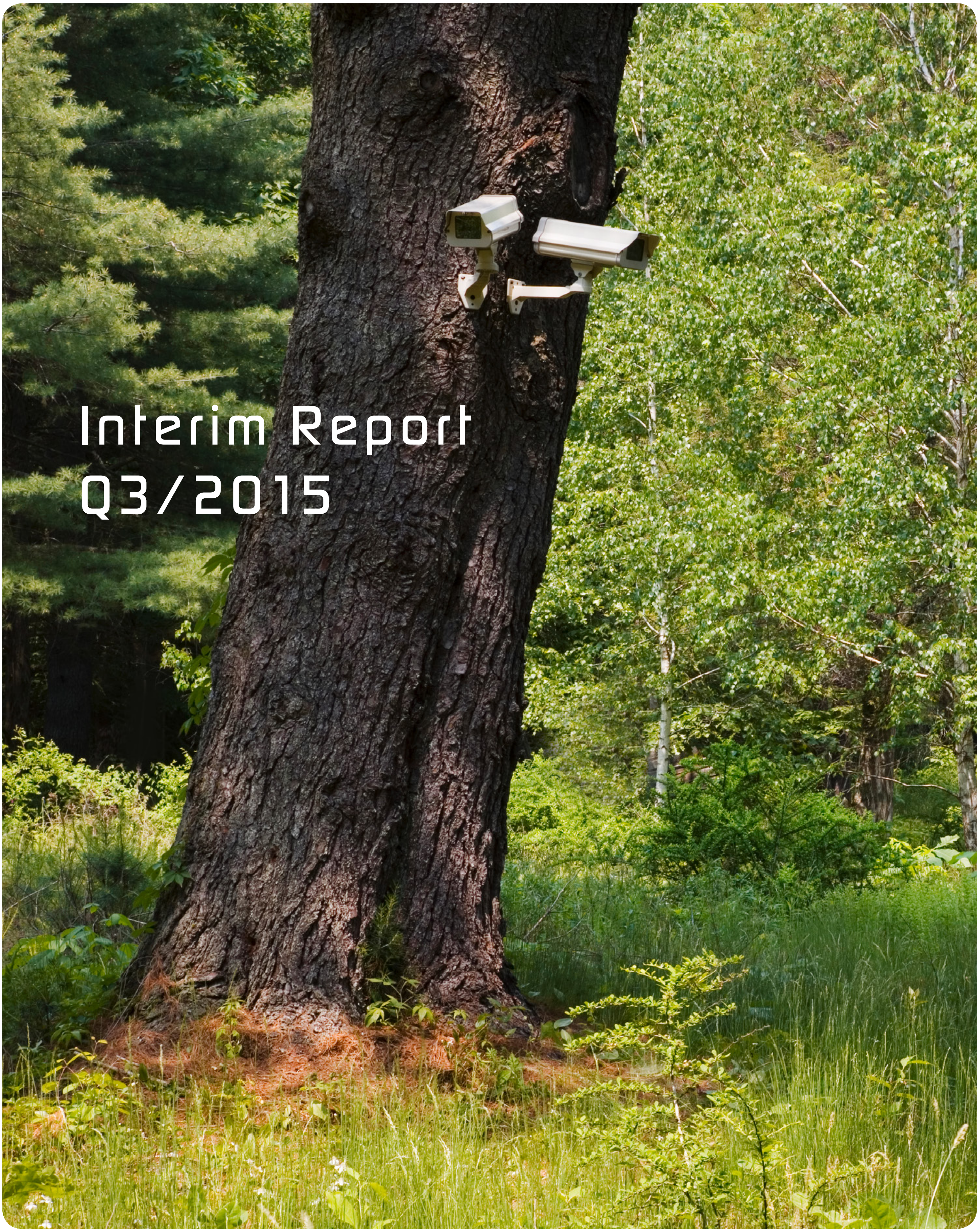

Interim Report Q3/2015

SFC ENERGY AG CONSOLIDATED KEY FIGURES

in k €

	01/01 – 09/30/2015	01/01 – 09/30/2014	Change in %	Q3 2015	Q3 2014	Change in %
Sales	36,332	37,326	– 2.7 %	11,540	11,164	3.4 %
Gross profit	10,126	10,834	– 6.5 %	3,564	3,162	12.7 %
Gross margin	27.9 %	29.0 %	–	30.9 %	28.3 %	–
EBITDA	– 3,595	– 2,145	– 67.6 %	– 889	– 1,076	17.4 %
EBITDA margin	– 9.9 %	– 5.7 %	–	– 7.7 %	– 9.6 %	–
EBITDA underlying	– 2,384	– 1,265	– 88.5 %	– 396	– 770	48.6 %
EBITDA margin underlying	– 6.6 %	– 3.4 %	–	– 3.4 %	– 6.9 %	–
EBIT	– 5,445	– 4,184	– 30.1 %	– 1,514	– 1,748	13.4 %
EBIT margin	– 15.0 %	– 11.2 %	–	– 13.1 %	– 15.7 %	–
EBIT underlying	– 3,410	– 2,449	– 39.2 %	– 757	– 1,150	34.2 %
EBIT margin underlying	– 9.4 %	– 6.6 %	–	– 6.6 %	– 10.3 %	–
Consolidated net loss	– 5,514	– 4,523	– 21.9 %	– 1,515	– 1,838	17.6 %
Net loss per share, diluted	– 0.64	– 0.56	– 14.3 %	– 0.18	– 0.23	21.7 %

in k €

	09/30/2015	09/30/2014	Change in %
Order backlog	10,315	14,562	– 29.2 %

in k €

	09/30/2015	12/31/2014	Change in %
Equity	21,681	27,589	– 21.4 %
Equity ratio	55.6 %	58.4 %	–
Balance sheet total	38,977	47,256	– 17.5 %
Cash (freely available)	3,082	6,122	– 49.7 %

	09/30/2015	09/30/2014	Change in %
Permanent employees	237	246	– 3.7 %

DIRECTORS' SHAREHOLDINGS

	09/30/2015
Management Board	
Dr. Peter Podesser	106,800
Hans Pol	116,462
Steffen Schneider	1,000
Supervisory Board	
Tim van Delden	0
David Morgan	4,000
Hubertus Krossa	6,250

CONTENT

INTRODUCTION BY THE MANAGEMENT BOARD

Steffen Schneider Chief Financial Officer / **Dr. Peter Podesser** Chief Executive Officer / **Hans Pol** Chief Sales Officer

DEAR FELLOW SHAREHOLDERS,

The third quarter of 2015 included considerable milestones met by SFC Energy, both in the civilian business and in the defense market, despite it being a seasonally weaker period for the Company. We believe that many of the achievements and partnerships signed during the period have positioned the Company well for sustained growth in our operations in 2016.

In the third quarter we announced that Toyota Tsusho Corporation became an official partner for our EFOY Pro fuel cells in Japan.
In the last three months we have gained traction with our defense and security efforts, largely driven by the previous success of our fuel cell products in operation. In the third quarter alone, we have secured three separate orders from two defense organizations.

Despite the persistently difficult macro-environment in our Oil & Gas segment we have succeeded in maintaining a comparable level in the first nine months from our record year in 2014.

Below we are providing additional detail into each of our business segments (Oil & Gas, Security & Industry, Consumer).

Oil & Gas

The third quarter was still affected by the price of oil at a low level. Nevertheless, we have achieved significant progress in the Oil & Gas segment. Our producer customer base has adjusted to the presumably lower oil price level for a longer period of time. Many of the budgets for new projects are correspondingly low. The pressure on the oil and gas producers remained high during the quarter, as the industry continues to face the challenge of reducing production costs and increase efficiency. However, this so called "de-bottlenecking" of existing production has actually been a revenue driver for SFC Energy in the reporting period.

A highlight in the third quarter was the receipt of a CAD 1.3 million order by our Canadian subsidiary Simark Controls from a major international oil & gas producer.

Security & Industry

The signing of a new partner agreement with Toyota Tsusho Corporation marked a further milestone in the internationalization of the SFC Energy business. Following a careful and thorough Global analysis Toyota Tsusho chose SFC Energy as the right partner based on reliability, performance and quality as well as the maturity of the product. First orders of EFOY Pro fuel cells have already been shipped for sale by Toyota Tsusho.

Both Toyota Tsusho and SFC Energy see a large market opportunity for SFC Energy's EFOY Pro fuel cells in the growing back-up power, off-grid seismic, meteorological, environmental, safety and surveillance markets.

The collaboration with Toyota Tsusho is a key step for our Company to grow in Japan and will massively increase the level of awareness of the brand "EFOY" in Asia and the world. Japan is one of the most advanced fuel cell markets in the world.

Another important success was the gain of Gazprom Geosurs as a new partner. The subsidiary of the Russian oil and gas producer Gazprom, has selected the EFOY Pro fuel cell for integration into their system after two years of severe field tests in harshest weather and operating conditions. The autonomous energy solution for remote gas production and SCADA applications is now officially listed on Gazprom's qualified vendor list.

With strong and innovative partnerships SFC Energy will continue to develop new markets and raise their revenue potential.

After a slower ramp-up of new products by our customers as well as the postponement of orders in the first six months, we have implemented a rationalization program in our Dutch subsidiary in the third quarter and transferred significant parts of the production to our location in Romania. We managed to realize savings of € 0.3 million in 2015 and annual savings of around € 1 million in the years thereafter and thus a much lower break-even threshold.

As we announced in July, SFC Energy achieved a major win with the delivery of the EMILY fuel cell to the German Army. This was the result of years of hard work and product development by our entire team. Their efforts have allowed our Company to again prove to the market the efficacy of our fuel cell product in providing dependable, light weight form of energy in the field with low detectability. The order in the amount of € 1.3 million represents repeat business for SFC following the successful deployment of the EMILY fuel cell by the German Bundeswehr (German Army) in December 2011.

The contract award was followed by another international defense force. Here we received an order for two programs, one for stationary next generation fuel cells with extremely long maintenance free operation and one for the next generation of portable, more powerful fuel cell, the Jenny 1200. In this case, we also were able to outplace competitors through superior performance. Our product simply worked more efficiently and was more reliable.

The orders are to a large extent expected to be delivered in the first and fourth quarters of 2016. In addition, the customer is provided with an option to purchase additional units in an amount of € 4.2 million after the successful fulfillment of the initial contract. Both contracts are of paramount importance for SFC Energy and will have a significant positive impact on the financial performance and profitability in 2016 as well as the medium-term growth prospects in the global defense market.

Consumer

In the Consumer segment we introduced our innovative mobile power outlet EFOY GO! both to our channel partners but also to our new online shop. Customers can now buy EFOY GO! at caravanning retailers or online (www.efoy-shop.com). The new power source integrates latest state of the art lithium battery technology, a 400 W inverter and comprehensive user feedback.

The initial feedback from customers and partners was very positive and initial sales are promising as well. SFC Energy also participated at the important caravan fairs in Düsseldorf, Parma and Paris. The overall mood in the Caravan market improved significantly and we are expecting stable business in this segment for the current fiscal year.

Financials

SFC Energy AG generated revenues of € 36.3 million in the period from January to September 2015, as compared with € 37.3 million in the same period last year. The 2.7 % decrease in revenues is primarily attributable to aforementioned macro-challenges as well as slower ramp-up of new products by our customers. Revenues in the third quarter grew by 3.4 % from € 11.2 million to € 11.5 million. Our order backlog at the end of September 2015 stood at € 10.3 million.

In terms of profitability, EBITDA for the first nine months of 2015 amounted to € –3.6 million, as compared with € –2.1 million in the same period last year. The decline is due to above described reasons. EBITDA in the third quarter of 2015 amounted to € –0.9 million, as compared with € –1.1 million in the third quarter of 2014.

Adjusted for one-off effects, EBITDA stood at € –2.4 million in the first nine months of 2015 (Q3 2015: € –0.4 million) compared to € –1.3 million in the same period last year (Q3 2014: € –0.8 million). In the first nine months of 2015 the adjusted EBIT fell to € –3.4 million as compared with € –2.4 million in the prior year (Q3 2015: € –0.8 million / Q3 2014: € –1.2 million). EBIT in the reporting period stood at € –5.4 million, compared to € –4.2 million last year (Q3 2015: € –1.5 million / Q3 2014: € –1.7 million).

Despite a volatile market with the DAX declining around 12.6 % in the third quarter, the SFC Energy share price remained relatively stable with a small decrease of 2.2 % in the third quarter closing at a share price of € 4.98. In response to our major breakthrough with the Toyota Tsusho Corporation the research firm Oddo Seydler raised his upside target in his most recent research report dated September 9, 2015 from € 6.60 to € 7.00.

Conclusion

In the past nine months we have further progressed in our business development and reached key milestones in our operations. Given the continued difficult macro-environment in the Oil & Gas market we expect to be in 2015 10 to 15 % below 2014's record revenues in this segment. In the Defense market, a large project to be awarded to SFC expected for Q4/15 will be delayed into the first half of 2016. Therefore planned revenues in 2015 will not materialize and can no longer compensate for other markets. Due to these developments we expect now 2015 revenues of c. € 48-50 million and a profitability below the level of 2014.

At this point our sincere thanks goes to our customers and shareholders for their continued support and the trust you place in us. We would also like to extend our thank-you to our employees for their hard work.

Sincerely,

The Management Board of SFC Energy AG

Dr. Peter Podesser
CEO

Steffen Schneider
CFO

Hans Pol
CSO

THE SHARE

THE SFC ENERGY SHARE IN THE THIRD QUARTER OF 2015

The mood on the international stock markets darkened considerably during the third quarter of 2015 fueled by concerns about the global economy, fears of a major slowdown in China, uncertainty about when the Federal Reserve would raise its interest rates, and the VW emissions scandal. In Germany, the DAX sustained losses of around 12.6 % in the third quarter, recording its weakest three-month period in four years. During the first nine months of 2015, Germany's blue-chip index lost approximately 2.1 % of its value. The TecDax significantly outperformed the DAX with gains of nearly 5.8 % in the third quarter and of 27.5 % in the period from January to September.

The SFC Energy AG share moved sideways in the third quarter, registering a modest decrease of just under 2.2 %. The stock began trading in 2015 at € 5.67 on January 2, which was also the high for the first nine months. Its low during this period was € 4.33 on January 13, 2015. The SFC Energy share closed the third quarter at € 4.98 on September 30, 2015. The average daily trading volume during the first nine months of the current fiscal year was 4,673 shares (previous year: 7,475 shares). SFC Energy AG's market capitalization on September 30, 2015 stood at € 42.88 million (2014 reporting date: € 47.36 million), based on 8.61 million shares at XETRA prices.

SFC Energy AG shares are traded in the Prime Standard segment of the Frankfurt Stock Exchange, which is strictly regulated. Its designated sponsors are Oddo Seydler Bank AG, Warburg Research GmbH, and – since the third quarter – Hauck & Aufhäuser Privatbankiers KGaA. The research firms Warburg Research GmbH, Oddo Seydler Bank AG, and First Berlin Equity Reseach GmbH covered SFC Energy AG in the third quarter of 2015. In their research reports, the analysts recommend buying the SFC Energy share with upside targets ranging from € 6.40 to € 7.00. Analyst Stephan Wulf from Oddo Seydler raised his upside target in his most recent research report dated September 9, 2015 from € 6.60 to € 7.00 based on the collaboration with Toyota Tsusho announced in the reporting period. Interested investors can obtain further information in the Investor Relations section of the SFC Energy AG website: www.sfc.com.

In the year to date, there has been no material change in the shareholder structure of SFC Energy AG since the 2014 reporting date. Slightly over 50 % of the Company's shares are held by large institutional investors that accompany and support the Company in its growth. Extended management holds more than 8 % of the shares. The remainder of the shares are in free float.

BUSINESS REVIEW

Organizational structure of the Group and locations

The Group comprises SFC Energy AG, Brunnthal, Germany; SFC Energy Inc., Rockville, Maryland, USA (SFC); PBF Group B.V., Almelo, Netherlands, and its subsidiaries in Romania (PBF); and Simark Holdings Ltd., Calgary, Canada. The three companies in Canada were merged as of June 30, 2015 or July 1, 2015. They were merged into Simark Controls Ltd.

EARNINGS AND FINANCIAL POSITION

Research and development

The focus of SFC's research and development activities in the first nine months of 2015 was as follows:

- The Company continued to make quality improvements to its series products.
- New energy solutions were designed and developed for defense applications.
- A buriable energy solution was developed and enhanced in connection with a development project in the defense sector.
- Development of JENNY 1200 was resumed, making it ready for series production on the basis of an order from an international defense force.
- In order to better meet customer requirements, the Company evaluated and tested individual components of higher-output energy supply solutions for stationary and vehicle-based applications.
- The first new EFOY Pro 12000 systems were shipped for field testing.
- Tests were conducted on further reducing unit costs and increasing capacity in order to reduce degradation with increased power density and cut back on the amount of material used.

The areas of emphasis of PBF's research and development activities were as follows:

- Existing development projects were continued with success, and some were put into series production.
- Development of both power projects begun in the previous year (PSH120 and PZT1250) continued according to plan. The PSH120 has already been put into series production.

- The development of a 3.5 kW laser power product and an 8 kW frontend power supply solution was started.

The following product enhancements and new developments were continued by PBF and SFC together:

- Testing, optimization and systematic updating of a range of energy solutions, including the EFOY ProEnergyBox and the EFOY ProCube, that help customers use and reliably power a vast array of industrial applications under the harshest of conditions.

- The new EFOY GO! product platform was developed and put into series production.

Earnings position

The SFC Group (the "Group") posted sales of € 36,332k in the first nine months of 2015, for a decrease of 2.7 % from the prior-year period (€ 37,326k).

SFC generated sales of € 7,924k in the first nine months of 2015, up by 4.6 % from the same period last year (€ 7,573k). SFC's sales of € 2,952k in the third quarter of 2015 were up 69.5 % from the prior year's figure of € 1,742k.

Sales by PBF during the first nine months of 2015 were € 8,336k, 7.7 % lower than the previous year's figure of € 9,036k. PBF's third-quarter sales in 2015 were € 2,957k (prior year: € 2,744k).

In the period under review, Simark's sales totaled € 20,072k, a decrease of 3.1 %. In the prior-year period, this figure was € 20,717k. Simark's third-quarter sales in 2015 were € 5,631k (prior-year period: € 6,678k).

Consolidated sales during the reporting period, at € 36,332k, were at the lower end of expectations.

EBIT decreased year-on-year from minus € 4,184k to minus € 5,445k during the first nine months of 2015. It bears noting that the figure for the first nine months of 2015 reflects € 2,035k in non-recurring effects relating to the Simark acquisition along with staff-related measures. If the one-time effects in the 2015 reporting period are ignored, underlying EBIT went from minus € 2,449k in the same period last year to minus € 3,410k in the first nine months of 2015.

EBIT improved during the third quarter of 2015 from minus € 1,748k during the previous year to minus € 1,514k.

There was negative EBITDA in the amount of € 3,595k during the first nine months of 2015, following minus € 2,145k during the same period in 2014. Underlying EBITDA deteriorated during the reporting period from minus € 1,265k to minus € 2,384k.

EBITDA for the third quarter of 2015 improved to minus € 889k, versus minus € 1,076k a year ago.

The following earnings effects, and particularly the effect of the Simark acquisition, are not captured in the underlying operating result:

- Personnel expenses relating to the contingent consideration that was agreed upon and to the retention of key employees (€ 963k)
- Depreciation/amortization and expenses relating to the purchase price allocation (€ 824k)
- Severance payments (€ 248k)

The reconciliation to underlying EBIT and EBITDA and the distribution of the one-off effects among items on the income statement were as follows:

		in k€
	EBIT	**EBITDA**
Result according to the income statement	**–5,445**	**–3,595**
Production costs of work performed to generate sales		
Cash component from the Simark acquisition, personnel costs	154	154
Expenses from contract terminations, personnel costs	93	93
Sales costs		
Cash component from the Simark acquisition, personnel costs	583	583
Purchase price allocation, amortization of customer relationships	824	0
Bonus for key employees, personnel costs	73	73
Expenses from contract terminations, personnel costs	75	75
Research and development costs		
Expenses from contract terminations, personnel costs	61	61
General administration costs		
Cash component from the Simark acquisition, personnel costs	154	154
Expenses from contract terminations, personnel costs	19	19
Total one-off effects	**2,035**	**1,212**
Underlying result	**–3,410**	**–2,384**

Sales by segment

The following table shows a comparison of segment sales for the first nine months and third quarter of 2015 and 2014:

SALES BY SEGMENT (UNAUDITED)						in k €
	Quarter 1-3			3rd Quarter		
Segment	2015	2014	Change in %	2015	2014	Change in %
Oil & Gas	20,072	20,722	– 3.1 %	5,631	6,678	– 15.7 %
Security & Industry	13,261	13,412	– 1.1 %	5,233	3,686	42.0 %
Consumer	2,999	3,192	– 6.0 %	676	800	– 15.5 %
Total	**36,332**	**37,326**	**– 2.7 %**	**11,540**	**11,164**	**3.4 %**

All of the Oil & Gas segment's revenues came from Simark in 2015. Most of Simark's transactions are in CAD. Sales in the first three quarters of 2015 were CAD 28.2 million or € 20.1 million and came exclusively from the sale and integration of products for the North American oil and gas market. Despite continuing weak crude oil prices, Simark managed to keep its revenues at almost the same level as last year.

In the Security & Industry market, the number of fuel cells sold (539) was 10.0 % lower than the number sold in the same period last year (599). However, SFC's sales increased by 12.5 %, from € 4,376k to € 4,925k. This increase was due to the sales to defense customers, which at € 2,037k were 93.1 % higher than the sales in the previous year period (€ 1,055k). The delivery of 82 EMILY fuel cells to the German Bundeswehr in the third quarter of 2015 generated revenues of € 1,272k, thus making a considerable contribution to this increase.

All of PBF's sales were generated in the Security & Industry segment. In the first nine months of 2015 its sales were € 8,336k (previous year: € 9,036k). The lower sales at PBF are attributable to a longer ramp-up time for new customer products and the working capital management at customers, as reported in the first half of 2015.

Sales in the Consumer market fell by € 193k (minus 6.0 %), with the number of fuel cells sold decreasing from 1,129 to 1,045. This decline was attributable to lower sales in France, Australia and Germany.

Sales by region

Sales by region evolved as follows:

SALES BY REGION (UNAUDITED)						in k €
	Quarter 1-3			3rd Quarter		
Region	2015	2014	Change in %	2015	2014	Change in %
North America	20,396	21,694	– 6.0 %	5,722	6,817	– 16.1 %
Europe and ROW	15,936	15,632	1.9 %	5,818	4,347	33.8 %
Total	**36,332**	**37,326**	**– 2.7 %**	**11,540**	**11,164**	**3.4 %**

The decrease in North America is attributable to lower sales by Simark and SFC in this region.

SFC posted a 14.6 % increase in sales in the region Europe and rest of the world. For PBF, which conducts almost all of its business in Europe and the rest of the world, the decline was 7.6 %.

Gross profit

Gross profit in the first three quarters of fiscal year 2015 was € 10,126k, or 27.9 %. In the prior year it stood at € 10,834k or 29.0 % of sales.

The Group's third-quarter gross profit came to € 3,564k, or 30.9 %, compared with € 3,162k, or 28.3 % last year.

The margin depends on the composition of sales with respect to each individual segment; there may also be fluctuations in the individual segments due to cost scaling and discounts granted.

The year-on-year change in the individual segments' gross profit was as follows:

GROSS PROFIT (UNAUDITED) — in k €

	Quarter 1-3			3rd Quarter		
Segment	2015	2014	Change in %	2015	2014	Change in %
Oil & Gas	4,494	5,153	– 12.8 %	1,202	1,726	– 30.4 %
Security & Industry	4,873	4,787	1.8 %	2,160	1,242	73.9 %
Consumer	759	894	– 15.1 %	202	194	4.1 %
Total	**10,126**	**10,834**	**– 6.5 %**	**3,564**	**3,162**	**12.7 %**

The gross profit in the Oil & Gas segment was € 4,494, or 22.4 %.

The Security & Industry segment's gross profit was € 4,873k, which was above the prior year's € 4,787k. Gross margin rose by one percentage point, from 35.7 % to 36.7 %.

In the Consumer segment, the gross margin was 25.3 % (previous year: 28.0 %). The main reason for this was the decrease in sales, accompanied by no change in the overhead structure.

Sales costs

The Group's sales costs rose by 10.7 %, from € 7,788k to € 8,618k. This was largely due to exchange rate effects and the non-recurring effect of severance payments mentioned above.

It is also important to note that the sales costs shown above include non-recurring effects in the total amount of € 1,555k (previous year: € 1,386k).

Altogether, sales costs as a percentage of sales increased to 23.7 %, while they amounted to 20.9 % in the same period last year.

Research and development costs

Research and development costs fell from € 3,544k to € 2,976k in the first nine months of 2015. In relation to sales, R&D costs decreased to 8.2 % (previous year: 9.5 %) due to lower R&D expenses in percentage terms at SFC.

SFC's research and development costs decreased, from € 1,312k, or 17.3 % of its sales, to € 749k, or 9.5 % of its sales.

PBF's research and development costs increased to € 2,108k (previous year: € 1,939k), or 25.3 % of its sales (previous year: 21.5 %).

€ 590k in development work were capitalized in the first three quarters of 2015, versus € 211k the year before. It is important to note that development costs incurred as part of JDAs are reported as production costs of work performed to generate sales and that any subsidies received for government-sponsored development projects are offset against development costs. Adjusted for these two effects and adding back in the capitalized development costs, true research and development expenditure in the first nine months of 2015 totaled € 4,265k, which represents an increase of 2.1 % from the previous year's € 4,178k.

General administration costs

General administration costs increased to € 3,907k in the first three quarters of 2015 (previous year: € 3,789k).

In this regard it is important to note that the cash component from the acquisition of Simark in the amount of € 154k (previous year: € 146k) is contained in personnel expenses under administration costs.

As a percentage of sales, administration costs amounted to 10.8 % this year versus 10.2 % this time a year ago.

Other operating income

The largest items in other operating income of € 106k were foreign exchange transaction gains of € 81k (previous year: € 111k).

Other operating expenses

The € 176k in other operating expenses almost exclusively reflects foreign exchange transaction losses. The largest item last year was also foreign exchange transaction losses of € 52k.

Operating result (EBIT)

The Group EBIT went from minus € 4,184k to minus € 5,445k in the 2015 reporting period. The EBIT margin on sales fell from minus 11.2 % to minus 15.0 %.

Adjusted for the one-off effects mentioned earlier, underlying EBIT in the first nine months fell to minus € 3,410k (previous year: minus € 2,449k), or minus 9.4 % of sales.

EBIT in the third quarter of 2015 improved to minus € 1,514k, following minus € 1,748k in the third quarter of 2014.

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

EBITDA deteriorated from minus € 2,145k in the same period a year ago to minus € 3,595k this year. EBITDA as a percentage of sales changed from minus 5.7 % to minus 9.9 %.

Adjusted for the one-off effects mentioned earlier, underlying EBITDA in the first nine months improved to minus € 2,384k (previous year: minus € 1,265k), or minus 6.6 % of sales.

EBITDA in the third quarter of 2015 improved to minus € 889k, following minus € 1,076k in the third quarter of 2014.

Interest and similar income

Interest and similar income fell from € 12k to € 3k, primarily due to decreased liquidity and lower interest rates.

Interest and similar expenses

Interest and similar expenses were € 235k (previous year: € 227k) and consisted mostly of interest on liabilities to banks.

Net result

The net result decreased from a loss of € 4,523k during the prior-year period to a loss of € 5,514k.

Overall, the net result as a percentage of sales deteriorated to minus 15.2 %, as compared to minus 12.1 % in the same period last year.

The net result for the third quarter was a loss of € 1,515k, versus a loss of € 1,838k a year ago.

Earnings per share

Earnings per share under IFRS (diluted) were negative at € 0.64 (previous year: minus € 0.56). Third-quarter earnings per share improved in 2015 from minus € 0.23 to minus € 0.18, when compared with the same period a year ago.

New orders and order backlog

New orders totaling € 36,020k were received in the first nine months of 2015. In the same period a year ago, new orders of € 34,252k had been received.

Altogether, the order backlog fell to € 10,315k as of September 30, 2015 (previous year: € 14,562k).

Of this amount, € 7,962k is attributable to the Security & Industry segment (previous year: € 7,260k), € 2,313k to the Oil & Gas segment (previous year: € 7,255k) and € 40k to the Consumer segment (previous year: € 47k).

Financial position

Capital expenditures

Development costs of € 590k for SFC and PBF products were capitalized during the first nine months of 2015 (previous year: € 211k). Investments were also made in software (€ 48k) and equipment (€ 204k). Total capital expenditures during the reporting period came to € 842k (previous year: € 489k).

Liquidity

Net cash outflows decreased to € 3,044k in the first nine months of 2015, compared with € 4,363k the year before.

Freely available cash and cash equivalents at the end of September 2015 totaled € 3,082k, slightly higher than the € 2,786k available at the end of September 2014. The positive influence of the capital increase implemented during the fourth calendar quarter of 2014 was almost completely offset by the negative influence of the 2015 result.

Cash flow from ordinary operations

The net cash outflow from ordinary operations of € 2,241k in the first nine months of 2015 was lower than a year earlier (previous year: net outflow of € 3,634k). This was the result of improved working capital. As in the previous year, the cash outflow included the payment of a cash component of € 1,185k from the Simark acquisition, which is shown in the cash flow from ordinary operations. The previous year's figures have been restated accordingly.

Cash flow from investment activity

Net cash used for investment activity totaled € 977k in the period under review (previous year: € 477k).

Cash flow from financial activity

The cash flow from financial activity shows the change in PBF's and Simark's liabilities to banks, particularly due to scheduled payments on the Simark loan, a further drawdown on the line of credit (€ 866k), as well as interest paid.

Assets and liabilities

The balance sheet and balance sheet ratios changed as follows during the first nine months of 2015.

Total assets were down 17.5 % at the end of the first nine months of 2015, decreasing from € 47,256k at December 31, 2014 to € 38,977k at September 30, 2015.

Due to the operating result, the equity ratio decreased from 58.4 % to 55.6 %.

Inventories, trade accounts receivable and receivables from percentage-of-completion decreased by € 4,063k, or 19.9 %.

The most significant intangible assets are the goodwill of Simark in the amount of € 6,942k (€ 7,411k), the goodwill of PBF in the amount of € 4,672k (€ 4,672k), other intangible assets relating to the acquisitions of Simark in the amount of € 1,628k (€ 2,560k) and PBF in the amount of € 1,178k (€ 1,464k) and capitalized development costs in the amount of € 1,442k (€ 1,140k). The decrease in other intangible assets relating to the Simark and PBF acquisitions reflects the amortization of the customer relationships and technology. With respect to capitalized development costs, € 590k was capitalized and € 287k was amortized in the first nine months of 2015.

Non-current assets decreased from € 19,714k to € 18,151k. The share of non-current assets in total assets climbed from 41.7 % to 46.6 % because total assets were down more in percentage terms.

Liabilities decreased from € 19,667k to € 17,297k. This item mainly comprised the € 1,204k payment of contingent consideration relating to the Simark acquisition.

Altogether, liabilities made up 44.4 % of total liabilities and shareholders' equity (December 31, 2014: 41.6 %).

With the net loss for the period, shareholders' equity decreased to € 21,681k at September 30, 2015, against € 27,589k at December 31, 2014. Subscribed capital and the capital surplus were unchanged.

Employees

The number of permanent employees at September 30, 2015 was as follows:

EMPLOYEES

	09/30/2015	09/30/2014	Change
Management Board	3	3	0
Research and development	49	54	–5
Production, logistics, quality management	92	95	–3
Sales & Marketing	69	69	0
Administration	24	25	–1
Permanent employees	**237**	**246**	**–9**

The Group employed 7 (previous year: 7) trainees, graduates and student trainees at September 30, 2015. Of the permanent employees, 73 (previous year: 73) worked for SFC, 97 (previous year: 97) worked for PBF and 67 (previous year: 76) worked for Simark.

REPORT ON RISKS AND OPPORTUNITIES

We believe that the Group's opportunities have not changed since the publication of our 2014 annual report.

As part of a systematic and organizational approach to risk, the Management Board has implemented a comprehensive risk management system that defines, systematically uses and continues to develop suitable instruments for identifying, analyzing and measuring risks and determining the appropriate course of action.

We believe that the other material risks and opportunities for the Group have not changed since the publication of our 2014 annual report and 2015 half-year report, with the following exceptions.

Liquidity risk

Liquidity risk describes the possibility that SFC may not be able to meet its payment obligations. This risk was counteracted by the capital increases in May 2007 and November 2014. However, liquidity reserves have further decreased from their level at the end of 2014, due to the cash outflow during the first nine months of 2015.

Our cash and cash equivalents have decreased considerably due to the acquisition of Simark and the operating result in recent years. Consequently, the acquisition has increased the liquidity risk, particularly because outside financing was obtained for part of the purchase price for the Simark Group, and we must comply with the corresponding loan agreements to counter the risk of the loans being called early or the risk of an increase in the interest rate for the borrowed capital.

The ultimate responsibility for liquidity risk management rests with the Management Board, which has formulated an appropriate strategy for managing the short-, medium- and long-term funding and liquidity requirements. SFC manages liquidity risk by maintaining reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

FORECAST REPORT

Given the continued difficult macro-environment in the Oil & Gas market we expect to be in 2015 10 to 15 % below 2014's record revenues in this segment. In the Defense market, a large project to be awarded to SFC expected for Q4/15 will be delayed into the first half of 2016. Therefore planned revenues in 2015 will not materialize and can no longer compensate for other markets. Due to these developments we expect now 2015 revenues of c. € 48-50 million and a profitability below the level of 2014.

MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

The company is not aware of any material events after the balance sheet date affecting the course of business.

Brunnthal, November 9, 2015

The Management Board

Dr. Peter Podesser	**Steffen Schneider**	**Hans Pol**
CEO	CFO	CSO

INTERIM REPORT IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS AT SEPTEMBER 30, 2015

The following Interim Report has been prepared in the German language. It has been translated for this Interim Report into English.
In the event of questions of interpretation, the German version shall be authoritative.

INTERIM REPORT IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS AT SEPTEMBER 30, 2015

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED INCOME STATEMENT FROM JANUARY 1 TO SEPTEMBER 30, 2015

in €

	9 Months 2015 01/01–09/30	9 Months 2014 01/01–09/30	3rd Quarter 2015 07/01–09/30	3rd Quarter 2014 07/01–09/30
Sales	36,331,754	37,325,845	11,540,219	11,163,606
Production costs of work performed to generate sales	–26,205,380	–26,492,122	–7,976,651	–8,001,506
Gross profit	**10,126,374**	**10,833,723**	**3,563,569**	**3,162,100**
Sales costs	–8,618,465	–7,788,364	–2,701,886	–2,659,029
Research and development costs	–2,976,333	–3,544,006	–1,000,342	–1,022,453
General administration costs	–3,906,721	–3,789,258	–1,238,237	–1,270,696
Other operating income	105,601	175,690	6,653	57,607
Other operating expenses	–175,678	–71,310	–144,030	–15,286
Operating loss	**–5,445,222**	**–4,183,525**	**–1,514,273**	**–1,747,757**
Interest and similar income	3,408	11,736	269	2,871
Interest and similar expenses	–235,486	–226,835	–73,149	–78,308
Loss from ordinary operations	**–5,677,300**	**–4,398,624**	**–1,587,153**	**–1,823,193**
Income taxes	163,330	–123,922	72,481	–15,175
Consolidated net loss	**–5,513,970**	**–4,522,547**	**–1,514,672**	**–1,838,369**
NET LOSS PER SHARE				
undiluted	–0.64	–0.56	–0.18	–0.23
diluted	–0.64	–0.56	–0.18	–0.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM JANUARY 1 TO SEPTEMBER 30, 2015

in €

	9 Months 2015 01/01–09/30	9 Months 2014 01/01–09/30	3rd Quarter 2015 07/01–09/30	3rd Quarter 2014 07/01–09/30
Consolidated net loss	**–5,513,970**	**–4,522,547**	**–1,514,672**	**–1,838,369**
OCI items that may be recycled to profit or loss in the future:				
Result from currency translations	–394,282	356,556	–568,559	328,156
Total other results	**–394,282**	**356,556**	**–568,559**	**328,156**
Total comprehensive income	**–5,908,252**	**–4,165,991**	**–2,083,231**	**–1,510,213**

All amounts are attributable in full to equity holders of the parent company.

There are no deferred tax effects on the total results recognized directly in equity.

SFC ENERGY AG, BRUNNTHAL
CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2015

in €

	09/30/2015	12/31/2014
Current Assets	**20,826,150**	**27,541,581**
Inventories	7,852,870	7,653,349
Trade accounts receivable	8,360,229	11,546,354
Receivables from Percentage-of-Completion	142,553	1,219,263
Income tax receivables	347,933	3,711
Other short-term assets and receivables	605,601	711,486
Cash and cash equivalents	3,081,965	6,122,418
Cash and cash equivalents with limitation on disposal	435,000	285,000
Non-current assets	**18,151,229**	**19,714,352**
Intangible assets	16,375,261	17,813,125
Property, plant and equipment	1,449,619	1,601,049
Deferred tax assets	326,349	300,178
Assets	**38,977,379**	**47,255,933**

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2015

in €	09/30/2015	12/31/2014
Current liabilities	**12,143,644**	**13,371,035**
Provisions for taxes	56,289	60,505
Other provisions	634,294	625,698
Liabilities to banks	2,754,633	2,013,013
Liabilities from prepayments	4,488	3,220
Trade accounts payable	5,207,574	6,871,734
Liabilities under finance lease	46,141	49,259
Liabilities from percentage-of-completion	297,380	57,853
Other short-term liabilities	3,142,844	3,536,483
Income tax liabilities	0	153,270
Non-current liabilities	**5,153,054**	**6,295,965**
Other provisions	1,531,889	1,736,567
Liabilities to banks	2,376,621	3,045,313
Liabilities under finance lease	80,963	86,433
Other long-term liabilities	114,414	118,428
Deferred tax liabilities	1,049,167	1,309,225
Equity	**21,680,681**	**27,588,933**
Subscribed capital	8,611,204	8,611,204
Capital surplus	71,954,950	71,954,950
Other changes in equity not affecting profit or loss	– 682,530	– 288,248
Consolidated net loss	– 58,202,943	– 52,688,973
Liabilities and shareholders' equity	**38,977,379**	**47,255,933**

SFC ENERGY AG, BRUNNTHAL
CONSOLIDATED CASH FLOW STATEMENT
FROM JANUARY 1 TO SEPTEMBER 30, 2015

			in €
		01/01–09/30/2015	01/01–09/30/2014
	Cash flow from ordinary operations		
	Result before taxes	**–5,677,300**	**–4,398,624**
+	Net interest income	232,078	215,099
+	Depreciation/amortization of intangible assets and property, plant and equipment	1,849,862	2,038,656
+	Expenses from SAR Plan	97,448	118,515
+/–	Changes in allowances	99,246	–23,609
–/+	Profits/losses from disposal of property, plant and equipment	–11,491	6,699
+/–	Other non-cash expenses/income	128,131	–91,487
	Changes to operating result before working capital	**–3,282,027**	**–2,134,751**
–	Changes to provisions	–248,833	–164,091
+/–	Changes to trade accounts receivable	2,773,202	–440,206
–	Changes to inventories	–281,312	–590,204
+/–	Changes to other receivables and assets	1,167,328	–136,652
–/+	Changes to trade accounts payable	–1,510,154	1,553,853
–	Changes to other liabilities [1]	–316,503	–1,399,563
	Cash flow from ordinary operations before taxes	**–1,698,298**	**–3,311,614**
–	Income tax payments	–542,609	–322,164
	Cash flow from ordinary operations	**–2,240,906**	**–3,633,779**

1 Adjusted previous year`s figures. For further explanations see „accounting principles".

SFC ENERGY AG, BRUNNTHAL
CONSOLIDATED CASH FLOW STATEMENT
FROM JANUARY 1 TO SEPTEMBER 30, 2015

			in €
		01/01 – 09/30/2015	01/01 – 09/30/2014
	Cash flow from investment activity		
–	Investments in intangible assets from development projects	– 589,676	– 211,324
–	Investments in other intangible assets	– 48,346	– 109,913
–	Investments in property, plant and equipment	– 204,090	– 168,249
–	Cash outflows for the acquisition of subsidiaries, aquired in other reporting periods [1]	0	0
+	Interest and similar income	3,738	11,583
–	Bank balances pledged	– 150,000	0
+	Proceeds from disposal of property, plant and equipment	11,500	1,199
	Cash flow from investment activity	**– 976,873**	**– 476,705**
	Cash flow from financial activity		
+	Raising of financial debt	0	876,899
–	Repayment of financial debt	– 509,269	– 965,254
+	Changes to current account liabilities	865,600	0
–	Interest paid and other expenses	– 182,560	– 164,312
	Cash flow from financial activity	**173,771**	**– 252,667**
	Net change in cash and cash equivalents	**– 3,044,009**	**– 4,363,150**
	Currency effects on cash and cash equivalents	3,557	6,968
	Net change in cash and cash equivalents		
	Cash and cash equivalents at beginning of period	6,122,418	7,142,536
	Cash and cash equivalents at end of period	3,081,965	2,786,354
	Net change in cash and cash equivalents	**– 3,044,009**	**– 4,363,150**

1 Adjusted previous year`s figures. For further explanations see „accounting principles".

SFC ENERGY AG, BRUNNTHAL
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FROM JANUARY 1 TO SEPTEMBER 30, 2015

in €

	Subscribed capital	Capital surplus	Other changes in equity not effecting profit or loss	Net accumulated loss	Total
As at 01/01/2014	**8,020,045**	**69,569,925**	**–664,303**	**–47,862,710**	**29,062,957**
Total comprehensive income					
Consolidated net loss 01/01-09/30/2014				–4,522,547	–4,522,547
Result from currency translation recognized in equity			356,556		356,556
As at 09/30/2014	**8,020,045**	**69,569,925**	**–307,747**	**–52,385,256**	**24,896,966**
Total comprehensive income					
Consolidated net loss 10/01-12/31/2014				–303,717	–303,717
Result from currency translation recognized in equity			19,500		19,500
Capital increase					
Issuance of shares (Authorized capital)	591,159	2,672,039			3,263,198
Less costs from capital increase		–287,014			–287,014
As at 12/31/2014	**8,611,204**	**71,954,950**	**–288,248**	**–52,688,973**	**27,588,933**
Total comprehensive income					
Consolidated net loss 01/01-09/30/2015				–5,513,970	–5,513,970
Result from currency translation recognized in equity			–394,282		–394,282
As at 09/30/2015	**8,611,204**	**71,954,950**	**–682,530**	**–58,202,943**	**21,680,681**

NOTES TO THE INTERIM REPORT OF SFC ENERGY AG

Information about the Company

SFC Energy AG (the "Company" or "SFC") is a stock corporation domiciled in Germany. The Company's headquarters is located at 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 principal activities of the Company and its subsidiaries (the Group) are the development, production and distribution of power generation systems and their components for off-grid and on-grid applications based on fuel cell and other technologies, as well as investment in the equipment and facilities required for these activities and transaction of all other related business.

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

Accounting principles

This interim report was prepared in accordance with International Financial Reporting Standards (IFRS), as they are to be applied in the European Union. The principal accounting policies used by the Company to prepare its consolidated financial statements for the financial year ended December 31, 2014, were also used to prepare the interim financial statements.

Adjustments to the comparable figures during the previous year period (January 1 to September 30, 2014) regarding the presentation of individual items of the cash flow statement were necessary because payments from the deferred payment obligation are no longer shown under cash flow from investment activity but are instead shown under cash flow from ordinary operations before taxes.

The interim report of SFC Energy AG for the financial period from January 1 to September 30, 2015 was prepared in accordance with IAS 34 "Interim Financial Reporting" as a set of condensed financial statements. These condensed financial statements do not contain all of the information required for a complete set of financial statements for a full financial year and should, therefore, be read in conjunction with the consolidated financial statements for the year ended December 31, 2014.

In addition to the standards and interpretations applied at December 31, 2014, the following standards were applicable for the first time, but had no impact on the consolidated financial statements:

- Amendments to IAS 19 "Employee Benefits" (2013)
- IFRIC 21 "Levies" (2013)
- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2011-2013 Cycle

The Group has not early adopted any other new or amended standards and interpretations that have been published, but are not yet effective.

This interim report is presented in euros (€). Figures stated in this interim report are rounded to whole euros (€) unless otherwise indicated. Please note that small differences can arise in rounded amounts and percentages due to commercial rounding of figures. The consolidated income statement was prepared using the cost-of-sales format. The auditors have neither audited nor reviewed the interim financial statements.

Receivables and liabilities from percentage-of-completion

If the production costs (including earnings contributions) incurred during the quarter under review for contracts that are not yet completed exceed the amounts already invoiced (installment payments), the difference is reported as receivables from percentage-of-completion. Conversely, the difference is reported as liabilities from percentage-of-completion if the prepayments exceed these costs. There were receivables from percentage-of-completion in the amount of € 142,553 in the first nine months of 2015 (December 31, 2014: € 1,219,263) and liabilities from percentage-of-completion in the amount of € 297,380 (December 31, 2014: € 57,853).

Other short-term assets and receivables

The Company had other short-term assets of € 605,601 as of the reporting date (December 31, 2014: € 711,486). The decrease is primarily attributable to a decrease in prepayments to € 51,565 (December 31, 2014: € 121,741) and a decrease in receivables related to the cash component of the acquisition of Simark, to € 50,943 (December 31, 2014: € 217,542). On the other hand, sales tax receivables increased to € 68,972 (December 31, 2014: € 0), while receivables from subsidies rose to € 92,000 (December 31, 2014: € 45,400).

Other liabilities

Other long-term liabilities include the obligation recognized from the Stock Appreciation Rights Plan (SAR Plan) for Management Board members Dr. Podesser, Mr. Pol and Mr. Schneider. The section entitled "Stock Appreciation Rights Plan" contains additional information about the plan.

Long Term Incentive Plan

No further tranches were granted from the LTIP in 2015. The phantom shares awarded during the term of the LTIP were classified and measured as cash-settled share-based payment transactions. The fair value of the liability to be recognized because of the LTIP was determined for all of the sub-tranches using a Monte Carlo model. At September 30, 2015, a liability of € 0 was recognized under other liabilities (€ 0 thereof under other long-term liabilities) (December 31, 2014: € 0, with € 0 thereof under other long-term liabilities. The amount expensed for the period from January 1 to September 30 was € 0 (prior-year period: € 0).

The following parameters were used in the measurement:

Measurement date	09/30/2015
Remaining term (in years)	0.25
Expected volatility	31.86 %
Risk-free interest rate	– 0.29 %
Share price as of the measurement date	€ 4.98

Stock Appreciation Rights Plan

As part of the new Management Board employment agreements, the Company entered into a contract for the creation of a stock appreciation rights plan (SAR Plan) with Management Board members Dr. Podesser (tranche PP1), Mr. Pol (tranche HP1) and Mr. Schneider (tranche StS1). The goal of the plan is to foster a business policy that is strongly aligned with shareholder interests in order to promote the long-term appreciation of the shareholders' stakes in the Company. In financial year 2015 additional SARs were awarded to Mr. Pol in connection with the extension of his employment agreement as CSO (tranche HP2).

The plan envisages the payment of variable compensation in the form of stock appreciation rights (SARs). One SAR entitles its holder to a cash payment equal to the share price upon exercise less the exercise price. Once vested, SARs can be exercised within one year's time, except on blackout dates, provided certain performance targets are reached. The number of SARs available to exercise largely depends on the average price of SFC's stock for the 30 trading days prior to the end of the vesting period (reference price). The number of SARs granted in financial year 2015 expiring at the balance sheet date is as follows:

Reference price in €	Tranche HP2 of SAR expiring on July 1, 2016	Tranche HP2 of SAR expiring on July 1, 2017	Tranche HP2 of SAR expiring on July 1, 2018
< 5.00	60,000	60,000	60,000
5.00 – 5.99	55,000	55,000	55,000
6.00 – 6.99	50,000	50,000	50,000
7.00 – 7.99	45,000	45,000	45,000
8.00 – 8.99	40,000	40,000	40,000
9.00 – 9.99	35,000	35,000	35,000
10.00 – 10.99	30,000	30,000	30,000
11.00 – 11.99	25,000	25,000	25,000
12.00 – 13.99	20,000	20,000	20,000
14.00 – 15.99	15,000	15,000	15,000
16.00 and up	0	0	0

One of the performance targets involves the requirement that the average share price for the 30 trading days prior to the end of the vesting period exceed the average share price for the 30 trading days prior to the award of the SARs. In addition, the stock price must have outperformed the Frankfurt Stock Exchange's ÖkoDAX as of the end of the vesting period.

The SARs awards have been classified and measured as cash-settled share-based payment transactions pursuant to IFRS 2.30. Their fair market value will be remeasured on each balance sheet date using a Monte Carlo model, taking into account the terms on which the SARs were awarded.

The status of the SARs in 2015 is shown in the following table:

	Tranche PP1	Tranche HP1	Tranche StS1	Tranche HP2
Number of stock appreciation rights (SARs)	360,000	90,000	180,000	180,000
Maximum term (years)	7.00	7.00	7.00	7.00
SARs outstanding at the beginning of the reporting period (Jan. 1, 2015)	360,000	7,500	180,000	0
SARs granted in the 2015 reporting period	0	0	0	180,000
SARs forfeited in the 2015 reporting period	120,000	0	60,000	0
SARs exercised in the 2015 reporting period	0	0	0	0
SARs expired in the 2015 reporting period	0	0	0	0
SARs outstanding at the end of the reporting period (Sept. 30, 2015)	240,000	7,500	120,000	180,000
SARs exercisable at the end of the 2015 reporting period (Sept. 30, 2015)	0	0	0	0
The following parameters were used in the measurement at 9/30/2015:				
Measurement date	9/30/2015	9/30/2015	9/30/2015	9/30/2015
Remaining term (in years)	5.50	5.25	5.75	6.50
Volatility	35.54 %	35.58 %	35.43 %	37.27 %
Risk-free interest rate	0.07 %	0.05 %	0.11 %	0.19 %
Expected dividend yield	0.00 %	0.00 %	0.00 %	0.00 %
Exercise price	1.00 €	1.00 €	1.00 €	1.00 €
SFC's share price as of the measurement date	4.98 €	4.98 €	4.98 €	4.98 €

For the term, the length of time from the measurement date to the end of the respective agreement was used. The share price given was the closing price in XETRA trading for September 30, 2015. The volatility shown is based on the historical volatility of the SFC share over time frames matching the respective remaining terms. Volatility expectations are based on the assumption that historic volatility is indicative of future trends. Therefore, the actual volatility that occurs may differ from the assumptions. The expected dividend yield is based on market estimates for SFC's dividend per share in 2015 and 2016.

At September 30, 2015, a liability of € 215,876 was recognized under other liabilities in connection with the SAR Plan (€ 114,414 thereof under other long-term liabilities and € 101,462 under short-term liabilities) (December 31, 2014: € 118,428, with € 118,428 thereof under other long-term liabilities). The amount expensed for the period from January 1 to September 30 was € 97,448 (prior-year period: € 118,515).

Transaction bonus

A transaction bonus was granted to selected members of the Management Board in the third quarter of 2015. This transaction bonus consists of a cash payment in the event of a successful takeover bid for SFC shares, depending on the amount of such bid.

The transaction bonuses have been classified and measured as cash-settled share-based payment transactions pursuant to IFRS 2.30. Their fair market value will be remeasured on each balance sheet date using a Monte Carlo model, taking into account the terms on which the bonus was awarded.

The following parameters were used in the measurement at 9/30/2015:

Measurement date	09/30/2015
Remaining term (in years)	0.67
Volatility	23.69 %
Risk-free interest rate	– 0.25 %
Expected dividend yield	0.00 %
Exercise price	€ 0.00
SFC share price as of the measurement date	€ 4.98

For the term, the length of time from the measurement date to the end of the respective agreement was used. For the sources and assumptions of the market parameters used, please see the discussion of the SARs.

At September 30, 2015, a liability of € 6,592 was recognized under other liabilities (€ 6,592 thereof under other short-term liabilities) (December 31, 2014: € 0, with € 0 thereof under other long-term liabilities). The amount expensed for the period from January 1 to September 30 was € 6,592 (prior-year period: € 0).

Sales costs

Sales costs were as follows in the first nine months of 2015:

		in €
	01/01 – 09/30/2015	01/01 – 09/30/2014
Personnel costs	5,378,745	4,744,790
Depreciation and amortization	983,613	940,817
Advertising and travel costs	838,212	809,599
Consultancy/commissions	211,376	408,919
Allowances for risk of default	180,838	40,512
Cost of materials	30,332	22,891
Other	995,349	820,836
Total	**8,618,465**	**7,788,364**

Research and development costs

Research and development costs were as follows the first nine months of 2015:

in €	01/01 – 09/30/2015	01/01 – 09/30/2014
Personnel costs	2,161,733	2,490,562
Cost of materials	442,855	326,158
Consultancy and patents	402,858	403,963
Other depreciation and amortization	318,899	300,272
Cost of premises	272,100	320,976
Depreciation and amortization of self produced intangible assets	6,241	13,891
Other	247,531	179,612
Capitalization of self-produced intangible assets	– 589,676	– 211,324
Set-off against grants	– 286,207	– 280,103
Total	**2,976,333**	**3,544,006**

General administration costs

General administration costs were as follows in the first nine months of 2015:

in €	01/01 – 09/30/2015	01/01 – 09/30/2014
Personnel costs	1,773,725	1,899,127
Audit and consultancy costs	659,948	486,809
Investor relations/annual meeting	316,309	336,933
Insurance	163,612	151,935
Depreciation and amortization	134,552	113,486
Travel costs	140,132	103,581
Car-operating costs	107,520	89,666
Supervisory Board compensation	84,375	84,375
Costs of hardware and software support	50,383	48,352
Other	533,039	533,210
Set-off against grants	– 56,874	– 58,214
Total	**3,906,721**	**3,789,258**

Other operating income and expenses

The figure for other operating income in the first nine months of 2015 predominantly reflects foreign exchange transaction gains of € 80,898 (previous year: € 111,357). The other operating income in the previous year mostly reflected the reversal of the earn-out liability (conditional consideration) of € 15,122 from the Simark acquisition.

Other operating expenses predominantly reflects foreign exchange transaction losses of € 175,676 (previous year: € 51,766) during the first nine months of 2015.

Income taxes

As was the case in the consolidated financial statements as of and for the year ended December 31, 2014, deferred tax assets are recognized on tax loss carryforwards of SFC and its subsidiaries only in such an amount as can be offset against deferred tax liabilities, after subtraction of the other deferred tax assets, since it cannot yet be shown with reasonable certainty that a future economic benefit will be drawn from these carryforwards.

Segment report

Internally, the Management Board uses sales, gross profit and EBITDA when steering the Group and implementing the realignment of its business with the core markets Oil & Gas, Security & Industry and Consumer).

Sales, gross profit, EBITDA and the reconciliation of EBITDA to the operating result (EBIT) as reported in the consolidated income statement were as follows in the first nine months of 2015:

in €

Segment	Sales		Gross profit		EBITDA	
	01/01 – 09/30/2015	01/01 – 09/30/2014	01/01 – 09/30/2015	01/01 – 09/30/2014	01/01 – 09/30/2015	01/01 – 09/30/2014
Oil & Gas	20,071,904	20,722,445	4,494,363	5,152,962	– 906,418	– 283,872
Security & Industry	13,260,911	13,411,670	4,872,632	4,787,310	– 1,864,394	– 1,500,870
Consumer	2,998,939	3,191,730	759,380	893,451	– 824,549	– 360,127
Total	**36,331,754**	**37,325,845**	**10,126,374**	**10,833,723**	**– 3,595,361**	**– 2,144,869**
Depreciation/amortization					– 1,849,861	– 2,038,656
Operating loss (EBIT)					**– 5,445,222**	**– 4,183,525**

The “Oil & Gas” market covers distribution and service as well as product integration for power supply, instrumentation and automation products for the oil and gas market.

The “Security & Industry” market is highly diversified and could include any area of industry, except oil and gas, where professional users run electrical equipment away from the grid and use SFC’s EFOY Pro fuel cell. This includes applications in security and surveillance, traffic management, wind power and environmental technology, as well as defense and security applications for military organizations and government authorities. The product portfolio for this market also includes the portable JENNY, the vehicle-based EMILY, the SFC Power Manager and network solutions. Additionally, PBF sells its high-performance electronic components for integration into precision equipment as well as into testing and metering systems in this segment.

In the “Consumer” market, SFC’s EFOY COMFORT fuel cells are used to supply power to RVs, vacation cottages and sailboats.

Related party transactions

There have been no changes in the group of related parties since preparation of the consolidated financial statements for the year ended December 31, 2014. There were no significant related party transactions in the first nine months of 2015, just as there had been none in the first nine months of 2014.

Employees

SFC employed the following personnel as of the reporting date:

	09/30/2015	09/30/2014
Full-time employees (incl. Management Board)	203	213
Part-time employees	34	33
Total	**237**	**246**

There were also a total of 7 (previous year: 7) trainees, graduates and student trainees at the end of September 2015.

Earnings per share

Earnings per share are calculated by dividing the net income for the year that is attributable to shareholders of the parent by the average number of shares in circulation. The number of outstanding shares, 8,611,204 at the balance sheet date of September 30, 2015 (previous year: 8,020,045) did not change during the first nine months of 2015. As during the prior-year period, there were no dilutive effects to be taken into account in determining the number of outstanding shares or any dilutive effects on SFC's earnings.

Material events after the balance sheet date

The Company is not aware of any material events after the balance sheet date affecting the course of business.

Brunnthal, November 9, 2015

The Management Board

Dr. Peter Podesser
CEO

Steffen Schneider
CFO

Hans Pol
CSO

FINANCIAL CALENDAR 2015

November 23, 2015 DVFA Analysts' Conference

SHARE INFORMATION

Bloomberg Symbol	F3C
Reuters Symbol	CXPNX
WKN	756857
ISIN	DE0007568578
Number of shares	8,611,204
Stock Category	No-par value shares
Stock segment	Prime Standard, Renewable Energies
Stock exchange	Frankfurt, FWB
Designated Sponsors	Oddo Seydler Bank AG, M.M. Warburg & CO, Hauck & Aufhäuser Privatbankiers KGaA

INVESTOR RELATIONS

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