Fastned H1 2020 interim report

30 July 2020

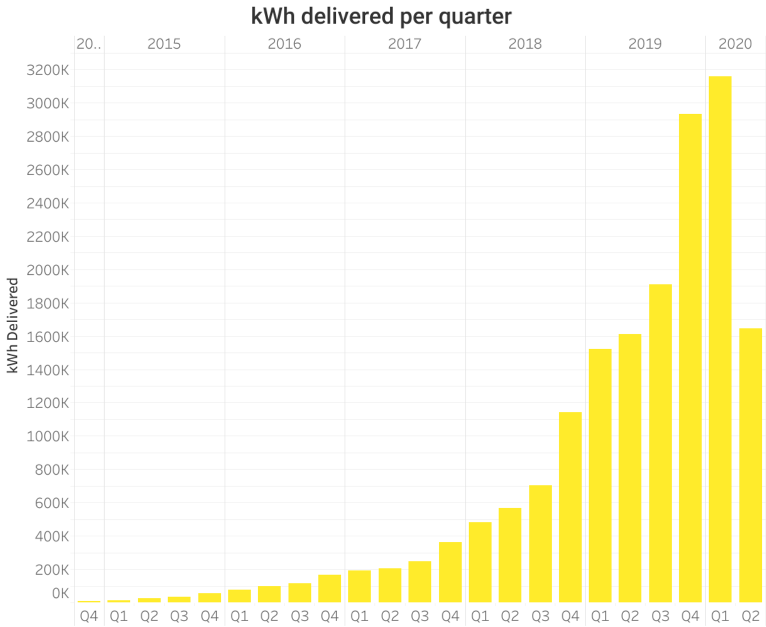
Key numbers

- **Revenues related to charging : €2.7 million (+51% vs. H1 2019)**
- **Volume: 4,805 MWh of renewable energy delivered (+54% vs. H1 2019)**
- **Active customers Q2 2020: 29,989 (+15% vs. Q2 2019)**

Highlights

- Despite the Corona pandemic Fastned sold 54% more electricity in H1 2020 than in H1 2019, avoiding 3,772 tons of CO_2 emissions.
- €7.9 million run-rate annualised revenues in January/February (+160% versus 2019) was followed by a 70% reduction in sales in the first weeks of the lockdown. Weekly sales moved back to over 70% of February levels in the last weeks of July and showing steady growth.
- Operational EBITDA and Operational EBITDA per station grew strongly, by 286% and 182% respectively
- 2 new stations were opened, bringing the total up to 116 stations by the end of June. This limited number of new stations is a consequence of postponing the construction of stations in light of the Corona lock down measures.
- During the first half of the year a total of 17 fast chargers were installed as part of a station upgrade programme. Currently, more than 50% of Fastned's operational stations have 150 kW or faster chargers.
- Fastned appointed two new Supervisory Board members, as a result of which the Supervisory Board of Fastned B.V. now consists of 50% female and 50% male members.
- Fastned raised over €13 million with the issue of bonds. In addition, investors have extended €2.7 million worth of bonds from earlier issues, bringing the total issued amount to more than €16 million. All newly issued bonds will mature in July 2025.
- Part of planned capital expenditures was postponed to mitigate the financial impact of Corona. This, and the recent bond issue (July 2020), have resulted in an increased minimum cash buffer which will guide Fastned well into 2022.
- With the acquisition of the fast charging company of MisterGreen, Fastned obtained the rights to operate fast charging stations at an additional 16 high traffic service areas in the populous western part of the Netherlands.

Director's Report



The first half year of 2020 had two different faces. The Q4 2019 surge in EV sales translated into record January and February revenues. Then the Corona pandemic hit and Western Europe went into lockdown. This resulted in a significant reduction in automotive mobility, reducing charging demand, and impacting our sales and revenues. In the first weeks of the lock down Fastned recorded a decline to just 30% of February volumes.

With the step-by-step alleviation of lockdown measures, volumes started to recover, to over 70% of February sales in the last weeks of July and showing steady growth, even though many people are still working from home. Further progress will depend on how government lockdown measures will develop as well as the growth of the number of electric vehicles in our key markets.

At the end of June, 122 thousand passenger cars in the Netherlands were fully electric (c. 1.4% of all cars on the road, 97% year-on-year growth). At the end of March, 158 thousand passenger cars in Germany were fully electric (c. 0.3% of all[1] cars on the road, 63% year-on-year growth). As a result of car factories being temporarily shut down, the delivery of cars in the first half of 2020 was delayed, including electric cars. However, electric vehicle sales held up much better than conventional vehicles sales and car deliveries are currently recovering as well.

Fastned is investing in a scalable platform ahead of the market to be able to fully benefit from accelerated growth of the number of fully electric vehicles and resulting demand for charging services. Fastned reports operational EBITDA of €324k positive. Our estimate is that this has been reduced by at least €1 million due to Corona lockdown measures[1]. Without his effect the Operational EBITDA over H1 could have been at least €1.3 million versus €84k last year, showing the increasing profitability potential in our business as well as the effect of increasing volumes and utilisation.

On 1 July we announced the acquisition of the fast charging network of MisterGreen, adding 16 key locations to our portfolio located in the populous western part of the Netherlands. We aim to realise large fast charging stations at these locations as soon as possible, adding value to EV drivers as well as our certificate holders.

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[1] Using January + February run-rate revenues related to charging (€7.9m) as proxy for 1H 2020, i.e. conservatively assuming no growth from February, would give additional €1.3m in revenues and additional €1.0m in gross profit (at 82% assumed gross margin)

Key figures & unaudited financials

€'000	H1 2020	H1 2019	change
Revenues related to charging	**2,682**	**1,779**	**+51%**
Gross profit related to charging	**2,194**	**1,410**	**+56%**
Gross profit related to charging margin	*82%*	*79%*	
Network operation costs[2]	(1,870)	(1,326)	
Network operation costs per station	*(16.3)*	*(14.2)*	+15%
Operational EBITDA[2]	**324**	**84**	**+286%**
Operational EBITDA per station	*2.8*	*1.0*	*+182%*
Network expansion costs[2]	(2,004)	(1,833)	+9%
Underlying company EBITDA[2]	**(1,680)**	**(1,749)**	
Exceptional items[2]	(172)	(1,135)	
EBITDA[2]	(1,852)	(2,884)	
Depreciation, amortisation & provisions	(1,838)	(1,273)	
Finance income / (costs)	(1,939)	(1,207)	
Underlying net profit	**(5,457)**	**(4,229)**	
Net profit	**(5,629)**	**(5,364)**	

Revenue

Despite the lock down measures and thanks to strong performance in the first two months of 2020, revenues related to charging grew by 51% H1 2019 to H1 2020. Run-rate annualised revenues in January plus February were €7.9 million (+160% versus 2019). With that run-rate, Fastned's revenues again outpaced the growth in the number of electric vehicles on the road in the Netherlands (+126% versus February 2019).

Following the country-wide lockdown measures in mid March daily sales were reduced by around 70% compared to February levels. Since then, we have seen a steady recovery of daily sales, to around 50% of February levels at the end of May and over 70% of February levels at the end of July.

Network utilisation in H1 2020 was 6.4%, which generated €2.7 million in revenues related to charging. Network utilisation is mostly dependent on the number of FEVs on the road, which stood at 1.2% penetration on average in Fastned's markets in H1 2020 (weighed for the number of Fastned stations in the respective countries). Network utilisation was strongly impacted by lockdown measures. We estimate revenues could have been at least €1.3[1] million higher without the Corona lock down measures.

[2] Non IFRS measure

Network operation costs & Operational EBITDA

Network operation costs are the costs to run the existing network, excluding expansion costs (see non IFRS measures definitions on page 6). Network operation costs per station increased by 15% from H1 2019 to H1 2020. This is mainly due to higher grid fees and higher maintenance costs as a result of a higher number of chargers per station. At the same time, indirect costs per station decreased, with more stations being operated by roughly the same number of employees. Total network operation costs grew due to an increase in the number of stations.

Operational EBITDA is the EBITDA generated by the existing network, excluding expansion costs. Operational EBITDA and Operational EBITDA per station grew strongly, by 286% and 182% respectively, due to revenues and gross margin growing much stronger than network operation costs, showing the operational leverage Fastned has built into its business model. With the number of fully electric vehicles on the road growing exponentially, revenues are expected to grow exponentially, while operating costs per station are expected to grow linearly.

Other income statement items

Network expansion costs grew mainly due to an increase in the number of employees attributed to network expansion, from 32 to 39. Exceptional items include a one-off provision of €160 thousand related to insolvency of one of our German suppliers, a €34 thousand expense related to the 2015 employee option plan and €30 thousand gain from the Corona related NOW subsidy.

Depreciation, amortisation & provisions grew due to a growing number of stations. Finance costs grew due to a higher number of bonds outstanding. As anticipated, since the charging market is still young and Fastned is investing ahead of the market and including the lock down impact, Fastned made a loss of €5.6 million during the first six months of 2020 (H1 2019: €5.4 million).

Balance sheet & Cash flow

Net cash flow from operating activities improved from €3.2 million negative in H1 2019 to €2.7 million negative in H1 2020.

In the first half of 2020 Fastned built two stations and more are under construction for the second half of 2020. Also, a total of ten 150 kW chargers, five 175 kW chargers and two 300 kW chargers were installed on existing stations as part of a charger upgrade programme. These and other investments resulted in €4.7m in cash flows used in investing activities in H1 2020, versus €5.5 million in H1 2019. In the balance sheet this is reflected in higher property, plant and equipment (€33.5 million vs €30.7 million in Dec-19). These investments have been financed primarily by bonds issued late 2019.

Business outlook

Fastned expects the growth of the number of fully electric vehicles (FEVs) on the road to continue to grow strongly in all of the markets in which we are active, resulting in growing demand for fast charging services.

An important factor in expected acceleration of deliveries of FEVs to market is a further step up in the EU CO_2 emission performance standards for new passenger cars and light commercial vehicles (vans) which have come into effect as of 1 January 2020. This regulation requires car manufacturers to comply with a fleet average of 95 gram CO_2 per km, which strongly incentivises the sale of fully electric vehicles from that moment onwards. Other growth drivers in the uptake of FEVs are fiscal incentives, declining costs of batteries (resulting in more affordable electric cars), the increasing availability of different models/brands with longer range and the increasing availability of (fast) charging infrastructure.

While the direct impact of the Corona crisis were the lockdowns and the shutting down of car factories we do see that the long term consequences of this pandemic will most likely further accelerate the transition to e-mobility instead of slowing it down. Governments are putting electric vehicles at the centre of financial support measures to allow carmakers to accelerate their transition to electric cars while weathering the ‘storm’ that was caused by the Coronavirus. Moreover, Green recovery packages have been put in place to provide incentives for people to buy these electric cars and provide financing to accelerate the roll-out of crucial charging infrastructure.

For the short and medium term the Corona virus might continue to impact the demand for charging services, with two drivers acting in opposite directions. Although lockdown measures have been reduced, many governments and companies still advise people to work from home. This reduces the use of cars and therefore negatively impacts the demand for charging services. On the other hand there are people that previously used public transportation and now opt to travel by car, minimising the risk of infection. The net effect of these two drivers still remains to be seen but in the longer run, the main factor impacting demand for charging will be the exponentially growing number of fully electric vehicles on the road.

Fastned's core market, the Netherlands, is a frontrunner in the uptake of fully electric vehicles, as a result of ample charging infrastructure, fiscal incentives, and drivers that increasingly see the advantages of electric driving. As such, the Netherlands provides an interesting market for OEMs to sell large numbers of FEVs. The expected acceleration of demand for fast charging services will allow Fastned to learn fast in its core market and implement these learnings in other countries.

One area in which the pace of learning is especially relevant is the development of the software platform and back-end systems which to a large extent determine the quality of the customer experience we are able to deliver, and the scalability of our business. We continue to invest in our proprietary software platform that enables us to maintain an uptime of our charging stations above 99.9% and deliver the best customer experience to FEV drivers.

We believe that developing a portfolio of scalable high power charging stations at high traffic locations across Europe will be increasingly valuable as FEVs become more commonplace. We will therefore continue to focus on expanding our network in key fast growing FEV markets in Europe. In the second half of 2020 we plan to build 14 stations situated in the Netherlands, Germany, Belgium, the UK and Switzerland..

Moreover, we expect that the utilisation of our stations will continue to increase as the overall EV market grows. This is why we continue to invest in more and fast(er) chargers on our existing stations and invest in grid connections for future expansion. We continuously see new FEV models with larger batteries and faster charging capabilities arriving to our markets and taking advantage of our 300 kW fast chargers. This results in a better customer experience and improved sales volume at our stations.

Looking forward, we expect the underlying growth in the number of FEVs to continue, and possibly accelerate as a result of green recovery stimulus packages that are being implemented across Europe. As FEVs remain the key driver to our business, this will support the growth of our business. Based on this, our business outlook is positive.

Non IFRS Measures

Fastned's consolidated financial statements are prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code and the International Financial Reporting Standards (IFRS) as adopted by the European Union. Certain parts of Fastned's Management Board report contain non-IFRS financial measures and ratios (e.g operational EBITDA) that are not recognised measures of financial performance or liquidity under IFRS.

The non-IFRS financial measures presented are measures used by management to monitor the underlying performance of the business and operations and therefore have and will not be audited or reviewed. Furthermore, they may not be indicative of the historical operating results, nor are they meant to be predictive of future results.

These non-IFRS measures are presented because they are considered important supplementary measures of Fastned's performance.

Not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names.

The table below provides an overview of the non-IFRS measures used with their definitions.

Term	Definition
Network operation costs	Operating costs that are directly related to the stations, such as grid fees, rent and maintenance), as well as the indirect operating costs that can be attributed to the ongoing operations of Fastned's existing network, which primarily includes salaries and other costs related to network operations, such as office rent, general costs, customer service and administration.
Network expansion costs	Costs related to the expansion of Fastned's network, which primarily includes costs for salaries and other overhead costs related to network development, search and acquisition of new sites, location design, construction engineering, and IT software development.
Operational EBITDA	Gross profit from revenues related to charging plus other operating income/(loss) less network operation costs less exceptional items.
Operational EBITDA per station	Operational EBITDA divided by the average number of stations in operation during the period.
Exceptional items	Gains or losses arising one-time or infrequent events not directly related to normal station business including cost of employee share based payments, disposal of fixed assets, or restructuring of activities.
Underlying company EBITDA	Earnings before interest, taxes, depreciation, amortisation, exceptional items and gross profit on station construction for third parties
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Underlying net profit	Net profit before exceptional items and before gross profit on station construction for third parties
ROIC	Operational EBITDA of a station divided by the initial investment of the station

The table below provides a reconciliation of non IFRS performance to the IFRS amounts reported in the financial statements

€'000	2020 January-June						2019 January-June				
	Network	Expansion	D,A&P	Exceptional items	Total		Network	Expansion	D,A&P	Exceptional items	Total
Revenues	2,682	-	-	357	3,039		1,779	-	-	1,003	2,782
Cost of sales	(488)	-	-	(358)	(846)		(369)	-	-	(1,192)	(1,561)
Gross Profit	2,194	-	-	(1)	2,193		1,410	-	-	(189)	1,221
Selling & distribution expenses	(1069)	-	-	-	(1,069)		(616)	-	-	-	(616)
Administrative expenses	(533)	(1,399)	(1,838)	(201)	(3,971)		(419)	(1,067)	(1,273)	(115)	(2,874)
Other operating expenses	(268)	(605)	-	30	(843)		(291)	(766)	-	(831)	(1,888)
Operational EBITDA	324						84				
Operating profit / (loss)	324	(2,004)	(1,838)	(172)	(3,690)		84	(1,833)	(1,273)	(1,135)	(4,157)
Operational EBITDA per station	2.8						1.0				

Appendix 1: Interim condensed consolidated statement of profit and loss (unaudited)

for the six months ended 30 June 2020

€'000	Notes	2020	2019
Revenue related to charging		2,682	1,779
Revenue from station construction as part of service concessions		357	1,003
Revenue	3	**3,039**	**2,782**
Cost of sales related to charging		(488)	(369)
Cost of sales from station construction as part of service concessions		(358)	(1,192)
Cost of sales		**(846)**	**(1,561)**
Gross profit		**2,193**	**1,221**
Selling and distribution expenses		(1,069)	(616)
Administrative expenses	4	(3,971)	(2,874)
Other operating expenses	5	(843)	(1,888)
Operating loss		(3,690)	(4,157)
Finance costs		(1,984)	(1,242)
Finance income		45	35
Loss before tax		(5,629)	(5,364)
Income tax expense	6	-	-
Loss for the year		(5,629)	(5,364)
Attributable to equity holders of the Group		(5,629)	(5,364)
Earnings per share (€/share)			
Basis, loss for the year attributable to ordinary equity holders of the Group		(0.38)	(0.36)
Diluted, loss for the year attributable to ordinary equity holders of the Group		(0.38)	(0.36)

Appendix 2: Interim condensed consolidated statement of comprehensive income (unaudited)

for the six months ended 30 June 2020

		First half	
€'000	Notes	2020	2019
Loss for the year		(5,629)	(5,364)
Other comprehensive income :			
Items that will be reclassified subsequently to profit or loss		-	
Exchange differences on translating foreign operations		36	(21)
Total comprehensive income for the year, net of tax		(5,593)	(5,385)
Attributable to equity holders of the Group		(5,593)	(5,385)

Appendix 3: Interim condensed consolidated statement of financial position (unaudited)

as at 30 June 2019

€'000		Note	30 June 2020 (unaudited)	31 December 2019 (audited)
Assets				
Non-current assets	Other intangible assets		388	340
	Property, plant and equipment	7	33,561	30,665
	Right-of-use-assets		3,645	3,500
	Non-current financial assets	8.1	1,250	995
			38,844	35,500
Current assets	Current financial assets	8.1	145	332
	Prepayments		435	784
	Trade and other receivables		505	1,686
	Cash and cash equivalents	10	13,521	19,327
			14,606	22,129
Total assets			**53,450**	**57,629**
Equity and liabilities				
Equity	Share capital	9	148	148
	Share premium	9	26,503	26,503
	Legal reserves		388	340
	Retained earnings		(40,131)	(34,524)
			(13,092)	(7,533)
Non-current liabilities	Interest-bearing loans and borrowings	8.2	56,968	56,968
	Lease liabilities		3,417	3,288
	Provisions	11	2,160	2,065
	Deferred revenues	12	430	455
			62,975	62,776
Current liabilities	Trade and other payables	13	3,079	1,942
	Lease liabilities		488	444
			3,567	2,386
			66,542	65,162
Total Equity and liabilities			**53,450**	**57,629**

Appendix 4: Interim condensed consolidated statement of changes in equity (unaudited)

For the six months ended 30 June 2020

€'000	Issued capital (Note 9)	Share premium (Note 9)	Legal reserves	Retained earnings	Total
Attributable to equity holders of the Group					
As at 1 January 2020	148	26,503	340	(34,524)	(7,533)
Loss for the period	-	-	-	(5,629)	(5,629)
Other comprehensive income	-	-	-	36	36
Total comprehensive income	-	-	-	(5,593)	(5,593)
Reserve for software development	-	-	48	(48)	-
Credit to equity for equity-settled share based payments	-	-	-	34	34
As at 30 June 2020	**148**	**26,503**	**388**	**(40,131)**	**(13,092)**

As at 1 January 2019	148	26,329	131	(23,821)	2,787
Loss for the period	-	-	-	(5,364)	(5,364)
Other comprehensive income	-	-	-	(21)	(21)
Total comprehensive income	-	-	-	(5,385)	(5,385)
Reserve for software development	-	-	107	(107)	-
Share issuance transaction costs	-	174	-	-	174
Credit to equity for equity-settled share based	-	-	-	115	115
As at 30 June 2019	**148**	**26,503**	**238**	**(29,198)**	**(2,309)**

Appendix 5: Interim condensed consolidated statement of cashflows (unaudited)

for the six months ended 30 June

€'000	Notes	2020	2019
Operating activities			
Loss before tax		(5,629)	(5,364)
Adjustments to reconcile loss before tax to net cash flows			
Depreciation and amortization		1,843	1,252
Interest payable		1,848	1,242
Interest paid		(1,601)	(1,253)
Interest receivable		(36)	(33)
Net charge for provisions, less payments	11	95	341
Net charge for deferred revenue, less received	12	430	(268)
Share-based payments	13	34	115
Other non-cash items		(281)	(21)
Working capital adjustments			
Movement in trade and other receivables and prepayments		1,068	142
Movement in trade and other payables	14	(435)	679
Net cash flows from operating activities		**(2,664)**	**(3,168)**
Investing activities			
Payments for property, plant and equipment and other intangibles	7	(4,661)	(5,521)
Proceeds from sale of property, plant and equipment		-	9
Net cash flows used in investing activities		**(4,661)**	**(5,512)**
Financing activities			
Proceeds from issuance of shares		-	3
Share premium received	9	-	3,474
Proceeds from borrowings		1,971	10,689
Repayment of credit facility		44	36
Repayment of lease liability principal		(530)	(109)
Net cash flows from / (used in) financing activities		**1,485**	**14,093**
Currency translation differences relating to cash and cash equivalents		34	-
Net increase in cash and cash equivalents		(5,806)	5,413
Cash and cash equivalents at 1 January		19,327	9,898
Cash and cash equivalents at 30 June	10	13,521	15,311

1. Corporate information

The interim condensed consolidated financial statements of Fastned B.V. (the parent) and its subsidiaries (collectively, the Group) for the six months ended 30 June 2020 were authorised for issue by the directors on 29 July 2020. Fastned B.V. is a limited company incorporated and domiciled in the Netherlands and whose depositary receipts are publicly traded on the Euronext Amsterdam exchange. The registered office is located at James Wattstraat 77-79 in Amsterdam. The ultimate parent of the Group is Fastned B.V. The activities of the Group primarily consist of the construction and exploitation of fast charging facilities for fully electric cars.

The consolidated financial statements of the Group include Fastned UK Ltd., Fastned Deutschland GmbH & Co. KG, Fastned Belgie BVBA, Fastned Products B.V., Fastned France SAS, Fastned Switzerland AG and Fastned Beheer B.V.. These legal entities are all 100% subsidiaries of Fastned B.V.

Financial position and going concern assumption

As foreseen in the business plan and long-term forecast, the Group incurs losses during the first years of its operations. The deficits are funded by borrowings as well as through the issuance of depositary receipts. At balance sheet date the current funding mix resulted in negative equity of €13.1 million and a cash level of €13.5 million. Post-reporting Fastned raised over €13 million in new bonds (with a small part of it already advanced at 30 June 2020). In addition, investors have extended €2.7 million worth of bonds from the December 2021 and the June 2022 issues. The Group closely monitors cash flows and will only invest in new stations, chargers and grid connections if it is able to arrange adequate financing for such investments.

Revenue projections are driven by the projected amount of FEVs on the road based on analyst forecasts and conservative projections on Fastned's market penetration (monthly unique customers relative to the projected FEVs on the road) and kWh hours charged per monthly customer. In the first part of the forecast period, Fastned has the ability to reduce capital expenditure if necessary.

Management prepared detailed multi-year liquidity forecasts, which incorporate four different lock down scenarios to incorporate potential impact from the Covid-19 outbreak. Based on available information at the date of this report, the liquidity forecasts for the upcoming 12 - 18 months show adequate funds available for Fastned to continue as a going concern. As a result, management is satisfied that a presentation of financial statements on a going concern basis is appropriate.

2. Basis of preparation and changes to the Group's accounting policies

The interim condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2019.

The accounting principles and policies for the determination of the result are unchanged from those in the 2019 financial statements.

Revenue from station construction as part of service concessions

In line with the presentation change made for the 2019 Financial Statements, revenues and cost of sales from station construction as part of service concessions are separately disclosed in the income statement. 2019 comparatives have been adjusted accordingly with an equal and offsetting adjustment to Other operating income/(loss).

Correction of cost of employee share options

In the 2019 Financial Statements, Fastned management recognised a correction of the cost of employee share options, see note 14 below. 2019 comparatives have been adjusted accordingly.

3. Revenue and segment reporting

The Group's revenue disaggregated by type of good or service is as follows:

€'000	First half 2020	First half 2019
Revenues		
Sales of electricity	2,278	1,519
Station construction as part of service concessions	357	1,003
Other operating revenues	404	260
Total revenue	3,039	2,782

Revenue from station construction as part of service concessions relates to a public tender in the UK, where Fastned won a contract to construct seven charging stations in the North East of England and deliver these to the contracting party, and to operate these stations for a further period. During the years of operation of these stations, there are no charges made to Fastned for use of the locations (rent), the assets (depreciation) and financing (interest). Also included in 2019 are revenues from a station constructed by Fastned for the City of the Hague in the Netherlands.

Other operating revenues comprise maintenance fees, sales of Renewable Energy Unit (HBEs) and other revenue.

Segmental reporting
The Group has one reporting segment (charging stations) that engages in business activities from which revenues are earned and expenses incurred and whose operating results are regularly reviewed by the management to make decisions about resources and to assess performance.

Information by geography
At reporting date, Fastned had 99 stations operational in the Netherlands, 16 in Germany and 1 in the UK.

€'000		First half 2020	First half 2019
Revenues	Netherlands	2,557	1,878
	Germany	126	50
	Other	356	854
Total revenue		3,039	2,872

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€'000		30 June 2020	31 December 2019
Non current assets	Netherlands	30,668	27,831
	Germany	7,554	7,339
	Other	622	330
Total non current assets		38,844	35,500

4. Administrative expenses

Administrative expenses include a provision amounting to €160 thousand for claims against a German contractor which cannot fulfill its obligations due to bankruptcy.

5. Other operating expenses

Other operating expenses ̀includes in the first half of 2019 besides regular expenses in this category a one-off expense of €831 thousand related to the transfer of Fastned's listing from the Nxchange Stock Exchange to Euronext Amsterdam.

6. Deferred tax

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

Due to uncertainty about the amount and exact timing of future profits, the Group has for now decided that it should not recognise deferred tax assets on the tax losses carried forward. Due to the tax loss realised over H1 2020 and previous years for which no deferred tax asset is recognised in the statement of financial position, the effective tax rate is nil (H1 2019: nil).

7. Property, plant and equipment

During the six months ended 30 June 2020, the Group acquired assets with a cash flow impact of €4,661 thousand (H1 2019: €5,521 thousand). These investments relate to investments made for new stations and charger upgrades on operational stations in the first half of 2020.

Impairment assessment

In common with many companies, the COVID-19 pandemic, with the associated impact on traffic volumes and sales revenues, is seen to be a trigger for impairment testing. Therefore as required by IAS36, Fastned management has assessed as at 30 June 2020 whether there is any possible indication of impairment of property, plant and equipment.

This assessment has been made for each of Fastned's two CGUs - being the Dutch network and German network.

Due to uncertainty about the future development of COVID-19, the impairment assessment has been based on the weighted average outcome of four possible lockdown scenarios.

The updated calculation of the recoverable amount, prepared for the whole network, based on a weighted average cost of capital of 15% (pre-tax equivalent 20%), shows a recoverable amount of €44.6m more than net book value for the 2 CGUs combined, with both CGUs showing positive headroom. Therefore, management's conclusion is that no impairment is required.

Key assumptions underlying the calculation of recoverable amount are the following

- The number of fully electric vehicles on the road

Forecast numbers of FEVs in the Netherlands used in the impairment test are 159,000 (representing 1.9% of all cars) in 2020 and 760,000 (9.4% of all cars) in 2025, and in Germany 232,000 (0.5% of cars) in 2020 and 1,289,000 (2.8% of cars) in 2025. Slower sales of FEVs (e.g. possibly due to fiscal changes) may result in fewer FEVs on the road and subsequently in lower demand for fast charging. A decreased demand can lead to a decline in revenues.

- Market share assumptions

FEV drivers have a choice between charging at home, at the office, at public slow charging poles, or at fast charging stations along the highway and high traffic urban areas. How customer behaviour will develop is still unclear and will have an impact on potential revenues of Fastned, but management expects that the share of fast charging will increase. Management also assumes that as the charging market matures, Fastned will not be able to keep up with market growth, thus reducing market share while growing volume.

● Electricity prices

Estimates are based on past actual prices as an indicator of future price movements. If the cost price of renewable electricity (to which Fastned has committed itself to use) were to increase due to unforeseen factors this could negatively impact the Group's margins. If prices of renewable electricity increased by 33% compared to today, and Fastned was unable to pass on or absorb these increases through efficiency improvements, then Fastned could have an impairment.

● Discount rates

When calculating Value in Use, IFRS requires companies to use a rate that reflects current market assessments of the time value of money and the risks specific to the asset is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset. For the 2020 impairment test a pre-tax discount rate of 20% has been used, reflecting that Fastned is a small company operating in a relatively young and fast developing market. A rise in pre-tax discount rate above 24% could result in an impairment.

● Growth rate estimates

Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on the number of customer visits to Fastned charging stations and consequently on revenue growth. A 15% year-on-year reduction in the projected rate of growth of customer visits per day per station could lead to an impairment.

8. Financial assets and financial liabilities

8.1. Financial assets: interest-bearing loans and borrowings

The Group has outstanding loans with Fastned Terra 1 B.V. and Fastned Terra 2 B.V. that bear interest of 6% per annum. In the first six months of 2020, the interest under these loans has been added to the outstanding amount. In addition, the Group has credit facilities outstanding with both entities. The following table shows the movement in financial assets in the first six months of 2020.

€'000	Interest rate (%)	Maturity	30 June 2020	31 December 2019
Non-current interest-bearing loans and borrowings				
Loan to Fastned Terra 1 B.V.	6	31 December 2024	1,257	1,110
Loan to Fastned Terra 2 B.V.	6	31 December 2024	138	134
Credit facility to Fastned Terra 1 B.V.	-	31 December 2024	--	45
Loans to related parties and subsidiaries			1,395	1,289
Total interest-bearing loans and borrowings			1,395	1,289
Construction service arrangements financial assets			-	38
Total financial assets			1,395	1,327
Due within one year			145	332
Due after one year			1,250	995

The loan amount and interest outstanding shall be repaid by the borrower to the lender in 5 equal annual repayment installments with the first repayment date on the fifth anniversary (31 December 2020) of this agreement and the last repayment date on the ninth anniversary of this agreement (31 December 2024). In the first half of 2020, after reduced revenues for Terra 1 due to the Corona lock down, Fastned agreed to defer the repayment for the first two annual repayments for Fastned Terra 1 B.V.

8.2. Financial liabilities: interest-bearing loans and borrowings

Fastned has a 6% working capital facility with Wilhelmina-Dok B.V. for a maximum amount of €5 million, with a maximum drawdown of €2 million in any one year. The facility as at 30 June 2020 was unused and remains available to Fastned till 31 December 2020.

	Interest rate (%)	Maturity	30 June 2020	31 December 2019
	%		€'000	€'000
Non-current interest-bearing loans and borrowings				
6% unsecured bonds	6.0	2 December 2021	2,499	2,499
	6.0	6 June 2022	7,689	7,689
	6.0	12 December 2022	12,311	12,311
	6.0	30 October 2023	11,603	11,603
	6.0	21 March 2024	10,689	10,689
	6.0	12 December 2024	12,177	12,177
Total interest bearing loans and borrowings			**56,968**	**56,968**

9. Issued capital and capital reserves

The total number of outstanding depositary receipts remained unchanged for the period ended 30 June 2020.

Share capital	30June 2020	31 December 2019
	quantity	quantity
Total issued shares of €0.01 each	14,783,029	14,783,028
Treasury shares	(15,400)	(15,400)
Total excluding treasury shares	14,767,629	14,767,628
	Quantity	€'000
At 31 December 2019	14,767,629	148
Issuance of shares	-	-
At 30 June 2020	14,767,629	148

Fastned B.V. still owns the Treasury shares that the company bought during 2014 when one employee left the company. These Treasury shares have no defined purpose at the moment.

Share premium	€'000
At 1 January 2020	26,503
Issuance of share capital (depositary receipts)	-
Reversal of surplus accrual for transaction costs	-

At 30 June 2020	26,503

10. Cash and cash equivalents

Cash at banks earns at floating rates based on daily bank deposit rates. Cash includes all cash-on-hand balances and credit card receivables. At 30 June 2020, the Group had no borrowing facilities with banks.

11. Provisions

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

The Group records provisions for the removal of charging stations at the end of their concession or contracted lease period.

The change in provisions of € 95 thousand (H1 2019 : €338 thousand) is related to an increase in the provision for decommissioning as a result of more stations.

12. Deferred revenues

Deferred revenues of €430 thousand (2019 : €455 thousand) relate to various pre-paid long-term subscriptions of customers and Fastned Founders Club.

The Fastned Founders Club is a special group of investors that have all invested a minimum of €25,000 (in primary issuance of certificates) in the issuance on NPEX in 2014–2015, or, invested a minimum of €50,000 (in primary issuance of certificates) in the issuance on Nxchange in 2016. On 30 June 2020, there were 71 members in this Club. The members of the Fastned Founders Club have the rights to charge for free at Fastned for the rest of their lives. In the first half of 2020, Fastned Founders have charged 14,096 kWh (2019: 14,604 kWh) for free.

13. Trade and other payables

On 24 June 2020, Fastned opened a subscription for new bonds with 6% interest and a maturity of five years. Subscription to the bonds was possible until 28 July 2020. As at 30 June 2020 the amount received as part of applications for the bond issue amounted to €1,971 thousand and is included in other payables.

14. Share-based payments

Prior to establishment of the present Option Plan on 17 May 2018 ("2018 Option Plan"), Fastned B.V. had an employee option plan in place under which the Company granted options to eligible employees. The equity-settled options granted under the previous Option Plan are subject to a three-year vesting period. The presented 2018 comparative information included in the income statement has been adjusted to include €115 thousand for option costs. This correction does not impact any of the amounts reported in the consolidated statement of financial position as at 31 December 2018 and therefore no restatement of balances of assets, liabilities and equity is required.

15. Commitments

At 30 June 2020, the Group had initiated construction of several fast charging stations and charger upgrades at operational stations, these are planned to be realised in the second half of 2020. Fastned prepaid part of its orders placed, the capital expenditure part of these prepayments are capitalised on the balance sheet. The outstanding commitment at 30 June 2020 amounted to approximately €3,973 million excluding VAT (31 Dec 19: €4,373 million).

16. Related party transactions

The Group has defined Wilhelmina-Dok B.V., Fastned Terra 1 B.V. and Fastned Terra 2 B.V. as related parties. Please refer to Note 8 for more details.

17. Key events post reporting date

Acquisition of The Fast Charging Network BV

On July 1, 2020, Fastned acquired 100% of the shares in The Fast Charging Network B.V. from Mistergreen for 1.98 million euro. The acquisition was paid by issuing 165,000 new depository receipts of Fastned (representing 1.1% of the total number of outstanding depository receipts in Fastned). On 1 July 2021 a final settlement will take place, based on the average closing price of the Fastned depository receipts on Euronext during the 40 trading days prior to 1 July 2021. Fastned will issue extra depository receipts (DRs) to the seller to make up for the difference if the average price per Fastned DR is below EUR 12 apiece, with a maximum of 60K additional DRs. If the average price is above EUR 13.20 apiece, the seller shall return to Fastned a number of DRs to compensate for the difference, without a maximum.

Through this transaction, Fastned has acquired the rights to operate fast charging stations at 16 high traffic service areas along national highways in the Netherlands. The locations are mostly located in the populous western part of the country and are a good addition to the Fastned network. Fastned plans to build large fast charging stations at these locations.Due to the short period of time since the announcement of this acquisition, it is not yet possible to provide further details of the purchase price allocation. More detailed information will be disclosed in our 2020 Financial Statements.

Issuance and exchange of bonds

Per 28 July 2020, Fastned issued €13.4 million in new bonds. In addition, part of the investors in the existing December 2021 and June 2022 bonds have exchanged (part of) their bonds for new bonds (€2.7 million), as part of an exchange offer that was launched on 16 July 2020 and closed on 28 July 2020. This brings the total amount issued to €16.1 million. All newly issued bonds have an interest rate of 6% and will mature in July 2025.

As a result of the exchange exercise, the outstanding amounts on the bonds maturing on December 2021 and on June 2022 have been reduced by €0.5 million and €2.2 million respectively.

Directors’ responsibility statement

The Directors declare that, to the best of their knowledge:

- this condensed set of interim financial statements, which have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’, as issued by the International Accounting Standard Board and endorsed and adopted by the EU gives a true and fair view of the assets, liabilities, financial position and profit or loss of Fastned; and
- the interim management report gives a fair review of the information required pursuant to section 5:25d (8)/(9) of the Dutch Act on Financial Supervision (Wet op het financieel toezicht).

Amsterdam, 29 July 2020

Michiel Langezaal	Niels Korthals Altes
Director	Director

Principal risk factors

On pages 31 to 33 of our 2019 Annual Report we set out our assessment of the principal risk factors that would face the business through 2020 under the headings: strategic risk (number of FEVs on the road, charging behaviour, technological development, active in one sector only), operational risk (petrol stations issued with licences, electricity prices, system failures) and financial risk (impact of Covid-19, insufficient funds to further roll-out the network, delay in the number of electric cars, interest rate, insufficient funds to pay creditors). In our view, the nature and potential impact of such risks remain essentially unchanged with regards to our expected performance over the second half of 2020.

Forward looking statements

The Information may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as “target”, “believe”, “expect”, “aim”, “intend”, “may”, “anticipate”, “estimate”, “plan”, “project”, “will”, “can have”, “likely”, “should”, “would”, “could” and other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and investments, including, among other things, the development of its business, trends in its operating industry, and future capital expenditures. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. No representation or warranty is made that any forward-looking statement will come to pass. No one undertakes to publicly update or revise any such forward-looking statement. The Information and the opinions contained therein are provided as at the date of the presentation and are subject to change without notice.

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Fastned is listed on Euronext Amsterdam The Netherlands. ISIN: NL0013654809. Symbol: FAST

Financial Calendar

Fastned trading update Q3 2020	13 October 2020
Fastned trading update Q4 2020	12 January 2021
Fastned trading update Q1 2021	15 April 2021

About Fastned
Fastned's mission is to give freedom to the electric driver and accelerate the transition to electric driving. That is why Fastned is building European network of a thousand fast charging stations. At these stations, electric drivers can add up to 300 km range in 15 minutes with electricity from the sun and wind. Fastned has 118 fast charging stations in the Netherlands, Germany and the United Kingdom. All stations are open to the public 24/7. Fastned is listed on Euronext Amsterdam (ticker AMS: FAST). More information: fastnedcharging.com