Q1
2023

QUARTERLY RELEASE

January 1 to March 31, 2023

SFC ENERGY

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The figures presented in this quarterly release have been rounded in accordance with standard commercial practice. As a result, individual figures may not add up to the totals shown.

The financial figures for the first three months of 2023 and 2022 are unaudited and are not subject to an auditor's review.

SFC ENERGY AG – AT A GLANCE

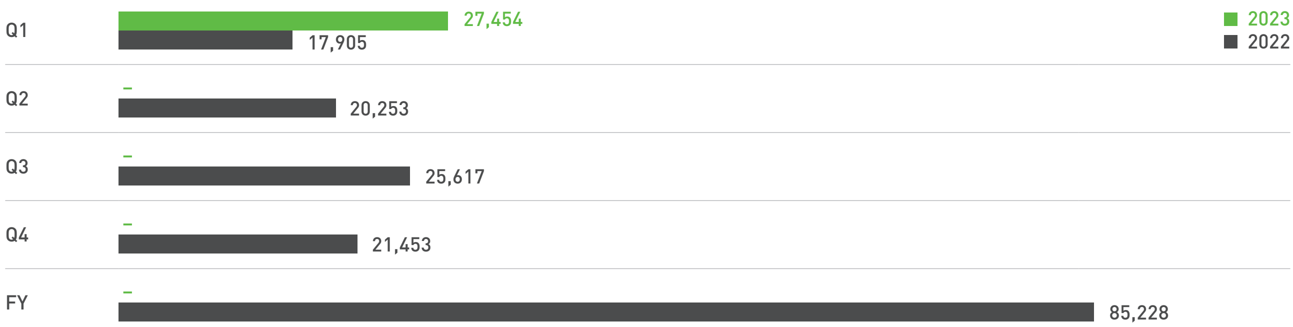
CONSOLIDATED KEY FIGURES

in EUR thousand

	01/01-03/312023	01/01-03/31 2022	Change
Sales	27,454	17,905	53.3%
Gross profit	10,214	5,608	82.1%
Gross margin	37.2%	31.3%	
EBITDA	3,506	161	n/a
EBITDA margin	12.8%	0.9%	
Adjusted EBITDA	3,347	809	n/a
Adjusted EBITDA margin	12.2%	4.5%	
EBIT	2,310	-1,066	n/a
EBIT margin	8.4%	-6.0%	
Adjusted EBIT	2,151	-418	n/a
Adjusted EBIT margin	7.8%	-2.3%	
Consolidated net income for the period	2,035	-1,178	n/a
Earnings per share, undiluted	0.12	-0.08	n/a
Earnings per share, diluted	0.11	-0.08	n/a

SALES BY QUARTER

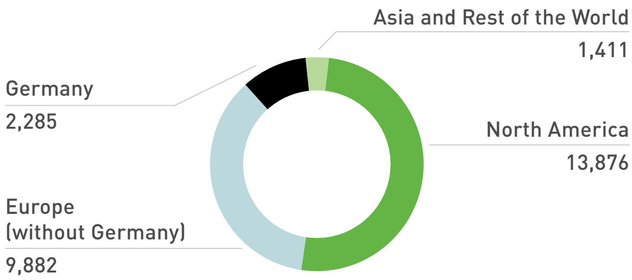
in EUR thousand



SALES BY REGION

01/01-03/31/2023

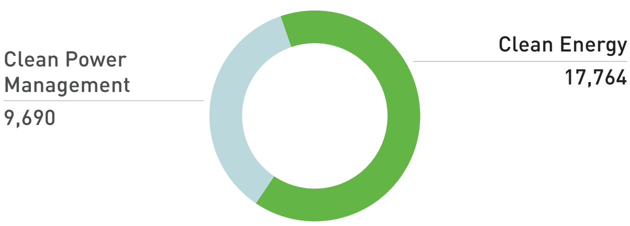
in EUR thousand



SALES BY SEGMENT

01/01-03/31/2023

in EUR thousand



INTERIM REPORT ON BUSINESS DEVELOPMENT AS OF MARCH 31, 2023

Brunnthal, May 16, 2023

SFC Energy AG (ISIN: DE0007568578), a leading supplier of fuel cell solutions for stationary and mobile applications based on hydrogen (PEM) and direct methanol (DMFC) technology, announced its business performance and key events today as part of the publication of its Q1 / 2023 quarterly release for the period from January 1, 2023 to March 31, 2023.

SFC Energy AG ("SFC AG") together with its subsidiaries forms an internationally active Group of companies ("SFC" or "Group") in the fuel cell sector. In addition to the parent company SFC Energy AG (Germany), the consolidated Group includes the subsidiaries SFC Energy B.V. (Netherlands) ("SFC B.V."), its subsidiary SFC Energy Power SRL (Romania) and SFC Energy Ltd. (Canada) ("SFC Ltd."). The Group is active in various business fields, which are divided into segments and business units.

The segmentation of the Group's activities primarily follows the Group's internal organizational and reporting structure by business units. These are based on the technology platforms and the Group's product and service portfolio. The Clean Energy segment comprises the portfolio of products, systems and solutions for stationary and mobile off-grid power supply based on hydrogen (PEMFC) and direct methanol (DMFC) fuel cells. The fuel cell solutions are used in the industrial, private and government (public safety) sectors in various markets, such as the markets for telecommunications equipment, security and surveillance technology, remote sensing technology, defense technology, but also in the caravaning and marine markets. The Clean Power Management segment bundles the entire business with high-tech, standardized and semi-standardized power management solutions such as voltage transformers and coils, which are used in equipment for the high-tech industry. The segment also includes the business with frequency converters for the upstream oil and gas industry, some of which are integrated and some of which are sold.

BUSINESS DEVELOPMENT AND ECONOMIC SITUATION

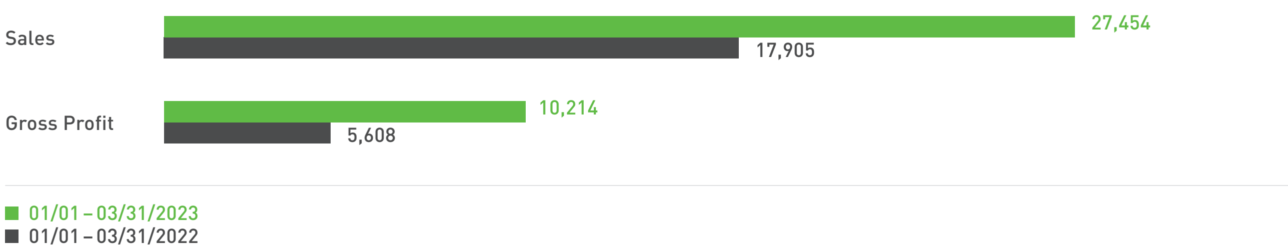
Earnings Position

Compared to the same period of the previous year, the Group achieved extremely strong growth in sales of 53.3% or EUR 9,549 thousand and quarterly sales of EUR 27,454 thousand (previous year: EUR 17,905 thousand). This positive development of sales is attributable both to the very strong organic growth of the Clean Energy segment sales, which increased by 44.7% compared to the previous year, as well as the extremely strong growth in sales of 72.2% in the Clean Power Management segment.

The Clean Energy segment, whose share of Group sales rose slightly in the reporting period to 64.7% (previous year: 68.6%), remained the segment with the highest sales. By contrast, the Clean Power Management segment's share of Group sales dropped to 35.3% (previous year: 31.4%).

In the reporting period, both overall growth in sales and increased gross profit margins in both segments led to a near doubling of Group gross profit by EUR 4,606 thousand or 82.1% to EUR 10,214 thousand (previous year: EUR 5,608 thousand). The resulting gross profit margin of the Group (gross profit as a percentage of sales) amounted to 37.2% (previous year: 31.3%), which is significantly above the previous year's level.

SALES AND GROSS PROFIT in EUR thousand



Sales development by segment

The segmentation of sales for the reporting period compared to the previous year is as follows:

SALES BY SEGMENT in EUR thousand

Segment	2023 01/01- 03/31	2022 01/01- 03/31	Change
Clean Energy	17,764	12,279	44.7%
Clean Power Management	9,690	5,627	72.2%
Total	**27,454**	**17,905**	**53.3%**

BREAKDOWN OF SALES BY SEGMENT
01/01 - 03/31/2023

in %

The development of sales by region for the reporting period is as follows:

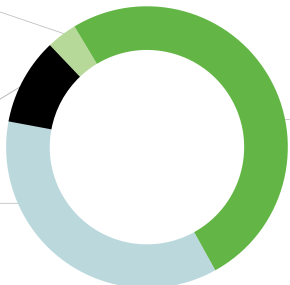
SALES BY REGION

in EUR thousand

	2023 01/01 - 03/31	2022 01/01 - 03/31	Change
North America	13,876	7,478	85.6%
Europe (excluding Germany)	9,882	7,125	38.7%
Germany	2,285	1,979	15.4%
Asia and Rest of the World (RoW)	1,411	1,232	6,6%
Total	**27,454**	**17,905**	**53.3%**

BREAKDOWN OF SALES BY REGION
01/01 - 03/31/2023

in %



The following changes took place in the development of regional sales in the reporting period compared to the previous year: The North America region's contribution to Group sales increased significantly in the reporting period to 50.5% (previous year: 41.8%) and achieved the highest regional sales growth by posting an increase of EUR 6,398 thousand. Europe's share (excluding Germany) of Group sales increased in the reporting period to 36.0% (previous year: 39.8%) and was thus below the level of the previous year. Similarly, the share of Group sales accounted for by the regions Germany and Asia & RoW fell to 8.3% in favor of the North America region (previous year: 11.1%) and to 5.1% (previous year: 7.4%).

Reconciliation of adjusted EBITDA and adjusted EBIT

Adjusted EBITDA and adjusted EBIT are reported in order to neutralize distortions caused by non-recurring effects that both increase and reduce the operating result for the reporting period in the presentation of financial performance indicators and to ensure comparability of these performance indicators between periods. In this context, the effects of the non-recurring effects listed below included in the respective functional costs and in other operating income are eliminated in the reporting period as part of a reconciliation to adjusted EBITDA and adjusted EBIT.

In the reporting period, non-recurring effects included expenses for the increase in provisions and additional paid-in capital for obligations under the long-term variable share-price-based remuneration programs ("LTI programs"). These programs are stock appreciation rights ("SARs") and stock option programs ("SOP") for the Management Board and for employees (managers) of SFC. The expenses for these programs amounted to EUR 94 thousand (previous year: EUR 223 thousand) in the reporting period ("special expenses"). Income from the reversal of provisions for the LTI programs in the amount of EUR 284 thousand (previous year: EUR 113 thousand) ("special income") was recognized in the reporting period. This income was due, among other factors, to the reversal of provisions already recognized for the SARs through profit or loss that were higher than the payout for the amounts received in cash in the current reporting period.

Expenses associated with transaction efforts in the amount of EUR 31 thousand (previous year: EUR 538 thousand) are included in the non-recurring effects ("special expenses").

In total, the non-recurring effects are shown as net income in the amount of EUR 159 thousand (previous year: net expense of EUR 648 thousand) for the reporting period in EBIT and EBITDA.

Expenses for the LTI programs of the members of the Management Board currently in office are included in both selling expenses and general and administrative expenses. Expenses for the LTI programs for employees (managers) are included in selling expenses and research and development expenses. Expenses associated with transaction efforts are included in general and administrative expenses. Income from the reversal of SARs provisions is included in other operating income.

The reconciliation to adjusted EBITDA and adjusted EBIT (= adjusted operating profit) and the allocation of non-recurring effects to the income statement items are accordingly as follows:

NON-RECURRING EFFECTS — in EUR thousand

	2023 01/01-03/31	2022 01/01-03/31
Expenses for the LTI programs	-94	-223
Income from SARs	284	113
Expenses for transaction efforts	-31	-538
Total net income / net expense	**159**	**-648**
of which included as expense in selling expenses	-55	51
of which included as expense in research and development expenses	0	-3
of which included as expense in general and administrative expenses	-70	-809
of which included as income in other operating income	284	113

Gross profit

As with consolidated sales, gross profit increased particularly strongly by 82.1% to EUR 10,214 thousand (previous year: EUR 5,608 thousand) compared to the same period of the previous year and thus rose by EUR 4,607 thousand. This significant increase was mainly attributable to the above-mentioned extremely strong organic sales growth accompanied by margin expansion, also due to the effectiveness of the price adjustments implemented in 2022.

The gross profit margin of the Group (gross profit as a percentage of sales) resulting from the development of sales was at 37.2% (previous year: 31.3%) and thus significantly above the level of the same quarter of the previous year and slightly above the gross profit margin for the full fiscal year 2022 (36.8%). Whereas the gross profit margin in the Clean Energy segment, which has higher sales and margins, amounted to 43.1% (previous year: 34.3%) and was thus significantly above the level of the same quarter of the previous year and at the level for the full fiscal year 2022 (42.6%), the Clean Power Management segment recorded a gross profit margin of 26.5% (previous year: 24.9%) and thus a slightly higher margin.

Selling expenses

Selling expenses in the reporting period increased by 32.7% to EUR 3,563 thousand (previous year: EUR 2,684 thousand). Likewise, selling expenses adjusted for the non-recurring effects described above increased by 28.3% to EUR 3,508 thousand (previous year: EUR 2,734 thousand). This was mainly due to both higher personnel expenses and higher advertising and travel expenses, which were relatively lower in the previous year, partly as a result of the global pandemic restrictions that are slowly coming to an end.

On a Group-wide basis, however, adjusted selling expenses as a percentage of sales were 12.8% (previous year: 15.3%), noticeably lower than in the previous year.

Research and development expenses

Research and development expenses recognized in the Consolidated Statement of Income increased significantly in the reporting period by 11.7% to EUR 1,206 thousand (previous year: EUR 1,080 thousand).

Adjusted for the non-recurring effects listed above and including the development expenses capitalized in the reporting period and grants received totaling EUR 944 thousand (previous year: EUR 699 thousand), the total research and development expenses of the Group amounted to 2,149 thousand (previous year: EUR 1,776 thousand) and were thus 21.0% above the previous year's figure. The higher total expenses in the reporting period resulted mainly from significantly increased personnel expenses and the higher costs of the materials used in the development department.

The overall development ratio of the Group (research and development expenses adjusted for the non-recurring effects and including capitalized development costs and grants as a percentage of sales) increased due to the growth in sales to 7.8% (previous year: 9.9%), despite higher expenses overall.

General administrative expenses

General and administrative expenses in the reporting period amounted to EUR 3,194 thousand (previous year: EUR 3,292 thousand) and were thus slightly lower than in the same period of the previous year. After adjustment for the above-mentioned non-recurring effects amounting to EUR 70 thousand (previous year: EUR 809 thousand), general and administrative expenses increased significantly by 25.8% compared to the same period of the previous year to EUR 3,124 thousand (previous year: EUR 2,484 thousand). This increase is mainly attributable to higher personnel expenses and higher IT costs.

Other operating income

Other operating income increased significantly in the reporting period compared to the same period of the previous year to EUR 660 thousand (previous year: EUR 389 thousand). This was mainly due to income from exchange rate differences amounting to EUR 347 thousand (previous year: EUR 284 thousand), which was offset by the expenses from exchange rate differences listed below. This item also includes the income from the reversal of SARs provisions through profit or loss amounting to EUR 284 thousand (previous year: EUR 113 thousand).

Other operating expenses

Other operating expenses in the reporting period amounted to EUR 602 thousand (previous year: EUR 6 thousand) and resulted from expenses from exchange rate differences.

Earnings before interest, taxes, depreciation and amortization (EBITDA)

Earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group increased in the reporting period to EUR 3,506 thousand (previous year: EUR 161 thousand), resulting in an EBITDA margin (EBITDA in relation to sales) of 12.8% (previous year: 0.9%).

EBITDA adjusted for non-recurring effects (adjusted EBITDA), the key financial performance indicator used to manage the operating business, amounted to EUR 3.347 thousand (previous year: EUR 809 thousand) and, at EUR 2.538 thousand, recorded a rather significant increase over the previous year. The adjusted EBITDA margin also increased extraordinarily strongly and, at 12.2% (previous year: 4.5%) was well above the level of the previous year.

The extremely strong increase in adjusted EBITDA compared to the same period of the previous year is mainly attributable to significantly higher operating income and the lower increase in functional costs relative to sales.

Operating result (EBIT)

Despite the increase in expenses for depreciation and amortization in the reporting period, the Group's earnings before interest and taxes (EBIT) improved significantly to EUR 2,310 thousand (previous year: EUR -1,066 thousand). The EBIT margin (EBIT in relation to sales) improved to 8.4% (previous year: -6.0%).

EBIT adjusted for non-recurring effects (adjusted EBIT) amounted to EUR 2,151 thousand (previous year: EUR -418 thousand) and was thus EUR 2,569 thousand higher than in the previous year. The resulting adjusted EBIT margin of 7.8% (previous year: -2.3%) was significantly above the level of the same period of the previous year.

Interest and similar income

Due to higher interest rates and the higher level of cash and cash equivalents in the reporting period, interest and similar income amounted to EUR 138 thousand (previous year: EUR 0 thousand).

Interest and similar expenses

Interest and similar expenses amounted to EUR 155 thousand (previous year: EUR 101 thousand).

Consolidated net income for the period

The reporting period ended with a clearly positive consolidated net result for the period of EUR 2,035 thousand (previous year: EUR -1,178 thousand).

Earnings per share

Undiluted and diluted earnings per share according to IFRS amounted to EUR 0.12 and EUR 0.11 (previous year: EUR -0.08 respectively EUR -0.08) in the reporting period.

Order intake and order backlog

Order intake amounted to EUR 34,809 thousand in the period. Correspondingly, the Group's order backlog as of the reporting date, March 31, 2023, increased to EUR 81,616 thousand (December 31, 2022: EUR 74,176 thousand). SFC AG accounted for EUR 30,951 thousand (December 31, 2022: EUR 19,522 thousand), SFC B.V. for EUR 34,409 thousand (December 31, 2022: EUR 34,937 thousand) and SFC Ltd. EUR 16,256 thousand (December 31, 2022: EUR 19,717 thousand) of this amount.

Clean Energy

The Clean Energy segment generated sales of EUR 17,764 thousand in the period under review (previous year: EUR 12,279 thousand) and thus recorded a significant increase of EUR 5,485 thousand or 44.7% compared to the same period of the previous year.

The segment's sales growth was primarily driven by fuel cell solutions for industrial applications, which made the largest contribution to segment sales. Sales to the segment's industrial customers increased by around 75% compared to the same period of the previous year. By contrast, sales to customers in the private applications sector declined noticeably. Sales to the government sector (public safety), which made the smallest contribution to segment sales, were also down on the figure from the same period of the previous year.

The segment's gross margin of 43.1% (previous year: 34.3%) in the reporting period was significantly above the level of the same period of the previous year, due to both the good product mix and the effectiveness of the increased selling prices and the higher-priced components to be stockpiled in 2022, which have not yet been fully included in the segment's cost of materials. In line with the growth in sales, gross profit thus also increased by EUR 3,442 thousand to EUR 7,648 thousand (previous year: EUR 4,206 thousand).

The figures adjusted for the above-mentioned non-recurring effects amounting to EUR 55 thousand (previous year: EUR -51 thousand) were EUR 2,948 thousand (previous year: EUR 2,293 thousand), 28.6% above the level of the previous year.

The segment's general and administrative expenses, adjusted for the above-mentioned extraordinary expenses of EUR 71 thousand (previous year: EUR 809 thousand), increased significantly by 26.1% in the reporting period to EUR 2,150 thousand (previous year: EUR 1,705 thousand) and were thus well above the level of the previous year. The increase is mainly attributable to higher personnel expenses and higher IT costs.

As a result of the significant increase in gross profit, EBITDA adjusted for non-recurring effects also improved substantially in the reporting period to EUR 2,566 thousand (previous year: EUR 900 thousand), which resulted in a significant increase in the adjusted EBITDA margin of the segment of 14.4% (previous year: 7.3%).

Clean Power Management

Compared to the previous year's figure, the Clean Power Management segment recorded exceptionally high sales growth of 72.2% to EUR 9,690 thousand (previous year: EUR 5,627 thousand). Following a subdued first half of 2022 characterized by a challenging procurement environment and a recovery in the second half of 2022, the trend continued and segment sales increased significantly in the first quarter of 2023.

Likewise, the gross profit of the Clean Power Management segment was also higher, even to a slightly higher extent than sales, to EUR 2,566 thousand (previous year: EUR 1,402 thousand). The segment's gross margin, which, at 26.5% (previous year: 24.9%), was higher than in the same period of the previous year, was attributable to both the product mix and good price penetration.

The segment's selling expenses, which do not include any special effects, amounted to EUR 560 thousand (previous year: EUR 441 thousand), significantly above the level of the previous year.

The segment's general and administrative expenses in the reporting period amounted to EUR 974 thousand (previous year: EUR 779 thousand) and were up by EUR 195 thousand compared to the same period of the previous year, mainly due to higher personnel expenses.

The segment's EBITDA does not include any non-recurring effects either. Due to the higher gross profit margin in particular in connection with significantly higher sales, segment EBITDA improved significantly to EUR 781 thousand (previous year: EUR -91 thousand) in the reporting period. Compared to the same period of the previous year, the segment's EBITDA margin increased to 8.1% (previous year: -1.6%).

Asset and financial position

Capital structure

Equity increased by EUR 1,911 thousand and amounted to EUR 105,348 thousand as of March 31, 2023 ("the reporting date", December 31, 2022: EUR 103,437 thousand).

The increase in shareholders' equity was mainly due to the Group profit for the period generated during the year in the amount of EUR 2,035 thousand (previous year: EUR -1,178 thousand).

Cash and cash equivalents

Freely available cash and cash equivalents amounted to EUR 59,795 thousand as of the reporting date (December 31, 2022: EUR 64,803 thousand). The net change in cash and cash equivalents amounted to EUR -4,993 thousand (previous year: EUR -4,692 thousand).

Liabilities to banks in total increased by EUR 1,055 thousand to EUR 5,109 thousand in the reporting period compared to the end of financial year 2022 (December 31, 2022: EUR 4,055 thousand).

The net financial position (freely available cash and cash equivalents less liabilities to banks) decreased by EUR 6,063 thousand in the reporting period to EUR 54,685 thousand (December 31, 2022: EUR 60,748 thousand).

Cash flow and investments

CASH FLOW — in EUR thousand

	01/01-03/31/2023	01/01-03/31/2022
Operating profit before changes in working capital	3,426	213
Cash flow from		
Operating activities	-2,953	-3,387
Investing activities	-2,522	-1,044
Financing activities	483	-261

Operating cash flow and cash flow from operating activities

Operating cash flow before changes in net working capital and income taxes (operating profit before changes in working capital) in the reporting period amounted to EUR 3,426 thousand (previous year: EUR 213 thousand) and was thus considerably higher than in the previous year.

After taking the change in net working capital into account, which increased by EUR 5,744 thousand (previous year: EUR 3,515 thousand) and income tax payments, cash flow from operating activities was negative in the amount of EUR -2,953 thousand (previous year: EUR -3,387 thousand).

With regard to the main changes in net working capital, trade receivables increased by EUR 6,479 thousand with an effect on liquidity in the period under review and inventories increased by EUR 849 thousand. The aforementioned increase was offset by the cash-effective increase in trade payables by EUR 3,147 thousand during the same period. However, other current liabilities increased by EUR 1,446 thousand in the same period. Together with the other items of net current assets, this resulted in an increase in net current assets and thus a cash outflow of EUR 5,744 thousand (previous year: EUR 3,515 thousand) in the reporting period.

Cash flow from investing activities

Cash outflows from investing activities in the reporting period totaled EUR -2,522 thousand (previous year: EUR -1,044 thousand). The payments for the acquisition of intangible assets in the amount of EUR 1,172 thousand (previous year: EUR 58 thousand) and investments in plant and office equipment in the amount of EUR 817 thousand (previous year: EUR 382 thousand) included in this figure are the main reasons for the increase. Investments in research and development (capitalized development expenses) amounted to EUR 771 thousand (previous year: EUR 604 thousand).

Investments

Investments in property, plant and equipment, excluding investments in rights of use in connection with the application of IFRS 16, amounted to EUR 817 thousand (previous year: EUR 382 thousand). Investments in intangible assets amounted to EUR 1,943 thousand (previous year: EUR 662 thousand), of which EUR 771 thousand (previous year: EUR 604 thousand) were attributable to capitalizable development expenses.

In relation to Group sales, the investment ratio (excluding the recognition of rights of use in accordance with IFRS 16) amounts to 10.1% (previous year: 5.8%). This was thus significantly above the level of the previous year, mainly due to the acquisition of intangible assets.

The investments were made from the company's own funds or using the current loan agreements.

Cash flow from financing activities

Cash flow from financing activities in the reporting period amounting to EUR 483 thousand (previous year: EUR -261 thousand) increased mainly due to the increase in current financial liabilities.

Asset position

As of March 31, 2023, total assets amounted to EUR 150,852 thousand (December 31, 2022: EUR 147,171 thousand) and thus rose by 2.5% or EUR 3,681 thousand in the reporting period, whereby the increase due to the accounting effects of the successful business performance and the consolidated profit for the period of EUR 2,035 thousand (previous year: EUR -1,178 thousand) was also responsible for this increase.

On the assets side, current assets in particular increased by EUR 2,044 thousand. On the liabilities side, current liabilities increased by EUR 2,259 thousand. In the opposite direction, non-current liabilities decreased slightly by EUR 488 thousand. The equity ratio remained stable at 69.8% (December 31, 2022: 70.3%).

On the current assets side, trade receivables in particular increased significantly by 34,9%, mainly due to the sustained growth in sales, to EUR 24,438 (December 31, 2022: EUR 18,110 thousand).

Inventories, on the other hand, increased only slightly by 2.6% to EUR 25,565 thousand (December 31, 2022: EUR 24,921 thousand).

As of March 31, 2023, intangible assets increased to EUR 19,840 thousand (December 31, 2022: EUR 18,576 thousand). The increase mainly resulted from the acquisition of technologies from Johnson Matthey for the production of membrane electrode assemblies (MEAs) for direct methanol fuel cells.

Property, plant and equipment increased slightly to EUR 13,665 thousand (December 31, 2022: EUR 13,396 thousand). Investments in property, plant and equipment excluding investments in rights of use in connection with the application of IFRS 16 amounted to EUR 2,759 thousand (previous year: EUR 1,044 thousand).

Current liabilities increased noticeably in the reporting period by EUR 2,259 thousand to EUR 28,851 thousand (December 31, 2022: EUR 26,591 thousand). The main reason for this was the sharp increase in trade payables of EUR 2,985 thousand to EUR 12,031 thousand (December 31, 2022: EUR 9,046 thousand) and the increase in current liabilities to banks (working capital lines) by EUR 1,055 thousand to EUR 5,109 thousand (December 31, 2022: EUR 4,055 thousand).

Non-current liabilities declined moderately in the reporting period by EUR 488 thousand to EUR 16,654 thousand (December 31, 2022: EUR 17,142 thousand). The decrease is mainly attributable to the reduction in liabilities from the LTI programs included in non-current liabilities, which amounted to EUR 3,763 thousand as of the reporting date (December 31, 2022: EUR 4,047 thousand), and to the reduction in non-current lease liabilities.

Financial liabilities rose by EUR 1,055 thousand in the reporting period to EUR 5,109 thousand (December 31, 2022: EUR 4,055 thousand) and are exclusively of a short-term nature. These are the working capital lines of SFC Energy B.V., SFC Power SRL and SFC Energy Ltd.

The composition and development of net financial debt are as follows:

NET FINANCIAL DEBT — in EUR thousand

	03/31/2023	12/31/2022	Change
Liabilities to banks	5,109	4,055	1,055
thereof SFC Energy AG	0	0	0
thereof SFC Energy B.V.	3,913	3,306	607
thereof SFC Energy Ltd.	1,197	749	447
Less			
Freely available cash and cash equivalents [a]	59,795	64,803	5,008
Net-Cash	**54,685**	**60,748**	**-6,063**

Overall, the share of debt in total capital amounted to 30.2% (December 31, 2022: 29.7%).

The Group's equity increased in the reporting period to EUR 105,348 thousand (December 31, 2022: EUR 103,437 thousand). The equity ratio remained virtually unchanged at 69.8% (December 31, 2022: 70.3%). With regard to the development of equity, reference is made to the Consolidated Statement of Changes in Equity in the supplementary financial information.

Employees

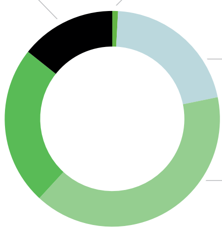
The number of permanent employees as of March 31, 2023 was as follows:

EMPLOYEES

	03/31/2023	12/31/2022	Change
Management Board	3	3	0
Research and development	74	68	6
Production, logistics, quality management	142	137	5
Sales and marketing	83	88	-5
Management	51	58	-7
Permanent employees	**353**	**354**	**-1**

a Cash and cash equivalents less restricted cash and cash equivalents

EMPLOYEES BY FUNCTIONAL AREA



As of March 31, 2023, the Group employed 353 permanent employees worldwide (December 31, 2022: 354).

FORECAST

For the current fiscal year, as in the outlook published in the 2022 Annual Report, we expect global economic output to increase at the lower end in the amount of approx. 2.2%. However, the latest economic data for the leading industrialized countries is more positive than recently expected. It is expected, that especially growth rates in the emerging markets in many cases will be developing positively (fourth quarter vs. fourth quarter) with an increase from 2.8% in 2022 to 4.5% this year.

Reductions in key drivers of spending, such as energy prices, in particular have recently had a supportive effect on consumption. Also due to the easing of the zero-COVID policy in China, a recovery in overall economic development in the APAC region and an improvement in the global growth outlook are now expected.

Forecast economic growth in the Europe and North America regions remains below global growth. Nevertheless, the easing of supply chain bottlenecks and significantly falling energy prices have had a positive impact on expected economic growth in both regions.

Sales

Under the above conditions, we expect our businesses to continue to grow. After a good first three months of 2023, which were characterized by strong growth in sales in both Clean Energy and Clean Power Management segments, and taking the current order backlog into account, we confirm our sales forecast for the current fiscal year dated February 14, 2023 (Group sales: EUR 103 million to EUR 111 million).

Adjusted EBITDA

Adjusted EBITDA is one of our key financial performance indicators for managing the operating business. For the current financial year, we confirm our adjusted EBITDA forecast dated February 14, 2023 (adjusted EBIT-DA within the range of EUR 8.9 million to EUR 14.1 million).

Adjusted EBIT

In line with the results achieved in the first three months of the fiscal year and the expectations cited above, we confirm our forecast for adjusted EBIT dated February 14, 2023 (adjusted EBIT of EUR 3.4 million to EUR 8.6 million).

SUPPLEMENTARY FINANCIAL INFORMATION

Consolidated Statement of Income

FROM JANUARY 1 TO MARCH 31, 2023 (UNAUDITED) — in EUR

	2023 01/01-03/31	2022 01/01-03/31
Sales	27,453,570	17,905,339
Cost of goods sold and services rendered to generate revenue	-17,239,230	-12,297,537
Gross profit	**10,214,340**	**5,607,802**
Selling expenses	-3,562,753	-2,683,808
Research and development costs	-1,205,637	-1,079,743
General administrative expenses	-3,194,146	-3,292,449
Other operating income	660,422	388,525
Other operating expenses	-601,810	-5,985
Operating result (EBIT)	**2,310,416**	**-1,065,658**
Interest and similar income	137,587	0
Interest and similar expenses	-155,476	-101,337
Earnings before taxes	**2,292,527**	**-1,166,995**
Taxes on income and earnings	-257,068	-10,586
Consolidated net income for the period	**2,035,459**	**-1,177,581**
Earnings per share		
undiluted	0.12	-0.08
diluted	0.11	-0.08

Consolidated Statement of Comprehensive Income

FROM JANUARY 1 TO MARCH 31, 2023 (UNAUDITED) in EUR

	2023 01/01-03/31	2022 01/01-03/31
Consolidated net income for the period	**2,035,459**	**-1,177,581**
Differences from the translation of foreign subsidiaries	-219,325	311,323
Changes in value recognized directly in equity (Total other comprehensive income)	**-219,325**	**311,323**
Total comprehensive income for the period	**1,816,134**	**-866,258**

The amounts are fully attributable to the shareholders of the parent company. There were no deferred tax effects on the changes in value recognized directly in equity.

Consolidated Statement of Financial Position

ASSETS AS OF MARCH 31, 2023 (UNAUDITED)

in EUR

	03/31/2023	12/31/2022
Current assets	**115,189,860**	**113,145,754**
Inventories	25,564,949	24,921,204
Trade receivables	24,437,517	18,110,324
Assets from contracts with customers	497,470	1,265,883
Other assets and receivables	4,609,514	3,660,591
Cash and cash equivalents	59,794,790	64,802,825
Restricted cash and cash equivalents	285,620	384,927
Non-current assets	**35,662,476**	**34,025,247**
Intangible assets	19,840,183	18,576,279
Property, plant and equipment	13,665,129	13,396,044
Deferred tax assets	2,157,164	2,052,924
Assets	**150,852,336**	**147,171,001**

Consolidated Statement of Financial Position

LIABILITIES AND EQUITY AS OF MARCH 31, 2023 (UNAUDITED)

in EUR

	03/31/2023	12/31/2022
Current liabilities	**28,850,509**	**26,591,389**
Tax provisions	228,095	568,439
Other accrued liabilities	1,523,784	1,495,468
Liabilities to banks	5,109,396	4,054,845
Liabilities from advance payments	99,175	498,154
Trade payables	12,030,624	9,045,990
Leasing liabilities	1,992,451	2,009,259
Liabilities from contracts with customers	808,039	601,841
Other liabilities and PRAP	7,058,945	8,317,393
Non-current liabilities	**16,654,105**	**17,142,494**
Other accrued liabilities	1,940,660	1,882,784
Leasing liabilities	8,245,345	8,551,813
Other liabilities	4,311,973	4,644,125
Deferred tax liabilities	2,156,127	2,063,772
Equity	**105,347,722**	**103,437,118**
Subscribed capital	17,363,691	17,363,691
Capital reserve	168,356,745	168,262,275
Other changes in equity not affecting net income	-967,429	-748,104
Results carried forward	-81,440,744	-83,460,869
Consolidated net income for the period	2,035,459	2,020,125
Liabilities	**150,852,336**	**147,171,001**

Consolidated Statement of Cash Flows

FROM JANUARY 1 TO MARCH 31, 2023 (UNAUDITED)

in EUR

		2023 01/01-03/31	2022 01/01-03/31
	Cash flow from operating activities		
	Earnings before taxes	**2,292,527**	**-1,166,995**
+	Interest result	17,889	101,337
+	Amortization of intangible assets and depreciation of property, plant and equipment	1,195,390	1,226,795
+/-	Expenses/income from LTI programs	-189,682	109,437
+	Change in the valuation allowance	55,949	-88,535
+/–	Losses/gains on the disposal of non-current assets	0	48,319
+/–	Other non-cash income and expenses	53,942	-17,197
	Operating cash flow before changes in working capital	**3,426,015**	**213,160**
+/–	Increase/decrease in provisions	86,293	-383,768
-/+	Increase/decrease in trade receivables	-6,478,896	109,584
-/+	Increase/decrease in inventories	-849,230	-877,299
-/+	Increase/decrease in other receivables and assets	-202,939	-1,522,657
+/–	Increase/decrease in trade payables	3,147,064	-208,534
+/–	Increase/decrease in other liabilities	-1,446,134	-632,139
	Cash flow from operating activities before income taxes	**-2,317,827**	**-3,301,653**
+/–	Income tax refunds/payments	-635,407	-85,069
	Cash flow from operating activities	**-2,953,234**	**-3,386,722**

Consolidated Statement of Cash Flows

FROM JANUARY 1 TO MARCH 31, 2023 (UNAUDITED) in EUR

		2023 01/01-03/31	2022 01/01-03/31
	Cash flow from investing activities		
	Investments in intangible assets from development projects	-771,363	-604,065
+	Investments in other intangible assets	-1,171,168	-57,677
+	Investments in property, plant and equipment and rights of use	-816,773	-381,812
	Interest and similar income received	137,587	0
+	"Deposits from the purchase of restricted bank balances"	99,307	0
	Cash flow from investing activities	**-2,522,410**	**-1,043,554**
	Cash flow from financing activities		
–	Repayment of financial liabilities	0	-170,654
+/–	Change in current account liabilities	1,076,128	471,706
–	Repayment of lease liabilities	-441,491	-460,994
–	Interest paid and similar expenses	-152,007	-101,337
	Cash flow from financing activities	**482,630**	**-261,279**
	Effect of exchange rate changes and other changes on cash and cash equivalents	-15,021	0
	Cash and cash equivalents at the beginning of the reporting period	64,802,825	24,622,648
	Cash and cash equivalents at the end of the reporting period	59,794,790	19,931,093
	Net change in cash and cash equivalents	**-4,993,014**	**-4,691,555**

Group segment reporting

FROM JANUARY 1 TO MARCH 31, 2023 (UNAUDITED) in EUR

	Clean Energy		Clean Power Management		Group	
	2023	2022	2023	2022	2023	2022
Sales	17,763,929	12,278,634	9,689,641	5,626,705	27,453,570	17,905,339
Cost of goods sold and services rendered to generate revenue	-10,116,037	-8,073,059	-7,123,193	-4,224,478	-17,239,230	-12,297,537
Gross profit	7,647,892	4,205,575	2,566,448	1,402,227	10,214,340	5,607,802
Selling expenses	-3,003,093	-2,242,391	-559,660	-441,418	-3,562,753	-2,683,808
Research and development expenses	-631,359	-530,896	-574,279	-548,847	-1,205,637	-1,079,743
General administrative expenses	-2,219,952	-2,513,620	-974,193	-778,830	-3,194,145	-3,292,449
Other operating income	640,079	388,525	20,344	0	660,423	388,525
Other operating expenses	-589,582	-5,985	-12,228	0	-601,810	-5,985
Operating result (EBIT)	1,843,985	-698,791	466,432	-366,867	2,310,416	-1,065,658
Adjustments to EBIT	-159,014	647,728	0	0	-159,014	647,728
Adjusted EBIT	1,684,971	-51,063	466,432	-366,867	2,151,403	-417,930
Depreciation	-880,606	-950,595	-314,784	-276,201	-1,195,390	-1,226,795
EBITDA	2,724,591	251,803	781,216	-90,667	3,505,807	161,137
Adjustments to EBITDA	-159,014	647,728	0	0	-159,014	647,728
Adjusted EBITDA	2,565,577	899,531	781,216	-90,667	3,346,793	808,865
Financial result					-17,889	-101,337
Earnings before tax (EBT)					2,292,527	-1,065,658
Taxes on income and earnings					-257,068	-10,586
Consolidated net income for the period					2,035,459	-1,177,581

SUPPLEMENTARY REPORT

Up to the date of preparation of the financial statements, no events of particular significance have occurred that are expected to have a material effect on the asset, financial and earnings position of the Group.

Brunnthal, May 16, 2023

The Management Board

Dr. Peter Podesser
Chief Executive Officer (CEO)

Daniel Saxena
Member of the
Management Board (CFO)

Hans Pol
Member of the
Management Board (COO)

FINANCIAL CALENDAR 2023

JUNE 5, 2023	ANNUAL GENERAL MEETING
AUGUST 18, 2023	Q2 QUARTERLY RELEASE / 2023 HALF-YEAR REPORT
AUGUST 23 – AUGUST 24, 2023	HAMBURGER INVESTORS DAY, HIT
SEPTEMBER 19, 2023	BERENBERG AND GOLDMAN SACHS TWELFTH GERMAN CORPORATE CONFERENCE
SEPTEMBER 21, 2023	CAPITAL MARKETS DAY
NOVEMBER 15, 2023	Q3 QUARTERLY RELEASE 2023
NOVEMBER 27 – NOVEMBER 29, 2023	GERMAN EQUITY FORUM, FRANKFURT/MAIN

SHARE INFORMATION

Bloomberg symbol	F3C
Reuters symbol	CXPNX
German securities identification number (WKN)	756857
International securities identification number (ISIN)	DE0007568578
Number of shares outstanding (March 31, 2023)	17,363,691
Type of shares	No-par value shares
Stock exchange segment	Prime Standard, Renewable Energies
Stock exchange	Frankfurt,FWB
Designated Sponsors	mwb fairtrade Wertpapierhandelsbank AG

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CROSS ALLIANCE communication GmbH

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This annaul report contains statements and information about the future. Such passages contain such word as "expect", "intend", "plan", "believe", "aim", "estimate", etc. Such statements about the future are based on current expectations and certain assumptions. They therefore also contain a number of risks and uncertainties. A multitude of factors, many of which are beyond the control of SFC, affect our business, our success, and our results. These factors can lead the Group's actual results, success, and performance to deviate from the results, success, and performance in the statements made explicitly or implicitly about the future. SFC assumes no obligation to update any forward looking statements. This is a translation of the German "Geschäftsbericht 2021 der SFC Energy AG". Sole authorative and universally valid version is the German language document.