Q3
2021

QUARTERLY RELEASE

January 1 to September 30, 2021

SFC ENERGY

CONTENT

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

The financial figures for the third quarter of 2021 and 2020 and for the first nine months of 2021 and 2020 are unaudited and are not subject to an auditor's review.

This document is a translation of the German Quarterly Release Q3 2021. The German version is the leading document.

SFC ENERGY AG – AT A GLANCE

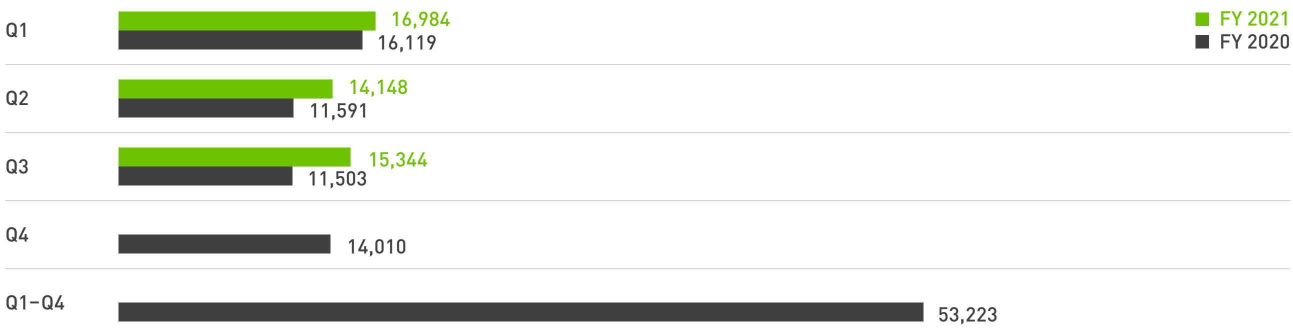
CONSOLIDATED KEY FIGURES

in EURk

	2021 01/01–09/30/	2020 01/01–09/30/	Change	2021 07/01–09/30/	2020 07/01–09/30/	Change
Sales	46,476	39,213	18,5%	15,344	11,503	33.4%
Gross profit	17,090	13,016	31,3%	5,903	4,240	17.6%
Gross margin	36.8%	33.2%		38.5%	36.9%	
EBITDA	– 636	– 785	19,0%	1,276	1,328	– 3.9%
EBITDA margin	– 1.4%	– 2.0%		8.3%	11.5%	
EBITDA underlying	5,789	2,226	160,1%	2,348	987	138.0%
EBITDA underlying margin	12.5%	5.7%		15.3%	8.6%	
EBIT	– 3,733	– 3,445	8,4%	220	555	– 60.4%
EBIT margin	– 8.0%	– 8.8%		1.4%	4.8%	
EBIT underlying	2,692	– 433	n.a.	1,292	214	n.a.
EBIT underlying margin	5.8%	– 1.1%		8.4%	1.9%	
Consolidated net result of period	– 4,367	– 3,896	n.a.	13	442	n.a.
Earnings per share, undiluted	– 0.30	– 0.30	n.a.	0.00	0.03	n.a.
Earnings per share, diluted	– 0.30	– 0.30	n.a.	0.00	0.03	n.a.

SALES BY QUARTER

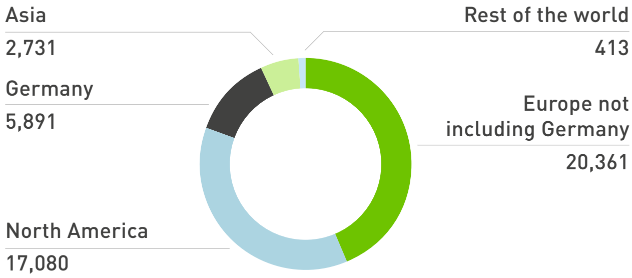
in EURk



SALES BY REGION

in EURk

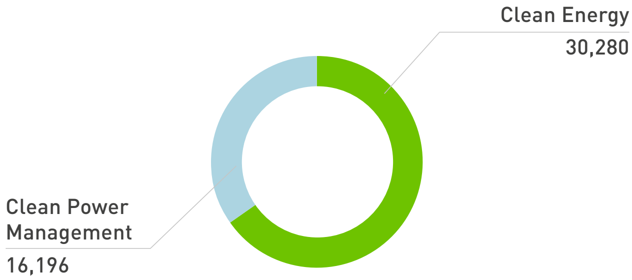
01/01–09/30/2021



SALES BY SEGMENT

in EURk

01/01–09/30/2021



INTERIM GROUP MANAGEMENT REPORT AS OF SEPTEMBER 30, 2021

Brunnthal, November 15, 2021

This chapter of this nine-month financial report summarizes key developments at SFC Energy AG in the first nine months of 2021 ("*reporting period*"). A detailed description of SFC Energy AG, its Group and its segments can be found in the 2020 Annual Report.

SFC Energy AG (ISIN: DE0007568578), a leading supplier of fuel cell solutions for stationary and mobile applications based on hydrogen (PEMFC) as well as direct methanol (DMFC) technology, is publishing information today on how the business has developed and significant events as part of the publication of its Quarterly Release Q3 2021 for the period from January 1, 2021, to September 30, 2021.

Principles of the Group

Organization and reporting structure

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

The segmentation of the Group's activities primarily follows the Group's internal organizational and reporting structure by business segment. Since January 1, 2021, this has been based on the Group's technology platforms and product and service portfolio and is divided into two segments: The **Clean Energy segment** comprises the broad portfolio of products, systems and solutions for stationary and mobile off-grid power supply based on hydrogen (PEMFC) and direct methanol (DMFC) fuel cells for customers in the private, industrial and public sectors in various end-customer markets. The **Clean Power Management segment** bundles the entire business with high-tech, standardized and semi-standardized power management solutions such as voltage converters and coils, which are used in equipment for high-tech industry. Furthermore, the segment includes the business with frequency converters used in the upstream oil and gas industry. Technologies and products of the segment are also used in the Clean Energy segment.

Goals 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 control and emergency power supplies for off-grid applications, some of which are safety-critical, such as telecommunications infrastructure, security and surveillance cameras, and off-grid sensors using fuel cell generators. The fuel cells are intended to provide low-emission or zero-emission alternatives to diesel engines, which have been used to date as emergency power generators or to cover peak loads, as well as to supplement existing systems 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 are focusing on the future technologies of hydrogen and methanol fuel cells and in particular on the development of fuel cell systems with higher performance, longer operating hours with product cost reductions, and the digital connection of our solutions.

In the reporting period, total research and development expenses (R&D costs recognized in profit or loss plus capitalized development expenses, expenses under joint development agreements and grants received less non-recurring expenses) decreased to EUR 3,977k (previous year: EUR 4,706k) compared to the expenses in the first nine months of 2020 ("previous year" or "prior-year period").

Of the total R&D expenses, EUR 1,773k (previous year: EUR 2,587k) were capitalized in the reporting period; this results in a capitalization ratio (capitalized development expenses in relation to total R&D expenses) of 44.6% (previous year: 55.0%). Scheduled amortization of capitalized research and development expenses amounted to EUR 1,075k in the reporting period (previous year: EUR 555k).

In the reporting period, the Group's R&D activities were supported to a small extent by government grants, e.g. via the National Organization for Hydrogen and Fuel Cell Technology, and this support is expected to continue in the future.

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

- The next generation of the current direct methanol fuel cell systems ("EFOY 3.n");
- Design and further development of hydrogen fuel cell systems based on the EFOY Jupiter system;
- Development of a remote monitoring device for new generations of fuel cell products;
- Development of a 12V- and 24V-battery optimized for the EFOY 3.0, including a battery management system (BMS) for lithium batteries;
- Development of an intelligent Fuel Management System (FMD) for autonomy extension for new product generations;
- Continuous improvement and further developments to increase the performance and reduce the costs of fnext EFOY generations.

The development of the Clean Power Management segment focused on topics such as increasing power density, power 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

Macroeconomic and industry-specific conditions

Increased risks to economic growth prospects

In light of the continuing challenges for global supply chains and the resulting shortage of raw materials, rising inflation rates and worsening pandemic dynamics in developing countries, the risks to the economic outlook have in fact increased. In its October forecast, the International Monetary Fund (IMF) therefore marginally lowered global economic growth this year by 0.1 percentage points to 5.9%. The IMF continues to expect growth of 4.9% for 2022.

For Germany, the IMF revised its forecast for this year downward by 0.5 percentage points to 3.1%. The IMF raised its forecast for the euro zone by 0.4 percentage points to 5% for 2021 – partly driven by stronger expected growth in Italy and France.[1]

The IMF expects inflation, which has recently picked up significantly as a result of, among other developments, the pandemic-related imbalance of supply and demand in many sectors as well as rising commodity prices and energy costs, to return to pre-corona crisis levels by mid-2022.

Recovery in Germany loses momentum

According to the ifo Institute, German overall economic activity grew by 1.6% in the first six months of 2021. While the trade and services sectors contributed strongly to the recovery from the pandemic-related crisis, the ongoing supply bottlenecks for key intermediate goods noticeably hampered production in the manufacturing sector. Despite a very good order situation, the ifo Institute expects the decline in industrial production to continue until the end of the year. Against this backdrop, the ifo Institute's fall forecast predicts that the gross domestic product will grow by only 2.5% this year and 5.1% next year. Compared to the forecast in summer 2021, the growth rate for 2021 has thus been lowered by 0.8 percentage points and raised by 0.8 percentage points for 2022.[2]

1 International Monetary Fund (October 2021): World Economic Outlook. www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021
2 Ifo Institute, Munich (September 2021): ifo Economic Forecast Autumn 2021. www.ifo.de/publikationen/2021/aufsatz-zeitschrift/ifo-konjunkturprognose-herbst-2021-lieferengpaesse-der

Positive outlook for the fuel cell market

The fuel cell market is expected to grow steadily and become a global mass market in the long term. The growth of the market is driven by growing environmental awareness among consumers, increasing government initiatives to introduce fuel cells to reduce emissions in the environment, and increasing research and development for technological advancement of the products. A study by an internationally recognized consulting firm forecasts that the relevant market potential for the Group's solutions will increase from 4.3 GW of installable capacity in 2021 to 8.1 GW in 2026. This would translate into a CAGR of 12%. The relevant market comprises nine use cases in the power spectrum <100 kW, including telecommunications towers, construction power supply, upstream and midstream monitoring of oil and gas wells and pipelines, environmental monitoring of wind farms, and CCTV monitoring.

Business performance and economic situation

Significant events

Supervisory Board

Mr. Tim van Delden stepped down from the Supervisory Board as Chairman as planned at the end of the Annual General Meeting on May 19, 2021. The Supervisory Board elected Mr. Hubertus Krossa to serve as the new Chairman of the Supervisory Board of SFC Energy AG. Previously, Mr. Krossa was Deputy Chairman of the Supervisory Board of SFC Energy AG. His term of office runs until the end of the Annual General Meeting in 2022.

In addition, the Annual General Meeting resolved to amend the Articles of Association to expand the Supervisory Board from three to four members. This takes into account the growth of the company and the increased regulatory requirements for the monitoring function, as well as the diversity and internationalization of the Supervisory Board. The amendment to the Articles of Association to increase the size of the Supervisory Board came into effect on July 22, 2021.

The shareholders elected Mrs. Sunaina Sinha Haldea, Managing Partner of Cebile Capital LLP, London (UK), and Mr. Henning Gebhardt, Managing Director of GAPS GmbH, new members of the Supervisory Board by a large majority. Mr. Gerhard Schempp, independent consultant, was re-elected to the Supervisory Board.

The terms of office of Mr. Gebhardt and Mr. Schempp began at the end of the Annual General Meeting in 2021 and will end for Mr. Gebhardt at the end of the Annual General Meeting in 2025 and for Mr. Schempp at the end of the Annual General Meeting in 2023. The term of office of Mrs. Sunaina Sinha Haldea will begin when the amendment to the Articles of Association takes effect until the end of the Annual General Meeting in 2023.

As part of expanding the Supervisory Board and against the backdrop of legal changes, the Supervisory Board of SFC Energy AG established an Audit Committee on August 18, 2021, whose tasks are, among other duties, reviewing the accounting and monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system and compliance, as well as monitoring the audit of the financial statements, in particular the independence of the auditor, the quality of the audit and the additional services provided by the auditor. The Audit Committee consists of Mr. Henning Gebhardt (Chairman), Mr. Gerhard Schempp and Mr. Hubertus Krossa.

Management Board

On February 23, 2021, the Supervisory Board of SFC Energy AG unanimously resolved, in agreement with Mr. Hans Pol, to extend his appointment as a member of the Management Board. In this context, Mr. Pol's Management Board employment contract dated March 6/22, 2018, was terminated effective February 28, 2021, and a new Management Board employment contract was concluded by resolution also dated February 23, 2021, effective March 1, 2021, for a term of four years until February 28, 2025.

Management Board remuneration system

The Annual General Meeting of SFC Energy AG on May 19, 2021, approved a remuneration system for the members of the Management Board in accordance with the requirements of stock corporation law. The conclusion of future service contracts will be based on the remuneration system approved by the Annual General Meeting on May 19, 2021. In addition, the annual determination of the target total remuneration of each Management Board member takes into account not only the situation of the company but also the respective areas of activity and responsibility of the Management Board member. This is done in line with statutory requirements and with a clear competitive focus. The balanced combination of non-performance-related (fixed) as well as short- and long-term performance-related (variable) remuneration components, using appropriate performance criteria and targets, promotes the implementation of SFC Energy AG's specific business strategy and the focus on the sustainable and long-term success of the company. This also aligns the interests of all stakeholders, especially those of the shareholders as owners of the company and those of the employees.

Earnings situation

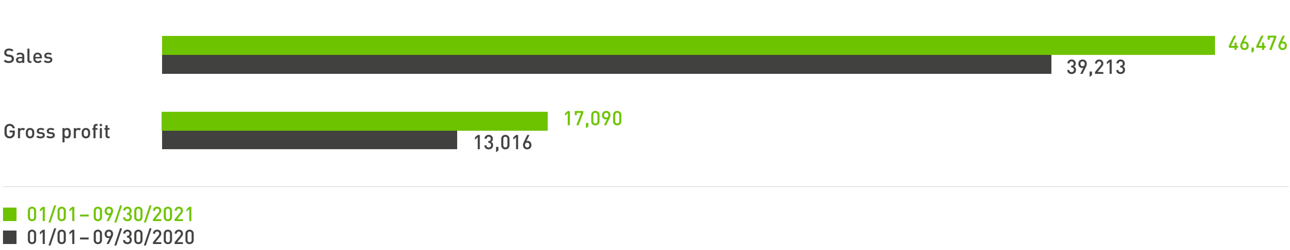
Compared to the same period of the previous year, the Group achieved an increase in sales of EUR 7,263k or 18.5% to EUR 46,476k (previous year: EUR 39,213k) in the first nine months of fiscal year 2021. Both segments of the Group contributed to this positive development of sales. In particular, however, the sales growth was attributable to Clean Energy, which realized a sales increase of 24.2% compared to the same period last year.

Exchange rate effects had a positive impact of EUR 274k or 0.6% on the Group's net sales in the reporting period compared to the same period of the previous year.

With a 65.2% share of Group sales (previous year: 62.2%), Clean Energy remained the Group's strongest segment in terms of sales. Clean Power Management's share of Group sales decreased slightly to 34.8% (previous year: 37.8%).

In the reporting period, both the positive development of Group sales and an improvement in manufacturing costs led to an increase in gross profit of EUR 4,074k or 31.3% to EUR 17,090k (previous year: EUR 13,016k). The resulting gross profit margin of the Group (gross profit as a percentage of sales) improved to 36.8% (previous year: 33.2%).

SALES AND GROSS PROFIT



Reconciliation of EBITDA underlying and EBIT underlying

EBITDA underlying and EBIT underlying are presented in order to neutralize distortions caused by non-recurring effects that both increase and reduce the operating result for the reporting period in the presentation of financial performance indicators and to ensure comparability of these performance indicators between periods. In this context, the 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 EBITDA underlying and EBIT underlying.

In the reporting period, non-recurring effects include expenses for the increase in provisions and additional paid-in capital for obligations under the long-term variable share-price-based cash compensation programs. These programs are stock appreciation rights ("SARs") and stock option programs ("MSOP") (together "LTI programs") for the Management Board and for employees (executives). Expenses in the reporting period amounted to EUR 6,615k (prior year: EUR 2,730k) ("non-recurring expenses").

In addition, income from the reversal of provisions for the SARs ("non-recurring income") amounting to EUR 484k (previous year: EUR 0k) was recognized under non-recurring effects in the reporting period. This income was due to the reversal through profit or loss of provisions already recognized for the SARs, which were higher than the payment for the amounts received in cash in the current fiscal year.

Expenses associated with transaction efforts amounting to EUR 294k (previous year: EUR 281k) are included in non-recurring effects ("non-recurring expenses").

In total, the non-recurring effects are included in EBIT and EBITDA as a net expense of EUR 6,425k (previous year: EUR 3,011k) for the reporting period.

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

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

NON-RECURRING EFFECTS

in EURk

	2021 01/01–09/30/	2020 01/01–09/30/
Expenses for the LTI-programs	6,615	2,730
Income from SARs	–484	0
Expenditure for transaction efforts	294	281
Total net expense	**6,425**	**3,011**
thereof included in sales costs	3,822	1,663
thereof included in research and development costs	177	0
thereof included in general administration costs	2,910	1,349
thereof included in other operating income	484	0

Sales development by region

The development of sales by region for the reporting period and the third quarter of 2021 compared to the previous year is as follows:

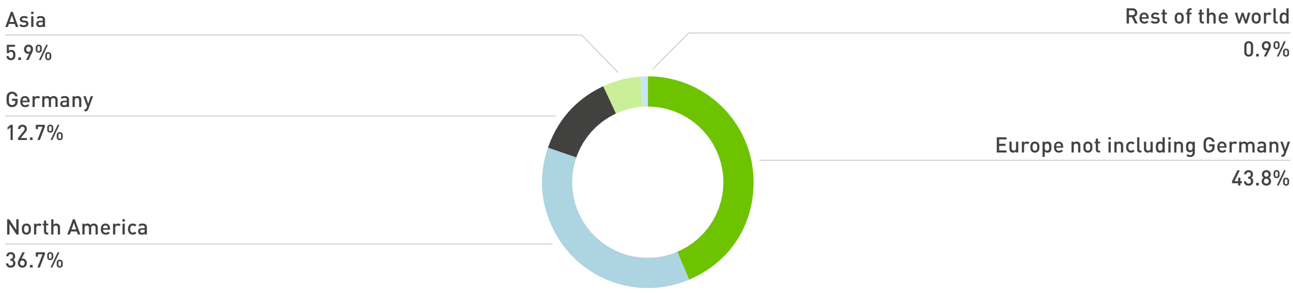
SALES BY REGION

in EURk

	2021 01/01–09/30/	2020 01/01–09/30/	Change	2021 07/01–09/30/	2020 07/01–09/30/	Change
North America	17,080	14,651	16.6%	5,442	3,454	57.6%
Europe not including Germany	20,361	13,323	52.8%	7,098	4,112	72.6%
Germany	5,891	5,723	2.9%	1,845	2,669	–30.9%
Asia	2,731	5,132	–46.8%	943	1,229	–23.3%
Rest of the world	413	385	7.4%	16	40	–60.3%
Total	**46,476**	**39,213**	**18.5%**	**15,344**	**11,503**	**33.4%**

BREAKDOWN OF SALES BY REGION
01/01 – 09/30/2021

in %



In terms of the regional sales development, the following shifts occurred in the reporting period compared to the same period of the previous year: the region of Europe excluding Germany contributed 43.8% to Group sales (previous year: 34.0%), recorded with EUR 20.361 the highest growth in both absolute and relative terms at 52.8%, and replaced North America as the largest sales region. North America's share of Group sales in the reporting period remained close to the previous year's level of 36.7% (previous year: 37.4%).

In the reporting period, 12.7% (previous year: 14.6%) of Group sales were generated in Germany and 5.9% (previous year: 13.1%) in Asia.

Sales development by segments

The segmentation of sales for the reporting period and the third quarter of 2021 compared to the previous year is as follows:

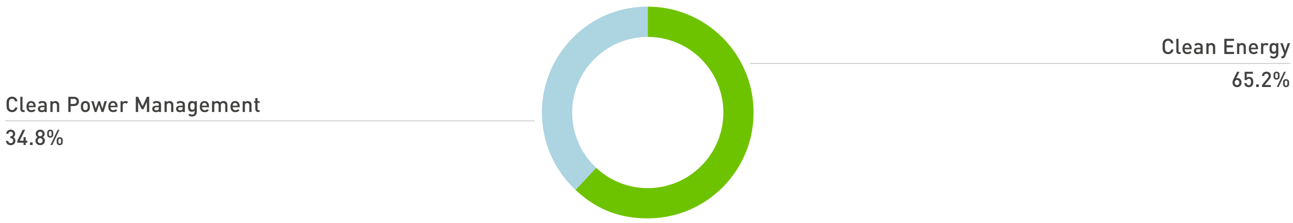
SALES BY SEGMENT

in EURk

Segment	2021 01/01 – 09/30/	2020 01/01 – 09/30/	Change	2021 07/01 – 09/30/	2020 07/01 – 09/30/	Change
Clean Energy	30,280	24,372	24.2%	10,924	7,721	41.5%
Clean Power Management	16,195	14,841	9.1%	4,420	3,782	16.8%
Total	**46,476**	**39,213**	**18.5%**	**15,344**	**11,503**	**33.4%**

BREAKDOWN OF SALES BY SEGMENT
01/01 – 09/30/2021

in %



There were minor changes in the distribution of sales by segment in the reporting period compared to the same period of the previous year. The Clean Energy segment's share of Group sales increased slightly to 65.2% (previous year: 62.2%) and remained the segment with the highest sales, while the Clean Power Management segment's share of sales decreased slightly to 34.8% (previous year: 37.8%).

Compared to the previous year's figure, the Clean Energy segment recorded sales growth of 24.2% to EUR 30,280k in the reporting period (previous year: EUR 24,372k). Sales in the Clean Power Management segment increased by 9.1% to EUR 16,195k in the reporting period (previous year: EUR 14,841k).

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 off-grid 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, rising demand for clean energy and increasingly stringent national energy regulations to decarbonize value chains[3] are currently shifting market demand away from off-grid fossil fuel power generation, towards reliable, sustainable solutions with low or no emissions. This is particularly evident in Europe, North America and Asia.

In general, the Clean Energy segment is also benefiting from changes in national energy regulations, for example in connection with the promotion of the hydrogen industry, the need for security of supply for an increasing number and variety of off-grid systems and plants, CO_2 pricing and climate protection targets, and the modernization of energy markets.[4] These changes are expected to increase future demand for fuel cell solutions.

In the period under review, the segment generated sales of EUR 30,280k (previous year: EUR 24,372k), representing an increase of EUR 5,908k or 24.2% compared to the same period of the previous year.

With sales growth of 42.4% compared to the same period of the previous year, the consumer applications business grew particularly strongly against the backdrop of the new EFOY fuel cell generation launched in September 2020 and the continued high demand for mobile homes in Europe. Sales in the defense business also increased significantly in the reporting period, following low sales in the prior-year period due to the pandemic. The key factor here was the shipment of an order to the Swiss defense authorities.

Sales of fuel cell solutions for professional (industrial) applications, which made the largest contribution to segment sales, were virtually on par with the prior-year period in the reporting period.

3 World Economic Forum, (January 2021): Net-Zero Challenge: The supply chain opportunity
4 Hydrogen Council / McKinsey & Company, (February 2021): Hydrogen Insights 2021: A perspective on Hydrogen investment, deployment and cost competitiveness

The segment's gross margin of 42.3% (previous year: 38.5%) and gross profit of EUR 12,820k (previous year: EUR 9,382k) in the reporting period were above the level of the prior-year period due to a more favorable product mix.

Sales costs adjusted for the above-mentioned extraordinary expenses of EUR 3,822k (previous year: EUR 1,663k) were 6.6% higher than in the previous year at EUR 6,218k (previous year: EUR 5,836k). One main reason for this was higher personnel expenses..

The segment's general administration costs, adjusted for the above-mentioned extraordinary expenses of EUR 2,910k (previous year: EUR 1,349k), increased by 17.7% to EUR 3,555k (previous year: EUR 3,021k) in the reporting period and were thus significantly above the level of the previous year. This increase is mainly attributable to higher personnel expenses and auditing and consulting costs.

Mainly due to the significantly higher gross profit, EBITDA adjusted for non-recurring effects improved to EUR 4,885k in the reporting period (previous year: EUR 1,477k), resulting in a likewise improved adjusted EBITDA margin for the segment of 16.1% (previous year: 6.1%).

Clean Power Management

The core business of the Clean Power Management segment comprises the development, manufacture and marketing of the Group's broad range of high-tech power management solutions used to generate and control regulated voltages in electronic systems. The target customers for these solutions are equipment manufacturers of high-tech industrial machinery 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 frequency converter business for customers in the oil and gas industry.

Parts from the product portfolio of the Clean Power Management segment are also used in the Clean Energy segment.

In the reporting period, the Clean Power Management segment recorded sales growth of 9.1% to EUR 16,195k (previous year: EUR 14,841k). This growth was mainly based on recovering demand and good capacity utilization in the segment's target markets.

The gross profit of the Clean Power Management segment increased significantly to EUR 4,270k (previous year: EUR 3,634k). The increase was due to both the development of sales and more favorable conditions in the segment's target markets. The resulting gross margin of 26.4% (previous year: 24.5%) was slightly above the level of the prior-year period.

At EUR 1,400k (previous year: EUR 1,364k), the segment's sales costs were slightly above the previous year's level.

The segment's general administration costs amounted to EUR 1,492k in the reporting period (previous year: EUR 979k) and were significantly higher than in the prior-year period by EUR 513k, mainly due to higher personnel and IT expenses.

The segment's EBITDA does not include any non-recurring effects. Mainly due to the significantly higher gross profit, EBITDA improved to EUR 904k in the reporting period (previous year: EUR 749k). Due to the relatively higher functional costs, the segment's EBITDA margin decreased to 5.6% (previous year: 5.0%) compared to the same period of the previous year.

Group

Gross profit

Gross profit in the reporting period increased significantly by 31.3% to EUR 17,090k (previous year: EUR 13,016k) and thus increased by EUR 4,074k compared to the previous year's figure. This increase was due to organic sales growth and higher capacity utilization.

The Group's gross profit margin (gross profit as a percentage of sales) resulting from the development of sales increased significantly in the reporting period to 36.8% (previous year: 33.2%). Both the increasing sales contribution of the high-margin Clean Energy segment and the significantly higher gross profit margin of both segments contributed to this.

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

GROSS PROFIT FROM SALES in EURk

Segment	2021 01/01–09/30/	2020 01/01–09/30/	Change	2021 07/01–09/30/	2020 07/01–09/30/	Change
Clean Energy	12,820	9,382	36.6%	5,032	3,197	57.4%
Clean Power Management	4,270	3,634	17.5%	870	1,043	–16.5%
Total	**17,090**	**13,016**	**31.3%**	**5,903**	**4,240**	**17.6%**

Sales costs

Sales costs increased by 29.1% year-on-year to EUR 11,441k in the reporting period (previous year: EUR 8,863k). This development is due in particular to the significantly higher extraordinary expenses of EUR 3,822k (previous year: EUR 1,663k) included in sales costs compared with the same period of the previous year.

Adjusted for these effects, sales costs increased by 5.8% to EUR 7,618k in the reporting period (previous year: EUR 7,200k). The increase is essentially due to higher personnel expenses. These resulted from the combination of a higher headcount, lower government wage subsidies related to the pandemic, and the rollback of pandemic-indicated salary reductions.

Group-wide, adjusted sales costs as a percentage of sales decreased slightly to 16.4% (previous year: 18.4%) due to the rise in sales.

Research and development costs

Research and development costs recognized in the income statement increased by 1.5% to EUR 2,133k in the reporting period (previous year: EUR 2,102k).

Adjusted for the above-mentioned non-recurring expenses of EUR 177k (previous year: EUR 0k) and including development expenses capitalized in the reporting period, expenses for joint development agreements and grants received totaling EUR 2,021k (previous year: EUR 2,604k), the Group's total research and development costs in the reporting period amounted to EUR 3,977k (previous year: EUR 4,706k). The lower expenses in the reporting period resulted mainly from a decline in services purchased and consulting in the Clean Energy segment. Furthermore, impairment losses of EUR 287k were included in the Clean Power Management segment in the prior-year period. There were no impairment losses in the current reporting period.

The Group's overall development ratio (research and development costs including capitalized development costs and joint development agreements as a percentage of sales less non-recurring expenses) decreased to 4.2% (previous year: 5.4%) due to the stronger sales growth and effects mentioned above.

General administration costs

At EUR 7,957k (previous year: EUR 5,349k), general administration costs in the reporting period were significantly higher than in the same period of the previous year. After adjustment for the above-mentioned non-recurring effects of EUR 2,910k (previous year: EUR 1,349k), general administration costs rose by 26.2% year-on-year to EUR 5,047k (previous year: EUR 4,000k). This increase is mainly attributable to higher personnel expenses in both segments, higher audit, legal and consulting expenses, and IT expenses.

Other operating income

Other operating income increased significantly year-on-year to EUR 744k in the reporting period (previous year: EUR 95k). The main reason for this is the income from the reversal of SARs provisions in the amount of EUR 484k, as mentioned above. This item also includes income from exchange rate differences in the amount of EUR 260k (previous year: EUR 72k).

Other operating expenses

Other operating expenses amounted to EUR 37k in the reporting period (previous year: EUR 243k) 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) decreased to EUR –636k in the reporting period (previous year: EUR –785k), resulting in a negative EBITDA margin (EBITDA as a percentage of sales) of –1.4% (previous year: –2.0%). The negative EBITDA is attributable to the significant burdens on functional costs with the non-recurring effects listed above.

The key financial performance indicator for managing the operating business, EBITDA adjusted for non-recurring effects (EBITDA underlying), amounted to EUR 5,789k in the reporting period (previous year: EUR 2,226k) and, with an increase of EUR 3,563k, more than doubled compared to the previous year's figure. The EBITDA underlying margin recorded a strong increase of 6.8 percentage points and, at 12.5% (previous year: 5.7%), was significantly higher than in the previous year.

The significant sales growth in both segments, combined with the increase in the gross profit margin, was the main reason for the increase in EBITDA underlying.

Operating result (EBIT)

The Group's earnings before interest and taxes (EBIT) declined to EUR –3,733k in the reporting period (previous year: EUR –3,445k). Although the EBIT margin (EBIT as a percentage of sales) improved to –8.0% (previous year: –8.8%), it remained negative due to the charges arising from the non-recurring effects listed above.

EBIT adjusted for the non-recurring effects (EBIT underlying) amounted to EUR 2,692k (previous year: EUR –433k) and was thus considerably higher than the previous year's figure by EUR 3,126k. This resulted in an adjusted EBIT margin of 5.8% (previous year: –1.1%).

Interest and similar income

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

Interest and similar expenses

Interest and similar expenses of EUR 293k (previous year: EUR 342k) include interest expenses from the application of IFRS 16 in the amount of EUR 144k (previous year: EUR 178k). The decrease in this item resulted from lower IFRS 16 expenses and lower interest expenses for financial liabilities.

Consolidated net income for the period

The reporting period closed with a consolidated loss of EUR 4,367k for the period (previous year: EUR 3,896k).

Earnings per share

The undiluted and diluted loss per share according to IFRS amounted to EUR –0.30 in the reporting period compared to the prior-year period (previous year: EUR –0.30).

Order intake and order backlog

Order intake increased significantly in the reporting period to EUR 59,940k (previous year: EUR 36,733k). Accordingly, the Group's order backlog increased to EUR 23,345k as of the reporting date September 30, 2021 (previous year: EUR 12,451k). Of this amount, SFC AG accounted for EUR 4,557k (previous year: EUR 3,197k), SFC Energy B.V. for EUR 11,117k (previous year: EUR 6,433k) and SFC Energy Ltd. for EUR 7,672k (previous year: EUR 2,821k).

Assets and financial position

Capital structure

Equity amounted to EUR 51,200k as of September 30, 2021 (December 31, 2020: EUR 54,838k) and thus decreased by EUR 3,638k.

The net financial position (freely available cash and cash equivalents less liabilities to banks) decreased by EUR –3,652k to EUR 23,262k in the reporting period (December 31, 2020: EUR 26,915k).

Cash and cash equivalents

As of September 30, 2021, freely available cash and cash equivalents amounted to EUR 25,148k (December 31, 2020: EUR 31,464k).

Overall, liabilities to banks decreased by EUR 2,663k to EUR 1,886k in the reporting period compared to the end of fiscal year 2020 (December 31, 2020: EUR 4,549k).

Continuous investment in product development as well as potential joint ventures, shareholdings 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 existing businesses or enter new fields. The implementation of this strategy may give rise to financial obligations or additional financing requirements.

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

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

Cash flow and investments

CASH FLOW — in EURk

	01/01–09/30/2021	01/01–09/30/2020
Operating result before changes in working capital	5,299	2,271
Cash flow from		
Operating activities	395	–1,393
Investment activities	–2,408	–3,197
Financing activities	–4,315	–3,802

Cash flow from operating activities

Cash flow from operating activities increased particularly sharply in the reporting period compared to the prior-year period and amounted to EUR 395k (previous year: EUR –1,393k). The main reason for this increase was the extremely positive development of EBITDA underlying, or cash flow from operating activities before changes in net working capital, which increased by EUR 3,028k to EUR 5,299k in the reporting period (previous year: EUR 2,271k).

With regard to the main changes in net working capital, both trade receivables increased by EUR 2,863k in the reporting period with an effect on liquidity and trade payables increased by EUR 1,403k in the same period with an effect on liquidity. Inventories increased by EUR 813k in the reporting period with an effect on liquidity. Together with the other net working capital items, this resulted in an increase in net working capital and thus a cash outflow of EUR 4,700k (previous year: EUR 3,576k) in the reporting period.

Cash flow from investing activities

Cash flow from investing activities amounted to EUR –2,408k in the reporting period (previous year: EUR –3,197k). The sharp decline is mainly the result of lower capitalizable development expenses for the further development of the products of SFC Energy AG and SFC Energy B.V., EUR 1,773k (previous year: EUR 2,587k) in the reporting period.

Investments

Investments in property, plant and equipment amounted to EUR 610k (previous year: EUR 818k). Rights of use in accordance with IFRS 16 (leases) amounting to EUR 153k (previous year: EUR 407k) are included in investments in property, plant and equipment. Investments in intangible assets amounted to EUR 1,961k (prior year: EUR 2,786k), of which EUR 1,773k (prior year: EUR 2,587k) relate to capitalizable development expenses.

In relation to Group sales, the investment ratio including the recognition of rights of use in accordance with IFRS 16 corresponds to 5.5% (previous year: 9.2%).

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

Cash flow from financing activities

Cash flow from financing activities in the reporting period of EUR –4,315k (previous year: EUR –3,802k) mainly resulted from the repayment of financial liabilities of EUR 486k (previous year: EUR 746k), the repayment of working capital lines of EUR 2,280k (previous year: EUR 1,952k) and the repayment of lease liabilities in the amount of EUR 1,264k (previous year: EUR 1,517k) in connection with the application of IFRS 16.

Operating cash flow before changes in net working capital and income taxes (operating profit before changes in working capital) amounted to EUR 5,299k in the reporting period (previous year: EUR 2,271k) and was thus significantly higher than in the previous year.

After taking the change in net working capital into account, which increased by EUR 4,700k (previous year: EUR 3,576k) in the period under review, and income tax payments, cash flow from operating activities amounted to EUR 395k (previous year: EUR –1,393k).

The net change in cash and cash equivalents amounted to EUR –6,328k (previous year: EUR –8,392k). The balance of freely available cash and cash equivalents amounted to EUR 25,148k as of September 30, 2021 (December 31, 2020: EUR 31,464k).

Net assets

Total assets of EUR 85,752k as of September 30, 2021 (December 31, 2020: EUR 86,330k) declined by 0.7% to EUR 577k compared to the end of the previous fiscal year.

Inventories increased by around 9.5% to EUR 13,814k (December 31, 2020: EUR 12,617k), in particular due to higher stockpiling of intermediate goods at SFC AG to prevent potential interruptions in the supply chains due to the COVID-19 pandemic and potential supply bottlenecks.

Trade receivables increased significantly by 24.4% to EUR 15,375k (previous year: EUR 12,363k), which is also due to the relatively high level of Group sales at the end of the quarter.

In the reporting period, non-current assets as a percentage of total assets remained at the level of the end of fiscal year 2020 at 32.8% (December 31, 2020: 32.3%).

Intangible assets increased to EUR 17,169k as of September 30, 2021 (prior year: EUR 15,999k), mainly due to higher capitalized development expenses, which amounted to EUR 8,431k as of September 30, 2021 (December 31, 2020: 7,733k), and higher recognized goodwill of SFC Energy Canada Ltd. and SFC Energy B.V., which amounted to EUR 8,252k as of September 30, 2021 (December 31, 2020: 7,853k). The increase resulted from positive currency translation effects with regard to the goodwill allocated to SFC Energy Canada Ltd. Capitalized development expenses of EUR 1,075k (previous year: EUR 555k) were amortized as scheduled in the reporting period.

Property, plant and equipment decreased to EUR 8,850k (December 31, 2020: EUR 9,985k). Investments in and capitalization of property, plant and equipment amounted to EUR 610k in the reporting period (previous year: EUR 818k), of which EUR 153k (previous year: EUR 407k) resulted from the capitalization of rights of use (IFRS 16).

Current liabilities decreased by EUR 387k to EUR 18,394k in the reporting period (December 31, 2020: EUR 18,780k).

At EUR 6,370k (December 31, 2020: EUR 4,742k), trade payables were 34.3% or EUR 1,628k higher than at the end of the previous fiscal year.

Current lease liabilities increased by EUR 547k to EUR 1,901k (December 31, 2020: EUR 1,353k).

Non-current liabilities increased by EUR 3,447k to EUR 16,158k in the reporting period (December 31, 2020: EUR 12,711k). The main items included in non-current liabilities are lease liabilities of EUR 5,044k (December 31, 2020: EUR 6,548k) and liabilities from the LTI programs of EUR 7,621k (December 31, 2020: EUR 2,753k).

Financial liabilities decreased by EUR 2,663k to EUR 1,886k in the reporting period (December 31, 2020: EUR 4,549k) and are exclusively of a short-term 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 DEBT (UNAUDITED) — in EURk

	09/30/2021	12/31/2020	Change
Liabilities to banks	1,886	4,549	2,663
thereof SFC Energy AG			–
thereof SFC Energy B. V.	1,500	2,341	– 841
thereof SFC Energy Ltd.	386	2,209	– 1,823
Less			
Freely available cash and cash equivalents[1]	25,148	31,464	– 6,316
Total	**23,262**	**26,915**	**– 3,652**

1 Cash and cash equivalents less restricted cash and cash equivalents

Overall, total liabilities accounted for 40.3% of total capital (December 31, 2020: 36.5%).

The Group's equity decreased to EUR 51,200k in the reporting period (December 31, 2020: EUR 54,838k). The equity ratio also decreased to 59.7% (December 31, 2020: 63.5%). With regard to the development of equity, reference is made to the Consolidated Statement of Changes in Equity in the supplementary financial information.

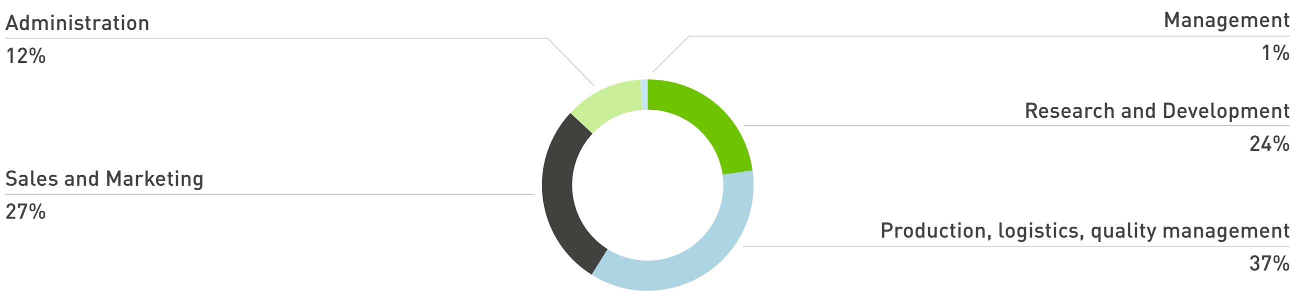
Employees

The number of permanent employees as of September 30, 2021, is as follows:

EMPLOYEES

	09/30/2021	12/31/2020	Change
Management board	3	3	–
Research and development	69	65	+4
Production, logistics, quality management	109	96	+13
Sales and marketing	79	82	–3
Administration	36	34	+2
Permanent employees	**296**	**280**	**+16**

EMPLOYEES BY FUNCTIONAL AREA



As of September 30, 2021, the Group had 296 permanent employees worldwide (December 31, 2020: 280).

Risk and Opportunity Report

In our Annual Report for fiscal year 2020, we have presented both the risks that could have a significant adverse impact on our net assets, financial position and results of operations (including effects on assets, liabilities and cash flows) and our most significant opportunities. Changes in risks and opportunities are continuously monitored, assessed, and incorporated into our planning as necessary during the year.

In the reporting period, we added risks from acquisitions, joint ventures, equity investments and cooperation agreements in connection with our growth strategy.

Furthermore, we have not identified any other significant risks and opportunities beyond those described in our 2020 Annual Report and in this quarterly release. In this Risk Report, we therefore focus only on those risks whose overall significance has been classified as medium or high and describe the respective change compared to the end of the previous fiscal year.

The assessment of risks and opportunities for our further development in 2021 is influenced by uncertainty, in particular due to potential supply bottlenecks, raw material price increases and the recruitment of qualified employees.

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.

Business risks

Market risks

Following the pandemic-related slump in the first half of 2020, the recovery of the global economy continued in the first nine months of 2021, albeit at a slower pace than previously. Following a decline in February, global industrial production in March returned to its positive trend since May 2020. Global trade also reached a new high above its pre-crisis level after posting a strong gain. Nevertheless, various sentiment indicators point to a slowdown in the recovery of the global economy. We expect global macroeconomic development to remain stable but subdued in the current fiscal year.

Uncertainty remains high, however, due to the dynamic nature of the infection and ongoing disruptions in global supply chains. The further course of the COVID-19 pandemic poses a major risk to the development of the global economy. If the further course of infection necessitates even more comprehensive containment measures than currently assumed, this would have a major impact on the economic recovery and international trade relations. These effects would be all the more pronounced, the broader and more comprehensive the respective lockdowns would be.

While the markets for an off-grid power supply in the Clean Energy segment were only affected to a limited extent by economic cycles in recent quarters, the markets in the Clean Power Management segment were characterized by a reluctance to invest during the pandemic-related recession.

Clean Energy segment

In recent years, the energy turnaround and climate protection have become dominant issues in the perception of politicians, companies and society. According to our estimates, there will be upheavals in the energy sector, also in response to climate target obligations. Electricity generation from fossil fuels is coming under increasing pressure. The prevailing trend in many regions of the world toward sustainable power generation from renewables or carbon-neutral fuels will intensify further. This is demonstrated, among other developments, by the unity of large segments of science, industry and civil society in favor of comprehensive CO_2 pricing, the German government's climate package, but also the EU Commission's "EU Green Deal", the "Fit for 55"-program and the U.S. Department of Energy's "Energy Earthshots" initiative.

Changes to the regulatory framework or an increase in the CO_2 price can make a significant contribution to the development of an efficient hydrogen and methanol economy. This would improve the competitiveness of "green hydrogen" and "green methanol," and thus also that of the segment's product portfolio.

These expected developments in the energy markets, some of which are disruptive, including the trend towards decarbonization of industries, provide us with opportunities to accelerate the penetration of our target markets with lower-carbon or zero-carbon fuel cells and, in our estimation, will have a material positive impact on the sales growth and earnings of the Clean Energy segment.

The relevant changes could take place gradually over several years or even decades, however. There is a risk that demand for hydrogen and direct methanol fuel cell solutions will fall short of forecasts because the transition to the technology will be slower than we expect or other low-emission or -neutral technologies will be deployed.

There is also a risk that corresponding requirements or regulatory measures (e.g. CO_2 pricing, deployment restrictions on greenhouse gas emitting technologies, promotion of a hydrogen infrastructure) will be implemented in a much longer timeframe than we expect and could force us to reconsider our strategy and organizational structure as well as our product portfolio.

Low or even falling electricity generation costs from the conversion of conventional or fossil fuels into electricity in some regions of the world could mean that demand for fuel cells develops more slowly than expected.

As in the past, the segment's sales growth and earnings will continue to depend to a large extent on our ability to meet the evolving needs of our current and potential new customers, and on our ability to anticipate and adapt to changes in the markets we serve and optimize our cost base accordingly.

Parts of the segment's product portfolio are aimed at public-sector customers. Risks lie in the dependency on the spending behavior of public sector budgets in Germany and abroad. Government budgets can be restructured and cut back, which could also affect the departments we address.

The diversified customer structure ensures a balance in the event of fluctuations in demand in individual industries and regions. The diversified product portfolio in terms of performance and fuel cell technology and the low dependence on individual customers mean that price change risks and weaknesses in demand can be cushioned.

The consistent internationalization of the segment and the focus of its business on the major economic regions of Europe, North America and Asia limit dependency on individual customer countries and spread the risk.

Overall, negative political, regulatory and macroeconomic developments are considered unlikely for the segment, but could have a significant negative impact on the net assets, financial position and results of operations in individual cases. The segment is therefore classified as medium risk.

Clean Power Management segment

The Clean Power Management segment develops, manufactures and markets power management products and solutions that enable efficiency gains in the transmission and, in particular, use of electrical energy in the value-adding stages and products of the markets we address. They form the basis for the intelligent and efficient use of electrical energy, in the power supply of measuring and analysis equipment, manufacturing machinery and industrial drive systems, for example.

Due to the markets we serve for equipment in the high-tech and oil and gas industries, the development of the Clean Power Management segment is closely linked to macroeconomic trends and business cycles at the global level, but also in the individual regions and countries in which the segment operates. Risks arising from economic cycles cannot be completely averted.

Thus, there is a risk of short-term market fluctuations in the markets we address. It is also possible that future market downturns could turn out to be different from those seen to date, by taking an L-shape with longer phases of stagnant growth, for example. A lack of or decline in market growth would make it considerably more difficult to achieve the segment's growth target.

Permanently low oil and gas prices could lead to a decline in demand for our products and solutions for the oil and gas industry. At present, analysts at international banks believe that the price of oil will not collapse or will continue to rise in the short term due to the cyclical increase in demand for oil, despite the COVID-19 pandemic exploding in parts of the world, while the supply of oil remains unchanged.

Declining trends worldwide and in individual countries and temporary fluctuations in demand for capital goods in the high-tech and oil and gas industries are being countered by expanding the company's international presence and increasingly marketing products in the renewable energies industry.

The segment's diversified product portfolio helps to ensure that temporary economic fluctuations can be partially offset by more favorable developments in other regions and markets.

The net risk from negative macroeconomic and cyclical developments in the markets addressed by the segment is considered possible and could have a significant negative impact on the net assets, financial position and results of operations. We therefore classify it as a high risk.

Operational risks

Supply chain management (procurement and production risks)

The results of our operating business units depend on reliable and effective management of our supply chain for intermediate goods. Unexpected supply failures or supply bottlenecks resulting from ineffective supply chain management, capacity constraints of individual suppliers, or shortages in procurement markets could lead to production bottlenecks, delivery delays, quality problems, and additional costs.

Our operating business units are dependent on individual suppliers for the supply of certain components and parts: In the event that one of these suppliers restricts or discontinues production or interrupts supply, this could potentially have a significant negative impact on the affected business.

We counter these risks through ongoing monitoring of procurement markets, structured procurement concepts, the avoidance of supplier dependencies, careful selection of efficient suppliers, annual supplier reviews, quality and reliability checks at suppliers, alternative suppliers and subcontractors. We also reduce the probability of this risk potential occurring through long-term strategic alliances for supply- and price-critical components, medium- and long-term framework supply agreements, and higher safety stocks.

As a result of pandemic-related rising demand in individual countries and scarce transport capacities, there have been significantly more supplier bottlenecks since the first quarter of the current fiscal year compared to previous years. No improvement in the situation is currently expected in the short term. This applies in particular to the continuing major uncertainties regarding the sufficient availability of intermediate goods on the global procurement markets and capacity bottlenecks in transportation, with the result that significant supplier bottlenecks could occur in the future with a time lag depending on the situation on the international procurement markets. If raw material bottlenecks continue in the upcoming quarters, this would result in limited product availability in both segments and restrict our organic growth opportunities. Also due to the high degree of forecast uncertainty, we no longer assess the risk in terms of its probability of occurrence as possible, but now as probable. We continue to assess the negative impact on the net assets, financial position and results of operations as high in individual cases. Overall, this risk is assessed as high.

Commodity price risks

The Clean Energy segment requires certain precious metals for the production of fuel cells that are purchased from suppliers. Both the Clean Energy segment and the Clean Power Management segment require electronic components in their production processes. The purchase prices for these materials can fluctuate significantly due to market conditions, political crises or legislation – combined with possible supply shortages and volatile demand for individual raw materials.

Past experience has shown that increased manufacturing costs cannot always be passed on to our customers through price adjustments.

The majority of the procurement volume of raw materials is not fixed in terms of price.

To reduce purchasing-related risks such as major price fluctuations, we procure important input materials and materials on the basis of long-term supply contracts.

As a result of the global spread of the pandemic, many raw material producers temporarily suspended some or all of their production. This temporary supply shortage, coupled with recovering demand from the industrialized countries, led to a sharp rise in raw material prices in the first nine months of the current fiscal year and a procurement situation characterized by unstable raw material supplies and supply bottlenecks. Raw material prices therefore pose an increased risk for the current fiscal year and for fiscal year 2022. This relates both to the passing-on of raw material price increases and to raw material price trends. Based on largely unchanged underlying conditions, an increase in prices for individual intermediate goods and transport costs as well as price fluctuations with uncertain and inconsistent trends are expected for both the current fiscal year and fiscal year 2022.

Overall, we no longer assess the risk in terms of its probability of occurrence as possible, but now as probable. In individual cases, we no longer assess the negative impact on the net assets, financial position and results of operations as low, but as high. Overall, this risk is assessed as high.

Acquisitions, joint ventures, investments and cooperation agreements

In order to further develop and expand our current business and our competitive position, we also pursue external growth opportunities in the form of potential acquisitions or other forms of partnership with companies, such as joint ventures and shareholdings. In addition to developing new end-customer markets and regional markets, the focus here is on complementing our product and technology portfolio.

Acquisitions inevitably entail entrepreneurial risks, as they involve imponderables arising from the integration of employees, technologies, products and processes. Integration processes may prove to be more difficult or more time-consuming and cost-intensive than anticipated. The acquired business may also not develop as successfully as originally expected after integration or the objectives pursued with the acquisition may not be achieved or not to the extent planned. In addition, risks can arise in the course of the operations of the newly acquired business that were not previously identified or were not considered to be material.

Joint ventures, shareholdings and collaborations entail fundamental risks, as it may not be possible for us to counteract potential negative effects on our business by exerting sufficient influence on management processes or business decisions. In addition, joint ventures also involve risks in connection with the integration of employees, technologies, products and processes. Similarly, collaborations may involve risks for us as we compete in some business areas with the companies with which we collaborate. Necessary portfolio or structural measures can result in additional financing requirements.

Securing financing for acquisitions, joint ventures, investments and collaborations can pose a challenge for us.

Acquisitions and the various forms of partnerships can have a considerable impact on the Group's debt/equity ratio and financing/capital structure and lead to an increase in non-current assets including goodwill. Charges can result from impairment losses on goodwill due to unforeseen business developments. In addition, such transactions may well result in significant acquisition, administrative and integration expenses.

Through good due diligence processes and closely managed integration processes, we seek to reduce risk exposure. Before any investment decision is made, a careful business assessment and analysis of the commercial, technical, legal, tax and financial framework is carried out (due diligence). For the optimal integration of businesses, we have established the necessary structures and processes and work based on a standardized post-merger concept, for example. We also benefit from our many years of experience in the successful integration of companies and businesses.

The occurrence of risks from acquisitions, joint ventures, investments and cooperation agreements is generally possible. We consider the associated impact on the net assets, financial position and results of operations to be significant. We therefore classify the risk as high.

Human resources

In a technology-oriented company like SFC, the achievement of ambitious growth targets and sustainable economic success are supported, among other measures, by a diverse and highly qualified workforce, such as experienced specialists, experts or talented people in the fields of software development, digitalization and electrical engineering.

Competition for overall above-average qualified employees in the industries and regions in which we do business remains intense and continues to increase. However, we continuously need highly qualified employees to implement our growth strategy and to compensate for staff turnover.

If we are unable to recruit management, specialist and junior staff to fill vacancies who have the commercial, technical or industry-specific skills we are looking for, this could have an adverse effect on the Group, as could inadequate qualifications or low motivation among employees.

We are meeting these challenges by strengthening the skills and knowledge of our employees in recruitment, through the targeted use of employer branding initiatives, competitive remuneration packages with performance-based incentive systems, modern HR management and structured HR development based on a competency model, for example. Technology and digitization are designed to help us attract and select talented staff more effectively – also in view of the diversity of our workforce.

Nevertheless, we could experience a shortage of qualified employees that affects the Group's business, even if the effects are difficult to assess at present.

Due to the intense competition for qualified specialized employees, the occurrence of this risk is rated from possible to high, with potentially significant negative effects on the net assets, financial position and results of operations, and is therefore assessed as a high risk.

Financial and liquidity risks

The continuation of SFC's business activities in the medium term depends on the realization of the current business plan. A material failure to meet the key assumptions of the business plan, in particular an increase in sales, gross profit, EBIT and cash flow from operating activities, could adversely affect the Group's solvency and thus cast doubt on the Group's ability to continue as a going concern in the medium term and beyond.

Guidance

Although we continue to expect global macroeconomic development to remain subdued for the remainder of fiscal year 2021, with risks associated in particular with the macroeconomic environment impacted by the COVID-19 pandemic and uncertainties in procurement markets, we expect our businesses to continue to develop positively in the second half of the fiscal year. However, it should be noted that the market outlook clouded over in the final weeks of the reporting period under the impact of challenges relating to the supply of intermediate goods and uncertain developments in commodity prices.

Our guidance continues to assume a limited financial impact from the COVID-19 pandemic in fiscal year 2021.

We continue to monitor the pandemic situation and procurement as well as the supply chain management and evaluate appropriate measures in light of our guidance.

Sales

Following a strong first nine months of 2021, which were characterized by sales growth in both segments, and taking into account the challenges in the supply of intermediate goods or the possible postponement in the delivery of our products, we concretize the guidance for year-on-year sales growth for SFC Energy AG at 15% to 22% to approximately EUR 61,000k to EUR 65,000k.

EBITDA underlying

EBITDA underlying is one of our key financial performance indicators for managing the operating business. For fiscal year 2021, driven by the positive development of demand in both segments, the increased utilization of our capacities and the improved product mix, we raise our forecast for EBITDA underlying to a range of EUR 5,700k to EUR 7,300k.

EBIT underlying

In line with the results achieved in the first nine months of the fiscal year and the expectations described above, we raise our forecast for EBIT underlying to a range of EUR 1,600k to EUR 3,100k.

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 that 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 associates accounted for at cost or using the equity method, and pension plans, as well as the members of SFC Energy AG's executive bodies.

The changes in the Supervisory Board compared to the consolidated financial statements as of December 31, 2020, are shown on pages 7 and 8 of this quarterly release. There have been no changes in the group of related parties.

Related parties

As in the previous year, there were no significant transactions with related parties in the reporting period.

Related companies

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

Other related party disclosures

The members of the Management Board and Supervisory Board hold a total of approximately 1.7% (December 31, 2020: 1.7%) of the shares issued by SFC Energy AG.

Subsequent events after the balance sheet date

Up until the date of preparation of this Interim Report, no other events of particular significance occurred that are expected to have a material effect on the net assets, financial position and results of operations of SFC Energy AG.

Brunnthal, November 15, 2021

The Management Board

Dr. Peter Podesser Chairman of the Board (CEO)	Hans Pol Board member (COO)	Daniel Saxena Board member (CFO)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30, 2021

Consolidated Statement of Income

JANUARY 1 TO SEPTEMBER 30, 2021 (UNAUDITED) in EUR

	2021 01/01 – 09/30/2021	2020 01/01 – 09/30/2020
Sales	46,475,841	39,213,095
Cost of goods sold and services rendered to generate sales revenue	– 29,385,761	– 26,196,768
Gross profit	**17,090,079**	**13,016,328**
Selling expenses	– 11,440,723	– 8,862,824
Research and development costs	– 2,132,574	– 2,101,832
General administrative expenses	– 7,956,699	– 5,348,786
Other operating income	743,847	95,160
Other operating expenses	– 36,890	– 242,735
Operating result (EBIT)	**– 3,732,959**	**– 3,444,690**
Interest and similar income	4	0
Interest and similar expenses	– 292,682	– 341,736
Result before taxes	**– 4,025,637**	**– 3,786,426**
Taxes on income and earnings	– 340,929	– 109,258
Consolidated net result for the period	**– 4,366,566**	**– 3,895,684**
Earnings per share		
undiluted	– 0.30	– 0.30
diluted	– 0.30	– 0.30

Consolidated Statement of Comprehensive Income

JANUARY 1 TO SEPTEMBER 30, 2021 (UNAUDITED) in EUR

	2021 01/01 – 09/30/2021	2020 01/01 – 09/30/2020
Consolidated result for the period	**– 4,366,566**	**– 3,895,684**
Other comprehensive income to be reclassified to profit or loss for the period in the future		
Differences from the translation of foreign subsidiaries	338,610	– 492,386
Changes in value recognized directly in equity (total other comprehensive income)	**338,610**	**– 492,386**
Total comprehensive income for the period	**– 4,027,956**	**– 4,388,070**

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

Consolidated Statement of Financial Position

ASSETS AS OF SEPTEMBER 30, 2021 (UNAUDITED)

in EUR

	09/30/2021	12/31/2020
Current assets	**57,594,752**	**58,447,329**
Inventories	13,813,871	12 ,617,145
Trade receivables	15,375,389	12,362,867
Assets from contracts with customers	1,057,654	668,212
Other assets and receivables	1,913,931	1,049,387
Cash and cash equivalents	25,148,288	31,464,099
Restricted cash and cash equivalents	285,620	285,620
Non-current assets	**28,157,707**	**27,882,362**
Intangible assets	17,168,754	15,999,278
Property, plant and equipment	8,850,030	9,985,098
Financial assets	0	0
Deferred tax assets	2,138,923	1,897,987
Assets	**85,752,459**	**86,329,691**

Consolidated Statement of Financial Position

LIABILITIES AND EQUITY AS OF SEPTEMBER 30, 2021 (UNAUDITED) in EUR

	09/30/2021	12/31/2020
Current liabilities	**18,393,693**	**18,780,475**
Tax provisions	42,678	7,476
Other accrued liabilities	1,877,135	1,575,879
Liabilities to banks	1,885,993	4,339,954
Liabilities from advance payments	51,191	39,531
Trade accounts payable	6,369,864	4,742,006
Liabilities from finance leases	1,900,650	1,353,289
Liabilities from contracts with customers	195,145	51,928
Other liabilities	6,071,038	6,670,413
Non-current liabilities	**16,158,340**	**12,711,252**
Other accrued liabilities	1,427,289	1,407,402
Liabilities to banks	0	209,446
Liabilities from finance leases	5,044,109	6,547,750
Other non-current financial liabilities	0	0
Other liabilities	7,675,113	2,752,773
Deferred tax liabilities	2,011,829	1,793,881
Equity	**51,200,426**	**54,837,964**
Subscribed capital	14,469,743	14,469,743
Capital reserve	119,508,758	119,118,339
Other changes in equity not affecting net income	– 780,098	– 1,118,708
Consolidated net result for the period	– 81,997,977	– 77,631,411
Liabilities	**85,752,459**	**86,329,691**

Consolidated Statement of Cash Flows

JANUARY 1 TO SEPTEMBER 30, 2021 (UNAUDITED)

in EUR

		2021 01/01 – 09/30/2021	2020 01/01 – 09/30/2020
	Cash flow from operating activities		
	Result before taxes	**– 4,025,637**	**– 3,786,426**
+	Interest result	292,678	341,736
+	Amortization of intangible assets and depreciation of property, plant and equipment	3,096,757	2,659,310
+/–	Income/expenses from LTI programs	6,131,805	2,729,999
–	Change in the valuation allowance	– 184,421	310,067
–	Losses/gains on the disposal of non-current assets	– 2,475	4,786
+	Other non-cash income and expenses	– 9,903	11,6680
	Operating cash flow before changes in working capital	**5,298,804**	**2,271,140**
–/+	Changes in provisions	303,146	131,737
+/–	Change in trade receivables	– 2,862,749	1,962,707
+/–	Change in inventories	– 813,261	– 1,367,031
+	Change in other receivables and assets	– 1,207,467	– 1,051,673
–	Change in trade accounts payable	1,403,336	– 4,015,724
+/–	Change in other liabilities	– 1,522,875	764,289
	Cash flow from operating activities before income taxes	**598,934**	**– 1,304,555**
+/–	Income tax refunds/payments	– 203,724	-88,548
	Cash flow from operating activities	**395,211**	**– 1,393,103**

Consolidated Statement of Cash Flows

JANUARY 1 TO SEPTEMBER 30, 2021 (UNAUDITED) in EUR

		2021 01/01 – 09/30/2021	2020 01/01 – 09/30/2020
	Cash flow from investing activities		
+	Investments in intangible assets from development projects	– 1,773,033	– 2,587,047
+	Investments in other intangible assets	– 187,715	– 198,873
+/–	Investments in property, plant and equipment	– 456,489	– 410,820
–	Interest and similar income received	5	0
–	Sale of fixed assets	9,000	0
	Cash flow from investing activities	**– 2,408,233**	**– 3,196,740**
	Cash flow from financing activities		
	Proceeds from the issue of equity instruments of the company	0	750,000
–/+	Cost of equity issuance	0	– 6,000
+/–	Repayment of financial liabilities	– 485,900	– 745,509
+/–	Change in current account liabilities	– 2,280,361	– 1,951,968
+	Repayment of liabilities from finance leases	– 1,264,479	– 1,517,136
–	Interest paid and similar expenses	– 284,505	– 331,283
	Cash flow from financing activities	**– 4,315,245**	**– 3,801,897**
	Cash-effective change in cash and cash equivalents		
	Net change in cash and cash equivalents		
	Cash and cash equivalents at the beginning of the reporting period	31,464,099	20,906,380
	Cash and cash equivalents at the end of the reporting period	25,148,288	12,514,639
	Net change in cash and cash equivalents	**– 6,328,267**	**– 8,391,741**

Consolidated Statement of Changes in Equity

JANUARY 1 TO SEPTEMBER 30, 2021 (UNAUDITED)

in EUR

	Subscribed capital	Capital surplus	Other changes in equity not effecting profit or loss	Consolidated balance sheet loss	Total
Status 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 – 09/30/2021				– 4,366,566	– 4,366,566
Income/loss from currency translation recognized directly in equity			338,610		338,610
Equity-settled share-based payment transactions		390,419			390,419
Status on 09/30/2021	**14,469,743**	**119,508,758**	**– 780,098**	**– 81,997,977**	**51,200,426**

JANUARY 1 TO SEPTEMBER 30, 2020 (UNAUDITED)

in EUR

	Subscribed capital	Capital surplus	Other changes in equity not effecting profit or loss	Consolidated balance sheet loss	Total
Status on 12/31/2019	**12,949,612**	**100,416,909**	**– 658,895**	**– 72,447,357**	**40,260,269**
Total comprehensive income for the period					
Consolidated loss for the period 01/01 – 09/30/2020				– 3,895,684	– 3,895,684
Income/loss from currency translation recognized directly in equity			– 492,386		– 492,386
Capital increase					
Capital increase	204,700	543,300			750,000
Less costs from capital increase		– 6,000			– 6,000
Status on 09/30/2020	**13,154,312**	**100,956,210**	**– 1,151,281**	**– 76,343,041**	**36,616,200**

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General principles and scope of consolidation

Information on the company

SFC Energy AG ("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 number HRB 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 in 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 (GSIN 756857, ISIN: DE0007568578).

Accounting principles

These Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial reporting as adopted by the EU. The significant accounting policies of the SFC AG that were applied in the preparation of the Consolidated Financial Statements for the year ended December 31, 2020, have also been applied in the preparation of these interim financial statements.

The Condensed Interim Financial Statements of SFC Energy AG for the period from January 1 to September 30, 2021 ("the reporting period") have been prepared in accordance with IAS 34 "Interim Financial Reporting" as condensed Consolidated Financial Statements. The condensed Consolidated Financial Statements do not contain all the information required for the Consolidated Financial Statements for a fiscal year and should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2020.

The Interim Consolidated Financial Statements for the reporting period of SFC have been prepared on a going concern basis.

The Management Board is of the opinion that there are no material uncertainties that could cast significant doubt on this assumption. The Board has concluded that the Group has sufficient funds reasonably available to meet its obligations for the foreseeable future, at least 12 months after the end of the reporting period.

The interim financial statements are presented in euros (EUR). Unless otherwise stated, the figures in these interim financial statements have been rounded to the nearest euro (EUR). Please note that the use of rounded amounts and percentages may result in differences due to commercial rounding. The Consolidated Statement of Income has been prepared using the cost of sales method.

Accounting standards to be applied for the first time in fiscal year 2021

The accounting policies applied in the preparation of the Condensed Interim Consolidated Financial Statements are consistent with those applied in the preparation of the Consolidated Financial Statements for the year ended December 31, 2020, except for the application of new standards effective from January 1, 2021. The Group has not adopted any standards, interpretations or amendments early that have been issued but are not yet effective.

Several amendments are effective for the first time for the year 2021, but have no impact on the company's Condensed Interim Consolidated Financial Statements.

The International Accounting Standards Board (IASB) published an amendment to IFRS 16 in the second quarter of 2020. The amendment relates to "COVID-19 pandemic lease concessions." The lessee is to be granted practical relief in accounting for rental concessions as a result of the COVID-19 pandemic. This will not have any material impact on the Group.

The amendment due to the Interest Rate Benchmark Reform – Phase 2 (resulting in amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16), which is effective from January 1, 2021, has no impact on the Group. Similarly, the amendments to IFRS 4 (regarding the exemption from the application of IFRS 9) have no impact on the Group.

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. 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, 2020.

Scope of consolidation

As of September 30, 2021, including the parent company SFC Energy AG, four (December 31, 2020: four) companies were fully consolidated. These are the same companies as on December 31, 2020, therefore there are no changes in the scope of consolidation compared to the Consolidated Financial Statements. The company's direct and indirect shareholdings in the three subsidiaries included in the scope of consolidation as of September 30, 2021, and their change of name as of January 1, 2021, are shown in the following table.

Subsidiaries included in the scope of consolidation:

SUBSIDIARIES, FULLY CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS in %

Name of company	Seat	Share in capital			Currency
		directly	indirectly	total	
SFC Energy Ltd. (formerly Simark Controls Ltd.)	Calgary (Canada)	100.00	–	100.00	CAD
SFC Energy B. V. (formerly PBF Group B. V.)	Almelo (Netherlands)	100.00	–	100.00	EUR
SFC Energy Power SrL. (formerly PBF Power Srl.)	Cluj-Napoca (Romania)	–	100.00	100.00	RON

As of September 30, 2021, 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 discharge 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, do not have a significant impact on the Group.

Disclosures on significant events and transactions

Impact of the COVID-19 pandemic

SFC continuously reviews the impact of the COVID-19 pandemic on the business and any resulting effects on the Group's financial reporting. Thus far, the COVID-19 pandemic has had an impact on the awarding of contracts, in particular. For further information, please refer to the section entitled "Business Performance and Economic Situation" in the Interim Group Management Report. With regard to the expected impact of the COVID-19 pandemic on fiscal year 2021, please refer to the Forecast Report in the Group Management Report.

Other liabilities

Non-current other liabilities comprise the liability recognized under the Stock Appreciation Rights Program (SAR program) for the Management Board members Dr. Peter Podesser, Daniel Saxena, Hans Pol and three employees (managers). For details of 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 members of the Management Board and senior executives on the conclusion of a Stock Appreciation Rights Program. The objective of the program is to encourage 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. The 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 so-called blackout periods. 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 expiration of the respective waiting period must exceed the average stock market price 30 trading days before the SARs are issued. The granting of the SARs was classified and measured as cash-settled share-based payment in accordance with IFRS 2.10. The fair value of the SARs was determined on the basis of the fair value hierarchy. The fair value of the SARs is remeasured on each balance sheet date using a Monte Carlo model and taking into account the terms and conditions upon which the SARs were granted.

In fiscal year 2020, additional SARs were granted to Daniel Saxena under the new Management Board contract (Tranche DS1, Daniel Saxena, Program 5). Furthermore, the waiting periods of Tranche PP2 (Dr. Peter Podesser, Program 3) were shortened by 7 and 14 months respectively in fiscal year 2020. Tranche PP3 was replaced in fiscal year 2020 by the stock option program Tranche PP1 (Peter Podesser, Stock Option Program 1), which is why there are no longer any entitlements under this SARs program at the end of the fiscal year. Furthermore, additional SARs exist in respect of three executives (Tranche EP1 or Program 6, Tranche EP2 or Program 7, and Tranche EP3 or Program 8 (together "Tranche EP")).

The entitlements of Markus Binder were redeemed by a cash payment in the reporting period. Furthermore, a part of the entitlements of Dr. Peter Podesser due to Tranche PP2 (Peter Podesser, Program 2) were exercised in the reporting period of 2021.

The SARs developed as follows in the reporting period:

DEVELOPMENT OF SARs IN 2021

	Tranche HP2 (Hans Pol Program 2)	Tranche PP2 (Peter Podesser Program 2)	Tranche MB1 (Markus Binder Program 1)	Tranche HP3 (Hans Pol Program 4)	Tranche DS1 (Daniel Saxena Program 5)	Tranche EP (Program 6, 7 and 8)
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 (Jan. 1, 2021)	20,000	220,000	55,000	120,000	228,000	0
In the reporting period 2021						
SARs granted	0	0	0	0	0	47,250
SARs forfeited	0	0	55,000	0	0	6,750
SARs exercised	0	73,333	0	0	0	0
SARs expired	0	0	0	0	0	0
SARs outstanding at the end of the 2021 reporting period (Sept. 30, 2021)	**20,000**	**146,667**	**0**	**120,000**	**228,000**	**40,500**
SARs exercisable at the end of the reporting period 2021 (Sept. 30, 2021)	**20,000**	**73,333**	**0**	**0**	**0**	**0**

The SARs developed as follows in fiscal year 2020:

DEVELOPMENT OF SARs IN 2020

	Tranche HP2 (Hans Pol Program 2)	Tranche PP2 (Peter Podesser Program 2)	Tranche PP2 (Peter Podesser Program 3)	Tranche MB1 (Markus Binder Program 1)	Tranche HP3 (Hans Pol Program 4)	Tranche DS1 (Daniel Saxena Program 5)
Number of stock appreciation rights (SARs)	180,000	360,000	420,000	180,000	180,000	228,000
Maximum term (in years)	7.00	7.00	7,00	7.00	7.00	8.00
SARs outstanding at the beginning of the 2020 reporting period (Jan. 1, 2020)	20,000	260,000	420,000	102,500	150,000	0
In the reporting period 2020						
SARs granted	0	0	0	0	0	228,000
SARs forfeited	0	40,000	420,000	47,500	30,000	0
SARs exercised	0	0	0	0	0	0
SARs expired	0	0	0	0	0	0
SARs outstanding at the end of the reporting period 2020 (Dec. 31, 2020)	**20,000**	**220,000**	**0**	**55,000**	**120,000**	**228,000**
SARs exercisable at the end of the reporting period 2020 (Dec. 31, 2020)	**0**	**0**	**0**	**0**	**0**	**0**

The following parameters were taken into account in the valuation as of September 30, 2021:

SARs IN 2021

	Tranche HP2 (Hans Pol Program 2)	Tranche PP2 (Peter Podesser Program 2)	Tranche HP3 (Hans Pol Program 4)	Tranche DS1 (Daniel Saxena Program 5)	Tranche EP (Program 6, 7 and 8)
Valuation date	09/30/2021	09/30/2021	09/30/2021	09/30/2021	09/30/2021
Remaining term (in years)	0.75	2.50	3.75	6.75	5.25
Volatility	63.23%	61.29%	56.95%	51.80%	55.67%
Risk-free interest rate	–0.71%	–0.70%	–0.66%	–0.42%	–0.54%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Exercise price	EUR 1.00	EUR 1.00	EUR 1.00	EUR 1.00	EUR 1.00
SFC share price at the valuation date	EUR 28.25	EUR 28.25	EUR 28.25	EUR 28.25	EUR 28.25

The following parameters were used as a basis for the valuation as of December 31, 2020:

SARs IN 2020

	Tranche HP2 (Hans Pol Program 2)	Tranche PP2 (Peter Podesser Program 2)	Tranche PP3 (Peter Podesser Program 3)	Tranche MB1 (Markus Binder Program 1)	Tranche HP3 (Hans Pol Program 4)	Tranche DS1 (Daniel Saxena Program 5)
Valuation date	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020
Remaining term (in years)	1.50	3.25	6.00	3.17	4.50	7.50
Volatility	64.05%	55.05%	49.68%	54.69%	54.73%	48.63%
Risk-free interest rate	–0.76%	–0.77%	–0.73%	–0.77%	–0.76%	–0.69%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Exercise price	EUR 1.00	EUR 1.00	EUR 1.00	EUR 1.00	EUR 1.00	EUR 1.00
SFC share price at the valuation date	EUR 15.94	EUR 15.94	EUR 15.94	EUR 15.94	EUR 15.94	EUR 15.94

The period from the measurement date to the end of the contract of the respective agreement was taken as the term. The share price was determined via Bloomberg from the closing price in XETRA trading as of September 30, 2021. The volatility was determined as the historical volatility of the SFC share over the respective remaining term. 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 2021 and 2022.

As of September 30, 2021, a liability of EUR 9,020,775 (thereof EUR 7,571,433 non-current) was recognized under other liabilities as part of the SARs program (December 31, 2020: EUR 5,683,464; thereof EUR 2,752,773 non-current). The expense for the reporting period amounts to EUR 5,741,386 (prior-year period: EUR 2,729,999). The expenses for the period July 1 to September 30 amount to EUR 774,928 (prior year period: EUR –341,108).

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. Peter Podesser and Hans Pol. The objective of this program is likewise to support 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' shareholdings.

In fiscal year 2020, Tranche PP1 (Peter Podesser, Stock Option Program 1) was granted in exchange for the entitlements from Tranche PP3 (Dr. Peter Podesser, SARs program from fiscal year 2019).

Tranche PP1 (Peter Podesser Stock Option Program 1) provides for variable remuneration 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 with simultaneous payment of the exercise price by the option holder. The 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).

In the reporting period, a stock option program was granted to Hans Pol (Hans Pol, Stock Option Program 2).

Stock Option Program 2 begins on March 1, 2021, and has a maximum term of eight years. The option rights may be exercised in accordance with the option terms and conditions within one year after 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 subject to the condition that a stock market price of SFC stock defined in more detail by the Annual General Meeting has reached a certain price target at certain points in time 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 also conditional upon an average stock market price of the SFC AG share at the time of exercise, as defined in more detail by the Annual General Meeting, reaching or exceeding thresholds set by the AGM.

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).

In the reporting period, additional stock option programs were granted to executives (EP4 or Stock Option Program 3, EP5 or Stock Option Program 4).

Stock Option Programs 3 and 4 commence on January 1, 2021, and have a maximum term of seven years. The option rights may be exercised in accordance with the option terms and conditions within one year after expiry of a waiting period. The waiting period is four or six years, in each case starting on the issue date of the tranche (beginning 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 only be exercised subject to the condition that a stock market price of the SFC share defined in greater detail by the Annual General Meeting has reached a certain price target at certain points in time 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 also conditional upon an average stock market price of the SFC AG share at the time of exercise, as defined in greater detail by the AGM, reaching or exceeding thresholds set by the AGM.

The granting of the 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 is measured once on the grant date using a Monte Carlo model, taking into account the conditions at which the stock options were granted.

The stock options developed as follows in the reporting period:

DEVELOPMENT OF STOCK OPTIONS IN 2021

	Tranche PP1 (Peter Podesser Stock Option Program 1)	Tranche HP4 (Hans Pol Stock Option Program 2)	Tranche EP4 (Stock Option Program 3)	Tranche EP5 (Stock Option Program 4)
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 reporting period 2021 (Jan. 1, 2021)	504,000	0	0	0
In the reporting period 2021				
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 reporting period 2021 (Sept. 30, 2021)	**504,000**	**500,000**	**22,800**	**22,800**
Stock options exercisable at the end of the reporting period 2021 (Sept. 30, 2021)	**0**	**0**	**0**	**0**

The stock options developed as follows in fiscal year 2020:

DEVELOPMENT OF STOCK OPTIONS IN 2020

	Tranche PP1 (Peter Podesser Stock Option Program 1)
Number of stock options	504,000
Maximum term (in years)	8.00
Stock options outstanding at the beginning of the reporting period 2020 (Jan. 1, 2020)	0
In the reporting period 2020	
Stock options granted	504,000
Stock options forfeited	0
Stock options exercised	0
Stock options expired	0
Stock options outstanding at the end of the reporting period 2020 (Dec. 31, 2020)	**504,000**
Stock options exercisable at the end of the reporting period 2020 (Dec. 31, 2020)	**0**

The following parameters were taken into account in the valuation as of September 30, 2021:

2021

	Tranche PP1 (Peter Podesser Stock Option Program 1)	Hans Pol (Stock Option Program 2)	Tranche EP4/ EP5 (Stock Option Programs 3 / 4)
Valuation date	05/19/2020	03/01/2021	02/01/2021
Remaining term (in years)	8.15	8.00	6.91
Volatility	45.18%	49.49%	50.34%
Risk-free interest rate	– 0.54%	– 0.47%	– 0.69%
Expected dividend yield	0.00%	0.00%	0.00%
Exercise price	EUR 1.00	EUR 24.41	EUR 15.50
SFC share price on the valuation date	EUR 10.00	EUR 28.50	EUR 22.75

As of September 30, 2021, a capital reserve of EUR 946,660 was recognized under the stock option program (December 31, 2020: EUR 556,241). The expense for the period January 1 to September 30 amounts to EUR 390,419 (prior year period EUR 0). The expense for the period from July 1 to September 30 amounts to EUR 184,561 (prior-year period: EUR 0).

The following parameters were used as a basis for the valuation as of December 31, 2020:

2020

	Tranche PP1 (Peter Podesser Stock Option Program 1)
Valuation date	05/19/2020
Remaining term (in years)	8.15
Volatility	45.18%
Risk-free interest rate	– 0.54%
Expected dividend yield	0.00%
Exercise price	EUR 1.00
SFC share price on valuation date	EUR 10.00

Breakdown of sales revenue

Sales revenue in the first three quarters of 2021 can be broken down as follows:

BREAKDOWN OF SALES REVENUE 2021 in EUR

	Clean Energy	Clean Power Management	Total
	01/01/ – 09/30/2021	01/01/ – 09/30/2021	01/01/ – 09/30/2021
Regions			
North America	11,609,082	5,470,572	17,079,653
Europe (excluding Germany)	10,748,343	9,612,707	20,361,050
Germany	5,436,204	454,668	5,890,872
Asia	2,253,042	477,755	2,730,797
Rest of the world	233,672	179,796	413,468
Total	**30,280,343**	**16,195,498**	**46,475,841**
Timing of revenue recognition			
Time-related transfer of goods	29,781,951	15,503,399	45,285,350
Period-related revenue recognition/provision of services	498,392	692,099	1,190,490
Total	**30,280,343**	**16,195,498**	**46,475,841**

Sales revenue for the period July 1 to September 30, 2021 can be broken down as follows:

BREAKDOWN OF SALES REVENUE 2021

in EUR

	Clean Energy	Clean Power Management	Total
	07/01/–09/30/2021	07/01/–09/30/2021	07/01/–09/30/2021
Regions			
North America	3,716,007	1,725,978	5,441,985
Europe (excluding Germany)	4,488,905	2,609,321	7,098,226
Germany	1,760,143	85,061	1,845,204
Asia	943,181	–580	942,602
Rest of the world	15,921	0	15,921
Total	**10,924,157**	**4,419,780**	**15,343,937**
Timing of revenue recognition			
Time-related transfer of goods	10,543,806	6,576,989	17,120,795
Period-related revenue recognition/provision of services	380,351	–2,157,209	–1,776,858
Total	**10,924,157**	**4,419,780**	**15,343,937**

Revenue for the comparative period January 1 to September 30, 2020, can be broken down as follows:

BREAKDOWN OF SALES REVENUE 2020

in EUR

	Clean Energy	Clean Power Management	Total
	01/01/–09/30/2020	01/01/–09/30/2020	01/01/–09/30/2020
Regions			
North America	8,992,179	5,658,593	14,650,772
Europe (excluding Germany)	5,463,386	7,859,119	13,322,505
Germany	4,926,338	796,672	5,723,010
Asia	4,790,290	341,993	5,132,283
Rest of the world	200,108	184,416	384,524
Total	**24,372,302**	**14,840,793**	**39,213,095**
Timing of revenue recognition			
Time-related transfer of goods	24,142,022	12,654,358	36,796,380
Period-related revenue recognition/provision of services	230,279	2,186,436	2,416,715
Total	**24,372,302**	**14,840,793**	**39,213,095**

Revenue for the comparative period July 1 to September 30, 2020, can be broken down as follows:

BREAKDOWN OF SALES REVENUE 2020 in EUR

	Clean Energy	Clean Power Management	Total
	07/01/–09/30/2020	07/01/–09/30/2020	07/01/–09/30/2020
Regions			
North America	2,331,179	1,122,402	3,453,581
Europe (excluding Germany)	1,988,528	2,123,093	4,111,621
Germany	2,290,665	378,717	2,669,382
Asia	1,070,698	158,260	1,228,958
Rest of the world	39,652	0	39,652
Total	**7,720,722**	**3,782,473**	**11,503,195**
Timing of revenue recognition			
Time-related transfer of goods	7,720,722	3,782,473	11,503,195
Period-related revenue recognition/provision of services	0	0	0
Total	**7,720,722**	**3,782,473**	**11,503,195**

Cost of goods sold and services rendered to generate revenue

The cost of sales in the reporting period was as follows:

PRODUCTION COSTS in EUR

	2021 01/01/–09/30/	2020 01/01/–09/30/	2021 07/01/–09/30/	2020 07/01/–09/30/
Cost of materials	22,542,218	20,404,623	7,051,459	5,593,628
Personnel costs	3,191,515	2,959,219	1,054,028	847,185
Room costs	239,194	196,293	65,062	55,566
Transport costs	769,373	557,523	260,369	164,350
Amortization of capitalized development costs	1,074,738	214,320	396,264	71,440
Warranty	394,150	161,156	243,121	20,973
Other depreciation and amortization	934,065	1,044,902	349,301	335,797
Consulting	40,626	48,862	13,266	14,693
Other	199,883	609,870	8,392	159,888
Total	**29,385,761**	**26,196,768**	**9,441,261**	**7,263,519**

Selling expenses

Selling expenses in the first three quarters of 2021 are as follows:

SELLING EXPENSES in EUR

	2021 01/01/ – 09/30/	2020 01/01/ – 09/30/	2021 07/01/ – 09/30/	2020 07/01/ – 09/30/
Personnel costs	9,628,204	6,549,416	2,341,484	1,022,998
Depreciation	389,027	483,053	123,919	155,313
Advertising and travel expenses	596,342	712,566	252,707	290,544
Consulting / Commission	161,432	365,825	61,504	40,065
Other	665,718	751,965	225,489	298,975
Total	**11,440,723**	**8,862,824**	**3,005,103**	**1,807,894**

Research and development costs

Research and development costs in the first three quarters of 2021 are as follows:

RESEARCH AND DEVELOPMENT COSTS in EUR

	2021 01/01/ – 09/30/	2020 01/01/ – 09/30/	2021 07/01/ – 09/30/	2020 07/01/ – 09/30/
Personnel costs	2,171,934	2,184,346	745,494	644,792
Consultancy and patents	445,541	612,092	196,427	146,831
Room costs	41,103	65,708	13,007	7,893
Other depreciation and amortization	393,297	622,967	76,214	111,206
Cost of materials	911,669	1,107,325	100,614	256,489
Other	190,400	113,546	88,695	34,073
Offsetting against grants received	– 248,336	– 17,104	– 67,744	– 14,127
Capitalization as internally generated intangible assets	– 1,773,034	– 2,587,047	– 518,262	– 657,559
Total	**2,132,574**	**2,101,832**	**634,445**	**529,597**

General administrative expenses

General administrative expenses in the first three quarters of 2021 are as follows:

GENERAL ADMINISTRATIVE EXPENSES in EUR

	2021 01/01/–09/30/	2020 01/01/–09/30/	2021 07/01/–09/30/	2020 07/01/–09/30/
Personnel costs	5,019,622	2,965,199	1,134,620	641,150
Audit and consulting fees	1,118,299	953,658	320,200	246,233
Investor Relations/ Annual General Meeting	399,712	234,300	80,500	66,077
Insurance	182,387	177,011	61,034	51,125
Depreciation	305,630	294,068	110,161	99,120
Vehicle costs	116,227	47,339	38,480	9,488
Travel expenses	64,933	52,149	41,585	13,492
Supervisory Board remuneration	101,827	84,375	36,103	28,125
Maintenance costs for hardware and software	156,838	37,954	61,760	13,042
Other	494,627	506,885	170,334	130,059
Offsetting against grants received	–3,404	–4,151	–469	–3,428
Total	**7,956,699**	**5,348,786**	**2,054,309**	**1,294,483**

Other operating income and expenses

In the reporting period, other operating income mainly includes income from exchange rate differences in the amount of EUR 259,877 (previous year: EUR 72,244). Q3 2021 also mainly includes income from exchange rate differences in the amount of EUR 17,786 (previous year: EUR 9,871). Furthermore, income from the reversal of provisions from the SARs program after part of the claims of Dr. Peter Podesser's tranche were exercised in the reporting period is included in the amount of EUR 483,650 (previous year: EUR 0). By contrast, no income from the reversal of provisions from the SARs program arose in Q3 2021 and Q3 2020. In the reporting period, other operating income amounts to a total of EUR 743,847 (previous year: EUR 95,160). In Q3 2021, other operating income amounts to a total of EUR 17,787 (previous year: EUR 27,108).

In the reporting period, other operating expenses exclusively include expenses from exchange rate differences in the amount of EUR 36,890 (previous year: EUR 242,735). In Q3 2021, other operating expenses also exclusively include expenses from exchange rate differences in the amount of EUR 6,673 (previous year: EUR 79,959).

Income taxes

As in the Consolidated Financial Statements as of December 31, 2020, 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

Since January 1, 2021, the Group has been segmented on the basis of the technology platforms and the portfolio of products and services offered. The Group's segments are Clean Energy and Clean Power Management. The Group's previous segmentation was based on SFC's target markets. The Clean Energy & Mobility and Defense & Security segments have been combined in full in the new Clean Energy segment. The Industry segment has been assigned to the new Clean Power Management segment. The Oil & Gas segment was split into the two new segments.

In order 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, EBITDA underlying (adjusted earnings before interest, taxes, depreciation and amortization) and EBIT underlying (earnings before interest and taxes adjusted for non-recurring effects) as key performance indicators.

Net sales, 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 period January 1 to September 30:

SEGMENTS
JANUARY 1 TO SEPTEMBER 30, 2021

in EUR

	Clean Energy		Clean Power Management		Consolidated financial statements	
	2021 01/01/–09/30/	2020 01/01/–09/30/	2021 01/01/–09/30/	2020 01/01/–09/30/	2021 01/01/–09/30/	2020 01/01/–09/30/
Sales	**30,280,343**	**24,372,302**	**16,195,498**	**14,840,793**	**46,475,841**	**39,213,095**
Cost of goods sold and services rendered to generate sales revenue	–17,460,086	–14,990,300	–11,925,675	–11,206,467	–29,385,761	–26,196,767
Gross profit	**12,820,257**	**9,382,002**	**4,269,823**	**3,634,326**	**17,090,080**	**13,016,328**
Selling expenses	–10,040,263	–7,498,620	–1,400,460	–1,364,204	–11,440,723	–8,862,824
Research and development costs	–895,429	–599,130	–1,237,145	–1,502,702	–2,132,574	–2,101,832
General administrative expenses	–6,464,814	–4,369,684	–1,491,885	–979,102	–7,956,699	–5,348,786
Other operating income	743,847	95,160	0	0	743,847	95,160
Other operating expenses	–36,890	–242,735	0	0	–36,890	–242,735
Other expenses/income (balance)	706,957	–147,575	0	0	706,957	–147,575
Operating result (EBIT)	**–3,873,292**	**–3,233,007**	**140,333**	**–211,683**	**–3,732,959**	**–3,444,690**
Adjustments EBIT	6,425,424	3,011,437	0	0	6,425,424	3,011,437
EBIT underlying	**2,552,132**	**–221,571**	**140,333**	**–211,683**	**2,692,464**	**–433,253**
Depreciation	–2,333,273	–1,698,523	–763,484	–960,786	–3,096,757	–2,659,310
EBITDA	**–1,540,019**	**–1,534,484**	**903,817**	**749,104**	**–636,202**	**–785,380**
Adjustments to EBITDA	6,425,424	3,011,437	0	0	6,425,424	3,011,437
EBITDA underlying	**4,885,405**	**1,476,953**	**903,817**	**749,104**	**5,789,222**	**2,226,057**
Operating result (EBIT)					**–3,732,959**	**–3,444,690**
Financial result					–292,678	–341,736
Result before taxes					**–4,025,637**	**–3,786,426**
Taxes on income and earnings					–340,929	–109,258
Consolidated result for the period					**–4,366,566**	**–3,895,684**

Net sales, 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 period July 1 to September 30:

SEGMENTS
JULY 1 TO SEPTEMBER 30, 2021

in EUR

	Clean Energy		Clean Power Management		Consolidated financial statements	
	2021 07/01/–09/30/	2020 07/01/–09/30/	2021 07/01/–09/30/	2020 07/01/–09/30/	2021 07/01/–09/30/	2020 07/01/–09/30/
Sales	**10,924,157**	**7,720,722**	**4,419,780**	**3,782,473**	**15,343,937**	**11,503,195**
Cost of goods sold and services rendered to generate sales revenue	–5,891,910	–4,523,932	–3,549,352	–2,739,587	–9,441,262	–7,263,519
Gross profit	**5,023,247**	**3,196,789**	**870,428**	**1,042,886**	**5,902,676**	**4,239,675**
Selling expenses	–2,568,756	–1,426,061	–436,347	–381,833	–3,005,102	–1,807,894
Research and development costs	–272,040	–224,169	–362,405	–305,428	–634,445	–529,597
General administrative expenses	–1,613,165	–1,008,919	–441,144	–285,563	–2,054,309	–1,294,482
Other operating income	17,786	27,105	0	0	17,787	27,105
Other operating expenses	–6,673	–79,959	0	0	–6,673	–79,959
Other expenses/income (balance)	11,113	–52,854	0	0	11,113	–52,854
Operating result (EBIT)	**589,399**	**484,787**	**–369,467**	**70,062**	**219,933**	**554,848**
Adjustments EBIT	1,072,093	–341,108	0	0	1,072,093	–341,108
EBIT underlying	**1,661,492**	**143,679**	**–369,467**	**70,062**	**1,292,025**	**213,740**
Depreciation	–789,322	–565,231	–266,537	–207,644	–1,055,859	–772,876
EBITDA	**1,378,721**	**1,050,018**	**–102,930**	**277,706**	**1,275,792**	**1,327,724**
Adjustments to EBITDA	1,072,093	–341,108	0	0	1,072,093	–341,108
EBITDA underlying	**2,450,814**	**708,910**	**–102,930**	**277,706**	**2,347,885**	**986,616**
Operating result (EBIT)					**219,933**	**554,848**
Financial result					–122,040	–88,113
Result before taxes					**97,893**	**466,734**
Taxes on income and earnings					–85,379	–25,176
Consolidated net result for the period					**12,514**	**441,558**

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

The Clean Power Management segment bundles the entire business with high-tech, standardized and semi-standardized power management solutions such as voltage transformers and coils, which are used in equipment for the high-tech industry. Furthermore, the segment includes the business with frequency converters used in the upstream oil and gas industry. Some of the segment's technologies and products are also used in the Clean Energy segment.

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

	09/30/2021	12/31/2020
Financial assets		
Assets measured at amortized cost		
Trade receivables	15,375,389	12,362,867
Other assets and receivables – current	449,230	0
Cash and cash equivalents	25,148,288	31,464,099
Restricted cash and cash equivalents	285,620	285,620
Financial debt		
Liabilities measured at amortized cost		
Liabilities to banks	1,885,993	4,549,400
Trade accounts payable	6,369,864	4,742,006
Leasing liabilities	6,944,759	7,901,039
Other liabilities – current	143,391	148,475

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 are no financial liabilities and financial assets based on a Level 3 fair value measurement.

The allocation to fair value levels as of September 30, 2021, is as follows:

FAIR VALUE-LEVEL in EUR

	09/30/2021		
	Level 1	Level 2	Total
Financial assets			
Assets measured at amortized cost			
Trade receivables	0	15,375,389	15,375,389
Other assets and receivables – current	0	449,230	449,230
Cash and cash equivalents		25,148,288	25,148,288
Restricted cash and cash equivalents	0	285,620	285,620
Financial debt			
Liabilities measured at amortized cost			
Liabilities to banks	0	1,885,993	1,885,993
Trade accounts payable	0	6,369,864	6,369,864
Lease liabilities	0	6,944,759	6,944,759
Other liabilities – current	0	143,391	143,391

The allocation to fair value levels as of December 31, 2020, is as follows:

FAIR VALUE-LEVEL in EUR

	12/31/2020		
	Level 1	Level 2	Summe
Financial assets			
Assets measured at amortized cost			
Trade receivables	0	12,362,867	12,362,867
Other assets and receivables – current	0	0	0
Cash and cash equivalents	0	31,464,099	31,464,099
Restricted cash and cash equivalents	0	285,620	285,620
Financial debt			
Liabilities measured at amortized cost			
Liabilities to banks	0	4,549,400	4,549,400
Trade accounts payable	0	4,742,006	4,742,006
Lease liabilities	0	7,901,039	7,901,039
Other liabilities – current	0	0	0

Employees

The number of permanent employees as of September 30, 2021, is as follows:

EMPLOYEES

	09/30/2021	09/30/2020
Full-time employees (including the Management Board)	257	251
Part-time employees	39	33
Total	**296**	**284**

In addition, a total of 10 (previous year: 14) interns, diploma students and student trainees were employed at the end of September 2021.

Earnings per share

Earnings per share are calculated by dividing the consolidated net profit for the period attributable to the shareholders of the parent company by the average number of shares outstanding. The shares outstanding on the reporting date September 30, 2021, amounted to 14,469,743 (previous year: 13,154,312). The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjusting for the dilutive effects of all potential ordinary shares. Earnings per share for the reporting period amounted to EUR – 0.30 (previous year: EUR – 0.30).

Brunnthal, November 15, 2021

The Management Board

Dr. Peter Podesser
Chairman of the Board (CEO)

Hans Pol
Board member (COO)

Daniel Saxena
Board member (CFO)

2022 FINANCIAL CALENDAR

FEBRUARY 14, 2022	PRELIMINARY FIGURES 2021
MARCH 25, 2022	ANNUAL REPORT 2021
MAY 17, 2022	Q1 REPORT 2022
MAY 18, 2022	ANNUAL GENERAL MEETING
AUGUST 18,2022	HALF-YEAR REPORT 2022
NOVEMBER 15, 2022	Q3 REPORT 2022

SHARE INFORMATION

Bloomberg symbol	F3C
Reuters symbol	CXPNX
GSIN	756857
ISIN	DE0007568578
Number of shares as of 09/30/2021	14,469,743
Stock category	No-par value shares
Stock segment	Prime Standard, Renewable Energies
Stock exchange	Frankfurt, FWB
Designated sponsor	mwb fairtrade Wertpapierhandelsbank AG

INVESTOR RELATIONS

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