

Q3  
2022

# QUARTERLY RELEASE

January 1 to September 30, 2022



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 nine months of 2022 and 2021 are unaudited and are not subject to an auditor's review.

# SFC ENERGY AG – AT A GLANCE

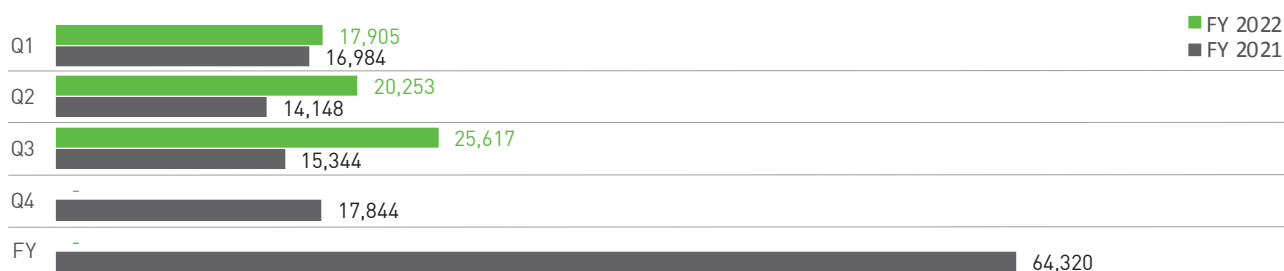
## CONSOLIDATED KEY FIGURES

in EUR thousand

	2022 01/01 - 09/30	2021 01/01 - 09/30	CHANGE	2022 07/01 - 09/30	2021 07/01 - 09/30	CHANGE
Sales	63,776	46,476	37.2%	25,617	15,344	67.0%
Gross profit	23,368	17,090	36.7%	9,905	5,903	67.8%
Gross margin	36.6%	36.8%		38.7%	38.5%	
EBITDA	9,754	-636	n/a	6,694	1,276	424.7%
EBITDA margin	15.3%	-1.4%		26.1%	8.3%	
Underlying EBITDA	7,366	5,789	27.2%	4,254	2,348	81.2%
Underlying EBITDA margin	11.5%	12.5%		16.6%	15.3%	
EBIT	6,126	-3,733	n/a	5,468	220	n/a
EBIT margin	9.6%	-8.0%		21.3%	1.4%	
Underlying EBIT	3,737	2,692	38.8%	3,028	1,292	134.4%
Underlying EBIT margin	5.9%	5.8%		11.8%	8.4%	
Consolidated net income for the period	5,254	-4,367		4,885	13	n/a
Earnings per share, undiluted	0.35	-0.30	n/a	0.32	0.00	n/a
Earnings per share, diluted	0.34	-0.30	n/a	0.32	0.00	n/a

## SALES BY QUARTER

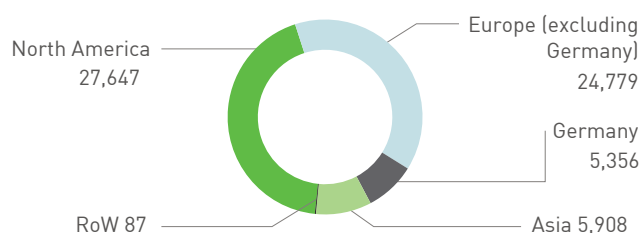
in EUR thousand



## SALES BY REGION

in EUR thousand

01/01-09/30/2022



## SALES BY SEGMENT

in EUR thousand

01/01-09/30/2022



# INTERIM GROUP MANAGEMENT REPORT AS OF SEPTEMBER 30, 2022

**Brunnthal, November 15, 2022**

SFC Energy AG (ISIN: DE0007568578), a leading supplier of fuel cell solutions for stationary and mobile applications based on hydrogen as well as direct methanol (DMFC) technology, commented on its business development and significant events today as part of publishing its Q3 / 2022 quarterly release for the period from January 1, 2022, to September 30, 2022.

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 its 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 operates in various business fields, which are subdivided 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 Group's technology platforms and product and services 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 company's 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 caravanning 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 PERFORMANCE AND ECONOMIC SITUATION

### Earnings Position

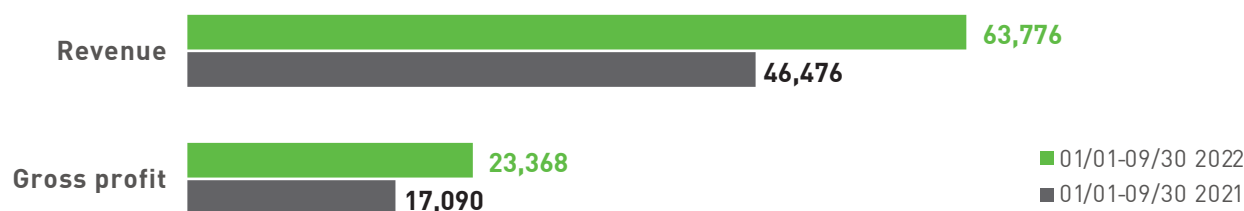
Compared to the same period of the previous year (“previous year”), the Group achieved an increase in sales in the first nine months of fiscal year 2022 (“reporting period”) of EUR 17,300 respectively 37.2% to EUR 63,776 thousand (previous year: EUR 46,476 thousand). This positive development of sales is attributable both to extremely strong organic growth in the Clean Energy segment’s sales, which increased by 45.0% compared to the previous year, as well as to strong 22.6% growth in sales in the Clean Power Management segment.

The Clean Energy segment, whose share of Group sales increased further to 68.9% (previous year: 65.2%) in the reporting period, remained the segment with the highest sales. By contrast, the Clean Power Management segment’s share of Group sales declined to 31.1% (previous year: 34.8%).

In the reporting period, both the overall growth in sales and the increased sales contribution of the higher-margin Clean Energy segment, despite a noticeable decline in margins in the Clean Power Management segment, led to an increase in consolidated gross profit by EUR 6,278 thousand or 36.7% to EUR 23,368 thousand (previous year: EUR 17,090 thousand). The resulting gross profit margin of the Group (gross profit as a percentage of sales) was at 36.6% (previous year: 36.8%), nearly at the same level of the previous year.

### SALES AND GROSS PROFIT

in EUR thousand



### Sales development by segment

The segmentation of sales for the reporting period and for the third quarter of 2022 compared to the previous year is as follows:

### SALES BY SEGMENT

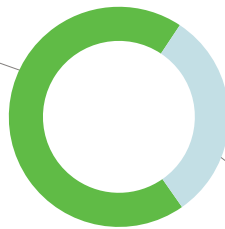
in EUR thousand

	2022 01/01- 09/30	2021 01/01- 09/30	CHANGE	2022 07/01- 09/30	2021 07/01- 09/30	CHANGE
Clean Energy	43,918	30,280	45.0%	17,270	10,924	58.1%
Clean Power Management	19,858	16,195	22.6%	8,348	4,420	88.9%
<b>Total</b>	<b>63,776</b>	<b>46,476</b>	<b>37.2%</b>	<b>25,618</b>	<b>15,344</b>	<b>67.0%</b>

**BREAKDOWN OF SALES BY SEGMENT**  
01/01- 09/30/2022

in %

Clean Energy  
68.9%



Clean Power Management  
31.1%

**Development of sales by region**

The development of sales by region for the reporting period and the third quarter of 2022 is as follows:

**SALES BY REGION**

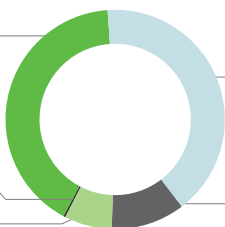
in EUR thousand

	2022 01/01- 09/30	2021 01/01- 09/30	CHANGE	2022 07/01- 09/30	2021 07/01- 09/30	CHANGE
North America	27,647	17,080	61.91%	12,071	5,442	121.8%
Europe (excluding Germany)	24,779	20,361	21.7%	9,036	7,098	27.3%
Germany	5,356	5,891	-9.1%	1,553	1,845	-15.8%
Asia	5,908	2,731	116.3%	2,956	943	213.6%
Rest of the world	87	413	-79.1%	1	16	-91.8%
<b>Total</b>	<b>63,776</b>	<b>46,476</b>	<b>37.2%</b>	<b>25,617</b>	<b>15,344</b>	<b>67.0%</b>

**BREAKDOWN OF SALES BY REGION**  
01/01- 09/30/2022

in %

North America  
43.4%



Europe (excluding Germany)  
38.9%

Rest of the world  
0.1%

Asia  
9.3%

Germany  
8.4%

The following changes took place in the development of regional sales in the reporting period compared to the previous year: The sales contribution of the North America region to Group sales increased significantly in the reporting period to 43.4% (previous year: 36.7%). North America recorded the highest regional growth in sales by posting an increase of EUR 10,568 thousand. Europe's (excluding Germany) share of Group sales increased in the reporting period to 38.9% (previous year: 43.8%) and thus remained below the level of the previous year. By contrast, Asia's share of Group sales increased to 9.3% (previous year: 5.9%) and replaced Germany as the Group's third-largest sales region.

## Reconciliation of underlying EBITDA and underlying EBIT

Underlying EBITDA and underlying EBIT are reported in order to neutralize distortions caused by non-recurring effects that both increase and decrease 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 case, the effects of the non-recurring items 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 underlying EBITDA and underlying EBIT.

In the reporting period, non-recurring items include expenses for the increase in provisions and additional paid-in capital for obligations under the long-term variable share-price-based compensation programs ("LTI programs"). These programs are stock appreciation rights ("SARs") and stock option programs ("MSOP") for the Management Board and for employees (managers) of SFC. The expenses for these programs in the reporting period amounted to EUR 360 thousand (previous year: EUR 6,615 thousand) ("special expenses"). In the reporting period, income from the release of provisions for the SARs in the amount of EUR 2,768 thousand (previous year: EUR 484 thousand) ("special income") was recognized. This income was due, among other factors, to the reversal through profit or loss of provisions already recognized for the SARs that were higher than the payment for the amounts received in cash in the current reporting period.

Expenses associated with transaction efforts in the amount of EUR 19 thousand (previous year: EUR 294 thousand) are included in the non-recurring effects ("special expenses").

In total, the non-recurring effects are included in EBIT and EBITDA as net income in the amount of EUR 2,388 thousand (previous year: net expense of EUR 6,425 thousand) for the reporting period.

Expenses for the LTI programs of the incumbent members of the Management Board 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 items in the Consolidated Statement of Income are accordingly as follows:

NON-RECURRING EFFECTS	in EUR thousand	
	2022 01/01 - 09/30	2021 01/01 - 09/30
Expenses for LTI programs	-360	-6,615
Income from SARs	2,768	484
Expenses for transaction efforts	-19	-294
<b>Total net income / net expense</b>	<b>2,389</b>	<b>-6,425</b>
of which included as expense in selling expenses	-175	-3,822
of which included as expense in research and development expenses	0	-177
of which included as expense in general and administrative expenses	-205	-2,910
of which included as income in other operating income	2,768	484

## Gross profit

As with consolidated sales, the gross profit on sales increased particularly strongly by 36.7% to EUR 23,368 thousand (previous year: EUR 17,090 thousand) compared to the same period of the previous year, increasing by EUR 6,278 thousand. This significant increase was mainly due to the above-mentioned strong growth in organic sales combined with margin stability. In this context, the increased sales contribution of the higher-margin Clean Energy segment was able to counteract the decline in the margin of the Clean Power Management segment.

The gross profit margin of the Group resulting from the development of sales (gross profit as a percentage of sales) amounted to 36.6% (previous year: 36.8%) and was at the same level of the previous year. While the gross profit margin in the Clean Energy segment, which typically has higher sales and margins, was at 42.1% (previous year: 42.3%), virtually the same level as in the previous year, the Clean Power Management segment recorded a gross profit margin of 24.5% (previous year: 26.4%), a noticeable decline in its margin.

## Selling expenses

Selling expenses increased by 14.6% in the reporting period compared to the previous year to EUR 9,769 thousand (previous year: EUR 11,441 thousand). This development is due to the significantly lower level of non-recurring expenses included in selling expenses compared to the same period of the previous year, amounting to EUR 175 thousand (previous year: EUR 3,822 thousand).

Adjusted for these effects, selling expenses in the reporting period increased significantly by 25.9% to EUR 9,594 thousand (previous year: EUR 7,618 thousand). This was due to higher personnel expenses and significantly higher advertising and travel expenses, which were relatively lower in the previous year, partly as a result of the global pandemic restrictions.



Group-wide, however, adjusted selling expenses as a percentage of sales rose by 15.0% due to the growth in sales (previous year: 16.4%), slightly below the level of 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 69.9% to EUR 3,624 thousand (previous year: EUR 2,133 thousand).

Adjusted for the above-mentioned non-recurring expenses amounting to EUR 0 thousand (previous year: EUR 177 thousand) and including the development expenses capitalized in the reporting period and the grants received in the combined amount of EUR 1,907 thousand (previous year: EUR 2,021 thousand), the total research and development expenses of the Group amounted to EUR 5,531 thousand (previous year: EUR 3,977 thousand). The higher total expenses in the reporting period resulted mainly from significantly higher personnel expenses and higher costs for materials used in the development department.

The total development ratio of the Group (research and development expenses adjusted for exceptional expenses and including capitalized development costs and grants as a percentage of sales) remained stable at last year's level of 8.7% due to the growth in sales and the above-mentioned effects (previous year: 8.6%).

### General administrative expenses

General and administrative expenses in the reporting period amounted to EUR 7,538 thousand (previous year: EUR 7,957 thousand) were significantly lower than in the same period of the previous year. After adjustment for the above-mentioned non-recurring effects amounting to EUR 205 thousand (previous year: EUR 2,910 thousand), general and administrative expenses rose significantly compared to the same period of the previous year by 45.3% to EUR 7,333 thousand (previous year: EUR 5,047 thousand). The increase is mainly attributable to higher personnel expenses, also due to an increase in the number of employees, as well as significantly higher audit, legal and consulting expenses.

### Other operating income

Other operating income increased significantly in the reporting period compared to the same period of the previous year to EUR 4,042 thousand (previous year: EUR 744 thousand). The main reason for this is the income from the reversal of SARs provisions through profit or loss in the amount of EUR 2,768 thousand (previous year: EUR 484 thousand). The item also includes income from exchange rate differences amounting to EUR 1,189 thousand (previous year: EUR 260 thousand).

### Other operating expenses

Other operating expenses in the reporting period amounted to EUR 353 thousand (previous year: EUR 37 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 to EUR 9,754 thousand in the reporting period (previous year: EUR -636 thousand), resulting in an EBITDA margin (EBITDA in relation to sales) of 15.3% (previous year: -1.4%). The particularly strong increase in EBITDA

compared to the same period of the previous year is mainly attributable to the lower charges for functional costs with the non-recurring effects listed above.

The key financial performance indicator for managing the operating business, EBITDA adjusted for non-recurring items (underlying EBITDA), amounted to EUR 7,366 thousand (previous year: EUR 5,789 thousand) and, at EUR 1,577 thousand respectively 27.2% increased significantly compared to the previous year's figure. The underlying EBITDA margin recorded a decrease of 0.9 percentage points and stood at 11.5% (previous year: 12.5%), slightly below the level of the previous year.

The significant increase in gross profit was the main reason for the increase in underlying EBITDA.

### Operating result (EBIT)

The Group's earnings before interest and taxes (EBIT) improved considerably in the reporting period to EUR 6,126 thousand (previous year: EUR -3,733 thousand). The EBIT margin (EBIT in relation to sales) improved to 9.6% (previous year: -8.0%). The very strong increase in EBIT in the reporting period was due on the one hand to the lower impact on EBIT of the non-recurring items listed above, and on the other hand to the significant increase in gross profit.

EBIT adjusted for the non-recurring effects (underlying EBIT) amounted to EUR 3,737 thousand (previous year: EUR 2,692 thousand) and was therefore EUR 1,045 thousand higher than the previous year's figure. The resulting underlying EBIT margin of 5.9% (previous year: 5.8%) was at the level of the previous year.

### Interest and similar income

Due to the low or even negative interest rate level in the reporting period, interest and similar income amounted to EUR 0 thousand (previous year: EUR 0 thousand).

### Interest and similar expenses

Interest and similar expenses amounted to EUR 304 thousand (previous year: EUR 293 thousand).

### Consolidated net profit for the period

The reporting period ended with consolidated net profit for the period of EUR 5,254 thousand (previous year: EUR -4,367 thousand).

### Earnings per share

The profit per share according to IFRS in the reporting period amounted to EUR 0.35 undiluted and 0.34 diluted (previous year: EUR -0.30 diluted and undiluted).

### Incoming orders and order backlog

Incoming orders in the reporting period amounted to EUR 88,290 thousand. Accordingly, the Group's order backlog increased to EUR 55,398 thousand as of the reporting date September 30, 2022 (December 31, 2021: EUR 30,551 thousand). Of this amount, SFC AG accounted for EUR 4,891 thousand (December 31, 2021:

EUR 8,529 thousand ), SFC B.V. for EUR 37,011 thousand (December 31, 2021: EUR 10,907 thousand) and SFC Ltd. for EUR 13,496 thousand (December 31, 2021: EUR 11,116 thousand).

## Clean Energy

The segment generated sales of EUR 43,918 thousand (previous year: EUR 30,280 thousand) in the reporting period and thus achieved an increase of EUR 13,638 thousand or 45.0% compared to the same period of the previous year.

The segment's sales growth was driven primarily by fuel cell solutions for industrial applications, which made the largest contribution to segment sales. Sales to the segment's industrial customers nearly doubled compared to the same period of the previous year. By contrast, sales to customers in need of private applications, which accounted for less than 10% of segment sales, decreased noticeably. Sales in the government sector (public safety), which made the smallest contribution to segment sales, also failed to match last year's figure.

The gross margin of the segment amounted to 42.1% (previous year: 42.3%) in the reporting period and was on a par with the prior-year period, due both to the product mix and to the adjusted average selling prices. In line with the growth in sales, gross profit thus increased by EUR 5,685 thousand to EUR 18,505 thousand (previous year: EUR 12,820 thousand).

The figures adjusted for the above-mentioned non-recurring expenses in the amount of EUR 175 thousand (previous year: EUR 3,822 thousand) amounted to EUR 8,188 thousand (previous year: EUR 6,218 thousand) 31.7% above the level of the previous year.

The segment's general and administrative expenses, adjusted for the above-mentioned non-recurring expenses of EUR 205 thousand (previous year: EUR 2,910 thousand), increased significantly in the reporting period by 42.1% to EUR 5,050 thousand (previous year: EUR 3,555 thousand) and were thus significantly higher than in the previous year. The increase is mainly due to higher personnel expenses, auditing and consulting, and recruitment costs.

As a result of the significantly higher gross profit, underlying EBITDA, which is adjusted for non-recurring effects, improved to EUR 6,983 thousand in the reporting period (previous year: EUR 4,885 thousand), resulting in a nearly stable underlying EBITDA margin for the segment of 15.9% (previous year: 16.1%).

## Clean Power Management

Compared to the previous year's figure, the Clean Power Management segment recorded sales growth of 22.6% to EUR 19,858 thousand (previous year: EUR 16,195 thousand). Following a subdued first half-year characterized by a challenging procurement environment, segment sales increased significantly in the third quarter.

The Clean Power Management segment also increased its gross profit, but not to the same extent as sales, to EUR 4,863 thousand (previous year: EUR 4,270 thousand). Compared to the same period of the previous year, the segment's gross margin was noticeably lower at 24.5% (previous year: 26.4%) due to both the product mix and increased component costs, which could not be fully passed on to customers in the reporting period.

The segment's selling expenses, which do not include any special charges, amounted to EUR 1,406 thousand (previous year: EUR 1,400 thousand) and were thus at the same level as in the previous year.

The segment's general and administrative expenses in the reporting period amounted to EUR 2,283 thousand (previous year: EUR 1,492 thousand) and were significantly higher by EUR 791 thousand than in the same period

of the previous year. In the prior-year period, the segment had benefited from pandemic-related government wage subsidies in Canada and the Netherlands.

The segment's EBITDA also does not include any non-recurring effects. Mainly due to the lower gross profit margin in conjunction with relatively higher functional costs, segment EBITDA deteriorated to EUR 383 thousand in the reporting period (previous year: EUR 904 thousand). Compared to the same period of the previous year, the segment's EBITDA margin decreased to 1.9% (previous year: 5.6%).

## Asset and Financial Position

### Capital structure

Equity increased by EUR 57,503 thousand and amounted to EUR 107,522 thousand as of September 30, 2022 (December 31, 2021: EUR 50,019 thousand) in the reporting period. This is mainly due to the capital increase carried out in the third quarter of 2022. As part of the capital increase, 2,893,948 new shares were placed against cash contributions with issue proceeds of EUR 51,723 thousand (after deduction of the transaction costs).

However, the increase in shareholders' equity was also due to the consolidated net profit for the period of EUR 5,254 thousand and foreign currency translation effects of EUR 616 thousand recognized directly in equity.

### Cash and cash equivalents

As of September 30, 2022, freely available cash and cash equivalents amounted to EUR 64,170 thousand (December 31, 2021: EUR 24,623 thousand). The net change in cash and cash equivalents amounted to EUR 39,548 thousand.

In total, liabilities to banks increased in the reporting period compared to the end of fiscal year 2021 by EUR 1,068 thousand to EUR 3,803 thousand (December 31, 2021: EUR 2,735 thousand).

The net financial position (freely available cash and cash equivalents less liabilities to banks) increased by EUR 38,480 thousand to EUR 60,368 thousand in the reporting period (December 31, 2021: EUR 21,888 thousand) mainly due to the above-mentioned capital increase in the third quarter of 2022.

### Cash flow and investments

CASHFLOW	in EUR thousand	
	01/01-09/30/2022	01/01- 09/30/2021
Operating result before changes in working capital	7,451	5,299
Cash flow from		
operating activities	-8,214	395
investing activities	-2,819	-2,408
financing activities	50,551	-4,315

## Cash flow from operating activities

Cash flow from operating activities decreased particularly sharply in the reporting period compared to the same period of the previous year and amounted to EUR -8,214 thousand (previous year: EUR 395 thousand). The significant increase in net working capital was the main reason for this decline.

With regard to the main changes in net working capital, both trade receivables increased by EUR 3,154 thousand with an effect on liquidity in the reporting period and trade payables increased by EUR 2,682 thousand with an effect on liquidity in the same period. At EUR 10,786 thousand, inventories increased particularly sharply in the period under review and affected liquidity. Other current receivables increased by EUR 3,462 thousand. These are mainly tax receivables and prepaid expenses. Together with the other items under net current assets, this resulted in an increase in net current assets and thus a cash outflow of EUR 15,436 (previous year: EUR 4,700) in the reporting period.

## Cash flow from investing activities

Cash outflows from investing activities in the reporting period amounted to EUR -2,819 thousand (previous year: EUR -2,408 thousand). The cash outflows included in this figure for investments in plant and equipment amounting to EUR 1,032 thousand (previous year: EUR 456 thousand) are the reason for the increase. Investments in research and development (capitalized development expenses) amounted to EUR 1,596 thousand (previous year: EUR 1,773 thousand).

## Investments

Investments in property, plant and equipment amounted to EUR 1,032 thousand (previous year: EUR 456 thousand) while investments in intangible assets amounted to EUR 1,786 thousand (previous year: EUR 1,961 thousand).

In relation to consolidated sales, the investment ratio (excluding the recognition of rights of use in accordance with IFRS 16) was 4.4% (previous year: 5.2%). It was thus moderately lower than the previous year's level due to the significant increase in sales.

The investments were made from the company's own funds or under the current credit agreements.

## Cash flow from financing activities

The cash flow from financing activities in the reporting period amounting to EUR 50,551 thousand (previous year: EUR -4,315 thousand) increased particularly strongly. The increase is mainly due to the inflow of funds from the capital increase mentioned above.

## Asset position

Total assets of EUR 145,878 thousand as of September 30, 2022 (December 31, 2021: EUR 87,365 thousand) increased by 67.0% to EUR 58,513 thousand compared to the end of the previous fiscal year. This was mainly due to the capital increase.

Inventories increased, on the one hand, due to a principally higher level of stockpiling of intermediate goods in order to prevent potential interruptions in supply chains and supply bottlenecks and, on the other hand, due to the strong growth in sales by approx. 76.6% to EUR 25,044 thousand (December 31, 2021: EUR 14,185 thousand).

Trade receivables increased significantly by 21,0% to EUR 21,298 thousand (December 31, 2021: EUR 17,608 thousand).

In the reporting period, the share of non-current assets in total assets decreased noticeably to 20.2% due to the significant increase in cash and cash equivalents (December 31, 2021: 32.8%).

As of September 30, 2022, intangible assets increased to EUR 18,593 thousand (December 31, 2021: EUR 17,698 thousand), mainly due to capitalized development expenses, which amounted to EUR 9,078 thousand as of September 30, 2022 (December 31, 2021: EUR 8,768 thousand) and higher recognized goodwill of SFC Energy Ltd. and SFC Energy B.V. which amounted to EUR 8,970 thousand as of September 30, 2022 (December 31, 2021: EUR 8,414 thousand). The increase resulted from positive currency translation effects with regard to the goodwill allocated to SFC Energy Ltd. Capitalized development expenses in the reporting period amounting to EUR 1,286 thousand (previous year: EUR 1,075 thousand) were amortized as scheduled.

Property, plant and equipment increased to EUR 8,720 thousand (December 31, 2021: EUR 8,887 thousand). Investments in property, plant and equipment in the reporting period amounted to EUR 1,032 thousand (previous year: EUR 456 thousand).

Current liabilities increased in the reporting period by EUR 5,408 thousand to EUR 26,406 thousand (December 31, 2021: EUR 20,998 thousand). This was mainly due to the increase in trade payables and the increase in current liabilities to banks (working capital lines).

Trade payables amounting to EUR 10,811 thousand (December 31, 2021: EUR 7,642 thousand) were significantly higher than at the end of fiscal year 2021.

Non-current liabilities increased by EUR 4,399 thousand to EUR 11,950 thousand (December 31, 2021: EUR 16,348 thousand). This decrease is mainly due to the liabilities from the LTI programs included in non-current liabilities in the amount of EUR 3,091 thousand (December 31, 2021: EUR 7,211 thousand).

Financial liabilities increased by EUR 1,068 thousand in the reporting period to EUR 3,803 thousand (December 31, 2021: EUR 2,735 thousand) and are exclusively of a short-term nature. They mainly relate to working capital lines of SFC B.V. and SFC Ltd.

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

NET FINANCIAL LIABILITIES	in EUR thousand		
	09/30/2022	12/31/2022	Change
Liabilities to banks	3,803	2,735	39%
<i>thereof SFC Energy AG</i>	0	0	-
<i>thereof SFC Energy B.V.</i>	2,728	2,190	25%
<i>thereof SFC Energy Ltd.</i>	1,075	545	97%
<b>less</b>			
freely available cash and cash equivalents <sup>a)</sup>	64,170	24,623	43.7%
<b>Sum (net financial position)</b>	<b>60,368</b>	<b>21,888</b>	<b>54.3%</b>

a) Cash and cash equivalents less restricted cash and cash equivalents

In total, debt as a percentage of total capital amounted to 26.3% (December 31, 2021: 42.7%).

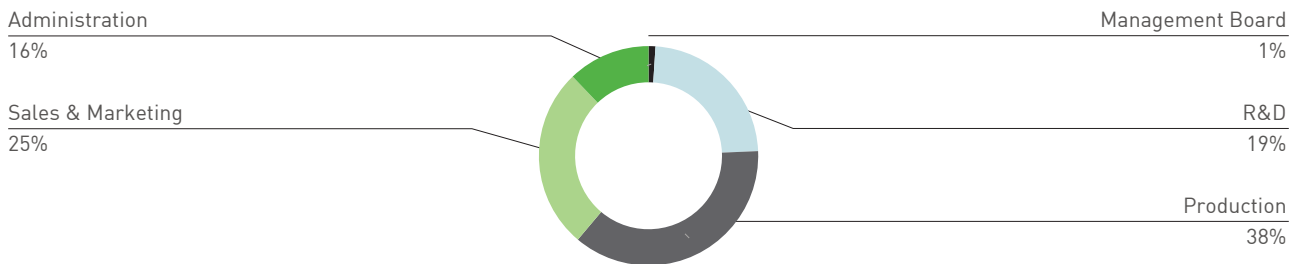
In the reporting period, the Group's equity increased to EUR 107,522 thousand (December 31, 2021: EUR 50,019 thousand). The equity ratio also increased significantly to 73.7% (December 31, 2021: 57.3%). With regard to the development of equity, reference is made to the Consolidated Statement of Changes in Equity in the additional financial information.

## Employees

The number of permanent employees as of September 30, 2022, is as follows:

EMPLOYEES	09/30/2022	12/31/2022	Change
Management Board	3	3	0
Research and Development	64	64	0
Production, Logistics, Quality Management	127	103	24
Sales and Marketing	84	76	8
Administration	53	42	11
<b>Permanent employees</b>	<b>331</b>	<b>288</b>	<b>43</b>

## EMPLOYEES BY FUNCTIONAL AREA



As of September 30, 2022, the Group employed a total of 331 (December 31, 2021: 288) permanent employees worldwide.

## FORECAST

The global economic climate has become increasingly gloomy since the beginning of the year. Among other developments, this led to a slight decline in global production in the second quarter.<sup>1</sup> At the same time, however, the economy developed very heterogeneously from region to region. In particular, further lockdowns or impairments in China as a result of the zero COVID policy there and the effects of the military conflicts in Ukraine have significantly reduced business and consumer confidence and driven up energy prices. In addition, due to high inflation rates, many central banks have ended their expansionary monetary policy and raised key interest rates. These developments are leading to significantly lower growth expectations worldwide and possibly even a recession in the further course of the year in some regions, including Europe and the United States.

On a positive note, various indicators suggest that the supply chain bottlenecks and logistical challenges, which increased steadily over the course of 2021 and early 2022, have recently eased, although they remain significant and cannot yet be referred to as normalizing. Sea freight costs are also gradually dropping. Still, the economic outlook remains subject to considerable uncertainties and the burdens and cost pressures persist.

Despite these macroeconomic challenges, we are seeing sustained high demand for our fuel cell solutions. Although we continue to expect macroeconomic developments to remain subdued for the remainder of fiscal year 2022 from a global perspective, we expect our business to continue to develop positively.

Due to the economic and geopolitical imponderables summarized above, our forecasts (including the following key indicators) are subject to increased uncertainty. We are monitoring the further developments very closely and will adjust our expectations accordingly, if necessary.

1) IFW (September 2022): Kiel Economic Reports



## Sales

Under the conditions presented above, we expect our segments to continue to grow further in terms of sales. Based on our successful operational development in the first nine months of 2022, which was characterized by strong growth in sales in the Clean Energy segment and sustained high order volumes in both segments, as well as a continued dynamic development of business through the end of the fiscal year, we are narrowing down our forecast for the SFC Group and anticipate organic growth in sales at the upper end of the previous forecast range of EUR 81.0 million to EUR 83.0 million in fiscal year 2022 (previously: EUR 75.0 million to EUR 83.0 million).

## Underlying EBITDA

Underlying EBITDA is one of our key financial performance indicators for managing the operating business. Thanks to how positively demand has developed, the improved product mix and positive exchange rate developments for our business, we are narrowing down our forecast for underlying EBITDA for fiscal year 2022 towards the upper end of the forecast range and expect underlying EBITDA of between EUR 7.5 million and EUR 8.5 million (previously: EUR 6.0 to EUR 9.1 million).

## Underlying EBIT

In line with the positive development of earnings in the first nine months of the fiscal year and the expectations outlined above, we are raising underlying EBIT to a range of EUR 2.6 million to EUR 3.6 million (previously: EUR 1.6 million to EUR 2.9 million).

This more precise forecast assumes that there will be no significant interruptions to production through the end of the year and that supply chains will remain largely intact.

# ADDITIONAL FINANCIAL INFORMATION

## Consolidated Statement of Income

FROM JANUARY 1 TO SEPTEMBER 30, 2022 (UNAUDITED)

in EUR

	2022 01/01 - 09/30	2021 01/01 - 09/30
Sales	63,776,005	46,475,841
Cost of goods sold and services rendered to generate sales revenue	-40,407,988	-29,385,761
<b>Gross profit</b>	<b>23,368,017</b>	<b>17,090,079</b>
Selling expenses	-9,768,776	-11,440,723
Research and development expenses	-3,624,238	-2,132,574
General administrative expenses	-7,537,768	-7,956,699
Other operating income	4,041,507	743,847
Other operating expenses	-353,131	-36,890
<b>Operating result (EBIT)</b>	<b>6,125,611</b>	<b>-3,732,959</b>
Interest and similar income	4	4
Interest and similar expenses	-303,632	-292,682
<b>Earnings before taxes</b>	<b>5,821,983</b>	<b>-4,025,637</b>
Income taxes	-567,701	-340,929
<b>Consolidated net result for the period</b>	<b>5,254,282</b>	<b>-4,366,566</b>
<b>Earnings per share</b>		
undiluted	0.35	-0.30
diluted	0.34	-0.30

## Consolidated Statement of Comprehensive Income

FROM JANUARY 1 TO SEPTEMBER 30, 2022 (UNAUDITED)

in EUR

	2022 01/01 - 09/30	2021 01/01 - 09/30
<b>Consolidated net result for the period</b>	<b>5,254,282</b>	<b>-4,366,566</b>
Other comprehensive income to be reclassified to profit or loss for the period in the future:		
Differences from the translation of foreign subsidiaries	616,152	338,610
<b>Changes in value recognized directly in equity</b> (Total other comprehensive income)	<b>616,152</b>	<b>338,610</b>
<b>Total comprehensive result for the period</b>	<b>5,870,434</b>	<b>-4,027,956</b>

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

## Consolidated Statement of Financial Position

### ASSETS AS OF SEPTEMBER 30, 2022 (UNAUDITED)

in EUR

	09/30/2022	12/31/2022
<b>Current assets</b>	<b>116,348,361</b>	<b>58,724,007</b>
Inventories	25,044,248	14,184,541
Trade receivables	21,297,737	17,608,015
Assets from contracts with customers	1,430,321	243,437
Other assets and receivables	4,020,661	1,680,439
Cash and cash equivalents	64,170,467	24,622,648
Restricted cash and cash equivalents	384,927	384,927
<b>Non-current assets</b>	<b>29,529,654</b>	<b>28,641,235</b>
Intangible assets	18,593,356	17,698,268
Property, plant and equipment	8,719,542	8,886,706
Deferred tax assets	2,216,756	2,056,261
<b>Assets</b>	<b>145,878,015</b>	<b>87,365,242</b>

## Consolidated Statement of Financial Position

### LIABILITIES AND SHAREHOLDERS' EQUITY AS OF SEPTEMBER 30, 2022 (UNAUDITED)

in EUR

	09/30/2022	12/31/2022
<b>Current liabilities</b>	<b>26,406,216</b>	<b>20,998,034</b>
Tax provisions	8,901	78,710
Other accrued liabilities	2,030,184	1,941,650
Liabilities to banks	3,802,706	2,734,888
Liabilities from advance payments	157,522	136,703
Trade payables	10,810,827	7,641,959
Leasing liabilities	2,057,150	1,859,824
Liabilities from contracts with customers	427,831	277,157
Other liabilities and accruals	7,111,095	6,327,143
<b>Non-current liabilities</b>	<b>11,949,647</b>	<b>16,348,354</b>
Other provisions	1,851,298	1,529,184
Leasing liabilities	4,293,920	4,890,839
Other liabilities	3,886,048	8,005,575
Deferred tax liabilities	1,918,381	1,922,756
<b>Equity</b>	<b>107,522,152</b>	<b>50,018,854</b>
Subscribed capital	17,363,691	14,469,743
Capital reserve	168,375,464	119,636,548
Other changes in equity with no effect on profit or loss	-10,416	-626,568
Result carried forward	-83,460,869	-77,631,411
Consolidated net result for the period	5,254,282	-5,829,458
<b>Liabilities and shareholders' equity</b>	<b>145,878,015</b>	<b>87,365,242</b>

## Consolidated Statement of Cash Flows

FROM JANUARY 1 TO SEPTEMBER 30, 2022 (UNAUDITED)

in EUR

	2022 01/01 - 09/30	2021 01/01 - 09/30
<b>Cash flow from operating activities</b>		
<b>Result before taxes</b>	<b>5,821,983</b>	<b>-4,025,637</b>
+ Interest result	303,628	292,678
+ Amortization of intangible assets and depreciation of property, plant and equipment	3,628,337	3,096,757
+/- Expenses/income from LTI programs	-2,407,633	6,131,805
+ Change in the valuation allowance	104,766	-184,421
+/- Losses/gains on the disposal of non-current assets	50,919	-2,475
+/- Other non-cash income and expenses	-51,211	-9,903
<b>Operating cash flow before changes in working capital</b>	<b>7,450,789</b>	<b>5,298,804</b>
+/- Increase / decrease in provisions	-223,411	303,146
-/+ Increase / decrease in trade receivables	-3,154,332	-2,862,749
-/+ Increase / decrease in inventories	-10,786,345	-813,261
-/+ Increase / decrease in other receivables and assets	-3,461,724	-1,207,467
+/- Increase / decrease in trade payables	2,681,939	1,403,336
+/- Increase/decrease in other liabilities	-491,744	-1,522,875
<b>Cash flow from operating activities before income taxes</b>	<b>-7,984,828</b>	<b>598,934</b>
+/- Income tax refunds/payments	-228,769	-203,724
<b>Cash flow from operating activities</b>	<b>-8,213,597</b>	<b>395,211</b>

## Consolidated Statement of Cash Flows

FROM JANUARY 1 TO SEPTEMBER 30, 2022 (UNAUDITED)

in EUR

	2022 01/01 - 09/30	2021 01/01 - 09/30
<b>Cash flow from investing activities</b>		
Investments in intangible assets from development projects	-1,595,882	-1,773,033
+ Investments in other intangible assets	-190,585	-187,715
+ Investments in property, plant and equipment	-1,032,200	-456,489
+ Interest and similar income received	5	5
- "Deposits from the purchase of restricted bank balances"	-1	0
Sale of fixed assets	0	9,000
<b>Cash flow from investing activities</b>	<b>-2,818,663</b>	<b>-2,408,233</b>
<b>Cash flow from financing activities</b>		
+ Proceeds from the issue of equity instruments of the company	56,431,986	0
- Cost of equity issuance	-5,159,463	0
- Repayment of financial debt	-239,870	-485,900
+/- Change in current account liabilities	1,256,539	-2,280,361
- Repayment of lease liabilities	-1,434,536	-1,264,479
- Interest paid and similar expenses	-303,632	-284,505
<b>Cash flow from financing activities</b>	<b>50,551,024</b>	<b>-4,315,245</b>
Cash and cash equivalents at the beginning of the reporting period	24,622,648	31,464,099
Cash and cash equivalents at the end of the reporting period	64,170,467	25,148,288
<b>Net change in cash and cash equivalents</b>	<b>39,518,764</b>	<b>-6,328,267</b>

## Group segment reporting

FROM JANUARY 1 TO SEPTEMBER 30, 2022 (UNAUDITED)

in EUR

	Clean Energy		Clean Power Management		Group	
	2022	2021	2022	2021	2022	2021
Sales	43,918,240	30,280,343	19,857,765	16,195,498	63,776,005	46,475,841
Cost of goods sold and services rendered to generate sales revenue	-25,413,051	-17,460,086	-14,994,937	-11,925,675	-40,407,988	-29,385,761
<b>Gross profit</b>	<b>18,505,189</b>	<b>12,820,257</b>	<b>4,862,828</b>	<b>4,269,823</b>	<b>23,368,017</b>	<b>17,090,079</b>
Selling costs	-8,362,929	-10,040,263	-1,405,847	-1,400,460	-9,768,776	-11,440,723
Research and development expenses	-1,994,929	-895,429	-1,629,309	-1,237,145	-3,624,238	-2,132,574
General administrative expenses	-5,255,038	-6,464,814	-2,282,730	-1,491,885	-7,537,768	-7,956,699
Other operating income	3,974,618	743,847	66,889	0	4,041,507	743,847
Other operating expenses	-340,866	-36,890	-12,265	0	-353,131	-36,890
<b>EBIT</b>	<b>6,526,046</b>	<b>-3,873,292</b>	<b>-400,434</b>	<b>140,333</b>	<b>6,125,612</b>	<b>-3,732,959</b>
Adjustments to EBIT	-2,388,338	6,425,424	0	0	-2,388,338	6,425,424
<b>Underlying EBIT</b>	<b>4,137,708</b>	<b>2,552,132</b>	<b>-400,434</b>	<b>140,333</b>	<b>3,737,274</b>	<b>2,692,465</b>
Depreciation	2,845,148	2,333,273	783,189	763,484	3,628,337	3,096,757
<b>EBITDA</b>	<b>9,371,194</b>	<b>-1,540,019</b>	<b>382,755</b>	<b>903,817</b>	<b>9,753,949</b>	<b>-636,202</b>
Adjustments to EBITDA	-2,388,338	6,425,424	0	0	-2,388,338	6,425,424
<b>Underlying EBITDA</b>	<b>6,982,856</b>	<b>4,885,405</b>	<b>382,755</b>	<b>903,817</b>	<b>7,365,611</b>	<b>5,789,222</b>
<b>EBIT</b>					<b>6,125,612</b>	<b>-3,732,959</b>
Financial result					-303,628	-292,678
Result before taxes					5,821,984	-4,025,637
Taxes on income and earnings					-567,701	-340,929
Consolidated result for the period					5,254,282	-4,366,566



## SUPPLEMENTARY REPORT

Up until 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, November 15, 2022  
The Management Board



Dr. Peter Podesser  
Chairman of the Board (CEO)



Daniel Saxena  
Board member (CFO)



Hans Pol  
Board member (COO)

## 2022 FINANCIAL CALENDAR

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 NOVEMBER 15, 2022
 

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 NOVEMBER 28 – 30, 2022
 

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 Q3 2022 QUARTERLY RELEASE
 

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 GERMAN EQUITY FORUM
 

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## SHARE INFORMATION

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 Bloomberg symbol
 

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 F3C
 

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 Reuters symbol
 

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 CXPNX
 

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 GSIN
 

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 756857
 

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 ISIN
 

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 DE0007568578
 

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 Number of shares outstanding as of 09/30/2022
 

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 17,363,691
 

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 Stock category
 

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 No-par-value shares
 

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 Stock exchange segment
 

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 Prime Standard, Renewable Energies
 

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 Stock exchange
 

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 Frankfurt, FWB
 

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 Designated sponsor
 

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 mwb fairtrade Wertpapierhandelsbank AG
 

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## INVESTOR RELATIONS

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Responsible: SFC Energy AG  
Text & editing: SFC Energy AG  
Design & realization: CROSS ALLIANCE communication GmbH

This quarterly release contains forward-looking statements and information – that is statements about future, not past events. These forward-looking statements can be identified by terms used such as “expect,” “intend,” “plan,” “believe,” “aim,” “estimate” or similar wording. Such forward-looking statements are based on our current expectations and certain assumptions. They therefore involve a number of risks and uncertainties. A variety of factors, many of which are beyond SFC Energy AG’s control, affect SFC Energy AG’s business activities, performance, business strategy and results. These factors could cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. SFC Energy AG assumes no obligation to update forward-looking statements.