



Quarterly release
Q3/2017

January 1 to September 30, 2017

SFC ENERGY AG CONSOLIDATED KEY FIGURES

	in k €					
	1/1 – 9/30/2017	1/1 – 9/30/2016	Change in %	Q3 2017	Q3 2016	Change in %
Sales	39,366	31,360	25.5%	13,060	10,561	23.7%
Gross profit	11,920	8,994	32.5%	3,977	2,853	39.4%
Gross margin	30.3%	28.7%	-	30.5%	27.0%	-
EBITDA	-275	-2,696	89.8%	271	-940	>- 100.0%
EBITDA margin	-0.7%	-8.6%	-	2.1%	-8.9%	-
EBITDA underlying	-28	-2,847	99.0%	340	-994	>- 100.0%
EBITDA margin underlying	-0.1%	-9.1%	-	2.6%	-9.4%	-
EBIT	-1,725	-4,400	60.8%	-203	-1,512	86.5%
EBIT margin	-4.4%	-14.0%	-	-1.6%	-14.3%	-
EBIT underlying	-1,005	-3,795	73.5%	-18	-1,330	98.7%
EBIT margin underlying	-2.6%	-12.1%	-	-0.1%	-12.6%	-
Consolidated net result	-2,431	-4,590	47.0%	-606	-1,584	61.7%
Net loss per share, undiluted	-0,27	-0.53	49.5%	-0.07	-0.18	63.5%

	in k €		
	9/30/2017	9/30/2016	Change in %
Order backlog	13,380	13,329	0.4%

	in k €		
	9/30/2017	12/31/2016	Change in %
Equity	11,099	13,688	-18.9%
Equity ratio	33.0%	42.0%	-
Balance sheet total	33,625	32,610	3.1%
Cash (freely available)	2,799	774	261.6%

	in k €		
	9/30/2017	9/30/2016	Change in %
Permanent employees	254	230	10.4%

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INTERIM REPORT ON THE BUSINESS DEVELOPMENT IN THE THIRD QUARTER OF 2017

Brunnthal, November 9, 2017

SFC Energy AG (ISIN: DE0007568578), a leading international supplier of stationary and mobile hybrid power supply systems based on fuel cells, today announces financial information and significant events for the period January 1 to September 30, 2017, as part of the publication of its quarterly report for the third quarter of 2017.

The Group consists of SFC Energy AG, Brunnthal, Germany, PBF Group B.V., Almelo, Netherlands, and its subsidiaries (PBF) and Simark Controls Ltd., Calgary, Canada (Simark).

Earnings and Financial Position

In the period from January to September 2017, the SFC Energy Group generated sales revenues of €39,366k, representing an increase of 25.5% over the previous year's figure of €31,360k, which is attributable to the two high-volume segments Oil & Gas and Security & Industry. It is particularly worth noting that all three Group companies – SFC, PBF and Simark – recorded sales growth of more than 20% each.

In the first nine months of the current financial year, the Security & Industry segment increased its revenues by €3,962k, from €14,536k to €18,498k. This corresponds to an increase of 27.3%. The Oil & Gas segment increased by €4,274k to €18,244k (previous year: €13,970k), an increase of 30.6%. In the Consumer segment, which had the weakest sales, revenues were down by 8.0%.

The sales and earnings segmentation for the first nine months of financial year 2017 is as follows compared to the previous year:

SALES BY SEGMENT (UNAUDITED)						in k €	
Segment	Sales		Gross profit		EBITDA		
	2017 1/01 – 9/30	2016 1/01 – 9/30	2017 1/01 – 9/30	2016 1/01 – 9/30	2017 1/01 – 9/30	2016 1/01 – 9/30	
Oil & Gas	18,244,393	13,970,213	4,270,637	2,927,212	232,591	-704,820	
Security & Industry	18,497,658	14,535,940	6,995,911	5,299,929	111,458	-1,055,002	
Consumer	2,624,164	2,853,423	653,411	766,715	-619,393	-936,177	
Total	39,366,215	31,359,576	11,919,960	8,993,856	-275,344	-2,695,999	
Depreciation/Amortization					-1,449,504	-1,703,871	
Operating loss (EBIT)					-1,724,848	-4,399,870	

Segment Performance

Oil & Gas

After a brief consolidation in the second quarter of 2017, oil prices developed quite positively in the first nine months of 2017. During this period, the price of American WTI crude oil ranged between USD 48 and 53 and the price of North Sea Brent crude oil between USD 50 and 56. This relative stability and strength was clearly reflected in customer behavior. Sales in the nine-month period were up more than 30% over the same period last year.

We are particularly pleased to report that sales in this segment increased in each quarter of the year. While sales of € 5,818k and € 5,869k were generated in the first and second quarters, respectively, this figure was € 6,557k in the third quarter, more than 12% higher than in the first and second quarters of 2017. Despite the customary seasonality, the third quarter was the strongest quarter this year.

The activity for the existing production continues to increase, and customers are requesting quotations for both replacement and expansion projects.

Compared to the third quarter of the previous year, sales in the Oil & Gas segment increased by 27.8%, from € 5,131k to € 6,557k. Compared to the first nine months of 2016 and 2017, sales increased by 30.6%, from € 13,970k to € 18,244k. We will particularly focus not only on maintaining this level of sales, but also on improving profits. To this end, we have placed new emphasis on margin controlling.

Security & Industry

In the Security & Industry segment, sales in the first nine months of 2017 increased by 27.3% to € 18,498k (2016: € 14,536k). The increase in revenues is attributable to both the civilian fuel cell business and the power electronics business (PBF). The Defense segment continued its good start to 2017 and thus remains an important business segment for SFC due to its proven high market potential.

With a 21.8% increase in sales compared to the same period of the previous year, PBF continued its first-half growth in the first nine months of the current financial year. This stable growth is based on both long-standing existing and new customers.

The fuel cell business in the Security & Industry segment also grew on a broad basis, increasing by 37.4% to € 7,015k in the first nine months of 2017, compared to € 5,104k in the same period of the previous year.

Consumer

Sales in the Consumer segment fell by 8.0% from € 2,853k in the prior-year period to € 2,624k in the first nine months of this year. The segment was thus € 229k lower than the level in the previous year. The important trade fairs in the caravanning industry confirm the overall positive economic momentum, so that sales for the year 2017 as a whole are expected to remain at the same level as in the previous year.

The Consumer segment is no longer as important as it was in the past due to the size of its sales. In this respect, we must accept the disappointing decline in sales, but every effort is being made to reach the previous year's level.

EBITDA/EPS

Without exception, the earnings figures for the period under review were considerably improved compared with the previous year.

The profitability of the SFC Energy Group of companies improved considerably year-on-year due to the increased sales in the Security & Industry and Oil & Gas segments. Due to the changed product mix, the gross margin increased to 30.3% in the reporting period, from 28.7% in the first nine months of 2016.

EBITDA improved in the first nine months of 2017 to minus € 275k, as compared with minus € 2,696k in the prior year period.

Adjusted for nonrecurring effects, EBITDA amounted to only minus € 28k (prior year: minus € 2,847k), so that the break-even point is clearly in sight.

EBIT improved in the first three quarters of the current financial year to minus € 1,725k following minus € 4,400k in the same period last year. Adjusted for nonrecurring effects, EBIT in the period under review was minus € 1,005k (previous year: minus € 3,795k).

Earnings after taxes improved in the first nine months of 2017 to minus € 2,431k compared to minus € 4,590k in the same period last year.

Earnings per share in accordance with IFRS were negative in the first nine months of 2017, at minus € 0.27 (basic and diluted) (prior year: minus € 0.53 basic).

Balance Sheet and Employees

The amount of unrestricted cash and cash equivalents was € 2,799k at September 30, 2017 (December 31, 2016: € 1,756k). The increase by € 1,043k is attributable to the net financing of € 3 million (financing in the amount of € 5 million and the repayment of a loan in the amount of € 2 million) and the net loss for the period of € 2,431k. The equity ratio fell to 33.0% at the end of the third quarter of 2017 (December 31, 2016: 39.5%). This includes a cash capital increase implemented in August 2017 in the amount of € 400k (161,427 shares at a price of € 2.48 each). The subscribed capital thus increased from € 9,047k to € 9,209k.

At September 30, 2017, the SFC Group had 254 full-time employees (September 30, 2016: 230).

Forecast for 2017

The Management Board, therefore, expects that consolidated sales will range from € 50 million to € 55 million in 2017 and that profitability will improve significantly again in the fiscal year 2017. An average CAD/EUR exchange rate of 1.50 was used in the sales and earnings planning for 2017.

Significant events after the balance sheet date

There were no significant events after the balance sheet date.

SFC ENERGY AG, BRUNNTHAL, CONSOLIDATED INCOME STATEMENT FROM JANUARY 1 TO SEPTEMBER 30, 2017

	in €			
	9M 2017 1/01 – 9/30	9M 2016 1/01 – 9/30	Q3 2017 7/01 – 9/30	Q3 2016 7/01 – 9/30
Sales	39,366,215	31,359,576	13,060,363	10,560,740
Production costs of work performed to generate sales	-27,446,255	-22,365,720	-9,082,911	-7,707,422
Gross profit	11,919,959	8,993,856	3,977,452	2,853,318
Sales costs	-7,344,717	-6,957,194	-2,373,709	-2,203,869
Research and development costs	-2,900,316	-2,959,022	-845,535	-1,055,645
General administration costs	-3,499,968	-3,525,373	-1,014,530	-1,093,924
Other operating income	257,492	115,138	60,434	28,860
Other operating expenses	-157,298	-67,276	-7,492	-41,183
Operating loss	-1,724,848	-4,399,871	-203,381	-1,512,443
Interest and similar income	7	66	0	7
Interest and similar expenses	-863,932	-413,666	-412,159	-141,125
Income from investments	-24,535	0	1,667	0
Loss from ordinary operations	-2,564,238	-4,813,471	-613,873	-1,653,561
Income taxes	133,042	223,528	7,612	70,052
Consolidated net result	-2,431,196	-4,589,943	-606,262	-1,583,509
NET LOSS PER SHARE				
undiluted	-0.27	-0.48	-0.07	-0.18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM JANUARY 1 TO SEPTEMBER 30, 2017

	in €			
	9M 2017 1/01 – 9/30	9M 2016 1/01 – 9/30	Q3 2017 7/01 – 9/30	Q3 2016 7/01 – 9/30
Consolidated net result	-2,431,196	-4,589,943	-606,262	-1,583,509
OCI items that may be recycled to profit or loss in the future:				
Result from currency translations	-198,257	169,520	31,162	-86,946
Total other results	-198,257	169,520	31,162	-86,946
Total comprehensive income	-2,629,453	-4,420,423	-575,100	-1,670,455

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2017

	in €	
	9/30/2017	12/31/2016
Current assets	20,702,069	20,055,653
Inventories	7,931,906	7,717,500
Trade accounts receivables	8,090,482	8,638,153
Receivables from Percentage-of-Completion	848,309	614,819
Income tax receivables	83,447	155,996
Other short-term assets and receivables	663,440	888,184
Cash and cash equivalents	2,798,866	1,756,001
Cash and cash equivalents with limitation on disposal	285,620	285,000
Non-current assets	12,922,448	13,737,302
Intangible assets	10,962,554	11,854,560
Property, plant and equipment	1,251,275	1,204,876
Financial asset	71	71
Deferred tax assets	708,548	677,795
Assets	33,624,517	33,792,955

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2017

	in €	
	9/30/2017	12/31/2016
Current liabilities	11,236,270	13,335,382
Provisions for taxes	107,801	85,928
Other provisions	451,140	560,119
Liabilities to banks	2,326,642	4,316,886
Liabilities from prepayments	13,427	101,628
Trade accounts payables	5,758,596	5,789,615
Liabilities under finance leases	41,415	42,985
Liabilities from Percentage-of-Completion	27,912	262,871
Other short-term liabilities	2,509,336	2,175,348
Non-current liabilities	11,289,184	7,118,901
Other long-term provisions	1,231,062	1,458,776
Liabilities to banks	1,350,587	0
Liabilities under finance leases	20,088	20,849
Other long-term financial liabilities	7,909,616	4,861,199
Other liabilities	183,096	1,315
Deferred tax liabilities	594,735	776,762
Equity	11,099,063	13,338,673
Subscribed capital	9,208,676	9,047,249
Capital surplus	73,360,428	73,132,012
Other changes in equity not affecting profit or loss	-688,160	-489,903
Consolidated net loss	-70,781,881	-68,350,685
Liabilities and shareholders' equity	33,624,517	33,792,955

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED STATEMENT OF CASH FLOWS FROM JANUARY 1 TO SEPTEMBER 30, 2017

	in €	
	1/01 – 9/30/2017	1/01 – 9/30/2016
Cash flow from ordinary operations		
Result before taxes	-2,564,238	-4,813,471
+ Net interest income	863,925	413,600
+ Amortization/depreciation of intangible assets and property, plant and equipment	1,449,504	1,703,871
-/+ Income/expenses from SAR Plan/transaction bonus	145,706	-62,558
-/+ Changes in allowances	-470,704	144,129
-/+ Losses/gains from disposal of property, plant and equipment	-2,295	691
+/- Other non-cash expenses/income	101,831	57,236
Changes to operating result before working capital	-476,273	-2,556,502
-/+ Changes to provisions	-367,253	53,622
+/- Changes to trade accounts receivables	588,598	-837,041
+/- Changes to inventories	24,446	175,977
- Changes to other receivables and assets	-35,521	390,695
+ Changes to trade accounts payables	82,298	-1,949,956
+ Changes to other liabilities	63,854	-469,910
Cash flow from ordinary operations before taxes	-119,851	-5,193,115
-/+ Income tax refunds/-payments	-29,661	25,030
Cash flow from ordinary operations	-149,511	-5,168,085

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED STATEMENT OF CASH FLOWS FROM JANUARY 1 TO SEPTEMBER 30, 2017

	in €	
	1/01 – 9/30/2017	1/01 – 9/30/2016
Cash flow from investment activity		
- Investments in intangible assets from development projects	- 434,658	- 348,367
- Investments in other intangible assets	- 65,291	- 8,357
- Investments in property, plant and equipment	- 400,096	- 268,842
+ Interest and similar income	7	66
+/- Proceeds/payments for acquisition of bank deposits with limitation on disposal	- 620	116,566
+ Proceeds from disposal of property, plant and equipment	5,936	38,912
Cash flow from investment activity	- 894,721	- 470,022
Cash flow from financial activity		
+ Proceeds from issuance of equity instruments	400,000	1,499,995
- Expenses from issuance of equity instruments	- 11,085	- 34,766
- Additions to financial debt	0	- 1
- Repayment of financial debt	- 2,488,518	- 377,164
+ Proceeds from issuance of convertible bonds	4,900,050	1,419,001
- Expenses from issuance of convertible bonds	- 88,483	- 5,530
+ Changes to current account liabilities	- 25,537	786,561
- Interest paid and other expenses	- 598,093	- 152,582
Cash flow from financial activity	2,088,334	3,135,514
Net change in cash and cash equivalents	1,044,102	- 2,502,593
Currency effects on cash and cash equivalents	1,235	234
Net change in cash and cash equivalents		
Cash and cash equivalents at beginning of period	1,756,001	3,277,066
Cash and cash equivalents at end of period	2,798,866	774,239
Net change in cash and cash equivalents	1,044,100	- 2,502,593

FINANCIAL CALENDAR 2017

November 27, 2017 German Equity Forum

SHARE INFORMATION

Bloomberg Symbol	F3C
Reuters Symbol	CXPNX
WKN	756857
ISIN	DE0007568578
Number of issued shares	9,208,676
Stock Category	No-par-value shares
Stock market segment	Prime Standard, Renewable Energies
Stock exchange	Frankfurt, Frankfurt Stock Exchange
Designated Sponsors	Hauck & Aufhäuser Privatbankiers KGaA

INVESTOR RELATIONS

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Statements about the future

This interim report contains forward-looking statements and information-statements about events that are in the future, not in the past. These forward-looking statements are identifiable through phrases such as "expect," "intend," "plan," "believe," "aim," "estimate," or similar expressions. Such forward-looking statements are based on our current expectations and assumptions. They therefore carry a number of risks and uncertainties. A multitude of factors many of which are beyond the control of SFC affect the business activities, success, business strategy and results of SFC. These factors may cause the actual results, performance and success of the Group to differ materially from those in forward-looking statements or implied information about results, success or performance. SFC assumes no obligation to update any forward-looking statements.