



3-MONTH REPORT 2023

More than Monorails

Premium quality transport solutions for
people, material and equipment

SUMMARY OF KEY DATA

In EUR		2021	2022	Q1/2022	Q1/2023
Revenue	EUR thousand	85,870	93,714	14,730	12,799
Total operating revenue	EUR thousand	85,137	95,859	19,148	20,616
EBIT	EUR thousand	11,240	14,321	5,477	-1,130
EBIT margin on total operating revenue	%	13.1	14.9	28.6	-5.5
Consolidated net profit/loss	EUR thousand	12,582	14,803	5,789	-185
Equity	EUR thousand	71,700	86,984	77,696	84,886
Equity ratio	%	59	66	62	67
FTEs (full-time employees)	on the reporting date	422	421	412	422

FINANCIAL CALENDAR

May 23, 2023	Annual General Meeting
August 14, 2023	2023 6M report
November 14, 2023	2023 9M report
December 31, 2023	Fiscal year-end

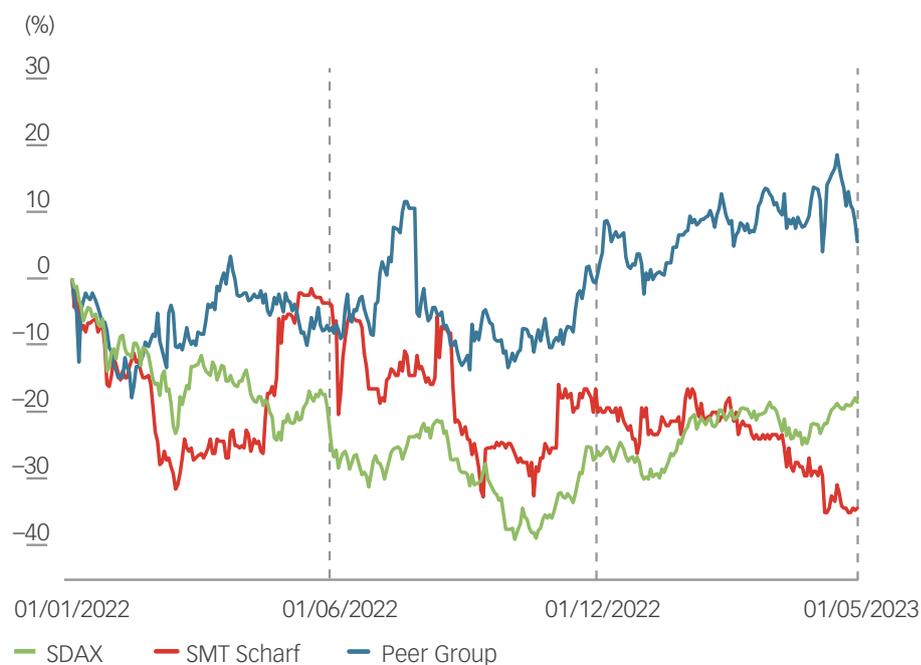
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SHARE INFORMATION

Share price chart



Key share data Q1 2023

Ticker/ISIN	S4A / DE000A3DRAE2
Number of shares including 49,477 treasury shares	5,521,456
Closing price (March 31, 2023)*	EUR 10.50
High/low* in Q1/2023	EUR 12.30 / EUR 10.40
Share price performance (LTM on March 31, 2023)	-5.8 %
SDAX performance (LTM on March 31, 2023)	-8.7 %
Peer group portfolio performance (LTM on March 31, 2023)	+17.5 %
Market capitalisation excluding treasury shares (LTM on March 31, 2023)	EUR 57.5 million

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

LETTER TO THE SHAREHOLDERS

Dear shareholders,

The SMT Scharf Group continued to be confronted with difficult market conditions in the first quarter of 2023. These include ongoing uncertainty within the market environment, the deterioration in business sentiment that became apparent at the beginning of the year in important core markets for underground mining, as well as higher costs in many areas. SMT Scharf will counter these challenges with targeted measures. Nevertheless, we expect these factors to have a tangible impact on our revenue and earnings trends during the current financial year.

In the first three months of the 2023 fiscal year, the SMT Scharf Group generated consolidated revenue of EUR 12.8 million. The growing Spare Parts business, in particular, made a major contribution to this revenue result, while the New Equipment business decreased due to subdued investment activity at the start of the year. It was encouraging that in the Polish sales market SMT Scharf more than doubled its revenue year-on-year to EUR 3.3 million, thereby making Poland the strongest sales market in terms of revenue in the first quarter of 2023.

On the earnings side, cost increases, particularly for materials, had an impact in the first quarter of 2023, which led the operating result (EBIT) to be negative at EUR –1.1 million. We will continue to undertake targeted activities, for example as part of efficient and forwardlooking management of our supply chains, in order to counteract this trend.

Overall, we believe that SMT Scharf is well positioned as a specialist in the niche to be able to benefit sustainably from the megatrends in mining. To this end, we are continuing our research and development initiatives on a systematic basis. The focus here is on the development of loweremission machines with firedampprotected engines and the electrification of commercial vehicles on the basis of a modular battery management system in order to expand our range of services in the electricpowered vehicles area. This will help us ensure that we are able to address even better the attractive long-term growth opportunities on offer in our business areas.

We would like to take this opportunity to thank you, our investors, business partners and customers, for the confidence you



Hans Joachim Theiss



Wolfgang Embert

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)

Business trends

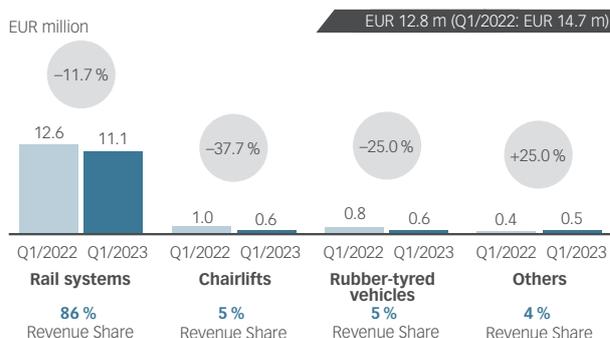
In the first three months of the 2023 fiscal year, the SMT Scharf Group generated consolidated revenue of EUR 12.8 million. This corresponds to a year-on-year decrease of 12.9 % (Q1/2022: EUR 14.7 million). At the start of the year, activity in the mining markets that are relevant for SMT Scharf was restrained overall. In the first quarter, the growing Spare Parts business made a significant contribution to revenue, while the New Equipment business was down.

The result from operating activities (EBIT) for the first quarter of 2023 amounted to EUR 1.1 million (Q1/2022: EUR 5.5 million). The reason for the lower EBIT was, firstly, the release of a provision of EUR 4.2 million, which had provided a positive non-recurring effect in the prior-year period. Secondly, the decrease in revenue and cost increases in many areas, particularly for materials, impacted the operating result in the first quarter of 2023.

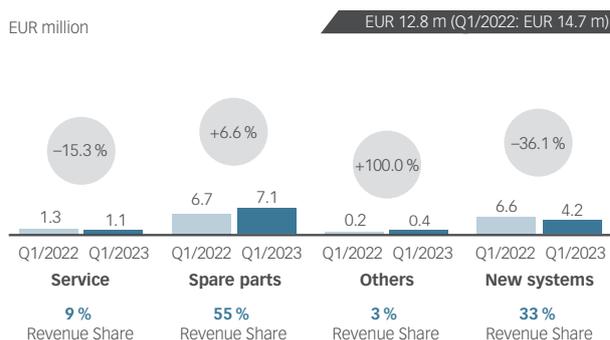
In the New Equipment business, SMT Scharf generated revenue of EUR 4.2 million in the first three months of 2023 (Q1/2022: EUR 6.6 million). Revenue in the Service and Spare Parts businesses increased slightly to EUR 8.2 million (Q1/2022: EUR 8.0 million). In the Other segment, revenue rose to EUR 0.4 million compared to EUR 0.2 million in the same period of the previous year.

As far as international core markets are concerned, in the Polish sales market SMT Scharf more than doubled its revenue year-on-year in the first three months of 2023 to a level of EUR 3.3 million (Q1/2022: EUR 1.5 million). As a consequence, Poland proved to be the strongest market in terms of revenue in the first quarter of 2023, accounting for around 26 % of total revenue. In addition, China with EUR 3.1 million (Q1/2022: EUR 4.0 million) and Russia with EUR 2.9 million (Q1/2022: EUR 5.5 million) posted reductions in revenue. At EUR 1.7 million, revenue in Africa in the first quarter of 2023 was slightly weaker than in the same period of the previous year (Q1/2022: EUR 1.9 million). The company generated revenue of EUR 0.6 million in America (Q1/2022: EUR 0.8 million). In Germany, SMT Scharf recorded a slight increase in revenue to EUR 0.6 million, compared with EUR 0.5 million in the same period of the previous year.

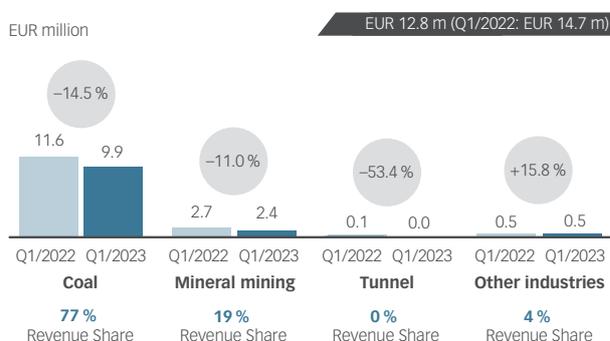
Revenue share by product



Revenue by type of business



Revenue share by segment



In terms of segments, the largest revenue share continued to be attributable to the Coal segment, accounting for 77 % of total revenue (Q1/2021: 78 %), while the 19 % proportion from the Mineral Mining segment was at the previous year’s level (Q1/2022: 18 %). In addition, the “Other Industries” segment increased its share of consolidated revenue to 4 % (Q1/2022: 3 %). Furthermore, the share of revenue in the Tunnel segment decreased to 0 % (Q1/2022: 1 %). Given the continued difficult market conditions, SMT Scharf believes that with its product portfolio it is fundamentally well positioned to drive business forward in its individual business segments. Depending on

customer requirements, these include both diesel and electricpowered transport solutions for deployment in underground mining.

New order intake in the first quarter of 2023 amounted to EUR 16.8 million, down compared with the prior-year period (Q1/2022: EUR 21.7 million). The order book position amounted to EUR 26.9 million as of March 31, 2023, representing a decrease of EUR 6.9 million compared to the prior-year reporting date (Q1/2022: EUR 33.8 million).

Revenue by region

EUR million

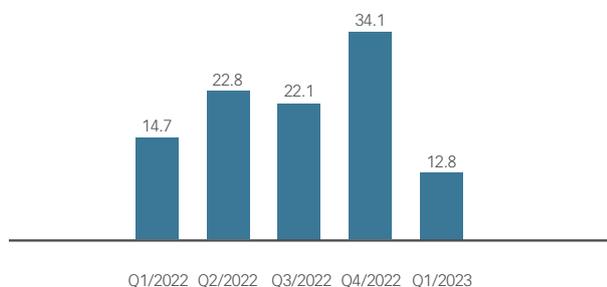
EUR 12.8 m (Q1/2022: EUR 14.7 m)



Economic and business report

Consolidated revenue

EUR million

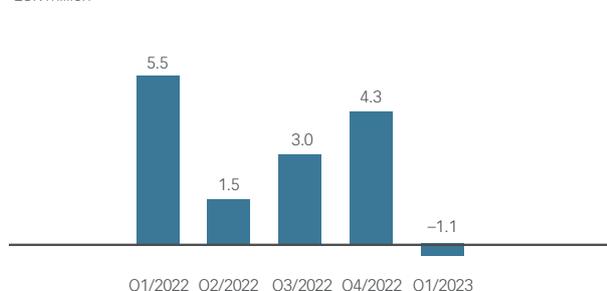


- The last twelve months' (LTM) rolling consolidated revenue amounted to EUR 91.8 million as of the March 31, 2023 reporting date. Revenue in the first quarter of 2023 amounted to EUR 12.8 million.

- While the New Equipment business declined in the first three months of 2023, the growing Spare Parts business was able to contribute significantly to consolidated revenue.

Operating result (EBIT)

EUR million



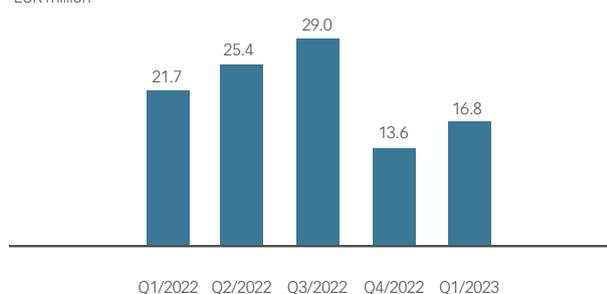
- EBIT in the first quarter of 2023 was negative at EUR -1.1 million, mainly due to the lower level of revenue and the higher cost of materials (Q1/2022: EUR 5.5 million).

- The EBIT margin (based on total operating revenue) stood at -5.5% in the first quarter of 2023 (Q1 2022: 28.6%).

- The last twelve months' (LTM) rolling EBIT amounted to EUR 7.7 million as of the March 31, 2023 reporting date.

New order intake

EUR million

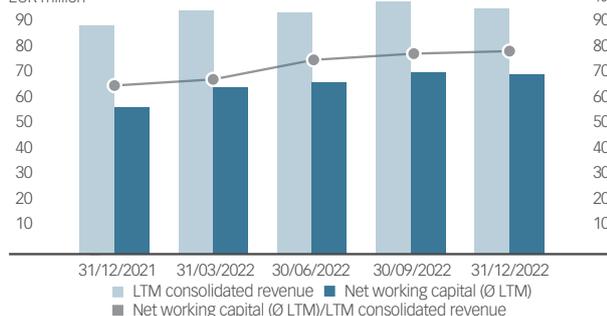


- New order intake in the first quarter of 2023 amounted to EUR 16.8 million and was below the prior-year figure (Q1 / 2022: EUR 21.7 million).

- The order book position as of March 31, 2023 amounted to EUR 26.9 million (March 31, 2022: EUR 33.8 million).

Net working capital

EUR million



- Net working capital is defined as the sum of inventories, trade receivables and other assets, less current provisions, trade payables, current bank borrowings and other liabilities and advance payments as of the respective reporting date.

- Average net working capital of EUR 66.1 million for the last twelve months as of the March 31, 2023 reporting date (LTM, calculated from quarterly figures) in relation to the last twelve months' (LTM) rolling consolidated revenue as of the reporting date of EUR 91.8 million reflects a net working capital intensity of 72.0%.

Events after the balance sheet date

No significant events occurred after the March 31, 2023 balance sheet date that impact the SMT Scharf Group's further course of business.

Outlook

The International Monetary Fund (IMF) forecasts global growth of 2.9% for the current 2023 fiscal year. According to its report, interest rate hikes by central banks to combat inflation and the effects of the Russia-Ukraine war, in particular, are continuing to weigh on economic activity. According to the IMF's economists, economic growth of 3.1% is expected in 2024. This forecast is also subject to a number of risks and opportunities. On the positive side, a stronger stimulus from pentup demand in numerous economies or a faster reduction in inflation are conceivable. On the other hand, serious health problems in China could slow the recovery, Russia's war in Ukraine could escalate, and a tightening of global financing conditions could intensify the debt problem.

As far as the COVID-19 pandemic is concerned, SMT Scharf will continue to monitor developments very closely, particularly in China, and will initiate appropriate measures to protect its employees and customers where necessary. Overall, restrictions on business activities in SMT Scharf's target markets worldwide deriving from the pandemic have been reduced. Travel restrictions in China imposed due to the pandemic have also been lifted.

Despite continued high volatility in the market environment, SMT Scharf believes that it is fundamentally well positioned in the niche to implement customised transport and logistics solutions for its customers worldwide. SMT Scharf is continuing to focus on its core markets of China, Poland, South Africa and America. Good economic growth is forecast for these key sales markets in 2023, although this could be negatively impacted as a consequence of the Ukraine war. As a consequence, the Managing Board expects that investment activity in the mining industry could pick up in the current fiscal year. In particular, the company believes that the more stringent China III regulation and approval for the new generation of machines are continuing to create attractive growth prospects in the Chinese market.

In addition, Russia is one of the SMT Scharf Group's core markets. While in the 2022 fiscal year local mining companies secured the required equipment for underground raw materials mining at an early stage, with significant revenue growth being achieved in the Russian market as a consequence, SMT Scharf expects a tangibly lower level of business activity in Russia in 2023. Going forward, the sanctions imposed by the EU are having an impact on this market, prohibiting the delivery of complete machines to Russia. Since February 25, 2023, the delivery of spare parts has also been very limited. 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 where necessary.

For the 2023 fiscal year, the Managing Board of SMT Scharf AG confirms its guidance and continues to conservatively forecast consolidated revenue of EUR 83 million and EBIT of EUR 1.2 million. Given the continued high level of uncertainty and volatility in the market environment against the backdrop of the Russia-Ukraine war and the effects of the COVID-19 pandemic in China, as well as rising material costs, it remains the case that it cannot be ruled out that this guidance will have to be adjusted during the course of the year to reflect changes in the economic situation.

IFRS THREE-MONTH FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED BALANCE SHEET

EUR thousand	31/03/2023	31/03/2022	31/12/2022
Assets			
Intangible assets	7,833	7,310	8,106,649.30
Property, plant and equipment	7,270	7,264	7,722,263.57
Loans	725	701	717,343.84
Equity accounted investments	18,322	14,040	18,170,617.20
Other investments	7	7	7,039.97
Deferred tax assets	3,648	3,861	2,646,065.39
Non-current lease receivables	357	96	528,204.27
Other non-current non-financial assets	3	5	3,797.99
Non-current assets	38,165	33,284	37,901,981.53
Inventories	37,929	38,737	33,662,709.20
Trade receivables	36,359	36,208	46,254,449.78
Contract assets	64	264	0.00
Current lease receivables	676	79	674,642.52
Other current non-financial assets	4,278	7,616	3,779,132.14
Other current non-financial assets in connection with employee benefit entitlements	1,491	50	1,069,387.22
Cash and cash equivalents	7,853	8,731	7,677,200.17
Current assets	88,650	91,685	93,117,521.03
Total assets	126,815	124,969	131,019,502.56

EUR thousand	31/03/2023	31/03/2022	31/12/2022
Equity and liabilities			
Subscribed share capital	5,472	5,472	5,471,979.00
Capital reserve	24,196	24,061	24,162,270.28
Revenue reserves	59,669	51,110	59,938,124.65
Other reserves	-6,175	-4,427	-4,288,293.31
Non-controlling interests	1,725	1,480	1,700,212.05
Equity	84,886	77,696	86,984,292.67
Provisions for pensions	2,663	3,063	2,701,681.00
Other non-current provisions	172	234	192,226.38
Deferred tax liabilities	758	853	899,255.79
Contract liabilities	0	265	0.00
Leasing liabilities	2,764	2,252	2,698,713.80
Non-current financial liabilities	799	1,899	1,037,105.71
Other non-current financial liabilities	3,075	2,969	3,508,454.23
Non-current provisions and liabilities	10,231	11,535	11,037,436.91
Current income tax	2,009	398	2,704,295.70
Other current provisions	6,111	6,663	5,963,486.65
Contract liabilities	666	1,723	449,309.91
Trade payables	6,452	6,557	6,963,805.32
Leasing liabilities	453	578	720,826.96
Current financial liabilities (cash and cash equivalents)	12,907	16,935	11,738,789.81
Current financial liabilities (not cash and cash equivalents)	1,948	1,513	2,033,665.67
Other current non-financial liabilities	1,152	1,372	2,423,592.96
Current provisions and liabilities	31,698	35,738	32,997,772.98
Total equity and liabilities	126,815	124,969	131,019,502.56

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q1/2023	Q1/2022
Revenue	12,799	14,730
Changes in inventories	7,817	4,418
Total operating revenue (100 %)	20,616	19,148
Other operating income	1,272	6,759
Cost of materials	13,614	11,982
Personnel expenses	5,109	4,709
Depreciation, amortization and impairment losses	698	561
Other operating expenses	3,597	3,178
Profit from operating activities (EBIT)	-1,130	5,477
Result from equity accounted investments	437	329
Interest income	89	106
Interest expenses	304	227
Financial result	223	208
Profit before tax	-907	5,685
Income taxes	-722	-104
Consolidated net profit	-185	5,789
of which, share of consolidated net profit attributable to shareholders of SMT Scharf AG	-269	5,852
of which, share of consolidated net profit attributable to non-controlling interests	84	-63
Other comprehensive income items recycled later to profit or loss:		
Currency differences from translation of foreign financial statements	-1,660	-120
Share of other comprehensive income attributable to equity accounted investments	-286	294
Other comprehensive income items not recycled later to profit or loss:		
Actuarial gains/losses	0	0
Deferred taxes	0	0
Other comprehensive income	-1,946	174
of which, share of other comprehensive income attributable to shareholders of SMT Scharf AG	-1,887	80
of which, share of other comprehensive income attributable to shareholders of SMT Scharf AG	-59	94
Total comprehensive income	-2,131	5,963
of which, share of total comprehensive income attributable to shareholders of SMT Scharf AG	-2,156	5,931
of which, share of total comprehensive income attributable to non-controlling interests	25	32
Earnings per share (in EUR)		
Undiluted (basic)	-0.03	1.05
Diluted	-0.03	1.05
Average number of shares	5,471,979	5,471,979

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Q1/2023	Q1/2022
Consolidated net profit	-185	5,789
-/+ Income/expense from equity accounted investments	-437	-329
+ Depreciation, amortization and impairment losses relating to non-current assets	697	561
-/+ Gain/loss from disposal of non-current assets	48	32
+/- Decrease/increase in provisions	201	-3,994
-/+ Increase/decrease in inventories, trade receivables and other assets not allocable to investing or financing activities	2,982	-3,476
+/- Increase/decrease in trade payables and other liabilities not allocable to investing or financing activities	-1,483	546
+/- Other non-cash expenses/income	34	34
+/- Income tax	-722	-104
+/- Financial expenses	215	121
-/+ Income taxes paid	-741	-748
Cash flow from operating activities	609	-1,568
- Capital expenditure on property, plant and equipment	-276	-112
- Capital expenditure on intangible assets	-2	-317
+ Interest received	81	132
Cash flow from investing activities	-197	-297
- Cash outflows for the repayment of leasing liabilities	-167	-141
+ Cash inflows from sale-and-leaseback agreements	0	204
- Cash outflows for the repayment of loans	-757	-25
- Interest paid	-138	-121
Cash flow from financing activities	-1,062	83
Net change in cash and cash equivalents	-650	-1,948
Changes in cash and cash equivalents due to effects from exchange rates and the consolidation Group	-343	-334
Cash and cash equivalents at start of period	-4,061	-5,922
Cash and cash equivalents at end of period	-5,054	-8,204

SELECTED NOTES TO THE FINANCIAL STATEMENTS

Segment report

The business of the SMT Scharf Group is divided into four operating segments. Intersegment revenues and inputs are of minor significance, and are not reported separately.

Segment reporting as of March 31, 2023:

EUR thousand	Coal mining		Mineral mining		Tunnel		Other industries		Not allocated		SMT Scharf Group	
	Q1/ 2023	Q1/ 2022	Q1/ 2023	Q1/ 2022	Q1/ 2023	Q1/ 2022	Q1/ 2023	Q1/ 2022	Q1/ 2023	Q1/ 2022	Q1/ 2023	Q1/ 2022
Revenue	9,883	11,562	2,362	2,655	27	57	527	456	-	-	12,799	14,730
of which new equipment	2,965	4,884	751	1,275	10	49	515	363	-	-	4,241	6,571
of which spare parts	5,540	5,280	1,515	1,281	17	6	12	92	-	-	7,084	6,659
of which service	1,028	1,163	96	99	-	2	-	-	-	-	1,124	1,264
of which others	350	235	-	-	-	-	-	-	-	-	350	235
Operating result (EBIT)	(1,484)	5,357	269	93	3	32	83	(5)	-	-	(1,130)	5,477
Result from equity accounted companies	437	329	-	-	-	-	-	-	-	-	437	329
Segment assets	111,796	109,005	8,958	9,746	155	381	2,258	1,976	3,648	3,861	126,815	124,969
Segment liabilities	31,502	38,632	8,586	7,783	47	163	1,035	(158)	758	853	41,929	47,273
Segment investments	111	112	226	20	-	-	2	10	-	-	338	142
of which IFRS 16	62	8	-	-	-	-	-	-	-	-	62	8
Interests in equity accounted companies	18,322	14,040	-	-	-	-	-	-	-	-	18,322	14,040
Depreciation and amortisation	582	451	82	74	-	1	34	35	-	-	698	561
FTE	341	337	57	51	5	5	19	19	-	-	422	412

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