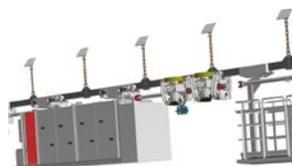


6-MONTH REPORT 2022



SUMMARY OF KEY DATA

In EUR		2020	2021	H1/2021	H1/2022
Revenue	EUR thousand	50,180	85,870	30,818	37,455
Total operating revenue	EUR thousand	56,331	85,137	39,443	47,096
EBIT	EUR thousand	-8,130	11,240	3,148	7,035
EBIT margin on total operating revenue	%	-14.4	13.1	8.0	14.9
Consolidated net profit/loss	EUR thousand	-8,054	12,582	3,609	9,155
Equity	EUR thousand	48,453	71,700	60,830	87,920
Equity ratio	%	58	59	57	69
FTEs (full-time employees)	on the reporting date	410	422	427	410

FINANCIAL CALENDAR

August 24–25, 2022	8 th Hamburg Investor Conference (HIT)
September 5–6, 2022	Equity Forum: Autumn Conference
October 13, 2022	m:access Technology Conference
November 14, 2022	9-month report 2022
November 28–30, 2022	German Equity Forum 2022
December 31, 2022	Fiscal year-end

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SHARE INFORMATION

Share price chart



Key share data

Ticker/ISIN	S4A/DE0005751986
Number of shares including 49,477 treasury shares	5,521,456
Closing price (June 30, 2022)*	EUR 13.65
High/low* in H1/2022	EUR 14.70/EUR 10.10
Share price performance (LTM on June 30, 2022)	+27.0 %
SDAX performance (LTM on June 30, 2022)	-25.8 %
Peer group portfolio performance (LTM on June 30, 2022)	+9.8 %
Market capitalization excluding treasury shares (June 30, 2022)	EUR 74,693 thousand

* Closing prices on the Xetra trading system of Deutsche Börse AG.

LETTER TO THE SHAREHOLDERS

Dear shareholders,

SMT Scharf AG recorded successful business growth overall in the first half of 2022. The SMT Scharf Group posted consolidated revenue of EUR 37.5 million in the first six months of the current fiscal year, reflecting a 21.8% year-on-year increase. Both the new equipment business and the spare parts and service business contributed to this revenue growth. The new equipment business performed extremely well, which was especially due to high demand for transport solutions in the Chinese market, with the consequence that revenue in this area increased from EUR 13.9 million in the first half of 2021 to EUR 20.0 million in the reporting period. At the same time, the spare parts and service business posted revenue of EUR 17.1 million in the first six months of the current fiscal year, representing a slight increase. In terms of earnings, the SMT Scharf Group reported a significant rise in earnings from operating activities (EBIT) of EUR 3.9 million to EUR 7.0 million in the first half of 2022.

In its target market of Russia, SMT Scharf generated marked revenue growth from EUR 5.1 million to EUR 12.0 million in the period under review. Russian mining companies secured the equipment they needed at an early stage, which was reflected in considerable revenue growth in this market. However, given the Russia-Ukraine conflict, SMT Scharf's medium-term prospects in this market are uncertain. On July 10, the sanctions imposed by the EU took effect, which prohibit the delivery of finished machines to Russia. The delivery of certain spare parts is still possible in the meantime. SMT Scharf will continue to closely monitor the opportunities and risks in this market with a view to its future business activities, in order to be able to take appropriate measures if necessary.

With revenue of EUR 13.3 million in the first half of 2022, the important foreign market of China was once again the SMT Scharf Group's largest revenue driver. SMT Scharf was the first European supplier to succeed in obtaining approval for the new generation of machines in accordance with the China III emissions directive, which has been mandatory for mining companies in China since the beginning of 2021. With the newly developed DZK3500, we can thereby meet high demand for China III machines, and we continue to identify attractive opportunities to expand our business in China.

Despite a challenging and volatile market environment overall, the SMT Scharf Group's positive performance underscores the continued attractive overall growth opportunities in the global mining market. We perceive further tailwind from the global changes in urban development as well as from increasing and widespread innovations as well as from further development in the electromobility area.



We would like to take this opportunity to thank you, our investors, business partners and customers, for the confidence you have invested in us, and we look forward to continuing our partnership into the future.

Kind regards

Hans Joachim Theiss

Wolfgang Embert

MANAGEMENT REPORT (UNAUDITED)

Basis of the Group

The SMT Scharf Group (“SMT Scharf”) develops, builds 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 continues to comprise captivated railway systems that are deployed in underground mining. These systems are technically capable of transporting personnel and materials of up to 45 tonnes on 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, including for energy supplies 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. This additional pillar promises additional sales potential in the coming years.

SMT Scharf is able to draw on in-house expertise in electronics and controls via its subsidiary ser elektronik GmbH, Möhnese. These systems, which are integrated into SMT Scharf’s transport solutions for both coal and mineral mining, are manufactured in-house. In addition, ser elektronik develops customer-specific solutions for various industries, including the food industry and the medical technology sector. 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 the operating activities. SMT Scharf also concentrates on downstream services. The offering includes the provision of spare parts, maintenance, repairs and maintenance 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 especially the foreign markets in China, Poland, Russia and South Africa. In addition, SMT Scharf is active in South America with its own sales subsidiary in Chile, as well as in North America. 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 plays only a minor role nowadays. In smaller markets, SMT Scharf works together with dealers or agents.

Corporate 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, the development of new geographical markets, and the 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 involves leveraging optimization potentials more effectively through the interplay of international locations as well as in the management of development processes. The targeted analysis of specific markets and customer requirements helps SMT Scharf further enhance its competitiveness in this context.

The Managing Board team deploys these strategies to advance measures that are further developing 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), which has been approved. We will begin implementation at the German sites in the current fiscal year. The ERP system is then to be rolled out to the foreign sites in 2023. The full implementation of the ERP system is scheduled for completion in 2023/2024. 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 will open up the possibility of identifying and realizing optimization potentials at an early stage in the future.

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 are 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 normalizes, especially on the basis of stable or a further uptrend in 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	$\frac{\text{Number of days in reporting year} \times \left(\frac{\text{annual average trade receivables}}{\text{Consolidated revenue}} \right)}$	< 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 %

Employees

SMT Scharf AG calculates the number of its employees in the form of full-time equivalents (FTEs). As of June 30, 2022, the SMT Scharf Group employed 410 members of staff (FTEs), including seven trainees at the Hamm location. The Group had a workforce of 427 FTEs in the previous year (including six trainees). In order to manage production capacity flexibly, SMT Scharf draws on short-term and temporary workers in accordance with the three-layer model. In the event of sustainable growth, these temporary workers are then taken on accordingly in the respectively higher layer.

In Germany, SMT Scharf further expanded its personnel capacities so that the number of employees as of June 30, 2022 stood at 140 FTEs (previous year: 137 FTEs). Moreover, in order to cover higher demand in production, temporary workers were increasingly hired, particularly in Germany.

SMT Scharf Group employees:

	H1/2022	H1/2021
Total employees	410	427
Employees in Germany	140	137
Employees abroad	270	290
Percentage of female employees	17.8	16.2

The number of employees at foreign locations reduced year-on-year to 270 FTEs in the first half of 2022 (previous year: 290 FTEs). This mainly affects the Russian and Canadian sites. The percentage of staff employed abroad thereby dipped slightly to 65.9% (previous year: 68%).

Research and development

SMT Scharf continues to focus on establishing local expertise centres with increasing vertical range of manufacture, particularly in Poland and China. Given the ongoing coronavirus pandemic and associated restrictions in the interim, such as in China, no significant activities were undertaken in this context in the first half of 2022.

The generation of synergies through further networking of the locations is a future-related topic for SMT Scharf and is to be additionally advanced by the approved introduction of a uniform ERP system and uniform development systems worldwide. A supporting pillar here is the switch of design and production to a modular system, which has already been implemented and which holds out the prospect of significant efficiency enhancements both in production planning and, in the future, in assembly and acceptance.

In the first half of 2022, the focus was on the electrification of SMT Scharf's product range and research into lower-emission motors while continuing to provide guaranteed firedamp protection in accordance with MA and ATEX.

In light of the ongoing digitalization of mines, SMT Scharf is intensively developing solutions for lower-emission, more intelligent drive systems for underground transport technology that communicate with their environment. Ongoing product support within the SMT Scharf Group and the development of sustainable solution concepts contribute to enhanced benefits for customers. One example is the wireless transmission of operating data, the evaluation of which makes it possible, for example, to plan and perform maintenance measures in line with requirements, and to optimize the stocking of consumables and spare parts. The electrification and digitalization of products is to be driven forward to such an extent that SMT Scharf remains accepted as the preferred provider for efficient and sustainable transport logistics in the digital mines of tomorrow. This vision ranges from emission-free drives to fully autonomous transportation.

Expenses for research and development amounted to EUR 957 thousand during the first half of 2022 (H1/2021: EUR 893 thousand). The share of development costs in overall research and development costs stood at EUR 113 thousand (H1/2021: EUR 154 thousand), while writedowns on capitalized development costs amounted to EUR 124 thousand (H1/2021: EUR 8 thousand) in the reporting period.

Economic and business report

Macroeconomic environment

In 2021, the global economy grew at a significant rate of 6.1%, according to the International Monetary Fund (IMF) in its July 2022 World Economic Outlook. Given the economic impact of the Russia-Ukraine conflict, the IMF expects growth of just 3.2% in 2022. Global economic growth of 2.9% is forecast for the following year. The ongoing consequences of the COVID-19 pandemic continue to be one reason for the deterioration of global growth prospects. In addition, governments are scaling back the unprecedented fiscal measures of recent years, and higher interest rates are leading to a tightening of monetary policy.

The Chinese economy recorded an 8.1% increase in economic output in 2021, according to the IMF. However, due to China's growth-inhibiting zero-Covid strategy, growth of just 3.3% is forecast for 2022. Russia recorded an expansion in economic output of 4.7% last year, according to the IMF. By contrast, economists forecast a 6.0% slump in economic activity for 2022 given the Russia-Ukraine conflict and the resultant Western sanctions. After the Polish economy grew by 5.7% in 2021, the IMF expects that its economy will expand by 3.7% in 2022. In South Africa, economic output increased by 4.9% in 2021. However, an economic slowdown is also expected here, leading to growth of 2.3% in 2022.

These four countries represent SMT Scharf's key sales markets; the customers there together usually account for more than 75% of its consolidated revenue.

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

in %	2021
World	+6.1
China	+8.1
Poland	+5.7
Russia	+4.7
South Africa	+4.9

* Source: IMF World Economic Outlook, April 2022.

Exchange rate changes in the most important sales markets of SMT Scharf AG*

in %	H1/2022	H1/2021
Yuan Renminbi (China)/Euro	-9.3	+9.5
Zloty (Poland)/Euro	+3.8	-1.1
Rouble (Russia)/Euro	n/a	+5.6
Rand (South Africa)/Euro	+0.02	-0.1

* Source: European Central Bank, change during the year.

Sector trends

The prices of many energy-related raw materials and metals increased significantly in the reporting period. The S&P GSCI Energy and Metal Index posted a strong gain of around 50% between January and June 2022. The oil price also performed well during the period, rising by 54% between January and June 2022. At the same time, the price of coal has also increased massively in value in recent months, almost tripling and reaching a level of USD 330 (based on one tonne of coal) in mid-June 2022.

According to the German Engineering Federation (VDMA), the market for mechanical and plant engineering in the first months of 2022 was increasingly hampered not only by a shortage of skilled workers but also by materials bottlenecks, which will continue to pose major challenges for the mechanical engineering sector in the short term. With a look to the upcoming years, however, the VDMA continues to identify fundamentally good growth prospects for mechanical engineering companies: on average, the market is expected to grow by 12.7% between 2020 and 2027. A study by Grand View Research suggests that especially digital mining innovations such as robots and automation, smart sensors and 3D printing, as well as additional investment, will boost demand. Moreover, the fact that the OECD continues to forecast that global demand for raw materials will double by 2060 forms a further ground for confidence. For example, the VDMA expects higher demand especially from companies focusing on the extraction of raw materials utilized in alternative forms of energy generation. Lithium for batteries and accumulators as well as copper for use in electrical conduction and in heat exchangers, for example, are among the raw materials in demand. The mining supply industry is also forecast 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 70 billion in 2020 to USD 90 billion in 2027, representing a CAGR of 5% (2021-2027).

According to SMT Scharf's assessment, positive growth prospects also exist in the tunnel segment. The global tunnelling market will continue to play an essentially important role thanks to growing global demand for infrastructure. The International Tunneling and Underground Space Association (ITA) expects global tunnelling output to total around EUR 1,385 billion between 2019 and 2030.

SMT Scharf bases its business model on several pillars through its diversification by product, region, customer group and regional market. This approach serves to mitigate the impact of the coal mining business cycle on SMT Scharf's business growth and development.

Financial position and performance

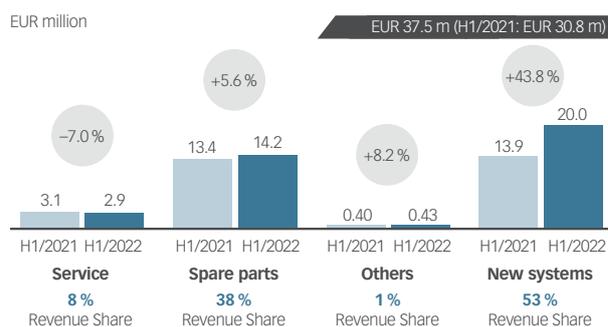
The SMT Scharf Group recorded positive overall business growth in the first six months of the current 2022 fiscal year. Consolidated revenue advanced by 21.8% to EUR 37.5 million in the first half of 2022 (H1/2021: EUR 30.8 million). Revenue in the new equipment business showed a clear improvement of 43.8% over the prior-year figure. In its spare parts and service business, SMT Scharf recorded slight year-on-year revenue growth of 3.6%.

The Rail Systems product area also performed well with revenue growth of 22.9% to EUR 32.8 million in the first half of 2022 (H1/2021: EUR 26.7 million). At the same time, this lifted the share of total revenue in the first half to 87.7% (H1/2021: 86.7%). The Chairlift segment generated revenue of EUR 2.3 million in the first six months of the 2022 fiscal year (H1/2021: EUR 1.7 million). As a consequence, the share of total revenue was up slightly from 5.5% in the prior-year period to 6.2% in the reporting period. Revenue in the rubber-tired vehicles product area amounted to EUR 1.3 million, or 3.4%, in the first half of 2022 (H1/2021: EUR 1.7 million, or 5.5%).

In addition, SMT Scharf significantly boosted its revenue from new equipment to EUR 20.0 million in the first half of 2022

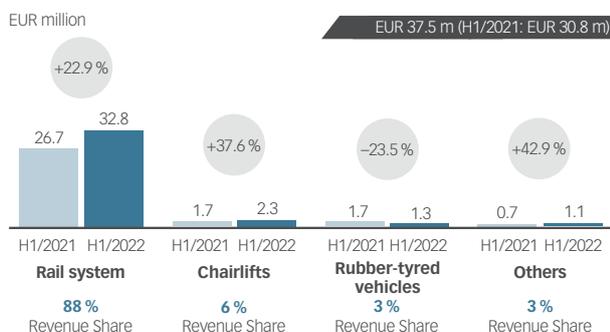
(H1/2021 EUR 13.9 million). The share of total revenue thereby rose to 53.3% compared to 45.1% in the prior-year period. In its spare parts and service business, SMT Scharf lifted its revenue to EUR 17.1 million in the first half of the year, compared with EUR 16.5 million in the same period of the previous year. Accordingly, the share of total revenue decreased slightly to 46.5% (H1/2021: 53.6%).

Revenue by type of business

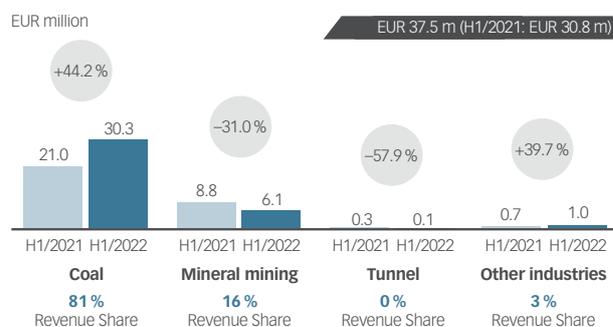


In terms of segments, SMT Scharf's Coal segment recorded an increase in revenue to EUR 30.3 million (H1/2021: EUR 21.0 million). This corresponds to an 80.8% share of consolidated revenue (H1/2021: 68.2%). In the Mineral Mining segment, revenue decreased to EUR 6.1 million, or 16.2%, in the first half of the year (H1/2021: EUR 8.8 million, or 28.6%). At EUR 0.1 million, revenue in the Tunnel Logistics segment was down slightly on the previous year (H1/2021: EUR 0.3 million). Accordingly, the segment accounted for a 0.4% share of total revenue in the reporting period, compared with 1.0% in the first half of 2021. In the "Other Industries" segment, by contrast, the SMT Scharf Group increased its revenue to EUR 1.0 million, or 2.6%, in the first half of 2022 (H1/2021: EUR 0.7 million, or 2.3%).

Revenue share by product



Revenue share by segment

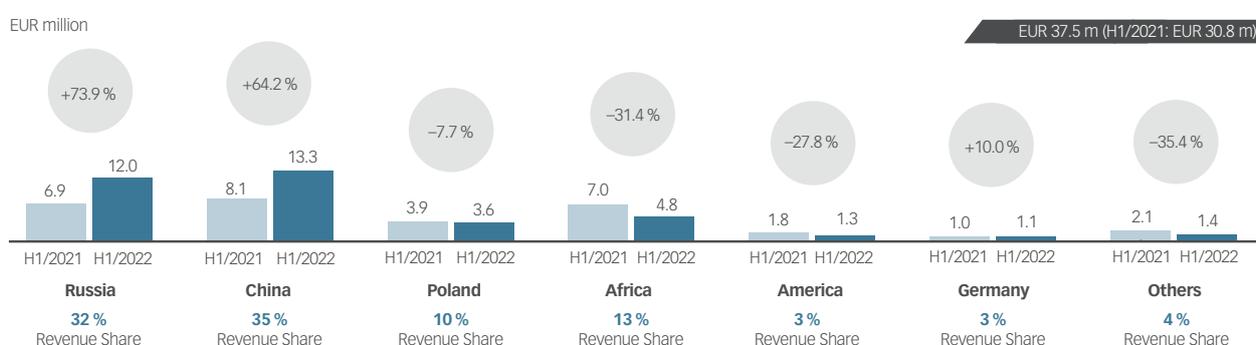


In the important foreign market of China, SMT Scharf succeeded in significantly increasing its revenue by 64.2% to EUR 13.3 million in the period under review (H1/2021: EUR 8.1 million). This is due to continued high demand for the China III machines, for which SMT Scharf was the first European supplier to receive approval in 2021. With the completely revised DZK3500 generation of machines, SMT Scharf meets or exceeds the new China III emissions directive, which has been mandatory for mining companies in China since the beginning of 2021.

Revenue in Russia also grew significantly by 73.9% to EUR 12.0 million, with a corresponding share of 32.0%, in the reporting period (H1/2021: EUR 6.9 million, or 22.4%). Given the Russia-Ukraine conflict, high demand was recorded from Russian mining companies looking to secure the mining equipment they require for their operations at an early stage.

In the Poland region, revenue generated in the reporting period decreased slightly from EUR 3.9 million to EUR 3.6 million, while revenue in Africa reduced to EUR 4.8 million (H1/2021: EUR 7.0 million).

Revenue by region



At EUR 9.6 million, changes in inventories were slightly higher than in the previous year (H1/2021: EUR 8.6 million), while total operating revenue (defined as the sum of revenue and changes in inventories) increased by a significant 19.4% to EUR 47.1 million (H1/2021: EUR 39.4 million) given the higher level of revenue and the change in inventories.

Other operating income rose considerably to EUR 8.5 million in the first half of 2022, 170.0% above the corresponding figure for the previous year (H1/2021: EUR 3.1 million). The increase mainly reflects own work capitalized in the amount of EUR 104 thousand, as well as foreign exchange gains of EUR 3.6 million. Other operating expenses include currency losses of EUR 3.9 million. Overall, other operating expenses of EUR 7.9 million were significantly higher than the previous year's level of EUR 3.8 million.

The cost of materials of EUR 29.7 million rose by 18.2% year-on-year (H1/2021: EUR 25.1 million). This primarily reflects the significant growth in revenue in the Rail Systems and Chairlifts areas, with which SMT Scharf recorded a year-on-year increase in revenue of 23.0% and 37.6% respectively. Accordingly, the cost of materials ratio (in relation to total operating revenue) amounted to 63.0% (H1/2021: 63.7%).

Personnel expenses amounted to EUR 9.9 million in the first half of 2022, up 7.6% year-on-year (H1/2021: EUR 9.2 million). Given an increase in both total operating revenue and personnel expenses in the reporting period, the personnel expense ratio decreased slightly to 21.1% (H1/2021: 23.3%).

Depreciation, amortization and impairment losses relating to non-current assets amounted to EUR 1.1 million, down 16.0% year-on-year (H1/2021: EUR 1.3 million). This is mainly due to the amortization of development costs capitalized in the 2021 financial statements.

The profit from operating activities (EBIT) increased to EUR 7.0 million in the first six months of the current fiscal year (H1/2021: EUR 3.1 million) in line with the strong revenue growth. This represents significant growth of 125.8% compared with the same period of the previous year. At segment level, EBIT in the Coal segment increased to EUR 6.7 million in the first half of 2022 (H1/2021: EUR 2.1 million). In the Mineral Mining segment, EBIT decreased to EUR 245 thousand compared with EUR 1.2 million in the same period of the previous year. The smaller segments Tunnel Logistics and Other Industries also recorded a positive earnings contribution of EUR 50 thousand and EUR 49 thousand, respectively.

The Group's financial result was positive at EUR 1,914 thousand (H1/2021: EUR 76 thousand). Investment income from the existing joint ventures in China represented a positive factor in this context.

The profit from operating activities incurred income taxes of EUR -0.2 million in the first half of the year (H1/2021: EUR 0.4 million). Overall, consolidated net income for the first half of 2022 amounts to EUR 9.2 million (H1/2021: EUR 3.6 million). Based on the average number of shares outstanding of 5,471,979, undiluted (basic) earnings per share amounted to EUR 1.67 in the reporting period (H1/2021: EUR 0.65).

SMT Scharf's order book position stood at a total of EUR 36.6 million as of June 30, 2022 (June 30, 2021: EUR 45.1 million) and thereby remains at a high level. Given the delay in the approval of the China III machines by the Chinese regulator, the order book position had reached an exceptionally high level at the end of the previous year. New order intake during the first six months of 2022 amounted to EUR 47.1 million, above the previous year's level of EUR 39.3 million.

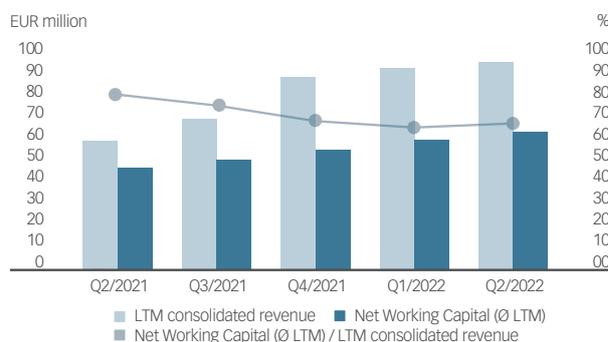
Total assets increased slightly by 2.7% to EUR 126.8 million as of June 30, 2022, compared to the end of the 2021 fiscal year (December 31, 2021: EUR 121.3 million). As part of improved receivables management, the trade receivables portfolio was reduced significantly by EUR 11.2 million to EUR 30.7 million as of the reporting date and its term structure was also shortened further (December 31, 2021: EUR 41.9 million). At EUR 89.4 million, current assets as of June 30, 2022 were marginally above the level at the end of the 2021 fiscal year (December 31, 2021: EUR 89.1 million). Non-current assets rose to EUR 35.3 million as of June 30, 2022, representing an increase of 9.8% compared with the 2021 year-end (December 31, 2021: EUR 32.2 million).

On the liabilities side of the balance sheet, non-current provisions and liabilities increased slightly to EUR 11.8 million (December 31, 2021: EUR 11.5 million), while current provisions and liabilities, by contrast, decreased significantly from EUR 38.1 million as of December 31, 2021 to EUR 27.1 million as of June 30, 2022. The latter is essentially due to the reversal of a provision for penalties and lower utilization of short-term bank loans.

SMT Scharf continued to command a solid equity base in the period under review. At EUR 87.9 million, SMT Scharf's equity as of June 30, 2022 was 22.6% above the level as of December 31, 2021 (EUR 71.7 million). The equity ratio increased to 69.3% as of June 30, 2022 (December 31, 2021: 56.9%) and consequently remains at a high level.

Net working capital amounted to EUR 63.4 million at June 30, 2022, an increase of 9.2% compared to the 2021 year-end (December 31, 2021: EUR 58.6 million). The average net working capital of the past twelve months (LTM, calculated from quarterly figures) stood at EUR 61.2 million as of June 30, 2022. Rolling consolidated revenue over the past twelve months amounted to EUR 92.5 million as of the balance sheet date. This reflects a lower net working capital intensity of 66.2% compared with the prior-year reporting date. SMT Scharf aims to reduce net working capital intensity to < 50% in the medium term.

Net working capital



(LTM: last twelve months, rolling 12-months basis).

Comparison of the actual financial position and performance with the forecast:

Given the great uncertainty and volatility in the market environment against the background of the Russia-Ukraine conflict and rising inflation, to date the Managing Board of SMT Scharf AG has refrained from issuing quantitative guidance for the current 2022 fiscal year. As a consequence, it is not possible to compare the actual financial position and performance in the first half of 2022 with such guidance.

Overall statement on the company's business position

The SMT Scharf Group recorded significant revenue and earnings growth in the first six months of the 2022 fiscal year despite the major uncertainties in the market environment. Both the new equipment business and the highly profitable after-sales business recorded growth in the reporting period. SMT Scharf regards itself as well positioned in its niche in the mining markets worldwide, and is focusing on consistently implementing its growth strategy. In principle, the company can build on a solid asset and financing situation. At 69.3%, the equity ratio remains at a high level with moderate financial debt. The order book position of EUR 36.6 million as of June 30, 2022 creates a good starting position for the second half of the year. However, business activities in the foreign market of Russia, where SMT Scharf recorded significant revenue growth in the first half of the year, are under particular observation. Given the Russia-Ukraine conflict, SMT Scharf's medium-term prospects in this market are uncertain.

Report on opportunities and risks

The opportunities and risks associated with the future development of the SMT Scharf Group are discussed in detail in the Group management report for the 2021 fiscal year (see pages 51–57).

Outlook

According to the International Monetary Fund (IMF), global economic growth will slow significantly in 2022. In its July 2022 economic forecast, the IMF expects global growth of only 3.2%. The IMF cites high inflation worldwide and the impact of the Russia-Ukraine conflict, which is affecting global commodity markets, trade and financial channels across the board. Accordingly, the medium-term forecast will be significantly impacted by the outcome of the Russia-Ukraine conflict and the associated possibility of further sanctions against Russia.

In July 2022, the International Monetary Fund (IMF) forecast the following GDP growth rates in SMT Scharf's following target markets:

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

(in %)	2022	2021
World	3.2	6.1
China	3.3	8.1
Poland	3.7	5.7
Russia	-6.0	4.7
South Africa	2.3	4.9

* Source: IMF World Economic Outlook, Update July, 2022.

The IMF expects continued growth in the regions of China, Poland and South Africa in 2022. A sharp decrease is forecast for Russia due to sanctions and decisions by European countries to reduce their energy imports.

SMT Scharf will continue to monitor developments relating to coronavirus very closely, and, if necessary, initiate corresponding measures to protect its employees and customers. Overall, the restrictions on business activities in SMT Scharf's target markets worldwide deriving from the pandemic have reduced, although travel restrictions are still be expected in view of the COVID-19 pandemic in China.

Meanwhile, the SMT Scharf Group continues to face tight supply chains. Shortages of raw materials, such as for electronic components, are leading to longer procurement times and significantly higher prices for materials and freight. SMT Scharf is successfully focusing on managing such shortages in the best possible manner as part of its forward-looking procurement management.

Given the continued overall high level of uncertainty and volatility in the market environment against the background of the Russia-Ukraine conflict and rising inflation, the Managing Board of SMT Scharf AG is continuing to refrain from issuing quantitative guidance for the current 2022 fiscal year. Nevertheless, SMT Scharf believes that it is fundamentally well positioned to take advantage of the growth opportunities in mining markets worldwide. Even though the effects of the global economic crisis are also being felt in mining equipment markets, we nevertheless identify positive trends in these markets. Especially in China, signs are emerging that the mining market could recover further.

Hamm, August 11, 2022

SMT Scharf AG

The Managing Board

IFRS HALF-YEAR FINANCIAL STATEMENTS (UNAUDITED)

EUR thousand	30/06/2022	30/06/2021	31/12/2021
Assets			
Intangible assets	7,513	5,421	6,982
Property, plant and equipment	8,299	8,872	7,559
Loans	707	637	694
Equity accounted investments	16,191	9,361	13,418
Other investments	7	7	7
Deferred tax assets	4,641	3,651	3,367
Non-current lease receivables	76	-	116
Other non-current non-financial assets	7	9	5
Non-current assets	37,441	27,958	32,150
Inventories	42,136	41,509	32,943
Trade receivables	30,693	15,626	41,897
Contract assets	380	4,426	382
Current lease receivables	78	263	163
Other current non-financial assets	6,613	4,977	4,193
Other current non-financial assets in connection with employee benefit entitlements	556	46	47
Cash and cash equivalents	8,898	12,008	9,512
Current assets	89,354	78,855	89,138
Total assets	126,795	106,813	121,288

EUR thousand	30/06/2022	30/06/2021	31/12/2021
Equity and liabilities			
Subscribed share capital	5,472	5,472	5,472
Capital reserve	24,095	23,960	24,028
Revenue reserves	54,418	36,205	45,259
Other reserves	2,451	-6,246	-4,507
Non-controlling interests	1,484	1,439	1,449
Equity	87,920	60,830	71,700
Provisions for pensions	3,058	3,390	3,067
Other non-current provisions	234	198	235
Deferred tax liabilities	1,527	510	902
Contract liabilities	268	-	259
Leasing liabilities	2,171	2,413	2,203
Non-current financial liabilities	1,601	2,463	1,844
Other non-current financial liabilities	2,920	2,517	2,993
Non-current provisions and liabilities	11,779	11,491	11,503
Current income tax	457	233	1,174
Other current provisions	6,807	5,511	10,572
Contract liabilities	1,938	2,327	1,619
Trade payables	5,307	5,982	5,013
Leasing liabilities	488	615	593
Current financial liabilities (cash and cash equivalents)	8,884	16,051	15,433
Current financial liabilities (not cash and cash equivalents)	1,747	1,690	1,718
Other current non-financial liabilities	1,468	2,083	1,963
Current provisions and liabilities	27,096	34,492	38,085
Total equity and liabilities	126,795	106,813	121,288

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q2/2022	Q2/2021	H1/2022	H1/2021
Revenue	22,725	20,012	37,455	30,818
Changes in inventories	5,223	1,614	9,641	8,625
Total operating revenue (100 %)	27,948	21,626	47,096	39,443
Other operating income	1,758	1,458	8,517	3,137
Cost of materials	17,687	14,337	29,669	25,105
Personnel expenses	5,231	4,794	9,940	9,175
Depreciation, amortization and impairment losses	549	675	1,110	1,322
Other operating expenses	4,681	2,111	7,859	3,826
Profit from operating activities (EBIT)	1,558	1,163	7,035	3,148
Result from equity accounted investments	1,962	446	2,291	430
Interest income	91	66	197	91
Interest expenses	347	227	574	445
Financial result	1,706	285	1,914	76
Profit before tax	3,264	1,448	8,949	3,224
Income taxes	-102	436	-206	-385
Consolidated net profit/loss	3,371	1,884	9,155	3,609
of which attributable to shareholders of SMT Scharf AG	3,308	1,847	9,160	3,641
of which attributable to non-controlling interests	58	37	-5	-32
Other comprehensive income items recycled later to profit or loss:				
Currency differences from translation of foreign financial statements	6,635	4,267	6,515	386
Share of other comprehensive income attributable to equity accounted investments	189	629	483	388
Other comprehensive income items not recycled later to profit or loss:				
Actuarial gains/losses	-	-	-	-
Deferred taxes	-	-	-	-
Other comprehensive income	6,824	4,896	6,998	774
of which attributable to shareholders of SMT Scharf AG	1,027	4,680	6,958	730
of which attributable to non-controlling interests	8	216	40	44
Total comprehensive income	10,190	6,780	16,153	4,383
of which attributable to shareholders of SMT Scharf AG	10,187	6,527	16,118	4,372
of which attributable to non-controlling interests	3	253	35	11
Earnings per share (in EUR)				
Undiluted (basic)	0.61	0.29	1.67	0.65
Diluted	0.61	0.29	1.66	0.65
Average number of shares, undiluted	5,471,979	5,471,979	5,471,979	5,471,979
Average number of shares, diluted	5,510,475	5,510,475	5,510,475	5,510,475

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	H1/2022	H1/2021
Consolidated net profit/loss	9,155	3,609
-/+ Income/expense from equity accounted investments	-2,291	-430
+ Depreciation and amortisation of non-current assets	1,110	1,322
-/+ Gain/loss on disposal of non-current assets	-128	48
+/- Increase/decrease in provisions	-4,169	2,283
-/+ Increase/decrease in inventories, trade receivables and other assets not allocable to investing or financing activities	4,164	-13,384
+/- Increase/decrease in trade payables and other liabilities not allocable to investing or financing activities	-906	1,228
+/- Other non-cash expenses/income	67	67
+/- Income taxes	-205	-385
+/- Financial expenses	377	354
-/+ Income taxes paid	-888	-386
Cash flow from operating activities	6,286	-5,674
+ Cash inflow from disposal of property, plant and equipment	6	0
- Capital expenditure on property, plant and equipment	-661	-697
- Capital expenditure on intangible assets	-640	-1,000
+ Interest received	198	88
Cash flow from investing activities	-1,097	-1,609
- Cash outflow for the repayment of leasing liabilities	-320	-200
+ Cash inflow from sale-and-leaseback agreements	431	776
- Cash outflow for the repayment of loans	-364	-739
- Interest paid	-435	-281
Cash flow from financing activities	-688	7,483
Net change in cash and cash equivalents	4,501	200
Changes in cash and cash equivalents due to effects from exchange rates and the consolidation Group	1,434	-115
Cash and cash equivalents at start of period	-5,922	-4,128
Cash and cash equivalents at end of period	13	-4,043

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1 TO JUNE 30, 2022

In EUR	Subscribed share capital	Capital reserve	Revenue reserves	
			Actuarial gains and losses	Other revenue reserves
Balance on January 1, 2022	5,472	24,028	-196	45,455
Consolidated net profit/loss	-	-	-	9,160
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	-	-	-	9,160
Increase in equity due to shares to be issued	-	67	-	-
Balance on June 30, 2022	5,472	24,095	-196	54,615

Other reserves			
Currency translation difference	Equity attributable to SMT Scharf AG shareholders	Non-controlling interests	Total Equity
-4,507	70,251	1,449	71,700
-	9,160	-5	9,155
6,475	6,475	40	6,515
483	483	-	483
-	-	-	-
-	-	-	-
6,958	16,118	35	16,153
-	67	-	67
2,451	86,436	1,484	87,920

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1 TO JUNE 30, 2021

In EUR	Subscribed share capital	Capital reserve	Revenue reserves	
			Actuarial gains and losses	Other revenue reserves
Balance on January 1, 2021	4,571	24,028	-335	32,899
Cash capital increase from authorized capital	901	24,028	-	-
Consolidated net profit/loss	-	-	-	3,641
Currency difference from translating results from foreign annual financial statements	-	-	-	-
Share of other comprehensive income attributable to equity accounted investments	-	-	-	-
Comprehensive income	-	-	-	3,641
Dividends paid by subsidiaries	-	-	-	-
Increase in equity due to shares to be issued	-	67	-	-
Balance on June 30, 2021	5,472	23,960	-335	36,540

Other reserves				
Currency translation difference	Equity attributable to SMT Scharf AG shareholders	Non-controlling interests		Total Equity
-6,976	47,026	1,427		48,453
-	7,927	-		7,927
-	3,641	-32		3,609
342	342	44		386
388	388	-		388
730	4,371	12		4,383
-	-	-		-
-	67	-		67
-6,246	59,391	1,439		60,830

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 are available for trading on the Munich Stock Exchange in the Open 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 that transports people, equipment and materials. 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

Pursuant to Section 37w (2) of the German Securities Trading Act (WpHG), this half-year financial report as of June 30, 2022 for the SMT Scharf Group comprises condensed interim consolidated financial statements and an interim Group management report. The condensed interim consolidated financial statements were prepared according to the regulations of International Financial Reporting Standards (IFRS), as applicable in the EU, for interim reporting (IAS 34). The accounting and valuation policies and the calculation methods applied are the same as those used in the IFRS consolidated financial statements as at December 31, 2021. 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 financial position and performance of the SMT Scharf Group for the period under review. These condensed interim consolidated financial statements do not include all disclosures that IFRS requires for consolidated financial statements, and consequently should be read in combination with the consolidated financial report for the fiscal year ending December 31, 2021, which provides a basis for these interim financial statements. Moreover, as regards significant modifications and business transactions up until June 30, 2022, 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 2021 annual report for detailed information about standards to be applied in the future.

Currency translation

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

1 Euro =	Closing rate		Average rate	
	30/06/2022	30/06/2021	2022	2021
Polish Zloty	4.6904	4.5201	4.6329	4.5005
South African Rand	17.0143	17.0114	16.8496	16.7540
Chinese Renminbi Yuan	6.9624	7.6742	7.08273	7.7391
Russian Rouble	56.1654	86.7725	77.2497	87.4561
Canadian Dollar	1.3425	1.4722	1.3905	1.4713

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 Minnig 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 %

* Indirectly through SMT Scharf GmbH.

** Of which 1.25 % indirectly through SMT Scharf GmbH.

*** Indirectly through OOO SMT Scharf.

**** Consolidated as a 51 % interest in accordance with the equity method.

***** 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:

	Q2/2022	Q2/2021	H1/2022	H1/2021
New equipment	13,413	10,124	19,984	13,902
Spare parts/service/other	9,312	9,888	17,471	16,916
Total	22,725	20,012	37,455	30,818
Germany	614	556	1,144	952
Other countries	22,111	19,456	36,311	29,866
Total	22,725	20,012	37,455	30,818

(2) Income taxes

Income taxes are composed of the following items:

EUR thousand	Q2/2022	Q2/2021	H1/2022	H1/2021
Current tax expense	-90	256	328	450
Deferred taxes	-11	-692	-533	-835
Total	-101	-436	-205	-385

(3) Segment report

In line with IFRS 8, the identification of reportable operating segments is based on the “management approach”. According to this, the external segment reporting is performed 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 AG is responsible for the assessment and control of the performance of the segments, 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 30.06.2022

EUR thousand	Coal mining		Mineral mining		Tunnel		Other industries		Not allocated		SMT Scharf Group	
	H1/2022	H1/2021	H1/2022	H1/2021	H1/2022	H1/2021	H1/2022	H1/2021	H1/2022	H1/2021	H1/2022	H1/2021
Revenue	30,275	21,017	6,076	8,776	126	312	978	713	-	-	37,455	30,818
of which new equipment	16,076	7,602	2,946	5,518	78	182	884	601	-	-	19,984	13,903
of which spare parts	11,090	10,280	2,950	2,986	20	120	94	-	-	-	14,154	13,386
of which service	2,703	2,748	180	272	28	10	-	112	-	-	2,911	3,142
of which others	406	387	-	-	-	0	-	-	-	-	406	387
Operating result (EBIT)	6,691	2,068	245	1,167	50	54	49	-140	-	-	7,035	3,148
Earnings from equity accounted companies	2,291	430	-	-	-	-	-	-	-	-	2,291	430
Segment assets	109,798	87,156	10,179	13,577	390	807	1,787	1,621	4,641	3,652	126,795	106,813
Segment liabilities	32,438	34,916	3,806	9,238	126	340	978	978	1,527	511	38,875	45,983
Segment investments	633	694	47	80	-	-	15	56	-	-	695	830
of which IFRS 16	13	114	-	-	-	-	-	19	-	-	13	133
Interests in equity accounted companies	16,191	9,361	-	-	-	-	-	-	-	-	16,191	9,361
Scheduled amortisation	876	1,079	165	195	2	4	67	44	-	-	1,110	1,322
Unscheduled amortisation	-	-	-	-	-	-	-	-	-	-	-	-
FTE	332	348	54	56	5	5	19	18	-	-	410	427

Notes to the balance sheet

(4) Current assets

Securities as of June 30, 2022 include a hardship and social fund amounting to EUR 310 thousand (June 30, 2021: EUR 315 thousand). This fund is managed in trust by a commission consisting of the management of SMT Scharf GmbH as well as this company's works council.

(5) Non-current assets

The SMT Scharf Group leases internally developed machines and heavy load units as a lessor in the context of finance leases. The carrying amount of lease receivables as of June 30, 2022 is EUR 154 thousand (December 31, 2021: EUR 163 thousand), none of which are non-current (December 31, 2021: EUR 0 thousand).

As of the balance sheet 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 June 30, 2022, non-current assets include rights of use under leases in which the Group is the lessee. Their carrying amount as of June 30, 2022 is EUR 2,577 thousand (December 31, 2021: EUR 2,731 thousand)

In the first six months of 2022, development expenses that meet IAS 38 recognition criteria for projects amounting to EUR 104 thousand were capitalized (H1/2021: 154 thousand).

(6) Equity

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

On June 30, 2022, 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 2022, as in the prior-year period.

As already in comparable 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

(7) Contingent liabilities and other financial commitments

As of the balance sheet date, contingent liabilities existed from advance payment and warranty guarantees with a total value of EUR 89 thousand (December 31, 2021: EUR 89 thousand), as well as a registered land charge on the German operating land.

(8) Leases

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

As of June 30, 2022, the leasing liabilities were composed as follows:

EUR thousand	Future lease payments	Interest portion	Present value of future leasing instalments
Due within one year	635	16	619
Due in one to five years	1,924	279	1,645
Due after more than five years	1,215	494	721
Total	3,774	789	2,985

As of December 31, 2021, the leasing liabilities were composed as follows:

EUR thousand	Future lease payments	Interest portion	Present value of future leasing instalments
Due within one year	616	14	602
Due in one to five years	1,667	252	1,415
Due after more than five years	1,269	519	750
Total	3,552	785	2,767

In 2022, the rental and lease agreements resulted in payments totalling EUR 434 thousand in the first half of the year (H1/2021: EUR 530 thousand). Some of these payments do not represent interest or principal payments, but were expensed instead.

Interest expenses of EUR 82 thousand in connection with the lease liabilities were recognized in the income statement in the first half of 2022 (H1/2021: EUR 90 thousand).

The Group is also a lessor as part of finance and operating leases. In both cases, the assets concerned are mainly drive units.

Receivables from finance leases of EUR 154 thousand existed as of the reporting date (December 31, 2021: EUR 212 thousand). They are disclosed under lease receivables and measured at amortized cost. These led to interest income of EUR 4 thousand in the first half of 2022 (H1/2021: EUR 9 thousand). As in the previous year, no capital gains arose. The decrease in leases reflects the scheduled expiry of leasing agreements.

Their fair value on the balance sheet date amounted to EUR 154 thousand (December 31, 2021: EUR 212 thousand).

The following information is provided on receivables from finance leases:

Sum total of future minimum leasing payments (gross investment)

EUR thousand	30/06/2022	31/12/2021
Due within one year	80	98
Due in one to two years	79	124
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	159	222

Present value of outstanding minimum lease payments

EUR thousand	30/06/2022	31/12/2021
Due within one year	78	96
Due in one to two years	76	116
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	154	212
Unrealized financial income included in the outstanding minimum lease payments	5	10

The total nominal amount of the future minimum lease payments under operating leases where the Group is the lessor is composed as follows by term:

EUR thousand	30/06/2022	31/12/2021
Due within one year	68	104
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	68	104

In the first half of 2022, leasing income from rental leases amounting to EUR 131 thousand was realized (H1/2021: EUR 250 thousand).

(9) 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. In 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.

(10) Supervisory and Managing boards

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

Univ.-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. Dipl.-Ing. Dirk Vorsteher, Werne (Deputy Chairman)	Management consultant	(no positions held at other companies)
Dipl. Volkswirtin Dorothea Gattineau, Wuppertal	Business executive	(no positions held at other companies)

On June 30, 2022, Professor Dr. Velthuis held 7,170, Dr. Vorsteher 1,912, Ms. Gattineau 2,103, Mr. Theiss 29,422 and Mr. Embert 16,731 shares in the company.

(11) Related party disclosures

Besides the Managing and Supervisory boards of SMT Scharf AG, related parties pursuant to IAS 24 include personnel at companies that SMT Scharf AG controls or significantly influences. Business transactions between the parent company and its subsidiaries that 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. Along with these business relationships, no transactions occurred in the first half of the year.

(12) Events after the balance sheet date

No other events with a material impact on the net assets, results of operations or financial position have occurred since the end of the first six months of 2022.

RESPONSIBILITY STATEMENT

We assure that, to the best of our knowledge, and in accordance with the applicable reporting principles, the half-year financial reporting on the consolidated half-year financial statements gives 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 Group's anticipated growth and development in the remainder of the fiscal year.

Hamm, August 11, 2022

The Managing Board

Hans Joachim Theiss

Wolfgang Embert

IMPRINT

Publisher

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