Q2
2022

HALF-YEAR REPORT

January 1 to June 30, 2022

SFC ENERGY

TABLE OF CONTENTS

SFC ENERGY AG – COMPACT 3

LETTER TO SHAREHOLDERS 4

SFC ON THE CAPITAL MARKET 8
- Basic share data 8
- Performance of the SFC share 8
- Development of the indices 9
- Investor Relations activities 9
- Analyst research 10
- Shareholder structure 10
- Capital increase 10

INTERIM GROUP MANAGEMENT REPORT JANUARY 1 TO JUNE 30, 2022 11
- Principles of the Group 11
- Economic Report 13
- Business performance and economic situation 15
- Earnings position 15
- Assets and financial position 23
- Risk and Opportunity Report 27
- Forecast Report 31
- Report on significant transactions with related parties 31
- Supplementary Report 31

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 20222 32
- Consolidated Statement of income 32
- Consolidated Statement of Comprehensive Income 33
- Consolidated Statement of Financial Position 34
- Consolidated Statement of Cash Flow 36
- Consolidated Statement of Changes in Equity 38
- Consolidated Group segment reporting 39

SELECTED EXPLANATORY NOTES 40

FINANCIAL CALENDAR 2022 / SHARE INFORMATION / INVESTOR RELATIONS 56

The figures presented in this Interim Group Report have been rounded. As a result, individual figures may not add up to the totals presented.

The financial figures for the first six months of 2022 have not been subjected to an audit.

SFC ENERGY AG – COMPACT

CONSOLIDATED KEY FIGURES

in EUR thousand

	2022 01/01-06/30	2021 04/01-06/30	Change	2022 01/01-06/30	2021 04/01-06/30	Change
Sales	38,159	31,132	22.6%	20,253	14,148	43.2%
Gross profit	13,463	11,187	20.3%	7,855	4,984	57.6%
Gross margin	35.3%	35.9%		38.8%	35.2%	
EBITDA	3,060	-1,912	n/a	2,899	546	n/a
EBITDA margin	8.0%	-6.1%		14.3%	3.9%	
Underlying EBITDA	3,112	3,441	-9.6%	2,303	1,095	110.2%
Underlying EBITDA margin	8.2%	11.1 %		11.4%	7.7%	
EBIT	658	-3,953	n/a	1,723	-575	n/a
EBIT margin	1.7%	-12.7%		8.5%	-4.1%	
underlying EBIT	709	1,400	-49.4%	1,127	-25	n/a
Underlying EBIT margin	1.9%	4.5%		5.6%	-0.2%	
Consolidated net income for the period	369	-4,379	n/a	1,547	-744	n/a
Net result per share, undiluted	0.03	-0.30	n/a	0.11	-0.05	n/a
Net result per share, diluted	0.03	-0.30	n/a	0.11	-0.05	n/a

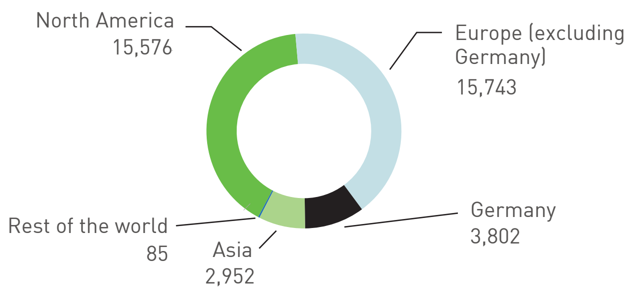
SALES BY QUARTER

in EUR thousand

SALES BY REGION

in EUR thousand

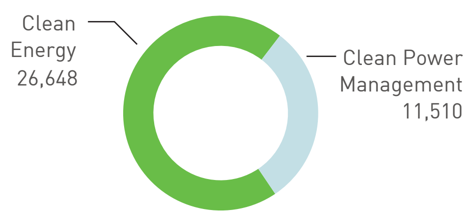
01/01-06/30/2022



SALES BY SEGMENTS

in EUR thousand

01/01-06/30/2022



LETTER TO SHAREHOLDERS

Dear shareholders,
Dear business partners,
Dear SFC employees,

Today, all over the world, society, politics and the business world are under the influence of major challenges and completely new geopolitical tasks. The consequences of the pandemic and the war in Ukraine are affecting global economic growth, causing supply chain problems, rapidly increasing energy and commodity prices and doubts regarding the security of supply with sustainably available energy. The last two factors in particular demonstrate the urgency of the task of having to find answers to the crucial question of having to find a secure and sustainable energy supply in the long term. We are already contributing to achieving the climate targets that will be necessary in the medium term with our technologies and market-ready products. The changing geopolitical situation is further accelerating demand for technologies to replace conventional power generation.

Therefore, we are correctly positioned even in the current environment. We were therefore able to successfully continue on our chosen path in the first half of 2022. Our business figures and the high demand from the market confirm this. At the same time, we are optimistic about the future for a number of reasons.

One of them is the irrefutable consensus that the energy infrastructure needs to be emission-free and decentralized.

At the end of August, Germany and Canada solidified their cooperation in the field of renewable energies and the production of green hydrogen by adopting concrete measures during the delegation trip of the Chancellor and Vice Chancellor. Canadian Prime Minister Justin Trudeau and German Chancellor Olaf Scholz described the agreement as historic. We had the privilege of participating in this groundbreaking meeting of political and business leaders with the German delegation and were able to establish and intensify valuable contacts. For more than ten years, we have been active in the energy and mining sectors with our fuel cell technology in Canada and expect to be able to further promote and benefit from the dissemination of the technology under improved conditions. SFC Energy has more than 20 years of fuel cell expertise.

This expertise and our market-proven solutions drove our growth in the first half of 2022 despite the current challenges in the supply chain. In short: We managed to accelerate our growth even further. The 23% increase in sales in the half year under review to EUR 38.2 million (previous year: EUR 31.1 million) is based on a further increase in demand for our clean and efficient energy generators. In the second quarter, sales growth even amounted to 43% compared to the same quarter of the previous year. This development was once again driven by the Clean Energy segment, which increased its sales by 37.7% in the first half of 2022 to EUR 26,648 thousand (previous year: EUR 19,356 thousand). Sales in the Clean Power Management segment fell slightly by 2.3% to EUR 11,510 thousand (previous year: EUR 11,776 thousand). Even though we are increasingly relying on European suppliers to cushion the supply chain problem, the persistently challenging procurement environment for electronic components led to shifts in sales.

Underlying EBITDA was EUR 3,112 thousand (previous year: EUR 3,441 million), in line with our expectations. As we had already communicated, delays due to the tense situation with the supply chain and higher prices for transport and primary products are temporarily affecting profitability. However, by reacting with price adjustments, stock building and shorter delivery routes, we have already implemented measures to be able to noticeably increase profitability again over the next few quarters.

Continued high demand

Order intake showed uninterrupted high demand for our fuel cell and power management solutions. As of June 30, 2022, the order backlog increased further to EUR 65,176 thousand compared to March 31, 2022 (EUR 57,144 thousand).

The orders demonstrate a dynamic and sustainable development. There is a high and increasing demand for environmentally friendly, emission-free energy generators. It extends across both of the business segments as well as the industries they serve, is broadly diverse in regional terms and thus underscores the resilience of our business model and the enormous market potential.

Fuel cells are becoming more and more popular – further innovations

Together with the Wolftank Group, we have implemented an emission-free emergency power generator based on hydrogen fuel cells for the Italian telecommunications company TIM as part of a pilot project. It replaces the lead-acid batteries and diesel generators that have been used up until now and sets up the emergency power supply without causing any emissions. With this system, users not only improve their CO_2 footprint, but also reduce their total operating costs because it requires less maintenance and lowers fuel consumption.

With this application, we clearly demonstrate that hydrogen as an environmentally friendly fuel in combination with the fuel cell as a conversion technology provides clear added value: in terms of efficiency, sustainability and cost minimization for users.

We have also expanded our product range to include the H_2Genset. In cooperation with Test-Fuchs GmbH and the Auto AG Group, a hydrogen-based, emission-free power generator has been created. Compared to conventional diesel generators, the H_2Genset does not emit any environmentally harmful exhaust gases such as nitrogen oxides (NOx), carbon monoxide (CO) or fine dust. Several users have already been able to convince themselves of the efficiency of the green generator. On construction sites, it supplies energy for lighting or other end devices such as cement mixers or circular saws. In mid-July, the H_2Genset was used in the Formula 1 race at the Red Bull Ring in Austria. There it took care of the emission-free energy supply of part of the infrastructure.

Initially, three models of the H_2Genset with peak outputs of 10 kW to 20 kW are to be launched on the market; the launch of a fourth model with a peak output of over 50 kW is planned for 2023.

The course has been set: Successful capital increase and production expansion

In order to meet the increasing demand, we are expanding our capacities quite significantly. To this end, we have decided to conduct the most comprehensive investment program in the company's history that will have a volume of EUR 8.5 million. On the other hand, outside of the reporting period, we managed to successfully place a cash capital increase in a challenging environment. SFC Energy received around EUR 56.4 million gross as a result of this measure. We want to invest the net proceeds in further growth. Our agenda includes regional and technological expansion, particularly in India and Asia, the acceleration of R&D activities and acquisitions.

First of all, we would like to take this opportunity to once again expressly thank all the investors who participated in the capital increase. In a volatile capital market environment, we see this as a clear sign of trust in our company and our technology portfolio. We want to continuously develop this further in order to meet the requirements for a climate-neutral energy infrastructure and to offer our customers practicable and reliable solutions. In addition, we would like to use the funds that have flowed in to seize any opportunities that arise with a view to acquisitions. In line with our strategy, we will focus mainly on goals with complementary technologies and/or corresponding market access.

Expand the regional footprint – shorten supply chains

Our presence in India shows how important market access is. The Indian government is aiming to reduce CO_2 emissions by 45% by 2030 and to achieve carbon neutrality by 2070. A broad-based funding program has been rolled out to achieve this goal. The National Hydrogen Mission will be worth USD 44 billion by 2030. We have been cooperating with our long-term partner FC TecNrgy in the Indian market since 2016 and are now entering a new level of cooperation by laying the foundation for added value inside the country.

On the one hand, we intend to and will in fact continue to internationalize our business model. On the other hand, we have to take the challenges of a changed economic environment into account. In concrete terms, this means we must closely monitor and examine the situation and the effects of the war in Ukraine. We have shortened our supply chains and steadily built up inventories. In addition, increased costs are compensated for by adjusting prices. These early measures will have a positive impact on profitability over the coming quarters.

Confirmation of the forecast

Despite the current macroeconomic and geopolitical imponderables, we anticipate continued growth in global demand for fuel cell solutions due to the uninterrupted order dynamics. Improved profitability, our high order backlog, long-term partnerships, increasing market penetration of our products and the successful capital increase allow us to look forward to a strong second half with confidence.

With this in mind, we confirm our full-year forecast for the current fiscal year dated February 14, 2022, and expect consolidated sales of around EUR 75,000 thousand to EUR 83,000 thousand, underlying EBITDA in a range of EUR 6,000 thousand to EUR 9,100 thousand and underlying EBIT of EUR 1,600 thousand to EUR 2,900 thousand.

The forecast is based on the assumption that the increased costs on the input material and logistics side can be passed on via the price adjustments that have been made. Furthermore, we assume that the effects on our business from COVID-19 and bottlenecks in the supply chains will not worsen dramatically in the course of fiscal year 2022.

Yours,

Dr. Peter Podesser Chief Executive Officer (CEO)	Daniel Saxena Management Board member (CFO)	Hans Pol Management Board member (COO)

SFC ON THE CAPITAL MARKET

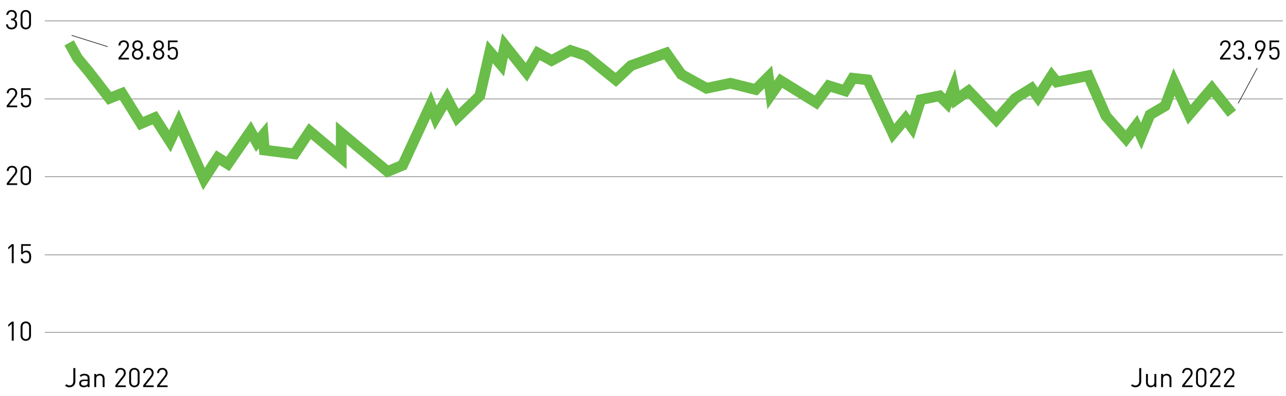
Basic share data

BASIC INFORMATION ON THE SHARE

Bloomberg symbol	F3C
Reuters symbol	CXPNX
GSIN	756857
ISIN	DE0007568578
Number of shares outstanding (June 30, 2022)	14,469,743
Type of shares	No-par-value shares
Stock exchange segment	Prime Standard, Renewable Energies
Stock exchange	Frankfurt, FWB
Designated Sponsor	mwb fairtrade Wertpapierhandelsbank AG

Performance of the SFC share

PERFORMANCE OF THE SFC SHARE (IN ABSOLUTE FIGURES)



PRICE DEVELOPMENT

		in EUR
Opening price	01/03/2022	28.85
High	04/05/2022	30.10
Low	02/24/2022	18.28
Closing price	06/30/2022	23.95

The SFC Energy share managed to largely detach itself from the general trend in a capital market environment characterized by high volatility. The share outperformed the major indices. The share opened the 2022 stock market year on January 3 at a price of EUR 28.85. The SFC Energy share reached its low for the 6-month period on February 24 at a price of EUR 18.28. The share reached its high for the same period at a price of EUR 30.10 on April 5. SFC Energy shares traded at the end the first half of 2022 at a price of EUR 23.95. The share price declined by 15.7% in the half-year under review compared to the closing price of EUR 28.40 on December 30, 2021. The decline is the result of a challenging macroeconomic environment. In this context, the Russian war in Ukraine and the still uncertain further development of the corona pandemic deserve mention.

The average daily trading volume in the first six months of 2022 was 99,257 shares, below the figure for the same period of the previous year (152,107 shares). As of June 30, 2022, SFC Energy AG's market capitalization amounted to EUR 346.6 million with 14.47 million shares outstanding and a closing price of EUR 23.95.

Development of the indices

The global economic situation in the first half of 2022 was strongly influenced by two factors: the uncertainty with regard to the further development of the corona pandemic and the Russian attacks on Ukraine. Both events are causing unstable supply chains, an increase in energy prices and rising inflation rates. Global industrial production rose at a rate of 0.6% in the first quarter of 2022, slower than the average for the years before the outbreak of the corona pandemic.[1] The high level of inflation also caused considerable consumer restraint among private households.[2]

The global economic downturn is clearly reflected in the performance of the various stock market indices. In the first six months of 2022, the leading US Dow Jones index recorded a total decline of more than 15% compared to its closing level on December 30, 2021. The decline was even higher for the S&P 500, which was down nearly 21%. European stock exchanges were also unable to escape the general market dynamics. The EURO STOXX 50 closed the first half of 2022 nearly 20% lower than at the end of 2021. Germany's leading index, the DAX, also ended the first half of the year on June 30 down by nearly 20% compared to its closing level in 2021. The German technology index, the TecDAX, dropped by more than 26%.

Investor Relations activities

In order to strengthen understanding and confidence in the sustainable success of SFC Energy's business model, the Management Board and Investor Relations department engaged in an active and transparent dialogue at investor conferences, roadshows and in conference calls. The main focus of the exchange with all stakeholder groups was on the operational development and further pursuit of the company's growth strategy.

As Designated Sponsor, mwb fairtrade Wertpapierhandelsbank AG ensured binding bid/ask prices as well as adequate liquidity and corresponding tradability of the SFC share during the reporting period.

The company provides comprehensive information on the business situation, the latest news and an overview of future events and activities in the Investor Relations section of the SFC Energy website, sfc.com.

1 https://www,ifw-kiel,de/de/publikationen/kieler-konjunkturberichte/2022/weltwirtschaft-im-sommer-2022-inflationsschub-bremst-die-expansion-0/
2 https://www,iwkoeln,de/presse/in-den-medien/michael-groemling-volle-wucht-hoher-preise,html

Analyst research

SFC Energy AG's share is listed in the Prime Standard of the Frankfurt Stock Exchange and is analyzed and evaluated regularly by renowned research firms. Detailed information is available to interested investors in the Investor Relations/Share section at sfc.com.

RESEARCH VALUATIONS — in EUR

Publisher	Date	Rating	Target price
FIRST BERLIN – EQUITY RESEARCH	09/01/2022	BUY	37.00
BERENBERG	08/25/2022	BUY	34.00
METZLER CAPITAL MARKETS	07/20/2022	BUY	34.00
MM WARBURG	08/26/2022	BUY	32.50
ABN AMRO/ODDO BHF	05/17/2022	OUTPERFORM	32.80

Shareholder structure

The shareholder structure of SFC Energy AG as of June 30, 2022, has not changed significantly compared to December 31, 2021. Institutional investors held 41.23% of the shares at the end of the first half of the year. Extended management, including the Supervisory Board, holds 1.72% of the voting rights. 57.05% of SFC Energy AG shares were in free float as of the end of June 2022. Detailed and up-to-date information on the shareholder structure can be found in the Investor Relations/Share section at sfc.com.

Successful capital increase

After the end of the reporting period, SFC Energy AG successfully placed its capital increase including subscription rights that was announced on July 11, 2022. By the end of the subscription period, subscription rights for 2,044,314 new shares had been exercised, which represents 70.6% of the up to 2,893,948 new shares. In addition, 849,634 new shares for which subscription rights were not exercised during the subscription period were successfully placed at a price of EUR 19.50 per new share with qualified investors in Germany and other jurisdictions outside the United States in offshore transactions pursuant to Regulation S under the Securities Act (remaining share placement). The final gross proceeds from the capital increase amounted to approximately EUR 56.4 million. SFC intends to use the net proceeds from the capital increase to pursue regional and technological expansion, accelerate its R&D activities and explore inorganic growth opportunities.

Including the capital measure, the share capital increased from currently EUR 14,469,743.00 to EUR 17,363,691.00 by issuing 2,893,948 new ordinary bearer shares without par value (no-par-value shares). The new shares are fully entitled to a dividend as of January 1, 2022.

INTERIM GROUP MANAGEMENT REPORT JANUARY 1 TO JUNE 30, 2022

This chapter of the Half-Year Financial Report summarizes key developments at SFC Energy AG in the first half of 2022 ("the reporting period"). A detailed description of SFC Energy AG, the Group and its segments can be found in the 2021 Annual Report.

Principles of the Group

Organization of the SFC Group and basis of reporting

SFC Energy AG ("SFC AG") together with its subsidiaries forms an internationally active Group of companies ("SFC" or "Group") in the fuel cell sector. Besides the parent company SFC Energy AG (Germany), the Group includes the subsidiaries SFC Energy B.V. (Netherlands) ("SFC B.V."), its subsidiaries SFC Energy Power SRL (Romania) and SFC Energy Ltd. (Canada) ("SFC Ltd.").

The segmentation of the Group's activities primarily follows the Group's internal organizational and reporting structure by segment. This is based on the technology platforms and the product and service portfolio offered by the Group. The **Clean Energy** segment includes the portfolio of products, systems and solutions for stationary and mobile off-grid energy supply based on hydrogen (PEMFC) and direct methanol (DMFC) fuel cells. The segment addresses customers from the private, industrial and government sectors in different markets. These include, among others, equipment suppliers and system integrators for the telecommunications-, security and surveillance technology-, remote sensing technology (remote sensing)- anddefense technology-industry, but also for the caravanning and marine market. The **Clean Power Management** segment bundles the entire business with technically advanced standardized and semi-standardized power management solutions such as power supplies and coils that are used in devices for the high-tech industry. Furthermore, this segment includes business with variable frequency drives that are used in the upstream and oil and gas industries.

Objectives and strategy

The Group's strategic focus on expanding SFC's position in the market for environmentally friendly stationary and mobile off-grid power solutions remained unchanged in the reporting period. The goal is to establish a market-leading position as a supplier of low-emission or zero-emission basic and emergency power supply for off-grid applications, some of which are security-critical, such as telecommunications infrastructure, security and surveillance cameras, and off-grid sensors using fuel cell generators. The fuel cells are intended to offer low-emission or zero-emission alternatives to diesel engines, which are used to date as emergency power generators or to cover peak loads, as well as to supplement the incumbent solutions currently used for off-grid power supply.

The implementation of this strategy is to be realized both through organic growth and by means of acquisitions, joint ventures, investments and cooperation agreements.

Research and Development

With our research and development activities, we continue to pursue the goal of strengthening SFC's competitive and technological position against the backdrop of the upcoming transformation of energy systems in many countries. In doing so, we focus in particular on the development of fuel cell systems with higher performance and longer operating hours while reducing product costs as well as on the digital connectivity of our solutions. In addition to this continuous further expansion of our product portfolio, SFC also improves its current products and solutions.

With 64 (previous year: 64) employees, 20% (previous year: 22%) of the Group workforce was employed in the development of fuel cell technology and power supply systems and their implementation in Group products.

TOTAL EXPENSES FOR RESEARCH AND DEVELOPMENT

in EUR thousand

	01/01–06/30		04/01–06/30	
	2022	**2021**	**2022**	**2021**
Research and development expenses recognized in profit or loss	2,159	1,498	1,079	620
Capitalized development expenses	1,042	1,255	438	637
Expenditure in development cooperation	190	164	75	140
Grants received	227	181	132	109
Non-recurring effects (special expenses for the LTI program)	0	0	3	0
Total expenditure for research and development	3,619	**3,097**	1,727	1,505

In order to secure the Group's technological position and competitiveness and to expand market entry barriers, an active strategy with regard to patents and other intellectual property ("IP") rights is pursued, which includes both the active maintenance of the current IP portfolio and the development of new IP.

Overall, we expect total R&D expenditure in the current fiscal year to be slightly higher than in fiscal year 2021. In the reporting period, the Group's R&D activities were subsidized by government grants to a small extent, e. g. via the "National Organization for Hydrogen and Fuel Cell Technology," and are expected to continue to be so in the future.

In the Clean Energy segment, the focus of development is on topics such as the next generations of fuel cell modules, as well as digitalization and the digital connectivity of our products. The focus in the reporting period was on:

- Further development of the newly introduced direct methanol fuel cell generation EFOY and EFOY Pro
- Construction and further development of hydrogen fuel cell systems based on the EFOY Hydrogen System
- Development and construction of emergency power systems based on the hydrogen fuel cell system EFOY Hydrogen
- Development of service-optimized functions of a cloud-based remote monitoring system for the newly introduced product generations of fuel cells
- Development of a 12V- and 24V-battery optimized for the EFOY, including a battery management system (BMS) for lithium batteries
- Further development of an intelligent fuel management system to extend the autonomy of the new product generations
- Continuous improvements and further developments to increase the performance and reduce the costs of future EFOY generations

The development of the Clean Power Management segment focused on topics such as increasing power density, energy efficiency and the "watt / euro" ratio for the power management solutions offered. The focus in the reporting period was on:

- Further development of the current 3.8kW to 4kW energy platform
- Development of a new technology to increase the power of today's platforms from 4kW to 5kW
- Integration of a new energy platform into laser systems

Economic Report

Course of business and underlying conditions

High inflationary pressure slows down economy

The still uncertain situation of the corona pandemic and Russia's military-led attack on Ukraine were and are the greatest factors influencing global economic development. Both events caused a further increase in the already high inflation in the first half of 2022. In June, inflation was 9.1% in the US, 8.6% in the euro zone and 9.4% in the UK, all multi-year highs.[1] In the further course of the first half of 2022, the supply bottlenecks intensified and had a slowing effect on economic momentum. In China, the government's zero-COVID policy caused regional lockdowns, which also affected economic centers such as Shenzhen and Shanghai from March on. Global economic growth in the first quarter of 2022 was 0.6%. Global economic momentum is likely to remain weak and stagnate in the second quarter.[2] The Institute for the World Economy (IfW Kiel) expects a growth rate of 3.0% for 2022. Compared to the forecast formulated in March, this means a reduction of 0.5 percentage points.[3]

German economy: supply bottlenecks

The start of the year was initially quite promising for the German economy. The fourth wave of the corona pandemic apparently had less of an impact than feared.[4] The German economy grew by 0.2% in the first quarter of 2022. However, the expansion slowed down as the year progressed, so that the gross domestic product remained unchanged compared to the previous quarter (0.0%).[5] Compared to the same quarter of the previous year, the German economy grew by 1.5%. Supply bottlenecks as a result of the lockdown measures in China placed a burden on industrial activity.[6] The IfW Kiel expects the highest inflation rate in reunified Germany at 7.4% for the year.[7] In May, inflation was 7.9%, while it weakened slightly to 7.6% in June. According to the Federal Statistical Office (Destatis), the main reason for the high price level is the increase in the price of energy products. [8] The purchasing power of private households that has continued to build up from the pandemic phase could have a positive effect. In addition, companies continue to have a large backlog of orders. Therefore, the IfW Kiel expects a growth rate of 2.1% for the German gross domestic product in 2022.[9]

1 https://www,ifw-kiel,de/de/publikationen/kieler-konjunkturberichte/
2 https://www,bmwk,de/Redaktion/DE/Schlaglichter-der-Wirtschaftspolitik/2022/06/17-weltwirtschaft,html
3 https://www,ifw-kiel,de/de/publikationen/kieler-konjunkturberichte/
4 https://www,ifw-kiel,de/de/publikationen/kieler-konjunkturberichte/2022/deutsche-wirtschaft-im-sommer-2022-erholung-kommt-muehsam-voran-0/
5 https://www,destatis,de/DE/Presse/Pressemitteilungen/2022/07/PD22_322_811,html
6 https://www,ifw-kiel,de/de/publikationen/kieler-konjunkturberichte/2022/deutsche-wirtschaft-im-sommer-2022-erholung-kommt-muehsam-voran-0/
7 https://www,ifw-kiel,de/de/publikationen/kieler-konjunkturberichte/2022/deutsche-wirtschaft-im-sommer-2022-erholung-kommt-muehsam-voran-0/
8 https://www,destatis,de/DE/Presse/Pressemitteilungen/2022/07/PD22_296_611,html
9 https://www,ifw-kiel,de/de/publikationen/kieler-konjunkturberichte/2022/deutsche-wirtschaft-im-sommer-2022-erholung-kommt-muehsam-voran-0/

Clean Energy

Dynamic development of the fuel cell market

The international demand for decentralized energy generation systems, such as fuel cells, is essential for depicting the development of the markets in the Clean Energy segment. The units are used in a wide range of stationary applications.

In its industry study on the fuel cell market that was published in July 2022, the management consultancy E4tech continues to assume a positive development for environmentally friendly energy generation.[10] According to E4tech, catch-up effects after the easing of travel restrictions in 2021 should make themselves felt here. Sales, marketing and trade fair activities should also be able to take place as personal meetings again. The market observers also rate the increasing investments in fuel cell technology positively, which primarily address not only the pure development, but rather the market ramp-up and the expansion of production. A total of 86,000 fuel cells were delivered in 2021 (more recent data was not available at the time of going to press). In the previous year, there were 81,800. With a share of 47,900 units, fuel cells for stationary applications account for the largest share. With a view to the regional distribution of demand, the Asian market occupies the top position with 56,200 fuel cells in 2021. In contrast, North America recorded the most dynamic growth in a regional comparison with 15,400 fuel cells in 2021 compared to 10,800 in 2020. E4tech is observing a trend towards higher performance classes in the industry. If the fuel cells sold in 2020 had a total output of 1,338 megawatts (MW), it was 2,313 MW in total in 2021.

The market researchers at Grand View Research are assuming that the fuel cell market will continue to develop dynamically. According to Grand View Research, the global fuel cell market was estimated at USD 4.1 billion in 2020 and is projected to grow to USD 21.7 billion by 2028 at a compound annual growth rate of 23.2%. The main driver is the increasing focus on reducing greenhouse gases and other emissions.[12]

Clean Power Management

Lively demand for electronic components

To consider the economic development of the markets in which SFC Energy is active in this segment (power electronics and switched-mode power supplies), data from the trade associations "Electronic Components and Systems" and "PCB & Electronic Systems" of the central association Electrical Engineering and Electronics Industry e. V. (ZVEI) was used.

In the first five months of 2022 (more recent figures were not available at the time of going to press), the trade association recorded continued lively demand for electronic components. Incoming orders exceeded the respective figure for the previous year by 15.6%. Domestic orders increased by 16.7%, while foreign demand grew by 14.7%. Aggregated industry sales reached EUR 87.3 billion in the full first five months of the current year. The business climate for companies also improved. After three declines, the mood brightened again as measured by the ifo business cycle clock. Specifically, the assessment of current and general business expectations improved.[13] For 2022 as a whole, the association expects the global electronics market to grow by 6.0% to EUR 5,318 billion.[14]

10 https://www,e4tech,com/resources/249-fuel-cell-industry-review-2021,php
11 https://www,e4tech,com/resources/249-fuel-cell-industry-review-2021,php
12 https://www,grandviewresearch,com/industry-analysis/fuel-cell-market
13 https://www,zvei,org/fileadmin/user_upload/Presse_und_Medien/Publikationen/2022/Juli/ZVEI-Konjunkturbarometer_Juli_2022/ZVEI-Konjunkturbarometer-Juli-2022_V2,pdf
14 https://www,zvei,org/fileadmin/user_upload/Presse_und_Medien/Publikationen/2021/Juli/ZVEI-Welt-Elektromarkt_Ausblick_bis_2022/ZVEI-Welt-Elektromarkt-Ausblick-bis-2022-Juli-2021,pdf

Business performance and economic situation

Significant events

Supervisory Board

Hubertus Krossa was re-elected to the Supervisory Board of SFC Energy AG by resolution of the Annual General Meeting on April 28, 2022. In the constitutive meeting of the Supervisory Board following the Annual General Meeting, Hubertus Krossa was re-elected Chairman of the Supervisory Board and a member of the Audit Committee. His term of office runs until the end of the Annual General Meeting in 2024.

Earnings position

The Group generated sales of EUR 38,159 thousand (previous year: EUR 31,132 thousand), thus recording an increase of 22.6% compared to the same period of the previous year. The organic growth in sales in the Clean Energy segment was the key factor in this positive development.

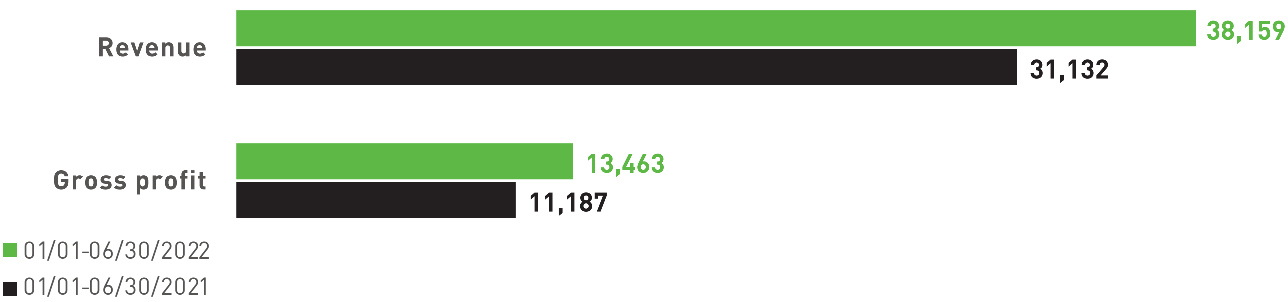
Compared to the previous year, the Clean Energy segment recorded sales growth of 37.7% to EUR 26,648 thousand in the reporting period (previous year: EUR 19,356 thousand). In contrast, sales of the Clean Power Management segment decreased slightly by 2.3% to EUR 11,510 thousand (previous year: EUR 11,776 thousand) in the reporting period.

The Clean Energy segment remained the Group's stronger segment in terms of sales. With a share of 69.8% (previous year: 62.2%) in Group sales, it increased its contribution to sales even further. The percentage share of the Clean Power Management segment in Group sales thus fell significantly to 30.2% (previous year: 37.8%).

In the reporting period, both the growth in sales and the increased sales contribution from the higher-margin Clean Energy segment led to an increase in consolidated gross profit by EUR 2,276 thousand or 20.3% to EUR 13,463 thousand (previous year: EUR 11,187 thousand) despite a noticeable margin decline in the Clean Power Management segment. The resulting gross profit margin of the Group (gross profit on sales as a percentage of sales) was 35.3% (previous year: 35.9%) slightly below the previous year's level.

SALES AND GROSS PROFIT

in EUR thousand



Development of sales by regions

The development of sales by region for the reporting period and the second quarter of 2022 compared to the previous year is as follows:

SALES BY REGION

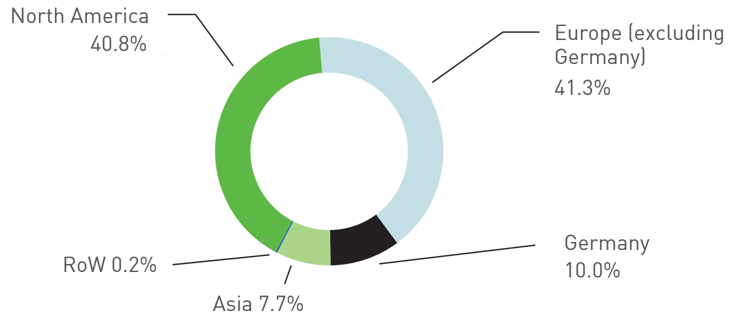
in EUR thousand

	01/01–06/30			04/01–06/30		
	2022	2021	Change	2022	2021	Change
North America	15,576	11,638	33.8%	8,098	5,514	46.9%
Europe (excluding Germany)	15,743	13,263	18.7%	8,619	5,018	71.8%
Germany	3,802	4,046	-6.0%	1,823	1,754	3.9%
Asia	2,952	1,788	65.1%	1,669	1,469	13.7%
Rest of the world ("RoW")	85	398	-78.5%	45	394	-88.7%
Total	**38,159**	**31,132**	**22.6%**	**20,253**	**14,148**	**43.2%**

BREAKDOWN OF SALES BY REGION

01/01-06/30/2022

in %



There were no significant changes in the development of regional sales in the reporting period compared to the same period of the previous year: The Europe region excluding Germany contributed 41.3% (previous year: 42.6%) to consolidated sales and remained the region with the highest contribution to sales, followed by the North America region. However, the share of the North America region in Group sales increased to 40.8% (previous year: 37.4%) in the reporting period, mainly due to the increased demand for fuel cell solutions for industrial applications.

10.0% (previous year: 13.0%) of Group sales were generated in Germany and 7.7% (previous year: 5.7%) in Asia in the reporting period.

Reconciliation of underlying EBITDA and underlying EBIT

Underlying EBITDA and underlying EBIT are presented in order to neutralize the impact of non-recurring effects that both increase and lower 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 impact 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 underlying EBITDA and underlying EBIT.

In the reporting period, these non-recurring effects include expenses and income from the increase or reversal of provisions and the capital reserve for obligations from the long-term variable share price-based remuneration programs ("LTI programs") as well as expenses associated with transaction efforts.

The LTI programs are Stock Appreciation Rights ("SARs") and Stock Option programs ("SOP") for the Management Board and executives with the Group companies. The expenses for this amounted to EUR 241 thousand (previous year: EUR 5,656 thousand) ("extraordinary expenses") in the reporting period. Income from the reversal of provisions for the SARs in the amount of EUR 1,207 thousand (previous year: EUR 484 thousand) was recognized in the reporting period. The income was due to the reversal through profit or loss of provisions already accrued for the SARs, which were higher than the cash payments in the current fiscal year.

Expenses associated with transaction efforts amounting to EUR 1,018 thousand (previous year: EUR 181 thousand) are included in the non-recurring effects ("non-recurring expenses"). These expenses mainly include costs for the capital increase with subscription rights carried out in July 2022.

In total, the non-recurring effects are included as a net expense of EUR 52 thousand (previous year: EUR 5,353 thousand) for the reporting period in EBIT and EBITDA.

Expenses for the LTI programs of the incumbent Management Board members Dr. Peter Podesser, Daniel Saxena and Hans Pol are included in both the sales costs and general and administrative expenses. Expenses for the LTI programs for employees (executives) are included in sales costsand research and development costs. Expenses associated with transaction efforts are included in general administration costsand income from the reversals of SARs provisions is included in other operating income.

NON-RECURRING EFFECTS

in EUR thousand

	2022 01/01–06/30	2021 01/01–06/30
Expenses for the LTI programs	241	5,656
Income from SARs	1,207	484
Expenditure for transaction efforts	1,018	181
Total net expense	**52**	**5,353**
thereof included in sales costs	117	3,376
of which expenses included in research and development costs	0	0
thereof included in general administration costs	1,142	2,461
thereof included in other operating income	1,207	484

Development of sales by segments

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

SALES BY SEGMENT

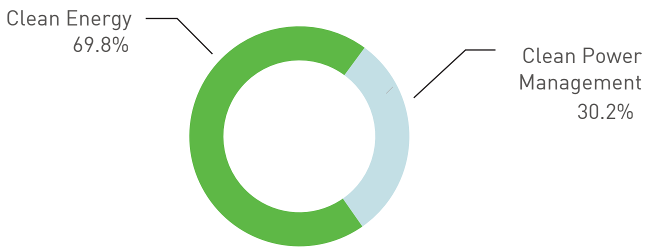
in EUR thousand

	01/01–06/30			04/01–06/30		
	2022	2021	Change	2022	2021	Change
Clean Energy	26,648	19,356	37.7%	14,370	9,285	54.8%
Clean Power Management	11,510	11,776	-2.3%	5,884	4,863	21.0%
Total	**38,159**	**31,132**	**22.6%**	**20,253**	**14,148**	**43.2%**

BREAKDOWN OF SALES BY SEGMENT

in %

01/01– 06/30/2022



Clean Energy

The core business of the Clean Energy segment focuses on the development, manufacture, supply, integration and marketing of products, systems and solutions based on technologically advanced hydrogen and direct methanol fuel cells for power generation. The segment has an extensive portfolio of products that are sold individually or as solutions to customers in the private, industrial and public sectors in various end-customer markets. In the markets addressed by Clean Energy, the continued growth in demand for renewable power generation and increasingly stringent national energy regulations, which are also increasing pressure to decarbonize value chains[15], are currently shifting market demand away from off-grid fossil fuel power generation, towards reliable, sustainable energy supply solutions with either low or no emissions at all. This is particularly evident in Europe, North America and Asia.

In general, the Clean Energy segment is benefiting from changes in national energy regulations, in connection with the promotion of the hydrogen industry, the need for security of supply for an increasing number and variety of off-grid installations and systems, prices on CO_2 and climate protection targets, and the modernization of energy markets, for example.[16] These changes are expected to increase future demand for fuel cell solutions.

15 World Economic Forum. (Januar 2021): Net-Zero Challenge: The supply chain opportunity
16 Hydrogen Council / McKinsey & Company. (Februar 2021): Hydrogen Insights 2021: A perspective on Hydrogen investment. deployment and cost competitiveness

In the reporting period, the segment recorded sales of EUR 26,648 thousand (previous year: EUR 19,356 thousand) and thus achieved extremely strong sales growth of EUR 7,292 thousand or 37.7% compared to the same period of the previous year. In particular, the growth in sales was due to continued increasing demand for fuel cell solutions for industrial applications, which made the largest contribution to segment sales.

The gross margin of the segment was 40.1% (previous year: 40.2%) at the level of the previous year. Due to the significant increase in sales, gross profit in the reporting period was EUR 10,691 thousand (previous year: EUR 7,788 thousand), considerably higher than the level of the same period of the previous year.

Sales costs adjusted for the above-mentioned non-recurring expenses of EUR 117 thousand (previous year: EUR 3,376 thousand) were at EUR 5,314 thousand (previous year: EUR 4,095 thousand), up 29.8% and thus significantly above the previous year's level. Higher personnel expenses, advertising and travel costs as well as consulting costs and commissions were the main reasons for this.

The general administration costs of the segment adjusted for the above-mentioned non-recurring expenses of EUR 1,142 thousand (previous year: EUR 2,461 thousand) increased by 41.5% to EUR 3,383 thousand (previous year: EUR 2,391 thousand) in the reporting period and were thus significantly above the level of the previous year. The increase is mainly attributable to higher personnel expenses and auditing and advisory costs.

Mainly due to the significantly higher gross profit in connection with income from exchange rate effects, EBITDA adjusted for the non-recurring effects improved to EUR 3,371 thousand in the reporting period (previous year: EUR 2,435 thousand, resulting in a stable underlying EBITDA margin of the segment of 12.6% (previous year: 12.6%).

Clean Power Management

The core business of the Clean Power Management segment mainly comprises the development, manufacturing and marketing of the Group's wide range of high-tech power management solutions used to generate and control regulated voltage in electronic systems. The segment's target customers for these solutions are manufacturers of high-tech equipment for various industries. Here, the segment focuses in particular on companies with long-term positioning, especially in high-growth sectors.

With a smaller share of sales, the segment also includes the variable frequency drive business for customers in the oil and gas industries.

Power management solutions are a key component of power conversion systems. The solutions are used to improve power density, reduce electromagnetic interference, preserve power and signal integrity, maintain safety in the presence of variable voltage ranges, as well as extend battery life, among other functions. Demand for these components has traditionally been shaped by changes in the general economic environment, but is being helped by the emergence of new uses and a number of trends: This also includes decarbonization and digitization, which leads to an growing demand for smarter devices as well as electricity storage and the flexible control of electricity distribution, also with a higher share of renewable energies. Components are further developed based on new materials. Conversion systems require new topologies and an ever increasing degree of compactness and efficiency.

In the reporting period, the Clean Power Management segment recorded a slight decline in sales from 2.3% to EUR 11,510 thousand (previous year: EUR 11,776 thousand). The decline is mainly due to the shift in sales due to delays in the delivery of electronic components.

The segment's gross profit, on the other hand, declined significantly by 18.4% or EUR 627 thousand to EUR 2,772 thousand (previous year: EUR 3,399 thousand). The decline was mainly due to a lower gross profit margin, which was 24.1% (previous year: 28.9%) and thus significantly below the level of the previous year's period. The reasons for this were, on the one hand, the product mix, the sales shifts were at the expense of products with higher margins, as well as increased component costs, in particular, which could not be fully passed on to customers in the reporting period.

The sales costs of the segment were at EUR 943 thousand (previous year: EUR 964 thousand) a slight 2.2% decline compared to the previous year's level.

General administration costs of the segment amounted to EUR 1,551 thousand in the reporting period (previous year: EUR 1,051 thousand) and were significantly higher than in the same period of the previous year, mainly due to higher personnel costs and IT and travel expenses of EUR 500 thousand.

The segment's EBITDA does not include any non-recurring effects. Mainly due to the significantly lower gross profit in connection with the higher general administration costs, EBITDA deteriorated to EUR -259 thousand in the reporting period (previous year: EUR 1,007 thousand), resulting in a negative EBITDA margin for the segment of -2.3% (previous year: 8.5%).

Group

Gross profit

In the reporting period, gross profit increased significantly by 20.3% to EUR 13,463 thousand (previous year: EUR 11,187 thousand) and was thus up EUR 2,276 thousand compared to the previous year. This increase was due to organic growth in sales in the Clean Energy segment.

The gross profit margin of the Group (gross profit as a percentage of sales) resulting from the development of sales declined significantly to 35.3% in the reporting period (previous year: 35.9%. In this context, the increased contribution to sales from the higher-margin Clean Energy segment was able to counteract the decline in the margin in the Clean Power Management segment.

The gross profit for the individual segments compared to the previous year is as follows:

GROSS PROFIT FROM SALES

in EUR thousand

	01/01–06/30			04/01–06/30		
Segment	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Clean Energy	10,691	7,788	37.3%	6,485	3,692	75.7%
Clean Power Management	2,772	3,399	-18.4%	1,370	1,293	6.0%
Total	**13,463**	**11,187**	**20.3%**	**7,855**	**4,984**	**57.6%**

Sales costs in the reporting period

In the reporting period, sales costs declined by 24.4% to EUR 6,374 thousand (previous year: EUR 8,436 thousand) compared to the previous year. This development is due to the significantly lower non-recurring expenses of EUR 117 thousand (previous year: EUR 3,376 thousand) included in sales costs compared to the same period of the previous year.

Adjusted for these effects, however, sales costs rose significantly by 23.7% to EUR 6,258 thousand (previous year: EUR 5,059 thousand) in the reporting period. This was due to higher personnel, advertising and travel expenses, which were relatively lower in the previous year due to the global pandemic restrictions.

Group-wide, however, the adjusted sales costs in relation to sales remained at the level of the previous year at 16.4% (previous year: 16.3%) due to the growth in sales.

Research and development costs

Research and development costs reported in the income statement declined by 44.1% to EUR 2,159 thousand in the reporting period (previous year: EUR 1,498 thousand).

Including the development expenses capitalized in the reporting period, the expenses for joint development agreements and grants received in the total amount of EUR 1,460 thousand (previous year: EUR 1,599 thousand), the Group's total research and development expenditure in the reporting period amounted to EUR 3,619 thousand (previous year: EUR 3,097 thousand). This resulted in a total development ratio for the Group (research and development costs including capitalized development costs and joint development agreements as a percentage of sales) of 9.5% (previous year: 9.9%). The slight decline resulted from the positive development of sales in the reporting period.

General administration costs

At EUR 6,076 thousand (previous year: EUR 5,902 thousand), general administration costs in the reporting period were significantly higher than in the same period of the previous year. After adjustment for the non-recurring effects of EUR 1,142 thousand described above (previous year: EUR 2.461 thousand), general administration costs increased by 43.4% compared to the previous year to EUR 4,934 thousand (previous year: EUR 3,442 thousand). The increase is mainly due to higher personnel costs in both segments, as well as higher auditing, legal and consulting expenses.

Other operating income

Other operating income increased significantly compared to the previous year to EUR 1,926 thousand in the reporting period (previous year: EUR 726 thousand). The main reason for this is the income from the reversal of SARs provisions in the amount of EUR 1,207 thousand, which is included in the non-recurring effects referred to above (previous year: EUR 484 thousand). This item also includes income from exchange rate differences amounting to EUR 683 thousand (previous year: EUR 242 thousand).

Other operating expenses

Other operating expenses amounted to EUR 122 thousand in the reporting period (previous year: EUR 30 thousand) 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 particularly strongly in the reporting period at EUR 4,972 thousand and amounted to EUR 3,060 thousand (previous year: EUR -1,912 thousand). This resulted in a positive EBITDA margin (EBITDA in relation to sales) of 8.0% (previous year: -6.1%).

The key financial performance indicator for managing the operating business, EBITDA adjusted for non-recurring effects (underlying EBITDA), amounted to EUR 3,112 thousand in the reporting period (previous year: EUR 3,441 thousand) and declined considerably by 9.6% or EUR 330 thousand compared to the previous year's figure. The underlying EBITDA margin declined 2.9 percentage points and was 8.2% (previous year: 11.1%), notably below the previous year's level.

The main reason for the decrease in underlying EBITDA was the higher increase in functional costs relative to sales in connection with the slight decrease in the gross profit margin.

Operating result (EBIT)

The Group's earnings before interest and taxes (EBIT) improved slightly in the reporting period to EUR 658 thousand (previous year: EUR -3,953 thousand). The EBIT margin (EBIT in relation to sales) improved to 1.7% (previous year: -12.7%).

EBIT adjusted for non-recurring effects (underlying EBIT) amounted to EUR 709 thousand (previous year: EUR 1,400 thousand) and was thus with EUR 691 thousands considerably lower than last year's figure. This results in an underlying EBIT margin of 1.9% (previous year: 4.5%).

Interest and similar income

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

Interest and similar expenses

Interest and similar expenses amounted to EUR 200 thousand (previous year: EUR 171 thousand).

Consolidated net income for the period

The consolidated result for the period was positive in the reporting period and was EUR 369 thousand (previous year: EUR -4.379 thousand), due to the lower burden with the above-mentioned non-recurring effects in particular, and was therefore significantly above the level of the previous year's period.

Earnings per share

The undiluted and diluted earnings per share according to IFRS increased to EUR 0.03 (previous year: EUR -0.30) in the reporting period.

Order intake and order backlog

Order intake increased significantly in the reporting period to EUR 72,512 thousand (previous year: EUR 38,340 thousand). Accordingly, the Group's order backlog increased to EUR 65,176 thousand (previous year: EUR 17,091 thousand) as of the reporting date, June 30, 2022. Of this amount, SFC AG accounted for EUR 14,534 thousand (previous year: EUR 8,174 thousand), SFC Energy B.V. EUR 31,516 thousand (previous year: EUR 4,469 thousand) and SFC Energy Ltd. EUR 19,126 thousand (previous year: EUR 4,448 thousand).

Assets and financial position

Capital structure

Equity as of June 30, 2022 was EUR 51,198 thousand (December 31, 2021: EUR 50,019 thousand) and thus increased by EUR 1.179 thousand.

The net financial position (freely available cash and cash equivalents less liabilities to banks) decreased by EUR 11,882 thousand to EUR 10,006 thousand in the reporting period (December 31, 2021: EUR 21,888 thousand).

Cash and cash equivalents

As of June 30, 2022, freely available cash and cash equivalents amounted to EUR 13,869 thousand (December 31, 2021: EUR 24,623 thousand).

Overall, liabilities to banks rose by EUR 1,128 thousand to EUR 3,863 thousand in the reporting period compared to the end of fiscal year 2021 (December 31, 2021: EUR 2,735 thousand).

Continuous investment in product development as well as potential joint ventures, equity investments and acquisitions remain an important part of our growth and internationalization strategy in order to strengthen and expand our market positions in a targeted manner or to supplement current or enter new business fields. The implementation of this strategy could give rise to financial obligations or additional financing requirements.

Until they are used, liquidity surpluses are invested in low-risk financial securities (e.g. overnight and time deposits) at various banks.

No capital requirements are defined in SFC's Articles of Association.

Cash flow and investments

CASHFLOW		in EUR thousand
	01/01–06/30/2022	01/01–06/30/2021
Operating cash flow before working capital changes	2,134	3,078
Cash flow out		
Operating activities	-8,917	672
Investment activities	-1,773	-1,564
Financing activities	-96	-1,618

Cash flow from operating activities

Cash flow from operating activities increased particularly sharply in the reporting period compared to the same period of the previous year and amounted to EUR -8,917 thousand (previous year: EUR 672 thousand). The decisive factors for this sharp decline were, on the one hand, the lower underlying EBITDA and operating cash flow before changes in net working capital, which fell by EUR 944 thousand to EUR 2,134 thousand (previous year: EUR 3,078 thousand) in the reporting period in connection with the change in net working capital, which increased by EUR 10,933 thousand (previous year: EUR 2,270 thousand) in the reporting period.

With regard to the significant changes in net working capital, inventories increased by EUR 7,529 thousand affecting liquidity in the period under review. Furthermore, trade receivables increased by EUR 2,057 thousand and trade payables by EUR 1,829 thousand in the same period with an effect on liquidity. Together with the other items of net current assets, this resulted in an increase in net current assets and thus a liquidity outflow of EUR 10,933 thousand (previous year: EUR 2,270 thousand) in the reporting period.

Cash flow from investing activities

Cash flow from investing activities amounted to EUR -1,773 thousand (previous year: EUR -1,564 thousand) in the reporting period.

Investments

Investments in property, plant and equipment and intangible assets amounted to EUR 1,773 thousand in the reporting period (previous year: EUR 1,564 thousand). This represents a increase of EUR 281 thousand or 12% compared to the previous year's figure. While investments in the capitalizable development costs listed above were lower than in the previous year, investments in property, plant and equipment and right-of-use assets increased.

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

Cash flow from financing activities

The higher cash flow from financing activities in the reporting period compared to the same period of the previous year in the amount of EUR -96 thousand (previous year: -1,618 thousand) resulted mainly from the increase in current financial liabilities (working capital lines) in the amount of EUR 1,128 thousand (previous year: EUR -328 thousand). This increase was offset by repayments of lease liabilities in the amount of EUR 948 thousand (previous year: EUR 802 thousand) in connection with the application of IFRS 16 and interest expenses.

Operating cash flow before changes in net working capital and income taxes (operating profit before changes in working capital) amounted to EUR 2,134 thousand in the reporting period (previous year: EUR 3,078 thousand) and was thus significantly higher than in the previous year.

After taking the change in net working capital, which increased by EUR 10,933 thousand in the reporting period, and income tax payments into account, cash flow from operating activities amounted to EUR -8,917 thousand (previous year: EUR 672 thousand).

The net change in cash and cash equivalents amounted to EUR -10,786 thousand (previous year: EUR -2,510 thousand). The balance of freely available cash and cash equivalents amounted to EUR 13,869 thousand as of June 30, 2022 (December 31, 2021: EUR 24,623 thousand).

Net assets

Total assets of EUR 90,892 thousand as of June 30, 2022 (December 31, 2021: EUR 87,365 thousand) increased by EUR 3,527 thousand or 4.0% compared to the end of the previous fiscal year. The increase in current assets and here the increase in inventories, in particular, was the main reason for this.

Inventories increased by approx. 54.5% to EUR 21,920 thousand (December 31, 2021: EUR EUR 14,185 thousand), in particular due to higher stockpiling of raw materials and supplies at all Group companies in order to prevent potential interruptions in the supply chains due to the COVID-19 pandemic and potential supply bottlenecks.

Trade receivables increased significantly by 14.0% to EUR 20,076 thousand (previous year: EUR 17,608 thousand), which is also attributable to the relatively high level of Group sales at the end of the first half of the year. As of the reporting date, non-current assets accounted for 32.6% in total assets (December 31, 2021: 32.8%), the same level of the share at the end of fiscal year 2021.

Intangible assets increased by EUR 762 thousand as of June 30, 2022, to EUR 18,460 thousand (previous year: EUR 17,698 thousand) mainly due to higher recognized goodwill of SFC Energy Canada Ltd. and SFC Energy B.V. as of June 30, 2022, resulting from positive currency translation effects regarding the goodwill and capitalized development costs allocated to SFC Energy Canada Ltd.

Property, plant and equipment amounted to EUR 8,954 thousand (December 31, 2021: EUR 8,887 thousand), the same level as at the end of fiscal year 2021.

Current liabilities increased by EUR 5,246 thousand to EUR 26,244 thousand in the reporting period (December 31, 2021: EUR 20,998 thousand). The significant increase resulted primarily from the increase in current financial liabilities and the increase in trade payables.

Trade payables were EUR 9,898 thousand (December 31, 2021: EUR 7,642 thousand), 29.5% or EUR 2,256 thousand above the level at the end of the previous fiscal year.

Current liabilities under finance leases increased by EUR 212 thousand to EUR 2,072 thousand (December 31, 2021: EUR 1,860 thousand).

As of the reporting date, non-current liabilities decreased noticeably by EUR 2,898 thousand to EUR 13,451 thousand (December 31, 2021: EUR 16,348 thousand). Liabilities (provisions) from the LTI programs in the amount of EUR 4,244 thousand (December 31, 2021: EUR 7,612 thousand), which fell particularly sharply in the reporting period, represent a significant item included in non-current liabilities.

Financial liabilities increased by EUR 1,128 thousand to EUR 3,863 thousand in the reporting period (December 31, 2021: EUR 2,735 thousand) and are exclusively of a current nature. These mainly relate to working capital lines of SFC Energy B.V. and SFC Energy Ltd.

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

NET FINANCIAL LIABILITIES

in EUR thousand

	06/30/2022	12/31/2021	Change
Liabilities to banks	3,863	2,735	41%
thereof SFC Energy AG	-	-	-
thereof SFC Energy B.V.	2,194	2,190	0%
thereof SFC Energy Ltd.	1,669	545	206%
Less			
Free cash and cash equivalents [a]	13,869	24,623	-44%
Total	10,006	21,888	-54%

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

Overall, liabilities accounted for 43.7% of total capital (December 31, 2021: 42.7%).

The Group's equity increased to EUR 51,198 thousand in the reporting period (December 31, 2021: EUR 50,019 thousand). The equity ratio decreased, however, to 56.3% (December 31, 2021: 57.3%). Please refer to the Consolidated Statement of Changes in Equity in the Interim Consolidated Financial Statements for more information on how equity developed.

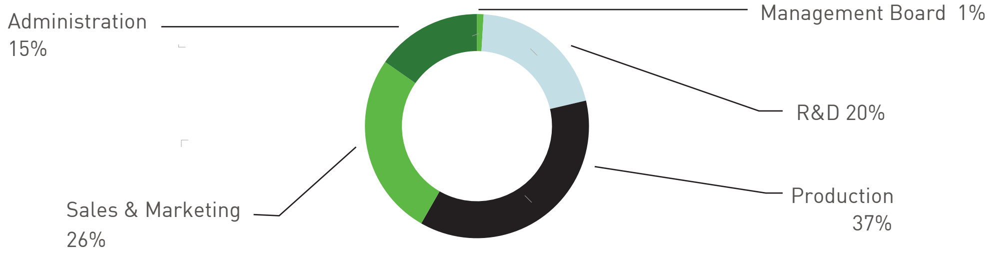
Employees

The number of permanent employees as of June 30, 2022, was as follows:

EMPLOYEES

	06/30/2022	12/31/2021	Change
Management Board	3	3	0%
Research and Development	64	64	0%
Production, Logistics, Quality Management	116	103	12.1%
Sales and Marketing	83	76	9.2%
Administration	48	42	14.7%
Permanent Employees	314	288	8.9%

EMPLOYEES BY FUNCTIONAL AREAS



As of June 30, 2022, the Group had 314 permanent employees worldwide (December 31, 2021: 288).

Risk and Opportunity Report

In our Annual Report for fiscal year 2021, we presented both the risks that could have a significant adverse impact on our assets, financial and earnings position (including effects on assets, liabilities and cash flows) and our most significant opportunities. Changes in risks and opportunities are monitored constantly, assessed, and incorporated into our planning as necessary during the year.

In connection with the assessment of the risks and opportunities for further development in 2022, risks in connection with economic development, the war in Ukraine, its impact on global supply chains and above all the European energy market must be explicitly mentioned.

Otherwise, we did not identify any further significant risks or opportunities beyond those described in our 2021 Annual Report and in this Interim Group Management Report. In this Risk Report, we therefore focus only on those risks whose overall significance has been classified as moderate or high and describe the respective change compared to the end of the previous fiscal year.

Other risks and opportunities of which we are currently unaware or which we currently assess as immaterial could also affect our business activities. At present, no risks have been identified which, either individually or in combination with other risks, could jeopardize the continued existence of the Group.

Market risks

Overall economic development

Economic development in the first half of 2022 was unstable. Following a slow start in the first quarter of 2022, characterized by moderate growth in gross domestic product compared to the previous quarter and with significant regional differences, economic development in the second quarter of 2022 remained restrained, albeit surprisingly better than expected for the euro zone. While gross domestic product in the euro zone and Canada showed growth of 0.5%[17] and 0.8%[18] respectively in the first quarter, the US recorded a decline of 0.4%[19]. According to preliminary estimates, euro zone gross domestic product increased by 0.6%[20] in the second quarter, Canada by 0.8%[21] while the US again recorded a decline of 0.2%[22].

Overall, the outlook for global growth is predominantly risky and in a downtrend. In a baseline scenario from July 2022, the IMF assumed that global growth will be 3.2% in 2022 and weaken to 2.9% in 2023. This scenario is 0.4 and 0.7 percentage points below the IMF's April 2022 global economic outlook[23]. The revisions for China and the US are the main drivers of the lower global growth expectations.

A number of different effects are contributing to the expected economic slowdown: The temporary lockdowns in large Chinese cities led to a decline in consumer demand in China and at the same time to a loss of supply due to production shutdowns and disruptions in the logistics chains. In addition, after the start of the war on Ukraine, the prices of energy and raw materials have increased significantly. The central banks in Europe and the US have already reacted to the rising inflation rates by significantly tightening their monetary policy. In addition, the price declines on the stock market and the resulting effects on wealth have dampened consumption in the US. Uncertainty among consumers and producers has increased significantly in EU countries that are highly dependent on gas supplies from Russia.

With regard to the current developments in the economic framework of our business, we could encounter additional burdens, primarily due to the availability of raw materials, particularly in Europe. Uncertainties result from:

- the further development as well as possible short-term and sometimes extreme and hardly foreseeable fluctuations in raw material prices or prices for intermediate goods including logistics costs
- the persistently tense situation on the global procurement market and supply bottlenecks for primary products, particularly for electronic components and semiconductors, which could increasingly slow down growth
- the lack of clarity regarding the further course of the corona pandemic, including any new lockdown measures, especially in China and the entire Asian region
- the uncertainty regarding the further development – including the direct and indirect consequences – of the war in Ukraine and the resulting potential trade conflicts and restrictions
- the potential restriction of the supply of fossil fuels and raw materials

We are counteracting the uncertainties in particular by increasing our warehousing of intermediate goods.

17 Eurostat (August 2022) – Euroindikatoren (ps://ec.europa.eu/eurostat/documents/2995521/14675418/2-17082022-AP-DE.pdf/d95ddc8e-f573-62f3-0ce8-7695f781f5ef?t=1660721342574)

18 Statistics Canada (Mai 2022) - Gross domestic product, income and expenditure, first quarter 2022 (https://www150.statcan.gc.ca/n1/daily-quotidien/220531/dq220531b-eng.htm)

19 Eurostat (August 2022) – Euroindikatoren (ps://ec.europa.eu/eurostat/documents/2995521/14675418/2-17082022-AP-DE.pdf/d95ddc8e-f573-62f3-0ce8-7695f781f5ef?t=1660721342574)

20 Eurostat (August 2022) – Euroindikatoren (ps://ec.europa.eu/eurostat/documents/2995521/14675418/2-17082022-AP-DE.pdf/d95ddc8e-f573-62f3-0ce8-7695f781f5ef?t=1660721342574)

21 Statistics Canada (August 2022) – https://www150.statcan.gc.ca/n1/daily-quotidien/220831/dq220831a-eng.htm

22 Eurostat (August 2022) – Euroindikatoren (ps://ec.europa.eu/eurostat/documents/2995521/14675418/2-17082022-AP-DE.pdf/d95ddc8e-f573-62f3-0ce8-7695f781f5ef?t=1660721342574)

23 International Monetary Fund (Juli 2022) – World Economic Outlook https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022

Effects of the war in Ukraine

SFC does not maintain any business relationships in Russia, Ukraine, Belarus or the Republic of Moldova. At the time that the consolidated half-year financial statements for 2022 were prepared, the war in Ukraine had no direct impact on the Group's asset, financial or earnings position. However, the war has had indirect effects on the Group's asset, financial and earnings position as a result of increased logistics and energy costs and higher procurement costs for raw materials.

Interest rate risk

A number of key central banks have responded by raising interest rates to ease inflationary pressures. This increase tends to result in an increase in borrowing costs for current financial liabilities (working capital lines) of the subsidiaries in the Netherlands, Romania and Canada. SFC determines existing interest rate risks using sensitivity analyses that show the effects of changes in market interest rates on interest payments, interest income and expenses, and equity.

However, the precise extent of interest rate tightening needed to bring inflation down without triggering a recession is difficult to gauge and further rate hikes cannot be ruled out. If central banks continue to raise interest rates to combat inflation, financing conditions around the world will continue to tighten. Should the sensitivity analysis show that interest rate fluctuations could have a significant impact, SFC could use derivative hedging instruments to reduce the risk.

The interest rate risk is therefore no longer assessed as possible, but rather as probable, but still has potentially minor negative effects on the assets, financial and earnings position. Overall, this risk is assessed as high.

Forecast Report

In light of the developments listed above, we will continue to focus on the structural improvement and further development of our margins in fiscal year 2022, despite significantly increased geopolitical and economic uncertainties in the framework conditions, and continue to pursue targeted growth initiatives. All goals are consistently backed up by specific action plans.

Sales

Due to the very positive development of sales of the Clean Energy segment in the first half of 2022, which was characterized by high demand dynamics, we confirm the forecast for sales growth for SFC Energy AG compared to the previous year of 17% to 29% to around EUR 75,000 thousand to EUR 83,000 thousand.

Underlying EBITDA

We also confirm our forecast of EUR 6,000 thousand to EUR 9,100 thousand for underlying EBITDA, one of our key financial performance indicators for steering the operating business.

In our forecast, we assume that no further major financial impacts of COVID-19 on our business operations are to be expected, as well as no further major negative effects of the war in Ukraine. Furthermore, we are assuming continued good price enforcement for our products and positive exchange rate effects.

Underlying EBIT

In accordance with the expectations described above, we confirm underlying EBIT to be in a range of between EUR 1,600 thousand and EUR 2,900 thousand.

Report on significant transactions with related parties

Related party transactions

Related parties within the meaning of IAS 24 (Related-Party Disclosures) are legal entities or individuals that can influence SFC Energy AG and its subsidiaries or are subject to control, joint control or significant influence by SFC Energy AG or its subsidiaries. These include, in particular, unconsolidated subsidiaries, joint ventures and associated companies included at cost or using the equity method, and pension plans, as well as the members of SFC Energy AG's corporate bodies. The Group of related companies has not changed compared to the Consolidated Financial Statements as of December 31, 2021.

Related companies

As in the previous year, there were no transactions with non-consolidated subsidiaries in the reporting period.

Other related party disclosures

As of June 30, 2022, the members of the Management Board and of the Supervisory Board held approximately 1.7% (December 31, 2021: 1.7%) of the shares issued by SFC Energy AG.

Supplementary Report

In order to further finance the company's growth, the Management Board decided on July 27, 2022, with the approval of the Supervisory Board, in each case based on previous resolutions of July 11, 2022, to increase the company's share capital by EUR 2,893,948 partially using the Authorized Capital 2019 of EUR 14,469,743 to EUR 17,363,691.

For this purpose, 2,893,948 new ordinary bearer shares (no-par value shares) at an issue price of EUR 1 were first offered to the shareholders by way of indirect subscription rights and then the unsubscribed shares to qualified investors as part of a private placement, each at a price of EUR 19.50 per new share offered. The new shares were fully subscribed and the capital increase was entered in the commercial register on July 28, 2022. The gross proceeds from the capital increase amounted to EUR 56,432 thousand.

The new shares carry full dividend rights from January 1, 2022.

Brunnthal, September 13, 2022

The Management Board

Dr, Peter Podesser
Chief Executive Officer (CEO)

Daniel Saxena
Management Board member (CFO)

Hans Pol
Management Board member (COO)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR THE PERIOD JANUARY 1 TO JUNE 30, 2022

Consolidated Statement of Income

JANUARY 1 TO JUNE 30, 2022 (UNAUDITED)

in EUR

	2022 01/01-06/30	2021 01/01-06/30
Sales	38,158,787	31,131,904
Cost of goods sold and services rendered to generate sales revenue	-24,695,542	-19,944,500
Gross profit	**13,463,245**	**11,187,404**
Selling expenses	-6,374,440	-8,435,620
Research and development expenses	-2,159,072	-1,498,129
General administrative expenses	-6,075,889	-5,902,390
Other operating income	1,925,585	726,061
Other operating expenses	-121,813	-30,217
Operating result (EBIT)	**657,616**	**-3,952,891**
Interest and similar income	4	5
Interest and similar expenses	-200,239	-170,643
Result before taxes	**457,381**	**-4,123,529**
Taxes on income and earnings	-88,091	-255,550
Consolidated net result for the period	**369,290**	**-4,379,079**
Earnings per share		
undiluted	0.03	-0.30
diluted	0.03	-0.30

Consolidated Statement of Comprehensive Income

JANUARY 1 TO JUNE 30, 2022 (UNAUDITED)		in EUR
	2022 01/01-06/30	2021 01/01-06/30
Consolidated net result for the period	**369,290**	**-4,379,079**
Other comprehensive income to be reclassified to profit or loss for the period in the future		
Differences from the translation of foreign subsidiaries	568,745	358,162
Changes in value recognized directly in equity (total other comprehensive income)	**568,745**	**358,162**
Total comprehensive income for the period	**938,035**	**-4,020,917**

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 JUNE 30, 2022 (UNAUDITED)

		in EUR
	06/30/2022	12/31/2021
Current assets	**61,260,704**	**58,724,007**
Inventories	21,920,000	14,184,541
Trade receivables	20,075,697	17,608,015
Assets from contracts with customers	862,136	243,437
Other assets and receivables	4,149,368	1,680,439
Cash and cash equivalents	13,868,576	24,622,648
Restricted cash and cash equivalents	384,927	384,927
Non-current assets	**29,631,438**	**28,641,235**
Intangible assets	18,459,865	17,698,268
Property, plant and equipment	8,954,038	8,886,706
Deferred tax assets	2,217,535	2,056,261
Aktiva	**90,892,142**	**87,365,242**

Consolidated Statement of Financial Position

LIABILITIES AS OF JUNE 30, 2022 (UNAUDITED)	06/30/2022	in EUR 12/31/2021
Current liabilities	**26,243,814**	**20,998,034**
Tax provisions	31,725	78,710
Other accrued liabilities	1,628,152	1,941,650
Liabilities to banks	3,862,825	2,734,888
Liabilities from advance payments	179,558	136,703
Trade payables	9,897,814	7,641,959
Liabilities from finance leases	2,072,142	1,859,824
Liabilities from contracts with customers	891,620	277,157
Other liabilities and PRAP	7,679,979	6,327,143
Non-current liabilities	**13,450,705**	**16,348,354**
Other accrued liabilities	1,734,633	1,529,184
Liabilities from finance leases	4,716,879	4,890,839
Other liabilities	5,019,832	8,005,575
Deferred tax liabilities	1,979,361	1,922,756
Equity	**51,197,622**	**50,018,854**
Subscribed capital	14,469,743	14,469,743
Capital reserve	119,877,283	119,636,548
Other changes in equity not affecting net income	-57,823	-626,568
Result carried forward	-83,460,869	-77,631,411
Consolidated net result	369,288	-5,829,458
Liabilities	**90,892,142**	**87,365,242**

Consolidated Statement of Cash Flows

JANUARY 1 TO JUNE 30, 2022 (UNAUDITED)

in EUR

		2022 01/01-06/30	2021 01/01-06/30
	Cash flow from operating activities		
	Result before taxes	**457,381**	**-4,123,530**
+	Interest result	200,235	170,638
+	Amortization of intangible assets and depreciation of property, plant and equipment	2,402,482	2,040,898
+/-	Income/expenses from LTI programs	-966,513	5,172,316
+	Change in the valuation allowance	50,092	-146,659
+/-	Losses/gains on the disposal of non-current assets	50,919	-2,475
+/-	Other non-cash income and expenses	-60,670	-33,099
	Operating cash flow before changes in working capital	**2,133,926**	**3,078,089**
+/-	Changes to provisions	-141,847	106,490
-/+	Changes in trade receivables	-2,057,271	-2,251,070
-/+	Changes in inventories	-7,528,989	-318,059
-/+	Changes in other receivables and assets	-3,038,675	-773,154
+/-	Changes in trade payables	1,829,160	831,719
+/-	Changes to other liabilities	4,778	134,209
	Cash flow from operating activities before income taxes	**-8,798,918**	**808,224**
+/-	Income tax refunds/payments	-118,232	-135,779
	Cash flow from operating activities	**-8,917,150**	**672,445**

Consolidated Statement of Cash Flows

JANUARY 1 TO JUNE 30, 2022 (UNAUDITED)

in EUR

		2022 01/01-06/30	2021 01/01-06/30
	Cash flow from investing activities		
	Investments in intangible assets from development projects	-1,042,305	-1,254,772
+	Investments in other intangible assets	-152,558	-97,396
+	Investment in property, plant and equipment	-578,152	-221,067
+	Interest and similar income received	5	5
-	Sale of fixed assets	0	9,000
	Cash flow from investing activities	**-1,773,010**	**-1,564,230**
	Cash flow from financing activities		
-	Repayment of financial liabilities	-235,419	-322,576
+/-	Change in current account liabilities	1,287,279	-328,349
-	Repayment of liabilities from finance leases	-947,543	-802,129
-	Interest paid and similar expenses	-200,240	-165,196
	Cash flow from financing activities	**-95,923**	**-1,618,250**
	Cash-effective change in cash and cash equivalents	**-10,786,083**	**-2,510,036**
	Effect of exchange rate changes on cash and cash equivalents	32,011	0
	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	13,868,576	28,954,063
	Net change in cash and cash equivalents	**-10,786,083**	**-2,510,036**

Consolidated Statement of Changes in Equity

JANUARY 1 TO JUNE 30, 2022

in EUR

	Subscribed capital	Capital reserve	Other changes in equity not effecting profit or loss	Net accumulated loss	Total
Balance on 12/31/2021	**14,469,743**	**119,636,548**	**– 626,568**	**–83,460,869**	**50,018,854**
Total comprehensive income for the period					
Consolidated loss for the period 01/01–06/30/2022				369,289	369,289
Income/loss from currency translation recognized directly in equity			568,746		568,746
Equity-settled share-based payment transactions		240,735			240,735
Balance on 06/30/2022	**14,469,743**	**119,877,283**	**– 57,823**	**–83,091,580**	**51,197,623**

JANUARY 1 TO JUNE 30, 2021

in EUR

	Subscribed capital	Capital reserve	Other changes in equity not effecting profit or loss	Net accumulated loss	Total
Balance on 12/31/2020	**14,469,743**	**119,118,339**	**– 1,118,708**	**– 77,631,411**	**54,837,963**
Total comprehensive income for the period					
Consolidated loss for the period 01/01–06/30/2021				– 4,379,080	– 4,379,080
Income/loss from currency translation recognized directly in equity			358,162		358,162
Equity-settled share-based payment transactions		205,858			205,858
Balance on 06/30/2021	**14,469,743**	**119,324,197**	**– 760,546**	**– 82,010,491**	**51,022,904**

Group Segment Reporting

JANUARY 1 TO JUNE 30, 2022

in EUR

	Clean Energy		Clean Power Management		Consolidated Financial Statements	
	2022	2021	2022	2021	2022	2021
Sales	26,648,389	19,356,186	11,510,398	11,775,718	38,158,787	31,131,904
Cost of goods sold and services rendered to generate sales revenue	-15,957,447	– 11,568,176	-8,738,095	– 8,376,342	-24,695,542	– 19,944,500
Gross profit	**10,690,942**	**7,788,010**	**2,772,303**	**3,399,395**	**13,463,245**	**11,187,405**
Selling expenses	-5,431,266	– 7,471,507	-943,174	– 964,113	-6,374,440	– 8,435,621
Research and development expenses	-1,089,358	– 623,389	-1,069,715	– 874,740	-2,159,072	– 1,498,129
General administrative expenses	-4,524,738	– 4,851,649	-1,551,151	– 1,050,741	-6,075,889	– 5,902,390
Other operating income	1,925,585	726,061	0	0	1,925,585	726,061
Other operating expenses	-121,813	– 30,217	0	0	-121,813	– 30,217
Operating result (EBIT)	**1,449,352**	**– 4,462,691**	**-791,737**	**509,800**	**657,616**	**– 3,952,892**
Adjustments to EBIT	51,512	5,353,331	0	0	51,512	5,353,331
Adjusted EBIT	**1,500,864**	**890,640**	**-791,737**	**509,800**	**709,128**	**1,400,439**
Depreciation	-1,870,119	– 1,543,951	-532,363	– 496,947	-2,402,482	– 2,040,898
EBITDA	**3,319,471**	**– 2,918,740**	**-259,374**	**1,006,747**	**3,060,098**	**– 1,911,994**
Adjustments to EBITDA	51,512	5,353,331	0	0	51,512	5,353,331
Adjusted EBITDA	**3,370,983**	**2,434,591**	**-259,374**	**1,006,747**	**3,111,610**	**3,441,337**
Operating result (EBIT)					**657,616**	**– 3,952,892**
Financial result					-200,235	– 170,638
Result before taxes					**457,381**	**– 4,123,530**
Taxes on income and earnings					-88,091	– 255,550
Consolidated net result for the period					**369,290**	**– 4,379,080**

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General principles and scope of consolidation

Information on the company

SFC Energy AG ("company" or "SFC AG") is a stock corporation domiciled in Germany. The registered office of the company is Eugen-Sänger-Ring 7, 85649 Brunnthal. The company is registered in the Commercial Register of the Local Court of Munich under the number 144296. The main activities of the company and its subsidiaries ("SFC" or "Group") are the development, production and marketing of products, systems and solutions for stationary and mobile off-grid power supply based on hydrogen (PEMFC) and direct methanol (DMFC) fuel cells for customers from the private, industrial and public sectors in various end-customer markets, the making of the necessary investments for this purpose, and all other related business.

The company is listed in the Prime Standard of the Frankfurt Stock Exchange (WKN 756857, ISIN: DE0007568578).

Accounting principles

These Interim Financial Statements as of June 30, 2022, have been prepared in condensed form in accordance with the requirements of IAS 34, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, London, which are endorsed by the European Union, and the Interpretations issued by the IFRS Interpretations Committee, in effect at the closing date. The Condensed Consolidated Financial Statements do not contain all the information required for the Consolidated Financial Statements of a fiscal year and should be read in conjunction with the Consolidated Financial Statements as of December 31, 2021.

The explanations in the Notes to the 2021 Consolidated Financial Statements apply accordingly, particularly with regard to the significant accounting policies. The standards, amendments and interpretations listed there that are to be applied for the first time in fiscal year 2022 did not have any material effect on the SFC Group in the current fiscal year.

The Interim Financial Statements are presented in euros (EUR). Unless stated otherwise, the figures in these Interim Financial Statements have been rounded to full euros (EUR). Differences may arise from the use of rounded amounts and percentages due to commercial rounding.

Estimation uncertainties and discretionary decisions

The preparation of the Consolidated Financial Statements in conformity with IFRS requires management to make certain assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed by management on an ongoing basis. Changes in estimates are recognized in the period in which the estimates are changed and in any future periods affected.

In preparing these Interim Financial Statements, the significant judgments made by management in the process of applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the preparation of the Consolidated Financial Statements for the year ended December 31, 2021, as follows.

Scope of consolidation

As of December 31, 2021, the Interim Financial Statements still include SFC Energy AG as the parent company and three subsidiaries:

SUBSIDIARIES, FULLY CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS in %

Name of company	Registered office	Share in capital			Currency
		directly	indirectly	total	
SFC Energy Ltd.	Calgary (Canada)	100.00	-	100.00	CAD
SFC Energy B.V.	Almelo (Netherlands)	100.00	-	100.00	EUR
SFC Energy Power Srl.	Cluj-Napoca (Romania)	-	100.00	100.00	RON

As of June 30, 2022, there were no changes in ownership interests in the Group that would have resulted in a loss of control. There are no significant restrictions on the ability of the Group or its subsidiaries to access and use the Group's assets or to meet the Group's liabilities.

Economic and seasonal influences on business activity

The operating events presented in these Interim Financial Statements are subject to macroeconomic trends and cyclical influences. Seasonal events, on the other hand, have no significant impact on the Group.

The latest economic forecasts are characterized by a high degree of uncertainty as the recovery momentum slows and becomes increasingly unbalanced. Risks relate primarily to uncertainty regarding the further course of the COVID-19 pandemic, the ongoing disruptions to global supply chains, but also to the still unresolved geopolitical conflicts such as the Russian war on Ukraine, with a clear impact on energy supplies and energy prices, among other areas. In addition, the armed conflict has led to higher commodity prices, further fueled inflation, and contributed to a worsened business climate and difficult financing conditions.

In this context, SFC is continuously reviewing the impact of the COVID-19 pandemic as well as the Ukraine conflict on the business and resulting effects on the Group's accounting. The COVID-19 pandemic has so far had a particular impact on contract awards. The Ukraine conflict has so far had an impact in particular in terms of increased prices on the procurement markets and higher energy prices.

For further information, please refer to the section "Business performance and economic situation" in the Interim Group Management Report.

Other liabilities

Non-current other liabilities comprise the liability from the Stock Appreciation Rights Program (SARs Program) for the Management Board members Dr. Peter Podesser, Daniel Saxena and Hans Pol and for three executives. For details on this agreement, please refer to the following note on the "Stock Appreciation Rights Program."

Stock Appreciation Rights Program

As part of the Management Board contracts, an agreement was concluded between the company and the Management Board members on the conclusion of a Stock Appreciation Rights Program (SARs program). The objective of the program is to pursue a business policy that is primarily aligned to the interests of the shareholders and promotes the long-term increase in value of the shareholders' shareholding.

The program provides for variable compensation in the form of Stock Appreciation Rights (SARs). An SAR grants the holder the right to receive a cash payment equal in value to the valid share price at the time of exercise less the exercise price. SARs can be exercised after expiry of the respective waiting period within a period of one year, subject to the achievement of performance targets and observance of the so-called blackout period. The number of SARs that can be exercised depends largely on the average SFC share price over a period of 30 trading days before the end of the respective waiting period (reference price).

As part of the performance targets, the average stock market price of the company 30 trading days before the end of the respective waiting period must exceed the average stock market price 30 trading days before the SARs are issued.

No further SARs were granted in fiscal year 2022. A portion of the entitlements of Dr. Peter Podesser based on Tranche PP2 (Peter Podesser Program 2) were exercised in the reporting period.

In fiscal year 2021, Markus Binder's entitlements were redeemed by way of a cash payment in the first half of 2021. Furthermore, a portion of the entitlements of Dr. Peter Podesser based on Tranche PP2 (Peter Podesser Program 2) were exercised in the reporting period.

The granting of the SARs was classified and measured as a cash-settled share-based payment transaction in accordance with IFRS 2.30. The fair value of the SARs is remeasured as of each balance sheet date using a Monte Carlo model, taking the terms and conditions upon which the SARs were granted into account.

SARs developed as follows in the first half of 2022:

DEVELOPMENT OF SARs IN 2022

	Tranche PP2	Tranche HP3	Tranche DS1	Tranches CB1/BL1/FT1
Number of Stock Appreciation Rights (SARs)	360,000	180,000	228,000	47,250
Maximum term (in years)	7.00	7.00	8.00	7.00
SARs outstanding at the beginning of the 2022 reporting period (01/01/2022)	**146,667**	**120,000**	**228,000**	**40,500**
In the 2022 reporting period				
SARs granted	0	0	0	0
SARs forfeited	0	0	0	0
SARs exercised	36,667	0	0	0
SARs expired	0	0	0	0
SARs outstanding at the end of the 2022 reporting period (06/30/2022)	**110,000**	**120,000**	**228,000**	**40,500**
SARs exercisable at the end of the 2022 reporting period (06/30/2022)	**110,000**	**0**	**0**	**0**

SARs developed as follows in fiscal year 2021:

DEVELOPMENT OF SARs IN 2021

	Tranche HP2	Tranche PP2	Tranche MB1	Tranche HP3	Tranche DS1	Tranches CB1/BL1/FT1
Number of Stock Appreciation Rights (SARs)	180,000	360,000	180,000	180,000	228,000	47,250
Maximum term (in years)	7.00	7.00	7.00	7.00	8.00	7.00
SARs outstanding at the beginning of the 2021 reporting period (01/01/2021)	**20,000**	**220,000**	**55,000**	**120,000**	**228,000**	**0**
In the 2021 reporting period						
SARs granted	0	0	0	0	0	47,250
SARs forfeited	0	0	55,000	0	0	6,750
SARs exercised	20,000	73,333	0	0	0	0
SARs expired	0	0	0	0	0	0
SARs outstanding at the end of the 2021 reporting period (06/30/2021)	**0**	**146,667**	**0**	**120,000**	**228,000**	**40,500**
SARs exercisable at the end of the 2021 reporting period (06/30/2021)	**0**	**73,333**	**0**	**0**	**0**	**0**

The following parameters were taken into account in the valuation as of June 30, 2022:

SARs IN 2022

	Tranche PP2	Tranche HP3	Tranche HP3	Tranches CB1/BL1/FT1
Valuation date	06/30/2021	06/30/2021	06/30/2021	06/30/2022
Remaining term (in years)	0.59	3.00	6.00	4.50
Volatility	44.94%	59.62%	54.74%	53.96 %
Risk-free interest rate	0.32%	0.81%	1.13%	1.03%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Exercise price	EUR 1.00	EUR 1.00	EUR 1.00	EUR 1.00
SFC share price on the valuation date	EUR 24.30	EUR 24.30	EUR 24.30	EUR 24.30

The following parameters were used as a basis for the valuation as of December 31, 2021:

SARs IN 2021

	Tranche PP2	Tranche HP3	Tranche DS1	Tranches CB1/BL1/FT1
Valuation date	06/30/2021	06/30/2021	06/30/2021	06/30/2021
Remaining term (in years)	2.25	3.50	6.50	5.00
Volatility	56.33%	54.73%	68.15%	69.51%
Risk-free interest rate	– 0.70%	– 0.67%	– 0.44%	– 0.46%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Exercise price	EUR 1.00	EUR 1.00	EUR 1.00	EUR 1.00
SFC share price on the valuation date	EUR 28.40	EUR 28.40	EUR 28.40	EUR 28.40

The period from the measurement date up until the end of the agreement was used as the term. The share price was determined via S&P's Capital IQ from the closing price in XETRA trading as of June 30, 2022. The volatility was determined as the historical volatility of the SFC share over the remaining term to maturity. The expected volatility taken into account is based on the assumption that future trends can be inferred from historical volatility, so that the volatility that actually occurs may differ from the assumptions made. The expected dividend yield is based on market estimates for the amount of the expected dividend of the SFC share in the years 2022 and 2023.

As of June 30, 2022, a liability of EUR 6,782,968 (thereof EUR 4,224,455 non-current) was recognized under other liabilities as part of the SARs Program (December 31, 2021: EUR 8,870,407; thereof EUR 7,210,198 non-current). The expense / income for the period from January 1 to June 30 amount to EUR -1,094,003 (same period of the previous year: EUR 4,966,458).

Stock Option Program

As part of the Management Board contracts, an agreement on the conclusion of a Stock Option Program (MSOP) was concluded between the company and Dr. Podesser and Hans Pol. Furthermore, contracts were concluded for two other executives. The objective of this program is to pursue a business policy that is primarily aligned with the interests of the shareholders and promotes the long-term increase in the value of the shareholders' shareholding. In fiscal year 2021, the grant was made to Hans Pol (Stock Option Program 2) as well as to two other two other executives.

Tranche PP1 (Peter Podesser Stock Option Program 1) provides for variable compensation in the form of so-called stock options. A stock option entitles the holder to subscribe to one no-par value ordinary bearer share of the company (no-par share) with simultaneous payment of the exercise price by the option holder. Stock options can be exercised after expiry of the respective vesting period within a period of one year, taking the so-called blackout periods into account. The number of exercisable stock options depends largely on the average SFC share price over a period of 30 trading days prior to the expiration of the respective waiting period (reference price).

Stock Option Program 2 commenced on March 1, 2021, and has a maximum term of eight years. The option rights can be exercised in accordance with the option conditions within one year after the expiry of a waiting period. The waiting period is four or seven years, in each case starting on the issue date of the tranche (beginning on March 1, 2021). The exercise price is EUR 24.41. Each option right entitles the holder to purchase one SFC AG share. Subscription rights granted may only be exercised if a stock market price of SFC AG shares defined in more detail by the Annual General Meeting has reached a certain price target at certain times during the four-year waiting period and subscription rights have therefore not lapsed (in whole or in part). The exercise of stock options with respect to each sub-tranche is furthermore conditional upon an average stock market price of SFC AG stock at the time of exercise, as defined in more detail by the Annual General Meeting, reaching or exceeding thresholds set by the Annual General Meeting.

The Stock Option Program ensures that, after expiry of the waiting period, option rights may only be exercised for the respective drawing period if the total of the number of option rights exercised multiplied by the closing price on the exercise date of these option rights less the exercise price and the number of option rights to be exercised multiplied by the closing price on the trading day before the intended date of exercise of the option rights less the exercise price does not exceed an amount of EUR 1 million (cap).

Stock Option Programs 3 and 4 commenced on January 1, 2021, and have a maximum term of seven years. The option rights can be exercised in accordance with the option conditions within one year after expiry of a waiting period. The waiting period is four and six years, respectively, each beginning on the issue date of the tranche (starting on January 1, 2021). The exercise price is EUR 15.50. Each option right entitles the holder to purchase one SFC AG share. Subscription rights granted may be exercised only if the stock market price of the SFC share defined in more detail by the Annual General Meeting has reached a certain price target at certain times during the four-year waiting period and subscription rights have not therefore lapsed (in whole or in part). The exercise of stock options with respect to each sub-tranche is further conditional upon an average stock market price of the SFC share on the exercise date, as defined in more detail by the Annual General Meeting, reaching or exceeding thresholds set by the Annual General Meeting.

The granting of stock options was classified and measured as an equity-settled share-based payment in accordance with IFRS 2.10. The fair value of the stock options was determined once using a Monte Carlo model and taking the conditions at which the stock options were granted into account.

Stock options developed as follows in the 2022 reporting period:

DEVELOPMENT OF STOCK OPTIONS IN 2022

	Tranche PP1	Tranche HP4	Tranche SA 1	Tranche MC 1
Number of stock options	504,000	500,000	22,800	22,800
Maximum term (in years)	8.00	8.00	7.00	7.00
Stock options outstanding at the beginning of the 2020 reporting period (01/01/2022)	504,000	500,000 0	0	0
In the 2022 reporting period				
Stock options granted	0	500,000	22,800	22,800
Stock options forfeited	0	0	0	0
Stock options exercised	0	0	0	0
Stock options expired	0	0	0	0
Stock options outstanding at the end of the 2022 reporting period (12/31/2022)	**504,000**	**500,000**	**22,800**	**22,800**
Stock options exercisable at the end of the 2022 reporting period (12/31/2022)	**0**	**0**	**0**	**0**

Stock options developed as follows in fiscal year 2021:

DEVELOPMENT OF STOCK OPTIONS IN 2021

	Tranche PP1	Tranche HP4	Tranche SA 1	Tranche MC 1
Number of stock options	504,000	500,000	22,800	22,800
Maximum term (in years)	8.00	8.00	7.00	7.00
Stock options outstanding at the beginning of the 2020 reporting period (01/01/2021)	504,000	500,000 0	0	0
In the 2021 reporting period				
Stock options granted	0	500,000	22,800	22,800
Stock options forfeited	0	0	0	0
Stock options exercised	0	0	0	0
Stock options expired	0	0	0	0
Stock options outstanding at the end of the 2021 reporting period (12/31/2021)	**504,000**	**500,000**	**22,800**	**22,800**
Stock options exercisable at the end of the 2021 reporting period (12/31/2021)	**0**	**0**	**0**	**0**

The following parameters were used as a basis for the valuation as of June 30, 2022:

2022	Tranche PP1	Tranche HP4	Tranche SA 1	Tranche MC 1
Valuation date	09/04/2020	03/01/2021	01/01/2021	01/01/2021
Remaining term	6.18	6.67	5.51	5.51
Volatility	45.18%	49.49%	50.34%	50.34%
Risk-free interest rate	-0.54%	-0.47%	-0.69%	-0.069%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Exercise price	EUR 1.00	EUR 24.41	EUR 15.50	EUR 15.50
SFC share price on the valuation date	EUR 10.00	EUR 28.50	EUR 22.75	EUR 22.75

As of June 30, 2022, a capital reserve of EUR 1,315,184 was recognized under the Stock Option Program (December 31, 2021: EUR 1,074,449). The expense for the period from January 1 to June 30 amounts to EUR 240,735 (same period of the previous year: EUR 205,858).

The following parameters were used as a basis for the valuation as of December 31, 2021:

2021	Tranche PP1	Tranche HP4	Tranche SA 1	Tranche MC 1
Valuation date	09/04/2020	03/01/2021	12/31/2021	12/31/2021
Remaining term (in years)	6.53	7.17	6.0	6.0
Volatility	45.18%	49.49%	50.34%	50.34%
Risk-free interest rate	– 0.54%	– 0.47%	– 0.69%	– 0.69%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Exercise price	EUR 1.00	EUR 24.41	EUR 15.50	EUR 15.50
SFC share price on the valuation date	EUR 10.00	EUR 28.50	EUR 27.75	EUR 27.75

Breakdown of sales revenue

Revenue for the period January 1 to June 30, 2022, can be broken down as follows:

BREAKDOWN OF SALES REVENUE IN 2022

in EUR

	Clean Energy	Clean Power Management	Total
Regions	01/01–06/30/2022	01/01–06/30/2022	01/01–06/30/2022
North America	11,900,775	3,675,164	15,575,939
Europe (excluding Germany)	8,898,069	6,845,377	15,743,447
Germany	3,516,372	285,786	3,802,158
Asia	2,247,879	704,071	2,951,950
Rest of the world	85,293	0	85,293
Total	**26,648,389**	**11,510,398**	**38,158,787**
Timing of revenue recognition			
Time-related transfer of goods	26,127,629	10,942,344	37,069,973
Period-related revenue recognition/provision of services	520,760	568,055	1,088,814
Total	**26,648,389**	**11,510,398**	**38,158,787**

Revenue for the period January 1 to June 30, 2021, can be broken down as follows:

BREAKDOWN OF SALES REVENUE IN 2021

in EUR

	Clean Energy	Clean Power Management	Total
Regions	**01/01–06/30/2021**	**01/01–06/30/2021**	**01/01–06/30/2021**
North America	7,893,074	3,744,594	11,637,668
Europe (excluding Germany)	6,259,439	7,003,386	13,262,824
Germany	3,676,061	369,607	4,045,668
Asia	1,309,860	478,335	1,788,196
Rest of the world	217,752	179,796	397,548
Total	**19,356,186**	**11,775,718**	**31,131,904**
Timing of revenue recognition			
Time-related transfer of goods	19,238,145	8,926,410	28,164,555
Period-related revenue recognition/provision of services	118,041	2,849,308	2,967,349
Total	**19,356,186**	**11,775,718**	**31,131,904**

Cost of goods sold and services rendered to generate sales revenue

The cost of sales in the first half of 2022 is as follows:

COST OF SALES

in EUR

	01/01-06/30/2022	01/01-06/30/2021
Cost of materials	18,452,731	15,490,759
Personnel costs	2,861,420	2,137,487
Room costs	205,852	174,132
Transport costs	932,894	509,004
Amortization of capitalized development costs	859,181	678,474
Warranties	266,312	151,029
Other depreciation and amortization	803,317	584,764
Consulting	19,666	27,360
Other	294,168	191,491
Total	**24,695,542**	**19,944,500**

Selling expenses

Selling expenses in the first half of 2022 are as follows:

SELLING EXPENSES	01/01-06/30/2022	01/01-06/30/2021
		in EUR
Personnel costs	4,372,425	7,286,720
Depreciation	311,112	265,108
Advertising and travel expenses	901,917	343,635
Consulting/Commission	242,547	99,928
Receivables defaults/Cost of materials	126,561	0
Other	419,879	440,229
Total	**6,374,440**	**8,435,620**

Research and development expenses

Research and development expenses in the first half of 2022 are as follows:

RESEARCH AND DEVELOPMENT EXPENSES	01/01-06/30/2022	01/01-06/30/2021
		in EUR
Personnel costs	2,047,298	1,426,440
Consulting und patents	108,540	249,114
Room costs	91,561	28,096
Other depreciation and amortization	191,488	317,083
Cost of materials	803,394	811,055
Other	186,221	101,705
Offsetting against grants received	-227,124	-180,592
Capitalization as internally generated intangible assets	-1,042,305	-1,254,772
Total	**2,159,072**	**1,498,129**

General administrative expenses

General administrative expenses in the first half of 2022 are as follows:

GENERAL ADMINISTRATIVE EXPENSES in EUR

	01/01-06/30/2022	01/01-06/30/2021
Personnel costs	2,465,198	3,885,002
Audit and consulting fees	2,095,601	798,099
Investor Relations/Annual General Meeting	206,478	319,212
Insurance	137,007	121,353
Depreciation	237,384	195,469
Vehicle costs	123,270	77,747
Travel expenses	105,656	23,348
Supervisory Board remuneration	71,250	65,724
Maintenance costs for hardware and software	138,264	95,078
Other	495,780	324,293
Offsetting against grants received	0	-2,935
Total	**6,075,889**	**5,902,390**

Other operating income and expenses

In the reporting period, other operating income mainly includes income from the reversal of provisions amounting to EUR 1,207,248 (previous year: EUR 483,650) and income from exchange rate differences amounting to EUR 682,877 (previous year: EUR 242,091). The other operating income from the reversal of provisions is exclusively attributable to the reversal of provisions from the SARs Program and Stock Option Program. For more details on these agreements, please refer to the two chapters entitled "Stock Appreciation Rights Program" and "Stock Option Program." Other operating income totaled EUR 1,925,585 (previous year: EUR 726,060).

Other operating expenses in the reporting period mainly include expenses from exchange rate differences amounting to EUR 120,865 (previous year: EUR 30,217).

Income taxes

As in the Consolidated Financial Statements as of December 31, 2021, deferred tax assets on tax loss carryforwards of SFC and its subsidiaries are recognized at a maximum of the amount at which they can be offset against deferred tax liabilities after deduction of the other deferred tax assets, since a future economic benefit from these loss carryforwards cannot yet be sufficiently substantiated.

Segment Report

In the context of Group segment reporting in accordance with IFRS 8 "Operating Segments," the segments are broken down according to the internal reporting to the Management Board and Supervisory Board, which serves as the basis for the company's planning and resource mapping.

The accounting policies of the reportable segments correspond to the Group accounting policies described.

Since January 1, 2021, the segmentation of the Group is based on internal management control, on the basis of the technology platforms and the product and service portfolio offered, and the management of the company's activities. The Group's segments are "Clean Energy" and "Clean Power Management."

To measure the performance of the Clean Energy and Clean Power Management segments and to manage the Group, The Management Board continues to use sales, gross profit, adjusted EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) and adjusted EBIT (earnings before interest and taxes adjusted for special effects) as key performance indicators.

Sales revenue, gross profit, EBITDA and the reconciliation of EBITDA to profit from operations (EBIT) according to the Consolidated Statement of Income are as follows for the reporting period:

GROUP SEGMENT REPORTING JANUARY 1 TO JUNE 30, 2022

in EUR

	Clean Energy		Clean Power Management		Consolidated Financial Statements	
	2022	2021	2022	2021	2022	2021
Sales	26,648,389	19,356,186	11,510,398	11,775,718	38,158,787	31,131,904
Cost of goods sold and services rendered to generate sales revenue	-15,957,447	– 11,568,176	-8,738,095	– 8,376,342	-24,695,542	– 19,944,500
Gross profit	**10,690,942**	**7,788,010**	**2,772,303**	**3,399,395**	**13,463,245**	**11,187,405**
Selling expenses	-5,431,266	– 7,471,507	-943,174	– 964,113	-6,374,440	– 8,435,621
Research and development expenses	-1,089,358	– 623,389	-1,069,715	– 874,740	-2,159,072	– 1,498,129
General administrative expenses	-4,524,738	– 4,851,649	-1,551,151	– 1,050,741	-6,075,889	– 5,902,390
Other operating income	1,925,585	726,061	0	0	1,925,585	726,061
Other operating expenses	-121,813	– 30,217	0	0	-121,813	– 30,217
Operating result (EBIT)	**1,449,352**	**– 4,462,691**	**-791,737**	**509,800**	**657,616**	**– 3,952,892**
Adjustments to EBIT	51,512	5,353,331	0	0	51,512	5,353,331
Adjusted EBIT	**1,500,864**	**890,640**	**-791,737**	**509,800**	**709,128**	**1,400,439**
Depreciation	-1,870,119	– 1,543,951	-532,363	– 496,947	-2,402,482	– 2,040,898
EBITDA	**3,319,471**	**– 2,918,740**	**-259,374**	**1,006,747**	**3,060,098**	**– 1,911,994**
Adjustments to EBITDA	51,512	5,353,331	0	0	51,512	5,353,331
Adjusted EBITDA	**3,370,983**	**2,434,591**	**-259,374**	**1,006,747**	**3,111,610**	**3,441,337**
Operating result (EBIT)					**657,616**	**– 3,952,892**
Financial result					-200,235	– 170,638
Result before taxes					**457,381**	**– 4,123,530**
Taxes on income and earnings					-88,091	– 255,550
Consolidated net result for the period					**369,290**	**– 4,379,080**

The Clean Energy segment comprises the Group's broad portfolio of products, systems and solutions in the area of stationary and mobile off-grid energy solutions based on hydrogen (PEMFC) and direct methanol (DMFC) fuel cells for customers from the private, industrial and public sectors in various end-customer markets.

The Clean Power Management segment bundles the entire business with technologically advanced, standardized and semi-standardized power management solutions such as voltage transformers and coils for the operation of equipment in the high-tech industry. In addition, the segment also includes the business with frequency converters used in the upstream oil and gas industry.

Other disclosures on financial instruments

The carrying amounts of the financial assets and financial liabilities recognized in the financial statements at amortized cost largely correspond to their fair values, as they are mainly current.

CARRYING AMOUNTS ACCORDING TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR

Financial assets	06/30/2022	12/31/2021
Assets measured at amortized cost		
Trade receivables	20,075,697	17,608,015
Other assets and receivables - current	325,872	325,872
Cash and cash equivalents	13,868,576	24,622,648
Restricted cash and cash equivalents	384,927	384,927
Financial debt		
Liabilities measured at amortized cost		
Liabilities to banks	3,862,825	2,734,888
Trade payables	9,897,814	7,641,959
Leasing liabilities	6,789,021	6,750,663
Other liabilities – current	71,250	185,725

Financial assets and liabilities measured at fair value are allocated to the following three hierarchy levels: Financial assets and liabilities are allocated to Level 1 if a quoted price for identical assets and liabilities is available on an active market. They are allocated to Level 2 if the parameters on which the fair value is based are observable either directly as prices or indirectly derived from prices. Financial assets and liabilities are reported in Level 3 if the fair value is determined from unobservable inputs. In the current period, there were no financial liabilities and financial assets based on a Level 3 fair value measurement.

The allocation to the fair value levels as of June 30, 2022, is as follows:

FAIR VALUE-LEVELS in EUR

	06/30/2022		
Financial assets	**Level 1**	**Level 2**	**Total**
Assets measured at amortized cost			
Trade receivables	0	20,075,697	20,075,697
Other assets and receivables – current	0	325,872	325,872
Cash and cash equivalents	0	13,868,576	13,868,576
Restricted cash and cash equivalents	0	384,927	384,927
Financial debt			
Liabilities measured at amortized cost			
Liabilities to banks	0	3,862,825	3,862,825
Trade payables	0	9,897,814	9,897,814
Leasing liabilities	0	6,789,021	6,789,021
Other liabilities – current	0	71,250	71,250

The allocation to the fair value levels is as follows as of December 31, 2021:

FAIR VALUE-LEVELS in EUR

	12/31/2021		
Financial assets	**Level 1**	**Level 2**	**Total**
Assets measured at amortized cost			
Trade receivables	0	17,608,015	17,608,015
Other assets and receivables – current	0	325,872	325,872
Cash and cash equivalents	0	24,622,648	24,622,648
Restricted cash and cash equivalents	0	384,927	384,927
Financial debt			
Liabilities measured at amortized cost			
Liabilities to banks	0	2,734,888	2,734,888
Trade payables	0	7,641,959	7,641,959
Leasing liabilities	0	6,750,663	6,750,663
Other liabilities – current	0	185,725	185,725

Employees

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

EMPLOYEES

	06/30/2022	06/30/2021
Full-time employees (including Management Board)	272	249
Part-time employees	42	33
Total	**314**	**282**

In addition, a total of 17 (previous year: 9) interns, diploma students and student trainees were employed at the end of June 2022.

Earnings per share

Earnings per share are calculated by dividing the consolidated net profit for the year attributable to the shareholders of the parent company by the average number of shares outstanding. As of June 30, 2022, 14,469,743 shares (previous year: 14,469,743 shares) were outstanding. The calculation of diluted earnings per share is based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjusting for all dilutive effects of potential ordinary shares. Earnings per share for the reporting period amounted to EUR 0.03 (previous year: EUR -0.30).

Diluted and basic earnings per share are identical due to the existence of anti-dilution protection, as the conversion into ordinary shares would reduce the loss per share from continuing operations.

Brunnthal, September 13, 2022

The Management Board

Dr, Peter Podesser
Chief Executive Officer (CEO)

Daniel Saxena
Management Board member
(CFO)

Management Board member
(COO)

2022 FINANCIAL CALENDAR

SEPTEMBER 20, 2022	BERENBERG AND GOLDMAN SACHS ELEVENTH GERMAN CORPORATE CONFERENCE
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 06/30/2022	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

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