
Net increase/(decrease) in cash and cash equivalents		38,407	(4,466)
Cash and cash equivalents at the beginning of the half-year		(3,133)	(7,075)
Cash and cash equivalents at the end of the half-year		35,274	(11,541)

The above statement of cash flows should be read in conjunction with the accompanying notes.
The notes are integral part of the semi-annual report.

Notes to the condensed interim consolidated financial statements

Note 1 General information

Alfen N.V. (hereafter “Alfen” or “the Company”) is a public limited liability company (N.V.) which main activity is to develop, produce and sell products, systems and services related to the electricity grid, including smart grid solutions, charging equipment for electric vehicles and energy storage systems. Alfen’s main geographic focus is the Netherlands, followed by Finland, Belgium, Germany, the United Kingdom, France and the rest of Europe.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as “the Group”). The condensed interim consolidated financial statements are unaudited.

Alfen is the holding company of the Group. Alfen was listed on the Amsterdam Stock Exchange on 22 March 2018 and has its registered office at Hefbrugweg 28, 1332 AP, Almere, the Netherlands. The statutory seat is in Amsterdam, the Netherlands.

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

This semi-annual report was authorised for issue by the Company’s Board of Directors and approved by the Supervisory Board on 25 August 2020.

Note 2 Summary of significant accounting policies

Basis of preparation

The condensed interim consolidated financial statements as at and for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with Alfen’s Annual Report 2019.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Basis of measurement

The accounting policies adopted are consistent with those applied in the IFRS consolidated financial statements as at and for the year ended 31 December 2019.

Note 3 Critical accounting estimates and judgements

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

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Note 4 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those applied in the IFRS consolidated financial statements as at and for the year ended 31 December 2019.

A number of new amendments to standards are effective from 1 January 2020 but they do not have a material effect on the Company's condensed interim consolidated financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and amendments to standards have been published that are not mandatory for reporting periods starting on or after 1 January 2020 and have not been early adopted by the Company. For none of these standards that are not yet effective it is expected that they have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Note 5 Segment information

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

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

Note 6 Revenue and other income

The Company's operations and main revenue streams from contracts with customers are those described in Alfen's Annual Report 2019.

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

In EUR '000	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Smart grid solutions	57,832	47,162
Energy storage systems	7,814	4,688
EV charging equipment	24,681	9,721
	90,327	61,571

Smart grid solutions and Energy storage systems revenue generated by entities domiciling in the Netherlands and Belgium amounting to €55.5 and €2.0 million, respectively, is considered to be over time revenue for which the cost-to-cost method is applied by the Company. Smart grid solutions revenue generated by Alfen Elkamo - i.e. €8.1 million - as well as the Company's EV charging equipment revenue of €24.7 million is considered to be point-in-time revenue.

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

In EUR '000	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
The Netherlands	64,045	42,132
Other European Union countries	25,612	18,039
Rest of Europe	661	702
Outside Europe	9	698
	90,327	61,571

Other income recognised in financial year 2019 comprise of a government grant and relates to the subsidy for a project to realise an off-grid energy system in rural Africa that combines solar and energy storage.

Note 7

Share-based payments

Share award plans

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

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

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

The Celebration Share Award Plan was settled on 22 March 2020.

Long-term incentive plan – Key employees
The Management Board of Alfen recognises the importance of its key employees to the future success of the Company. Therefore, on 4 October 2018, a long-term incentive plan ('LTIP Key employees') was introduced for a number of designated employees within the group of the Company.

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

Grant date	Number of Awards Granted	Exercise price
1 January 2019	37,316	Nil
1 January 2020	38,434	Nil

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

Long-term incentive plan – Board of Directors
As part of the newly introduced remuneration policy, which has been adopted by the general meeting of shareholders on 8 April 2020, a long-term incentive plan for the Board of Directors ('LTIP Board of Directors') was introduced in order to increase the alignment between shareholder's interest and the interest of the Board of Directors.

The following grant, comprising of Ordinary Shares in the Company, has been made under this plan:

Grant date	Number of Awards Granted	Exercise price
8 April 2020	13,783	Nil

The conditional rights to acquire existing Ordinary Shares granted will be exercisable in exchange for Ordinary Shares on the day that is three years after inception of the service and performance period, subject to continued employment as a member of the Board of Directors and certain non-market based performance vesting conditions.

The service and performance period are starting on the 1st of January of the applicable financial year, in which the grant has been made. Besides the aforementioned service and performance vesting conditions there is one additional condition in place, which is an one year holding period for the Board of Directors after vesting date.

Summary of changes in outstanding shares

Changes in outstanding shares for the period:

	LTIP Key employees	LTIP Board of Directors	Celebration Share Award Plan
Balance - 1 January 2019 (audited)	-	-	108,761
Granted	37,316	-	-
Forfeited	(2,185)	-	(14,523)
Exercised	-	-	-
Expired	-	-	-
Balance - 31 December 2019 (audited)	35,131	-	94,238
Granted	38,434	13,783	-
Forfeited	(1,123)	-	-
Exercised	-	-	(94,238)
Expired	-	-	-
Balance - 30 June 2020 (unaudited)	72,442	13,783	-

None of the outstanding shares related to the LTIP Key employees and LTIP Board of Directors are exercisable at 30 June 2020.

Fair value measurement

The Company used the Black & Scholes model to determine the fair value of the share-based payment plans at grant date. The market price of the Company's Ordinary Shares for the different plans at grant date was:

Share award plans	Grant date	Grant date fair value
Celebration Share Award Plan	22 March 2018	€10.00
Long-term Incentive Plan - Key employees	1 January 2019	€12.31
Long-term Incentive Plan - Key employees	1 January 2020	€16.44
Long-term Incentive Plan - Board of Directors	8 April 2020	€24.55

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

Share-based payment expenses

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

In EUR '000	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Celebration Share Award Plan	167	203
LTIP Key employees	125	54
LTIP Board of Directors	45	-
Total	337	257

Note
8

Income tax expense

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

In EUR '000	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Result from continuing operations	4,896	1,091
Total income tax	(1,322)	(422)
Profit (loss) before income tax	6,218	1,513
Tax calculated based on Dutch tax rate	25.0%	25.0%
Tax effects of:		
- adjustments for previous years	(0.4%)	(1.7%)
- effect of tax rates in other countries	0.7%	0.4%
- non-taxable expenses	1.6%	4.8%
- deductible expenses recognised in equity	(5.3%)	0.0%
- other differences	(0.3%)	(0.6%)
Effective tax rate	21.3%	27.9%
Applicable tax rate	25.0%	25.0%

Non-taxable items are mainly related to non-deductible share-based payment expenses relating to the Celebration Share Award Plan and LTIP. The deductible expenses recognised in Equity relate to expenses directly attributable to the issuance of ordinary shares.

Note 9 Borrowings

In EUR '000	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Borrowings	6,365	6,902
Factoring Alfen Elkamo	1,724	952
Lease liabilities	9,963	8,267
Total	18,052	16,121

The repayment obligations are as follows:

Breakdown current (<1 year)	**4,787**	**3,708**
Borrowings	1,075	1,086
Factoring Alfen Elkamo	1,724	952
Lease liabilities	1,988	1,670

Note 10 Financial instruments by category

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

At 30 June 2020 and 31 December 2019, 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 is a floating rate plus spread where the spread equals the current market spread.

Note 11 Related party transactions

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

Intercompany transactions are carried out at arm's length.

The following transactions were carried out with related parties:
- Key management compensation;
- Share-based payments (Note 7).

The following transactions were carried out with related parties Infestos Energy Transition B.V. and Infestos Holding M B.V.:
- Infestos Energy Transition B.V. and Infestos Holding M B.V. provide advisory and consulting services related to strategic decision making, change management projects and processes and various other services, including those related to legal, financial, organisational matters and other relevant expertise, for which a management fee was charged to the Company of €32 thousand for the six months ended 30 June 2020 (30 June 2019: €94 thousand). This agreement ended on 30 June 2020.

Note 12 Events after the reporting period

There are no events after the reporting period.

Colophon

Alfen Semi-annual Report 2020
Alfen N.V.

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