Q1
2022

QUARTERLY RELEASE

January 1 to March 31, 2022

SFC ENERGY

TABLE OF CONTENTS

SFC ENERGY AG – AT A GLANCE 3

INTERIM REPORT ON BUSINESS DEVELOPMENT AS OF MARCH 31, 2022 4

BUSINESS DEVELOPMENT AND ECONOMIC SITUATION 5
- EARNINGS POSITION 5
- ASSET AND FINANCIAL POSITION 12

FORECAST 17

ADDITIONAL FINANCIAL INFORMATION 18
- CONSOLIDATED STATEMENT OF INCOME 18
- CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 19
- CONSOLIDATED STATEMENT OF FINANCIAL POSITION 20
- CONSOLIDATED STATEMENT OF CASH FLOWS 22
- GROUP SEGMENT REPORTING 24

SUPPLEMENTARY REPORT 25

2022 FINANCIAL CALENDAR 26

The figures presented in this quarterly release have been rounded in accordance with standard commercial practice. This may mean that individual values do not add up to the totals shown.

The financial figures for the first three months of 2022 and 2021 are unaudited and not subject to an auditor's review.

SFC ENERGY AG – AT A GLANCE

SFC ENERGY AG – AT A GLANCE

in EURk

	01/01-03/31/2022	01/01-03/31/2021	Change in %
Sales	17,905	16,984	5.4%
Gross profit	5,608	6,203	-9.6%
Gross margin	31.3%	36.5%	
EBITDA	161	-2,458	n/m
EBITDA margin	0.9%	-14.5%	
adjusted EBITDA	809	2,346	-65.5%
adjusted EBITDA margin	4.5%	13.8%	
EBIT	-1,066	-3,378	n/m
EBIT margin	-6.0%	-19.9%	
adjusted EBIT	-418	1,425	n/m
adjusted EBIT margin	-2.3%	8.4%	
Consolidated net result for the period	-1,178	-3,635	n/m
Earnings per share, undiluted	-0.08	-0.25	n/m
Earnings per share, diluted	-0.08	-0.25	

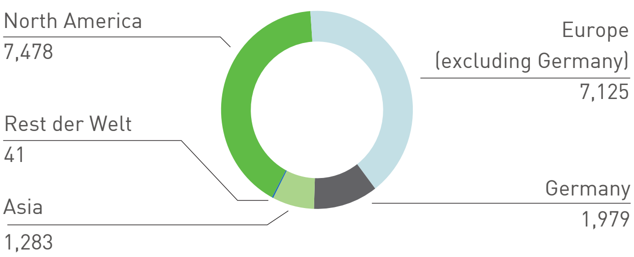
SALES BY QUARTER

in EURk

SALES BY REGION

in EURk

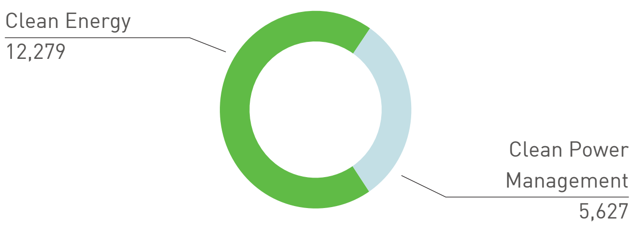
01/01-03/31/2022



SALES BY SEGMENT

in EURk

01/01-03/31/2022



INTERIM REPORT ON BUSINESS DEVELOPMENT AS OF MARCH 31, 2022

Brunnthal, May 17, 2022

Die SFC Energy AG (ISIN: DE0007568578), a leading provider of fuel cell solutions for stationary and mobile applications based on hydrogen as well as direct methanol (DMFC) technology, announced its business performance and key events today as part of the publication of its Q1 / 2022 quarterly release for the period from January 1, 2022, to March 31, 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 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 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 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 for applications in the industrial, private (consumer) and government (public safety) sectors for various markets, such as the telecommunication equipment, security and surveillance technology, remote sensing technology, defense technology, but also the caravanning and marine market. 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.

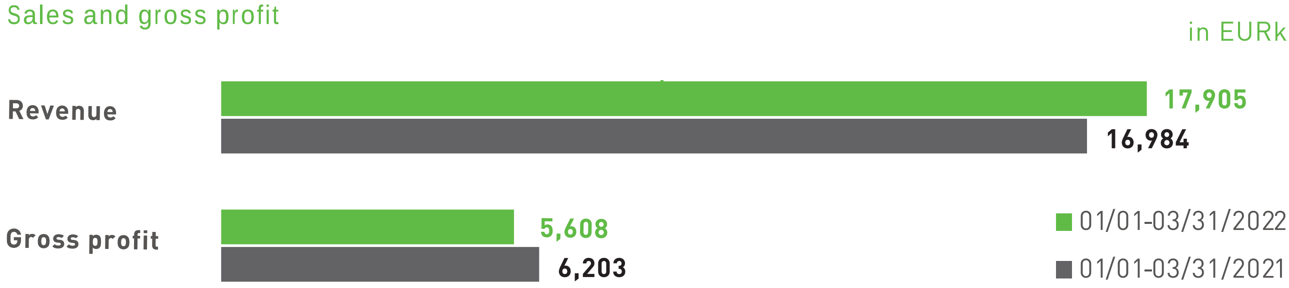
BUSINESS DEVELOPMENT AND ECONOMIC SITUATION

EARNINGS POSITION

Compared to the same period of the previous year ("previous year"), the Group achieved an increase in revenue of EUR 921k or 5.4% to EUR 17,905k (previous year: EUR 16,984k) in the first three months of fiscal year 2022 ("reporting period"). This positive development in revenue is due to the growth of the Clean Energy segment, which realized a year-on-year increase in revenue of 21.9% compared to the previous year.

In the reporting period, despite the positive development of the Group's revenue, increased material, logistics and transport costs in particular had the opposite effect on gross profit. This decreased by EUR 595k or 9.6% and amounted to EUR 5,608k (previous year: EUR 6,203k). The resulting gross profit margin of the Group (gross profit as a percentage of turnover) decreased noticeably to 31.3% (previous year: 36.5%).

Sales and gross profit



Sales development by segment

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

Sales by segment

in EURk

Segment	01/01-03/31/2022	01/01-03/31/2021	Change in %
Clean Energy	12,279	10,071	21.9%
Clean Power Management	5,627	6,913	-18.6%
Total	**17,905**	**16,984**	**5.4%**

Sales breakdown by segment
01/01-03/31/2022

in %

The Clean Energy segment's share of Group sales increased to 68.6% (previous year: 59.3%) and remained the segment with the highest sales, while the Clean Power Management segment's share of sales decreased to 31.4% (previous year: 40.7%).

Sales by region

The development of sales by region for the reporting period compared to the previous year is as follows:

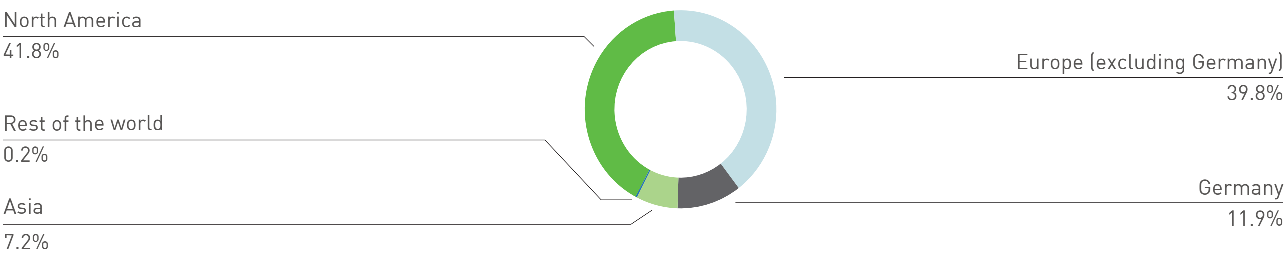
Sales by region

in EURk

	01/01-03/31/2022	01/01-03/31/2021	Change in %
North America	7,478	6,124	22.1%
Europe (excluding Germany)	7,125	8,245	-13.6%
Germany	1,979	2,292	-13.6%
Asia	1,283	319	301.5%
Rest of the world	41	3	n/m
Total	**17,905**	**16,984**	**5.4%**

Sales breakdown by region
01/01-03/31/2022

in %



In terms of regional sales development, the following changes occurred in the reporting period compared to the previous year: The North America region contributed 41.8% to consolidated sales (previous year: 36.1%), recorded the highest growth in absolute terms at EUR 1,354k, and replaced Europe (excluding Germany) as the largest sales region. The share of Group sales accounted for by Europe (excluding Germany) remained below the previous year's level at 39.8% (previous year: 48.5%) in the period under review. Asia's share of Group sales increased significantly to 7.2% (previous year: 1.9%).

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 decrease the operating result for the reporting period in the presentation of financial performance indicators and to reflect 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 adjusted EBITDA and adjusted 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. These programs are stock appreciation rights ("SARs") and stock option programs ("MSOP") (together "LTI programs") for the Management Board and for employees (managers). Expenses in the reporting period amounted to EUR 223k (previous year: EUR 4,804k) ("special expenses").

In addition, income from the reversal of provisions for the SARs ("special income") amounting to EUR 113k (previous year: EUR 0k) was recognized under non-recurring effects in the reporting period. This income was due to the reversal through profit or loss of provisions already recognized for the SARs, which were higher than the payment for the amounts received in cash in the current fiscal year.

Expenses associated with transaction efforts in the amount of EUR 538k (previous year: EUR 0k) are included in the non-recurring effects ("special expenses").

In total, the non-recurring effects are included in EBIT and EBITDA as a net expense of EUR 648k (previous year: EUR 4,804k) for the reporting period.

Expenses for the LTI programs of the acting members of the Management Board are included in both selling expenses and general and administrative expenses. Expenses for the LTI programs of employees (managers) are included in selling expenses and in research and development expenses. Expenses associated with transaction efforts are included in general and administrative expenses and income from reversals 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 items in the Consolidated Statement of Income are accordingly as follows:

Non-recurring effects		in EURk
	01/01-03/31/2022	01/01-03/31/2021
Expenses for LTI programs	-222.6	-4,803.5
Income from SARs	113.1	0.0
Expenses for transaction efforts	-538.3	0.0
Total net expense	**-647.7**	**-4,803.5**
of which included in selling expenses	50.6	-2,672.7
of which included in research and development expenses	-2.6	0.0
of which included in general and administrative expenses	-808.8	-2,130.8
of which included in other operating income	113.1	0.0

Gross profit

Compared to the same period of the previous year, gross profit decreased significantly by 9.6% to EUR 5,608k (previous year: EUR 6,203k), a decline of EUR 595k. This drop was mainly due to the above-mentioned increase in prices for intermediate goods and transport and logistics services.

The gross profit margin of the Group (gross profit as a percentage of sales) resulting from the development of sales fell significantly in the reporting period to 31.3% (previous year: 36.5%). The gross profit margin declined in both the higher-margin Clean Energy segment and the Clean Power Management segment.

Selling expenses

Selling expenses fell significantly by 48.7% compared to the previous year to EUR 2,684k (previous year: EUR 5,229k) in the reporting period. The development is due in particular to the non-recurring effects included in selling expenses. In the reporting period, selling expenses included special income in the amount of EUR 51k, while in the previous year they included special expenses in the amount of EUR 2,673k.

Adjusted for this effect, selling expenses increased by 7.0% or EUR 178k to EUR 2,734k in the reporting period (previous year: EUR 2,557k). The increase is mainly attributable to higher personnel expenses and expenses for consulting and commission. These resulted from the combination of a higher headcount and the discontinuation of pandemic-related government grants and salary reductions, which in the previous year mainly relieved the selling expenses of the Clean Power Management segment.

Group-wide, adjusted selling expenses as a percentage of sales remained at the previous year's level of 15.0% (previous year: 15.1%) due to the higher sales.

Research and development expenses

Research and development expenses recognized in the Consolidated Statement of Income increased significantly by 23.0% to EUR 1,080k in the reporting period (previous year: EUR 878k).

Adjusted for the above-mentioned extraordinary expenses of EUR 3k (previous year: EUR 0k) and including development expenses capitalized and grants received in the reporting period totaling EUR 699k (previous year: EUR 690k), the Group's total research and development expenses amounted to EUR 1,776k (previous year: EUR 1,568k). The higher expenses in the reporting period resulted mainly from higher personnel expenses.

The total development ratio of the Group (research and development expenses including capitalized development costs and grants as a percentage of sales) and adjusted for the special expenses were slightly above the previous year's level at 9.9% (previous year: 9.2%) due to the growth in sales and the abovementioned effects.

General administrative expenses

At EUR 3,292k (previous year: EUR 3,663k), general and administrative expenses in the reporting period were significantly lower than in the same period of the previous year. After adjustment for the above-mentioned non-recurring effects of EUR 809k (previous year: EUR 2,131k), general and administrative expenses increased significantly by 62.1% compared to the same period of the previous year to EUR 2,484k (previous year: EUR 1,532k). This increase is mainly due to higher personnel expenses as well as significantly higher audit, legal and consulting expenses.

Other operating income

Other operating income increased significantly compared to the same period of the previous year to EUR 389k (previous year: EUR 203k). The main reason for this is the income from the reversal of SARs provisions in the amount of EUR 113k (previous year: EUR 0k), which is included in the non-recurring effects described above. The item also includes income from exchange rate differences amounting to EUR 284k (previous year: EUR 203k).

Other operating expenses

Other operating expenses amounted to EUR 6k in the reporting period (previous year: EUR 14k) and resulted from expenses from exchange rate differences.

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

The Group's earnings before interest, taxes, depreciation and amortization (EBITDA) increased to EUR 161k in the reporting period (previous year: EUR -2,458k), resulting in an EBITDA margin (EBITDA as a percentage of sales) of 0.9% (previous year: -14.5%). The increase in EBITDA compared to the same period of the previous year is mainly due to the lower charges for functional costs with the non-recurring effects listed above.

The significant financial performance indicator for managing the operating business, EBITDA adjusted for special effects (adjusted EBITDA), amounted to EUR 809k in the reporting period (previous year: EUR 2,346k) and decreased sharply compared to the previous year's figure by EUR 1,537k. The adjusted EBITDA margin recorded a significant decrease of 9.3 percentage points and was significantly below the previous year's level at 4.5% (previous year: 13.8%).

Essentially, the decrease in gross profit in conjunction with the increase in functional costs, in particular general and administrative expenses, caused the decrease in adjusted EBITDA.

Operating result (EBIT)

The Group's earnings before interest and taxes (EBIT) improved to EUR -1,066k in the reporting period (previous year: EUR -3,378k). Although the EBIT margin (EBIT in relation to sales) improved to -6.0% (previous year: -19.9%), it remained negative due to the above-mentioned effects and, above all, higher scheduled amortization for capitalized development costs.

EBIT adjusted for the special effects (adjusted EBIT) amounted to EUR -418k (previous year: EUR 1,425k) and was thus significantly lower than the previous year's figure by EUR 1,843k. This resulted in an adjusted EBIT margin of -2.3% (previous year: 8.4%).

Interest and similar income

Interest and similar income amounted to EUR 0k (previous year: EUR 0k) due to the low level of interest rates.

Interest and similar expenses

Interest and similar expenses of EUR 101k (previous year: EUR 78k) include interest expenses from the application of IFRS 16 in the amount of EUR 59k (previous year: EUR 39k).

Consolidated net income for the period

The reporting period ended with a consolidated loss for the period of EUR -1,178k (previous year: EUR -3,635k).

Earnings per share

The undiluted and diluted loss per share in accordance with IFRS amounted to EUR -0.08 in the reporting period (previous year: EUR -0.25).

Incoming orders and order backlog

Incoming orders amounted to EUR 44,257k in the reporting period. Accordingly, the Group's order backlog increased to EUR 57,144k as of the reporting date March 31, 2022 (December 31, 2021: EUR 30,551k). Of this amount, SFC AG accounted for EUR 12,444k (December 31, 2021: EUR 8,529k), SFC B.V., for EUR 31,882k (December 31, 2021: EUR 10,907k) and SFC Ltd. for EUR 12,817k (December 31, 2021: EUR 11,116k).

Clean Energy

In the period under review, the segment generated sales of EUR 12,279k (previous year: EUR 10,071k), representing an increase of EUR 2,208k or 21.9% compared to the same period of the previous year.

Sales of fuel cell solutions for industrial applications, which made the largest contribution to segment sales, increased significantly in the reporting period, followed by our solutions for private (consumer) applications. Sales to public safety customers, which made the smallest contribution to segment sales, also increased significantly in the reporting period following low sales in the same period of the previous year due to the pandemic.

The segment's gross margin of 34.3% (previous year: 40.7%) in the reporting period was below the level of the same period of last year, mainly due to higher prices for intermediate goods and higher transport and logistics expenses. However, gross profit remained at the previous year's level of EUR 4,206k (previous year: EUR 4,096k) due to the growth in sales.

At EUR 2,293k (previous year: EUR 2,035k), selling expenses adjusted for the above-mentioned extraordinary income of EUR 51k (previous year: extraordinary expenses of EUR 2,673k) were 12.7% higher than in the previous year.

The segment's general and administrative expenses, adjusted for the above-mentioned non-recurring expenses of EUR 809k (previous year: EUR 2,131k), increased significantly in the reporting period by 69.4% to EUR 1,705k (previous year: EUR 1,006k) and were thus significantly above the level of the previous year. The increase is mainly attributable to higher personnel expenses as well as auditing and consulting costs.

Mainly due to the significantly lower gross profit and higher general and administrative expenses, EBITDA adjusted for special effects decreased to EUR 900k (previous year: EUR 1,539k) in the reporting period, resulting in a likewise significantly lower adjusted EBITDA margin for the segment of 7.3% (previous year: 15.3%).

Clean Power Management

Compared to the previous year's figure, the Clean Power Management segment recorded a decline in sales of 18.6% to EUR 5,627k (previous year: EUR 6,913k). The decline was mainly due to the challenging procurement environment for electronic components, which impacts the segment to a greater extent than the Clean Energy segment.

The gross profit of the Clean Power Management segment decreased significantly to EUR 1,402k (previous year: EUR 2,107k). The decline was due to both the development of sales and increased prices for intermediate goods. The resulting gross margin of 24.9% (previous year: 30.5%) was significantly below the level of the same period last year.

At EUR 441k (previous year: EUR 522k), the segment's selling expenses were slightly below the previous year's level.

The segment's general and administrative expenses amounted to EUR 779k in the reporting period (previous year: EUR 525k) and were significantly higher than in the same period of the previous year, mainly due to higher personnel expenses of EUR 253k. In the same period of the previous year, the segment had benefited from pandemic-related government wage subsidies in Canada and the Netherlands.

The segment's EBITDA does not include any non-recurring effects. Mainly due to the significantly lower gross profit, EBITDA deteriorated to EUR -91k in the reporting period (previous year: EUR 807k). Due to the relatively higher functional costs, the segment's EBITDA margin decreased to -1.6% (previous year: 11.7%) compared to the same period of the previous year.

ASSET AND FINANCIAL POSITION

Capital structure

Equity amounted to EUR 49,273k as of March 31, 2022 (December 31, 2021: EUR 50,019k) and thus decreased by EUR 746k.

Cash and cash equivalents

As of March 31, 2022, freely available cash and cash equivalents amounted to EUR 19,931k (December 31, 2021: EUR 24,623k).

The net change in cash and cash equivalents amounted to EUR -4,692k (previous year: EUR 1,027k).

Overall, liabilities to banks increased by EUR 326k to EUR 3,061k (December 31, 2021: EUR 2,735k) in the reporting period compared to the end of fiscal year 2021.

The net financial position (freely available cash and cash equivalents less liabilities to banks) decreased by EUR 5,018k to EUR 16,870k in the reporting period (December 31, 2021: EUR 21,888k).

Cash flow and investments

Cashflow | in EURk

	01/01–31/03/2022	01/01–31/03/2021
Operating result before changes in working capital	213	2,157
Cash flow from		
operating activities	-3,387	2,151
investing activities	-1,044	-763
financing activities	-261	-362

Cash flow from operating activities

Cash flow from operating activities took a particularly sharp downturn in the reporting period compared to the same period of the previous year, amounting to EUR -3,387k (previous year: EUR 2,151k). The main reasons for this decrease were the negative development of adjusted EBITDA as explained above in connection with the increase in net working capital.

With regard to the main changes in net working capital, both trade receivables increased by EUR 110k with an effect on liquidity in the reporting period and trade payables increased by EUR 209k with an effect on liquidity in the same period. Inventories increased by EUR 877k with an effect on liquidity in the reporting period. Other current receivables increased by EUR 1,523k. This mainly relates to 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 3,515k (previous year: cash inflow of EUR 38k) in the reporting period.

Cash flow from investing activities

Cash flow from investing activities amounted to EUR -1,044k in the reporting period (previous year: EUR -763k). The increase is mainly due to higher investments in operating and office equipment.

Investments

Investments in property, plant and equipment amounted to EUR 382k (previous year: EUR 125k). Investments in intangible assets amounted to EUR 662k (previous year: EUR 637k), of which EUR 604k (previous year: EUR 618k) related to capitalizable development expenses.

In relation to consolidated sales, the investment ratio including the recognition of rights of use in accordance with IFRS 16 corresponds to 5.8% (previous year: 4.5%).

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

Cash flow from financing activities

Cash flow from financing activities in the reporting period of EUR -261k (previous year: EUR -362k) mainly results from the repayment of lease liabilities of EUR 461k (previous year: EUR 386k) in connection with the application of IFRS 16.

Asset position

Total assets of EUR 86,350k as of March 31, 2022 (December 31, 2021: EUR 87,365k) decreased by 1.2% or by EUR 1,015k compared to the end of the previous fiscal year.

Inventories increased by around 6.9% to EUR 15,167k (December 31, 2021: EUR 14,185k), in particular due to higher stockpiling of intermediate goods in order to prevent potential interruptions in the supply chains and potential supply bottlenecks.

Trade receivables increased slightly by 1.0% to EUR 17,787k (previous year: EUR 17,608k).

In the reporting period, non-current assets accounted for 34.3% of total assets (December 31, 2021: 32.8%), slightly higher than at the end of fiscal year 2021.

Intangible assets increased to EUR 18,148k as of March 31, 2022 (December 31, 2021: EUR 17,698k), mainly due to capitalized development expenses, which amounted to EUR 8,936k as of March 31, 2022 (December 31, 2021: EUR 8,768k), and higher recognized goodwill of SFC Ltd. and SFC B.V., which amounted to EUR 8,685k as of March 31, 2022 (December 31, 2021: EUR 8,414k). The increase resulted from positive currency translation effects with regard to the goodwill allocated to SFC Ltd. Capitalized development expenses were amortized as scheduled in the reporting period in the amount of EUR 436k (previous year: EUR 305k).

Property, plant and equipment increased to EUR 9,320k (December 31, 2021: EUR 8,887k). Investments in property, plant and equipment amounted to EUR 382k in the reporting period (previous year: EUR 125k).

Current liabilities increased by EUR 1,788k to EUR 22,786k in the reporting period (December 31, 2021: EUR 20,998k). The main reason for this was the reclassification of non-current LTI liabilities to current liabilities.

At EUR 7,636k (December 31, 2021: EUR 7,642k), trade payables were at the same level as at the end of fiscal year 2021.

Non-current liabilities decreased by EUR 2,058k to EUR 14,291k in the reporting period (December 31, 2021: EUR 16,348k). The main items included in non-current liabilities are lease liabilities of EUR 5,046k (December 31, 2021: EUR 4,891k) and liabilities from the LTI programs of EUR 3,143k (December 31, 2021: EUR 7,210k).

Financial liabilities increased by EUR 326k to EUR 3,061k in the reporting period (December 31, 2021: EUR 2,735k) and are exclusively of a short-term nature. These mainly relate to working capital lines of SFC B.V. and SFC Ltd.

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

Net financial liabilities			in EURk
	03/31/2022	12/31/2021	Change
Liabilities to banks	3,061	2,735	326
of which SFC Energy AG	0	0	-
of which SFC Energy B.V.	2,276	2,190	86
of which SFC Energy Ltd.	785	545	240
less			
freely available cash and cash equivalents [a)]	19,931	24,623	-4,692
Sum	**16,870**	**21,888**	**-5,018**

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

In total, debt as a percentage of total capital amounted to 42.9% (December 31, 2021: 42.7%).

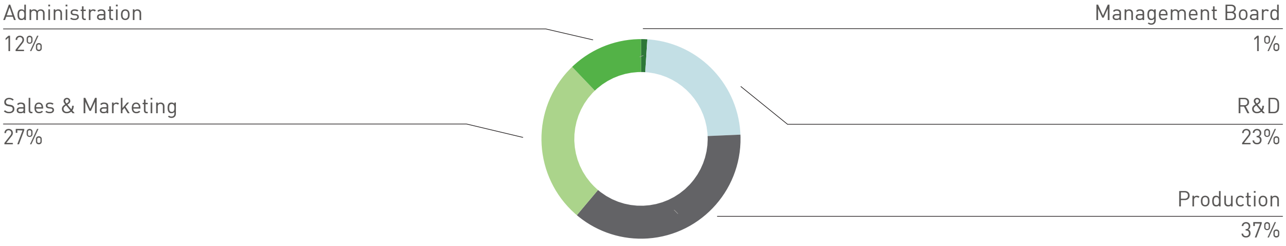
The Group's equity decreased to EUR 49,273k in the reporting period (December 31, 2021: EUR 50,019k). The equity ratio also decreased slightly to 57.1% (December 31, 2021: 57.3%). With regard to the development of equity, reference is made to the Consolidated Statement of Changes in Equity in the supplementary financial information.

Employees

The number of permanent employees as of March 31, 2022, is as follows:

Employees			
	03/31/2022	12/31/2021	Change
Management Board	3	3	-
Research and Development	62	64	-3.1%
Production, Logistics, Quality Management	115	103	11.2%
Sales and Marketing	83	76	9.2%
Administration	53	42	26.7%
Permanent employees	316	288	9.6%

Employees by functional area



As of March 31, 2022, the Group employed 316 permanent employees worldwide (December 31, 2021: 288).

FORECAST

The macroeconomic and geopolitical environment remains characterized by a high degree of uncertainty. The war in Ukraine and its impact on supply and transport chains, as well as on the timely availability and price development of energy and raw materials, are also contributing factors. We are not currently aware of any further impacts from the rapidly changing situation in Russia and Ukraine, but they could potentially have negative consequences for our business activities if the situation worsens further.

In addition to further geopolitical uncertainties, the outlook is also hampered by continuing shortages of electronic components and other industrial precursors as well as considerable inflationary pressure on companies. Last but not least, the further course of the pandemic, and in particular the strict countermeasures in China, harbor uncertainties for global supply chains and production.

According to the International Monetary Fund (IMF), the war in Ukraine will weigh heavily on the global economy. This means that the current bottlenecks in the supply chains and the further increase in raw material and energy prices will lead to significantly higher inflation. Based on the current assessment of April 19, 2022, the IMF expects global growth of only 3.6% and an inflation rate of 5.7% for the developed economies and 8.7% for the emerging and developing economies. The IMF thus once again revised its global growth target for 2022, which had stood at 4.4% in January 2022. [1]

Given this situation, we nevertheless anticipate continued growth in global demand for fuel cell solutions and increasing market penetration for our products. This is based on the assumptions of a continuing increase in off-grid energy demand, a continuing effort by politicians and society to reduce dependence on and use of fossil fuels, and a rapidly growing global acceptance of green energy technologies. We also assume that the increased costs on the input material and logistics side can be compensated via a price surcharge. Furthermore, we assume that the impact on our business from COVID-19 and bottlenecks in the supply chains will not worsen dramatically in the course of fiscal year 2022.

Sales

Under the conditions described above, we expect our businesses to continue to grow. After a good first three months of 2022, which were characterized by strong sales growth in the Clean Energy segment, and taking the challenges in the supply of intermediate goods and the price adjustments that have been made for our products, into account, we confirm our sales forecast for the current fiscal year of February 14 in (Consolidated sales: EUR 75 million to EUR 83 million).

Adjusted EBITDA

Adjusted EBITDA is one of our key financial performance indicators for managing the operating business. For fiscal year 2022, we confirm our adjusted EBITDA forecast of February 14, 2022 (adjusted EBITDA in a range of EUR 6.0 million to EUR 9.1 million).

Adjusted EBIT

In line with the results achieved in the first three months of the fiscal year and the expectations discussed above, we confirm the adjusted EBIT forecast of February 14, 2022 (adjusted EBIT of EUR 1.6 million to EUR 2.9 million).

[1] International Monetary Fund (April 2022): World Economic Outlook

ADDITIONAL FINANCIAL INFORMATION

Consolidated Statement of Income

FROM JANUARY 1 TO MARCH 31, 2022 (UNAUDITED) in EUR

	01/01-03/31/2022	01/01-03/31/2021
Sales	17,905,339	16,983,955
Cost of goods sold and services rendered to generate sales revenue	-12,297,537	-10,780,669
Gross profit	**5,607,802**	**6,203,286**
Sales costs	-2,683,808	-5,229,304
Research and development costs	-1,079,743	-878,101
General administrative expenses	-3,292,449	-3,662,607
Other operating income	388,525	202,659
Other operating expenses	-5,985	-14,090
Operating result (EBIT)	**-1,065,658**	**-3,378,157**
Interest and similar income	0	0
Interest and similar expenses	-101,337	-78,031
Earnings before taxes	**-1,166,995**	**-3,456,189**
Income taxes	-10,586	-178,785
Consolidated net income for the period	**-1,177,581**	**-3,634,973**
Earnings per share		
undiluted	-0.08	-0.25
diluted	-0.08	-0.25

Consolidated Statement of Comprehensive Income

FROM JANUARY 1 TO MARCH 31, 2022 (UNAUDITED) in EUR

	01/01-03/31/2022	01/01-03/31/2021
Consolidated net result	-1,177,581	-3,634,973
Other comprehensive income to be reclassified to profit or loss for the period in the future:		
Differences from the translation of foreign subsidiaries	311,323	337,588
Changes in value recognized directly in equity (Total other result)	311,323	337,588
Total comprehensive income for the period	**-866,258**	**-3,297,385**

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 MARCH 31, 2022 (UNAUDITED)

in EUR

	03/31/2022	12/31/2021
Current assets	**56,740,784**	**58,724,007**
Inventories	15,167,318	14,184,541
Trade receivables	17,786,971	17,608,015
Receivables from contracts with customers	668,893	243,437
Other short-term assets and receivables	2,801,583	1,680,439
Cash and cash equivalents	19,931,093	24,622,648
Cash and cash equivalents with limitation on disposal	384,927	384,927
Non-current assets	**29,609,207**	**28,641,235**
Intangible assets	18,147,745	17,698,268
Property, plant and equipment	9,320,075	8,886,706
Deferred tax assets	2,141,388	2,056,261
Assets	**86,349,992**	**87,365,242**

Consolidated Statement of Financial Position

LIABILITIES AND SHAREHOLDERS' EQUITY AS OF MARCH 31, 2022 (UNAUDITED)

in EUR

	03/31/2022	12/31/2021
Current liabilities	**22,786,277**	**20,998,034**
Provisions for taxes	19,510	78,710
Other provisions	1,458,712	1,941,650
Liabilities to banks	3,061,179	2,734,888
Liabilities from prepayments	209,438	136,703
Trade payables	7,635,850	7,641,959
Leasing liabilities	2,049,768	1,859,824
Liabilities from contracts with customers	195,724	277,157
Other liabilities and accurals	8,156,095	6,327,143
Non-current liabilities	**14,290,721**	**16,348,354**
Other provisions	1,641,694	1,529,184
Leasing liabilities	5,045,547	4,890,839
Other liabilities	5,632,074	8,005,575
Deferred tax liabilities	1,971,407	1,922,756
Equity	**49,272,994**	**50,018,854**
Subscribed capital	14,469,743	14,469,743
Capital reserve	119,756,947	119,636,548
Other changes in equity with no effect on profit or loss	-315,245	-626,568
Result carried forward	-83,460,869	-77,631,411
Consolidated net loss	-1,177,581	-5,829,458
Liabilities and shareholders' equity	**86,349,992**	**87,365,242**

Consolidated Statement of Cash Flows

FROM JANUARY 1 TO MARCH 31, 2022 (UNAUDITED) in EUR

		01/01-03/31/2022	01/01-03/31/2021
	Cash flow from operating activities		
	Result before taxes	**-1,166,995**	**-3,456,189**
+	Interest result	101,337	78,032
+	Amortization of intangible assets and depreciation of property, plant and equipment	1,226,795	920,571
+/-	Expenses/income from LTI programs	109,437	4,803,530
+	Change in the valuation allowance	-88,535	-132,406
+/-	Losses/gains on the disposal of non-current assets	48,319	-2,475
+/-	Other non-cash income and expenses	-17,197	-54,074
	Operating cash flow before changes in working capital	**213,160**	**2,156,989**
+/-	Changes in provisions	-383,768	26,806
-/+	Changes in trade receivables	109,584	-1,403,963
-/+	Changes in inventories	-877,299	739,075
-/+	Changes in other receivables and assets	-1,522,657	-707,613
+/-	Changes in trade payables	-208,534	1,573,753
+/-	Changes in other liabilities	-632,139	-189,954
	Cash flow from operating activities before income taxes	**-3,301,653**	**2,195,093**
+/-	Income tax refunds/payments	-85,069	-43,884
	Cash flow from operating activities	**-3,386,722**	**2,151,208**

Consolidated Statement of Cash Flows

FROM JANUARY 1 TO MARCH 31, 2022 (UNAUDITED)

in EUR

		01/01-03/31/2022	01/01-03/31/2021
	Cash flow from investing activities		
	Investments in intangible assets from development projects	-604,065	-617,942
+	Investments in other intangible assets	-57,677	-19,316
+	Investments in property, plant and equipment	-381,812	-125,369
	Cash flow from investing activities	**-1,043,554**	**-762,627**
	Cash flow from financing activities		
-	Repayment of financial liabilities	-170,654	-158,899
+/-	Change in current account liabilities	471,706	258,516
-	Repayment of leasing liabilities	-460,994	-386,194
-	Interest paid and similar expenses	-101,337	-75,312
	Cash flow from financing activities	**-261,279**	**-361,889**
	Cash-effective change in cash and cash equivalents	-4,691,555	1,026,692
	Net change in cash and cash equivalents		
	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	19,931,093	32,490,791
	Net change in cash and cash equivalents	**-4,691,555**	**1,026,692**

Group Segment Reporting

FROM JANUARY 1 TO MARCH 31, 2022 (UNAUDITED)

in EUR

	Clean Energy		Clean Power Management		Group	
	2022	2021	**2022**	2021	**2022**	2021
Sales	12,278,634	10,070,845	5,626,705	6,913,110	17,905,339	16,983,955
Production costs of work performed to generate sales	-8,073,059	-5,974,365	-4,224,478	-4,806,304	-12,297,537	-10,780,669
Gross profit	**4,205,575**	**4,096,480**	**1,402,227**	**2,106,806**	**5,607,802**	**6,203,286**
Sales costs	-2,242,391	-4,707,259	-441,418	-522,045	-2,683,808	-5,229,304
Research and development expenses	-530,896	-429,698	-548,847	-448,403	-1,079,743	-878,101
General administrative expenses	-2,513,620	-3,137,201	-778,830	-525,406	-3,292,449	-3,662,607
Other operating income	388,525	202,660	0	0	388,525	202,659
Other operating expenses	-5,985	-14,090	0	0	-5,985	-14,090
Other income/expenses	382,540	188,569	0	0	382,540	188,569
Operating result (EBIT)	**-698,791**	**-3,989,108**	**-366,868**	**610,951**	**-1,065,658**	**-3,378,157**
Adjustments to EBIT	647,728	4,803,530	0	0	647,728	4,803,530
adjusted EBIT	**-51,063**	**814,422**	**-366,868**	**610,951**	**-417,930**	**1,425,373**
Depreciation	-950,595	-724,983	-276,201	-195,588	-1,226,795	-920,571
EBITDA	**251,803**	**-3,264,125**	**-90,667**	**806,539**	**161,137**	**-2,457,586**
Adjustments to EBITDA	647,728	4,803,530	0	0	647,728	4,803,530
adjusted EBITDA	**899,531**	**1,539,405**	**-90,667**	**806,539**	**808,865**	**2,345,944**
Financial result					-101,337	-78,031
Loss from continuing operations					**-1,166,995**	**-3,456,189**
Taxes on income and earnings					-10,586	-178,785
Consolidated result for the period					-1,177,581	-3,634,973

SUPPLEMENTARY REPORT

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

Brunnthal, May 17, 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

MAY 17, 2022	Q1 QUARTERLY RELEASE 2022
AUGUST 18, 2022	HALF-YEAR REPORT 2022
AUGUST 24, 2022	HIT HAMBURG INVESTORS DAYS
NOVEMBER 15, 2022	Q3 QUARTERLY RELEASE 2022
NOVEMBER 28–30, 2022	EKF GERMAN EQUITY FORUM

SHARE INFORMATION

Bloomberg symbol	F3C
Reuters symbol	CXPNX
GSIN	756857
ISIN	DE0007568578
Number of shares outstanding as of 03/31/2021	14,469,743
Stock category	No-par value shares
Stock exchange segment	Prime Standard, Renewable Energies
Stock exchange	Frankfurt, FWB
Designated sponsor	mwb fairtrade Wertpapierhandelsbank AG

INVESTOR RELATIONS

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