



6-MONTH REPORT 2024

Premium quality transport solutions for
people, material and equipment

SUMMARY OF KEY DATA

In EUR		2021	2022	H1/2023	H1/2024
Revenue	EUR thousand	85,870	93,714	31,688	28,356
Total operating revenue	EUR thousand	85,137	95,859	41,045	38,301
EBIT	EUR thousand	11,240	14,321	-1,834	-753
EBIT margin on total operating revenue	%	13.1	14.9	-4.5	-2.0
Consolidated net profit/loss	EUR thousand	12,582	14,803	-189	856
Equity	EUR thousand	71,700	86,984	81,926	89,154
Equity ratio	%	59	66	65	70
FTEs (full-time employees)	on the reporting date	422	421	415	405

FINANCIAL CALENDAR

November 13, 2024

December 31, 2024

9-month report 2024

Fiscal year-end

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SHARE INFORMATION

Share price chart



Key share data H1/2024

Ticker/ISIN	S4A/DE0005751986
Number of shares (incl. 49,477 treasury shares)	5,521,456
Closing price (30 June 2024)*	EUR 6.65
High / low* in H1/2024	EUR 7.00 / EUR 5.55
Share price performance (LTM on 30 June 2024)	+3.1 %
Share price performance SDAX (LTM on 30 June 2024)	+3.6 %
Share price performance vs. peer group portfolio (LTM on 30 June 2024)	-5.3 %
Market capitalization excl. treasury shares (30 June 2024)	EUR 36.4 m

* Closing prices on Xetra trading system of Deutsche Börse AG

LETTER TO THE SHAREHOLDERS

Dear shareholders,

The SMT Scharf Group continued to face tough market conditions in the first half of 2024. These include ongoing uncertainty and volatility in the market environment, the downturn in the business climate in important core underground mining markets as well as costs that remain high in many areas. SMT Scharf will steadily counter these challenges with targeted measures in Procurement, Production and Sales & Marketing.

In the first six months of fiscal 2024, the SMT Scharf Group achieved consolidated revenue of EUR 28.4 million. New equipment business contributed EUR 11.1 million to this result with EUR 13.3 million coming from after-sales business. The latter suffered a significant decline by comparison with the first half of 2023. This decline is evident in the Russian market, as was to be expected, but also in the Chinese market. New equipment business increased year on year by approx. 30 %. Over and above the revenue recorded, work also started on a considerable number of orders in the first half of the year which will give us tailwind for the second half.

Operating earnings (EBIT) in the first half of 2024 came in at EUR -0.8 million in negative territory. External services and higher personnel costs were the main contributory factors to this result. In addition, orders on which work has started are only recognized in revenue later in the year. In the second half of the year, SMT Scharf will continue to concentrate on driving business activities in the various regions around the world and making them profitable. In the process, we will focus particularly on the after-sales business.

Beyond that, we will turn our attention to pooling capacity, particularly at the Hamm facility, in order to progress the major order obtained in spring 2024 in the Tunnel segment and complete it as a high-quality flagship order. To this end, considerable activities were invested in design, procurement, logistics as well as in making preparations for production. In this context, newly established internal processes and cross-divisional project management are contributing to efficient project handling.

Fundamentally, we continue to perceive SMT Scharf, as a specialist in a niche environment, as well positioned to take advantage of the mega trends in mining and tunnel construction on a lasting basis. With this in mind, we focused on closer networking and more intensive communication between our facilities in the first half of the year, including with respect to research and development. We continue to see potential in the area of emissions-free, sustainable transport equipment – for both traditional coal-mining and hard rock mining. Furthermore, we are driving development in the area of automation (smart driving functions) and modular, battery-driven overhead monorail systems.



Reinhard Reinartz (CEO/COO)



Volker Weiss (CFO)

Finally, we would like to extend special thanks to our employees for their outstanding commitment in the first half of the year, particularly in connection with the planned acquisition of a majority shareholding in SMT Scharf AG by the Yankuang Energy Group. We would also like to thank our investors, business partners and customers for the confidence they have shown in us. Let's shape the future together.

Kind regards

Reinhard Reinartz

Volker Weiss

MANAGEMENT REPORT (UNAUDITED)

Basis of the Group

The SMT Scharf Group (“SMT Scharf”) develops, manufactures and services transportation equipment and logistics systems for underground mining and tunnel construction. SMT Scharf’s business profile can be described on the basis of the following criteria:

- **Business areas:** The SMT Scharf Group’s core product comprises rail-bound railway systems that are deployed in underground mining. These systems are technically capable of transporting loads of up to 48 tonnes and handling gradients of up to 35 degrees. As an ancillary product, SMT Scharf offers chairlifts for the mining industry. The product range also includes the development and installation of open-air rail-bound and cable management systems, required for supplying energy to machines, for example. In addition, SMT Scharf has a portfolio of rubber-tyred vehicles and is positioning itself as an integrated system provider in the area of underground logistics. The establishment of the Tunnel Logistics business segment also forms part of this process.

SMT Scharf can draw on in-house expertise in electronics and controls via its subsidiary ser elektronik GmbH, Möhnese. The systems – which are integrated into SMT Scharf’s transport solutions for coal and mineral mining – are manufactured in-house. In addition, ser elektronik develops customer-specific solutions for various industries, including the food industry and medical technology. Business outside the scope of underground mining and tunnel logistics is reported within the Other Industries segment.

- **Type of business:** The production and installation of new equipment forms the core of operating activities. SMT Scharf also concentrates on downstream services. The product range encompasses the provision of spare parts, maintenance, repairs or servicing work. SMT Scharf occasionally acts as a railway operator in response to customer demand.
- **Customer groups:** SMT Scharf products are deployed mainly in hard coal mining (the Coal Mining segment), as well as increasingly in producing gold, platinum, copper, nickel and salts (aggregated within the Mineral Mining segment). In the Tunnel Logistics business segment, companies from the tunnel construction sector represent a relevant customer group. Through the business of ser elektronik, companies from various sectors in the Other Industries segment also include potential customer groups that require electronic control systems for their machines.
- **Regions:** SMT Scharf sells its own products in its main markets through subsidiaries located in the world’s most important mining nations. These include, in particular, the foreign markets in China, Poland and South Africa. In addition, SMT Scharf also operates in South America with its own sales

subsidiary in Chile and in North America via a further subsidiary. The Group’s subsidiary ser elektronik also supplies customers in Switzerland, some of which were not previously part of the SMT Scharf Group’s sales regions. The German domestic mining market only plays a minor role nowadays. In smaller markets, SMT Scharf works with dealers or agents.

Corporate objectives and strategy

SMT Scharf pursues a strategy based on three areas of activity. To this end, the Managing Board team has defined an extensive list of measures that are being consistently addressed and implemented.

The three strategic areas of activity are:

- **Organic growth:** Development and launch of new products in the area of underground logistics in coal mining and, with increasing importance, in mineral mining, development of new geographical markets, and development and establishment of tunnel logistics as a third business area. To this is added the business with electronic control systems and components in the Other Industries segment.
- **External growth:** Takeovers and partnerships aimed at promoting and securing SMT Scharf’s core positioning. Takeovers, strategic partnerships and joint ventures have already been brought to completion and established. Here, SMT Scharf AG is paying particular attention to expanding its business activities outside coal.
- **Operational excellence:** SMT Scharf is constantly working to improve its productivity, profitability and market position. Part of SMT Scharf’s permanent strategy is to leverage optimisation potential more effectively through the interplay of international locations as well as in the management of development processes. Furthermore, SMT Scharf continuously analyses specific markets and customer requirements on a targeted basis in order to further enhance its competitiveness.

The Managing Board team deploys these strategies to advance its measures in order to further develop the company into a system supplier of logistics solutions, while at the same time positioning it in adjacent markets (through the core positioning in the mining supply market). The aim of this approach is to tap additional sales revenue potential and make sales trends less dependent on the traditionally cyclical business in mining, which remains SMT Scharf’s core market.

One strategic focus is the introduction of a uniform Group-wide Enterprise Resource Planning system (ERP system). After its successful implementation at the Hamm facility, the ERP system will be installed at the subsidiary ser elektronik in the fourth quarter of 2024. The aim is to better coordinate process steps,

improve planning quality and further enhance efficiency in relation to international cooperation within the Group. At the same time, the new ERP system opens up the possibility of identifying optimisation potential at an early stage and initiating appropriate measures.

Management and control system

SMT Scharf AG manages its business by applying financial and non-financial performance indicators whose trends exert a positive influence on the company's value in different ways. Financial and non-financial performance indicators are monitored continuously, and included in monthly reporting to the Managing Board and in discussions with the Supervisory Board. Reporting is by subsidiary, and includes an analysis of actual outcomes, a budget/actual analysis, and year-on-year comparisons. SMT Scharf undertakes further specific analyses where required.

Financial and non-financial performance indicators as well as current forward planning are presented in the following tables. The medium-term targets reflect the background assumption that the market environment continues to normalize, especially on the basis of stable or even rising raw materials prices.

Financial performance indicators:

Key indicator	Calculation method	Target (medium-term, 3-5 years)
Key income statement figures		
Consolidated revenue growth (organic and inorganic)	$\left(\frac{\text{Consolidated revenue in reporting year}}{\text{Consolidated revenue in previous year}} \right) - 1$	> 5 %
Tunnel revenue share	$\frac{\text{Tunnel segment revenue}}{\text{Consolidated revenue}}$	> 10 %
EBIT margin	$\frac{\text{Earnings before interest and tax (EBIT)}}{\text{Total operating revenue}}$	> 10 %
Cost of materials ratio	$\frac{\text{Cost of materials}}{\text{Total operating revenue}}$	~ 50 %
Key balance sheet indicators		
Net Working Capital	$\frac{\text{Annual average current assets} - \text{annual average liquid assets} - \text{annual average current liabilities}}{\text{(excluding current financial liabilities)}}$	EUR 20 million
Equity ratio (on the reporting date)	$\frac{\text{Equity}}{\text{Total assets}}$	≥ 30 %
Key efficiency figures		
Net working capital intensity	$\frac{\text{Net working capital}}{\text{Consolidated revenue}}$	< 50 %
Days of sales outstanding	$\left(\frac{\text{annual average trade receivables}}{\text{Consolidated revenue}} \right) \times \text{Number of days in reporting year}$	< 150 days

Non-financial performance indicators:

Key indicator	Calculation method	Target (medium-term, 3-5 years)
Employee numbers		
Employee turnover	$\frac{\text{Employee-related leavings (FTEs)}}{\text{annual average number of employees (FTEs)}}$	< 10 %
Sickness rate	$\frac{\text{Number of work days lost due to sickness}}{\text{budgeted working days}}$	5 %

In the year under review, the goals set were partially improved compared to the previous year. Nonetheless, potential for improvement continues to exist in many performance indicators. From the company's perspective, the key financial performance indicators are consolidated revenue growth and the EBIT margin.

Employees

SMT Scharf AG calculates the number of its employees in the form of full-time equivalents (FTEs). As of 30 June 2024, the SMT Scharf Group had 405 employees (FTEs), 6 of whom were trainees at the Hamm facility. In the previous year, the Group employed a workforce of 415 FTEs (including 5 trainees). In order to manage production capacity flexibly, SMT Scharf also draws on short-term and temporary staff in accordance with the three-layer model. In the event of sustainable growth, these temporary workers are then taken on accordingly in the next layer.

In Germany, SMT Scharf relied on existing personnel capacity with the result that the number of staff as of 30 June 2024 remained steady at 137 FTEs (H1 / 2023: 137 FTEs). Additionally, temporary workers were deployed, particularly at facilities in Germany, in order to meet demand peaks.

SMT Scharf Group employees:

	H1/2024	H1/2023
Total employees	405	415
Employees in Germany	137	137
Employees abroad	268	278
Percentage of female employees	18.0	17.8

The number of employees at foreign facilities fell year on year to 268 FTEs in the first half of 2024 (H1 / 2023: 278 FTEs). Consequently, the proportion of staff employed abroad fell to 66.2 % (H1 / 2023: 67.0 %).

Research and development

SMT Scharf continues to back its local centres of excellence, primarily in Germany, China, Poland and South Africa. In order to advance its research and development activities and realize synergies within the SMT Scharf Group, SMT Scharf is focusing on networking its facilities more tightly. The priority here is on optimizing development and design systems through intensive exchange and knowledge transfer between facilities.

The development of zero emission, sustainable transport equipment represents one area of emphasis. SMT Scharf has developed battery-operated electric overhead monorail systems for two mining companies involved in gold and platinum mining in South Africa. These overhead monorail systems will be commissioned in the third quarter of 2024 after a successful handover. They are characterized by the fact that sufficient battery technology is deployed besides the normal power supply via conductor rail systems, to enable transport duties to be carried out at short notice even if the main power supply fails.

SMT Scharf is also developing a modular, battery-driven overhead monorail system for the coal-mining industry for underground pits in environments at risk of firedamp. This suits the needs of both the Chinese market with its demands for variable deployment options and the Polish market with its specific requirements with regard to size and underground ambient conditions. In addition, SMT Scharf is focusing on refining automation solutions for "smart driving functions" for underground transport systems. A prototype has already been successfully tested by means of a diesel trolley supplied by SMT Scharf working with a Chinese collaboration partner. Automated, driverless transport systems enable mine operators to optimize material flows, save time and reduce costs. At the same time, higher safety can be achieved thanks to the lower demand for workers.

In the Tunnel Logistics segment, the focus is currently on product development for the large-scale orders received. Among other things, SMT Scharf is concentrating on the development of transport systems for rail-bound transportation of materials and passengers. The challenge is to promote an efficient process in tunnel construction using transport technology tailored to customers' needs. One example is the optimization of transport technology to ensure that the transportation and subsequent installation of segments can be achieved even at the steepest angles.

Expenses for research and development amounted to EUR 1,060 thousand in the first half of 2024 (H1 / 2023: EUR 1,076 thousand). The share of capitalized development costs in overall research and development costs stood at EUR 226 thousand (H1 / 2023: EUR 0 thousand), while amortization charges for capitalized development costs in the reporting period amounted to EUR 149 thousand (H1 / 2023: EUR 148 thousand).

Economic and business report

Macroeconomic environment

In 2023, the global economy recorded growth of 3.3 % (2022: 3.5 %) according to the International Monetary Fund (IMF) in its World Economic Outlook in July 2024. For 2024, the IMF is forecasting moderate growth of 3.2 % and an increase in economic output of 3.3 % for 2025. The IMF is therefore confirming its April outlook for growth in the current year. In its July 2024 outlook, the IMF paints an ambivalent picture of prospects and perceives the global economy to be in a quandary. The inflation of service prices carries a continuing risk of inflation trending upwards, thus making it hard to normalize monetary policy. This is compounded by global trading tensions and geopolitical uncertainty. In the first quarter of 2024, Europe and China showed signs of an economic upturn while growth in the USA and Japan lagged behind the IMF's expectations.

The economy in China grew by 5.2 % in 2023 according to the IMF. This marked the start of a recovery following the restrictions imposed during the coronavirus pandemic, although the growth rate is one of the weakest of the last three decades. Problems in the real estate market, in particular, are slowing growth. For 2024, the IMF is forecasting growth of 5.0 %, driven by private consumption and strong exports in the first quarter. In Russia, the economy grew by 3.6 % in 2023 and is set to grow by 3.2 % in 2024. In Poland, growth amounted to a mere 0.2 % in 2023, adversely affected by geopolitical tensions, high inflation and tight monetary policy in the country. For 2024, the IMF is expecting economic growth of 2.3 %, driven by private consumption and a rise in the minimum wage of almost 20 %. Economic output in South Africa only expanded by 0.7 % in 2023. For 2024, the expectation is for slightly stronger growth of 0.9 %. According to the IMF, domestic growth is adversely affected by regular power cuts, corruption, obsolete infrastructure and a high unemployment rate.

The four countries mentioned represent the most important sales markets for SMT Scharf. Together, the customers there regularly account for more than 85 % of Group revenues.

GDP growth in the most important sales markets (in %)*

in %	2023
World	+3.3
China	+5.2
Poland	+0.2
Russia	+3.6
South Africa	+0.7

* Source: IMF World Economic Outlook, July 2024

SMT Scharf limits the impact of foreign exchange risks through partial relocation of production and purchasing processes to the company's sales markets. Most new equipment is still built in Germany, however. In the first half of 2024, the euro showed losses, recently even losing value against the Chinese renminbi.

*Exchange rate changes in the most important sales markets**

in %	H1/2024	H1/2023
Yuan Renminbi (China)/Euro	+0.7	+6.8
Zloty (Poland)/Euro	+1.4	-5.0
Rubel** (Russia)/Euro	+8.5	+24.2
Rand (South Africa)/Euro	+4.3	+13.5

* Source: European Central Bank, change during the year

** Source: Exchange rates from Commerzbank AG, Frankfurt am Main

Sector trends

Prices for energy raw materials and metals rose in the reporting period. For example, the S&P GSCI Energy and Metal Index of importance to the sector recorded a rise of 11.7 % between January and June 2024. The oil price also trended upwards during the reporting period, increasing by 15.9 % in the first half of 2024. The price of coal rose by 2.8 % in the same period.

German mechanical and industrial engineering companies are currently viewing the economic situation with some anxiety. In 2023, the sector generated revenues of EUR 262.9 billion in Germany according to figures released by the German Engineering Federation (VDMA). However, orders in the sector fell by 12 %. According to a VDMA survey, 40 % of the companies surveyed are also expecting a nominal fall in revenues in 2024. PwC is also forecasting revenue expectations in the sector to decline by 5.1 % in 2024 in its study published in April 2024. Investments and higher utilization of capacity are only expected to rise again in 2025.

Grounds for optimism are provided by the OECD forecast according to which global demand for raw materials is set to double by 2060. The VDMA expects higher demand especially from companies focusing on the extraction of raw materials utilized in alternative forms of energy generation. The EU Commission is also forecasting an unprecedented rise in demand for raw materials of relevance for the green and digital transformations.

The mining supply industry is also expected to benefit from higher demand for mineral fertilizers for agricultural production. As a consequence, the global mining equipment market is forecast to grow from USD 141 billion in 2023 to USD 201 billion in 2030, representing a CAGR of 5.2 % (2023 – 2030). More stringent legislation and environmental regulations are expected to slow growth. By contrast, the VDMA emphasizes that only state-of-the-art mining technology can ensure the supply of raw materials needed for climate protection and digitalization.

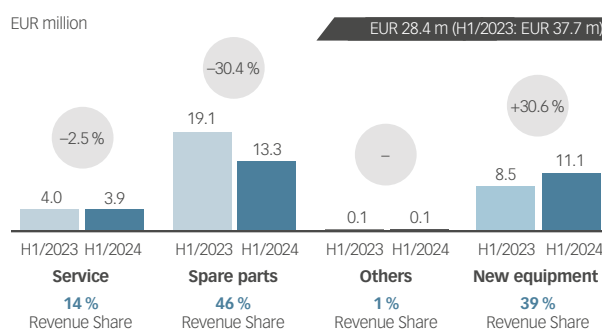
The prospects for growth in the Tunnel segment are also positive in SMT Scharf's estimation. The International Tunneling and Underground Space Association (ITA) is assuming further growth in the coming years. With regard to tunnel construction projects at the planning stage, the ITA forecasts that by 2030 global investments will be running at a total of EUR 1,385 billion. The market for tunnel boring machinery is also expected to grow. For example, Straits Research is forecasting the market to grow from USD 5,587 million in 2022 to USD 9,519 million in 2031. This equates to a CAGR of 6.2 %. This, too, will give rise to attractive sales opportunities for SMT Scharf.

By diversifying in terms of products, areas of application, customer groups and regional markets, SMT Scharf is placing its business model on several pillars. This approach serves to mitigate the impact of the coal mining business cycle on SMT Scharf's business growth and development.

Business performance, financial position and financial performance

In the first six months of the current fiscal year of 2024, the SMT Scharf Group continued to face a challenging market environment. Group revenues in the first half of 2024 reached EUR 28.4 million following EUR 37.7 million in the same period in the previous year. This corresponds to a year-on-year decline of 10.4 %. While new equipment business increased significantly in the reporting period, the Spare parts and Service business reported a noticeable decline. Mine operators exhibited reticence with respect to investments in servicing and the maintenance of fleets. Consequently, revenues from Spare parts and Service fell from EUR 23.1 million in the prior year period to EUR 17.2 million in the first half of 2024. Its share of total revenues declined accordingly to 60.5 % following 72.9 % in the prior year period. New equipment business, on the other hand, increased significantly by 30.6 % to EUR 11.1 million (H1 / 2023: EUR 8.5 million) with its share of total revenues rising accordingly to 39.1 % (H1 / 2023: 26.8 %).

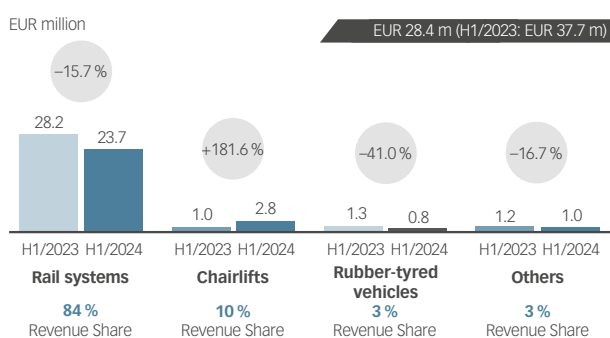
Revenue by type of business



The rail systems product area reported a revenue decline of 15.7 % to EUR 23.7 million in the reporting period (H1 / 2023: EUR 28.2 million). With a figure of 83.7 %, this product category continued to enjoy the largest share of total revenue (H1 / 2023: 88.9 %). Revenue in the chairlifts business increased, on the other hand, from EUR 1.0 million in the prior year period to EUR 2.8 million in the first six months of fiscal 2024. Its share of total revenues rose accordingly from 3.2 % in the prior year period to

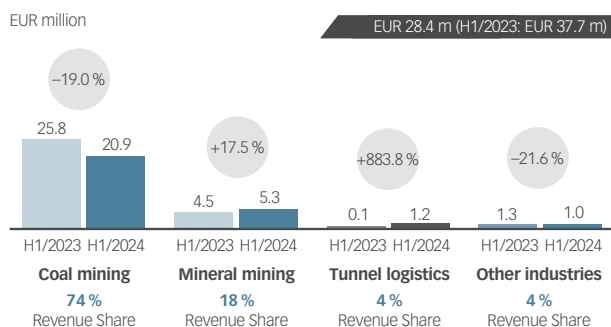
10.0 % now. At the same time, revenues in the product area of rubber-tired vehicles fell short of the figure of EUR 1.3 million achieved in the previous year, coming in at EUR 0.8 million. Consequently, the share of rubber-tired vehicles in consolidated revenues fell from 4.1 % in the prior year period to 2.7 % in the first half of 2024. The Other Products segment recorded a decline in sales to EUR 1.0 million (H1 / 2023: EUR 1.2 million), accounting for 3 % of total sales.

Revenue share by product



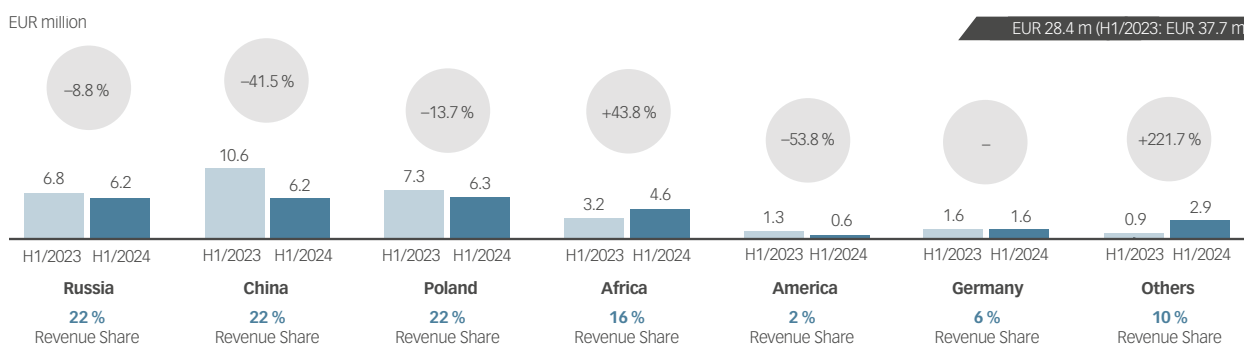
Viewed by segment, SMT Scharf posted a revenue decline of 19.0 % to EUR 20.9 million in the coal-mining segment (H1 / 2023: EUR 25.8 million). With a figure of 73.6 %, this segment continued to make the largest contribution to consolidated revenue (H1 / 2023: 81.3 %). In mineral mining, SMT Scharf boosted revenues in the first half of 2024 by 17.5 % to EUR 5.3 million or 18.5 % (H1 / 2023: EUR 4.5 million or 14.1 %). Revenues in the Tunnel Logistics segment rose significantly by EUR 1.1 million to EUR 1.2 million (H1 / 2023: EUR 0.1 million) against the background of the orders received. This led to a significantly higher share of total revenues of 4.2 % in the first half of 2024 (H1 / 2023: 0.4 %). In the Other Industries segment, revenue stood at EUR 1.0 million or 3.7 % following EUR 1.3 million or 4.2 % in the prior year period.

Revenue share by segment



Revenue in the important export market of China fell 41.5 % to EUR 6.2 million (H1 / 2023: EUR 10.6 million) due to hesitant investment propensity in the coal-mining industry in the first half of the year. Business activities in the Russian market continue to be dominated by the restrictions in connection with the sanctions imposed by western countries. Revenue in Russia amounted to EUR 6.2 million in the first half of 2024 as against EUR 6.8 million in the prior year period. In the Polish sales market, SMT Scharf succeeded in generating revenues of EUR 6.3 million (H1 / 2023: EUR 7.3 million). Poland had increased its commitment to coal production in 2023 which led to rising demand for the requisite mining equipment from Polish mine operators. This demand has slackened appreciably due to import contracts. In Germany, revenues remained at the same level as for the previous year at EUR 1.6 million. In the African region, on the other hand, revenues increased significantly by 43.8 % in the reporting period, reaching EUR 4.6 million compared with EUR 3.2 million in the prior year period. The rise in local requirements for spare parts was the main contributory factor behind this growth.

Revenue share by region



Changes in inventories stood at EUR 9.9 million which exceeded the level for the previous year (H1 / 2023: EUR 9.4 million) while total operating revenue (defined as the sum of revenues and changes in inventories) fell by 5.3 % to EUR 38.3 million (H1 / 2023: EUR 41.0 million) as a result of lower year-on-year revenues and changes in inventories.

Other operating income climbed 9.5 % to EUR 2.0 million (2023: EUR 2.1 million) in the first half of 2024. This is essentially due to the fact that higher currency gains were recorded than in the previous year.

On the other hand, other operating expenses amounted to EUR 6.7 million which was appreciably lower than the figure of EUR 8.8 million posted in the previous year. This decline is principally due to currency losses which came in EUR 2.9 million lower. By contrast, external services used were significantly higher against the background of the intended acquisition of a majority stake in SMT Scharf AG by Yankuang Energy Group as well as the planned uplisting to the regulated market.

The cost of materials fell by 11.8 % from EUR 25.4 million in the prior year period to EUR 22.4 million in the first half of 2024. This figure reflects first and foremost the fall in revenues in rail systems and rubber-tired vehicles resulting from reduced demand in the SMT Scharf Group's core markets. Consequently, the cost of materials ratio (in relation to total operating revenue) fell slightly to 58.5 % (H1 / 2023: 59.6 %).

By contrast, personnel expenses increased in the first half of 2024 by 2.8 % to EUR 10.7 million (H1 / 2023: EUR 10.4 million). In view of the decrease in total operating revenue in the reporting period, the personnel expense ratio increased to 30.5 % (H1 / 2023: 25.4 %) as a result of the rise in personnel expenses.

Depreciation of fixed assets amounted to EUR 1.2 million, below the figure for the previous year (H1 / 2023: EUR 1.4 million). Depreciation was mainly recognized for the ERP system in the reporting period.

Earnings from operating activities (EBIT) came in negative in the first six months of the current fiscal year at EUR -0.8 million (H1 / 2023: EUR -1.8 million). External services and higher personnel costs were the main contributory factors to this result. In addition, orders on which work has started are recognized in profit or loss later in the year. At a segment level, EBIT in the coal-mining segment improved to EUR -1.1 million (H1 / 2023: EUR -2.2 million) in the first half of 2024. In mineral mining, EBIT fell to EUR 161 thousand compared with EUR 218 thousand in the prior year's comparative period. The Tunnel Logistics segment made a positive contribution to earnings of EUR 170 thousand (H1 / 2023: EUR 5 thousand) while the Other Industries segment posted slightly negative earnings of EUR -34 thousand (H1 / 2023: EUR 143 thousand).

The Group's financial result was in positive territory at EUR 1.4 million (H1 / 2023: EUR 876 thousand). This result reflected the positive half-year result of the equity accounted investment. Earnings from operating activities led to income taxes of EUR -0.2 million (H1 / 2023: EUR -0.8 million) in the first half of 2024.

In total, SMT Scharf posted positive consolidated earnings of EUR 856 thousand (H1 / 2023: EUR -189). In relation to the average number of 5,471,979 outstanding shares, basic earnings per share in the reporting period amounted to EUR 0.15 (H1 / 2023: EUR -0.05).

The order intake of EUR 53.8 million in the first six months of 2024 exceeded the figure for the previous year of EUR 43.2 million by a considerable margin. This reflects the major orders received in the Tunnel Logistics segment. As of the reference date of 30 June 2024, SMT Scharf's order book totalled EUR 48.0 million (30 June 2023: EUR 34.4 million).

As of 30 June 2024, total assets stood at EUR 127.5 million, more or less at the same level as at the end of fiscal 2023 (31 December 2023: EUR 126.5 million). Optimized receivables management helped to ensure that trade receivables fell signi-

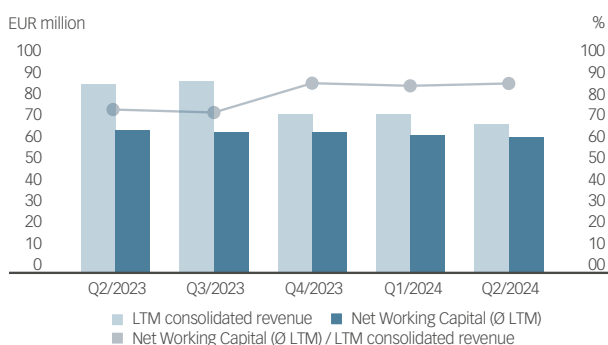
ificantly by EUR 10.2 million to EUR 25.5 million as of the reporting date and also to further lower their age (31 December 2023: EUR 35.7 million). Overall, current assets as of 30 June 2024 declined slightly to EUR 86.2 million (31 December 2023: EUR 88.0 million). Non-current assets, on the other hand, increased to EUR 41.3 million as of 30 June 2024 by comparison with year-end 2023 (31 December 2023: EUR 38.5 million). This rise is due in particular to the good half-year results achieved by the equity accounted investment.

On the liabilities side of the balance sheet, non-current provisions and liabilities fell to EUR 7.7 million as of the reporting date of 30 June 2024 (31 December 2023: EUR 8.3 million). Current provisions and liabilities were also down from EUR 31.5 million as of 31 December 2023 to EUR 30.6 million as of the reporting date of 30 June 2024. This was essentially due to the reduction in cash and cash equivalents.

SMT Scharf continued to enjoy a sound equity base in the reporting period. SMT Scharf's equity increased as of the reporting date of 30 June 2024 to EUR 89.2 million, thus exceeding the figure as of 31 December 2023 (EUR 86.7 million) by 1.9%. The equity ratio increased accordingly to 69.9% as of 30 June 2024 (31 December 2023: 68.5%).

Net working capital as of 30 June 2024 amounted to EUR 58.3 million, a significant 9.1% decrease from the year-end figure for 2023 (31 December 2023: EUR 64.0 million). The average net working capital for the last twelve months (LTM, calculated from quarterly figures) stood at EUR 61.9 million as of 30 June 2024. Rolling consolidated revenue for the last twelve months amounted to EUR 69.8 million as of the reporting date. This results in a net working capital intensity of 88.7%, an increase over the prior year period. Over the medium term, SMT Scharf is aiming to reduce the net working capital intensity to <50%.

Net Working Capital



Comparison of the actual financial position and performance with the forecast

The Managing Board of SMT Scharf AG published its guidance for the current fiscal year of 2024 in its 2023 Annual Report. According to this forecast, the Managing Board is expecting consolidated revenue of between EUR 74 million and EUR 79 million based on conservative assumptions. In addition, the Managing Board expects operating earnings (EBIT) of between EUR 1.5 million and EUR 2.5 million in 2024.

Based on the figures for the first half of 2024, SMT Scharf has not yet met its expectations for the whole of 2024 as of the reporting date.

- The actual consolidated revenue in the first half of 2024 amounted to EUR 28.4 million, below the pro rata forecast of a range between EUR 37 million and EUR 39.5 million.
- The actual EBIT of EUR -753 thousand proved to be significantly weaker than the pro rata EBIT forecast of a range between EUR 750 thousand and EUR 1.2 million.

Overall statement on the company's business position

The SMT Scharf Group continued to face tough market conditions in the first half of 2024. Overall, the market for mining equipment showed evidence of a reluctance to invest, both in the traditional coal-mining and hard rock mining industries. By contrast, SMT Scharf was able to win promising large-scale orders in its Tunnel Logistics segment, and the focus in the first half of the year was on processing these orders. SMT Scharf continues to perceive itself as well positioned in its niche and it is concentrating on developing innovative transport solutions for underground mining and tunnel construction sites. In particular, the intention here is to drive business activities outside coal-mining. SMT Scharf can rely on a sound financial position for the implementation of its corporate strategy. The equity ratio is at a very high level of 69.9% matched by a moderate gearing ratio. The order book of EUR 48.0 million as of the reporting date of 30 June 2024 reflects the high order volume in the Tunnel Logistics segment and will provide positive impetus for the second half of the year.

Report on opportunities and risks

The opportunities and risks associated with the future growth of the SMT Scharf Group are discussed in detail in the group management report for the 2023 fiscal year (see pages 51–56).

Outlook

With regard to 2024, the International Monetary Fund (IMF) is expecting global economic growth of 3.2%, followed by 3.3% growth in 2025. The IMF is therefore confirming its forecast released in April of this year for global growth in the current year. In its July 2024 outlook, the IMF paints an ambivalent picture of prospects and perceives the global economy to be in a quandary. On the one hand, global growth is seen as stable with the Eurozone, in particular, having already bottomed out. On the other hand, price increases for services entail a continuing risk of inflation trending upwards, thus making it hard to normalize monetary policy. This is compounded by global trading tensions and persistent geopolitical uncertainty.

The International Monetary Fund (IMF) is forecasting the following GDP growth rates in SMT Scharf's core markets for 2024:

*GDP growth in the most important sales markets of SMT Scharf AG**

(in %)	2024	2023
World	3.2	3.3
China	5.0	5.2
Poland	3.1	0.2
Russia	3.2	3.6
South Africa	0.9	0.7

* Source: IMF World Economic Outlook, July 2024

Fundamentally, we continue to perceive SMT Scharf, as a specialist in a niche environment, as well positioned to take advantage of the mega trends in mining and tunnel construction on a lasting basis. To this end, we maintained our initiatives in Development, Production and Sales & Marketing in the first half of the year. Among other areas, we see potential in the area of emissions-free, sustainable transport equipment – for both traditional coal-mining and hard rock mining. The global mining supply industry is forecast to grow from USD 141 billion in 2023 to USD 201 billion in 2030, representing a CAGR of 5.2% (2023–2030). This rate of growth offers SMT Scharf attractive sales opportunities. We are also continuing to focus on our core markets of China, Poland, South Africa and America.

On the basis of the results for the first half of the year, the Managing Board of SMT Scharf AG is reiterating its forecast for fiscal 2024 and continues to expect consolidated revenue of between EUR 74 million and EUR 79 million, based on conservative estimates. In addition, the Managing Board continues to expect operating earnings (EBIT) of between EUR 1.5 million and EUR 2.5 million in 2024.

Hamm, August 28, 2024

SMT Scharf AG

The Managing Board

IFRS HALF-YEAR FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED BALANCE SHEET

EUR thousand	30/06/2024	30/06/2023	31/12/2023
Assets			
Intangible assets	6,700	7,587	6,878
Property, plant and equipment	6,853	6,722	6,771
Loans	649	730	649
Equity accounted investments	22,286	16,895	20,217
Other investments	7	7	7
Deferred tax assets	4,826	3,940	4,015
Non-current lease receivables	0	202	0
Other non-current non-financial assets	1	2	1
Non-current assets	41,332	36,085	38,538
Inventories	45,091	39,124	38,193
Trade receivables	25,486	34,364	35,691
Contract assets	525	30	442
Current lease receivables	204	712	570
Other current non-financial assets	4,056	6,080	3,827
Other current non-financial assets in connection with employee benefit entitlements	1,494	1,432	1,006
Cash and cash equivalents	9,360	9,209	8,241
Current assets	86,216	90,951	87,970
Total assets	127,538	127,036	126,508

EUR thousand	30/06/2024	30/06/2023	31/12/2023
Equity and liabilities			
Subscribed share capital	5,472	5,472	5,472
Capital reserve	23,623	24,230	23,623
Revenue reserves	65,867	59,651	65,049
Other reserves	-7,667	-9,110	-9,206
Non-controlling interests	1,859	1,683	1,773
Equity	89,154	81,926	86,712
Provisions for pensions	2,442	2,625	2,520
Other non-current provisions	195	175	200
Deferred tax liabilities	748	562	659
Leasing liabilities	2,319	1,928	2,234
Non-current financial liabilities	40	679	256
Other non-current financial liabilities	1,965	2,845	2,464
Non-current provisions and liabilities	7,709	8,814	8,333
Current income tax	3,342	1,660	3,465
Other current provisions	5,330	5,287	5,770
Contract liabilities	4,542	937	901
Trade payables	3,289	7,229	3,820
Leasing liabilities	841	1,097	768
Current financial liabilities (cash and cash equivalents)	8,604	17,389	10,847
Current financial liabilities (not cash and cash equivalents)	3,560	1,829	4,842
Other current non-financial liabilities	1,167	868	1,050
Current provisions and liabilities	30,675	36,296	31,463
Total equity and liabilities	127,538	127,036	126,508

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q2/2024	Q2/2023	H1/2024	H1/2023
Revenue	15,900	18,889	28,356	31,688
Changes in inventories	7,838	1,540	9,945	9,357
Total operating revenue (100 %)	23,738	20,429	38,301	41,045
Other operating income	888	859	2,008	2,131
Cost of materials	14,778	11,765	22,424	25,379
Personnel expenses	5,320	5,307	10,726	10,416
Depreciation, amortization and impairment losses	598	668	1,200	1,366
Other operating expenses	3,686	5,166	6,712	8,763
Profit from operating activities (EBIT)	244	-704	-753	-1,834
Result from equity accounted investments	1,492	818	1,868	1,255
Interest income	151	125	348	215
Interest expenses	419	290	771	594
Financial result	1,224	653	1,445	876
Profit before tax	1,468	-51	692	-958
Income taxes	167	-47	-164	-769
Consolidated net profit/loss	1,301	-4	856	-189
of which attributable to shareholders of SMT Scharf AG	1,115	-18	817	-287
of which attributable to non-controlling interests	186	14	39	98
Other comprehensive income items recycled later to profit or loss:				
Currency differences from translation of foreign financial statements	1,313	-1,033	1,385	-2,693
Share of other comprehensive income attributable to equity accounted investments	111	-978	201	-1,264
Other comprehensive income items not recycled later to profit or loss:				
Actuarial gains/losses	-	-	-	-
Deferred taxes	-	-	-	-
Other comprehensive income	1,424	-2,012	1,586	-3,958
of which attributable to shareholders of SMT Scharf AG	1,385	-1,957	1,539	-3,844
of which attributable to non-controlling interests	39	-55	47	-114
Total comprehensive income	2,725	-2,016	2,442	-4,147
of which attributable to shareholders of SMT Scharf AG	2,500	-1,957	2,356	-4,131
of which attributable to non-controlling interests	225	-41	86	-16
Earnings per share (in EUR)				
Undiluted (basic)	0.20	0	0.15	-0.05
Diluted	0.20	0	0.15	-0.05
Average number of shares, undiluted	5,471,979	5,471,979	5,471,979	5,471,979
Average number of shares, diluted	5,471,979	5,510,475	5,471,979	5,510,475

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	H1/2024	H1/2023
Consolidated net profit/loss	856	-189
-/+ Income / expenses from equity-accounted invest-ments	-1,868	-1,255
+ Depreciation and amortization of non-current assets	1,200	1,363
-/+ Gains / losses from the disposal of non-current as-sets	85	193
+/- Decrease / increase in provisions	-622	-458
-/+ Increase / decrease in inventories, trade receivables and other assets not allocable to investing or financing activities	4,160	1,949
+/- Increase / decrease in trade payables well as other liabilities not allocable to investing or financing activities	2,787	-164
+/- Other non-cash expenses/income	0	67
+/- Income taxes	-164	-769
+/- Financial expenses	423	380
-/+ Income taxes paid	-615	-1,990
Cash flow from operating activities	6,242	-873
+ Cash inflow from disposal of property, plant and equipment	0	5
- Capital expenditure on property, plant and equipment	-267	-495
- Capital expenditure on intangible assets	-254	-13
+ Interest received	347	222
Cash flow from investing activities	-174	-281
- Cash outflow for the repayment of leasing liabilities	975	-
+ Cash inflow from sale-and-leaseback agreements	-356	-335
- Cash outflow for the repayment of loans	-	-
- Interest paid	-2,972	-1,226
Cash flow from financing activities	-633	-586
Cashflow aus der Finanzierungstätigkeit	-2,986	-2,147
Net change in cash and cash equivalents	3,083	-3,301
Changes in cash and cash equivalents due to effects from exchange rates and the consolidation Group	279	-817
Cash and cash equivalents at start of period	-2,606	-4,062
Cash and cash equivalents at end of period	756	-8,180

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1 TO JUNE 30, 2024

In EUR	Subscribed share capital	Capital reserve	Revenue reserves	
			Actuarial gains and losses	Other revenue reserves
Balance on January 1, 2024	5,472	23,623	19	65,031
Consolidated net profit/loss	-	-	-	817
Currency difference from translating results from foreign annual financial statements	-	-	-	-
Share of other comprehensive income attributable to equity accounted investments	-	-	-	-
Recognition of actuarial gains/losses	-	-	-	-
Deferred taxes on recognized actuarial gains and losses	-	-	-	-
Comprehensive income	-	-	-	817
Increase in equity due to shares to be issued	-	-	-	-
Balance on June 30, 2024	5,472	23,623	19	65,848

Other reserves				
Currency translation difference	Equity attributable to SMT Scharf AG shareholders	Non-controlling interests		Total Equity
-9,206	84,939	1,773		86,712
-	817	39		856
1,338	1,338	47		1,385
201	201	-		201
-	-	-		-
-	-	-		-
1,539	2,356	86		2,442
-	-	-		-
-7,667	87,295	1,859		89,154

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1 TO JUNE 30, 2023

In EUR	Subscribed share capital	Capital reserve	Revenue reserves	
			Actuarial gains and losses	Other revenue reserves
Balance on January 1, 2023	5,472	24,162	-59	59,997
Consolidated net profit/loss	-	-	-	-287
Currency difference from translating results from foreign annual financial statements	-	-	-	-
Share of other comprehensive income attributable to equity accounted investments	-	-	-	-
Recognition of actuarial gains/losses	-	-	-	-
Deferred taxes on recognized actuarial gains and losses	-	-	-	-
Comprehensive income	-	-	-	-287
Increase in equity due to shares to be issued	-	68	-	-
Balance on June 30, 2023	5,472	24,230	-59	59,710

Other reserves				
Currency translation difference	Equity attributable to SMT Scharf AG shareholders	Non-controlling interests		Total Equity
-4,288	85,284	1,700		86,984
-	-287	98		-189
-3,557	-3,557	-114		-3,671
-1,265	-1,265	-		-1,265
-	-	-		-
-	-	-		-
-4,822	-5,109	-16		-5,125
-	68	-		68
-9,110	80,243	1,683		81,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Information about SMT Scharf AG and the SMT Scharf Group

SMT Scharf AG, Römerstrasse 104, 59075 Hamm, Germany (hereinafter also referred to as the “company”) was formed on May 31, 2000, under German law. It is the management holding company for the companies in the SMT Scharf Group. All 5,521,456 shares of SMT Scharf AG are available for trading on the Munich Stock Exchange in the over-the-counter market of the m:access quality segment. The purpose of the companies in the SMT Scharf Group is to plan, produce, sell, install and maintain machinery and equipment to transport people, equipment and material and to hold participating interests. SMT Scharf AG has its registered offices in Hamm and is entered into the commercial register at the District Court of Hamm under commercial register sheet number 5845.

General remarks on reporting

The present half-year financial report of the SMT Scharf Group as of 30 June 2024 comprises condensed, interim consolidated financial statements and an interim Group management report. The condensed, interim consolidated financial statements were prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) for interim reporting (IAS 34) as applicable in the EU. The accounting and valuation policies and the calculation methods applied are the same as those used in the IFRS consolidated financial statements as of 31 December 2023. Income taxes were deferred on the basis of the tax rate expected for the full year. The interim Group management report was prepared in compliance with the applicable regulations of the German Securities Trading Act (WpHG). The half-year financial report was not subjected to an auditor’s review.

The interim financial statements present a true and fair view of the SMT Scharf Group’s financial position and performance for the period under review. These condensed interim consolidated financial statements do not include all disclosures that IFRS require for consolidated financial statements, and consequently should be read in conjunction with the consolidated financial report for the fiscal year ending 31 December 2023 which provides a basis for these interim financial statements. Moreover, as regards significant changes and business transactions up until 30 June 2024, please refer to the interim management report contained in this document.

The interim financial statements are presented in Euros. Unless otherwise indicated, all amounts are stated and rounded to thousands of Euros (EUR thousands).

New standards and interpretations

Please refer to the 2023 annual report for detailed information about standards to be applied in the future.

Currency translation

The exchange rates of the most important currencies showed the following changes:

1 Euro =	Closing rate		Average rate	
	30/06/2024	30/06/2023	2024	2023
Polish Zloty	4.3090	4.4388	4.3167	4.4608
South African Rand	19.4970	20.5785	20.2467	20.3033
Chinese Renminbi Yuan	7.7748	7.8983	7.8011	7.7653
Russian Rouble	92.0000	95.5000	97.7850	82.5552
Canadian Dollar	1.4670	1.4415	1.4685	1.4414

Consolidated Group

The consolidated group reports the following changes during the period under review.

The consolidated financial statements of the SMT Scharf Group include SMT Scharf AG as well as the following controlled companies:

	Interest held
SMT Scharf GmbH, Hamm, Germany	100 %
SMT Scharf Polska Sp. z o.o., Tychy, Poland	100 %
SMT Scharf Africa (Pty.) Ltd., Gauteng, South Africa	70 %
Scharf Mining Machinery (Xuzhou) Co. Ltd., Xuzhou, China	100 %
Scharf Mining Machinery (Beijing) Co., Ltd., Beijing, China ***	100 %
SMT Scharf Sudamerica SpA, Santiago, Chile	100 %
OOO SMT Scharf, Novokuznetsk, Russian Federation *	100 %
OOO SMT Scharf Service, Novokuznetsk, Russian Federation **	100 %
RDH Mining Equipment, Alban, Canada	100 %
Ser elektronik GmbH, Möhnese, Germany	51 %
Shandong Xinsha Monorail Co. Ltd., Xintai, China ****	50 %
Shanxi Ande Auxiliary Transportation Co. Ltd., Changzhi, Shanxi, Province, China *****	40 %

* of which 1.25 % indirectly through SMT Scharf GmbH

** indirectly through OOO SMT Scharf

*** indirectly through SMT Scharf GmbH

**** consolidated as a 50 % interest in accordance with the equity method

***** consolidated as a 40 % interest in accordance with the equity method

Notes to the income statement

(1) Revenue

Revenue is composed of the following items:

	Q2/2024	Q2/2023	H1/2024	H1/2023
New equipment	6,374	4,255	11,067	8,496
Spare parts / service / other	9,526	14,634	17,289	23,192
Total	15,900	18,889	28,356	31,688
Germany	636	1,011	1,558	1,592
Other countries	15,264	17,878	26,798	30,096
Total	15,900	18,889	28,356	31,688

(2) Income taxes

Income taxes are composed of the following items:

EUR thousand	Q2/2024	Q2/2023	H1/2024	H1/2023
Current tax expense	339	483	529	930
Deferred taxes	-171	-530	-692	-1,699
Total	168	-47	-163	-769

(3) Segment report

In line with IFRS 8, the identification of reportable operating segments is based on the “management approach”. According to this approach, the external segment reporting is based on the Group’s internal organization and management structure as well as the internal financial reporting to the highest management body (“chief operating decision maker”). In the SMT Scharf Group the Managing Board of SMT Scharf Group AG is responsible for the assessment and control of segments’ performance, and is the chief operating decision maker in the meaning of IFRS 8.

SMT Scharf AG reports on four operating segments which are managed independently by segment boards by types of products and services, brands, sales channels and customer profiles. Intersegment revenues and inputs are of minor significance and are not reported separately.

Segment reporting 30.06.2024

EUR thousand	Coal mining		Mineral mining		Tunnel		Other industries		Not allocated		SMT Scharf Group	
	H1/2024	H1/2023	H1/2024	H1/2023	H1/2024	H1/2023	H1/2024	H1/2023	H1/2024	H1/2023	H1/2024	H1/2023
Revenue	20,860	25,762	5,253	4,472	1,199	122	1,044	1,332	-	-	28,356	31,688
of which new equipment	6,319	5,856	2,602	1,423	1,196	51	950	1,166	-	-	11,067	8,496
of which spare parts	10,737	15,998	2,484	2,849	3	71	94	166	-	-	13,318	19,084
of which service	3,741	3,828	167	200	-	-	-	-	-	-	3,908	4,028
of which others	63	80	-	-	-	-	-	-	-	-	63	80
Operating result (EBIT)	(1,050)	(2,200)	161	218	170	5	(34)	143	-	-	(753)	(1,834)
Earnings from equity accounted companies	1,868	1,255	-	-	-	-	-	-	-	-	1,868	1,255
Segment assets	105,193	110,524	9,449	9,847	5,162	419	2,906	2,307	4,826	3,940	127,537	127,037
Segment liabilities	32,655	40,279	3,036	3,110	966	147	979	1,013	748	562	38,384	45,112
Segment investments	503	566	188	13	-	-	54	7	-	-	745	586
of which IFRS 16	124	91	188	-	-	-	32	-	-	-	344	91
Interests in equity accounted companies	22,285	16,895	-	-	-	-	-	-	-	-	22,285	16,895
Scheduled amortisation	976	1,138	131	157	25	2	67	69	-	-	1,199	1,366
FTE	340	333	51	58	5	5	22	19	-	-	418	415

Notes to the balance sheet

(4) Non-current assets

The SMT Scharf Group leases internally developed machines and heavy-load lifting beams as a lessor in the context of finance leases. The carrying amount of lease receivables stands at EUR 204 thousand as of 30 June 2024 31 December 2023: EUR 570 thousand).

As of the reporting date, and as at the year-end, no leased assets were reported under property, plant and equipment as leased assets under operating leases.

As of 30 June 2024, non-current assets include rights of use from leases in which the Group is the lessee. Their carrying amount as of 30 June 2024 stands at EUR 2,904 thousand (31 December 2023: EUR 2,723 thousand).

In the first six months of 2024, development expenses meeting IAS 38 recognition criteria and amounting to EUR 253 thousand were capitalized for projects (H1 / 2023: EUR 0 thousand).

(5) Equity

The changes in the SMT Scharf Group's equity are shown in the statement of changes in equity.

On 30 June 2024, 5,521,456 ordinary bearer shares of SMT Scharf AG are issued in the form of no-par-value shares with a notional value of EUR 1 per share. All shares have been fully paid up and grant the holders the same rights.

No dividends were paid in the first six months of 2024 as in the prior year period.

As in comparative periods, the company has refrained from recognizing actuarial gains and losses for materiality reasons. Further changes to equity are presented in the consolidated statement of changes in equity.

Other disclosures

(6) Contingent liabilities and other financial commitments

As of the reporting date, contingent liabilities exist from advance payment and warranty guarantees as well as from an outstanding purchase commitment with a total value of EUR 22.7 million (31 December 2023: EUR 377 thousand).

(7) Leases

The Group is a lessee under leases for cars, office premises and office equipment.

As of 30 June 2024, lease liabilities were composed as follows:

EUR thousand	Future lease payments	Interest portion	Present value of future leasing instalments
Due within one year	899	19	875
Due in one to five years	2,428	327	2,101
Due after more than five years	408	155	253
Total	3,735	506	3,229

As of 31 December 2023, lease liabilities were composed as follows:

EUR thousand	Future lease payments	Interest portion	Present value of future leasing instalments
Due within one year	789	30	759
Due in one to five years	2,199	422	1,777
Due after more than five years	538	250	288
Total	3,526	702	2,824

In the first half of 2024, the rental and lease agreements resulted in payments totaling EUR 552 thousand (H1 / 2023: EUR 470 thousand). Some of these payments do not represent interest or principal payments, but were expensed instead.

Interest expenses of EUR 91 thousand in connection with the lease liabilities were recognized in the income statement in the first half of 2024 (H1 / 2023: EUR 89 thousand).

The Group is also a lessor as part of finance and operating leases for drive units.

Receivables from finance leases of EUR 204 thousand existed as of the reporting date (31 December 2023: EUR 914 thousand). They are disclosed under lease receivables and measured at amortized cost. These led to interest income of EUR 21 thousand in the first half of 2024 (H1 / 2023: EUR 63 thousand). As in the previous year, no capital gains arose. The decrease in leases reflects the scheduled fulfillment of lease agreements.

Their fair value on the reporting date amounted to EUR 204 thousand (31 December 2023: EUR 570 thousand).

The following information is provided on receivables from finance leases:

Sum total of future minimum leasing payments (gross investment)

EUR thousand	30/06/2024	31/12/2023
Due within one year	207	596
Due in one to two years	-	-
Due in two to three years	-	-
Due in three to four years	-	-
Due in four to five years	-	-
Due after more than five years	-	-
Total	207	596

Present value of outstanding minimum lease payments

EUR thousand	30/06/2024	31/12/2023
Due within one year	204	570
Due in one to two years	-	-
Due in two to three years	-	-
Due in three to four years	-	-
Due in four to five years	-	-
Due after more than five years	-	-
Total	204	570
Unrealized financial income included in the outstanding minimum lease payments	3	26

As in the previous year, no lease income from operating rental leases was realized in the first half of 2024.

(8) Cash flow statement

The cash flow statement shows the changes in the SMT Scharf Group's net financial position as a consequence of cash inflows and outflows during the period under review. In accordance with IAS 7, a distinction is drawn between cash flows from operating, investing and financing activities.

The cash flows from investing and financing activities are identified directly; in other words, these are related to payments. By contrast, the cash flow from operating activities is derived indirectly from the net profit.

The net financial position in the cash flow statement comprises all of the cash and cash equivalents carried on the balance sheet, in other words, cash on hand and bank balances, to the extent that these are available within three months (from the date of acquisition) without any notable fluctuations in value. Marketable securities and current financial liabilities are not included.

(9) Supervisory and Managing boards

During the period under review, the members of the Supervisory Board of SMT Scharf AG were:

Prof. Dr. Louis Velthuis, Mainz (Chairman)	Professor of Controlling at the Johannes Gutenberg University of Mainz, Germany	Intershop Communications AG, member of the Supervisory Board
Dr.-Ing. Dirk Vorsteher, Werne (Deputy Chairman)	Management consultant	(no positions held at other companies)
Dipl. Volkswirtin Dorothea Gattineau, Wuppertal	Management consultant	(no positions held at other companies)

On 30 June 2024, Professor Velthuis held 9,300, Dr. Vorsteher 4,042 and Ms. Gattineau 2,103 shares in the company. Mr. Reinartz and Mr. Weiss held no shares in the company.

(10) Related party disclosures

Besides the Managing and Supervisory boards of SMT Scharf AG, related parties pursuant to IAS 24 include key management personnel at companies that SMT Scharf AG controls or significantly influences. Business transactions between the parent company and its subsidiaries which are regarded as related enterprises are eliminated through consolidation and are not explained in these notes to the financial statements. Concerning at equity exchange relationships, please refer to the notes concerning joint ventures. Besides these business relationships, no transactions occurred in the first half of the year.

(11) Events after the balance sheet date

No further events occurred after the first six months of 2024 which have a material effect on the company's financial position or performance.

RESPONSIBILITY STATEMENT

We give our assurance that, to the best of our knowledge and in accordance with the accounting principles to be applied to half-year financial reporting, the consolidated half-year financial statements give a true and fair view of the Group's financial position and performance, and the interim Group management report presents the Group's business including its results and the Group's position such as to provide a true and fair view and describes the major opportunities and risks pertaining to the Group's expected growth and development in the remainder of the fiscal year.

Hamm, August 28, 2024

The Managing Board

Reinhard Reinartz

Volker Weiss

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SMT Scharf AG
Römerstr. 104
59075 Hamm
Germany

Tel.: +49 (0) 2381 – 960-210
Fax: +49 (0) 2381 – 960-311

E-Mail: ir@smtscharf.com
www.smtscharf.com

Investor relations contact

cometis AG
Thorben Burbach
Unter den Eichen 7
65195 Wiesbaden
Germany

Tel.: +49 (0) 611 – 205855-23
Fax: +49 (0) 611 – 205855-66

E-Mail: burbach@cometis.de
www.cometis.de

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Disclaimer

The Report of the first half-year 2024 is also available in German. In case of differences the German version prevails. The digital version of the Annual Report and the Interim Reports are available at www.smtscharf.com in the Investor Relations section.