

SMT Scharf AG

Prospectus

dated 20 September 2024

for the admission to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

of

**5,521,456 existing ordinary registered shares with no par value
(*auf den Namen lautende Stückaktien*)**

– each such share with a notional value of EUR 1.00 in the share capital
and full dividend rights as from 1 January 2024 –

of

SMT Scharf AG

Hamm, Federal Republic of Germany

International Securities Identification Number (ISIN): ISIN DE000A3DRAE2

German Securities Code (Wertpapier-Kenn-Nummer (WKN)) A3DRAE

Trading Symbol (Börsenkürzel): S4AA

Listing Agent

ICF BANK AG

Warning regarding the validity of the prospectus

*The validity of this prospectus will expire at the time when trading of the shares of SMT Scharf AG on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) begins, which is expected to occur on 24 September 2024. The obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this prospectus is no longer valid.*

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I. SUMMARY OF THE PROSPECTUS

A. Introduction and Warnings

Description of the securities – This prospectus (“**Prospectus**”) relates to the admission to trading in the Federal Republic of Germany (“**Germany**”) of 5,521,456 existing ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*) (“**Shares**”) of SMT Scharf AG (“**Company**” and, together with its subsidiaries, “**SMT**” and “**SMT Group**”), each such share with a notional value of EUR 1.00 in the Company’s share capital and full dividend rights as of 1 January 2024 on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (“**Listing**”). The International Securities Identification Number (“**ISIN**”) of the Shares is DE000A3DRAE2.

Identity and contact details of the issuer – SMT Scharf AG, Römerstrasse 104, 59075 Hamm, Germany, (Legal entity identifier (“**LEI**”) 529900TCSTU65K7JHJ28; telephone: +49 (0) 2381 960 01; website <https://www.smtscharf.com>).

The persons asking for admission to trading on a regulated market are the Company and ICF BANK AG Wertpapierhandelsbank, Neue Mainzer Strasse 32-36, 60311 Frankfurt am Main, Germany (telephone: +49 69 92877-0; website: www.icfbank.de), LEI 529900E89HA1I45HB61, and registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under HRB 43755 (“**ICF**” or “**Listing Agent**”).

Identity and contact details of the competent authority approving the Prospectus – Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – “**BaFin**”), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany; telephone: +49 (0) 228 41080, website: www.bafin.de.

Information on the Company’s website (<http://www.smtscharf.com>) does not form part of this prospectus unless it is incorporated by reference in the Prospectus.

Date of approval of the Prospectus – 20 September 2024

This summary should be read as an introduction to the Prospectus. Any decision to invest in the shares of the Company should be based on consideration of the Prospectus as a whole by the investor. Investors could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate, or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the shares of the Company.

B. Key Information on the Issuer **(i) Who is the issuer of the securities?**

The issuer of the securities is SMT Scharf AG with its registered seat at Hamm, Germany. The Company is a German Stock Corporation (*Aktiengesellschaft*) and registered with the commercial register of the local court of Hamm, Germany, under the registration number HRB 5845, with business address at Römerstrasse 104, 59075 Hamm, Germany, and LEI 529900TCSTU65K7JHJ28 (telephone: +49 (0) 2381 960 01; website <https://www.smtscharf.com>).

a. Principal activities

SMT develops, manufactures and services transportation equipment and logistics systems for underground mining and tunnel construction. The sold products and provided services by SMT are divided into the following four segments: the Coal Mining Segment, the Mineral Mining Segment, the Tunnel Segment und Other Industries Segment.

b. Major shareholder

As of the date of the Prospectus, Yankuang Energy Group Company Limited, Shandong Province of PRC, No. 949, Fu Shan South Road, Zoucheng City (“Yankuang”) directly holds 52.66% of the share capital of, and voting rights in, the Company. The voting rights in the Company held by Yankuang are directly or indirectly, through various entities, ultimately attributed to Shandong Provincial State-Owned Assets Supervision and Administration Commission as a governmental authority of the People’s Republic of China (“PRC”) in Shandong Province. Therefore, Yankuang and its direct and indirect shareholders to which voting rights are attributed, including Shandong Provincial State-Owned Assets Supervision and Administration Commission as a governmental authority of the PRC in Shandong Province holds a controlling interest in the Company.

c. Key managers

The members of the Company’s management board (*Vorstand*) are Jun Liu (Chief Executive Officer), Volker Weiss (Chief Financial Officer), and Reinhard Reinartz (Chief Operating Officer).

d. Auditors

The Company’s auditor is Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft having its registered seat in Nürnberg, Germany, Office Cologne, Krankenhaus 1, Im Zollhafen 18, 50678 Cologne, Germany.

(ii) What is the key financial information regarding the Issuer?

The unaudited interim consolidated financial statements of the SMT Group as of and for the six-month period ended 30 June 2024 were prepared by the Company in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) applicable on interim financial reporting (International Accounting Standards (IAS) 34). The audited consolidated financial statements of the SMT Group as of and for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 were prepared by the Company in accordance with IFRS. The audited unconsolidated financial statements of the Company (as of and for the financial year ended 31 December 2023) were prepared by the Company in accordance with the German Commercial Code (*Handelsgesetzbuch*).

a. Key financial information from the consolidated statement of profit or loss

in EUR, unless otherwise indicated	For the Six-Month Period Ended 30. June,		For the Financial Year Ended 31.12,		
	(unaudited)		(audited, unless otherwise indicated)		
	H1 2024	H1 2023	2023	2022	2021
Sales (net)	28,355,565.02	31,687,774.85	73,171,621.18	93,713,705.26	85,870,037.81
Period-on-period sales (net) growth (in %)*	-10.5%	n.a.	-21.9%	9.1%	n.a.
Total operating revenue (100%)	38,300,622.20	41,044,597.62	81,099,860.53	95,858,809.25	85,316,957.76
EBIT	-752,958.43	-1,833,674.60	3,952,102.75	14,321,267.32	11,239,715.93
EBIT in % of Total operating revenue	-2.0%	-4.5%	4.9%	14.9%	13.1%
Profit (+) or Loss (-) of the period (Net Income)	855,906.71	-189,286.71	5,227,553.41	14,802,938.49	12,581,629.87
Attributable to owners of the parent	816,701.36	-287,375.31	4,880,790.99	14,541,998.24	12,556,266.87

* Unaudited

b. Key financial information from the consolidated statement of financial position

in EUR, unless otherwise indicated	For the Six-Month Period Ended 30. June,		For the Financial Year Ended 31.12,		
	(unaudited)		(audited)		
	H1 2024	H1 2023	2023	2022	2021
Total assets	127,537,854.75	127,036,229.21	126,507,847.97	131,019,502.56	121,287,693.56
Total equity	89,153,521.52	81,925,832.65	86,712,017.60	86,984,292.67	71,699,797.93

c. Key financial information from the consolidated statement of cash flows

in EUR, unless otherwise indicated	For the Six-Month Period Ended 30. June,		For the Financial Year Ended 31.12,		
	(unaudited)		(audited)		
	H1 2024	H1 2023	2023	2022	2021
Net cash flow from operating activities	6,242,152.15	-873,060.56	3,876,724.58	5,675,185.35	-5,503,969.27
Net cash flow from investing activities	-173,582.43	-281,580.12	-902,245.01	-2,413,137.46	-2,919,479.23
Net cash flow from financing activities	-2,985,848.45	-2,146,730.44	-794,128.96	-1,692,299.16	6,580,813.13

d. Key alternative performance measures

in EUR million, unless otherwise indicated	For the Six-Month Period Ended 30. June,		For the Financial Year Ended 31.12.		
	(unaudited)		(audited)		
	H1 2024	H1 2023	2023	2022	2021
Days of sales outstanding ¹	n.a.	n.a.	163	144	115
Net Working Capital zum Bilanzstichtag ²	58.3	64.7	64.0	66.2	58.6
Net Working Capital im Jahresdurchschnitt ³	61.9	66.2	64.0	66.5	53.6
Net Working Capital Intensity (%) ⁴	88.7%	75.3%	87.5%	71.0%	62.5%
Equity ratio (%) ⁵	69.9%	64.5%	68.5%	66.4%	59.1%
Employee turnover (%) ⁶	n.a.	n.a.	11.7%	17.2%	5.7%
Sickness rate (%) ⁷	n.a.	n.a.	5.6%	5.2%	6.2%
Tunnel segment revenue share (%) ⁸	4.2%	0.4%	1.3%	3.1%	0.6%
Cost of materials ratio (%) ⁹	58.5%	59.6%	55.0%	55.4%	55.3%
Earnings per share undiluted (in EUR) ¹⁰	0.15	-0.05	0.89	2.75	2.46

¹ Days of sales outstanding: Number of days in reporting year * (annual average trade receivables / consolidated revenue)
² Calculation of net working capital: current assets – liquid assets – current liabilities (excluding current financial liabilities)
³ Calculation of net working capital: current assets – liquid assets – current liabilities (excluding current financial liabilities)
⁴ Calculation of net working capital: current assets – liquid assets – current liabilities (excluding current financial liabilities)
⁵ Equity in relation to balance sum
⁶ Employee-related leavings (FTEs) related to annual average number of employees (FTEs)
⁷ Number of work days lost due to sickness related to budgeted working days
⁸ Share of revenue in tunnel segment (net) in relation to total sales (net)
⁹ Cost of material in relation to total operating revenue
¹⁰ Consolidated net income divided by an average number of issued shares

(iii) What are the key risks that are specific to the issuer?

An investment in the Company’s shares is subject to a number of risks, some of which are presented in this section and in section “C. (iii) What are the key risks that are specific to the securities?” of this summary.

The following risks are key risks specific to SMT:

- SMT is exposed to the performance of the global economy, macroeconomic trends, political uncertainty, and the performance of the economy in the markets in which SMT is active.
- Further tightening of the sanctions by Western countries could increasingly impact SMT’s business activities in Russia
- SMT may be adversely affected by payment restrictions imposed by Russian countersanctions.
- SMT is a holding company and therefore relies on the revenues and dividends of its shareholdings to finance liabilities, investments, dividends and day-to-day operations.
- A disruption in SMT’s supply or delivery chain may cause SMT or one or more of its suppliers or customers to halt production.
- Environmental, social and governance matters may impact SMT’s business and reputation.
- SMT may be adversely affected by changes to the general regulatory environment.
- SMT may fall to comply with applicable laws and regulations, or changes in such laws and regulations.
- SMT is exposed to warranty and product liability claims.

C. Key Information on the Securities

(i) What are the main features of the securities?

The Prospectus relates to registered shares (*Namensaktien*) with no par value (*Stückaktien*), each with a proportionate amount of EUR 1.00 in the Company’s share capital and full dividend rights as of 1 January 2024, with the ISIN: DE000A3DRAE2. All shares of the Company are of the same class and denominated in Euro. Each of the Company’s shares entitles the shareholder to one vote at the shareholders’ meeting of the Company. There are no restrictions on voting rights. The Company’s shares are subordinated to all other securities and claims in case of an insolvency of the Company; all shares are entitled to a share of any distributable liquidation proceeds or insolvency surpluses at the ratio of their share in the share capital. Except for the lock-up commitment by Yankuang Energy Group Company

Limited as the controlling shareholder of the Company there are no prohibitions on disposals or restrictions with respect to the transferability of the Company's shares, and the Company's shares are freely transferable in accordance with the legal requirements for registered shares.

The Company has not distributed any dividends during the period covered by the historical financial information. The Company currently intends to retain all available funds and any future earnings to support its operations and to finance the growth and development of its business. In the future, the Company aims to pursue a dividend policy that considers both the interests of the shareholders and the general situation of the Company. Any future decision to pay dividends will be made in accordance with applicable laws and will depend upon, among other things, the Company's results of operations, financial condition, contractual restrictions, capital requirements as well as the general business situation of the markets in which SMT Group is active and the tax and regulatory environment.

The Company is not in a position to make any statements on the amount of future retained earnings or on whether retained earnings will exist at all in the future. The Company, therefore, is unable to guarantee that dividends will be paid in future years.

(ii) Where will the securities be traded?

The Company will apply for admission of its shares to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange.

(iii) What are the key risks that are specific to the securities?

The following risks are key risks specific to the Company's shares:

- The majority shareholder of SMT has significant influence over SMT's corporate affairs, and its individual interests may deviate from the Company's other shareholders' interests.
- Membership of the same individuals on the Company's management and supervisory board and on governing bodies of, or other relationships with, major shareholders or affiliates of major shareholders may result in conflicts of interests.
- SMT may not be able to pay dividends in the foreseeable future or ever.

D. Key Information on the Offer of Securities to the Public and Admission to Trading on a Regulated Market

(i) Under which conditions and timetable can I invest in this security?

The Shares are expected to be admitted to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange on 23 September 2024 and the commencement of trading in the Shares on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange is expected for 24 September 2024.

Dilution of existing shareholders – As the subject matter of this Prospectus is not the issue of new shares, no dilution will occur.

Total expenses – The Company estimates that the total costs relating to the admission to trading will approximately amount to EUR 900,000.00.

Expenses charged to investors – Investors will not be charged any expenses in connection with the Listing. Only customary transaction and handling fees might be charged by the investors' brokers.

(ii) Who is the offeror and/or the person asking for admission to trading?

Admission to trading – The Company, together with the Listing Agent, has applied for the Listing, i.e. the admission of the Shares to trading on the regulated market of the Frankfurt Stock Exchange with

simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange on 20 September 2024.

(iii) Why is this prospectus being produced?

Reasons for the admission to trading on a regulated market – The Company in particular intends to make use of the Listing to promote investor confidence through the higher transparency requirements in the regulated Market and to improve the tradability of the Shares, the possibilities of corporate financing and exit opportunities for shareholders as well as to increase the awareness of the Company.

The current shareholders of the Company have an interest in the admission of their Shares to trading on the regulated Market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange), as this will, on the one hand, enable better tradability and, on the other hand, in the event of a positive development of the Company, an increase in the value of their shareholding becomes possible.

Estimated net proceeds – This Prospectus does not relate to an offering of shares. Accordingly, neither the Company nor the Shareholders will receive any proceeds from the issuance of shares in the Company.

Most material conflicts of interests – There are no conflicts of interest with respect to the Listing.

II. GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS ZUSAMMENFASSUNG DES PROSPEKTES

A. Einleitung und Warnhinweise

Beschreibung der Wertpapiere – Dieser Prospekt („**Prospekt**“) bezieht sich auf die Zulassung zum Handel in der Bundesrepublik Deutschland („**Deutschland**“) von 5.521.456 bestehenden auf den Namen lautenden Stammaktien ohne Nennbetrag („**Aktien**“) der SMT Scharf AG („**Gesellschaft**“) und zusammen mit ihren Tochtergesellschaften „**SMT**“ und „**SMT Gruppe**“) mit einem rechnerischen Anteil am Grundkapital der Gesellschaft von EUR 1,00 und voller Dividendenberechtigung ab dem 1. Januar 2024 im regulierten Markt der Frankfurter Wertpapierbörse und gleichzeitige Zulassung zum Prime Standard, dem Teilbereich des Regulierten Marktes der Frankfurter Wertpapierbörse mit weiteren Zulassungsfolgpflichten, („**Listing**“). Die Internationale Wertpapier-Identifikationsnummer („**ISIN**“) der Aktien lautet DE000A3DRAE2.

Identität und Kontaktdaten der Emittentin – SMT Scharf AG, Römerstrasse 104, 59075 Hamm, Deutschland, (Rechtsträgerkennung („**LEI**“) 8529900TCSTU65K7JHJ28; Telefon: +49 (0) 2381 960 01; Website <https://www.smtscharf.com>).

Die Personen, die die Zulassung zum Handel an einem geregelten Markt beantragen, sind die Gesellschaft und die ICF BANK AG Wertpapierhandelsbank, Neue Mainzer Strasse 32-36, 60311 Frankfurt am Main, Deutschland (Telefon: +49 69 92877-0; Webseite: www.icfbank.de), LEI 529900E89HA1145HB61 und eingetragen im Handelsregister des Amtsgerichts Frankfurt am Main, Deutschland, unter der Registernummer HRB 43755 („**ICF**“ oder „**Listing Agent**“).

Identität und Kontaktdaten der zuständigen Behörde, die den Prospekt billigt – Bundesanstalt für Finanzdienstleistungsaufsicht („**BaFin**“), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Deutschland; Telefon: +49 (0) 228 41080; Website: www.bafin.de.

Die Angaben auf der Website der Gesellschaft (<http://www.smtscharf.com>) sind nicht Teil des Prospekts, sofern sie nicht sie mittels Verweises in den Prospekt einbezogen wurden.

Datum der Billigung des Prospekts – 20. September 2024

Diese Zusammenfassung sollte als Einleitung zu dem Prospekt verstanden werden. Der Anleger sollte sich bei der Entscheidung, in die Aktien der Gesellschaft zu investieren, auf den Prospekt als Ganzes stützen. Anleger können das gesamte angelegte Kapital oder einen Teil davon verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die Aktien der Gesellschaft für die Anleger eine Entscheidungshilfe darstellen würden.

B. Basisinformationen über die Emittentin

(i) Wer ist die Emittentin der Wertpapiere?

Die Emittentin der Wertpapiere ist die SMT Scharf AG mit Sitz in Hamm, Deutschland. Die Gesellschaft ist eine Aktiengesellschaft nach deutschem Recht und eingetragen im Handelsregister des Amtsgerichts Hamm, Deutschland, unter der Registernummer HRB 5845, mit Geschäftsanschrift Römerstrasse 104, 59075 Hamm, Deutschland, und LEI 529900TCSTU65K7JHJ28 (Telefon: +49 (0) 2381 960 01; Webseite: <https://www.smtscharf.com>).

a. Haupttätigkeiten

SMT entwickelt, fertigt und wartet Transportgeräte und Logistiksysteme für den Untertagebau und den Tunnelbau. Die von SMT verkauften Produkte und erbrachten Dienstleistungen sind in die folgenden

vier Segmente unterteilt: das Segment Kohlebergbau, das Segment Mineralbergbau, das Segment Tunnel und das Segment Sonstige Industrien.

b. Hauptanteilseigner

Zum Datum des Prospekts hält die Yankuang Energy Group Company Limited, Provinz Shandong PCR, No. 949, Fu Shan South Road, Zoucheng City („Yankuang“) unmittelbar 52,66 % der Aktien und der Stimmrechte der Gesellschaft. Die von Yankuang gehaltenen Stimmrechte werden unmittelbar oder mittelbar durch verschiedene andere Gesellschaften letztlich der Shandong Provincial State-Owned Assets Supervision und Administration Commission als Regierungsbehörde der Volksrepublik China in der Provinz Shandong zugerechnet. Damit halten sowohl Yankuang als auch ihre direkten und indirekten Anteilseigner, denen Stimmrechte zugerechnet werden, einschließlich der Shandong Provincial State-Owned Assets Supervision und Administration Commission als Regierungsbehörde der Volksrepublik China in der Provinz Shandong, eine beherrschende Beteiligung an der Gesellschaft.

c. Vorstand

Die Vorstandsmitglieder der Gesellschaft sind Herr Jun Liu (Chief Executive Officer), Herr Volker Weiss (Chief Financial Officer), und Herr Reinhard Reinartz (Chief Operating Officer).

d. Abschlussprüfer

Der Abschlussprüfer der Gesellschaft ist die Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft, mit Sitz in Nürnberg, Deutschland, Büro Köln, Kranhaus 1, Im Zollhafen 18, 50678 Köln, Deutschland.

(ii) Welches sind die wesentlichen Finanzinformationen über die Emittentin?

Der ungeprüfte Konzernzwischenabschluss der Gruppe für den am 30. Juni 2024 endenden Sechsmonatszeitraum wurde von der Gesellschaft in Übereinstimmung mit den International Financial Reporting Standards, wie sie in der Europäischen Union anzuwenden sind („IFRS“) für die Zwischenberichterstattung (International Accounting Standard (IAS) 34), erstellt. Die geprüften Konzernabschlüsse der Gruppe für die jeweils am 31. Dezember 2021, 2022 und 2023 endenden Geschäftsjahre wurden von der Gesellschaft in Übereinstimmung mit IFRS erstellt. Der geprüfte Einzelabschluss der Gesellschaft für das am 31. Dezember 2023 endende Geschäftsjahr wurde von der Gesellschaft nach den Vorschriften des Handelsgesetzbuches erstellt.

a. Wesentliche Finanzinformationen aus der Konzern-Gewinn- und Verlustrechnung

in EUR, sofern nicht anders angegeben	Für den Sechsmonatszeitraum bis zum 30. Juni		Für das Geschäftsjahr zum 31.12.		
	(ungeprüft)		(geprüft, soweit nicht anders angegeben)		
	H1 2024	H1 2023	2023	2022	2021
Umsatz (netto)	28,355,565.02	31,687,774.85	73,171,621.18	93,713,705.26	85,870,037.81
Wachstum des Umsatzes (netto) gegenüber der Vorperiode (in %)*	-10.5%	n.a.	-21.9%	9.1%	n.a.
Betriebsleistung (100%)	38,300,622.20	41,044,597.62	81,099,860.53	95,858,809.25	85,316,957.76
EBIT	-752,958.43	-1,833,674.60	3,952,102.75	14,321,267.32	11,239,715.93
EBIT in % zur Betriebsleistung	-2.0%	-4.5%	4.9%	14.9%	13.1%
Gewinn (+) oder Verlust (-) der Periode	855,906.71	-189,286.71	5,227,553.41	14,802,938.49	12,581,629.87
Den Anteilseignern des Mutterunternehmens zuzurechnen	816,701.36	-287,375.31	4,880,790.99	14,541,998.24	12,556,266.87

* Ungeprüft

b. Wesentliche Finanzinformationen aus der Konzern-Bilanz

anzinformationen aus der Konzern-Bilanz in EUR, sofern nicht anders angegeben	Für den Sechsmonatszeitraum bis zum 30. Juni		Für das Geschäftsjahr zum 31.12.		
	(ungeprüft)		(geprüft)		
	H1 2024	H1 2023	2023	2022	2021
Summe Vermögenswerte	127.537.854,75	127.036.229,21	126.507.847,97	131.019.502,56	121.287.693,56
Summe Eigenkapital	89.153.521,52	81.925.832,65	86.712.017,60	86.984.292,67	71.699.797,93

c. Wesentliche Finanzinformationen aus der Konzern-Kapitalflussrechnung

in EUR, sofern nicht anders angegeben	Für den Sechsmonatszeitraum bis zum 30. Juni		Für das Geschäftsjahr zum 31.12.		
	(ungeprüft)		(geprüft)		
	H1 2024	H1 2023	2023	2022	2021
Mittelzufluss aus operativer Geschäftstätigkeit	6,242,152.15	-873,060.56	3,876,724.58	5,675,185.35	-5,503,969.27
Mittelabfluss aus Investitionstätigkeit	-173,582.43	-281,580.12	-902,245.01	-2,413,137.46	-2,919,479.23
Mittelabfluss aus Finanzierungstätigkeit	-2,985,848.45	-2,146,730.44	-794,128.96	-1,692,299.16	6,580,813.13

d. Wesentliche alternative Leistungskennzahlen

in Mio. EUR, sofern nicht anders angegeben	Für den Sechsmonatszeitraum bis zum 30. Juni		Für das Geschäftsjahr zum 31.12.		
	(ungeprüft)		(geprüft)		
	H1 2024	H1 2023	2023	2022	2021
Forderungsreichweite in Tagen ¹	n.a.	n.a.	163	144	115
Net Working Capital zum Bilanzstichtag ²	58.3	64.7	64.0	66.2	58.6
Net Working Capital im Jahresdurchschnitt ³	61.9	66.2	64.0	66.5	53.6
Net Working Capital Intensity (%) ⁴	88.7%	75.3%	87.5%	71.0%	62.5%
Eigenkapitalquote (%) ⁵	69.9%	64.5%	68.5%	66.4%	59.1%
Mitarbeiterfluktuation (%) ⁶	n.a.	n.a.	11.7%	17.2%	5.7%
Krankenquote (%) ⁷	n.a.	n.a.	5.6%	5.2%	6.2%
Umsatzanteil Segment Tunnel (%) ⁸	4.2%	0.4%	1.3%	3.1%	0.6%
Materialaufwandsquote (%) ⁹	58.5%	59.6%	55.0%	55.4%	55.3%
Ergebnis je Aktie unverwässert (in EUR) ¹⁰	0.15	-0.05	0.89	2.75	2.46

¹ \emptyset Forderungsreichweite: Anzahl Tage Berichtsjahr * (Jahresdurchschnitt Forderungen aus Lieferungen und Leistungen / Konzernumsatz)

² Ermittlung Net Working Capital: Umlaufvermögen – liquide Mittel – kurzfristige Verbindlichkeiten (ohne kurzfristige Finanzverbindlichkeiten)

³ Ermittlung Net Working Capital: Umlaufvermögen – liquide Mittel – kurzfristige Verbindlichkeiten (ohne kurzfristige Finanzverbindlichkeiten)

⁴ Ermittlung Net Working Capital: Umlaufvermögen – liquide Mittel – kurzfristige Verbindlichkeiten (ohne kurzfristige Finanzverbindlichkeiten)

⁵ Anteil des Eigenkapitals an der Bilanzsumme

⁶ Anzahl arbeitnehmerveranlasste Abgänge von Mitarbeitern (FTE) bezogen auf den Jahresdurchschnitt der Mitarbeiter (FTE)

⁷ Anzahl erkrankungsbedingte Fehlzeiten bezogen auf die Summe der Sollarbeitszeiten

⁸ Anteil des Umsatzes im Segment Tunnel (netto) am Gesamtumsatz (netto)

⁹ Materialaufwand bezogen auf die Betriebsleistung

¹⁰ Auf Aktionäre der SMT Scharf AG entfallendes Konzernjahresergebnis bezogen auf durchschnittlich ausgegebene Aktien

(iii) Welches sind die zentralen Risiken, die für die Emittentin spezifisch sind?

Eine Investition in die Aktien der Gesellschaft unterliegt einer Reihe von Risiken, von denen einige in diesem Abschnitt und in Abschnitt „C.(iii) Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?“ dieser Zusammenfassung dargestellt sind.

Die folgenden Risiken sind wesentliche, für die SMT spezifische Risiken:

- SMT ist der Entwicklung der Weltwirtschaft, den makroökonomischen Trends, der politischen Ungewissheit und der Entwicklung der Wirtschaft in den Märkten, in denen SMT tätig ist, ausgesetzt.
- Eine weitere Verschärfung der Sanktionen durch westliche Länder könnte sich zunehmend auf die Geschäftsaktivitäten der SMT in Russland auswirken.
- SMT kann durch Zahlungsbeschränkungen, die von russischen Behörden auferlegt werden, beeinträchtigt werden.
- SMT ist eine Holdinggesellschaft und daher auf die Einnahmen und Dividenden ihrer Beteiligungen angewiesen, um Verbindlichkeiten, Investitionen, Dividenden und das Tagesgeschäft zu finanzieren.
- Eine Unterbrechung in der Versorgungs- oder Lieferkette der SMT-Gruppe kann dazu führen, dass die SMT-Gruppe oder einer oder mehrere ihrer Lieferanten oder Kunden die Produktion einstellen.
- Umwelt-, Sozial- und Governance-Fragen können sich auf das Geschäft und den Ruf von SMT auswirken.
- SMT kann durch Änderungen des allgemeinen regulatorischen Umfelds beeinträchtigt werden.
- SMT ist möglicherweise nicht in der Lage, die geltenden Gesetze und Vorschriften oder deren Änderungen einzuhalten.
- SMT ist Garantie- und Produkthaftungsansprüchen ausgesetzt.

C. Basisinformationen über die Wertpapiere

(i) Welches sind die wichtigsten Merkmale der Wertpapiere?

Der Prospekt bezieht sich auf Namensaktien ohne Nennwert (Stückaktien) mit einem anteiligen Betrag am Grundkapital der Gesellschaft von je EUR 1,00 und voller Dividendenberechtigung ab dem 1. Januar 2024 mit der ISIN: DE000A3DRAE2. Alle Aktien der Gesellschaft gehören derselben Gattung an und sind in Euro denominiert. Jede einzelne Aktie der Gesellschaft berechtigt den Aktionär zu einer Stimme in der Hauptversammlung der Gesellschaft. Es bestehen keine Stimmrechtsbeschränkungen. Die Aktien der Gesellschaft sind im Falle einer Insolvenz der Gesellschaft gegenüber allen anderen Wertpapieren und Ansprüchen nachrangig; sämtliche Aktien haben Anspruch auf einen Anteil an einem ausschüttungsfähigen Liquidationserlös oder Insolvenzüberschuss im Verhältnis ihres Anteils am Grundkapital. Vorbehaltlich der Lock-up-Verpflichtung der Yankuang Energy Group Company Limited als kontrollierendem Aktionär bestehen keine Veräußerungsverbote oder Einschränkungen hinsichtlich der Übertragbarkeit der Aktien der Gesellschaft, und die Aktien der Gesellschaft sind nach den gesetzlichen Bestimmungen für Namensaktien frei übertragbar.

Die Gesellschaft hat während des Zeitraums der historischen Finanzinformationen keine Dividenden ausgeschüttet. Das Unternehmen beabsichtigt derzeit, alle verfügbaren Mittel und alle künftigen Gewinne einzubehalten, um das operative Geschäft zu unterstützen und das Wachstum und die Entwicklung seines Geschäfts zu finanzieren. Für die Zukunft strebt die Gesellschaft eine Dividendenpolitik an, die sowohl die Interessen der Aktionäre als auch die allgemeine Lage des Unternehmens berücksichtigt. Jede künftige Entscheidung über die Ausschüttung von Dividenden wird in Übereinstimmung mit den geltenden Gesetzen getroffen und hängt unter anderem von der Ertragslage der Gesellschaft, der Finanzlage, vertraglichen Beschränkungen, dem Kapitalbedarf sowie der allgemeinen Geschäftslage der Märkte, in denen die SMT Gruppe tätig ist, und dem steuerlichen und regulatorischen Umfeld ab.

Die Gesellschaft ist nicht in der Lage, Aussagen über die Höhe zukünftiger ausschüttungsfähige Bilanzgewinne zu machen oder darüber, ob es in Zukunft überhaupt ausschüttungsfähige Bilanzgewinne geben wird. Die Gesellschaft kann daher nicht garantieren, dass in künftigen Jahren Dividenden ausgeschüttet werden.

(ii) Wo werden die Wertpapiere gehandelt?

Die Gesellschaft wird die Zulassung ihrer Aktien zum Handel am regulierten Markt der Frankfurter Wertpapierbörse und zugleich die Zulassung zu dessen Teilbereich mit weiteren Zulassungsfolgepflichten (Prime Standard) beantragen.

(iii) Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

Die folgenden Risiken sind zentrale Risiken, die für die Aktien der Gesellschaft spezifisch sind:

- Der Mehrheitsaktionär von SMT hat erheblichen Einfluss auf die Unternehmensangelegenheiten von SMT, und seine individuellen Interessen können von den Interessen der anderen Aktionäre des Unternehmens abweichen.
- Die Mitgliedschaft derselben Personen im Vorstand und Aufsichtsrat der Gesellschaft und in den Organen von Großaktionären oder verbundenen Unternehmen von Großaktionären oder andere Beziehungen zu diesen können zu Interessenkonflikten führen.
- SMT ist möglicherweise nicht in der Lage, in absehbarer Zeit oder überhaupt jemals Dividenden zu zahlen.

D. Basisinformationen über das öffentliche Angebot von Wertpapieren und die Zulassung zum Handel an einem geregelten Markt

(i) Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Die Aktien werden voraussichtlich am 23. September 2024 zum Handel im regulierten Markt der Frankfurter Wertpapierbörse und zugleich zu dessen Teilbereich mit weiteren Zulassungsfolgepflichten

(Prime Standard) zugelassen und die Aufnahme des Handels der Aktien im regulierten Markt der Frankfurter Wertpapierbörse und zugleich zu dessen Teilbereich mit weiteren Zulassungsfolgepflichten (Prime Standard) ist für den 24. September 2024 vorgesehen.

Verwässerung der gegenwärtigen Aktionäre – Da der Gegenstand dieses Prospekts nicht die Ausgabe neuer Aktien ist, wird es zu keiner Verwässerung kommen.

Gesamtkosten – Die Gesellschaft schätzt, dass sich die Gesamtkosten im Zusammenhang mit der Zulassung zum Handel ungefähr auf EUR 900.000,00 belaufen werden.

Kosten, die den Anlegern in Rechnung gestellt werden – Den Anlegern werden im Zusammenhang mit der Zulassung keine Kosten in Rechnung gestellt. Lediglich übliche Transaktions- und Bearbeitungsgebühren könnten von den Brokern der Anleger erhoben werden.

(ii) Wer ist der Anbieter und/oder die Person, die die Zulassung zum Handel beantragt?

Zulassung zum Handel – Die Gesellschaft hat am 20. September 2024 gemeinsam mit dem Listing Agent das Listing, d.h. die Zulassung der Aktien in den Handel im regulierten Markt der Frankfurter Wertpapierbörse und zugleich zu dessen Teilbereich mit weiteren Zulassungsfolgepflichten (Prime Standard) beantragt.

(iii) Weshalb wird dieser Prospekt erstellt?

Gründe für die Zulassung zum Handel an einem geregelten Markt – Die Gesellschaft beabsichtigt mit dem Listing insbesondere, das Vertrauen der Anleger durch die höheren Transparenzanforderungen im regulierten Markt zu fördern und die Handelbarkeit der Aktien, die Möglichkeiten der Unternehmensfinanzierung und die Exit-Chancen der Aktionäre zu verbessern sowie den Bekanntheitsgrad der Gesellschaft zu erhöhen.

Die derzeitigen Aktionäre der Gesellschaft haben ein Interesse an der Zulassung ihrer Aktien zum Handel im regulierten Markt der Frankfurter Wertpapierbörse, da hierdurch zum einen eine bessere Handelbarkeit ermöglicht wird und zum anderen im Falle einer positiven Entwicklung der Gesellschaft eine Wertsteigerung ihres Anteilsbesitzes möglich wird.

Geschätzter Nettoerlös – Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien. Dementsprechend werden weder die Gesellschaft noch die Aktionäre einen Erlös aus der Ausgabe von Anteilen an der Gesellschaft erhalten.

Wesentliche Interessenkonflikte – Es bestehen keine Interessenkonflikte in Bezug auf das Listing.

III. RISK FACTORS

The risks featured in the following section are limited to risks which are specific to SMT Scharf AG ("**Company**" and, together with its subsidiaries, "**SMT**" and "**SMT Group**") and/or to the shares in the Company and which are material for taking an informed investment decision.

In each category the two most material risk factors according to the Company's current assessment based on the estimated probability of their occurrence and the expected magnitude of their negative impact are mentioned first. The order of the remaining risk factors in each category does not reflect a specific order of these factors in terms of materiality or severity.

1. Risks Related to SMT's Industry and Market

a) **SMT is exposed to the performance of the global economy, macroeconomic trends, political uncertainty, and the performance of the economy in the markets in which SMT is active.**

As the global market and technology leader in rail systems and chairlifts for underground mining SMT is exposed to the fluctuations in the global economy.

Generally, a slowdown in the global economy and elevated levels of private and public debt in various countries may cause demand to decline in many of SMT's key markets. The situation may be exacerbated by protectionist tendencies, uncertainties regarding future monetary policy, armed conflicts that remain unresolved and related migration trends as well as the spread of infectious diseases (such as the coronavirus disease 2019, which is caused by the novel coronavirus SARS-CoV-2 ("**COVID-19**")).

With respect to its industrial markets, SMT is exposed to fluctuations in the overall investment climate given that its industrial products are part of the capital goods industry. Fluctuations in growth rates or forecasts, or alterations in government investment subsidies, can result in significant changes in demand for capital goods in SMT's markets, cancellations of orders already booked or the reorganization of longer-term business relationships. Therefore, SMT's revenue and results of operations have been influenced, and will continue to be influenced, by macroeconomic trends and the general state and performance of the global economy.

Such macroeconomic trends may have a bigger impact on certain of SMT's markets than others. A sales stop imposed in Asia for whatever reason would for example directly affect up to 50% of SMT's business. From the perspective of SMT's portfolio, there are currently very different influences on the success of SMT. For example, a global ban on the mining of thermal coal would currently affect SMT's sales by around 50%. A global ban on chairlifts for underground mining would affect sales by "only" around 4%.

Additionally, existing macroeconomic trends may be amplified by certain new macroeconomic developments, such as the global shift from fossil-based systems of energy production and consumption to renewable energy sources that has, among other factors, been intensified by the military conflict in the Ukraine.

The outlook for the world economy remains subject to uncertainty, particularly in light of developments in the last few years, which have had a significant impact on global macroeconomic conditions, including among other things, the COVID-19 pandemic, the Russian invasion in the Ukraine (the "**Russia-Ukraine Conflict**"), the armed conflict between Israel and the Hamas terrorist organization (the "**Israel-Hamas Conflict**"), persistently high inflation and interest rates as well as interruptions in supply chains.

The COVID-19 pandemic led to significant adverse economic consequences in 2020 and subsequent years, including declining economic growth, severe disruptions of commercial activity and material market distortions due to comprehensive fiscal and monetary intervention and stimulus, ultimately resulting in elevated public indebtedness and central bank countermeasures intended to normalize economies and markets. At the same time, the geopolitical environment has created additional challenges for global economies and global private enterprises such as SMT and its subsidiaries. The Russia-Ukraine Conflict and the sanctions and export-control measures instituted by the European Union ("**EU**"), the United Kingdom, the United States of America ("**United States**" or "**US**"), Canada and Japan, among others, against Russian and Belarusian persons and entities in response have contributed and may continue to contribute to increased inflationary pressures (including elevated prices for oil and natural gas), energy supply shortages, supply chain disruptions, market volatility and economic uncertainty, particularly in China and Russia.

The occurrence of a risk described above could have a material adverse effect on SMT's business, financial condition, and results of operations.

b) Further tightening of the sanctions by Western countries could increasingly impact SMT's business activities in Russia

Russia is one of the core markets of SMT. Sales in Russia over the last 5 years have been around EUR 14 to 15 million per year. In 2022, a sales high of EUR 20.6 million was achieved. With sales of EUR 12.1 Mio. in 2023, Russia is still the third most important sales market for SMT. The decline in sales is primarily due to strict compliance with the sanctions. This means that intra-group sales to the local subsidiary fell drastically.

The sanctions imposed by the EU, prohibiting the delivery of certain assembled machines to Russia, were tightened and took effect on 22 July 2022. Since 26 February 2023, even the supply of spare parts delivered by SMT has been subject to severe sanctions restrictions. There is a risk that a further tightening of the sanctions by Western countries could increasingly impact the SMT's business activities in Russia, and that deliveries of SMT's products to Russia might be banned completely in the end.

A further tightening of the sanctions by Western countries could therefore have a material adverse effect on SMT's business, financial condition, and results of operations.

c) SMT may be adversely affected by payment restrictions imposed by Russian counter-sanctions.

Payments of dividends of Russian companies, as well as other payments under credit and loan agreements, bonds and financial instruments (i.e. securities such as shares in joint stock companies, bonds and their derivatives) by Russian companies in favour of a foreign creditor from a so called “Unfriendly Country” are limited to an aggregate amount of RUB 10 million per month or its equivalent in other currencies. Payments beyond this amount can only be made in RUB by a bank transfer to a special RUB-denominated blocked account opened in a Russian bank in the name of the creditor, unless a special authorization from the Ministry of Finance is obtained for each excess payment. That being said, dividends payable to SMT Scharf AG and SMT Scharf GmbH as shareholders of OOO SMT Scharf as Russian company may be affected by those restrictions. Furthermore, it cannot be ruled out that the Russian government will introduce further regulations that will have an effect on payments of Russian companies to creditors from an “Unfriendly Country”.

If SMT is not able to receive payments of its Russian subsidiaries, this could have a material adverse effect on its financial condition.

d) SMT may be adversely affected by the current relationship to its Russian subsidiaries.

OOO SMT Scharf and OOO SMT Scharf Services are Russian companies. OOO SMT Scharf is the sole shareholder of OOO SMT Scharf Services and the Company and SMT Scharf GmbH are the sole shareholders of OOO SMT Scharf. In order to comply with the applicable sanction regime, particularly Council Regulation (EU) No 833/2014 and Council Regulation (EU) No 269/2014, the Company and SMT Scharf GmbH as shareholders currently voluntarily do not exercise most of their shareholder rights to control or influence the Russian companies in any way. This is particularly because Russian companies may indirectly be tied to the compliance of European sanctions if a parent company based in the European Union has a controlling influence (*steuernder Einfluss*) on its non-EU subsidiary. As SMT strives not to violate any (European) sanctions regulations, it is refraining from exerting any influence on its Russian subsidiaries since the sanctions entered into force.

As a result, the Russian subsidiaries are not subject to any instructions or other guidelines. Therefore, it cannot be ruled out that the Russian subsidiaries will change their general business policy in the future. Such changes cannot be prevented by SMT. Moreover, SMT is unable to prevent any disadvantageous decisions by the Russian subsidiaries that are, for example, economically disadvantageous for the Russian subsidiary itself or the Group.

Changes in the general business policy of or disadvantageous decisions by the Russian subsidiaries could have a material adverse effect on the reputation, business and financial condition of SMT.

e) SMT is exposed to the risk of a confiscation relating to its Russian subsidiaries due to closing of the YKE SPA without prior obtainment of Russian regulatory approvals.

On 1 March 2024, the former core shareholders of the Company entered into an agreement with Yankuang on the acquisition of a total interest of approx. 52.66% shares in the Company by Yankuang (“**YKE SPA**”). The Company has two subsidiaries in Russia, OOO SMT Scharf and OOO SMT Scharf Services. OOO SMT Scharf is the sole shareholder of OOO SMT Scharf Services and the Company and SMT Scharf GmbH are the sole shareholders of OOO SMT Scharf.

In response to sanctions imposed against Russia, from February 2022 specific counter-sanctions were introduced by the Russian authorities. Particularly, in accordance with Decree of the President of the Russian Federation No. 618 dated 8 September 2022 any direct or indirect transfer of participation interests in a Russian limited liability company, or any other corporate operation resulting in creating, changing or terminating any corporate rights with respect to a Russian limited liability company, requires prior approval of the Government Commission if a party to such a transaction is a person or entity related to so called "unfriendly states". A list of "unfriendly states", inter alia, includes Germany and all other EU member states. China is not included on the list of "unfriendly states", but the former core shareholders are incorporated under the laws of "unfriendly states". Moreover, under Russian competition law and Russian foreign Investments law the acquisition of the majority of the shares in the Company by Yankuang requires Russian merger control clearance and a Foreign Direct Investment (FDI) approval, both to be obtained from the Russian Federal Antimonopoly Service (“**FAS**”). The parties to the YKE SPA decided to close the transaction on 19 September 2024 before the Russian regulatory approvals were obtained.

There are no specific penalties for non-compliance with the requirements of the Decree of the President of the Russian Federation No. 618. However, for foreign-to-foreign transactions, where shares in Russian companies are transferred indirectly (i.e. where a foreign purchaser acquires a foreign target entity, which in turn owns or controls a Russian subsidiary), it is questionable to which extent the Russian authorities may be able to challenge such transactions entirely due to their jurisdictional limitations. However, if the Russian authorities strongly oppose a foreign-to-foreign transaction, they may apply to a Russian court to invalidate the transaction in the part related to the Russian subsidiaries and potentially to also confiscate the shares of Russian subsidiaries affected by such a transaction, claiming that such transaction was performed against the fundamental principles of legal order and morality. Also, Russian courts can rule on transferring from a foreign investor to the Russian state the shares of the acquired Russian entity in case no FDI approval was obtained.

Thus, it cannot be ruled out that the shares in and assets of the Russian subsidiaries of the Company may be confiscated by Russian government due to closing of the YKE SPA without prior obtainment of Russian regulatory approvals.

A confiscation of the shares in or assets of the Company’s Russian subsidiaries by the Russian government could have a material adverse effect on SMT’s business, financial condition, and results of operations.

f) Diplomatic tensions and increasing protectionist measures in countries or major regions in which SMT or its customers operate could have a material adverse impact on SMT's business and results of operations.

Diplomatic tensions and protectionist measures between countries, such as the aggravation of trade relations between the United States and China or the conflicts between China and Taiwan as well as armed conflicts such as the Russia-Ukraine Conflict and the Israel-Hamas Conflict, can lead to volatile financial markets as well as unfavourable developments for global trade and industry. In addition, if diplomatic tensions or military conflicts were to escalate further, or new tensions and conflicts were to emerge it cannot be ruled out that SMT would be directly and adversely impacted. Limitations impacting international trade or the decoupling of international trade relations or supply chains in anticipation of future limitations or conflicts may have a negative impact on the export economy in general, and on SMT's revenue and results of operations in particular. SMT particularly see the risk that individual countries might take increasingly protectionist measures to improve their competitiveness in the global market, and other countries may institute corresponding countermeasures. As a result, SMT may have to restructure certain aspects of its business, in order to comply with such protectionist measures. These actions may require SMT to incur additional costs and may not be adequate or even possible. In addition, protectionist trends might result in market access barriers, such as higher import duties or more complicated certification processes in order to reduce imports, up to an international trade war.

Diplomatic tensions and increasing protectionist measures in countries or major regions in which SMT or its customers operate could therefore have a material adverse effect on SMT's business, financial condition, and results of operations.

g) SMT may be adversely affected by Russian regulations relating to the sale of participation interests in Russian companies.

OOO SMT Scharf and OOO SMT Scharf Services are Russian companies. A sale of participation interests in a Russian company or other operations affecting the corporate rights with respect to a Russian company may require a prior approval of the Governmental Commission of Russia pursuant to the Decree of the President of Russian Federation No. 618 dated 8 September 2022. Such an approval is necessary if an entity from a so called "Unfriendly Country", which is controlled by entities and persons from an "Unfriendly Country" is a party to such transaction or operation. This may have an adverse effect on the sale of participation interests in Russian companies. Moreover, the purchase price for a sale of participation interests may be subject to a mandatory discount, determined by a Russian appraiser, as well as the payment of a separate "voluntary contribution to the Russian budget" also known as "exit tax". The Governmental Commission may also impose additional requirements on the terms of such sale, such as further reduced purchase price, payment of purchase price in several instalments or to a special RUB-denominated blocked account opened with a Russian bank. Furthermore, it cannot be ruled out that the Russian government will introduce further regulations that will have an effect on the sale of participation rights in SMT's Russian subsidiaries.

Moreover, the sale of participation interests in the Russian subsidiaries to a Russian buyer may also be restricted from a European sanctions law perspective. According to the EU Commission, a sale of shares

of a Russian subsidiary must be considered as a prohibited indirect sale, supply or transfer of prohibited goods given that the buyer of the shares acquires at the same time the goods and technologies sanctioned under Council Regulation (EU) No 833/2014 as well as listed in Annex I to Regulation (EU) 2021/821. It should not be relevant if the entire 100% of the shares are sold. The EU Commission argues that once the buyer has control over the Russian subsidiary, it has control over the assets of the Russian entity. The sale of the shares should thus amount to a sale, supply or transfer of the goods in question to a “natural or legal person, entity or body in Russia or for use in Russia”. EU operators may therefore apply for a derogation based on Article 12b (1) of Council Regulation (EU) No 833/2014 which can be approved until 30 June 2024.

Although the EU Commission’s opinion is being disputed in the German literature, the German Federal Office for Economic Affairs and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle – “BAFA”*) being the competent authority in Germany has not yet officially taken a position on this sanctions law topic. We can therefore not rule out that BAFA follows the EU Commission’s position which has been the case in similar topics in the past.

However, this should become relevant only in case the Russian subsidiary holds sanctioned goods.

The aforementioned circumstances may lead to SMT not being able to find a buyer for their Russian subsidiaries. Moreover, SMT could be unable to sell the participation interests at a reasonable price.

If SMT is not able to sell the participation interests for a reasonable price, this could have a material adverse effect on its financial condition.

h) SMT is exposed to market trends and technological developments and may not be able to adapt sufficiently or in a timely manner.

SMT’s success depends on its ability to recognize and predict market trends and technological changes and to develop and bring new and improved products to the market in a timely manner. SMT’s business requires a high level of technical expertise for the design, development, and manufacturing of the products. As a result, SMT is required to develop technological innovations that break new ground and consequently bear a certain risk of malfunction. Although SMT invests in technology, new materials, and innovation, there can be no assurance that SMT’s predictions as to market trends and technological changes will later prove to have been accurate or that SMT’s investments will prove successful within the expected time schedule or at all.

Many of the products of SMT also require extensive and costly development and manufacturing processes. Therefore, SMT faces technological challenges that arise in the development and manufacture of new products, which may lead to, for example, cost increases, quality issues, or delivery delays.

The industrial markets in which SMT is active are characterized by trends, such as electrification, power efficiency, automation and hybridization. As a result, SMT may face additional costs and challenges in developing new products or adapting its current products to respond to the additional demands and regulatory requirements that its customers and regulators impose on SMT.

In addition, digitalization is progressing rapidly and has already transformed certain sectors. The pace at which SMT implements digital technologies and adapts to these trends represents an important success factor. If SMT is unable to keep pace with these trends, this might pose a risk to its market position.

There can be no assurance that SMT will be successful in developing new products or systems or in bringing them to market in a timely manner, including due to an inability to effectively implement its business strategy. Further, products or technologies developed by others may render SMT's offerings obsolete or non-competitive or its customers may substitute competing products for its products or adopt alternative technologies to those of SMT. There can be no assurance that the market will accept SMT's innovations, or that its competitors will not be able to produce SMT's non-patented products more inexpensively from other sources. SMT may not be able to anticipate its customers' needs and provide products to meet those needs and may not be able to adjust SMT's cost structure in the event of contraction of demand. Should SMT fail to develop appropriate strategies as a response to these or similar market trends or fail to enhance existing products, develop new products, or keep pace with developing technology, growth opportunities or existing customers could be lost. Furthermore, if SMT devote resources to the pursuit of new technologies and products that fail to be accepted in the marketplace or that fail to be commercially viable, all or part of the associated costs may be lost, and SMT's business may suffer.

2. Risks Related to SMT's Business and Products

a) SMT is a holding company and therefore relies on the revenues and dividends of its shareholdings to finance liabilities, investments, dividends and day-to-day operations.

Fluctuations in working capital could have a negative impact on the Company's liquidity. The Company is a holding company for subsidiaries and shareholdings and does not have its own cash flow from productive activities. The Company's principal assets consist of its investments in subsidiaries and shareholdings.

Consequently, the Company is dependent on a steady cash flow from its subsidiaries and its shareholdings in order to finance its liabilities, investments and the ongoing business. The cash flow from its subsidiaries and the shareholdings may be subject to fluctuations. This may be due to, for example, delayed or non-payment by customers or other business partners, seasonal fluctuations in sales, weather conditions or fluctuations of raw materials' prices. In addition, the Company's ability to pay dividends primarily depends on the receipt of sufficient funds from its subsidiaries and shareholdings. The extent of these funds, in turn, depends to a large extent on the assets, financial and earnings situation of the respective subsidiary or shareholding. Any future determination as to the payment of dividends by shareholdings depends on the decision of the competent bodies under the respective legal system to pay such dividends and will depend on such participation's financial condition, future capital requirements and general business and other factors considered relevant by the competent body. There is no assurance in relation to the payment of dividends by shareholdings.

If SMT's subsidiaries or its shareholdings fail to distribute sufficient or timely earnings to the Company, this could have a material adverse effect on its business, financial condition, and results of operations.

b) A disruption in SMT's supply or delivery chain may cause SMT or one or more of its suppliers or customers to halt production.

The logistics processes in SMT's industries and end-markets are exposed to potential disruption in its supply and delivery chains.

Such disruptions may occur for various reasons, which, both individually and in the aggregate, can increase pressure on the supply and delivery chain and lead to production delays as well as delayed acceptance by SMT's customers. Reasons for such disruptions include the closure of supplier facilities or critical manufacturing facilities due to strikes, insolvencies or other financial instability, mechanical breakdowns, electrical outages, Fire, explosions and public health crises such as during the COVID-19 pandemic. For example, the effects of COVID-19 pandemic were just as noticeable in Europe in the form of interruptions to supply chains on the one hand and price explosions, particularly for electronic components, on the other. As a consequence of the pandemic, the shortage of semiconductors, in particular, is providing a risk to the functioning of SMT's value chains. In addition to higher prices for electronic components, it is the frequent lack of availability of precisely these components that can affect supply capabilities. For example, the processor installed in SMT's locomotives was only available with delivery times of up to 52 weeks – before the COVID-19 pandemic, delivery times of 40 weeks were common and purchase prices increased dramatically.

SMT may also face interruptions in supply and delivery chains if the quality of the subcomponents or raw materials delivered by the suppliers does not meet SMT's requirements. Disruptions may further result from a lack of qualified labour or shortages of raw materials, subcomponents or energy. In turn, closure or disruptions along the supply chain may lead to additional pressure on other suppliers and the transportation infrastructure due to higher-than-expected order volumes, which suppliers or logistics companies may be unable to process due to e.g., an unavailability of skilled labour or production facilities. Furthermore, extreme weather conditions, in particular periods of drought and heat, have repeatedly impeded business and industrial activity during the last years, resulting in regional shortages of water and power as well as difficult transport conditions and scarcity of certain goods and resources. Additional relevant factors may be logistical complications resulting from other natural disasters, mechanical failures, and delayed customs processing as well as the ongoing Russia-Ukraine Conflict and the Israel-Hamas Conflict.

The lack of subcomponents, also due to long delivery times, or raw materials necessary to manufacture one of SMT's products could require SMT to prolong its production period. In such cases SMT may not always be able to identify supply and delivery alternatives in a timely manner or at all.

Furthermore, SMT by definition works with specialized suppliers on customized low volume goods. These can be, for example, motors with typical mining refinements, pumps, valves or even intrinsically safe controls and electronic components. A specific example of such low volume and customized supply is the Diesel engine of company Liebherr utilized in SMT's high power monorail range. Concentrating

on such a “single sourcing” carries the risk of dependency and if a supplier fails, this will have noticeable consequences for SMT, as qualifying a replacement supplier is costly and time-consuming. In the worst case there is also a risk that SMT will not be able to find an adequate replacement at all.

Any disruption in SMT’s supply and delivery chains could have a material adverse effect on its business, financial condition, and results of operations.

c) Environmental, social and governance matters may impact SMT’s business and reputation.

There has been an increased focus by customers, investors, banks, employees, and other stakeholders, as well as by governmental and non-governmental organizations on environmental, social and governance (together, “**ESG**”) matters.

For example, a rising number of SMT’s customers and business partners may put an increased focus on ESG compliance. In addition, a variety of organizations measure the performance of companies on ESG topics, including in the form of ratings, and the results of these assessments are often widely published. Furthermore, investment funds that invest in companies that perform well in such assessments are increasingly popular and major institutional investors have publicly emphasized the importance of ESG measures to their investment decisions. The adoption or further refinement of ESG investment principles by investors (for example, so-called green funds) might also lead to a divestment of shares of companies in the coal mining industry, including SMT. Topics taken into account in such assessments include, among other factors, a company’s efforts and impact on climate change, the transition to green energy, social issues, occupational health and safety, diversity and inclusion, human rights, ethics, compliance with law and the role of a company’s management in supervising various sustainability issues.

Furthermore, also many banks make their decision to grant financing or grant contract extension dependent on the customer’s business model and are therefore calling for a transformation into more sustainable business areas. For example, the loan agreements between SMT and UniCredit Bank and Deutsche Bank will not be prolonged after 31 December 2024 due to ESG concerns as SMT is mainly active in the coal mining sector. Although SMT has obtained a refinancing by Volksbank Hohenlimburg eG, Hagen, Germany (“**VoBa Hohenlimburg**”) and Zhongyin (Hong Kong) Co., Limited, Hong Kong, China (“**Zhongyin**”) in this regard, for the future there remains a risk that SMT might face difficulties to ensure its financing structure or might not be able to refinance on time or at satisfactory terms.

Furthermore, the passing of legislation or regulations for the finance sector could cause institutional investors to restructure their portfolios and reduce or eliminate their exposures in companies that operate in industries classified as inadequate. Changes to the qualification criteria for being admitted to or remaining included in certain stock indices could also harbor risks. There can be no certainty that SMT will manage such issues successfully, or that SMT will meet society’s or investors’ ESG expectations or any future ESG reporting requirements such as the new requirements under the EU Directive (EU) 2022/2464 as regards corporate sustainability reporting (“**CSRD**”), which will apply to SMT for the first time for the fiscal year 2024 as a listed company. The CSRD had to be transposed into German law by

6 July 2024 ("**CSRD Implementation Act**"). The directive has not yet been transposed as of the date of this Prospectus.

However, as a company active in the coal mining industry, SMT faces particular challenges in terms of commitment to ESG matters and therefore SMT has already made ESG an important and integral part of its strategy, which bears significant challenges and risks. SMT has worked with a consultancy firm to develop a roadmap for the coming years, which envisages a CSRD-compliant pilot report in 2025 for the 2024 financial year and consolidated reporting in 2026 for 2025. To this end, a double materiality analysis was carried out with the cooperation of all locations. This formed the basis for a gap analysis, which was executed in summer 2024. This analysis lists identified gaps between legal mandatory reporting details and available data today. These gaps will be closed in the next year(s) to meet the legal requirements in time. From October 2024, the data will then be collected from all locations and the CSRD-compliant reporting pilot will be created. All work results will form the basis for creating a sustainability strategy for the company's further development. There are also plans to create a company carbon footprint and individual product footprints for 2025.

In addition, trying to achieve SMT's ESG goals may result in increased costs. Standards regarding ESG could change and become more onerous and costlier to meet.

If SMT is not able to address the ESG matters successfully, this could have a material adverse effect on its reputation, business, financial condition, and results of operation.

d) SMT depends on its ability to attract and retain qualified executives, key employees and skilled and qualified personnel.

SMT's business success depends partly on the extent to which the Company is able to retain highly qualified technical and managerial staff, and recruit further suitable employees - especially when staffing up in foreign markets. Wage increases and increases in incidental personnel expenses can lead to cost increases which SMT is unable to pass on through prices.

Therefore, the loss of executives, key employees and other personnel or the failure to hire the additional skilled personnel that SMT requires could have a material adverse effect on its market and financial position. Due to intense competition within the industry, there is a risk of losing qualified employees to competitors or being unable to find a sufficient number of appropriate new employees. Considerable expertise could be lost, or access thereto gained by competitors. There is no assurance that SMT will be successful in retaining SMT's executives and the employees in key positions or in attracting new employees with corresponding qualifications.

If SMT is not able to attract and retain executives, key employees, and qualified personnel, this could hinder its growth, undermine its competitive position and have a material and adverse effect on its business, financial condition, and results of operations.

e) SMT is subject to risks related to its global operations.

SMT's business is subject to certain risks associated with doing business internationally. SMT sells its 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, Russia, Poland and South Africa. In addition, SMT also operates in South America with its own sales subsidiary in Chile and in North America via a further subsidiary.

As SMT intends to continue to pursue growth opportunities for its business, in particular in growth markets such as China, the risks set forth below could be exacerbated.

SMT's global operations and its expansion in growth markets are subject to various exposures that could have a material adverse effect on those operations and SMT's business as a whole, including:

- the burden of complying with multiple and possibly conflicting laws (e.g., data protection or sanction laws) and unexpected changes in regulatory requirements;
- foreign currency exchange controls, sanctions, import and export restrictions and tariffs and other trade protection regulations and measures;
- political risks, including increased trade protectionism and risks of loss due to civil disturbances, acts of terrorism, acts of war or insurrection;
- change in mines' ownership structures;
- interference by governments, including government-sponsored competitors, confiscation of assets, implementation of profitability caps or special taxes, levies or duties;
- underdeveloped infrastructure;
- unstable political economic, financial and market conditions;
- currency exchange rate and interest rate fluctuations and high inflation;
- difficulties in enforcement of third-party contractual obligations and intellectual property rights and collecting receivables through foreign legal systems;
- difficulty in staffing and managing international operations and the application of foreign labor regulations;
- difficulties in attracting and retaining qualified management or adequately trained personnel;
- differing local product preferences and product requirements;
- potentially adverse tax consequences from changes in tax laws, requirements relating to withholding taxes on remittances and other payments by subsidiaries and restrictions on SMT's ability to repatriate dividends from SMT's subsidiaries;
- difficulties ensuring the integrity and compliance of business partners, as well as business environments in which fraud, bribery or corruption are common, condoned or encouraged by private or official actors; and
- exposure to liabilities under anti-corruption and anti-money laundering laws.

Any of these factors could have a material adverse effect on SMT's business, financial condition, and results of operation.

f) SMT is exposed to fluctuations in currency exchange rates.

SMT operates worldwide and is therefore exposed to financial risks that arise from fluctuations in currency exchange rates. SMT is exposed to foreign currency risks, if a company of SMT performs transactions and incurs future cash flows in a currency other than SMT's functional currency (Euro).

When it comes to changes from currency adjustments, it should first be mentioned that on the one hand this affects the processing of transactions, but on the other hand it also affects all balance sheet items that relate to investments abroad. In terms of ongoing business, China is the SMT's largest sales market. SMT's subsidiary in Xuzhou, China and its participation in Xinsha, China supply local customers there, so that these transactions take place without currency risks. However, both locations purchase significant amounts of machinery, machine parts (components) and spare parts from SMT Scharf GmbH in Germany. The intercompany contracts for this are concluded in Euros.

In addition to the Chinese market, SMT is also confronted with currency risks in South Africa and Russia. Due to the technical, price adjustments and frequent scheduling deviations that usually occur in these project transactions, currency transactions are only secured in isolated cases. In the case of deviations of this type (value and date), currency hedging is insufficient.

Fluctuations in foreign exchange rates could increase or reduce the Euro-equivalent value of SMT's income, costs, assets and/or liabilities, if denominated in foreign currency. As a result of these factors, fluctuations in exchange rates and, in particular a significant appreciation of the Euro against other major currencies, could affect SMT's results of operations.

Material risks, e.g., resulting from significant customer and/or supplier contracts in foreign currency where related cash flows are not realized immediately, are hedged using currency forwards. However, there can be no assurance that hedging will continue to be available on commercially reasonable terms or that it will always be effective in managing SMT's currency risks. Equity investments or equity-type loans to subsidiaries in foreign currencies are not hedged. As a result, SMT may be unable to use derivative financial instruments in the future, to the extent necessary, and its hedging strategy could therefore ultimately be adversely affected. Furthermore, hedging transactions create an inherent risk that a counterparty may default on its obligations.

Fluctuations in currency exchange rates could therefore have a material adverse effect on SMT's business, financial condition, and results of operations.

g) The assumptions made in preparing the profit forecast and business outlook included in the Prospectus may prove incomplete or inaccurate.

The profit forecast and the business outlook included in this Prospectus are based on various assumptions which are inherently subject to significant business, operational, economic, and other risks, many of which are outside of SMT's control. Such assumptions relate to unforeseen events including any pandemic situations, geopolitical tensions (including the effects of Russia's war against Ukraine), the dependency on third parties and particularly on SMT's supplier base (including supplier relationships,

supply shortages, and supply chain disruptions), the economic environment and inflation development in Europe, the development of the markets in which SMT operates and the competitive environment, its customer base and consumer habits (including channel shifts), the legal and regulatory environment, as well as foreign exchange rate movements.

Such assumptions may prove incomplete or inaccurate, may change or may not materialize partially or at all, and SMT's actual results of operations for the current financial year and in the future could differ materially. This could materially adversely impact the price of the shares in SMT and its reputation and make it more difficult for SMT to access capital markets in the future, any of which could have a material adverse effect on SMT's business, results of operations, financial position, cash flows, and prospects.

h) SMT's operations rely on IT systems and networks, which may be breached, attacked, or impaired.

SMT relies on standardized information technology ("IT") systems and networks to support business processes, as well as internal and external communications. Any failure in the operation or breach of these IT systems could result in material adverse consequences, including disruption of operations, loss of information or an unanticipated increase in costs.

Moreover, there is the risk of unauthorized access, theft and destruction or misuse of business data and information. A malfunction of SMT's data security measures, or a cyber-attack could enable unauthorized persons access to sensitive business or personal data, including information to SMT's intellectual property or business strategy or those of its customers. This is an evolving risk due to increasing global cyber-crime activity. The risk of cyber-attacks may also be heightened as a result of the ongoing Russia-Ukraine Conflict and the Israel-Hamas Conflict. SMT cannot assure that the security measures SMT has put in place will continue to successfully defend SMT against these attacks.

Further, SMT's ability to keep its business operating depends on the proper and efficient operating and functioning of various IT systems, which are susceptible to malfunctions and interruptions. Parts of its IT infrastructure could malfunction as a result of accidents, disasters, technical disruption, human error, internet attacks, sabotage and a range of other hardware, software or network problems, thereby impairing or completely shutting down business processes. The measures SMT applies and regularly reviews to mitigate digital threats may be insufficient to prevent certain types of security vulnerabilities. Future actual or perceived security vulnerabilities could cause SMT to incur significant additional costs to alleviate problems caused by any such vulnerabilities. A failure of SMT's IT systems could also cause damage to its reputation which could harm its business.

In addition, from time to time, SMT may be required to make investments to maintain and/or upgrade its IT systems and networks and such investments may be significant, take longer than expected or cause interruptions to its existing systems. For example, SMT is currently in the process of introducing a uniform Group-wide Enterprise Resource Planning system (ERP System). After its successful implementation at the Hamm facility, installation of the ERP System is to be completed at the subsidiary ser elektronik GmbH, Möhnesee, Germany ("**ser elektronik**") in 2024. Subsequently, work will begin on gradually rolling out the ERP System to foreign sites.

Any breach of SMT's IT system or network disruptions could have a material adverse effect on SMT's business, financial condition, and results of operations.

i) SMT's business, financial condition and results of operations may be adversely affected by increased costs, particularly under SMT's fixed price contracts without price adjustment clauses.

SMT requires various raw materials, subcomponents and components as well as energy in its production processes and are exposed to the risk of increased costs for such raw materials, subcomponents or components or energy. This risk is particularly relevant in relation to SMT's fixed price contracts without price adjustment clauses where the consideration for the goods or services delivered or provided are fixed at the time of contract award. SMT is therefore exposed to the risk that the actual costs incurred in connection with performing its obligations under such firm fixed price contracts are higher than assumed at the time of the offer was calculated.

Furthermore, a typical time span from SMT's first offer to the signing of a contract with costumers is regularly one year in the coal segment and even more than one year in the tunnel segment. SMT is therefore exposed to the risk to be bound by its offer and the costs agreed therein while the actual costs are higher than assumed.

This could be due to inflation or supply chain disruptions or other reasons, and such higher actual costs could adversely impact SMT's margins. SMT may miscalculate prices for fixed price contracts or the costs of meeting its obligations may rise after the date of the relevant contract, including for reasons that are beyond SMT's control, such as increases in material costs, unexpected technical difficulties, or delays.

An increase of SMT's costs, in particular under its fixed price contracts without price adjustment clauses, could therefore have a material adverse effect on SMT's business, financial condition, and results of operations.

j) In some regions, SMT works with sales agents and could therefore be exposed to commercial agents' compensation payments

Due to local peculiarities of specific regions where SMT operates, SMT works with intermediaries, usually sales agents, which are tasked with maintaining SMT's local market presence or the local dealer network. These sales agents have written contracts with SMT, for example in China. If these sales agents and intermediaries are deemed commercial agents (*Handelsvertreter*) under Section 84 of the German Commercial Code (*Handelsgesetzbuch*, "HGB") or similar regulations in other jurisdictions SMT may be obliged to pay commercial agent's compensation pursuant to Section 89b HGB or similar regulations in other jurisdictions upon the end of the contractual relationship, in particular if SMT was to terminate the relationship. The amount of these payments depends on applicable law, jurisprudence and/or case law, which consider a multitude of factors to determine whether commercial agent's compensation should be paid, including the length of and terms of the relationships, as well as the revenue

earned by the commercial agent. As a result, it is difficult to predict whether SMT will be liable to make such payments, the amount of which could be substantial. If a commercial agent were to successfully claim such compensation, this could have a material adverse effect on SMT's business, results of operations and financial condition.

k) SMT's business in South Africa depends – amongst others – on adhering to the legislative requirement to meet a minimum black ownership threshold of 30% (B-BBEE)

On 5 April 2019 the Company and the former shareholder of SMT Scharf Africa Proprietary Limited, Modderfontein, Gauteng, South Africa ("**SMT South Africa**"), i.e. Aero Africa Leasings (Pty) Ltd., Johannesburg, Gauteng, Republic of South Africa, have entered into a Call and Put Option Agreement regarding Aero Africa Leasings (Pty) Ltd. shares in SMT South Africa. Aran Capital (Pty) Ltd., Bedfordview, Gauteng, Republic of South Africa, has assumed all rights and obligations under this Call and Put Option Agreement, which was last amended on 23 May 2024, from the former shareholder of SMT South Africa. Pursuant to the Call and Put Option Agreement including amendments, Aran Capital (Pty) Ltd. will have the right to put its shares in SMT South Africa to the Company, which the Company then must purchase at the fair market value upon the occurrence of amongst others the following events:

- the breach of any provisions of the loan agreement between the Company and Aran Capital (Pty) Ltd (defined as the SA Credit Agreement);
- a material breakdown of the relationship between the parties;
- no dividends are declared or dividends that are declared do not cover the loan repayments (as contemplated in the loan agreement between the Company and Aran Capital (Pty) Ltd.) for three consecutive years;
- insolvency of the Company;
- business restructuring of SMT South Africa with the effect that the direct shareholding of SMT South Africa changes materially;
- the exit of the Company out of Africa within 10 years of the signature date of the Call and Put Option Agreement, in which case ZAR 10,000,000.00, plus any repayments of the loan amount (as the term has been defined in the loan agreement) excluding interest levied on the loan amount shall be refunded to Aran Capital (Pty) Ltd.

In case that Aran Capital (Pty) Ltd. justifiably exercises its right to put its shares in SMT South Africa to the Company, the Company is obliged to purchase these shares at the fair market value, which will result in a loss of liquidity at the level of the Company.

Furthermore, if Aran Capital (Pty) Ltd., which is 100% owned by a "*black shareholder*", puts its shares in SMT South Africa to the Company, this will result in the loss of the minimum black ownership threshold of 30% based on the scorecard approach required for the mining industry pursuant to the Broad-Based Black Economic Empowerment Act, 2003 (**B-BBEE Act**). Although the B-BBEE Act does not impose criminal sanctions, nor does it make it unlawful to trade, as a result of non-compliance or non-adherence to the B-BBEE, the B-BBEE Act contemplates that government and public entities, as well as entities doing business with government and public entities will take account of B-BBEE as a factor in determin-

ing whom they do business with, or whom they issue licenses or concessions to. Therefore, it is advisable to adhere to B-BBEE principles when doing business in South Africa, as a failure to do so may result in a loss of business interests. In addition, B-BBEE rating and/or local ownership may be a determining factor when applying for a license, permit or other authorizations, depending on sector-specific legislation. For a company operating in or adjacent to the mining industry, as the Company and SMT South Africa, this is particularly important, as the Broad-Based Socio-Economic Empowerment Charter for the Mining Industry requires inclusive procurement, including the requirement that 44% of total mining procurement must be spent on South African manufactured goods produced by BEE compliant companies.

As a result, Aran Capital (Pty) Ltd.'s right to put its shares in SMT South Africa to the Company, could have a material adverse effect on SMT's business, financial condition, and results of operations.

3. Risks Related to Laws, Regulation and Taxation

a) SMT may be adversely affected by changes to the general regulatory environment.

SMT is subject to a wide variety of laws and regulations, including regulations on data protection, environmental protection, competition, tax, and employment matters. In addition, SMT is subject to the issuance of new laws and regulations or changes in the interpretation of existing laws and regulations by a court, regulatory body or governmental official in each of the jurisdictions in which SMT operates or may operate in the future. The implementation of these changes may prove time-consuming and may cause SMT to adjust internal procedures, which could also affect its business operations.

b) SMT may fail to comply with applicable laws and regulations, or changes in such laws and regulations.

SMT distributes its products across the world and manufactures its products at six sites in five countries.

Therefore, SMT is subject to various laws and regulations in the different jurisdictions in which SMT is active. Due to the market in which SMT operates, these laws and regulations impose comprehensive compliance obligations on the Company and its subsidiaries and restrict SMT's offering and operating activities. These obligations and restrictions, in turn, can be difficult to administer because of their scope, dynamic nature and varied requirements and, as such, SMT's global operations expose SMT to the risk of violating, or being accused of violating, such laws and regulations. In addition, rapidly changing export control rules and regulations may lead to a risk of inadvertently violating specific countries' export control regulations and laws. SMT's failure or alleged failure to comply with these laws and regulations may expose SMT to reputational harm as well as significant penalties.

SMT handles sensitive customer data and is subject to increasingly stringent data protection and privacy requirements, such as the Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR"), which became effective in all EU member states on 25 May 2018. The GDPR imposed stricter conditions and limitations in relation to the processing, use and transmission of personal data.

The GDPR introduced extensive documentation obligations and considerably higher transparency requirements, which affect not only initial data collection but also the monitoring and investigation once personal data has been collected. SMT may not have prepared for these changes to the extent necessary and its preparations may not yield the expected results. Additionally, it is possible that applicable laws, regulations, and other obligations relating to data usage and data protection may be interpreted and applied in a manner that is inconsistent with SMT's practices. Furthermore, there can be no assurance that SMT's practices have complied, comply, or will comply fully with all such laws, regulations, and other legal obligations. For example, SMT may have saved data from its customers that it should not have saved pursuant to applicable data protection laws. Its process of developing and advancing the data protection standards and procedures may take longer and require more resources than originally planned. Furthermore, measures taken to prevent incidents of data loss might prove insufficient, and SMT may be vulnerable as a result of human error and misbehavior. Any non-compliance by SMT with the applicable regulations could lead to fines and other sanctions. For example, the GDPR provides that violations can be fined, depending on the circumstances, by up to the higher of EUR 20 million and 4% of the annual global turnover of the non-compliant company.

Should SMT be in violation of existing laws and regulation or fail to comply with changing laws and regulations, this could have a material adverse effect on its business, financial condition, or operations.

c) SMT is exposed to warranty and product liability claims.

As a manufacturer, SMT has in the past been subject to product liability lawsuits and other proceedings alleging violations of due care, violation of warranty obligations (implied or expressed), treatment errors, safety provisions and claims arising from breaches of contract, recall actions or fines imposed by government or regulatory authorities. Any such lawsuits, proceedings and other claims could result in increased costs for SMT. In addition, defective products could result in loss of revenue, loss of customers, and could lead to cost of repair and replacement. Defective products could also result in loss of market acceptance and cause damage to the reputation of SMT's products or its customers' end-products. As part of risk management, SMT maintains business and product liability insurance both locally at the respective locations and internationally via a master policy. These also include environmental liability insurance. Balanced risk management includes consideration of which possible damage events and their damage amounts on the one hand and, as a result, which insurance premiums on the other hand, should be insured. In SMT's risk management, these parameters are regularly analyzed and adjusted if necessary. However, the insurance coverage obtained by could prove insufficient.

Furthermore, SMT's customers could potentially bring claims for damages on the basis of breach of contract, even if the cause of the defect is remedied at a later point in time. In addition, failure to perform with respect to quality requirements could negatively affect the market acceptance of SMT's other products and its market reputation in various market segments.

d) SMT's risk management and internal control systems and its material compliance management system may fail to prevent or detect corruption, fraud, other criminal or unauthorized behavior or violation of the law.

SMT operates a risk management system (RMS) that is fully integrated into the company's planning, management and control processes. As a consequence, the RMS forms a central element of value-oriented corporate management, and serves to secure existing and future success and profitability potential in a targeted manner. The risk management system is aimed at the early identification of opportunities and risks for the purpose of initiating appropriate precautionary and securing measures without delay which are then subject to ongoing monitoring. Risk management is based mainly on internal regulations set out in the form of guidelines and implemented in the process of corporate management and supervision. Key elements in this process include strategic and operational forecasting, the preparation of weekly, monthly and quarterly reports for the Managing Board, and preparing for investment decisions. Ongoing reporting serves the purpose of business performance management Group-wide as well as ongoing monitoring and communication about opportunities and risks. Risks arising short-term are communicated immediately and by direct routes to those organizational units responsible for the early identification, management and communication of the relevant risks. Risk management officers within these organizational units have the task of coordinating the risk measures and ensuring risk communication to the relevant higher levels.

The internal controlling system (ICS) forms an integral element of risk management at SMT. The main objective of the ICS is to ensure that all business transactions are accurately reflected in the reporting. This is intended to prevent deviations from internal or external regulations. In terms of external financial accounting and reporting, this primarily entails ensuring financial statements conform to applicable accounting standards. To this end, the internal controlling system and risk management function are organized in line with accounting units. Standard financial accounting regulations are applied within SMT, and compliance with these regulations is monitored on an ongoing basis. In some cases, recourse is made to external specialists to manage specific accounting risks, such as in the case of actuarial valuation.

A Compliance Management System (CMS) has been successfully installed within the company. This is intended to detect and prevent potential rule violations in good time. The CMS is instrumental in uniformly defining appropriate responses to compliance issues for all group companies and communicating these issues. SMT has appointed an external compliance officer to monitor compliance management within the group.

A failure of SMT's RMS, ICS and/or CMS could have a material adverse effect on SMT's business, financial condition, and results of operations.

e) SMT's operations are subject to the risk of health and safety liabilities.

The mining and tunneling sector present potential risks to the health and safety of people working in this industry, so this subjects SMT to various statutory and regulatory compliance and litigation risks under health, safety, and employment laws. There can be no assurance that there will be no accidents, even

fatal accidents, or incidents suffered by SMT's employees, contractors or other third parties. If any accidents or incidents occur, SMT could be subject to prosecution and litigation, which could result in fines, penalties and other sanctions imposed on SMT and could cause damage to its reputation. The realization of any of this could have a material adverse effect on SMT's business, financial condition, and results of operations.

f) Pending and future tax audits and changes in fiscal regulations could lead to additional tax liabilities.

SMT is subject to routine tax audits by local tax authorities in the countries in which it operates, for example in Poland and Germany.

The corporation tax, trade tax and the value added tax (VAT) were the subject of a general tax audit in Germany for the years up to 2019. However, subsequent assessment periods of the German companies and several assessment periods of other subsidiaries were not yet subject to an audit. The 2022 and 2023 tax returns are being processed and have not yet been submitted to the tax authorities. Therefore, these payments are still outstanding (the expense is already recognised in provisions).

However, subsequent tax assessment periods of the German companies as well as several tax assessment periods of other subsidiaries have not yet been subject to an audit. While SMT believes that it has paid all material tax liabilities and filed all material tax returns as of the date of this prospectus, and made provisions that SMT believes to be adequate with respect to material tax risks resulting from current or past tax audits, there can be no assurance that tax deficiencies will not be asserted against SMT or that the taxes assessed by the competent authorities pursuant to such tax audits will not exceed such provisions. In particular, a future tax audit could result in an interpretation of the tax laws or relevant facts in a manner that deviates from SMT's interpretation. While SMT attempts to assess in advance the likelihood of any adverse judgments or outcomes to tax proceedings or claims, it is difficult to predict final outcomes with any degree of certainty. All of the tax assessments issued for periods which were not yet finally audited may be subject to review and future tax audits may result in additional tax and interest payments, which would negatively affect SMT's financial condition and results of operation.

4. Risks Related to the Shares and the Admission to Trading

a) The majority shareholder of SMT has significant influence over SMT's corporate affairs, and its individual interests may deviate from the Company's other shareholders' interests.

As of the date of this Prospectus, **Yankuang** directly holds more than 50% of the Company's shares and voting rights. Yankuang is ultimately controlled by Shandong Provincial State-Owned Assets Supervision and Administration Commission as a governmental authority of the PRC in Shandong Province.

As a result of its voting rights, Yankuang is in a position to exert control at the Company's shareholders' meeting and will be able to adopt shareholders' resolutions at the Company that require only a simple

majority. Among other things, this means that it will be able to determine the use of distributable profit (*Bilanzgewinn*), resolve certain material capital measures, and set the dividend policy of the Company. It could also control the election of the shareholder representatives of the supervisory board (*Aufsichtsrat*) of the Company (the “**Supervisory Board**”), which in turn appoints the Company’s management board (*Vorstand*) (the “**Management Board**”). In addition, Yankuang might, depending on the shareholder presence at the shareholders’ meeting of the Company adopt and effectively implement resolutions that require the consent of at least three quarters of the share capital represented at the vote (for example, the creation of authorized or contingent capital, amendments to the corporate purpose, mergers, divestitures and changes in corporate structure including, but not limited to, the conclusion of a domination agreement). Furthermore, it could prevent a shareholders’ meeting from adopting any resolutions.

Thus, conflicts of interest and differences of opinion could arise between Yankuang, on one hand, and the other shareholders, on the other hand, regarding the exercise of voting rights at the Company’s shareholders’ meetings. If this were to happen, Yankuang would be able to assert its interests against the will of the other shareholders in the shareholders’ meeting because of the substantial voting rights it controls. Even if Yankuang did not in fact use its controlling stake to influence the SMT Group, the possibility of exercising control could have material adverse effects on the Company’s share price and, for example, make it more difficult for the Company to raise capital.

Furthermore, Yankuang may have economic or business interests or goals that are not aligned, or that would turn out to be inconsistent with the Company’s interests or goals. It may engage, participate, or hold a right or interest in or render services to a business which competes with SMT, or invest in companies that are its partners, including suppliers. To the extent that major shareholders (including indirect shareholders) engage in the same or similar business activities or lines of business as SMT or engage in business with any of its suppliers or other partners, the Company’s ability to successfully operate and expand its business may be hampered, which could have a material adverse effect on its business, and prospects.

b) Membership of the same individuals on the Company’s management and supervisory board and on governing bodies of, or other relationships with, major shareholders or affiliates of major shareholders may result in conflicts of interests.

As of the date of the Prospectus, members of the Supervisory Board, namely Mr. Li Zhang and Mr. Qiang Yu and the member of the management board, Mr. Jun Liu hold functions and management positions at Yankuang and/or at certain affiliates of Yankuang. As the interests of Yankuang and its affiliates as well as their other investments or holdings and those of the Company will not necessarily always coincide or be aligned, the mentioned dual mandates and relationships and any other relationships of the Company’s board members with shareholders or any of their other investments or holdings not belonging to SMT Group may result in conflicts of interest for these persons. Any such conflict of interest, if not appropriately dealt with, could have a material adverse effect on the Company’s reputation, business and prospects.

c) SMT may not be able to pay dividends in the foreseeable future or ever.

Dividends may only be distributed from distributable profit of the Company. Consequently, the Company will only be able to make dividend payments in the envisaged amount if sufficient net retained profits are available to the Company. The net retained profit is calculated based on the Company's annual individual financial statements prepared in accordance with the accounting principles of the HGB. Accounting principles set forth in the German Commercial Code (*Handelsgesetzbuch*) differ from International Financial Reporting Standards as adopted by the EU ("IFRS") in material respects.

The Company may not be able to generate sufficient unappropriated retained earnings to be able to distribute dividends under the requirements of German corporate law in the future. Furthermore, the Company is a holding company with no material business operations of its own. The principal assets of the Company are its direct and indirect equity interests in its operating subsidiaries. As a result, the Company is dependent on these subsidiaries in order to generate the funds required to meet the Company's financial obligations and make dividend payments, if any. The ability of the Company's subsidiaries to make distributions and other payments to the Company depends on the subsidiaries' earnings and is subject to various contractual and statutory limitations.

Any determination to pay dividends in the future will be at the discretion of the Company's management board and will depend upon the Company's results of operations, financial condition, contractual restrictions, restrictions imposed by applicable laws and other factors management deems relevant. Consequently, the Company may not be able to pay dividends in the foreseeable future or at all. The materialization of the risk described above could cause the price of the shares in the Company to fall, in which case investors could lose some or all of their investment.

d) Future capitalization measures may lead to substantial dilution, i.e., a reduction in the value of the shares in the Company and the control rights of existing shareholders' interests in SMT. Future offerings of debt or equity securities may adversely affect the market price of the shares.

SMT may require additional capital in the future to finance its business operations and growth. The raising of additional equity through the issuance of new shares, the potential exercise of conversion or option rights by holders of convertible bonds or bonds with warrants or the fulfilment of conversion obligations relating to such bonds, which may be issued in the future, and the exercise of stock option rights which may be granted to the Management Board members and certain other employees, may dilute shareholder interests. The Company's articles of association currently provide for the issuance of up to 2,760,728 additional shares as authorized capital and up to 2,760,728 additional shares as conditional capital. The Company may issue all of these shares without any action or approval by the shareholders, and under certain limited conditions, for example in the event of a capital increase against contributions in kind, without reserving any preemptive subscription rights for the shareholders. Because SMT's decision to issue securities in any future offering will depend on market conditions and other factors beyond its control, SMT cannot predict or estimate the amount, timing, or nature of future offerings. Thus, holders of shares in the Company bear the risk that future offerings might reduce the market price of the

shares and dilute their shareholdings in SMT, which could cause the price of the shares in the Company to fall, in which case investors could lose some or all of their investment.

e) Shareholders of the Company in jurisdictions outside Germany may not be able to participate in future issues of Company's shares unless the Company decides to take additional steps to comply with applicable local laws and regulations of such jurisdictions.

In the case of certain increases in the Company's issued share capital, the Company's existing shareholders are generally entitled to subscribe to the new shares issued unless such subscription rights are specifically excluded. Shareholders outside Germany may not be able to exercise their subscription rights unless the Company decides to comply with applicable local laws and regulations. The background to this is that the publication of a subscription offer abroad may also be regarded as a public offer requiring a prospectus there. This may be the case in the US, for example. This may make it preferable for the Company to exclude the subscription rights of foreign shareholders in order to avoid additional costs. Whether and under what circumstances the publication of a subscription offer abroad is to be regarded as a public offer there is a question of the individual case. Therefore, depending on the circumstances, the Company may decide to instruct the custodian banks not to forward subscription rights information to foreign shareholders in certain countries due to aforementioned legal reasons. That being said, the Company cannot assure any shareholders outside Germany that steps will be taken to enable them to exercise their subscription rights, or to permit them to receive any proceeds or other amounts relating to their subscription rights.

f) Future sales of the shares in the Company by Yankuang could trigger change of control provisions in contracts.

Various agreements to which SMT is party, such as certain finance agreements and the joint venture agreements, specify particular legal consequences if a change of control occurs, i.e. if the existing major shareholder ceases to hold a direct or indirect majority of share capital or voting rights in the Company.

Depending on the underlying agreements, the Company is subject to various legal consequences in the event of a change of control, such as termination rights of other parties to the contract and/or obligations to repay creditors.

SMT generally has no ability to influence the actions of Yankuang in respect of the disposal of its shares in the Company, possibly triggering change of control provisions in contracts. Future sales of the shares in the Company by Yankuang could trigger change of control provisions in the Company's contracts and could have a material adverse effect on its business, net assets, financial condition, cash flows and results of operations.

IV. GENERAL INFORMATION

1. Responsibility Statement

The following persons assume responsibility for the content of the Prospectus pursuant to Section 8 of the German Securities Prospectus Act (*Wertpapierprospektgesetz* – “**WpPG**”) in conjunction with Article 11 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (*regulierter Markt*), and repealing Directive 2003/71/EC (“**Prospectus Regulation**”), and declare to the best of their knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import:

- SMT Scharf AG, with its registered seat at Hamm, Germany, (telephone: + 49 (0) 2381 960 01; website <https://www.smtscharf.com/>), legal entity identifier (“**LEI**”) 529900TCSTU65K7JHJ28, and registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Hamm, Germany, under HRB 5845; and
- ICF BANK AG Wertpapierhandelsbank, Neue Mainzer Strasse 32-36, 60311 Frankfurt am Main (telephone: +49 69 92877-0; website: www.icfbank.de), LEI 529900E89HA1I45HB61, and registered in the commercial register of the local court of Frankfurt am Main, Germany, under HRB 43755 (“**ICF**” or “**Listing Agent**”).

2. General Disclaimer

If any claims are asserted before a court of law based on the information contained in this Prospectus is brought before a court, the investor appearing as plaintiff may have to bear the costs of translating the Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (“**EEA**”).

The information contained in the Prospectus will not be supplemented subsequent to the date hereof, except for any significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the Company’s shares and which arises or is noted after the date of approval of this Prospectus, which will be disclosed in a supplement to this Prospectus pursuant to Article 23 of the Prospectus Regulation without undue delay. The obligation to supplement the Prospectus pursuant to Article 23 of the Prospectus Regulation will no longer apply following at the time when trading of the Shares on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) begins, which is currently expected for 24 September 2024.

Information on the Company’s website (<http://www.smtscharf.com>) does not form part of this prospectus unless it is incorporated by reference in the Prospectus.

3. Purpose of the Prospectus

This Prospectus relates to the admission of the Shares, i.e. the entire share capital of the Company, to trading on the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange.

4. Forward-looking Statements

This Prospectus includes forward-looking statements. Forward-looking statements are all those statements which are not based on historical or current facts and events. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. That includes statements in the Sections II. "*Risk Factors*" and VI. "*Business Overview*" and any information in the Prospectus regarding future financial earning capacity, plans and expectations in relation to SMT's business, growth and profitability and the economic conditions which SMT is subject to. Forward-looking statements are based on a current assessment which is made to the best of the Company's knowledge. Such forward-looking statements are based on assumptions and influencing factors and are therefore subject to risks and uncertainties.

The forward-looking statements are based on current plans, estimates, forecasts and expectations of SMT and also on certain assumptions which, although reasonable at the current time in the opinion of the Company, may subsequently prove to be false. Countless factors that are explicitly or implicitly assumed in the forward-looking statements could result in the Company's actual development or its profit or performance deviating significantly from the development, profits or performance. These factors include, amongst others:

- changes to the general economic, commercial or legal conditions,
- political or regulatory changes,
- changes in the competitive environment of the Company,
- other factors, which are explained in greater detail in the Section II. "*Risk Factors*"; and
- factors which are not known to the Company at the current time.

If risks or uncertainties arise in one or more instances as a result of these factors or if the underlying assumptions made by the Company prove to be false, it cannot be ruled out that the actual results may differ significantly from those which are assumed, believed, estimated or expected in this Prospectus. As a result, the Company could be inhibited in achieving its financial and strategic goals.

Beyond its statutory obligations, the Company does not intend to update forward-looking statements and/or to adapt them in light of future events or developments. Pursuant to Art. 23 Regulation (EU) 2017/1129 ("**Prospectus Regulation**"), the Company is obliged to produce and publish a supplement to the Prospectus if a significant new factor, a material mistake or a material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the securities and which arises or is noted between the time when the Prospectus is approved and the time when trading on a regulated market begins.

5. Source of Market Data, Third Party Reports and Technical Terms

Information in this Prospectus which is derived from third party studies on the market environment, market developments, growth rates, market trends and competitive situation has not been verified by SMT. The Company has accurately reproduced any such third-party information and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In preparing this Prospectus, reference has been made to the sources mentioned in the text or in the footnotes. These sources do not form part of the Prospectus.

Moreover, information on market environment, market developments, growth rates, market trends and the competitive situation in the segments in which SMT is active is based on estimates by the Company.

Any information derived as a result does not come from impartial sources and could therefore deviate from assessments by competitors of SMT or future inquiries by independent sources.

Technical terms used in this Prospectus are explained in a glossary at the end of this Prospectus.

6. Auditor

The Company's shareholders appointed Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft, having its registered seat in Nürnberg, Germany, Office Cologne, Kranhaus 1, Im Zollhafen 18, 50678 Cologne, Germany ("**Rödl**"), as (i) the statutory auditor of its unconsolidated financial statements prepared in accordance with the German Commercial Code as of and for the financial year 2023 and (ii) the auditor of its consolidated financial statements prepared in accordance with IFRS as of and for the financial years 2021, 2022 and 2023.

Rödl issued an unqualified independent auditor's report (*uneingeschränkter Vermerk des unabhängigen Abschlussprüfers*) with respect to each of these financial statements, (i) unconsolidated financial statements prepared in accordance with the German Commercial Code as of and for the financial year 2023 and (ii) consolidated financial statements prepared in accordance with IFRS as of and for the financial years 2021, 2022 and 2023.

The Company's shareholders have also appointed Rödl as the auditor of the Company's (i) consolidated financial statements to be prepared in accordance with IFRS as of and for the financial year 2024 and

(ii) unconsolidated financial statements prepared in accordance with the German Commercial Code as of and for the financial year 2024.

Rödl is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

7. Presentation of certain Financial Information and of Currency Data

The financial data contained in this Prospectus are mainly taken from the Company's unaudited consolidated interim financial statements for the six-month period ending 30 June 2024 and from the Company's audited consolidated financial statements as of and for the periods ended 31 December 2023, 31 December 2022 and 31 December 2021 in accordance with IFRS issued by the International Accounting Standards Board (IASB).

This Prospectus contains currency information in Euros. Currency information in Euros is identified with the abbreviation "EUR" and currency information in thousands of Euro is identified with "kEUR" before the amount. Individual figures in this Prospectus (including percentages) have been rounded in accordance with standard commercial practice. In tables, such figures which are rounded in accordance with standard commercial practice may in some circumstances not add up exactly to the relevant total amounts also specified in the tables.

8. Documents available for inspection

For the duration of validity of this Prospectus, the following documents may be inspected on the Company's website <https://www.smtscharf.com/> under the "Investor Relations" section, as follows:

- (i) The articles of association of the Company ("**Articles of Association**"), (under "Corporate Governance", "Article of Association");
- (ii) This Prospectus and the Summary (under "Corporate Governance", "Securities Prospectus");
- (iii) The audited consolidated financial statements 2021, (under "Publications", "Financial Reports", "2021", "Annual Report 2021");
- (iv) The audited consolidated financial statements 2022, (under "Publications", "Financial Reports", "2022", "Annual Report 2022");
- (v) The audited consolidated financial statements 2023, (under "Publications", "Financial Reports", "2023", "Annual Report 2023");
- (vi) The audited unconsolidated financial statements 2023, (under "Publications", "Financial Reports", "2023", "Annual financial report 2023"); and

- (vii) The unaudited interim financial statements for the six-month period ending 30 June 2024, (under “Publications, “Quarterly- and Half-Year Reports”, “2024”, 6-Month Report 2023”).

Information on the Company's website (<https://www.smtscharf.com/>) does not form part of this Prospectus unless it is incorporated by reference into this Prospectus.

The Company's future financial statements and interim financial statements will be available on its website (<https://www.smtscharf.com/>). The Company's financial statements will also be published in the Federal Gazette (*Bundesanzeiger*).

9. Competent Authority Approval

It is stated that:

- the Prospectus has been approved by BaFin as competent authority under the Prospectus Regulation;
- BaFin only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation;
- such approval should not be considered as an endorsement of the Company that is the subject of this Prospectus;
- such approval should not be considered as an endorsement of the quality of the Company's shares that are the subject of this Prospectus;
- investors should make their own assessment as to the suitability of investing in the Company's shares.

10. Non-IFRS Measures/Alternative Performance Measures

In accordance with the European Securities and Markets Authority (“**ESMA**”) Guidelines on alternative performance measures of October 5, 2015, as amended (the “**ESMA Guidelines**”), the following sections set out information related to certain financial measures SMT uses to measure SMT's performance that are not defined by IFRS and which SMT regards as alternative performance measures within the meaning of the ESMA Guidelines (“**APMs**” or “**Key Indicator**”).

SMT presents these APMs as supplemental information (i) because they are used by its management to measure operating performance or as an auxiliary control parameter, including in presentations to its management, and as a basis for strategic planning and forecasting, and (ii) they represent measures that SMT believes are widely used by certain investors, securities analysts, and other parties as supplemental measures of operating and financial performance. SMT believes that these APMs may enhance management's and investors' understanding of its financial performance when excluding items that are not classified as part of the ordinary course of its business or unsuitable for steering.

These APMs are not defined by IFRS or any other internationally accepted accounting principles, and investors should not consider such items as an alternative to the historical financial information presented in accordance with IFRS. These APMs should not be considered as alternatives to SMT's profit or loss for the period as an indicator of its performance and profitability, or as alternatives to net cash flow from operating activities as an indicator of SMT's financial strength. The APMs, as defined by SMT, may not be comparable to similarly titled measures presented by other companies due to differences in the way SMT's APMs are calculated. Even though the APMs are used by the management to assess ongoing operating performance and indebtedness, and though these types of measures are commonly used by investors, they have important limitations as analytical tools and should not be considered in isolation, or as substitutes for, the analysis of SMT's results of operations, financial position, and cash flows as reported under IFRS.

10.1 Definition of APMs

The table below presents the definition and the relevance of use of each of the APMs used by SMT:

APM	Definition	Relevance of its Use
Financial Performance Indicators		
Key Income Statement Figures		
Consolidated revenue growth (organic and inorganic)	SMT defines consolidated revenue growth as consolidated revenue in the reporting year divided by consolidated revenue in the previous year minus one.	Growth is a defined goal
Tunnel revenue share	SMT defines Tunnel revenue share as revenue in segment tunnel divided by consolidated revenue of the Group.	Increasing the share of sales outside the coal industry is an important part of the ESG strategy. The tunnel industry plays a central role here.
EBIT margin	SMT defines the EBIT margin as earnings before interest and taxes (EBIT) divided by total operating revenue.	EBIT is used as a key indicator in SMT's economic performance, in particular to illustrate SMT's profitability.
Cost of materials ratio	SMT defines the cost of materials ratio as the consolidated cost of materials divided by total operating revenue.	The materials ratio is used as a key indicator for SMT's procurement situation. It is particularly important for SMT's profitability.
Key balance sheet indicators		
Net Working Capital	SMT defines Net Working Capital as current assets less cash	Net Working Capital is an indicator of

APM	Definition	Relevance of its Use
	and cash equivalents and current liabilities (excluding current financial liabilities).	SMT's operational cash generation and efficiency and used for SMT's liquidity management in the short term. The development of SMT's Net Working Capital is a key factor for SMT's operating cash flow.
Equity Ratio (on the reporting date)	SMT defines the Equity Ratio as equity divided by total assets.	The equity ratio is an indicator of SMT's financial stability and SMT's short-term financing capability.
Key Efficiency Figures		
Net Working Capital Intensity	SMT defines the Net Working Capital Intensity as Net Working Capital divided by Consolidated revenue.	See Net Working Capital.
Days of Sales Outstanding	SMT defines the Days of Sales Outstanding as the number of days in the reporting year multiplied by the ratio of the annual average of trade receivables to consolidated Group sales.	Days of sales Outstanding as part of the Cash Conversion is an indicator for SMT's ability of converting SM's operating profit into cash.
Non-Financial Performance Indicators		
Employee Turnover	SMT defines Employee Turnover as Employee-related leavings divided by annual average number of employees (FTEs).	The employee turnover rate is an important indicator of SMT's employee satisfaction.
Sickness Rate	SMT defines Sickness Rate as number of work days lost due to sickness divided by budgeted working days.	The sickness rate of SMT's employees is an important indicator of employee satisfaction and motivation.

10.2 Reconciliations

To facilitate comparability, financial information from the Company's unaudited consolidated interim financial statements for the six-month period ending 30 June 2024 and from the Company's audited

consolidated financial statements as of and for the periods ended 31 December 2023, 31 December 2022 and 31 December 2021 is presented.

10.2.1. Consolidated revenue growth

The following table presents a reconciliation of Consolidated revenue growth for the periods indicated:

	Financial Year ended 31 December 2021 (audited)	Financial Year ended 31 December 2022 (audited)	Financial Year ended 31 December 2023 (audited)	For the six month period ended 30 June 2023 (unaudited)	For the six month period ended 30 June 2024 (unaudited)
Revenue (in EUR)	85,870,037.81	93,713,705.26	73,171,621.18	31,687,774.85	28,355,565.02
Consolidated revenue growth rate (in %)	71.1%	9.1%	-21.9%	-15.4%	-10.5%

10.2.2. Tunnel revenue share

The following table presents a reconciliation of Tunnel revenue share for the periods indicated:

	Financial Year ended 31 December 2021 (audited)	Financial Year ended 31 December 2022 (audited)	Financial Year ended 31 December 2023 (audited)	For the six month period ended 30 June 2023 (unaudited)	For the six month period ended 30 June 2024 (unaudited)
Revenue To- tal (in EUR)	85,870,037.81	93,713,705.26	73,171,621.18	31,687,774.85	28,355,565.02
Revenue Tunnel (in EUR)	483,384.19	2,930,098.59	987,741.88	121,815.31	1,198,404.25
Share (in %)	0.6%	3.1%	1.3%	0.4%	4.2%

10.2.3. EBIT margin

The following table presents a reconciliation of EBIT margin for the periods indicated:

	Financial Year ended 31 December 2021 (audited)	Financial Year ended 31 December 2022 (audited)	Financial Year ended 31 December 2023 (audited)	For the six month period ended 30 June 2023 (unaudited)	For the six month period ended 30 June 2024 (unaudited)
Revenue (in EUR)	85,870,037.81	93,713,705.26	73,171,621.18	31,687,774.85	28,355,565.02
Increase (decrease) in finished goods and work in pro- gress (in EUR)	-553,080.05	2,145,103.99	7,928,239.35	9,356,822.77	9,945,057.18
Total Operat- ing Revenue (in EUR)	85,316,957.76	95,858,809.25	81,099,860.53	41,044,597.62	38,300,622.20
EBIT (in EUR)	11,239,715.93	14,321,267.32	3,952,102.75	-1,833,674.60	-752,958.43
EBIT Margin (in %)	13.2%	14.9%	4.9%	-4.5%	-2.0%

10.2.4. Cost of materials ratio

The following table presents a reconciliation of Cost of materials ratio for the periods indicated:

	Financial Year ended 31 December 2021 (audited)	Financial Year ended 31 December 2022 (audited)	Financial Year ended 31 December 2023 (audited)	For the six- month period ended 30 June 2023 (unaudited)	For the six- month period ended 30 June 2024 (unaudited)
Revenue	85,870,037.81	93,713,705.26	73,171,621.18	31,687,774.85	28,355,565.02
Increase (decrease) in finished goods and work in pro- gress (in EUR)	-553,080.05	2,145,103.99	7,928,239.35	9,356,822.77	9,945,057.18
Total Operat- ing Revenue (in EUR)	85,316,957.76	95,858,809.25	81,099,860.53	41,044,597.62	38,300,622.20
Cost of mate- rials (in EUR)	47,168,376.48	53,147,520.06	44,640,316.08	24,464,886.57	22,423,647.46
Cost of mate- rials ratio (in %)	55.3%	55.4%	55.0%	59.6%	58.5%

10.2.5. Net Working Capital

The following table presents a reconciliation of Net Working Capital for the periods indicated:

	Financial Year ended 31 December 2021 (audited)	Financial Year ended 31 December 2022 (audited)	Financial Year ended 31 December 2023 (audited)	For the six month period ended 30 June 2023 (unaudited)	For the six month period ended 30 June 2024 (unaudited)
Inventories (in EUR)	32,943,301.23	33,662,709.20	38,192,925.02	39,124,494.47	45,091,067.98
Trade accounts re- ceivables (<1 year) & Contract As- sets (IFRS 15) (in EUR)	42,279,131.25	46,254,449.78	36,133,109.99	34,393,983.62	26,011,801.79
Other current receivables (<1 year) (in EUR)	4,403,888.43	5,523,161.89	5,402,212.44	8,223,202.67	5,752,854.50
Provisions (<1 year) (in EUR)	- 11,745,675.78	-8,667,782.35	-9,235,110.61	-6,947,545.74	-8,672,238.01
Trade ac- counts paya- ble (<1 year) (in EUR)	-5,013,567.58	-6,963,805.34	-3,819,924.57	-7,229,242.67	-3,289,161.00
Other liabili- ties (<1 year) (in EUR)	-4,174,956.10	-3,593,729.82	-2,719,083.38	-2,901,304.33	-6,549,917.71
Net Working Capital (in EUR)	58,692,121.45	66,215,003.37	63,954,128.89	64,663,588.02	58,344,407.54

10.2.6. Equity ratio

The following table presents a reconciliation of Equity ratio for the periods indicated:

	Financial Year ended 31 December 2021 (audited)	Financial Year ended 31 December 2022 (audited)	Financial Year ended 31 December 2023 (audited)	For the six month period ended 30 June 2023 (unaudited)	For the six month period ended 30 June 2024 (unaudited)
Equity (in EUR)	71,699,797.93	86,984,292.67	86,712,017.60	81,925,832.65	89,153,521.52
TOTAL BALANCE (in EUR)	121,287,693.54	131,019,502.57	126,507,847.97	127,036,229.21	127,537,854.75
Ratio (in %)	59.1%	66.4%	68.5%	64.5%	69.9%

10.2.7. Net working capital intensity

The following table presents a reconciliation of Net working capital intensity for the periods indicated:

	Financial Year ended 31 December 2021 (audited)	Financial Year ended 31 December 2022 (audited)	Financial Year ended 31 December 2023 (audited)	For the six month period ended 30 June 2023 (unaudited)	For the six month period ended 30 June 2024 (unaudited)
Net Working Capital (in EUR)	58,644,984.29	66,215,003.37	63,954,128.89	64,663,588.02	58,344,407.54
Net Working Capital LTM (in EUR)	53,642,408.33	66,495,170.00	63,989,357.50	66,236,212.50	61,931,472.50
Revenue LTM (in EUR)	85,870,037.81	93,713,705.26	73,171,621.18	87,947,122.07	69,838,027.54
Intensity (in %)	62.5%	71.0%	87.5%	75.3%	88.7%

10.2.8. Days of sales outstanding

The following table presents a reconciliation of Days of sales outstanding for the periods indicated:

	Financial Year ended 31 December 2021 (audited)	Financial Year ended 31 December 2022 (audited)	Financial Year ended 31 December 2023 (audited)	For the six month period ended 30 June 2023 (unaudited)	For the six month period ended 30 June 2024 (unaudited)
Trade accounts re- ceivables (< 1 year) (in EUR)	41,896,837.30	46,254,449.78	35,691,271.63	34,364,231.16	25,486,478.53
Revenue LTM (in EUR)	85,870,037.81	93,713,705.26	73,171,621.18	87,947,122.07	69,838,027.54
DSO (365*AR/ Revenue LTM)	178	180	178	n.a.	n.a.

10.2.9. Employee turnover

The following table presents a reconciliation of Employee turnover for the periods indicated (this Key Indicator is not collected on a quarterly basis):

	Financial Year ended 31 December 2021 (audited)	Financial Year ended 31 December 2022 (audited)	Financial Year ended 31 December 2023 (audited)	For the six month period ended 30 June 2023 (unaudited)	For the six month period ended 30 June 2024 (unaudited)
Employee turnover rate (in %)	5.7 %	17.2 %	11.7 %	n.a.	n.a.

10.2.10. Sickness rate

The following table presents a reconciliation of sickness rate for the periods Indicated. This Key Indicator is not collected on a quarterly basis.:

	Financial Year ended 31 December 2021 (audited)	Financial Year ended 31 December 2022 (audited)	Financial Year ended 31 December 2023 (audited)	For the six month period ended 30 June 2023 (unaudited)	For the six month period ended 30 June 2024 (unaudited)
Sickness rate (in %)	6.2 %	5.2 %	5.6 %	n.a.	n.a.

V. THE LISTING / APPLICATION TO ADMISSION TO TRADING

1. Subject matter of the Listing

The Listing relates to the admission of 5,521,456 shares, i.e. ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*) of the Company (“**Shares**”), each such Share with a notional value of EUR 1.00 in the Company’s share capital and full dividend rights as of 1 January 2024, to trading on the regulated market of the of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange.

2. Admission to trading on a regulated market

The Shares have been included in the Regulated Unofficial Market (*Freiverkehr*) of the Munich Stock Exchange (*Börse München*) since February 2021.

To date, the Shares have not been admitted to trading on a regulated market. The Company has, together with the Listing Agent applied for the admission of all 5,521,456 Shares to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange, on 20 September 2024. The decision on the admission of the Shares to trading is at the discretion of the Frankfurt Stock Exchange. Admission to trading by Frankfurt Stock Exchange on the regulated market with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange is expected on 23 September 2024 for the Shares. Trading in the Shares on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange, is expected to commence on 24 September 2024.

3. Expected Timetable for Listing

The following is the expected timetable of the Listing, which may be extended or shortened:

20 September 2024	Approval of the Prospectus by BaFin
20 September 2024	Publication of the approved Prospectus on the Company's website (https://www.smtscharf.com/) under the “Investor Relations” section
20 September 2024	Application for the Listing
23 September 2024	Decision of the Frankfurt Stock Exchange on the Listing

24 September 2024	Commencement of trading in the Shares on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange.
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This Prospectus and any supplements thereto (if any) will be published on the Company's website (<https://www.smtscharf.com/>) under the "Investor Relations" section.

4. Information on the Shares

a) Share capital of the Company and governing law

As of the date of the Prospectus, the Company's share capital amounts to EUR 5,521,456.00 and is divided into 5,521,456 Shares. The Shares are ordinary registered shares with no par value of the Company, each such Share with a notional value of EUR 1.00 in the Company's share capital and full dividend rights as of 1 January 2024. The Company's share capital has been fully paid up.

The Shares have been created pursuant to the laws applicable to a German Stock Corporation (*Aktiengesellschaft*), in particular the German Stock Corporation Act (*Aktiengesetz*).

b) Voting rights

Each Share carries one vote at the Company's shareholders' meeting (*Hauptversammlung*) ("**Shareholders' Meeting**"). All Shares confer the same voting rights. There are no restrictions on voting rights. Major shareholders do not have different voting rights.

c) Dividend and liquidation rights

Each Share carries full and equal dividend rights as of 1 January 2024.

The paying agent is Deutsche Bank ("**Paying Agent**"). The mailing address of the Paying Agent is: Taunusanlage 12, 60325 Frankfurt am Main, Germany

the event of the Company's liquidation, the assets remaining after all Company liabilities have been satisfied are distributed among the shareholders in proportion to their interest in the Company's share capital. The German Stock Corporation Act provides certain protections for creditors in the event of a liquidation of the Company.

d) Form and certification of the Shares

All Shares are ordinary registered shares with no par value, each such Share with a notional value of EUR 1.00 in the Company's share capital. The Shares are represented by one or more global share

certificate(s), deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany (“**Clearstream**”).

Section 7 para. 3 of the Articles of Association excludes the right of the shareholders to receive individual share certificates.

All Shares provide holders thereof with the same rights and no shares provide any additional rights or advantages.

e) Currency

The Shares are denominated in Euro.

f) ISIN/WKN/Trading symbol

International Securities Identification Number (ISIN): ISIN DE000A3DRAE2

German Securities Code (*Wertpapier-Kenn-Nummer (WKN)*): A3DRAE

Trading symbol (*Börsenkürzel*): S4AA

g) Transferability of the Shares

The Shares are freely transferable in accordance with the legal requirements for registered shares (*Namensaktien*). Except for the restrictions set forth in the Prospectus under Section “V.8. *Lock-Up-Commitments*”, there are no prohibitions on disposals or restrictions with respect to the transferability of the Shares.

5. Dilution

As the subject matter of this Prospectus is not the issue of new shares, no dilution will occur.

Dilutions are possible due to future capital measures, see Section “III.4. b) Risks related to the Shares”.

6. Total Costs of the Listing and Proceeds

The total costs of the Listing - including the preparation of this Prospectus and the listing fee - are expected to be approximately EUR 900,000.00. Investors will not be charged any expenses in connection with the Listing.

This Prospectus does not relate to an offering of shares. Accordingly, neither the Company nor any Shareholders will receive any proceeds from the issuance of shares in the Company.

However, investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities, the amount of which is determined by the respective broker or other financial institution.

7. Reasons for the Listing and interests of parties involved in the Listing

The Company has an interest in the admission of its shares to trading on the on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange. The Company intends in particular to promote investor confidence through the higher transparency requirements in the regulated market and to improve the tradability of the Shares, the possibilities of corporate financing and exit opportunities for shareholders as well as to increase the awareness of the Company.

The current shareholders of the Company have an interest in the admission of their Shares to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange, as this will, on the one hand, enable better tradability and, on the other hand, in the event of a positive development of the Company, an increase in the value of their shareholding becomes possible.

The Listing Agent has a contractual relationship with the Company in connection with the Listing. The Listing Agent receives remuneration for its activities in line with market conditions.

The Company is not aware of any material interests of natural or legal persons or potential conflicts of interest other than those described in the Prospectus. None of the aforementioned interests in the Listing constitute a conflict of interests or a potential conflict of interests. Consequently, there are no conflicts of interests with respect to the Listing.

8. Lock-Up-Commitments

The free transferability of 2,907,454 Shares held by Yankuang (“**Lock-Up Shares**”) is currently restricted due to a lock-up to which Yankuang has committed itself vis-à-vis ICF. Yankuang has made a commitment to not offer or sell, directly or indirectly, or announce such action or take other measures economically equivalent to a sale of any Lock-up Shares and purchase any additional shares of the Company during a period of one hundred and eighty (180) days from the first day of trading of the shares in the Company in the Regulated Market of the Frankfurt Stock Exchange (“**Lock-up Period**”), which is currently scheduled for 24 September 2024, i.e. for a period currently expected to end at the end of 23 March 2025.

VI. GENERAL INFORMATION ON THE COMPANY

1. Registered Office, Financial Year, duration of the Company, Corporate Purpose

SMT Scharf AG is a German Stock Corporation (*Aktiengesellschaft*) incorporated and operating under German law. Its registered office is in Hamm, Germany and it is registered with the commercial register of the local court of Hamm under HRB 5845. The Company's address is Römerstrasse 104, 59075 Hamm, Germany, telephone number +49 2381 96001. The Company's website is www.smtscharf.com. Information on the website does not form part of the Prospectus unless it is incorporated by reference into the Prospectus.

The Company is established for an unlimited period of time. The Company's legal entity identifier (LEI) is 529900TCSTU65K7JHJ28.

According to Article 3 of the Company's articles of association, the statutory purpose of the Company is the manufacture, repair and sale of machines and systems of all kinds and the trade in these. The object of the Company is also the acquisition, holding, management and realization of participations and investments of all kinds as well as the provision of services in connection therewith. The Company does not engage in any activities requiring a license. The Company is authorized to undertake all transactions and measures that appear suitable to serve the purpose of the Company. For this purpose, it may acquire interests in companies that have the same or a similar business purpose in whole or in part, or conduct its business activities through subsidiaries, joint ventures and associated companies, as well as conclude inter-company and co-operation agreements with other companies.

The Company's legal name is "SMT Scharf AG". The Company and its subsidiaries operate on the market under the commercial name "SMT Scharf".

2. History and Development

The origins of SMT date back to Heinrich Scharf GmbH, which was founded in 1951. In 1953 first products were developed by Heinrich Scharf GmbH, for example Scharf coal trucks and the Scharf elastic coupling. A few years later, in 1958, Heinrich Scharf GmbH introduced its first monorail transport system. In 1962 Heinrich Scharf GmbH founded a branch in Saarland and in 1965 Heinrich Scharf GmbH developed its first self-propelled monorail transport system.

Heinrich Scharf GmbH was acquired by Westfalia Group as a subsidiary in 1969.

In 1992, the first foreign subsidiary was founded in Poland. In 1997, the electric-powered monorail for use in ore mining and in 2000 the "DZK 2000" was introduced, the world's most powerful diesel-powered monorail locomotive up to this point of time. Heinrich Scharf GmbH was later renamed to DBT Maschinenfabrik Scharf GmbH. In 1997 DBT Maschinenfabrik Scharf GmbH merged with SUK Maschinenreparatur-Center GmbH and in 1999 with ARUS ALPHA-Rechenzentrum und Systemtechnik GmbH.

In 2006, DBT Maschinenfabrik Scharf GmbH was merged with WS 2027 Vermögensverwaltung GmbH and registered in the commercial register of the local court of Munich. Also in 2006, WS 2027 Vermögensverwaltung GmbH was renamed SMT Scharf GmbH and the registered seat of WS 2027 Vermögensverwaltungs GmbH was changed back to Hamm.

Besides the history of SMT Scharf GmbH, in 2000, the now known SMT was founded under German law with its registered office in Gottmadingen, Germany under the name B2B Info Systems AG. Later on, B2B Info Systems AG was renamed FORTUNE R.E.I.T. AG. In 2006, FORTUNE R.E.I.T. AG was then renamed "SMT Scharf AG" and the registered seat was moved to Hamm. Furthermore, the scope of business was changed from the management, increase and realization of assets to manufacture, repair and distribution of machines and systems of all kinds and trade of these and the acquisition, holding, management and utilization of investments of all kinds as well as the provision of services in connection therewith.

In 2007 the Company conducted its initial public offering. The Company was listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange starting on 11 April 2007. Furthermore, the Company founded a subsidiary in China and introduced a rack-and-pinion rail. The Company also received a large order to deliver derailment proof monorail trails to the Russian Severstal Group and other orders for train formations by a customer in Eastern Siberia. Furthermore, the Company received an order from a Chinese mining group for train sets with diesel cats.

In 2008, the Company started a share purchase plan for employees. Furthermore, the Company received large orders from South Africa relating to train formations for rail-bound railway systems and various orders from Russia for a rack-and-pinion railway. In 2008, the Company also founded a subsidiary in Russia and acquired Sareco Engineering CC from South Africa, a supplier of mining equipment.

In 2009, a new share purchase plan for employees was launched. Furthermore, the Company received orders from a hard coal mine in Shandong Province for a DZ 1800 train. Moreover, the Company concluded a key lease in Poland with a Polish operator of several hard coal mines as lessee. The Company also introduced a monorail hanging railway with a switchable rack-and-pinion drive. Furthermore, the Managing Board resolved to use the authorization to acquire own shares. In late 2009, the Company restructured its subsidiary SMT Scharf Saar GmbH, Neuenkirchen. To this end, SMT Scharf Saar GmbH filed an insolvency proceeding on 2 October 2009. Lastly, another order for trains for monorail hanging railways was received from China.

In 2010, the Company received its first order for the switchable rack-and-pinion drive system developed in 2009. Moreover, the Company received its license from the Chinese authorities to form the joint venture Shandong Xinsha Monorail Transportation Equipment Co., Ltd., Shandong, China ("Shandong Xinsha"). The joint venture received its initial order from a Chinese industrial holding company, that already used the Company's monorail hanging railways in several of its coal mines. Besides, the Company received a key order from an Argentinian coal mine in Santa Cruz, in its new roadheaders division, after the Company acquired the shares in Dosco Overseas Engineering Ltd. which was specialized in such roadheaders. Furthermore, the Company acquired 100% of shares in Hollybank Engineering Co.

Ltd., which supplied underground and roadway supports. Both companies were acquired from Billington Holdings plc. In late 2010, the Company introduced a new drive unit.

In 2011 the Company founded a joint venture in Ukraine to provide local sales and services to the country's customers. As part of the agreements with the respective customers, the Company planned to establish a spare parts warehouse facility in the metropolitan region of Donetsk. In 2011, the Company also introduced a heavy-load transporter with crawler or caterpillar track.

The Company was included into Deutsche Börse AG's SDAX on 24 September 2012. From 2012 to 2013 the Company was listed on SDAX. In 2012, the Company formed a production facility in Xuzhou, China. The Company also received another order from Russia for monorail hanging railways.

In 2013, the Company announced the sale of its subsidiary Dosco Holdings Ltd. On 23 September 2013, a mine explosion took place in the Kolmogorovskaya mine in the Kuzbass region of Siberia, Russia. Two trains of the Company, which were leased to the mine, were affected by this explosion.

Between 2014 and 2015 the Company developed and delivered special machines for "Copper Continuous Block Caving", which is a common underground mining method in blocky orebodies extracting especially low grade deposits economically by utilizing the rock mass gravity to collapse into prepared chambers.

In 2015, the Managing Board of the Company resolved to utilize the authorization to repurchase shares of the Company.

In 2016, the Company acquired 100% of shares in Nowilan Gesellschaft für Antriebstechnik mbH, Dinslaken, Germany, an internationally active provider of drive technology, logistics solutions and specialist machinery, and developed its first products for tunnel construction sites. Furthermore, the Company received three large orders for railway systems. Moreover, SMT Scharf GmbH concluded a cooperation agreement with Mühlhäuser GmbH of Freienbach, Switzerland. Exclusive marketing and sales by Mühlhäuser of a jointly developed logistics solution for tunnel applications worldwide formed the core of the strategic partnership.

In 2017, SMT Scharf GmbH and the Company concluded a control and profit transfer agreement. SMT Scharf AG is the dominating company in this agreement. Furthermore, SMT Scharf Sudamerica SpA, Santiago, Chile, was founded. Moreover, the DZK 2500 was developed as well as a special product range for energy and fresh air supply for "Soft Rock (e.g. salt/potash) Continuous Mining", which is an improved high productivity room and pillar mining method utilizing automated cutting and transport systems." Also, the Company completed the capital increase, which was approved on 6 November 2017. A total of 420,000 new shares were placed with qualified investors as part of a private placement. The placement price amounted to EUR 12.90. The transaction was oversubscribed. Dero Bank AG managed the transaction. In late 2017, the Company concluded a cooperation agreement with Breuer-Motoren GmbH & Co. KG, Bochum, Germany. As part of the strategic partnership, the Company planned to exclusively coordinate the sales and after sales business for Breuer motors in Russia.

In 2017, the Company agreed on a strategic partnership with Chinese mining group Shanxi Lu'an Coal Technology Equipment Co., Ltd. A joint venture was formed for this purpose to promote sales as well as service and after sales business for specific transport systems for Chinese mining. With a 51% interest, Shanxi Lu'an Coal Technology Equipment Co., Ltd., was the majority shareholder in the strategic joint venture Shanxi Ande Auxiliary Transport Company Limited, Shanxi Province, China ("Shanxi Ande"). The Company acquired a 40% interest in the joint venture, while Shanxi Lu'an Haitong Industry & Trade Co., Ltd. (later: Shanxi Haitong Industrial Co., Ltd.) was the third partner with a 9% interest. Besides, the Company acquired all shares in RDH Mining Equipment, Alban, Canada ("RDH"), a company specialized in high-quality underground equipment for mining and tunnel construction through its wholly-owned subsidiary SMT Scharf Corporation, Alban, Canada. With the acquisition, the Company intended to strengthen its market position as an integrated system provider in the underground logistics area and is supplementing its product portfolio to include rubber-tyre vehicles.

In 2019, the Company acquired 51% of shares in ser elektronik, an electronics specialist, which developed customer-specific electronic controls and components.

In 2020, the Company signed a Memorandum of Understanding with gold and silver producer Polymetal International plc, Saint Petersburg, Russia. The partnership aimed to focus on the strategic cooperation in the development of underground electric vehicles. Furthermore, the Company restructured its Canadian subsidiary RDH. Furthermore, SMT Scharf GmbH merged with Nowilan GmbH.

In 2021 and due to the accession of Dr. Helmut Fink, Shareholder Value Beteiligungen AG, Share Value Stiftung and Ms. Christiane Weispfennig exceeded the 30% threshold and thereby gained control of the Company. The major shareholders, some of which specialize in value-oriented investments in small and medium-sized companies in German-speaking countries and which recently already held 25.37% of the voting rights of the Company, henceforth held a total of 1,397,295 voting rights out of a total of 4,620,000 voting rights of the Company. That corresponded to around 30.24% of the voting rights and share capital of the Company. Shareholder Value Beteiligungen AG and Share Value Stiftung stipulated a mandatory offer. In this context, the Company and Shareholder Value Beteiligungen AG as well as Share Value Stiftung concluded a downlisting agreement. Accordingly, the Company undertook to downlist to a high-quality segment of the regulated unofficial market of a German stock exchange under certain conditions. The Company planned to terminate the admission to trading on the regulated market of the Frankfurt Stock Exchange and in the Prime Standard segment, and to replace this with the inclusion of the shares in a high-quality segment of the regulated unofficial market of a German stock exchange. The shares of the Company were included in the m:access quality segment of the Munich Stock Exchange on 17 February 2021. The revocation of the admission of the shares of the Company to trading on the regulated market took effect at the end of 2 March 2021.

In mid-2021 the Company received an order in its tunnel logistics segment for Australia's state energy project "Snowy Mountain 2.0". Furthermore, the Company received the final approval for China III machines from China's MA regulator. China III is a standard that evaluates machines constructed.

By end of 2021, the core shareholders, Shareholder Value Beteiligungen AG and Share Value Stiftung, as well as Shareholder Value Management AG, informed the Company that they were conducting a

strategic review of their investment in the Company, as they were of the opinion that other anchor shareholders would be better able to support the Company in its further growth, especially with regard to international markets. For this reason, the aforementioned shareholders engaged Lincoln International, an M&A advisory firm, to assist in the search for a potential financial investor or strategic investor interested in acquiring a significant majority interest.

In 2024, the Company was awarded a contract as part of the large-scale project to construct the 380 kV diagonal power link in Berlin. Accordingly, the Company will provide a specific transport solution for railbound passenger and emergency transportation for a new, approximately seven-kilometre cable tunnel. The purpose of this project is to replace an existing line from the 1970s with a high-performance cable system to increase transmission capacity in the city of Berlin. The Company will develop three electric-battery-powered rail systems for the project, which are expected to go into operation by 2027.

On 1 March 2024, the core shareholders of the Company, namely, among others, Shareholder Value Beteiligungen AG, Share Value Stiftung and Shareholder Value Management AG entered into a binding agreement with Yankuang for the acquisition of a stake totalling approx. 52,66% shares in the Company. Yankuang focuses on the sectors of mining, high-end chemicals and new materials, new energy, high-end equipment manufacturing and intelligent logistics. As a major, large-scale energy company in China, it enjoys four major listing platforms in China and beyond. After the signing in March 2024, the closing took place on 19 September 2024.

At the end of March 2024, the Company received a large order from a new customer for an infrastructure project in Saudi Arabia. The Company will provide a total of six transport systems for railbound material and passenger transport for the construction of two approx. 4,350-meter-long tunnels. The deliveries are to be made successively in 2025. The order is in the low double-digit Euro millions, making it one of the largest in the Company's history.

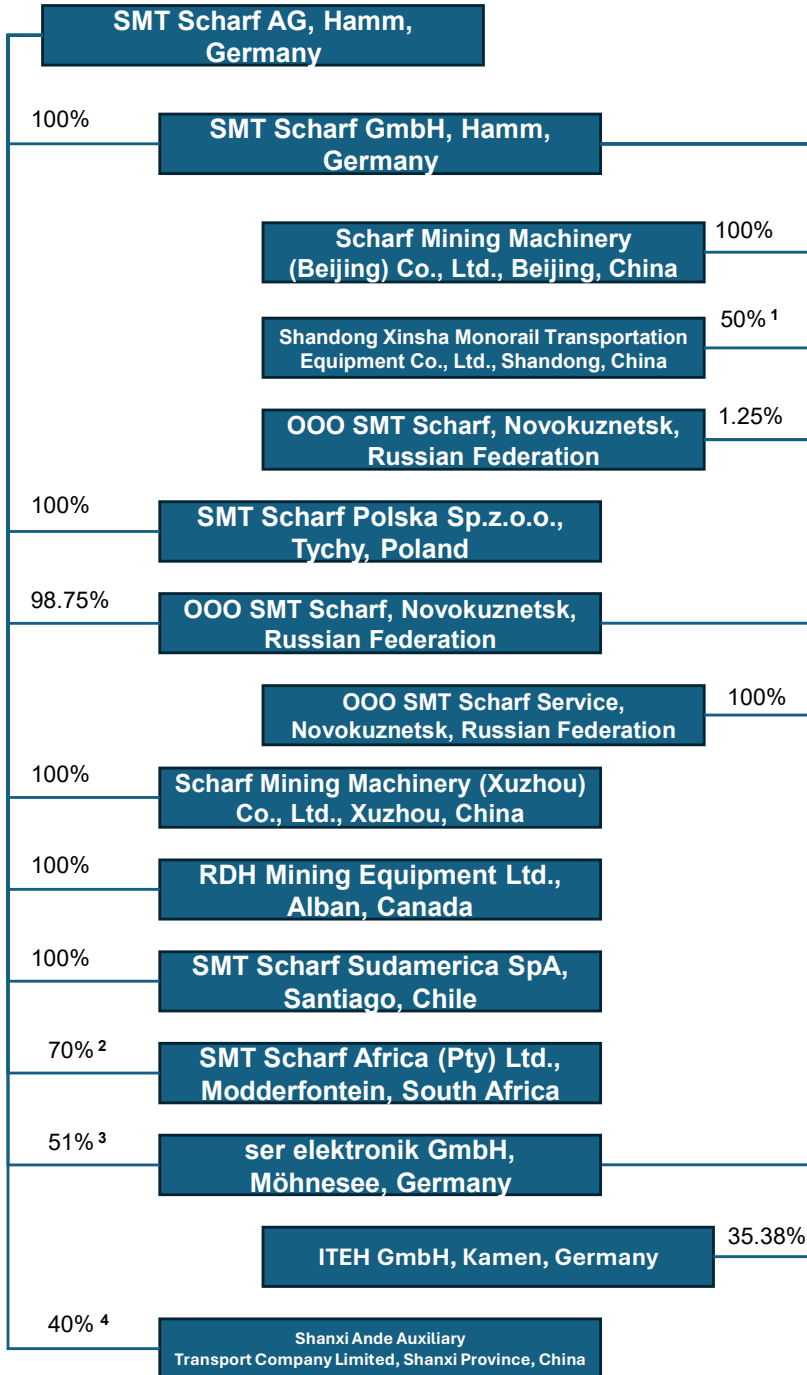
3. Group Structure

The Company is the parent company of the other entities of the Group. It performs the typical tasks of a holding company that does not conduct any business operations itself. The business operations of the Group are conducted exclusively in directly and indirectly owned subsidiaries.

The interests held by SMT in **Shandong Xinsha** and **Shanxi Ande** are not fully consolidated in the SMT Group, but consolidated at equity. The at equity method consolidation is an accounting approach used to report the financial results when a company holds a significant influence over another company but not complete control.

The following chart provides an overview of the direct and indirect shareholdings of the Company as of the date of the Prospectus.

Ownership interests within the SMT Group



¹ A further 50% in Shandong Xinsha Monorail Transportation Equipment Co., Ltd. held by Xinwen Mining Group Materials Supply and Marketing Co., Ltd.;

² A further 30% in SMT Scharf Africa (Pty) Ltd. held by Aran Capital (Pty.) Ltd.;

³ A further 49% in ser elektronik held by Mr Ferdinand Eickhoff, Möhnese

⁴ A further 51% in Shanxi Ande Auxiliary Transport Company Limited held by Shanxi Lu'an Coal Technology Equipment Co., Ltd. and a further 9% held by Shanxi Haitong Industrial Co., Ltd.

The most important subsidiaries of SMT are the following:

SMT Scharf GmbH, a limited liability company under German Law with registered office in Römerstraße 104, 59075 Hamm, Germany. The object of the company is the manufacture, repair and sale of machines and systems of all kinds and the trade in these. Furthermore, the acquisition, holding, management and utilization of participations and investments of all kinds as well as the provision of services in connection therewith.

Scharf Mining Machinery (Xuzhou) Co. Ltd., a limited liability company under Chinese Law with registered office in Plant No.5, Area C, Sci-Tech Business Incubation Park, Xuzhou Economic and Technological Development Zone. The focus of the company is on research, development, manufacturing and sale of mining machinery and technical advice and services as well as import and export of mining machinery and electrical equipment and machinery and equipment leasing business.

Scharf Mining Machinery (Beijing) Co., Ltd., a limited liability company under Chinese Law with registered office in Room 1805, 18/F, Building A302, Jinsong Block 3, Chaoyang District, Beijing. The business activities comprise import, export and wholesale of monorail crane transportation system equipment, double-track transportation system equipment, chair-type monkey car system equipment used for transporting staff and other underground transportation equipment, the provision of technical services, including the design and installation of the equipment supplied, technical consulting and performance measurement.

Shanxi Ande is a limited liability company (Sino-foreign joint venture) under Chinese Law with registered office in No.15 Nanhuan West Street, Changzhi Economic and Technological Development Zone, Shanxi Province. The focus of Shanxi Ande is on manufacture of mining machinery, special and general equipment and mining machinery, also repair of this equipment, sales of mining machinery and machinery parts and components, import and export of goods. Shanxi Ande was established on December 20, 2017 as a joint venture among Shanxi Lu'an Coal Technology Equipment Co., Ltd., the Company and Shanxi Haitong Industrial Co., Ltd.

Under the contract for the establishment of this joint venture (the "**Shanxi Ande JV Contract**") it is stated, that

(1) If one shareholder ("**Changing Party**") or its affiliate is subject to a change in control event, by which the controlling right over the Changing Party or its affiliate is acquired by a competitor of Shanxi Ande or by an entity which, in the other two shareholders' reasonable judgment, causes the Changing Party to be no longer capable of performing its duties under the Shanxi Ande JV Contract, the other two shareholders may terminate the Shanxi Ande JV Contract;

(2) If a change in control event occurs by which the controlling right over the Changing Party or its affiliate is acquired by an entity which is not a competitor of Shanxi Ande but which, in the other two shareholders' reasonable judgment, causes a worsening of the financial condition of the Changing Party or its affiliate and which the other shareholders reasonable determine that the benefits provided and the

obligations performed by the Changing Party under the Shanxi Ande JV Contract has been affected, then the other shareholders shall have the right to terminate the Shanxi Ande JV Contract.

Shandong Xinsha is a limited liability company (Sino-foreign joint venture) under Chinese Law with registered office Xintai Economic and Technological Development Zone, Tai'an City, Shandong. The business activities of Shandong Xinsha comprise assembly, research and development, production, sale and maintenance of overhead monorail cranes and their parts and components, rental of overhead monorail cranes and provision of related after-sales and technical services. Shandong Xinsha was established on January 4, 2010 as a joint venture between SMT Scharf GmbH and Shandong Liye Mechanical Equipment Co. Ltd ("**Shandong Liye**"). In 2023, Shandong Liye exit from Shandong Xinsha and Xinwen Mining Group Materials Supply and Marketing Co., Ltd. became the new shareholder of Shandong Xinsha.

Under the contract for the establishment of this joint venture (the "**Shandong Xinsha JV Contract**") it is stated, that:

(1) If one shareholder ("**Changing Party**") or its affiliate is subject to a change in control event, by which the controlling right over the Changing Party or its affiliate is acquired by a competitor of Shandong Xinsha or by an entity which, in the other shareholder's reasonable judgment, causes the Changing Party to be no longer capable of performing its obligations under the Shandong Xinsha JV Contract, the other shareholder may terminate the Shandong Xinsha JV Contract;

(2) If a change in control event occurs by which the controlling right over the Changing Party or its affiliate is acquired by an entity which is not a competitor of Shandong Xinsha and which, in the other shareholder's reasonable judgment, causes a worsening of the financial condition of the Changing Party or its affiliate and which the other shareholder reasonably determines that the benefits provided or the obligations performed by the Changing Party under the Shandong Xinsha JV Contract have been adversely affected, then the other shareholder shall have the right to terminate the Shandong Xinsha JV Contract.

SMT Scharf Polska sp. z o.o., a limited liability company under Polish Law with registered office in Tychy, Poland. The focus of this company is primarily on the production, service and sale of mining transportation equipment for transportation of materials and people.

OOO SMT Scharf, a limited liability company under Russian Law with registered office in Building 1, 53 Kurako (Central district) prospect, Novokuznetsk, Kemerovo region – Kuzbass, 654027, Russian Federation. OOO SMT Scharf Service, a limited liability company under Russian Law with registered office in Building 1, 53 Kurako (Central district) prospect, Novokuznetsk, Kemerovo region – Kuzbass, 654027, Russian Federation. The Russian Companies mainly provide mining-related sales and services for customers in Russia and neighbouring countries, including repairs and general overhauls of coal mining products and machinery, as well as maintenance services for rubber-tyred vehicles in mineral mining.

SMT Scharf Africa Proprietary Limited, a limited liability company under South African Law with registered office in 4 Ranworth Crescent, Longlake X23, Modderfontein, Gauteng 1609. SMT South Africa designs, supplies, assembles, installs and maintains systems for the transport of personnel, equipment and material; primarily for use in volatile and dangerous areas, confined situations and on steep declines and inclines, including monorail transport systems, floor-mounted rail systems, chairlift systems for mining personnel transport, rubber-tyred vehicles and light electric vehicles.

VII. BUSINESS

1. Overview

SMT develops, manufactures and services transportation equipment and logistics systems for underground mining and tunnel construction. The sold products and provided services by SMT are divided into the following four segments: the Coal Mining Segment, the Mineral Mining Segment, the Tunnel Segment and Other Industries Segment. These segments are described in Section VII. 2. “*Principal Activities*” in detail.

SMT’s business profile can be described on the basis of the following criteria:

Business Areas

As an integrated system provider, SMT is a provider of transport solutions for underground mining personnel, equipment and materials. SMT’s core product comprises captivated 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 offers chairlifts for the hard rock mining industry. The product range also includes the development and installation of open-air railbound and cable management systems, required for supplying energy to machines, for example. In addition, SMT has a portfolio of rubber-tired vehicles and is positioning itself as an integrated system provider in the area of underground logistics. The establishment of the Tunnel Segment also forms part of this process.

SMT can draw on in-house expertise in electronics and controls via its subsidiary ser elektronik. The systems, which are integrated into SMT’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 the operating activities. The product range encompasses the provision of spare parts, maintenance, repairs or servicing work. SMT occasionally acts as a railway operator in response to customer demand.

Customer Groups

SMT products are deployed mainly in 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 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 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, Russia and South

Africa. In addition, SMT also operates in South America with its own sales subsidiary in Chile and in North America via a further subsidiary. SMT's subsidiary ser elektronik also supplies customers in Switzerland, some of which were not previously part of the SMT's sales regions. The German domestic mining market plays only a minor role nowadays. The low share of sales in Germany is due to the closure of hard coal mining industry in 2018. The looming decline of German hard coal was recognized early and international customers were successfully acquired in time. To support this strategy, SMT invested into local subsidiaries like China, Poland, Russia and South Africa. For years now, SMT has been investing in the transition of the dominant coal segment in mineral mining and also in tunnel and infrastructure logistics. The success in tunnel and infrastructure logistics is one fact that a part of the sales is still generated in Germany. One more detail is that the 51% participation at ser elektronik is realized completely in Germany driven by the food and traffic industry.

2. Principal Activities

SMT specializes in the development and manufacture of rail-bound railroad systems, which are used around the world in coal mines and in the mining of gold, platinum and other ores. The business model is based centrally on the sale of transportation systems and the associated services and maintenance. Not part of the business model, however, is the extraction of coal or minerals by the company itself. The Company therefore is not a mining company, but a company that offers transportation solutions and more for underground mining and tunneling.

The transportation systems are specially designed for mining and tunnel construction and offer customized solutions for the transportation of materials and people in underground mining galleries and tunnels. In addition to railroad systems, SMT's products include locomotives, lifting and transportation equipment, rails, switches, control systems, chairlifts as well as rubber-tyred diesel and electric vehicles for mining and tunnel construction. SMT works closely with its customers to develop customized solutions that meet the specific requirements of each project. SMT also provides training and support for its customers to ensure that transport systems can be operated effectively and safely. In addition, SMT provides service and maintenance services to ensure that the systems can be reliably operated and maintained over the long term. This promotes the development of long-term customer relationships and represents a stable and significant source of income for SMT.

Another product area that SMT is aiming to expand in the future is providing tunneling solutions outside of mining. SMT already provides railbound passenger and emergency transportations for infrastructure projects and works to increase the share of such products in its overall revenue structure.

The sold products and provided services by SMT are divided into the following four segments. Furthermore, SMT's business activities span over numerous regions of activity.

Segments

Coal Mining Segment

SMT sells the majority of its products and services to the operators of underground coal mines around the world. The coal mining segment amounted to 81.4% of total revenue in 2021, 81.3% in 2022, 82.1%

in 2023 and 73.6% in the first half-year of 2024. It is the most important segment for SMT. In the Coal Mining Segment, SMT primarily sells derailment-proof railroad systems. The transportation equipment and logistics systems are used in hard coal mines around the world and feature sophisticated explosion protection. The core product on offer is the monorail which is suspended from a single rail and is used by mining companies in coal mines around the world.

As coal will probably continue to play a major role covering the world's energy needs for the foreseeable future, SMT expects continued demand from mining operators for its products in the coming decades. Additionally, SMT expects continued demand for its modern mining technology because of increasingly stricter pollution regulations around the world. In these areas, the use of electric vehicles is becoming increasingly important. SMT sees itself in a position to capitalize on this trend, by utilizing its modular product range and in-house electrical expertise to meet the specific requirements of the customers and local regulations.

Mineral Mining Segment

Products and services provided for the extraction of metals such as gold, platinum, copper, nickel and other raw materials such as salts are summarized in the Mineral Mining Segment. The Mineral Mining Segment amounted to 16.3% of total revenue in 2021, 13.2% in 2022, 12% in 2023 and 18.5% in the first half-year of 2024. Here SMT exclusively supplies operators of underground mines with railroad systems and high-performance rubber-tired vehicles. As easily exploitable deposits are becoming increasingly depleted and new high-tech mines are being built that require specific transportation solutions, there is a growing market for SMT's underground products. In contrast to coal mines, however, the mining of metals does not require complex explosion protection. Electric drives can therefore more easily replace diesel engines and the SMT aims to capitalize on this trend. This and other innovations are intended to increase sales in this segment, with the goal of matching the revenue in the coal mining segment in ten years.

Tunnel Segment

Tunnel logistics and needs-based solutions for large construction sites are summarized in the Tunnel Segment. While the segment only amounted to 0.6% of total revenue in 2021, 3.1% in 2022, 1.4% in 2023 and 4.2% in the first half-year of 2024. SMT is working on expanding its business in this segment in the upcoming years by offering needs-based solutions in the market. For example, SMT is developing a specific transportation solution for rail-based passenger and emergency transportation for a new cable tunnel for the 380 kV Berlin cable diagonal in Berlin. By expanding the Tunnel Segment, SMT aims to broaden its business more broadly and become more cycle-independent from the megacycles of commodity prices crucial in coal and mineral mining. SMT announced on 22 March 2024 that it has received a major order from a new customer for an important infrastructure project in Saudi Arabia. The contract concluded an order volume in the low double-digit million Euro range. SMT will provide a total of six transport systems for rail-bound material and passenger transport for the construction of two approximately 4,350 meter long tunnels.

Other Industries Segment

The Other Industries Segment mainly consist of the business activities of the subsidiary ser elektronik whose sales beyond underground mining are reported in this segment. The segment amounted to 1.8%

of total revenue in 2021, 2.4% in 2022, 4.5% in 2023 and 3.7% in the first half-year of 2024. As a specialist company, ser elektronik focuses on the development and production of customer-specific embedded and intelligent systems. Its products are used in a wide range of industries such as the food industry, transportation technology and intralogistics as well as in international mining. The range of services includes development, project planning and production of customer-specific electronic control systems, including the associated peripherals. This also includes specific power supplies and battery management solutions.

Products

The main products of SMT are the following:

Derailment-proof railway systems

SMT's most important product group are railbound railroad systems for railways in which the track consists of a single rail or beam (so called monorails). The systems are used in underground mining and are technically capable of transporting loads of up to 48 tons on tracks as well as ascending and descending. SMT adapts the systems to the customer's requirements. The segment portfolio includes systems with or without explosion protection as well as diesel or electronically driven systems. Railroad systems amounted to 86.6% of total sales in 2021, 89.1% in 2022, 88.3% in 2023 and 83.7% in the first half-year of 2024.

Chairlifts

SMT's product portfolio includes chairlifts for passenger transport over longer distances and with vertical curves in coal and mineral mining. Chairlifts amounted to 3.2% of total revenue in 2021, 5.4% in 2022, 3% in 2023 and 10% in the first half-year of 2024.

Rubber-tyred vehicles

SMT's product portfolio includes rubber-tyred vehicles powered by diesel or electric motors made for transportation in underground mining. Rubber-tyred vehicles amounted to 9.2% of total revenue in 2021, 3% in 2022, 4.2% in 2023 and 2.7% in the first half-year of 2024.

After-sales (spare parts and service)

SMT offers its customers a comprehensive range of spare parts and also provides maintenance, repair and product overhaul services for its products. The After-sales amounted to 40.5% of total revenue in 2021, 38.5% in 2022, 60.3% in 2023 and 60.9% in the first half-year of 2024. SMT estimates that around 40%-60% of its annual core business turnover will be generated by such after-sales services in the future.

Regions

China

With sales of EUR 44.6 million in 2021, EUR 43.4 million in 2022, EUR 26.6 million in 2023 and EUR 6.2 million in the first half-year of 2024, China is the most important sales market for SMT. This corresponds to 51.9% of total sales in 2021, 46.3% in 2022, 36.4% in 2023 and 21.9% in the first half-year of 2024.

SMT operates in China through its subsidiaries Scharf Mining Machinery (Beijing) Co., Ltd. and Scharf Mining Machinery (Xuzhou) Ltd. In 2021 the Chinese Government adopted stricter exhaust emission standards for engines (China III). SMT took measures at an early stage and developed the DZK3500, a completely revised generation of machines and already received approval for the new China III-compliant machines in 2021. Against the backdrop of the five-year plan (2021-2025) of the Chinese government, competition in the Chinese market has increased, as more local suppliers are entering the market.

Furthermore, through SMT Scharf GmbH, SMT holds a 50% interest in Shandong Xinsha. The main operating activity is the production, repair and marketing of machinery and equipment of any type, and trading in such assets. SMT holds a 40% interest in Shanxi Ande. The main operating activity is the production, repair and marketing of machinery and equipment of any type, and trading in such assets.

Poland

With sales of EUR 7.8 million in 2021, EUR 9.5 million in 2022, EUR 17 million in 2023 and EUR 6.3 million in the first half-year of 2024, Poland is the second most important sales market for SMT. This corresponds to 9.1% of total sales in 2021, 10.1% in 2022, 23.2% in 2023 and 22.2% in the first half-year of 2024.

SMT operates in Poland through its subsidiary SMT Scharf Polska Sp. z o. o. Sales increased over 70% year-over-year and were driven by coal-friendly policies established by the Polish government.

Russia

With sales of EUR 14.1 million in 2021, EUR 20.6 million in 2022, EUR 12.1 million in 2023 and EUR 6.2 million in the first half-year of 2024, Russia is the third most important sales market for SMT. This corresponds to 16.4% of total sales in 2021, 22% in 2022, in 16.5% 2023 and approx. 21.9% in the first half-year of 2024.

SMT operates in Russia through its subsidiaries OOO SMT Scharf, Novokuznetsk and OOO SMT Scharf Service, Novokuznetsk. Sales decreased around 40% year-over-year due to the Russia-Ukraine Conflict and the imposed sanctions on Russia. In this context, all deliveries were strictly checked by the Federal Office of Economics and Export Control (BAFA) and customs with regard to compliance with the applicable sanctions (for more details see Section VII. "Business", subsection 7.3 and 7.4).

Africa

SMT generated sales of EUR 10.1 million in 2021 in Africa, EUR 9.9 million in 2022, EUR 6.6 million in 2023 and EUR 4.6 million in the first half-year of 2024. Sales in the Africa region therefore accounted for 11.8% of total revenue in 2021, 10.6% in 2022, 9% in 2023 and approx. 16.2% in the first half-year of 2024.

SMT operates in Africa through its subsidiary SMT Scharf Africa (Pty.) Ltd (Gauteng, South Africa).

Germany

SMT generated sales of EUR 2.3 million in 2021 in Germany, EUR 2.9 million in 2022, EUR 5.1 million in 2023 and EUR 1.6 million in the first half-year of 2024. Sales in the Germany therefore accounted for

2.7% of total revenue in 2021, 3.1% in 2022, 7% in 2023 and approx. 5.6% in the first half-year of 2024. SMT operates in Germany through its subsidiaries SMT Scharf GmbH and ser elektronik.

America

SMT generated sales in America of EUR 3.6 million in 2021, EUR 2.5 million in 2022, EUR 2.2 million in 2023 and EUR 0.6 million in the first half-year of 2024. Sales in America therefore accounted for 4.2% of total revenue in 2021, 2.7% in 2022, 3% in 2023 and approx. 2,1% in the first half-year of 2024.

SMT operates in the region of America through its subsidiaries SMT Scharf Sudamerica SpA and RDH Mining Equipment.

Other regions

Other regions generated EUR 3.4 million or 4% of total revenue in 2021, EUR 4.9 million or 5.2% of total revenue in 2022, EUR 3.6 million or 4.9% of total revenue in 2023 and EUR 2.9 million or 10.1% of total revenue in the first half-year of 2024.

3. Corporate Strategy

SMT's corporate strategy consists of working closely with its customers to develop customized solutions that meet the specific requirements of each project while at the same time building long-term relationships with its customers that generate income for SMT throughout the entire product cycle. To promote this goal, SMT offers training and support for its customers to ensure that transport systems can be operated effectively and safely. Besides, SMT provides repair, maintenance and overhaul services for its product-customers. This promotes the development of long-term customer relationships and represents a stable and significant source of income for SMT.

Overall, SMT is positioning itself with its modular product portfolio for a specialized industry in a niche market and has built a business model that is tailored to the specific needs of its customers.

SMT pursues a strategy based on three areas of activity. To this end, the Managing Board 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's core positioning. Takeovers, strategic partnerships and joint ventures have already been brought to completion and established. Here, SMT is paying particular attention to expanding its business activities outside of coal mining.

- **Operational excellence:** SMT is constantly working to improve its productivity, profitability and market position. Part of SMT's permanent strategy is to leverage optimization potential more effectively through the interplay of international locations as well as in the management of development processes. Furthermore, SMT continuously analyzes specific markets and customer requirements on a targeted basis in order to further enhance its competitiveness.

The Managing Board deploys these strategies to advance its measures in order to further SMT 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'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, installation of the ERP System is to be completed at the subsidiary ser elektronik in 2024. Subsequently, work will begin on gradually rolling out the ERP System to foreign sites. 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 ERP System opens up the possibility of identifying optimization potential at an early stage and initiating appropriate measures.

4. Competitive Strengths

SMT has a stable core business and operates with the greatest possible customer focus. SMT is able to translate the needs and expectations of customers into customized solutions that meet their requirements such as budget, delivery times, timeframes and services/products. Measures to increase the quality of the products and services offered are identified through permanent and continuous improvement processes.

SMT customer proximity and many years of experience in mining, combined with the existing potential and passion in product development, which are subject to the highest requirements, ensure that SMT remains well positioned worldwide as the preferred provider for efficient and sustainable transport logistics worldwide.

Besides SMT is able to generate revenue during the whole product cycle of its products by providing maintenance, repair and product overhaul services thus promoting long-term customer relationships and a stable base of recurring revenue.

By expanding the Tunnel Segment, SMT plans to become even more independent from global commodity cycles while at the same time taking advantage of the rising spending on infrastructure.

5. Material Agreements

5.1 Material Contracts during the ordinary course of business

Germany

Financing Agreements

- SMT Scharf GmbH as borrower concluded a credit agreement (credit agreement for overdraft credits / *Kreditvertrag für Kontokorrentkredite*) with VoBa Hohenlimburg on 19 and 23 August 2024. The credit line agreed is EUR 3,000,000.00. The intended use is for working capital financing (*Betriebsmittelfinanzierung*). A credit provision of 0.10% p.a. to unused credit line was agreed. The interest rate was agreed to 6.435% p.a.. The interest rate is variable, valid until further notice and linked to EURIBOR (*Monatsdurchschnittssatz für EURIBOR - Dreimonatsgeld*). The interest rate was agreed to be at least 2.75% p.a.. The credit line can be utilized via overdraft credit (*Kontokorrent*) and on a case-by-case basis also via aval (*Aval*) or letter of credit (*Akkreditiv*). The agreement includes a change of control clause. The agreement further includes a negative pledge and equal treatment clause. The agreement also includes an equity covenant (*Eigenkapitalcovenant*). The borrower undertakes an unconditional obligation to ensure that the borrower's equity will continue to amount to at least 30% of the balance sheet total in the borrower's annual financial statements during the term of the credit agreement. Furthermore, the general terms and conditions of VoBa Hohenlimburg apply. According to the general terms and conditions of VoBa Hohenlimburg, the borrower may terminate the agreement with a three months' notice.

On 23 August 2024 the Company has assumed liability in form of a directly enforceable guarantee (*Selbstschuldnerische Bürgschaft*) amounting to EUR 3,000,000.00 for the business relationship to the borrower SMT Scharf GmbH. A deviation from Section 769 of the German Commercial Code (*BGB*) and a waiver of Sections 770, 771 and 776 of the German Commercial Code (*BGB*) is agreed in the guarantee declaration.

- The Company as borrower concluded a intercompany loan agreement with Zhongyin (Hong Kong) Co., Limited, Hong Kong, China („**Zhongyin**“) on 19 September 2024. Zhongyin is a fully owned subsidiary of Yankuang Financial Leasing Company Limited, Hong Kong, China, which is in turn is a fully owned subsidiary of Yankuang. The lender makes available to the borrower a term loan facility up to USD 28,000,000.00 for the purpose of refinancing the defined existing financial indebtedness of the borrower and financing the borrower's daily operating needs. The borrower may request the making of a drawing on any business day by giving not less than two month's written notice or such shorter period as agreed by the lender in an agreed form. The lender will provide a repayment table after the utilisation date. The rate of interest on each loan for each interest period is the percentage rate per annum which is the aggregate of the defined Secured Overnight Financing Rate (SOFR) administered and published by the New York Federal Reserve as of the immediate preceding defined business day before the defined utilization date and 1.5% p.a.. The interest period for each loan shall be three months. A default interest

being 2.0% p.a. higher than the rate which would have been payable if a defined unpaid sum had constituted a loan was agreed in respect of all outstanding principal of the loans, interest thereon and other sums not repaid or paid on the respective due date. The borrower shall repay the loans in full on a defined final repayment date according to the repayment table. The final repayment date is defined as the date falling 360 days after the first utilisation date, which is defined as the date on which a loan is advanced. In case of a defined change of control Zhongyin is entitled not to make the loan available and may declare all outstanding amounts due and payable immediately. The agreement shall be governed by and construed in accordance with the laws of Hong Kong.

- SMT Scharf GmbH concluded an agreement relating to guarantee facility (*Vertrag über einen Avalrahmen*) with Commerzbank Aktiengesellschaft, Frankfurt am Main, Germany (“**CoBa**”) on 22 and 24 May 2024 without fixed term. The Company has assumed joint liability (*Schuldbeitritt*) by signing a respective declaration on 24 May 2024. The aval facility was agreed to EUR 3,750,000.00. The facility can be utilized by avals (*Avale*). The agreed provision on avals will be agreed on separately. The general terms and conditions and the conditions relating to avals of CoBa are applicable according to which the bank may terminate business relations, for which neither a fixed term nor a diverging termination provision has been agreed, at any time. The Company and SMT Scharf GmbH as borrowers concluded a credit agreement (agreement relating to a credit line / *Vertrag über einen Kreditrahmen*) with CoBa on 26 and 29 November 2019. The agreement was amended in the past, lastly with fifth amendment of 15 May 2023. The credit line agreed in this amendment is EUR 5,250,000.00 starting of 1 January 2024. The credit line can be utilized via overdraft credit (*Kontokorrentkredit*), money market loan (*Geldmarktkredit*) or aval. The limit for overdraft credits and money market loans starting of 1 January 2024 was agreed to EUR 5,000,000.00. A commitment fee of 0.50% p.a. was agreed. The interest for overdraft credits are 1.45% p.a. until further notice. Provisions relating to avals are 0.65% p.a. on the nominal amount of the aval but a minimum of EUR 100.00 until further notice. The agreement further included an equal treatment clause. If the borrowers do not comply with the obligation arising from the equal treatment clause, CoBa may set a deadline for remedial action, provided that remedial action is possible. If such a deadline expires or is not required, CoBa may demand the provision of securities. If the borrowers fail to comply with this obligation, CoBa is entitled to terminate the agreement without notice. The special terms and conditions relating to credits, the conditions relating to avals and the general terms and conditions of CoBa shall also apply according to the agreement.

Against the background of the acquisition of the majority of shares in SMT by Yankuang, CoBa informed SMT, that CoBa will not terminate the business relation with SMT due to the change of the controlling shareholder until further notice

- The Company and SMT Scharf GmbH as borrowers concluded a credit agreement (credit agreement for a revolving working capital credit line / *Kreditvertrag über eine revolvierende Betriebsmittelkreditlinie*) with Santander Consumer Bank AG, Mönchengladbach, Germany (“**Santander**”) on 29 and 30 April 2024 within the framework of the general terms and conditions of San-

tander dated January 2023 and the terms relating to avals of Santander dated June 2019. Furthermore, an addendum to this agreement dated 29 and 30 April 2024 was concluded. The credit line was agreed to up to EUR 3,750,000.00. The credit line can be utilized by aval credits for avals (*Avalkredit*). The agreed provision on avals is 1.50% p.a. relating to the amount of the respective aval, but a minimum of EUR 75.00 per quartile and aval. The term of the credit line was agreed until further notice. In case of a defined change of control or in case all or substantially all assets of the group are sold, Santander is entitled to terminate the credit line in full or part and to declare outstanding amounts due and payable. The agreement further includes a negative pledge clause and a *pari passu* clause. A change in the borrowers is not possible without prior approval of Santander.

The Company and SMT Scharf GmbH as borrowers concluded a credit agreement (credit agreement for a revolving working capital credit line / *Kreditvertrag über eine revolvingende Betriebsmittelkreditlinie*) with Santander on 7 February 2020. The agreement was amended, lastly on 11 and 16 May 2023. The credit limit amounts to EUR 4,000,000.00 starting of 1 January 2024. The credit line can be utilized via overdraft (*Kontokorrentkredit*) or aval credits (*Avalkredit*). Interest of overdrafts were agreed as variable and shall be calculated by adding a defined reference interest linked to Euro-Short-Term-Rate (“€STR”) and a margin of 1.50%. For avals, provisions according to further fee agreements were agreed. The term of credit line was agreed until further notice. In case of a defined change of control or in case all or substantially all assets of the group are sold, Santander is entitled to terminate the credit line in full or part and to declare outstanding amounts due and payable. The agreement further includes a negative pledge and *pari passu* clause. A change in the borrowers is not possible without prior approval of Santander.

Against the background of the acquisition of the majority of shares in SMT by Yankuang, Santander declared that it will not exercise its right of termination due to the change of the controlling shareholder.

- The Company and SMT Scharf GmbH as borrowers concluded a credit agreement (credit agreement for a working capital line / *Vertrag über eine Betriebsmittellinie*) with Deutsche Bank AG, Frankfurt am Main, Germany (“**DB**”) on 5 and 17 April 2013 within the framework of the general terms and conditions of DB, last amended with tenth amendment of 31 August 2023. Pursuant to ninth amendment of 10 May 2023 the total amount of credit was agreed to EUR 5,000,000.00 until 31 December 2023 and afterwards EUR 4,000,000.00 until further notice. Interest on cash credits was agreed as €STR plus 3.75% margin p.a. starting of 1 November 2023. Special financing, such as EURIBOR fixed rate credits were agreed to have an interest stipulated in separate agreements. Furthermore, a credit provision of 0.25% p.a. was agreed. The agreement further includes a negative pledge and *pari passu* clause. Furthermore, the agreement contains a change of control clause pursuant to which DB has an extraordinary termination right if the existing shareholding structure changes and the parties cannot reach a consensus on the matter.

Against the background of the acquisition of the majority of shares in SMT by Yankuang, DB informed the Company that it does not continue the business relationship with SMT beyond 31 December 2024 due to ESG concerns as SMT is mainly active in the coal mining sector.

- The Company and SMT Scharf GmbH concluded a framework agreement relating to repurchases pursuant to Section 340 b para. 3 and 5 of the German Commercial Code (framework agreement relating to repurchase agreements / *Rahmenvertrag über ein Unechtes Pensionsgeschäft*) with UniCredit Bank AG, Munich, Germany (“**UniCredit**”) on 11 August 2023. Transferor (*Pensionsgeber*) is SMT Scharf GmbH. Under this agreement, it is intended that the transferor sells and assigns certain claims to UniCredit. At the same time, the transferor and UniCredit agree that UniCredit is entitled, but not obliged, to sell back and transfer the claims sold to it to the transferor at a defined repurchase price. In the event that this repurchase right is exercised, the transferor undertakes to repurchase the claim and pay the repurchase price to UniCredit. According to the agreement, the framework line (*Rahmenlinie*) for purchases is a maximum outstanding total of EUR 5,000,000.00. Pursuant to amendment dated 14 May 2024, the framework agreement is declared valid for purchases until 31 December 2024.

The Company and SMT Scharf GmbH as borrowers concluded a credit agreement (agreement relating to the granting of a credit line / *Vertrag über Einräumung einer Rahmenkreditlinie*) with UniCredit on 25 June and 1 July 2019. The credit line agreed is EUR 4,000,000.00. The term agreed is until further notice. The credit line can be utilized via overdraft credit (*Kontokorrentkredit*), Euro credit (*Eurokredit*) or aval credit (*Avalkredit*). Relating to overdraft credits, a borrowing rate (*Sollzinssatz*) of 1.5% p.a. applies. The borrowing rate is variable, valid until further notice and linked to EURIBOR (*Monatsdurchschnittssatz für EURIBOR - Dreimonatsgeld*). Relating to Euro credits, the terms are agreed from case to case. Relating to aval credits, the commission will be 1.00% p.a. until further notice but a minimum of EUR 50.00 will be calculated per document per quartile. The general terms and conditions of UniCredit and the terms and conditions relating to Euro credits shall apply.

Against the background of the acquisition of the majority of shares in SMT by Yankuang, SMT asked whether UniCredit will continue its business relationship with SMT or not. UniCredit then informed SMT, that UniCredit will terminate the business relation with SMT because of ESG concerns as SMT is mainly active in the coal mining sector. The repayment of the outstanding loan as of 31 December 2024 is expected to become due in March 2025.

Promotional Loan Agreements

- The Company agreed upon four promotional loan agreements in 2018 and 2019. These are as follows: Loan agreement with Deutsche Bank AG over EUR 560,000.00 on 3 and 10 May 2019 from the entrepreneur loan program “KfW-Unternehmerkredit”, loan agreement with UniCredit Bank AG over EUR 2,000,000.00 on 6 February 2018 (from the foreign loan credit program “NRW.BANK.Auslandskredit”), loan agreement with Commerzbank Aktiengesellschaft over EUR 3,880,000.00 on 9 and 13 February 2018 (*NRW.BANK.Auslandskredit*) and a loan agreement with Deutsche Bank AG over EUR 2,000,000.00 on 5 and 9 February 2018

(*NRW.BANK.Auslandskredit*). The outstanding rates under these agreements are in sum below EUR 400,000.00 at the date of this Prospectus. The granting of promotional loans is tied to the fulfillment of the respective defined requirements and conditions. Promotional loans granted under the programs “KfW-Unternehmerkredit” and “NRW.BANK.Auslandskredit” may be terminated if the borrower does not meet the eligibility criteria for the promotion anymore.

Further Agreements to which SMT Scharf GmbH is a party

Sale, Purchase, Supply Agreements

- In 2021, SMT Scharf GmbH, as supplier, has entered into a contract for the sale and purchase of a new monorail transport system, special equipment and accessory for a pumped storage power plant in Australia. SMT Scharf GmbH and its customer have agreed on a lump sum purchase price in the amount of a low single-digit million Euro amount. The contract contains, amongst others, stipulations regarding compliance with laws, warranties, limitation of liability, indemnification and liquidated damages in case of delay in delivery. The monorail transport system has been delivered to customer in 2023. The on-site acceptance test and commissioning of the monorail transport system is expected to take place in September/October 2024.
- At the end of 2022, SMT Scharf GmbH, as supplier, has entered into a supply contract for the design, fabrication, delivery and installation of an underground mine transport- monorail locomotive for a coal mine in the Middle East. The locomotive has been delivered to purchaser in 2023. The purchase price amounts to a low single-digit million Euro amount (lump sum). SMT Scharf GmbH has provided a performance bond in the form of a bank guaranty in favor of the purchaser in the amount of 10% of the purchase price. The warranty period for the delivered locomotive (30 months) has started to run mid 2023. The contract contains a broad indemnity clause pursuant to which SMT Scharf GmbH has to indemnify the purchaser from and against all liabilities, claims, costs for personal injury or property damage, to the extent arising out of acts or omissions of SMT Scharf AG or its employees, suppliers or agents or out of any defect in the goods/work supplied by SMT Scharf GmbH.
- In December 2023, SMT Scharf GmbH, as customer, has ordered several diesel engines from a discontinued series from its supplier for a purchase price in the amount of a low single-digit Euro amount. The ordered quantity still might change. The purchase price for the diesel engines is a fixed price until 31 December 2024; from 2025 on, adjustments to the assembly costs are admissible if the asserted increase can be proved by supplier. Some of the diesel engines shall be approved and taken by SMT Scharf GmbH until 31 December 2024. SMT Scharf GmbH shall make an advance payment in a low single-digit million Euro amount for the material of those diesel engines which shall be delivered after 31 December 2024, in November 2024. This advance payment shall be secured by a bank guarantee or a guaranty of the suppliers' holding company. The material for the assembly of the diesel engines shall initially remain at supplier until the end of 2027; the assembly of the diesel engines shall take place until end of 2027.

- In December 2023, SMT Scharf GmbH, as subcontractor, was awarded a contract as part of the large-scale project to construct the 380 kV diagonal power link in Berlin. Accordingly, SMT Scharf GmbH will provide a specific transport solution for railbound passenger and emergency transportation for a new, approximately seven-kilometer cable tunnel. The purpose of this project is to replace an existing line from the 1970s with a high-performance cable system to increase transmission capacity in the city of Berlin. SMT Scharf GmbH will develop three electric-battery-powered rail systems for the project, which are expected to go into operation by 2027. If the agreed completion date is culpably exceeded by SMT Scharf GmbH, SMT Scharf GmbH owes its customer a contractual penalty, up to a maximum of 5% of the net order value. Execution of SMT Scharf GmbH's work is expected to start in 2025. The price for the delivery and installation of the transport solution by SMT Scharf GmbH amounts to a low single-digit million amount.

- In spring 2024, SMT Scharf GmbH, as supplier, has entered into a contract for the design and manufacture of a duorail transport system for an infrastructure project in Saudi Arabia. SMT Scharf GmbH will provide a total of six transport systems for rail-bound material and passenger transport for the construction of approximately 4,350-meter-long tunnels. The duorail transport system shall be installed on site in 2025. SMT Scharf GmbH is obliged to provide its customer with a temporary segment train set at no cost in case that SMT Scharf GmbH fails to deliver the duorail transport system in accordance with the provisions of the contract. The price for the duorail transport system (lump sum price) amounts to a low double-digit million amount and is to be paid to SMT Scharf GmbH in several instalments (inter alia against the issuance of a bank guarantee and a performance bond by SMT Scharf GmbH). The customer is obliged to issue two letters of credit in the total amount of 70% of the price for the duorail transport system. The contract contains, amongst others, stipulations regarding compliance with laws, warranties, limitation of liability, indemnification and liquidated damages in case of delay in delivery.

- With regard to the above-mentioned duorail transport system for an infrastructure project in Saudi Arabia, SMT Scharf GmbH, as buyer, has entered into several purchase and supply agreements with different suppliers for the delivery of various components, like rails, motors, etc., which are required for the design and manufacture of the duorail transport system, in a mid single-digit million amount.

Framework Agreements

- SMT Scharf GmbH has entered into three framework agreements with suppliers:
 - In 1997, Maschinenfabrik Scharf GmbH, which has been merged with SMT Scharf GmbH, as customer, has entered into a supply agreement for the delivery and supply of certain products by supplier to SMT Scharf GmbH. Prices for the delivered products shall be agreed upon by the parties every year. The delivery call-off is made by individual order of SMT Scharf GmbH. The average purchase volume in 2022 and 2023 amounted to a low single-digit million Euro amount.

- In 2002, Maschinenfabrik Scharf GmbH, which has been merged with SMT Scharf GmbH, as customer, has entered into a framework agreement for the manufacture and delivery of certain products including accessories, documentation and spare parts by the supplier. These products are modified by SMT Scharf GmbH and sold by SMT Scharf GmbH to its customers. Prices are agreed between SMT Scharf GmbH and the supplier each year and are adjusted to the cost development, if necessary. The delivery call-off is made by individual order. The average purchase volume in 2022 and 2023 amounted to a low single-digit million Euro amount.
- In 2011, SMT Scharf GmbH, as customer, has entered into a development and framework supply agreement with a supplier for the manufacture and delivery of initial samples and – after acceptance of the initial samples by SMT Scharf GmbH – the series production and delivery of certain products. The delivery call-off is made by individual order. The average purchase volume in 2022 and 2023 amounted to a low single-digit million Euro amount.

Agency and Distribution Agreements

- SMT Scharf GmbH has entered into two agency and two distribution agreements:
 - SMT Scharf GmbH, as principal, has entered into two agency agreements, which provide for the agents' exclusive right to negotiate contracts for the contractual products, i.e., among others, monorail transport and floor-mounted rail systems, in the contractual territory on behalf of SMT Scharf GmbH. However, the agents have neither the authority to enter into contracts on behalf of SMT Scharf GmbH nor to legally bind SMT Scharf GmbH in any way. SMT Scharf GmbH is not allowed to appoint further agents in the territory but is entitled to direct sales. The agents receive a commission (in %) for all sales contracts which have been negotiated by them.
 - In 2022, SMT Scharf GmbH, as supplier, has entered into an authorized dealer agreement, which grants the authorized dealer the exclusive right to sell, promote and distribute in the territory - among others - all SMT Scharf GmbH products for the applications mining, tunneling and other industries. The authorized dealer shall sell the contractual products in its own name and on its own account. The agreement has an initial term of three years from the signing date; an automatic renewal for a further three-year term can be granted. The prices for the sale of the contractual products by Scharf GmbH to the authorized dealer are set out in SMT Scharf GmbH's current price list. Upon termination of the authorized dealer agreement, SMT Scharf GmbH shall be entitled to inform existing or potential customers accordingly. The authorized dealer shall not be entitled to a post-contractual compensation claim.
 - In 2023, SMT Scharf GmbH, as supplier, has entered into an authorized dealer agreement, providing for the exclusive distribution right of the authorized dealer for SMT Scharf GmbH's longwall coal and hardrock mining products, in the contractual territory.

The authorized dealer shall sell the contractual products in its own name and on its own account. The agreement has an initial term of three years from the signing date; an automatic renewal for a further three-year term can be granted. The prices for the sale of the contractual products by SMT Scharf GmbH to the authorized dealer are set out in SMT Scharf GmbH's current price list. Upon termination of the authorized dealer agreement, SMT Scharf GmbH shall be entitled to inform existing or potential customers accordingly. The authorized dealer shall not be entitled to a post-contractual compensation claim.

Further Agreements to which SMT Scharf AG is a party

Distribution Agreement

- In 2022, the Company, as client, has entered into a distribution agreement with a cooperation partner. The agreement entitles the cooperation partner to support the Company in its distribution activities with Chinese mining companies in PRC, provided that the Company has expressly requested such support in advance. The cooperation partner shall be entitled to a remuneration in case of the conclusion of a supply agreement between the Company and a customer, if the cooperation partner's support has expressly been requested by the Company prior to the conclusion of the respective supply agreement. The amount of the cooperation partner's remuneration shall be agreed upon by the Company and the cooperation partner in advance on a case-to-case basis.

China

Financing Agreements

- Shandong Xinsha and Jinan Branch of China CITIC BANK Corporation Limited, Jinan, China ("**CITIC Bank**") concluded a RMB working capital loan agreement on 18 July 2024, pursuant to which CITIC Bank provided Shandong Xinsha with a loan in the amount of RMB 15 million (approx. EUR 1,906,500) at an interest rate of the pricing base rate on the actual drawdown date minus 15 Basis Points (1 Basis Points = 0.01%), with the interest being settled on a monthly basis. Such loan, with the term from 18 July 2024 to 18 July 2025, was used for supplement of working capital. Such loan has set the maximum amount guarantee provided by the actual controller and its spouse, maximum amount pledge guarantee of accounts receivable and maximum amount pledge guarantee of margin account.

Russia

Agreements with Customers

The contractual partners (customers) with regard to the following three agreements with customers are Russian, so there is no impact from sanctions imposed by the EU as regards the

Russian Business (for more details see Section VII. "Business", subsection 7.2 "Sanctions imposed by the EU as regards the Russian Business).

- OOO SMT Scharf Service as contractor and a customer concluded a service agreement on 1 March 2016. OOO SMT Scharf Service shall provide services on transportation of goods using its own equipment (four diesel-hydraulic locomotives of DZK 1500 and DZK 1800 type) and perform works on maintenance and repair of certain diesel-hydraulic locomotives (DZK 1800 № 1986 and № 1973), and the customer shall accept these services and works and pay for them. Prices of services for each of the diesel-hydraulic locomotives shall not exceed fixed monthly amounts between RUB 2,395,680 (approx. EUR 25,100) and RUB 2,421,720 (approx. EUR 25,370) (net of VAT) per month (these prices apply from 1 July 2024).
- OOO SMT Scharf Service as contractor and a customer concluded an equipment lease service agreement on 1 March 2017. OOO SMT Scharf Service shall transfer to the customer defined movable property such as lifting beams for temporary possession and use. Price of service (rent) is agreed as RUB 3,700 (approx. EUR 39) per hour.
- OOO SMT Scharf Service as contractor and a customer concluded a service agreement on 17 July 2020. OOO SMT Scharf Service shall provide services on transportation of goods and personnel using its own equipment (three diesel-powered outboard DZK 1800 with equipment) and the customer shall accept these services and pay for them. Prices of services (transporting of goods) for each of the diesel-powered outboard are agreed as a price between RUB 3,600 and RUB 3,700 (approx. EUR 38 and EUR 39) per hour at the rate of 600 hours.

Supply Agreements

- OOO SMT Scharf Service as purchaser and a supplier concluded a supply contract on 24 February 2021. The supplier shall supply industrial goods (hose pipes) identified in a relevant specification to OOO SMT Scharf Service and OOO SMT Scharf Service shall accept these goods and pay for them. Prices are to be determined in a relevant specification.
- OOO SMT Scharf Service as purchaser and a supplier concluded a supply contract on 8 July 2015. The supplier shall supply goods identified in a relevant consignment note or specification to OOO SMT Scharf Service and OOO SMT Scharf Service shall accept these goods and pay for them. Prices are to be determined in a relevant consignment note or specification.
- OOO SMT Scharf Service as purchaser and a supplier concluded a supply contract on 1 December 2022. The supplier shall supply goods (oils, greases, auto chemicals) identified in a relevant consignment note to OOO SMT Scharf Service and OOO SMT Scharf Service shall accept these goods and pay for them. Prices are to be determined in a relevant consignment note.

Insurance Agreement

- OOO SMT Scharf Service as insurer and an insurance company concluded an insurance contract on 5 September 2023. The insurance company shall insure life and health of 61 employees of OOO SMT Scharf Service (insured employees). The insurance premium is RUB 532,932.25 (approx. EUR 558,370).

Lease Agreement

- OOO SMT Scharf Service as tenant and OOO SMT Scharf as landlord concluded an equipment lease agreement on 1 January 2023. OOO SMT Scharf shall transfer equipment to OOO SMT Scharf Service for temporary possession and use and OOO SMT Scharf Service shall accept this equipment and duly use it for industrial and commercial purposes.

South Africa

Financing Agreements

- SMT Scharf Africa (PTY) LTD. and FirstRand Bank Limited, Gauteng, South Africa („FNB“) concluded a facility agreement on 26 February 2021, last amended with third addendum on 5 September 2022 over ZAR 15,000,000.00 (approx. EUR 729,420). The loan period was 48 calendar months and the monthly instalments amounted to ZAR 360,000.00 (approx. EUR 17,530). The interest rate is equal to the prime rate of interest of FNB. The FNB agreement contains a restriction of the change of control of SMT Scharf Africa (PTY) LTD. and requires it to inform FNB of any proposed change in ownership in excess of 5%.
- SMT Scharf AG and SMT Scharf Africa (PTY) LTD. concluded a loan agreement last amended with sixth addendum on 15 December 2022. SMT Scharf AG has granted SMT Scharf Africa (PTY) LTD. a loan in the maximum amount of ZAR 21,200,000.00 (approx. EUR 1,033,350) at an interest rate of 3.5% per annum. The credit limit is granted until 20 December 2024 at the latest.

Lease Agreement

- On 8 August 2019 SMT Scharf Africa (PTY) LTD. and Taroko Investment Management (Proprietary) Limited as landlord concluded a lease agreement for a building in ERF 155, 4 Ranworth Crescent, Longlake Industrial Ext 23, until 30 June 2030 at a monthly rent of ZAR 258,772.40 (approx. EUR 12,810). Should the tenant undergo a substantial change in the shareholding to an extent that the majority of shareholding changes ownership and control without notifying the landlord, then the landlord shall have the right to cancel the lease and claim and recover immediate payment of all pre-estimated liquidated damages.

Agreements with Customers

- On 7 November 2022 SMT Scharf Africa (Pty.) Ltd. and a buyer concluded a standard purchase agreement on the supply and transportation of materials for a Electric Monorail Train System for auxiliary transportation activities in the mine at a purchase price of ZAR 18,943,200.20 (approx. EUR 966,33.53).
- On 24 January 2023 SMT Scharf Africa (Pty.) Ltd. and a buyer concluded a standard purchase agreement on the provision of services, including electrical, instrumentation and mechanical services, transportation and commissioning of a Electric Monorail Train System for auxiliary transportation activities in the mine and spares at a purchase price of ZAR 18,463,322.00 (approx. EUR 941,850.98).
- On 16 February 2023 SMT Scharf Africa (Pty.) Ltd. and OOO SMT Scharf (Russia) concluded purchase agreement on spares at a purchase price of EUR 480,678.96 (excl. shipping).
- With proposal dated 27 August 2024 and purchase order dated 30 August 2024 SMT Scharf Africa (Pty.) Ltd. and a customer concluded an agreement relating to the installation of a chairlift ("chairlift no. 2 at BSU 1") amounting to a net value of ZAR 16,375,515.84 (approx. EUR 828,101.65).
- With proposal dated 27 August 2024 and purchase order dated 30 August 2024 SMT Scharf Africa (Pty.) Ltd. and a customer concluded an agreement relating to the installation of a chairlift ("chairlift no. 2 at BSU 2") amounting to a net value or ZAR 18,367,507.62 (approx. EUR 928,835.68).

Project Agreement

- On 21 April 2023 SMT Scharf Africa (PTY) LTD. concluded a project agreement on the installation of chair lifts with a contractual volume of ZAR 43,474,091.36 (approx. EUR 2,217,375.00).

Poland

Agreements with Customers

- SMT Scharf Polska sp. z o.o. concluded four framework agreements with an undisclosed Customer ("**Customer I**"):
 - One agreement was concluded on 18 May 2023. The agreement is valid for a period of twelve months from the date of its conclusion. The agreement was concluded as a result of SMT Scharf Polska sp. z o.o.'s selection in the conducted public procurement procedure. The subject matter of the agreement is the repair along with the modernization of components for suspended diesel railways. The value of the agreement is PLN 6,214,000 (approx. EUR 1,430,340).

- Another agreement was concluded on 23 August 2023. The agreement is concluded for a period of 18 months from the date of conclusion of the agreement, but no longer than until the date on which the value of the orders executed by SMT Scharf Polska sp. z o.o. amounts to the maximum amount of the remuneration for the execution of the agreement. The agreement was concluded as part of an open tender procedure for public procurement based on the provisions of the Public Procurement Act. The subject matter of the agreement is the delivery of factory-new spare parts for suspended diesel railways. The value of the agreement is PLN 2,487,000 (approx. EUR 572,460).
 - Another agreement was concluded on 1 December 2022. The agreement is concluded for a period of 18 months from the date of conclusion of the agreement. The agreement was concluded as part of an open tender procedure for public procurement based on the provisions of the Public Procurement Act. The value of the agreement is PLN 2,336,323 (approx. EUR 537,770).
 - Another agreement was concluded on 23 March 2023. The duration of the agreement is 18 months. The agreement was concluded as part of an open tender procedure for public procurement based on the provisions of the Public Procurement Act. The subject of the agreement is to provide non-warranty repair and maintenance services for transportation machinery and equipment manufactured by SMT Scharf. The value of the agreement is PLN 8,268,568 (approx. EUR 1,903,255.08).
- SMT Scharf Polska sp. z o.o. concluded one framework agreement with an undisclosed Customer (“**Customer II**”). The agreement was concluded on 17 November 2023. The duration of the agreement is 18 months. The parties may extend the term of this agreement by a written annex for a maximum of a further 18 months. The agreement was concluded as part of an open tender procedure for public procurement based on the provisions of the Public Procurement Act. The subject matter of the agreement is the delivery of factory-new spare parts for suspended diesel railways. The value of the agreement is PLN 5,999,443 (approx. EUR 1,380,950).
- SMT Scharf Polska sp. z o.o. concluded four framework agreements with an undisclosed Customer (“**Customer III**”):
- One agreement was concluded on 28 July 2022, with a term of execution of 24 months from the date of its conclusion. The agreement was concluded as part of an open tender procedure for public procurement based on the provisions of the Public Procurement Act. The subject of the agreement is the technical maintenance and the delivery of spare parts, components, and subassembly for suspended locomotive with motor drive. The value of the agreement is PLN 15,555,164 (approx. EUR 3,580,480).
 - Another agreement was concluded on 30 January 2024. The term of execution of the subject of the agreement is up to 16 weeks from the date of conclusion of the agreement. The agreement was concluded as part of an open tender procedure for public procurement based on the provisions of the Public Procurement Act. The subject of the

agreement is the transfer of ownership of diesel railways to Customer III for a price agreed and specified in the agreement. The value of the agreement is PLN 4,490,000 (approx. EUR 1,033,510).

- Another agreement was concluded on 21 September 2023. The term of execution of the subject of the agreement is up to ten weeks from the date of conclusion of the agreement. The subject of the agreement is the purchase and delivery of two units of diesel maneuvering tractors without operator cabins. The value of the agreement is PLN 2,999,000 (approx. EUR 690,310).
 - Another agreement was concluded on 8 July 2022. The delivery time for the suspended diesel railways is up to 6-12 weeks from the date of the conclusion of the agreement. The financial leasing term is 24 months. The agreement was concluded as part of an open tender procedure for public procurement based on the provisions of the Public Procurement Act. The subject matter of the agreement is the delivery of factory-new spare parts for suspended diesel railways. The value of the agreement is PLN 5,996,456 (approx. EUR 1,380,260).
- SMT Scharf Polska sp. z o.o. concluded four framework agreements with an undisclosed Customer (“**Customer IV**”):
- One agreement was concluded on 3 February 2023. The term of execution of the subject of the agreement is specified in Appendix no. 5 to the agreement, but in general no longer than 24 months. The agreement was concluded as part of a procedure for public procurement based on the provisions of the Public Procurement Act. The subject of the agreement is the delivery of overhead rail transport sets. The value of the agreement is PLN 3,514,500 (approx. EUR 808,970).
 - Another agreement was concluded on 18 October 2022. The term of execution of the subject of the agreement is specified in Appendix no. 6 to the agreement, but in general no longer than 24 months. The agreement was concluded as part of a procedure for public procurement based on the provisions of the Public Procurement Act. The subject of the agreement is the delivery of 13 suspended diesel railways. The value of the agreement is PLN 19,116,000 (approx. EUR 4,400,110).
 - Another agreement was concluded on 30 August 2023. The term of execution of the subject of the agreement is up to six months from the date of conclusion of the agreement. The agreement was concluded as part of a procedure for public procurement based on the provisions of the Public Procurement Act. The subject of the agreement is delivery of four suspended diesel railways. The value of the agreement is PLN 6,428,000 (approx. EUR 1,479,590).
 - Another agreement was concluded on 6 September 2023. The term of execution of the subject of the agreement is from 6 September 2023 to 31 August 2024. If Customer IV

does not place orders with a minimum of 50% of the value of the awarded agreement during the term of the agreement, the agreement will remain in effect until 30 November 2024. The agreement was concluded as part of an open tender procedure for public procurement based on the provisions of the Public Procurement Act. The subject of the agreement is delivery of friction drive wheels for suspended diesel railways. The value of the agreement is PLN 4,152,140 (approx. EUR 955,740).

5.2 Material Contracts outside the ordinary course of business

Germany

Profit and Loss Transfer Agreement

- On 26 April 2017 SMT und SMT Scharf GmbH concluded a profit and loss transfer agreement. The contract was concluded for at least 5 years and is subsequently extended for one year at a time without change. The Annual General Meeting approved the domination and profit and loss transfer agreement by resolution on 26 April 2017 and it was entered in the commercial register on 10 May 2017. In 2018 EUR 2,571,788.65 and in 2019 EUR 4,936,954.90, in total EUR 7,508,7433.55, were owed by SMT Scharf GmbH to SMT on the basis of the profit and loss transfer agreement. These amounts were converted into a loan liability resulting from a loan agreement on the amount of EUR 7,508,743.55 between SMT and SMT Scharf GmbH dated on 3 April 2020. The amount was increased by additional EUR 5,041,774.29 by addendum to the loan agreement dated 1 June 2022 and by additional EUR 9,997,258.04 by addendum dated 1 June 2023. The loan has a fixed term of 5 years and ends on 3 April 2025. The interest is 4.0% p.a.

Credit Agreements

- Mr. Avinash Arvind Bhatt as borrower concluded a credit agreement with SMT as lender on 5 April 2019, last amended with agreement of 20 May 2019 ("**SA Credit Agreement**"). The credit was granted as an advance for the part-purchase by Aero Africa Leasings (Pty) Ltd. of 30% of the issued share capital as at May 2019. The credit amount is agreed up to ZAR 11,000,000.00 (approx. EUR 550,470) starting at 5 April 2019. The interest accrues at the rate of 7% p.a. A part of the loan, together with the annual interest accrued thereon shall be repaid each year from 70% of the annual dividends declared by the Company, if any, to Aero Africa Leasings (Pty) Ltd. The borrower may repay the credit at any stage during the subsistence of the agreement. If a party breaches any of its obligations under the agreement and fails to remedy such breach within seven days of receipt of a written demand from the aggrieved party, the aggrieved party may, without prejudice to its statutory or contractual rights, demand specific performance or terminate the agreement by written notice to the defaulting party. Avinash Arvind Bhatt (as borrower) ceded the loan to Aran Capital (Pty) Ltd.
- SMT as creditor and RDH as borrower concluded a credit agreement on 30 January 2019 in the amount of CAD 914,000.00 (approx. EUR 616,320). The credit is granted for three years and

the interest rate amounts to 3.5% p.a. The creditor has the right to adjust the interest rate which is based on the money market rates currently applicable, in an appropriate manner if conditions on the money markets change. SMT can terminate the agreement for cause and demand immediate repayment of the principal amount and all accrued interest.

- SMT as creditor and RHD as borrower concluded a further credit agreement on 28 February 2020 in the amount of CAD 1,800,000.00 (approx. EUR 1,214,160). The credit is granted for two years and the interest rate amounts to 3.5% p.a. The creditor has the right to adjust the interest rate which is based on the money market rates currently applicable, in an appropriate manner if conditions on the money markets change. SMT can terminate the agreement for cause and demand immediate repayment of the principal amount and all accrued interest.

Enterprise Resourcing Planning Software Agreement

- On 26 September 2019 SMT and IFS Deutschland GmbH & Co. KG, Erlangen, Germany (“**IFS**”) entered into a Framework agreement on the introduction of a uniform group-wide enterprise resourcing planning software (ERP). The ERP System has already been successfully implemented at the Hamm facility and the installation of the ERP System is to be completed at the subsidiary ser elektronik in 2024. Subsequently, work will begin on gradually rolling out the ERP System to foreign sites. The costs for the implementation including the licenses amount to EUR 1.8 million. The framework agreements for a fixed term of 48 month and is automatically extended for one year if it is not cancelled by either party with a notice of three month.

Lease Agreements

- The Company and CHG-MERIDIAN AG, Weingarten, Germany concluded a lease agreement on 18 December 2019. The agreement was amended with additional agreement of 18 December 2019 and Annex dated 22 and 24 January 2020 („**Sale and Lease Back Agreement**“). The Sale and Lease Back Agreement relates to a contract that the Company has concluded with IFS for the provision and maintenance of the ERP system from IFS on 26 September 2019. This ERP system solution is to be sold by the Company to CHG-Meridian AG and subsequently leased by the Company (sale and lease back). The leasing factor amounts to 1.780% per month additional VAT on calculated project costs and 0.550% per month additional VAT while implementing phase. The calculated project costs amount to a total of EUR 3,098,250.00, so the monthly rent at a percentage rate at 1.780 would be EUR 55,148.85 additional VAT. With letter of 8 April 2024 CHG-MERIDIAN AG confirmed that it will not exercise its right of termination in accordance with lease agreement due to the change of core shareholders.
- SMT Scharf GmbH and a landlord concluded a lease agreement for an office area and six parking spaces in Römerstraße 104, 59075 Hamm on 10 June 2020. The tenancy began on 1 July 2020 and will initially run until 31 July 2025. The tenant is entitled to exercise a prolongation option to extend the lease by five years. The monthly rent is EUR 7,247.00 additional VAT in the amount of EUR 1,159.52, that means in total EUR 8,406.52.

Shareholder Agreement

- On 3 April 2019 a shareholder agreement was concluded between SMT, Ferdinand Eickhoff and ser elektronik. Currently SMT holds 51% and Ferdinand Eickhoff 49% holds of the voting rights in ser elektronik. The term of the agreement amounts to 20 years or if SMT is no longer a shareholder of ser elektronik. After this period, the contract expires without the need for termination. The agreement defines a right of first refusal to Ferdinand Eickhoff and SMT in the event of the sale of the shares in ser elektronik by either party. SMT also has a call option that gives it the right, but not the obligation, to acquire all of the shares in ser elektronik held by Ferdinand Eickhoff. The call option can be exercised if at least one of a good or bad leaver scenario is fulfilled. The call option can be exercised in case a defined leaver event occurs. The agreement includes provisions for a good leaver and a bad leaver event. Should Ferdinand Eickhoff die or become permanently incapacitated for work in terms of social insurance law, this would be a good leaver event. Furthermore, a good leaver event also exists if the service contract with Ferdinand Eickhoff is duly terminated or if the service contract is terminated by ser elektronik for good cause given by ser elektronik. The purchase price to be paid to Ferdinand Eickhoff when exercising the call option depends on whether the event is a good or bad leaver event and is based on a formula set out in the agreement for calculating the fair market value: In the case of a good leaver event, the calculated fair market value is decisive. In the case of a bad leaver event, half of the calculated fair market value applies.

Call and Put Option Agreement

- On 5 April 2019 the Company and the former shareholder of SMT South Africa, i.e. Aero Africa Leasings (Pty) Ltd., Republic of South Africa, have entered a Call and Put Option Agreement regarding Aero Africa Leasings (Pty) Ltd. shares in SMT South Africa. Aran Capital (Pty) Ltd. has assumed all rights and obligations under this Call and Put Option Agreement, which was last amended on 16 / 23 May 2024, from the former shareholder of SMT South Africa. Pursuant to the Call and Put Option Agreement including amendments, Aran Capital (Pty) Ltd. will have the right to put its shares in SMT South Africa to the Company, which the Company then must purchase at the fair market value upon the occurrence of amongst others the following events:
 - the breach of any provisions of the SA Credit Agreement;
 - a material breakdown of the relationship between the parties;
 - no dividends are declared or dividends that are declared do not cover the loan repayments (as contemplated in the loan agreement between the Company and Aran Capital (Pty) Ltd.) for three consecutive years;
 - insolvency of the Company;

- business restructuring of SMT South Africa with the effect that the direct shareholding of SMT South Africa changes materially;
- the exit of the Company out of Africa within 10 years of the signature date of the Call and Put Option Agreement, in which case ZAR 10,000,000.00, plus any repayments of the loan amount (as the term has been defined in the loan agreement) excluding interest levied on the loan amount shall be refunded to Aran Capital (Pty) Ltd.

Investment Agreement

- On 1 March 2024 the Company and Yankuang entered into an investment agreement (“**IA**”). Background for the investment agreement was the YKE SPA, which was entered in also on 1 March 2024 between the former core shareholders and Yankuang on the acquisition of a total interest of approx. 52.66 % shares in the Company by Yankuang. In the IA the Company has agreed to support Yankuang to become the new major shareholder to the extent permitted by law, e.g. to provide full support and take reasonable and necessary actions to collect the various consents from financing providers, landlords, and other stakeholders relating to any group company to the share transfer under the YKE SPA and waiver of their relevant termination right, which were agreed on as closing conditions. In the YKE SPA the parties further agreed that candidates nominated by Yankuang shall be elected as substitute members of the member of the supervisory board of the Company and thus became members of the Supervisory Board members after resignation of the former members right after Closing of the YKE SPA (“**SB Condition**”). The Company has committed itself in the IA to provide support and take reasonable and necessary actions in a timely manner and in good faith to the extent not in breach of the fiduciary duties of the Company’s bodies to assist the satisfaction of this SB Condition.

6. Investments and Capital Expenditure

SMT’s investments include capital expenditures for tangible and intangible fixed assets. In the relevant period SMT did not acquire consolidated companies and other business units. SMT’s main sources of income in the reporting period were net cash flow from operating activities and income from investments. SMT expects to fund SMT’s ongoing and committed investments from net cash flow from operating activities and cash on hand.

6.1 Ongoing and Future Investments

In 2024 the investment plan amounts to **EUR 1.6 Mio.** worldwide. Thereof the investment in the ERP system of EUR 0.2 Mio. are financed by increasing the existing Sale and Lease Back Agreement. The remaining approx. EUR 1.4 Mio. are financed from the operational business of the respective local entities.

Thereof a Subtotal of tangible fixed assets: EUR 1.4 Mio.

Mainly planned at SMT Scharf GmbH, Hamm for machines, tools, IT replacements in a volume of EUR 0.7 Mio. The replacement of several cars and vehicles in Poland, Kuzbass, Donbass are planned in a volume of EUR 0.4 Mio.

Subtotal of intangible fixed assets: EUR 0.2 Mio.

To continue the installation of the ERP System is planned in a volume of EUR 0.2 Mio.

6.2 Investments for the First Half-year 2024

Major investments in H1 2024 were made as follows:

Total worldwide: EUR 1.0 Mio.

Subtotal tangible fixed assets: EUR 0.7 Mio

The major tangible assets have been realized at RDH for tangible assets in a volume of approx. EUR 0.27 Mio.

Subtotal intangible fixed assets EUR 0.25 Mio.

SMT Scharf GmbH, Hamm for capitalization of development costs in a volume of EUR 0.2 Mio.

6.3 Investments for the Financial Year 2023

Major investments in 2023 were made as follows:

Total worldwide: EUR 2.0 Mio

Subtotal tangible fixed assets: EUR 1.5 Mio

The major tangible assets have been realized at OOO SMT Scharf, Russia for forklifts, vehicles in a volume of EUR 0.3 Mio. Euro, for leasing of vehicles and office equipment in a volume of EUR 0.1 Mio. Euro, for Buildings in a volume of EUR 0.2 Mio. and OOO SMT Scharf (Services), Russia for forklifts and vehicles in a volume of 0.1 Mio Euro and SMT Scharf GmbH, Hamm for forklifts, vehicles in a volume of EUR 0.4 Mio., for leasing of vehicles, for office equipment in a volume of EUR 0.1 Mio.

Subtotal intangible fixed assets EUR 0.5 Mio.

The major intangible assets have been realized at SMT, Hamm for leasing of ERP system in a volume of EUR 0.2 Mio. SMT Scharf GmbH, Hamm for capitalization of development costs in a volume of EUR 0.3 Mio.

6.4 Investments for the Financial Year 2022

Major investments in 2022 were made as follows:

Total worldwide: EUR 4.1 Mio.

Subtotal tangible fixed assets: EUR 2.5 Mio.

The major tangible assets have been realized at

SMT Scharf Polska SP. z.o.o. for lease of production halls in a volume of EUR 0.8 Mio.

OOO SMT Scharf, Russia for factory & office equipment in a volume of EUR 0.3 Mio. and

SMT Scharf GmbH, Hamm for leasing of Server and cars in a volume of EUR 0.4 Mio Euro, for factory & office equipment in a volume of EUR 0.1 Mio., in a Muckmaster 3TEB for rent in a volume of EUR 0.4 Mio. and

SMT Scharf Africa (PTY). Ltd. for factory & office equipment in a volume of EUR 0.2 Mio.

Subtotal intangible fixed assets EUR 1.6 Mio.

The major intangible assets have been realized at

SMT, Hamm for leasing of ERP system in a volume of EUR 1.3 Mio. and

SMT Scharf GmbH, Hamm for capitalization of development costs in a volume of EUR 0.3 Mio.

6.5 Investments for the Financial Year 2021

Major investments in 2021 were made as follows:

Total worldwide: EUR 4.9 Mio.

Subtotal tangible fixed assets: EUR 2.1 Mio.

The major tangible assets have been realized at

SMT Scharf Polska SP. z.o.o. for rentals of machines in a volume of EUR 0.8 Mio. and

OOO SMT Scharf, Russia for fixed assets, mainly 2 Monorails in a volume of EUR 0.6 Mio. and

SMT Scharf GmbH, Hamm for leasing in a volume of EUR 0.5 Mio.

Subtotal intangible fixed assets EUR 2.8 Mio.

The major intangible assets have been realized at

SMT, Hamm for leasing of ERP system in a volume of EUR 1.8 Mio. and

SMT Scharf GmbH, Hamm for capitalization of development costs in a volume of EUR 0.9 Mio.

7. Regulatory Environment

7.1 Health, Safety and Environment

SMT is subject to health and safety laws, rules, and regulations, which are largely based on European and national legal standards. SMT reviews its work safety requirements on a regular basis and aims at improving the relevant workplace conditions and operations to reduce the risks of injuries to a minimum. SMT is aware of the impact that work has on health, safety and the environment.

SMT's operations are subject to various obligations and requirements relating to the protection of the environment, depending on the location of SMT's production facilities. In Germany, applicable laws include, for instance, the Water Resources Act (*Wasserhaushaltsgesetz*), the Closed Substance Cycle Waste Management Act (*Kreislaufwirtschaftsgesetz*) and the Federal Emissions Control Act (*Bundes-Immissionsschutzgesetz*) including its related ordinances.

7.2 Sanctions imposed by the EU as regards the Russian Business

SMT's sales, exports, deliveries, and the provision of services to its customers have had to comply with the applicable German and EU foreign trade restrictions and sanctions which have evolved over time. In the past, these trade restrictions had a significant impact on SMT's business, particularly with respect to its business in Russia and Iran.

Sanctions (also known as embargoes) are restrictive measures that limit economic trade with certain individuals, companies, institutions, organisations, goods and countries. The scope of sanctions varies and ranges from reporting obligations to comprehensive bans. Sanctions are imposed by individual states (e.g. Germany and the USA), associations of states (e.g. the European Union) and international organisations (e.g. the United Nations). Sanctions take the form of total embargoes, which comprehensively prohibit trade with the addressee of the sanctions, and partial embargoes, which provide for restrictions on certain goods, economic sectors, actions, legal transactions or individual persons or entities.

In principle, EU sanctions have a broad scope and apply (i) within the territory of the EU, (ii) on board any aircraft or any vessel under the jurisdiction of a EU member state, (iii) to any person inside or outside the territory of the EU who is a national of a EU member state, (iv) to any legal person, entity or body, inside or outside the territory of the EU, which is incorporated or constituted under the law of a EU

member state, and (v) to any legal person, entity or body in respect of any business done in whole or in part within the EU.

Although the EU sanctions regime does generally not apply to SMT's non-EU subsidiaries, it may nevertheless have an impact on their operational business. In exceptional cases, the EU sanctions may apply indirectly to foreign subsidiaries which are part of an international corporate group structure if an EU company – such as SMT – has a controlling influence (*beherrschenden Einfluss*) on a foreign subsidiary. The foreign entity is then economically deemed to be part of the EU company. The same applies in case the foreign subsidiary is obliged to have its decisions cleared or greenlighted by its EU parent company as the EU company is bound with respect to its own actions by the EU sanctions.

The EU has imposed partial sanctions on certain countries, such as Yemen, Iraq, Russia and Iran, as well as sanctions which are targeted directly against certain persons, organisations and entities. Council Regulation (EC) 2580/2001 with a view to combating terrorism in general and Council Regulation 269/2014 imposed as counter-measure of Russia's violation of the Ukraine's sovereignty and territorial integrity are directed against natural or legal persons, entities, organizations and bodies. These financial sanctions impose an asset freeze and prohibit providing funds or economic resources, directly or indirectly, to or for the benefit of natural or legal persons, entities or bodies, or natural or legal persons, entities or bodies associated with them ('prohibition to provide').

SMT also has to observe Council Regulation (EU) 833/2014 concerning restrictive measures in view of Russian actions destabilizing the situation in Ukraine regarding goods and persons. This partial embargo has a broad scope and, i.a., provides for bans with respect to the trade of certain goods, the provision of services, restrictions with respect to the access to the capital market of the EU and the provision of financial services as well as restrictive measures for transactions with certain entities, organisations and bodies.

SMT has a profound awareness for sanctions compliance and implemented an export control and sanctions compliance system over a decade ago which has recently been updated by its external compliance officer. The compliance system provides for a multi-level audit process covering, inter alia country-, customer- and product-related export risks. SMT, inter alia, conducts a business partner due diligence prior to entering into a business relationship with a third party. It uses a professional software for sanction list screenings which is updated daily and connected with its ERP system.

SMT's sales, deliveries and exports as well the provision of services by SMT have been – apart from one exception with respect to a delivery of spare parts to Russia in 2024, in compliance with the applicable German and European foreign trade restrictions and sanctions which have evolved over time at the date of this Prospectus. With regard to the delivery of spare parts to Russia in 2024 the proceedings were discontinued by the main customs office in Münster and a fine of EUR 200.00 was imposed on SMT Scharf GmbH in this regard.

7.3 Implications of the Sanctions imposed by the EU as regards the Russian Business of SMT

The Company and SMT Scharf GmbH as shareholders of the Russian subsidiaries currently voluntarily do not exercise most of their shareholder rights to control or influence the Russian companies in any way (as regards the risk arising from this issue please see Section III. "Risk Factors", subsection 1 "Risks Related to SMTs Industry and Market", lit.d)). This is particularly because Russian companies may indirectly be tied to the compliance of European sanctions if a parent company based in the European Union has a controlling influence (*steuernder Einfluss*) on its non-EU subsidiary. As SMT strives not to violate any (European) sanctions regulations, it is refraining from exerting any influence on its Russian subsidiaries since the sanctions entered into force. The following shareholder rights can still be exercised and do not cause a violation of any (European) sanctions regulations:

- approval of the annual financial statements of the Russian subsidiaries,
- discharge of the managing directors of the Russian subsidiaries and
- distribution of profits of the Russian subsidiaries.

The rights in the shareholders' meetings of the Russian subsidiaries are exercised by authorised representatives, so that travels to Russia are not necessary.

However, there are neither intercompany loans or general credit lines between and/or in favour of the Russian subsidiaries nor cash pool with the Russian subsidiaries. The appointment of new managing directors has not been necessary to date.

With the outbreak of the Russia-Ukraine Conflict, the Company and SMT Scharf GmbH as shareholders of the Russian subsidiaries significantly increased the value limits of all transactions of the Russian subsidiaries requiring approval by the shareholders. This measure proved to be necessary as the EU Sanctions Directive 833/2014/VO(EU) 2022/2474 imposed in October 2022 also placed all European management functions for Russian companies under sanction. Due to the high value limits, the Russian management, which had been operating successfully in the sector for many years, was able to continue business without the intervention of Company's Management Board and the Management Board of the Company was thus able to avoid violations of the relevant sanction directive.

The sanctions imposed by the EU as regards the Russian Business and their impact on SMT's business can be summarised as follows:

Date	Sanction number	Content	Impact on SMT Group
February 2022	833/2014 VO(EU) 2022/262 2022/328	Export bans on dual-use goods regardless of purpose and recipient	Trade restrictions

Date	Sanction number	Content	Impact on SMT Group
	2022/334		
March 2022	833/2014/VO(EU) 2022/427	Financial sanction, Partial exclusion SWIFT Export ban on luxury goods	Luxury goods (SMT relevance for Engines, Drivers cap, Cooling units): Affected number ranges must be requested from BAFA in advance for classification in the embargo case, delivery only possible afterwards
April 2022	833/2014/VO(EU) 2022/576	Ban on the purchase, import or transfer of coal or other solid fossil fuels, ban on all Russian transport companies, further export bans	This sanction provides for a regulation that existing contracts may be executed, but only until a certain date (so called „ Old Contract Clause “). Utilisation of Old Contract Clause, most affected our product portfolio, last deliveries of our main components such as mesh parts or heavy-duty hangers possible until mid-July 2022
June 2022	833/2014/VO(EU) 2022/879	Mainly financial sanctions	
July 2022	833/2014/VO(EU) 2022/1269	Tightening of the export ban on dual-use goods	Trade restrictions
October 2022	833/2014/VO(EU) 2022/1904	Sanctions list extension with ban on assuming management functions	Trade restrictions; ban on management services
December 2022	833/2014/VO(EU) 2022/2474	Extension of the participation ban in relation to the mining sector by expanding various sanctions lists	Restrictions on the deliverable product portfolio
February 2023	833/2014/VO(EU) 2023/427	Transit ban by Russia for certain annexes, expansion of sanctions lists, old treaty clauses	Transit ban affects deliveries to China by rail (rail freight has been discontinued), utilisation of Old Contract Clause (restrictions on

Date	Sanction number	Content	Impact on SMT Group
			the product portfolio that can be delivered)
June 2023	833/2014/VO(EU) 2023/1214	Extension of the transit ban by Russia, obligation to provide proof of import from RU for steel and iron pre-products, extension of the luxury goods embargo to the ban on the provision of technical assistance, Old Contract Clause for Annex XXIII, transport ban on Russian forwarding agencies	Prohibition of transit, utilisation of Old Contract Clause (further restrictions on the deliverable product portfolio)
December 2023	833/2014/VO(EU) 2023/2878	Tightening of measures to prevent the circumvention of sanctions No-Russia clause	Introduction of the no-Russia clause in the contractual documents, i.e a contractual provision that restricts or prohibits engagement with Russian entities or individuals in customer agreements
February 2024	833/2014/VO(EU) 2024/745	Expansion of sanctions lists, containment of sanctions evasion	Trade restrictions
June 2024	833/2014/VO(EU) 2024/1745	Expansion of sanctions lists, Measures to prevent circumvention of sanctions	Old Contract Clause, delivery from the last order backlog

The above-mentioned EU sanctions have a noticeable effect on the SMT's realised sales in Russia as key products and services may no longer be delivered to Russia or exported from Russia due to the sanctions. It is also no longer possible to collaborate with the Russian Group companies in these areas.

For example, deliveries - if still permissible at all - were made dependent on advance enquiries (and approvals) with BAFA, which could only be carried out with additional time expenditure. Further time was required when a legacy contract clause was introduced in April 2022 in order to be able to fulfil order backlogs up to a deadline, which leads to further administrative work to check deadlines. The sanction 833/2014/VO(EU) 2023/427 affects SMT in particular, as SMT supplies its subsidiaries and associated companies in China. The transit ban through Russia means significant increases in transport costs and a corresponding additional time expenditure, which both are very disadvantageous in international competition.

The following table shows consolidated, externally generated turnover development with customers in Russia (in EUR million):

	2021	2022	2023	H1/2024	H1/2023
Total turnover	14.1	20.6	12.1	6.2	6.8
Mining Segment					
Of which for service	4.9	5.6	5.0	2.6	2.5

Based on the premise that the pro rata figure in H1/2024 applies to 2024, the following estimates result:

- service revenue ranges from EUR 4.9 million to EUR 5.6 million - on average, it amounts to approx. EUR 5.2 million p.a.; - the year 2022 is approx. 20% above the average value
- machine sales range from EUR 6.8 million to EUR 18.4 million - the average is around EUR 11.9 million p.a.; 2022 is around 59% above the average value.

It can be assumed that the local management has tapped into new procurement sources and serves the local mining industry. However, the Management Board of the Company does not have any reliable information or details about this as no management activities are executed. This also includes insights into procurement sources or customer structures.

Adjusted for currency fluctuations, the average EBIT of the Russian subsidiaries is in the low 2-digit percentage range over the period under review. There is a corridor of only around 2 percentage points until 2023. However, an EBIT of EUR 0.7 million was realised in H1/2024. This is due to the disproportionately low level of machine sales, while the service segment made a slightly over proportional contribution to earnings than in previous years.

7.4 Machinery Directive 2006/42/EC / Product Safety Act

SMT places equipment for monorails and floor-mounted railways on the market. Such products fall under the requirements of the Machinery Directive 2006/42/EC („MD“), which constitutes the main regulatory framework for SMT's mechanical engineering.

The MD came into force on 29 December 2009. It regulates the placing of machinery on the market within the European Economic Area, Switzerland, Liechtenstein, Turkey, Norway and Iceland. This set of rules is now also being used by other countries.

The aim of the MD is to ensure that products are placed on the market uniformly within the European Community, are freely marketable and meet the same safety standards. The basic requirement of the MD is the fulfilment of safety and health requirements. The designer or manufacturer of a machine must meet conditions such as:

- The machine must be designed to be mechanically and electrically safe and functional safety must be implemented
- At the time of placing on the market, the machine is safe
- Safe operation is guaranteed
- The machine's safety and protective devices cannot easily be circumvented
- Conformity assessment procedures including risk assessment are carried out
- After successful assessment, the declaration of conformity and the affixing of the CE marking follow
- Drawing up of technical documentation and operating instructions that clearly alert the user/operator of the machine to the identified residual risks

The CE marking and the CE declaration of conformity are regarded as a kind of "passport" within the European internal market. Machines and systems only receive the CE marking and can be declared CE-compliant if they comply with the Directive from planning through operation to later modernisations.

The MD is an EU directive that obliges EU member states to transpose these requirements. In Poland, the MD is effected through Regulation of the Minister of Economy on Essential Requirements for Machines (Rozporządzenie Ministra Gospodarki w Sprawie Zasadniczych Wymagań dla Maszyn).

In Germany, the MD is effected through the Product Safety Act (Produktsicherheitsgesetz, "**ProdSG**"). Also the guideline 2014/34/EU of the European Parliament and of the Council for equipment and protective systems for use in potentially explosive atmospheres ("**ATEX**") is transposed into German law through the ProdSG. The ATEX covers equipment and protective systems intended for use in potentially explosive atmospheres.

The ProdSG extends the requirements listed above in the MD to include

- Cybersecurity features and
- Evolving, learning and predictive functions of the product

Failure to comply is punished by fines or even criminal charges. Thus, the ProdSG contains provisions for fines of up to EUR 10,000 for manufacturers, importers as well as distributors. In addition to compensation payments, a manufacturer's reputation is at risk of lasting damage if infringements are discussed in public.

Manufacturer obligation to carry out an internal risk analysis

For each product without exception, the manufacturer is subject to the obligation to perform an internal risk analysis and to prepare technical documentation containing at least a general description of the product and its essential characteristics that are relevant for the safety assessment. There is no de minimis clause that excludes less complex trivial products. Depending on the product risks, the manufacturer's list of obligations may instead become more extensive. The manufacturer must retain the technical documentation for ten years.

Further requirements under the ProdSG

The establishment of a traceability system is desired. This is intended to facilitate the traceability of products that pose a serious risk to the health and safety of consumers, with the expectation of the collection and storage of data by electronic means that can be used to identify the product, its components or the economic operators involved in its supply chain.

Furthermore, a reporting obligation will be introduced in the event of accidents that occur in connection with the safety of products. The manufacturer's primary responsibility is to report any product-related accident resulting in death or adverse health effects without undue delay (upon becoming aware of it) to the competent authorities of the Member State in which the accident occurred. The report is sent via the so-called Safety Business Gateway. The importer and the distributor are responsible for cooperating and must report such incidents to the manufacturer, which must then comply with its obligations.

A further provision in the ProdSG covers the issue of product recalls. The economic operator responsible for the recall (manufacturer, importer, distributor) must proactively offer consumers the following remedial measures free of charge:

- Repair of the recalled product
- Replacement of the recalled product with a safe product
- Appropriate compensation for the value of the recalled product

7.5 Approvals and Certificates

The machines and components SMT market for underground mining require the respective approval of the local safety authority. All SMT Group products are equipped in accordance with the regulations of the ProdSG and possess so-called individual approvals as a complete machine (approval validity of 5 years) or as individual devices (e.g. diesel engine, electric motor with frequency converter). The approvals for these components have each been obtained for one company of the SMT Group.

Some of the products manufactured by SMT in Poland may be subject to requirements set in the Polish Act on Mining and Geological Law (Ustawa Prawo geologiczne i górnictwo) and respective regulations and decrees. The Polish Act on Mining and Geological Law as well as the Decree of the Council of Ministers on the approval of products for use in mining plants for instance obliges SMT to obtain approval decisions regarding use in mining facilities of some of manufactured items designed for mining transportation. Such approval decisions are issued by the President of the Higher Mining Authority (Prezes Wyższego Urzędu Górniczego). In Poland, SMT produces 14 products out of which 12 must and have obtained approval decisions for manufactured items used in mining transportation, issued by the President of the Higher Mining Authority (Prezes Wyższego Urzędu Górniczego), in accordance with Article 113 of the Mining and Geological Law and the Decree of the Council of Ministers on the approval of products for use in mining plants. The corresponding approval decisions ("**WUG Approval**") were issued by the President of the Higher Mining Authority (Prezes Wyższego Urzędu Górniczego). Furthermore, the products meet the requirements for conformity assessment,

as defined by separate EU regulations, confirmed by a CE certificate, which confirms compliance with these standards.

Separate regulations apply to non-European markets, particularly in Russia and China.

In Russia, the so-called GOST and technical regulations approval (declaration or certificate of conformity) applies, which is mainly based on the MD and largely accepts EU type examination certificates. In contrast to EU regulations, a complete machine is always approved, including all devices relevant to approval. The GOST and technical regulations approvals are limited in time and are subject to regular re-examination .

The strictest licensing regulations currently are imposed by the National Mine Safety Administration and its competent provincial branches ("**NMSA**"), which is the authorities administrating the safety production of the mining sector of China. The NMSA will release a Circular of Catalogue of Mining Products Subject to the Administration of Safety Marks ("**Catalogue**") from time to time and the latest Catalogue was released on 15 September 2022. Based on the relevant regulations and Catalogue, any mining products (including coal mining sector and non-coal underground mining sector) in the Catalogue must be mandatorily certified by China Mining Products Safety Approval and Certification Centre ("**CMAC**") and obtain the Mining Products Safety Marks Certification ("**MA Certification**"). Mining products in the Catalogue cannot be produced, sole and put into use without obtaining the MA Certification. In accordance with the MA Certification rules and practice, all required individual components of the mining products must undergo an entire approval and testing process on site. After successful MA Certification of the individual components, the MA Certification for the whole machine can be granted. This must be done separately for each machine assembly to be used. All MA Certifications (no distinction between machine and individual component) are usually valid for 5 years. To maintain the validity of the certificates over a period of 5 years, each manufacturer of each approved individual component must carry out a production audit every year. The mining products which SMT Scharf Xuzhou, SMT Scharf Suzhou and Shanxi Ande are selling, and Shandong Xinsha is manufacturing and selling in China market have duly obtained the MA Certifications.

In accordance with PRC environmental laws and increasingly stringent regulatory environment, the Chinese government approved more stringent emissions standards for vehicles and this also apply to explosion-proof diesel engine in under-ground mining. On 27 March 2019, CMAC released a Circular on Promulgating the Administrative Plan of Safety Marks for Implementing New Requirements on Emission by Explosion-proof Diesel Engines at Coal Mines. In accordance with this circular, the new application of MA Certification for explosion-proof diesel engine must be in strict compliance with the Implementing Rules for the Examination and Issuance of Safety Marks for Explosion-proof Diesel Engines (ABGZ-MA-CGA-2019-02) and their emission performance shall comply with emission limits requirements of the China National III or a higher standard. Any explosion-proof diesel engine failing meeting the China National III standard cannot obtain the MA Certification. On 29 September 2021, the Company announced that it has received the MA Certifications (meeting the China National III emission standard) for the explosion-proof diesel engines as component for the relevant transportation equipment from CMAC.

8. Environmental, Social and Governance

As a company active in the mining and tunnel construction industry and operating on a global scale, the Company faces challenges in terms of commitment to ESG matters and therefore SMT has made ESG an important and integral part of its strategy.

SMT has worked with a consultancy firm to develop a roadmap for the coming years, which envisages a CSRD-compliant pilot report in 2025 for the 2024 financial year and consolidated reporting in 2026 for 2025. To this end, a double materiality analysis was carried out with the cooperation of all locations. This now forms the basis for a GAP analysis, which is currently in progress. From October 2024, the data will then be collected from all locations and the CSRD-compliant reporting pilot will be created. All work results will form the basis for creating a sustainability strategy for the company's further development. There are also plans to create a company carbon footprint and individual product footprints for 2025.

8.1 Environmental

The Company's business involving products in mining and tunnelling can incur negative impacts on the environment, such as greenhouse gas emissions, energy consumption, water consumption and waste generation.

To promote environmental protection, the Company will continue to focus on expanding the business segments away from coal mining in the coming years. The Company is still working towards the target of generating approx. 35 % of revenue in Mineral Mining segment and approx. 5 % in Tunnel Logistics segment. In ten years' time, the Coal Mining segment should account for only 50 % of total revenue, with the other 50 % generated in non-coal segments (incl. estimated approx. 40 % from Mineral Mining and approx. 10 % from Tunnel Logistics). The Company is conscious of its responsibility and will continue to manufacture transport solutions for the coal market – but will increasingly invest in sustainable developments such as e-mobility. To this end, the company is aiming to achieve a 50% share of sales with electrified products by 2030.

The Company aims to use energy efficiently to minimize its environmental footprint. Given its total energy requirements, this represents a significant lever. The Company conducts an energy management audit in accordance with DIN EN 16247 every four years, most recently in 2021. During these audits, the Company systematically collects information for its existing energy consumption profile and examine potential means of making cost-effective energy savings and how they can be quantified.

One important domain for the reduction of our greenhouse gas emissions is the energy consumption at the company's sites. At the Company's headquarters in Hamm, the results of these efforts were clear to see: the Company reduced its electricity consumption to 342,411 kWh in 2023, down from 362,937 kWh in 2022. In the future, the Company will seek and seize further opportunities to optimize its energy consumption in order to continue this trend. There is only one small office building on the site that still has a gas-fired heating system. The other buildings (archives, assembly halls and other office buildings) have exclusively oil-fired heating systems. The separate building called "Kantine" is used by the Board

and is heated by fluid gas. The consumption in 2023 amounted to 19,796 kWh and is in the range of former years, depending on weather conditions. The site's annual consumption of heating oil was 27,448 liters in 2023. As of 1 January 2023, the Company has sourced all its electricity from renewable energy sources. The RenewablePLUS certificate, which is reviewed on an annual basis by TÜV Rheinland, confirms that 100 % of the electricity procured for the Hamm site comes from renewable sources. The Company is also continuously examining the extent to which it can source electricity from renewable energy sources at other sites.

Furthermore the production activities are designed to generate little waste. Despite this, the level of waste generation increased slightly in the 2023 reporting year. This can be attributed to the order situation and the utilization of production facilities, as well as the rebound in the number of employees working on site following the pandemic. The Company performs waste management and ensures proper disposal of recyclable materials and other waste in accordance with statutory requirements. In the context of waste disposal, the Company strives to separate recyclable materials as effectively as possible. In order to minimize waste, the Company examines its internal waste flows to further reduce the amount of waste produced and increase the proportion of recyclable materials.

8.2 Social

Responsible managing and engaging with employees are important aspects of the efforts of the Company to promote sustainability. The Company strives to create a safe and healthy working environment within the Group that safeguards the dignity, health and safety of all employees.

SMT Scharf GmbH regards a diverse workforce as offering clear advantages. Mutual cooperation between employees from different personal and disciplinary backgrounds, and a workforce comprising a variety of nationalities, ages and genders, are factors that enrich the Group and advance its development. Thus, the Company fosters a company culture that facilitates equal opportunities regardless of a person's gender, age, ethnic background, sexual orientation, disability status or other personal characteristics.

For instance, the Company is B-BBEE-compliant and thereby helps provide economic prospects for groups of the South African population that have been subject to discrimination.

The Company strives to be an attractive employer for women. In this context, the Company provides equal pay for female employees as a matter of course. After the Company increased the proportion of women in its workforce to 19.44 % in 2020, this figure fell to 17.30 % in 2021. In 2022, the Company recorded a slight increase in this figure to 17.34 %. In 2023, this figure rose slightly once again to 17.52 %. Since 2016, the Company has committed to ensuring that at least 33 % of Supervisory Board members are female .

It is important to the Company that its workforce age distribution is as balanced as possible. Intergenerational cooperation benefits everyone within the Group. In 2023, the age group that accounted for largest share of employees at the Hamm site was 30- to 50-year-olds at 49 %. Over-50s made up 31 % of the site's workforce, while under-30s accounted for 20 %.

Severely disabled people made up 4 % of the total Group workforce in 2023. The Company has therefore made further progress towards reaching the statutory guideline in which disabled people should account for 5 % of a company's employees.

Health and general well-being of employees is a basic requirement of the Company's successful development. To achieve this, the Company has created ergonomic workplaces for employees in administrative roles at its headquarters, including height-adjustable desks and individually adjustable office chairs. Employees working in production and assembly can also adjust the height of their workbenches. In addition, the workplaces at the Group's international locations comply with the highest occupational health and safety standards and feature corresponding equipment. To ensure that the employees can reconcile their professional and private lives as well as family balance, the Company offers employees at its Hamm headquarters the options of flexible working hours, remote working and childcare. Employees also have the option of leasing a company bike and using it privately.

SMT Scharf GmbH has established a company suggestion system to integrate its employees into process of structuring internal processes. The company's quality management system, also includes the continuous improvement process („**CIP**“) as a basic principle. Employees actively use the company suggestions system. A total of five suggestions for improvement were submitted in 2023, compared to nine in the previous year. SMT Scharf GmbH supports its employees' development and takes decisions on internal promotions on a case-by-case basis.

In 2023, SMT Scharf GmbH allocated a total of 750 hours for employee training across 100 days.

8.3 Governance

The Company strives to meet the highest governance, ethics and compliance standards. The governance structure of the Company and particularly its organization relating to compliance enables open lines of communication and enhances implementation of the risk-mitigating compliance measures throughout the Group.

The Company obtains certifications in many areas to ensure that the processes and procedures meet exacting quality standards, for example:

- SMT holds ISO 9001 certification, which confirms that the Company has established a quality management system and continuously review and improve the quality of SMT's systems, processes and products.
- SMT holds ISO 3834 and EN 1090 certifications, which helps the Company to ensure the quality of welding in SMT's series production, batch production, maintenance, assembly and general metalwork activities. As a manufacturer of equipment featuring protection against explosion, the Company has a quality management system in place that is certified in accordance with the ATEX Directive.

The Company's Code of Conduct, which is based on the Company's mission and values, defines the behavioral standards set. The Code of Conduct is available online at <https://www.smtscharf.com/company/code-of-conduct/>. The Code of Conduct provides employees with instructions and guiding values. It also describes the voluntary and statutorily mandated measures that the Company takes to ensure ethical, lawful business conduct, personal integrity and a sense of responsibility among all its employees and strengthen team spirit. In addition, the Code of Conduct indicates the correct and proper way to do things and helps the Company to protect its clients, employees, suppliers and its own reputation.

The Company's compliance management system („**CMS**") is designed to promptly identify and prevent potential regulatory breaches. In addition, CMS is intended to assist with defining uniform and appropriate responses to compliance issues for all Group companies and communicating these issues. The Company has therefore appointed an independent Compliance Officer. The current Compliance Officer of SMT Scharf GmbH, Dr. Philip Seel of the Grüter law firm in Hamm, has held this position since 23 January 2018. In this role, he advises the Managing Board on all compliance-related issues under German law. This includes providing legal advice in relation to the compliance management system and its components (including their development) and specific legal issues on this topic. In addition, the Compliance Officer serve as an external reporting office for potential legal breaches.

The Company encourages its employees to make reports if they become aware of facts that give rise to suspicion of illegal behavior or a lack of organizational integrity. The Company set up a whistleblower system in an effort to keep the barriers to reporting low. In 2023, the Company further professionalized this system by adding the professional software "Whistlelink" and thereby also meets the statutory requirements set out in the German Whistleblower Protection Act (*Hinweisgeberschutzgesetz*).

Whistleblowers can contact the Compliance Officer to report suspected breaches and can either provide their name or submit reports anonymously. As a fundamental rule, employees can report potential breaches to their line manager, a Managing Director or a member of the Managing Board as well as to the Compliance Officer. The Compliance Officer receives these reports and examines whether there is sufficient evidence that a compliance breach exists. If there is, the Compliance Officer informs the Managing Board, unless its members are suspected of involvement. At that point, an investigation is undertaken. Following completion of the investigation, the Managing Board is informed of the outcome, along with the Supervisory Board if necessary and – if desired and not precluded by third-party rights – the person who submitted the report. In addition to ad hoc meetings as circumstances require, the Compliance Officer and the Managing Board of the Company also communicate on a regular basis through fixed, scheduled meetings.

The Company does not tolerate unethical conduct or illegality of any form by any employee or other representative of the SMT Scharf Group. In the event of specific compliance breaches, the Company reserves the right to take appropriate measures under labor law and civil law and to press charges if criminal or administrative offenses are identified. During 2023, no reportable compliance breaches occurred in the SMT Scharf Group's German companies.

9. Legal and Arbitration Proceedings

From time to time, SMT may be affected by claims and lawsuits in connection with its ordinary business activities. Beside the below mentioned disputes, during the previous twelve months the Group has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had in the recent past significant effects on the Company's financial position or profitability.

- SMT is the defendant in a legal dispute with PAN Trustees UK LLP and the Board of the Pension Protection Fund. PAN Trustees UK LLP is a trustee of the pension fund of Dosco Overseas Engineering Limited ("**Overseas**"). Overseas was previously part of the Dosco Group, of which SMT had been the sole shareholder in the past. In summary, the plaintiffs rely on an unpaid payment claim against SMT, which arose under the law of the United Kingdom through the issue of a so-called Contribution Notice by the Pensions Regulator.

SMT had been the sole shareholder of the Dosco Group since 2010. Two Dosco Group companies, Overseas and Hollybank Engineering Co. Limited ("**Hollybank**"), were the employer companies that financed the pension fund.

In 2013 SMT sold the Dosco Group to Dosco Mining Limited for a purchase price of EUR 2,000,000.00 as part of a management buy-out. The majority of the purchase price paid by Dosco Mining Limited was financed by loans from Overseas and Hollybank. In 2014, insolvency proceedings under the law of the United Kingdom were opened against Overseas and Hollybank. At this time, the pensions fund was in a deficit. In 2021, the Pensions Regulator decided that the sale of Dosco weakened the employer companies and therefore issued a Contribution Notice against SMT, according to which SMT must pay compensation of GBP 2,317,278.70 due to the structuring of the sale of the Dosco Group.

In 2023, the plaintiffs filed a lawsuit against SMT for payment of the Contribution Notice before the regional court Dortmund. They demand a payment of a total sum of up to GBP 2,317,278.70. The regional court Dortmund referred the lawsuit to the regional court Duesseldorf. On 7 Mai 2024, the regional court Duesseldorf declared legal recourse to the ordinary courts inadmissible and referred the legal dispute to the administrative court Arnsberg. Against this decision by the regional court Duesseldorf, the plaintiffs filed an immediate appeal (*sofortige Beschwerde*) on 21 Mai 2024. By decision dated 4 June 2024, the regional court Duesseldorf decided not to remedy the immediate appeal. The matter was referred to the Duesseldorf higher regional court as appellate court (*Beschwerdegericht*). With letter dated 1 August 2024, SMT joined the plaintiff's request dated 21 May 2024 and alternatively requested (*hilfsweiser Antrag*) that a legal appeal may be admitted (*Rechtsbeschwerde*). On 26 August 2024 the Duesseldorf higher regional court decided to withdraw (*aufheben*) the decision of the regional court Duesseldorf dated 7 May 2024. It further decided that the legal recourse to the ordinary courts is permitted and that the legal dispute is referred back to the regional court Duesseldorf for further hearing and decision.

On 22 September 2021, SMT filed a lawsuit against the now former chairman of the management board Mr. Christian Dreyer before the Regional Court of Dortmund. Dreyer was the chairman of the management board of SMT during the sale of the Dosco Group. SMT therefore believes that it has a claim for indemnity against Mr. Dreyer against any claims by the Pensions Regulator or the Pension Fund in connection with the Contribution Notice. The proceeding is currently suspended in order to wait for the outcome of the lawsuit of the PAN Trustees LLP and Board of the Pension Protection Fund against SMT.

The outcome of this proceeding as well as the matter and impact of any future proceedings cannot be predicted because of the uncertainties that are always associated with legal and administrative proceedings.

- Shandong Xinsha (as the enforcement applicant) requested Shandong Liye (as the party subject to enforcement) to perform the obligations determined under the civil mediation agreement that has taken legal effect ((2021) Lu 0982 Min Chu No. 6846, an unjust enrichment dispute), and was supported by the court ruling ((2021) Lu 0982 Zhi No. 4204) on 22 September 2021. The subject matter of enforcement is RMB18.248.50 million (EUR 231,619.10).
- On 17 January 2023 a patent infringement lawsuit against Shandong Xinsha was filed with Jinan Intermediate People's Court of Shandong Province, on the grounds that the products manufactured by Shandong Xinsha has infringed upon three patents owned by the applicant. Shandong Xinsha was required to cease the manufacturing, selling and offering for sale of the infringing products and destroy these products and to compensate the applicant for the economic losses and reasonable expenses of RMB 5 million (EUR 647,400.51) for each patent concerned, totaling RMB 15 million (EUR 1,942,201.53.).
- On 11 May 2023 OOO SMT Scharf filed a case before the Arbitrazh (Commercial) Court of Kemerovo Region against LLC "Shakhta Sibirskaya". This case concerned a claim for the recovery of EUR 555,463.66 as a debt under specification no. 2 of 26 November 2021 to supply contract No. 19261110 of 2 July 2021, EUR 24,555.40 as a penalty and RUB 200,00.40 as legal expenses. The case was terminated due to the approval of an amicable settlement agreement by the court on 30 August 2023. According to the amicable settlement agreement, OOO SMT Scharf waives the claim in full and LLC "Shakhta Sibirskaya" undertakes to voluntarily pay EUR 342,787.63 to OOO SMT Scharf in instalments. In accordance with the terms of the amicable settlement agreement, the last instalment must have been paid no later than on 29 February 2024. In accordance with the terms of the amicable settlement agreement, the last instalment was paid in February 2024.

10. Employees and Key Individuals

SMT calculates the number of its employees in the form of full-time equivalents ("**FTEs**"). Trainees, part-time employees, employees on parental leave and employees on long-term sick leave are included proportionately.

In order to manage production capacity flexibly, SMT 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 light of the continued international demand structure, SMT is focusing on selectively increasing production capacity and consequently staffing levels at its foreign companies. To this end, additional qualified staff members were hired in key target markets in the reporting period to enable the expansion of SMT's local technical expertise in terms of service and development, as well as production.

As of 31 December 2021, SMT had 422 FTEs. SMT had 139 employees in Germany and 283 employees outside of Germany as follows:

Company	Number of employees (FTE)	Category
SMT Scharf GmbH	113	development, production, service, sales
SMT Scharf Polska Sp.z.o.o.	55	development, production, service, sales
SMT Scharf Africa (Pty) Ltd.	37	development, production, service, sales
Scharf Mining Machinery (Beijing) Co., Ltd.	5	service, sales
OOO SMT Scharf	53	production, service, sales
SMT Scharf AG	7	management, IT
OOO SMT Scharf Service	72	contract mining transport
Scharf Mining Machinery (Xuzhou) Co., Ltd.	49	development, production, service, sales
SMT Scharf Sudamerica SpA	1	management, service, sales
RDH Mining Equipment Ltd.	11	production, operation service, sales
ser elektronik GmbH	19	development, production, service, sales
Total	422	

As of 31 December 2022, SMT had 421 FTEs. SMT had 140 employees in Germany and 281 employees outside of Germany as follows:

Company	Number of employees (FTE)	Category
SMT Scharf GmbH	115	development, production, service, sales
SMT Scharf Polska Sp.z.o.o.	54	development, production, service, sales

Company	Number of employees (FTE)	Category
SMT Scharf Africa (Pty) Ltd.	43	development, production, service, sales
Scharf Mining Machinery (Beijing) Co., Ltd.	5	service, sales
OOO SMT Scharf	46	production, service, sales
SMT Scharf AG	6	management, IT
OOO SMT Scharf Service	75	contract mining transport
Scharf Mining Machinery (Xuzhou) Co., Ltd.	46	development, production, service, sales
SMT Scharf Sudamerica SpA	1	management, service, sales
RDH Mining Equipment Ltd.	11	production, operation service, sales
ser elektronik GmbH	19	development, production, service, sales
Total	421	

As of 31 December 2023, SMT had 411 FTEs. Apart from a total of 9 temporary workers (three inside Germany and six outside of Germany), SMT had 140 employees in Germany and 271 employees outside of Germany as follows:

Company	Number of employees (FTE)	Average number of temporary workers	Category
SMT Scharf GmbH	112	3	development, production, service, sales
SMT Scharf Polska Sp.z.o.o.	58	3	development, production, service, sales
SMT Scharf Africa (Pty) Ltd.	38	3	development, production, service, sales
Scharf Mining Machinery (Beijing) Co., Ltd.	5	0	service, sales
OOO SMT Scharf	50	0	production, service, sales
SMT Scharf AG	7	0	management, IT

Company	Number of employees (FTE)	Average number of temporary workers	Category
OOO SMT Scharf Service	63	0	contract mining transport
Scharf Mining Machinery (Xuzhou) Co., Ltd.	46	0	development, production, service, sales
SMT Scharf Sudamerica SpA	1	0	management, service, sales
RDH Mining Equipment Ltd.	10	0	production, operation service, sales
ser elektronik GmbH	21	0	development, production, service, sales
Total	411	9	

As of 30 June 2024, SMT has 405 FTEs. SMT has 137 employees in Germany and 268 employees outside of Germany as follows:

Company	Number of employees (FTE)	Category
SMT Scharf GmbH	110	development, production, service, distribution
SMT Scharf Polska Sp.z.o.o.	61	development, production, service, sales
SMT Scharf Africa (Pty) Ltd.	39	development, production, service, sales
Scharf Mining Machinery (Beijing) Co., Ltd.	5	service, sales
OOO SMT Scharf	46	production, service, sales
SMT Scharf AG	7	management
OOO SMT Scharf Service	61	contract mining transport
Scharf Mining Machinery (Xuzhou) Co., Ltd.	45	development, production, service, sales
SMT Scharf Sudamerica SpA	1	service, sales
RDH Mining Equipment Ltd.	10	production, service, sales
ser elektronik GmbH	20	development, production, service, sales
Total	405	

The following table contains a summary of the average number of employees of SMT for the six months ended on 30 June 2024, as well as for the fiscal years 2023, 2022 and 2021.

	As of 30 June 2024	As of 31 December		
		2023	2022	2021
Total	405 FTEs including 6 trainees	411 FTEs including 8 trainees	421 FTEs including 7 trainees	422 FTEs including 10 trainees

11. Research and Development, Patents, Licenses and Trademarks

a) Research and Development

SMT continues to focus on its local centres of excellence, primarily in Germany, China, Poland and South Africa. To advance its research and development activities and realize synergies within the SMT, SMT is focusing on networking its facilities more tightly. This is realized by introducing a uniform ERP system as well as globally standardized development systems and design methods. A further rollout to

the subsidiary in Germany has already been initiated. The Go-Live is agreed for the 1st of November 2024.

In its traditional mining market, SMT is responding to the ever louder calls for emission-free, sustainable transport equipment. In order to meet these requirements for future applications, SMT is developing a modular, battery-operated monorail hanging railway system for underground mines in flame-proof environments. This meets the requirements of both the Chinese market in terms of variable application options and the Polish market with its specific requirements in terms of size and underground environmental conditions. Prototypes of such battery technology are undergoing trials and approvals/certifications (MA) in China and will be launched in Q1/2025, in Poland in Q3/2025.

In addition to the further development of automation solutions for so-called "smart driving functions" for underground transport systems, which have been in focus for several years and were successfully demonstrated with a Chinese cooperation partner in the past fiscal year using a diesel trolley supplied by SMT, a particular focus in the 2023 fiscal year was on tunnel logistics and hard rock mining. The aim here is to further develop SMT's decades of experience in underground mining and SMT's proven, sustainable product design for the requirements of the respective market segment. In June 2024 SMT participated in an official Chinese tender offering such advanced technology. Possible order recognition will be in late Q3/2024.

Thanks to SMT's intensive efforts around tunnel logistics, SMT were able to win a major order for three battery-powered railway systems for an infrastructure project in Berlin. Furthermore, at the end of March 2024, the Company received a large order from a new customer for an infrastructure project in Saudi Arabia. The Company will provide a total of six transport systems for rail-bound material and passenger transport for the construction of two approx. 4,350-meter-long tunnels. Engineering activities in close cooperation with the customer started in Q2/2024 and first assemblies will commence in Hamm in late Q3/2024. The final deliveries are to be made successively in 2025. The order is in the low double-digit Euro millions, making it one of the largest in the Company's history.

In the hard rock mining area, SMT has developed a successor product to electric monorail hanging railways that have been in use for more than twenty years. In May and June 2024, electrically operated monorail hanging railways have been delivered to two mining companies that operate gold and platinum mines and put into operation. These monorail hanging railways are characterized by the fact that, in addition to the usual power supply via conductor rail systems, SMT-own designed state-of-the-art wet battery technology is used, which makes it possible to carry out transport tasks for short periods even if the main power supply fails. Following successful trials, this product has considerable potential for follow-up orders, particularly in the South African mining sector. For further improvement of SMT's wet battery manufacturing, a specific placement device has currently been purchased for more cost-efficient production in South Africa.

b) Patents, Licenses and Trademarks

The Company and SMT Scharf GmbH hold 7 patents and patent applications, one utility right and twelve national and international trademarks, i.a. "Scharf" registered in Germany, the EU and in non-European countries.

SMT Scharf Polska Sp. z o.o. is the owner of one domestic patent, two domestic utility models and one community design in lifting and conveying equipment. One domestic patent application is currently being examined. Two of them, i.e. utility model W.124790 and patent P.416627, are crucial for securing the Company's interests on the Polish market, both in the supply of new machines and on the after-sales market. The utility models, patents and community designs owned by SMT were created based on appropriate work contracts with the authors of their inventions.

SMT Xuzhou holds 47 granted patents, of which 14 are invention patents and 33 are utility model patents. SMT Xuzhou also holds 33 invention patents in application, and 12 utility model patents in application. Shandong Xinsha holds 42 granted patents, of which 3 are invention patents, 37 are utility model patents, and 2 are design patents. Shandong Xinsha also holds 11 invention patents in application and 1 utility model patent in application. According to an agreement dated 18 June 2020, and the supplementary agreement dated 2 November 2011, SMT licensed "Scharf" and "SMT Scharf" trademarks to Shandong Xinsha.

OOO SMT Scharf (Russia) is the owner of the trademark "Scharf" registered with the Russian patent authority.

SMT Scharf Africa (PTY) Ltd. is the registered owner of 7 trademarks relating to their main business segment railway and mining industry. SMT Scharf Africa (PTY) Ltd. has also 5 registered designs in battery packs, battery modules and low profile electrically powered transportation mining vehicles.

12. Profit Forecast

The forecast of EBIT (as defined below) of SMT for the financial year ending 31 December 2024 (forecast of EBIT, together with the respective explanatory notes, hereinafter collectively referred to as the "**EBIT Forecast 2024**") discussed in this section is not a statement of facts and should not be regarded as such by investors. Rather, it reflects the forward-looking expectations of the Company with respect to the EBIT Forecast 2024.

Any forward-looking statements, including the EBIT Forecast 2024, are necessarily based on a number of factors and related assumptions about future events and actions including management's assessment of opportunities and risks. Such factors and assumptions are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are beyond SMT's control, and are subject to future business decisions that are subject to change.

The EBIT Forecast 2024 is based on the Company's consolidated financial statements for the financial year ended 31 December 2023 ("**2023 Financial Year**") and factors and assumptions for the financial

year ending 31 December 2024 ("**2024 Financial Year**") made by the Company's management board. These assumptions relate to (i) factors outside the Company's influence, (ii) factors that can be influenced by the Company to a certain extent and (iii) factors that can be influenced by the Company as set out below. Even if these factors and assumptions were reasonable at the time of preparing the EBIT Forecast 2024, they may prove to be inappropriate or incorrect in the future. Should one or more of these factors and assumptions prove to be inappropriate or incorrect, the Group's actual EBIT for the 2024 Financial Year could materially deviate from the EBIT Forecast 2024. Accordingly, prospective investors should treat this information with caution and should not place undue reliance on the EBIT Forecast 2024.

12.1 Definition of EBIT

SMT uses EBIT as a key performance indicator to manage its business and believe it to be indicative of its operating performance. SMT understands that this measure is broadly used by analysts, investors and other interested parties in evaluating the performance in SMT's industry. The way SMT measures EBIT may not be consistent with the way other companies determine these measures, similar measures or measures with similar names. Accordingly, EBIT as presented herein may not be comparable to these measures, similar measures or measures with similar names as presented by other companies. EBIT is not recognized as a generally accepted accounting principle ("**GAAP**") measure under IFRS. EBIT is an alternative performance measure, or APM, as defined in the guidelines issued by ESMA on 5 October 2015 on alternative performance measures. Even though the measure EBIT is used by the Management Board to assess ongoing operating performance, and though these types of measures are commonly used by investors, they have important limitations as analytical tools and prospective investors should not consider them in isolation or as a substitute for analysis of SMT's operating results or any other performance indicator reported under IFRS.

SMT defines its „result of operational activities“ EBIT as follows:

Revenue
+/. changes in inventories
+ Other operating income
./ Material costs
./ Personal expenses
./ Depreciation, amortisation and impairment losses
./ Other operating expenses
= EBIT

12.2 EBIT Forecast 2024

For the 2024 Financial Year SMT currently expects a range of revenue between EUR 74 million to EUR 79 million which will result in an EBIT between EUR 1.5 million to EUR 2.5 million.

12.3 Explanatory notes to the EBIT Forecast 2024

The EBIT Forecast 2024 was prepared in accordance with the principles of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V. – "IDW"*) set forth in IDW Accounting Practice Statement: Preparation of Forecasts and Estimates in Accordance with the Specific Requirements of the Regulation on Prospectuses ("**IDW AcPS AAB 2.003**") (*IDW Rechnungslegungshinweis: Erstellung von Gewinnprognosen und -schätzungen nach den besonderen Anforderungen der Prospektverordnung (IDW RH HFA 2.003)*).

Although EBIT is not recognized as a GAAP measure under IFRS, the EBIT Forecast 2024 was prepared using the accounting principles of the IFRS. With respect to the accounting policies applied, reference is made to the notes to the Company's audited consolidated financial statements as of and for the 2023 Financial Year, prepared in accordance IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the Germany Commercial Code.

The EBIT Forecast 2024 was compiled and prepared on a basis which is both (i) comparable with the historical financial information of the Company, and (ii) consistent with the Company's accounting policies. In preparing the EBIT Forecast 2024, SMT has considered several factors relating to the operational and financial performance of the Group for the period from 1 January 2024, up to the date of the EBIT Forecast 2024. The development of these significant factors is based on specific assumptions made by the Management Board, which are set forth below.

12.3.1. Factors and assumptions

12.3.1.1 Factors beyond SMT's control and related assumptions

The EBIT Forecast 2024 is subject to factors beyond SMT's control. These factors, and SMT's assumptions taken about their impact, are set out below:

Factor 1. Unforeseen events

For the purpose of the EBIT Forecast 2024, SMT assumes that no material unforeseen events will occur that could result in material or lasting constraints on the ongoing operations of the Group, such as but not limited to force majeure, including natural disasters (e.g., fires, floods, hurricanes, storms and earthquakes), war or terrorist attacks, extraordinary macroeconomic or geopolitical events or cyber-attacks, maintenance outages, power or equipment failure, social unrest, work stoppages and public health concerns.

Factor 2. Legislative and other regulatory environments

SMT's operations in the 2024 Financial Year are located in several countries in Europe, Russia, China, South-Africa (RSA) and Canada. Therefore, SMT's business is subject to various regulatory requirements under regional law and regulations, the applicable national laws of the countries in which SMT operates as well as the applicable international technical and environmental standards. For the purpose of the EBIT Forecast 2024, SMT assumes that there will be no material changes in the regulatory and legal environment and in international standards compared to the 2023 Financial Year or that any

changes in the legal and regulatory framework will have no material impact. Furthermore, SMT assumes that regulatory standards will be complied with, and SMT assumes there will be no material impacts from any litigation or regulatory proceedings, including tax proceedings.

Demand for SMT's products depends on economic and political conditions globally and in SMT's core geographic markets (China, Poland and Russia). For the purpose of the EBIT Forecast 2024, SMT assumes that the macroeconomic development in the above-mentioned core geographic regions of the Group will generally show a slightly or moderate positive development in the 2024 Financial Year compared to the 2023 Financial Year.

Factor 3. Global and political development

Demand for SMT's products depends on economic and political conditions globally and in its core geographic markets (Coal- Mineral Mining and infrastructures for tunnel-logistics) as this directly affects the governments and government agencies which constitute a large part of SMT's customers. For the purpose of the EBIT Forecast 2024, SMT assumes that the macroeconomic development in the above-mentioned core geographic regions of the Group will generally show a slightly or moderate positive development in the 2024 Financial Year compared to the 2023 Financial Year.

Factor 4. Commodity and component procurement and prices

SMT directly and indirectly purchases a broad range of raw materials and parts from selected strategic suppliers (in case of key components) and from a broad range of suppliers (for standard components). Shortages in the availability of components lead to, among other effects, delays in manufacturing schedules and price increases. For the purpose of the EBIT Forecast 2024, SMT has assumed certain price increases in its forecast assessment. However, SMT expects that commodity and component availability and prices will stabilize in 2024 and that shortages in the availability of components will have no material impact on SMT's operations.

Factor 5. Foreign exchange rates

SMT is exposed to currency risk on sales and purchases. Although SMT manages the currency risk, foreign exchange rate fluctuations affect the sales and purchase denominated in a currency other than the respective functional currencies of Group entities. Furthermore, for Group consolidation the conversion to the EUR will affect the income and expenses that are included in the EBIT.

For the purpose of the EBIT Forecast 2024, SMT assumes the following exchange rates based on average rates for the period from 1 January to 30 June 2024.

Yuan Renminbi (China) / EUR:	7.801
Zloty (Poland) / EUR:	4.317
Ruble (Russia) / EUR:	97.785
Rand (South Africa) / EUR:	20.247
Canadian Dollar (Canada) / EUR:	1.467
Chilean Pesos (Chile) / EUR:	1,024.31

12.3.1.2 Factors that can be influenced by SMT and related assumptions

In addition to the factors and assumptions that are beyond SMT's control, the EBIT Forecast 2024 is subject to factors that can be influenced by. These factors, and SMT's assumptions made about their impact, are described below:

Factor 6. Competitive environment and market share

SMT is a provider of transport solutions for underground mining personnel, equipment and materials. SMT is a German specialist engineering company at home in its core customers' domestic markets. SMT is the global market and technology leader in rail systems and chairlifts for under-ground mining. SMT's railbound systems and other high-performance vehicles are deployed worldwide, primarily in coal mines and for the underground mining of gold, platinum and other metals. The technical performance data of SMT's core product, the monorail, are unmatched worldwide. This rail system suspended from a single rail which is at work in both coal mines and in mineral mines, is capable of transporting loads of up to 48 tonnes in drifts and can handle gradients of up to 35 degrees. Trained personnel can set up such a track network quickly and cost efficiently. SMT's electrical expertise also enables SMT to meet market demand for electrically operated railway systems and rubber-tyred vehicles. Thanks to the electrically operated machinery from SMT, mine operators are able to reduce underground emissions and improve conditions for their workers. The Group has its own companies in leading mining nations worldwide. These include the important foreign markets of China, Russia, Poland and South Africa.

In SMT's forecast for 2024 SMT considered the estimations of „The International Monetary Fund“ (“IMF”) for the above mentioned regions as follows:

China is seen as the weak link in the global economic growth. In 2023 China realized 5.2%. For 2024 the IMF expects a growth by 5.0%. Russia achieved a growth of 3.6% in 2023. The forecast 2024 amounts to 3.2% by IMF. Economic growth in Poland cooled off significantly in 2023, coming in at 0.2%. The IMF is forecasting a growth of 3.1%. Economists are sceptical of the economic situation in South Africa. In 2023 a growth of 0.7% was measured. The IMF is assuming a growth of 0.9% in 2024. SMT essentially sees itself in competition with two European companies. In addition, several Asian companies are increasingly drawing attention to themselves.

Factor 7. Customer structure and related revenue concentration

SMT's most important segment in 2023, making up 82.1% of total revenues is the Coal segment (2022: 81,3%). However, revenues in this segment fell year on year by 21.1% to EUR 60.1 million (2022: EUR 76.2 million). This reflects the challenging economic environment in important sales markets. The second most important business segment for SMT was Mineral Mining with revenues of EUR 8.8 million (2022: EUR 12.4 million). This represents a fall in revenues in this segment of 29.1%. The Mineral Mining business made up 12.0% (2022: 13.2%) of sales revenues. Furthermore, the segments of Tunnel Logistics with sales revenues of EUR 1.0 million or 1.4% (2022: EUR 2.9 million or 3.1%) and Other Industries with sales revenues of EUR 3.3 million or 4.5% (2022: EUR 2.2 million or 2.4%) also contributed to total sales revenues. SMT's most important product group by some distance are the rail systems. Their share of total revenues stood at 88.3% (2022: 89.1%). In addition, chairlifts with a share of 3.0% (2022: 5.4%).

Factor 8. Employee recruitment and retention

SMT's business relies on highly skilled technical, managerial and cultural sensitive personnel who are familiar with SMT's key customers and are experienced in the mining- and tunnel-logistic industry to deliver sufficient solutions for transport of personal and or (heavy) goods. SMT's growth depends to a significant extent to the Group's ability to recruit, train and retain highly qualified personnel, including engineers with a requisite technical background. For the purpose of the EBIT Forecast 2024, SMT assumes that SMT will be able to retain as required to fulfil client demands. However, competition for such personnel is intense, particularly in Germany. Furthermore, SMT assumes that SMT will be able to scale its workforce in accordance with customers' demands.

Factor 9. Certifications

The machines and components SMT markets for underground mining require the respective approval of the local safety authority. The ATEX approvals are relevant for Europe. This may require further local approvals, such as in Poland, which are issued locally by the WUG Institute. Separate regulations apply to non-European markets, particularly Russia and China. In Russia, the so-called GOST and technical regulations approval (i.e., declaration or certificate of conformity) applies, which is mainly based on the EC Machinery Directive and largely accepts EU type examination certificates. The strictest licensing regulations currently imposed are imposed by the security authorities in China, the Mining Authorization (MA). For the purpose of the EBIT Forecast 2024, SMT assumes that no major delays will occur which could have an adverse effect on SMT's business.

Factor 10. Revenue

For the purposes of the EBIT Forecast 2024, SMT assumes that revenue of the Group for the 2024 Financial Year will be in a single-digit million range higher than the revenue of the 2023 Financial Year. This assumption includes expected increases of sales in SMT's core market China and Middle east, the impacts from planned product mix as well as certain sales-price increases, which are expected to be more than offset by the effect of converting RMB-revenue with budgeted exchange rate. In order to reach the aforementioned revenue, SMT assumes that not only all existing orders that are already scheduled for 2024 can be produced and sold but also parts of the existing order backlog. Additionally, SMT considered a part of the in Q1/2024 signed order in the tunnel segment as a percentage of completion (PoC) order.

Factor 11. Material costs and movement in inventories

Material costs include the cost of sourcing and production of inventories; movements of inventories include the change of stock from own produced goods. Material cost and movement in inventories represent the largest share of SMT's cost base. During the 2023 Financial Year, material cost and movement in inventories as a percentage of total operating revenue was 55%. For the purpose of the EBIT Forecast 2024, SMT assumes that material cost and movements in inventories as a percentage of revenue will increase slightly compared to the 2023 Financial Year. This assumption includes certain purchase price increases which will partially be compensated by movement from inventories due to reduction of stocks that were built up in the 2023 Financial Year.

Factor 12. Capitalized costs / Net Working Capital (NWC)

The NWC's approach in 2024 corresponds to the actual values for 2023. An expected little smaller amount of accounts receivables will be compensated by a little higher amount in inventory.

Factor 13. Other operating income

Other operating income mainly relates to FX Gains and release of provisions which by definition both are not planned in the EBIT Forecast 2024. Another factor is the capitalization of development costs which are reported as „other operating income“.

Factor 14. Payroll expenses

During the 2023 Financial Year, payroll expenses as a percentage of revenue was 26.8%. For the purpose of the EBIT Forecast 2024, SMT assumes that payroll expenses as a percentage of revenue will be at a slightly higher level due to an expected slightly increase of wages and salaries.

Factor 15. Depreciation, Amortization and Impairment loss

During 2023 Financial Year, the Depreciation, Amortization and Impairment loss as a percentage of Total operating revenue amounted to 4.0%. This %age includes an adjustment in a goodwill of 1.0% points. For purposes of the EBIT Forecast 2024, we assume that there will be no further adjustments in goodwill and reduced the calculation with 3.0%.

Factor 16. Other operating expense

During 2023 Financial Year, other operating expenses as a percentage of revenue were 19.4%. The other operating expense are essentially determined by the exchange rate losses. For purposes of the EBIT Forecast 2024, the fix change rates are not planned by definition. SMT assumes that other operating expenses as a percentage of revenue will remain on a comparable level in 2024 Financial Year. SMT is targeting for an uplisting to the regulated stock market in Frankfurt in 2024. The relevant one-time-only costs in 2024 are estimated in a significant volume on top.

12.3.2 Other explanatory notes

The EBIT Forecast 2024 does not include any extraordinary events or results from non-recurring operations within the meaning of IDW Accounting Practice Statement (IDW RH HFA 2.003).

As the EBIT Forecast 2024 relates to a period that has not yet completed and is based on several assumptions regarding uncertain future events and actions, it inherently involves considerable uncertainties. As a result of such uncertainties, it is possible that the actual EBIT of SMT for the 2024 Financial Year may differ materially from the EBIT Forecast 2024.

The EBIT Forecast 2024 was prepared on 8 May 2024 and published in the group management report for the financial year 2023 and was confirmed in the group management report for the six-month period ending 30 June 2024. It remains valid as of the date of this Prospectus

13. Insurance

SMT has taken out comprehensive insurance policies in relation to risks associated with its business activities, such as policies covering SMT's general liability, product and environmental liability, insurance of property and merchandise (including product transportation and warehouse insurance), IT/electronic equipment, as well as insurance covering business interruptions.

Under these policies (and related underlying policies) insured losses include those resulting from natural and human risks, such as product liability issues. In addition, SMT has taken out policies for D&O (directors' & officers') liability, cyber security risks and fidelity insurance, which apply to the Company and its subsidiaries. Furthermore, SMT has taken out certain additional insurance policies for its subsidiaries in certain countries (including, among others, Germany).

SMT's insurance coverage is subject to market standard exclusions, limits, and deductibles. Furthermore, SMT has identified several risks that cannot be insured on economically feasible terms and for which, therefore, SMT has chosen not to purchase insurance coverage. These risks include, for example, business interruptions caused by acts of terror and epidemics and transport interruption or damage caused by war, strike, riots, blackouts, infectious diseases, or product recalls due to product manipulation.

VIII. MARKET AND COMPETITIVE ENVIRONMENT

1. Macroeconomic Development

Developments in the global economy in 2023 were marked by persistently high inflation, high consumer prices and correspondingly subdued consumer sentiment. In the fight against inflation, the central banks maintained their tight monetary policy although the ECB paused raising the key interest rates at the end of 2023, following ten key interest rate raises in succession, by deciding to leave the key interest rate unchanged. With effect from June and September 2024, ECB decided to reduce the key interest rate.

For 2024, IMF sees positive trends which might lead to a pick-up in the global economy. The recovery of the global economy from the COVID-19 pandemic and the effects of the Russia-Ukraine Conflict has shown that it is surprisingly resilient. At the same time, according to the IMF, inflation is receding from its peak in 2022 more quickly than expected although the effects on employment and economic activity are turning out to be lower than expected. Economists expect the ECB to lower interest rates in the middle of the year. On the other hand, a reversal of fiscal support in the face of high indebtedness will continue to affect growth in 2024.

In July 2024, the IMF forecasts the following GDP growth rates in SMT's target markets:

Expected GDP growth in the most important sales markets	2024	2025
China	5.0%	4.5%
Poland	3.1%	3.5%
Russia	3.2%	1.5%
South Africa	0.9%	1.2%

*IMF World Economic Outlook, July 2024 (projections)

In China, the economy has recently recovered after the zero Covid policy was abandoned. The loose monetary policy of the Chinese central bank in view of an inflation rate close to zero, tax breaks as well as strong domestic demand had a positive effect on the growth of the world's second largest economy. However, the persistent crisis in the Chinese property sector continues to weigh the economy down. Overall, the IMF is therefore expecting lower growth for the Chinese economy in the current year by comparison with 2023. The IMF is forecasting economic growth for China of 5.0% in 2024.

Russia achieved economic growth of 3.6% in 2023 after a decline in economic output in the previous year (-1.2%). However, economists view this growth critically and as unsustainable. The main drivers of growth were higher production in Russia's wartime economy in which the government invested almost 30 % of its budget for military spending. Accordingly, the population was unable to benefit from the growth. With a look to 2024, the IMF is then expecting growth of 3.2%. Experts anticipate that a future end to the Russia-Ukraine Conflict could lead to an economic downturn in Russia. Economic growth in Poland cooled off significantly in 2023, coming in at 0.2% compared with the previous year (5.6%). The main reasons for this development were the consequences of the war in Ukraine, high inflation, tight monetary policy in Poland as well as weak exports and sluggish private consumption in the country. For

2024, the IMF is forecasting growth of 3.1% above the EU average. An increase in private consumption and the raising of the minimum wage by almost 20% will be the contributory factors to this growth. Economists are sceptical of the economic situation in South Africa. 2023 growth of 0.7 % represents an appreciable drop from the level in 2022 when the economy managed to grow by 1.9 %. This low growth will not help to improve social problems. Adverse factors in South Africa include the energy market with regular power cuts, widespread corruption, obsolete infrastructure as well as the high unemployment rate of almost 33%. In addition, the difficult global economic environment and low investment activity on the part of private companies are depressing the economic situation. With regard to 2024, the IMF is assuming growth of 0.9%. The four countries mentioned represent the most important sales markets for SMT. Together, the customers there regularly account for more than 85% of Group sales revenues.

GDP growth in the most important sales markets* (in %)	2023	2022
World	3.3	3.5
China	5.2	3.0
Poland	0.2	5.6
Russia	3.6	-1.2
South Africa	0.7	1.9

* IMF World Economic Outlook, July 2024

SMT limits the effect of exchange rate risks by shifting some of its production and procurement processes to the company's sales markets. Most new systems are still built in Germany, however. In addition, SMT has adapted its organisation to these effects and reduced the costs incurred by exchange rate effects in the reporting period by deploying hedging transactions.

Development of exchange rates in the most important sales markets * (in %)	2023	2022
Yuan Renminbi (China) / EUR	+6.5	-2.0
Zloty (Poland) / EUR	-7.3	-2.0
Ruble** (Russia) / EUR	+30.7	-9.9
Rand (South Africa) / EUR	+12.0	+0.7

* Source: European Central Bank, change over the course of the year

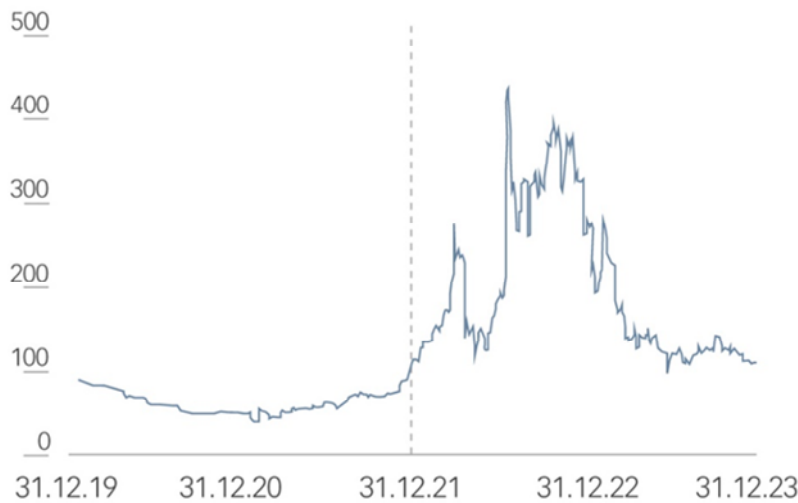
** Source: Currency conversion rates from Commerzbank AG, Frankfurt am Main

In 2023, the Euro appreciated significantly against the Chinese Renminbi, gaining 6.5%, whereas it had lost purchasing power in the previous year. The Euro also gained appreciably against the Russian Ruble by 30.7% and the South African Rand by 12.0%. The Polish Zloty, on the other hand, appreciated by 7.3% against the Euro.

Global economic growth and energy prices

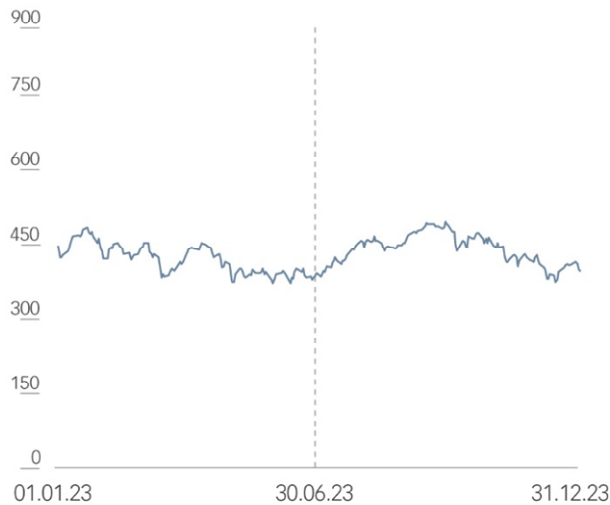
In the medium term, the growth that is forecast for the global economy will further boost demand for relevant raw materials and energy. Macroeconomic conditions put a brake on the growth of the commodity markets, however, in 2023. While the price of coal stood around USD 190.50 per tonne at the start of 2023, by the end of the year, it was no more than USD 117.60 per tonne. This equates to a fall of around 38%. Nevertheless, there are variations in the growth of individual commodity prices. While the commodity of gold, for example, closed 2023 with double-digit percentage growth, lithium's performance was extremely weak. The reason, according to reports, was weak demand for batteries coupled with high production. In general, SMT expects commodity prices to be volatile in 2024 and that this will nevertheless incentivise the mining industry to extract commodities. Investments in infrastructure and the modernisation of mines should have a correspondingly positive effect on demand for mining equipment in the medium and long term, thereby leading to good growth prospects for the SMT Group. In the short term, geopolitical tensions around the world could have a negative effect on global economic growth and correspondingly dampen activity in the global mining equipment market.

Coal price 2023 (in US dollar per tonne)



Source: <https://www.finanzen.net/rohstoffe/kohlepreis>

S&P GSCI Energy & Metals 2023 (in US dollar)



Source: spglobal.com

According to the IMF, global growth slowed from 3.5% in the previous year to 3.3% in 2023. The IMF states that inflation was gradually brought under control in 2023 after reaching its highest level for the time being at the end of 2022. The global economy also continues to slowly recover from the effects of the pandemic, the consequences of the Russia-Ukraine Conflict and the upheavals on the energy and food markets.

2. Sector Development

Prices on the global markets for energy raw materials dropped in the business year 2023, notably lithium (-82.3%), coal (-38.3%) and natural gas (-55.4%). The reasons included the mild weather in 2023, the stuttering reopening in China after the coronavirus pandemic, tight monetary policies by the central banks as well as the strength of the US Dollar. The price of coal, which is relevant for SMT, recorded a clear downward trend in 2023, falling from around EUR 150.00 at the beginning of the year to EUR 100.00 (based on one tonne of hard coal). The S&P GSCI Energy and Metal Index, which is important for the sector, was down by 8.6% in 2023. In the first quarter of 2024, the index increased by 11%.

German mechanical and industrial engineering companies can look back on an economically tough year in 2023. The consulting firm PwC are even talking of a wasted year for the sector. Companies' growth expectations reached their lowest ebb in the fourth quarter of 2023. According to the German Engineering Federation (VDMA), production fell by 0.9% in real terms in 2023 with the third and fourth quarters proving particularly weak. Overall, the sector expects sales revenues to decrease by 4.0% in 2024. This forecast represents the lowest level in the past three years. German mining technology companies' new order intake in 2023 decreased by 13% year on year (as of November 2023), according to estimates by the Mining Association of the VDMA. The global market for mining technology companies will increase from USD 98 billion in 2024 to USD 135 billion in 2029 according to forecasts. This equates to a com-

pound annual growth rate (CAGR) of 5.12%. In principle, SMT believes that it is well positioned to continue to benefit from demand for equipment from coal mine operators as well as projects investing in new conveyor systems, including the replacement of existing systems with modern conveyor and transport systems. The OECD expects global demand for raw materials to almost double by 2060, which should exert a sustained positive effect on the mining supply industry's business. The VDMA anticipates higher demand especially from companies focusing on the extraction of raw materials utilised in alternative forms of energy generation. Lithium for batteries and accumulators as well as copper for use in electrical conduction and 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 fertilisers for agricultural production. As a consequence, the global mining equipment market is predicted to grow from USD 141 billion in 2023 to USD 201 billion in 2030, representing a CAGR of 4.5% (2023 – 2030). More stringent legislation and environmental regulations are expected to slow growth. By contrast, the VDMA emphasises that only state-of-the-art mining technology will be able to ensure the supply of raw materials needed for climate protection and digitalisation. The prospects for growth in the Tunnel segment are also positive in SMT's estimation. For example, the International Tunneling and Underground Space Association (ITA) is retaining its positive forecast for the coming years. According to this forecast, the worldwide tunnel construction market is worth around EUR 125 billion per year (as of 2019), which corresponds to an increase of 45% compared with 2017. From 2011 to 2019, an average of 5,200 km of tunnels were built per year worldwide. The drivers for the global tunnel market are the growing expansion of roads and railway infrastructures to improve transport facilities. In addition, rising demand for energy, minerals and metals is leading to the mining of thermal and coking coal. These factors are having an increasingly positive impact on growth in the tunnel construction market.

According to a study by Grand View Research, the global market for tunnel boring machines reached a volume of USD 6,390.0 million in 2022. The market for tunnel boring machines is expected to grow at a CAGR of 4.9% between 2023 and 2030. The main reason for the rising demand for tunnel boring machines is the rapid expansion of transport infrastructure. Infrastructure development is being driven by dynamic economic growth, rapid urbanization, and smart city initiatives around the world. There will be increased investment in various construction projects such as metros, light rail, underground freight transport and supply tunnels to meet the growing demand for connectivity. Furthermore, increasing mining activities worldwide are expected to drive the market for tunnel boring machines.

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. According to the forecast, the regions of China (EUR 473 billion), Europe (EUR 374 billion) and Asia excl. China (EUR 356 billion) represents the focal points of future planned investments. By diversifying in terms of products, areas of application, customer groups and regional markets, SMT is placing its business model on several pillars. This approach serves to mitigate the impact of the coal mining business cycle on SMT's business growth and development.

3. Competitive Environment

The market for machinery and equipment in underground mining is developing dynamically and is also characterized by intense competition. According to a study by Mordor Intelligence, the market for mining equipment is expected to grow from USD 98 billion in 2024 to USD 135 billion in 2029. This corresponds to an average CAGR of 5.12%. According to Credence Research, coal mining, the largest segment in mining, accounted for 38% of global revenue in 2022. Applications for mining equipment in coal mining are expected to increase significantly to meet energy demand in countries such as China.

According to Credence Research, Asia-Pacific was the largest region in 2022, accounting for 35% of global revenue. In the coming years, market growth is expected to be driven by the increasing shift towards renewable energy sources and the introduction of electric vehicles in countries such as China and India. The region is predicted to have the fastest growth rate in the mining equipment market, which is attributed to the region's abundant resources and rising commodity prices.

The mining industry is dominated by a number of international and regional companies, resulting in a highly competitive market environment. The major market players use various mining technologies to secure market share. On the one hand, the industry is characterized by global players such as Atlas Copco, Doosan, Sandvik and Volvo achieving the largest revenue shares.

Global Underground Mining Equipment Market



Source: Credence Research, Competitive Scenario 2022

At the same time, the underground mining market is highly fragmented with many smaller industry specialists in the niche. In its international core markets, SMT competes with regional specialists and other European mining suppliers. The SMT Group's direct competitive environment includes companies such as Becker-Warkop Sp. z.o.o. as part of the German Becker Mining Group AG and Famur S.A. ("Famur"), which is based in Poland, as well as Becker Mining Systems AG ("Becker Mining"), HAZEMAG & EPR GmbH ("HAZEMAG & EPR"), Eickhoff Bergbautechnik GmbH ("Eickhoff") and SCHÖMA Christoph Schöttler Maschinenfabrik GmbH, which are based in Germany, and Ferrit s.r.o. ("Ferrit"), which is based in the Czech Republic.

Famur is one of the leading suppliers to mining groups in Europe. The company offers a broad range of products and services, including products and systems for open-cast and underground mining, drilling services and other industrial sectors such as the wind power industry. Famur focuses on the marketing of monorails and systems for longwall mining and is therefore in direct competition with SMT. Becker Mining also specializes in electric and diesel-powered monorails and locomotives as well as related technology. The company has sales and production sites on all continents. Another established competitor of SMT is Ferrit, a manufacturer and developer of mining equipment, whose product range includes electric and diesel-powered monorails.

Tunneling is characterized by various technology segments and a broad spectrum of construction machinery. This ranges from tunnel boring machines (TBMs), conveyor systems, locomotives, monorails, working platforms, automatic concrete spraying machines, ventilation systems and manipulators through to rubber-tyred vehicles (Utility, Drill & Bolt, LHD - Load, Haul, Dump). The engineering companies in the tunneling sector are recruited from broadly diversified large companies and highly specialized SMEs, many of which have their roots in underground construction. The global players include Komatsu Ltd., Hitachi Zosen Inova AG, Herrenknecht AG ("**Herrenknecht**") and Putzmeister Holding GmbH. Alongside the American Robbins Company, Herrenknecht is one of the pioneers in the tunneling segment and one of the world's technologically leading suppliers of tunnel boring machines. SCHÖMA, on the other hand, is one of the world's leading manufacturers of locomotives for tunneling. The locomotives are used in the construction of large tunnels, underground railways and cable and water tunnels. In addition, suppliers that SMT also competes with in coal mining are also offering transport solutions for tunneling projects, including Becker-Warkop Sp. z.o.o., Famur, HAZEMAG & EPR and Ferrit.

Global megatrends such as urbanization and population growth are driving the tunneling market and offer SMT significant growth potential. In contrast to the mining business, investments in tunneling are not cyclical and do not depend on commodity prices. Thanks to its specific expertise, for example in the area of monorails, SMT is able to cooperate with construction companies and operators in the tunneling market and supply customized tunnel logistics. As part of SMT's efforts to diversify its business into areas outside of coal mining, the tunneling market is therefore a focal point.

IX. LIQUIDITY AND CAPITAL RESOURCES

1. Overview

In the period under review, SMT's principal sources of funds were the net cash flow from operating activities and proceeds from equity contributions (please see Section XIV. "INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL AND APPLICABLE REGULATIONS", subsection 2 "Development of the Share Capital", penultimate paragraph).

SMT held cash and cash equivalent of EUR 0.756 million as of 30 June 2024, EUR -2.61 million as of 31 December 2023, EUR -4.06 million as of 31 December 2022 and EUR -5.92 million as of 31 December 2021.

2. Consolidated Statement of Cash Flows

2.1 Table

The following table presents the consolidated statement of cash flows for the periods indicated:

Table for the financial years 2021 to 2023

EUR	2023	2022	2021
Consolidated net profit/loss	5,227,553.41	14,802,938.49	12,581,629.87
- Income from equity accounted investments	-4,568,484.94	-5,293,841.54	-3,637,334.83
+ Depreciation and amortization of non-current assets	3,244,401.07	2,698,716.10	2,647,366.69
± Gain/loss on disposal of non-current assets	282,088.81	331,010.32	-131,783.87
± Increase/decrease in provisions	-232,208.65	-4,985,005.29	7,189,833.32
± Increase/decrease in inventories, trade receivables and other assets not allocable to investing or financing activities	4,338,928.77	-6,412,972.20	-24,939,865.85
± Increase/decrease in trade payables and other liabilities not allocable to investing or financing activities	-3,907,556.72	818,312.93	-763,849.55
± Other non-cash expenses/income	-	134,737.12	134,737.12
+ Income taxes	2,374,613.30	3,834,720.68	1,513,458.06
+ Financial expenses	918,420.98	977,449.69	781,962.83
- Income taxes paid	-3,505,383.00	-1,230,880.95	-880,123.07
Cash flow from operating activities	3,876,724.58	5,675,185.35	-5,503,969.27

EUR	2023	2022	2021
+ Cash inflows from disposal of property, plant and equipment	12,135.29	46,433.98	1,064,208.35
- Capital expenditure on property, and equipment	-980,405.63	-1,217,976.75	-1,379,043.16
- Capital expenditure on intangible assets	-493,747.27	-1,634,404.73	-2,757,005.75
+ Cash inflows from the repayment of loans			0.00
+ Interest received	559,772.60	392,810.05	152,361.33
Cash flow from investing activities	-902,245.01	-2,413,137.46	-2,919,479.23
+ Cash inflow from capital increase			7,927,342.72
+ Cash inflow from the drawing down of loans	3,167,517.37	30,888.00	489,007.62
- Cash outflow for the repayment of leasing liabilities	-777,606.71	-692,986.39	-566,750.99
+ Cash inflow from sale-and-lease-back agreements	0.00	1,310,547.47	1,530,282.42
- Cash outflow for the repayment of loans	-2,185,339.53	-1,315,960.46	-1,886,677.56
- Interest paid	-998,700.09	-1,024,787.78	-912,391.08
- Cash outflow to non-controlling shareholders			0.00
Cash flow from financing activities	-794,128.96	-1,692,299.16	6,580,813.13
Net change in cash and cash equivalents	2,180,350.61	1,569,748.74	-1,842,635.37
Changes in cash and cash equivalents due to effects from exchange rates and consolidated Group	-724,682.72	290,219.48	48,941.14
Cash and cash equivalents at start of period	-4,061,589.65	-5,921,557.86	-4,127,863.63
Cash and cash equivalents at end of period	-2,605,921.77	-4,061,589.65	-5,921,557.86

Table for the half-year of 2024 and the first half-year of 2023

TEUR	H1/2024	H1/2023
Consolidated net profit/loss	856	-189
-/+ Income/expense from equity accounted investments	-1,868	-1,255
+ Depreciation, amortization and impairment losses relating to non-current assets	1,200	1,363
-/+ Gain/loss on disposal of non-current assets	85	193
+/- Increase/decrease 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 and 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 outflows for the repayment of leasing liabilities	-356	-335
+ Cash inflows from the drawing down of loans	975	0
- Cash outflows for the repayment of loans	-2,972	-1,226
- Interest paid	-633	-586
Cash flow from financing activities	-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 consolidated 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

2.2 Comparison of Selected Items of the Consolidated Statement of Cash Flows for the First half-year 2024 and the First half-year 2023

2.2.1. Net Cash Flow from Operating Activities

Net cash flow from operating activities increased by TEUR 7,115 to TEUR 6,242 in the first half-year 2024, compared to TEUR -873 in the first half-year 2023. This increase was primarily due to the decrease in increase/decrease in “inventories, trade receivables and other assets not allocable to investing or financing activities“ by TEUR 2,211 to EUR 4,160 in the first half-year 2024, compared to TEUR 1,949 in the first half-year 2023 and due to the increase in increase/decrease in “trade payables and other liabilities not allocable to investing or financing activities “ by TEUR 2,951 to TEUR 2,787 in the first half-year 2024, compared to TEUR -164 in the first half-year 2023. In addition, “Consolidated net profit” increased by TEUR 1,045 to TEUR 856 in the first half-year 2024, compared to TEUR -189 in the first half-year 2023.

2.2.2. Net Cash Flow from Investing Activities

Net cash used in investing activities decreased by TEUR 107 to TEUR -174 in the first half-year 2024, compared to TEUR -281 in the first half-year 2023.

This decrease was primarily due to a decrease of payments for “Capital expenditure on property, plant and equipment” by TEUR 228 to TEUR -267 in the first half-year 2024. In comparison, “Capital expenditure on property, plant and equipment” were TEUR -495 in the first half-year 2023 and mainly related to investments in the new ERP-System. In addition, payments for “Capital expenditure on intangible assets” decreased by TEUR 241 to TEUR -254 in the first half-year 2024, compared to EUR -13 in the first half-year 2023.

2.2.3. Net Cash Flow from Financing Activities

In the first half-year 2024, the net cash outflow from financing activities decreased by TEUR -839 to TEUR -2,986 compared to TEUR -2,147 in in the first half-year 2023.

This decrease was primarily due to an increase in “Cash outflows for the repayment of loans” by TEUR -1,746 to EUR -2,972 in the first quarter 2024, compared to TEUR -1,226 in the first quarter 2023.

2.3 Comparison of Selected Items of the Consolidated Statement of Cash Flows for the financial year 2023 and the financial year 2022

2.3.1. Net Cash Flow from Operating Activities

Net cash flow from operating activities decreased by TEUR 1.798 to TEUR 3.877 in the financial year 2023, compared to TEUR 5.675 in 2022. This decrease was primarily due to the decrease in “Consolidated net profit / loss” by TEUR 9.575 to TEUR 5.228 in the financial year 2023, compared to TEUR 14.803 in the financial year 2022. In addition, changes in “inventories, trade receivables and other

assets not allocable to investing or financing activities” increased by TEUR 10.752 to TEUR 4.339 in the financial year 2023, compared to TEUR –6.413 in the financial year 2022. Furthermore, adjustments made to derive cash relevant changes to “provisions” from the related income statement effects decreased by TEUR 4.753 to TEUR -232 in the financial year 2023, compared to TEUR -4.985 in the financial year 2022.

2.3.2. Net Cash Flow from Investing Activities

Net cash used in investing activities decreased by TEUR 1.511 to TEUR -902 in the financial year 2023, compared to TEUR -2.413 in 2022.

This decrease was primarily due a decrease of payments for “Capital expenditure on intangible assets” by TEUR 1.141 to TEUR -494 in the financial year 2023. In comparison, payments for “Capital expenditure on intangible assets” were TEUR -1.634 in the financial year 2022. This increase was partially reinforced a decrease of “Capital expenditure on property, plant and equipment” by TEUR 238 to TEUR -980 in the financial year 2023 compared to TEUR -1.218 in the financial year 2022.

2.3.3. Net Cash Flow from Financing Activities

In the financial year 2023, the net cash outflow from financing activities decreased by TEUR 898 to TEUR -794, compared to TEUR -1.692 in 2022.

This increase was primarily due to the “Cash inflow from the drawing down of loans“ by TEUR 3.168 in the financial year 2023, compared to the figure of TEUR 31 in the financial year 2022. This was implemented because no “Proceeds from sale and leaseback agreements” were paid in the financial year 2023. In comparison, TEUR 1.311 was paid for “Proceeds from sale and leaseback agreements” in the financial year 2022. In addition, “interest paid” a little decreased by TEUR 26 to TEUR -999 in the financial year 2023, compared to TEUR -1.025 in the financial year 2022. This decrease mainly resulted from applicable to the variable interest rate loans drawn.

2.4 Comparison of Selected Items of the Consolidated Statement of Cash Flows for the financial year 2022 and the financial year 2021

2.4.1. Net Cash Flow from Operating Activities

Net cash flow from operating activities increased by TEUR 11.179 to TEUR 5.675 in the financial year 2022, compared to TEUR -5.504 in 2021. This increase was primarily due to the increase in “inventories, trade receivables and other assets not allocable to investing or financing activities” by TEUR 18.527 to TEUR -6.413 in the financial year 2022, compared to TEUR -24.940 in the financial year 2021.

This increase was partially offset by a decrease in provisions in the financial year 2022 of TEUR -4.985 compared to an increase in provisions in the financial year 2021 of TEUR 7.190. Furthermore, paid taxes increased from TEUR -351 in the financial year 2021 to TEUR 1.231 in the financial year 2022.

2.4.2. Net Cash Flow from Investing Activities

Net cash used in investing activities decreased by TEUR 506 to TEUR -2.413 in the financial year 2022, compared to TEUR -2.919 in 2021.

This decrease was primarily due to the decrease of payments for “Capital expenditure on intangible assets” of TEUR -1.123 in the financial year 2022, compared to such payments of TEUR -2.757 in 2021.

As a partial offsetting effect, net payments for “Cash inflows from disposal of property, plant and equipment” decreased by TEUR 1.018 to TEUR 46 in the financial year 2022, compared to TEUR 1.064 in the financial year 2021.

2.4.3. Net Cash Flow from Financing Activities

In the financial year 2022, the net cash outflow from financing activities decreased by TEUR 8.273 to TEUR -1.692, compared to TEUR 6.581 in 2021.

This decrease is primarily due to the fact that, in comparison to the capital increase of TEUR 7.927 in the financial year 2021, there was no capital measure carried out in the financial year 2022.

In addition, changes in “Cash outflows for the repayment of loans” decreased by TEUR 571 to TEUR -1.316 in the financial year 2022, compared to TEUR –1.887 in the financial year 2021.

Furthermore, derive the "Cash inflow from the drawing down of loans" which decreased by TEUR 458 to TEUR 31 in the financial year 2022, compared to TEUR 489 in the financial year 2021.

3. Pension Provisions

The SMT Group’s German companies have defined benefit commitments for post-retirement, invalidity and surviving dependant benefits in its employee pension scheme. The pension commitments derive from various employer-financed direct commitments and from salary conversions based on a company agreement. In addition, indirect pension obligations exist in accordance with the articles of association of Unterstützungskasse der DBT e.V. All pension commitments are funded by provisions. No plan assets exist.

The amount of the pension commitment (defined benefit obligation) was calculated applying actuarial methods. In addition to the assumptions on life expectancies according to the Heubeck Richttafeln 2018 G mortality tables, the following assumptions were applied:

In % p.a.	31/12/2023	31/12/2022
Qualifying trend	2.0	2.0
Rate of pension increases	1.0	1.0
Discount rate (DBO)	3.40	3.35

The current service cost and interest expense are reported under personnel expenses. The defined benefit obligation reports the following changes:

TEUR	2023	2022	2021
Defined benefit on January 1	2,702	3,028	3,327
Current service cost	0	0	13
Interest cost	88	34	15
Pension payments and transfers	-156	-158	-124
Actuarial gains/losses	-114	-202	-203
of which financial assumptions	-14	-814	-126
of which experience adjustments	-100	612	-77
Defined benefit obligation on December 31	2,520	2,702	3,028

A – 0.5 % change in the interest rate would result in an increase in the pension obligation of EUR 140 thousand. A 0.5 % increase in the interest rate would lead to a EUR – 128 thousand reduction in the pension obligation. Both sensitivity calculations were performed while keeping all other assumptions unchanged.

Sensitivities (IAS 19.145)	DBO 2023	Change 2023	DBO 2022	Change 2022	DBO 2021	Change 2021
Actuarial interest rate +0.5%	2,392	-128	2,560	-142	2,835	-192
Actuarial interest rate - 0.5%	2,660	140	2,857	155	3,243	215
Pension trend +0.5%	2,651	131	2,846	145	3,215	187
Pension trend -0.5%	2,398	-121	2,568	-134	2,856	-171
Life expectancy +1 year	2,647	127	2,833	131	3,217	189

The weighted average term of the defined benefit obligation as of 31 December 2023 is 10.7 years (previous year: 11.9 years). The following payments are due in the current fiscal year and in the next three years:

TEUR	2023
Pension payments 2023	156
Expected pension payments 2024	159
Expected pension payments 2025	163
Expected pension payments 2026	162

4. Other Financial Liabilities

Financial liabilities are carried at cost on initial recognition. This corresponds to the fair value of the compensation received. Transaction costs are also taken into consideration in this regard. All liabilities are measured in subsequent years at amortised cost applying the effective interest method. Liabilities in foreign currencies are translated by applying the closing rate of exchange, and any resultant exchange rate differences are carried under other operating income or expense.

The fair values of the financial assets and liabilities were measured by applying the following hierarchy: If available, fair value is determined based on listed market prices (Level 1). If no such market prices were available, the fair value was determined in accordance with generally recognised valuation models based on DCF analyses, observable current market transactions, and traders' listings for similar instruments. Securities measured at fair value were measured in accordance with Level 1. For the other financial instruments, the carrying value corresponds to an appropriate approximation for fair value. There were no deviations between carrying amount and fair value in the period under review. No re-groupings were made.

The following tables showing an overview of the other financial liabilities (net carrying amount) as of the balance sheet dates indicated:

Balance sheet 31 / 12 / 2023

EUR thousand	IAS 9 category	Carrying amount	Fair value
Loans	AC	649	649
Securities	FVTP L	1,006	1,006
Cash and cash equivalents	AC	8,241	8,241
Trade receivables	AC	35,691	35,691
Lease receivables	n. a.	570	570
Non-current financial liabilities	FLA C	256	256
Trade payables	FLA C	3,820	3,820
Current financial liabilities	FLA C	15,689	15,689
Leasing liabilities	n. a.	3,001	3,001

Balance sheet 31 / 12 / 2022

EUR thousand	IAS 9 category	Carrying amount	Fair value
Loans	AC	717	717
Securities	FVTP	1,069	1,069

EUR thousand	IAS 9 category	Carrying amount	Fair value
	L		
Cash and cash equivalents	AC	7,677	7,677
Trade receivables	AC	46,254	46,254
Lease receivables	n. a.	1,203	1,203
Non-current financial liabilities	FLA	1,037	1,037
	C		
Trade payables	FLA	6,964	6,964
	C		
Current financial liabilities	FLA	13,772	13,772
	C		
Leasing liabilities	n. a.	3,420	3,420

Balance sheet 31 / 12 / 2021

EUR thousand	IAS 9 category	Carrying amount	Fair value
Loans	AC	694	694
Securities	FVTPL	47	47
Cash and cash equivalents	AC	9,512	9,512
Trade receivables	AC	41,897	41,897
Lease receivables	n. a.	280	280
Non-current financial liabilities	FLAC	1,844	1,844
Trade payables	FLAC	5,014	5,014
Current financial liabilities	FLAC	17,151	17,151
Leasing liabilities	n. a.	2,796	2,796

Note: FVTPL = fair value through profit or loss (financial assets at fair value through profit or loss), AC = financial assets at amortised cost, FLAC = financial liabilities at amortised cost

The securities are securities that must be carried forward in the FVTPL category as they are held in a near-money market fund that neither pays fixed interest nor makes scheduled repayments. Income derives purely from the sale of fund units.

As in the previous year, no reclassifications were implemented during the period under review. Net gains or losses by individual IFRS 9 category:

TEUR	2023	2022	2021
Financial assets measured at fair value through profit or loss (FVTPL)	0	0	-
Financial liabilities measured at amortised cost (AC)	-2,336	3,529	96
Financial liabilities measured at amortised cost (FLAC)	0	0	-4
Total	-2,336	3,529	92

Net gains comprise value allowances and currency translation.

Interest expenses of EUR 1,489 thousand in the fiscal year 2023 (2022: EUR 1,374 thousand and 2021: EUR 935 thousand) mainly reflect the overall interest expense calculated in application of the effective interest method for financial instruments measured at amortised cost, leasing liabilities measured at amortised cost, and only to a minor extent accrued interest on provisions. In the previous year, only a small portion was attributable to the compounding of lease liabilities.

Interest income of EUR 570 thousand in the fiscal year 2023 (2022: EUR 397 thousand and 2021: EUR 153 thousand) is mainly attributable to total interest income calculated by applying the effective interest method for financial instruments measured at amortised cost.

The following table shows an overview of the “contractual cash flows for financial liabilities” (net carrying amount) as of December 31, 2023, and the previous years:

Balance sheet item 31/12/2023	Carrying amount EUR thou- sand	Contractually agree d cash flows	Up to 1 year	1–5 years	Mor e than 5 years
Loan	469	quarterly	376	94	0
Loan	242	quarterly	194	48	0
Loan	307	quarterly	245	61	0
Loan	56	quarterly	56	0	0
Loan	77	quarterly	25	52	0
Loan	27	monthly	4	23	0
Loan	104	monthly	37	67	0
Loan	29	monthly	6	23	0
Total	1,311		943	368	-

Balance sheet item 31/12/2022	Carrying amount EUR thou- sand	Contractually agree d cash flows	Up to 1 year	1–5 years	Mor e than 5 years
Loan	177	quarterly	177	0	–
Loan	728	quarterly	376	352	–
Loan	436	quarterly	194	242	–
Loan	552	quarterly	245	307	–
Loan	168	quarterly	112	56	–
Loan	108	quarterly	28	80	–
Loan	31	monthly	31	–	–
Total	2,200		1,163	1,037	–

Balance sheet item 31/12/2021	Carrying amount EUR thou- sand	Contractually agre ed cash flows	Up to 1 year	1–5 years	Mor e than 5 years
Loan	39	quarterly	39	–	–
Loan	413	quarterly	236	177	–
Loan	1,104	quarterly	575	529	–
Loan	630	quarterly	296	333	–
Loan	797	quarterly	296	501	–
Loan	280	quarterly	112	168	–
Loan	11	quarterly	–	11	–
Loan	77	quarterly	–	77	–
Loan	136	quarterly	–	136	–
Total	3,487		1,554	1,932	–

Financial liabilities allocated to cash and cash equivalents are repayable at any time. As in the previous year, value allowances applied to financial instruments did not exist, with the exception of valuation allowances applied to trade receivables.

X. CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables provide an overview of the capitalization and indebtedness of the Company as of 30 June 2024 (unaudited data from the Company's accounting department). The information was compiled in accordance with IFRS.

1. Capitalization Table

Capitalization Table as of 30 June 2024

Total current debt (including current portion of noncurrent debt)	30,675,307.32
of which is guaranteed	
of which is secured	
of which is unguaranteed/unsecured	30,675,307.32
Total non-current debt(excluding current portion of non-current debt)	7,709,025.91
of which is guaranteed	2,442,271.43
of which is secured	2,442,271.43
of which is unguaranteed/unsecured	5,266,754.48
Shareholder equity	89,153,521.52
of which is share capital	5,471,979.00
of which is legal reserves	1,648.70
of which is other reserves	83,679,893.82
TOTAL	127,537,854.75

2. Indebtedness Table

Indebtedness Table as of 30 June 2024

A. Cash	9,360,204.45
B. Cash equivalents	0.00
C. Other current financial assets	1,493,759.24
D. Liquidity (A + B + C)	10,853,963.69
Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	11,245,512.18
F. Current portion of non-current financial debt	841,211.85
G. Current financial indebtedness (E + F)	12,086,724.03
H. Net current financial indebtedness (G – D)	1,232,760.34
Non-current financial debt (excluding current portion and debt instruments)	2,318,372.40
J. Debt instruments	0.00
K. Non-current trade and other payables	1,965,215.71
L. Non-current financial indebtedness (I + J + K)	4,283,588.11
M. Total financial indebtedness (H + L)	5,516,348.45

3. Lease Liabilities

As of 30 June 2024, SMT had current lease liabilities in the amount of EUR 841,211.85 (as included in Current portion of non-current financial debt in the table above) and non-current lease liabilities in the amount of EUR 2,318,372.40 (as included in I. Non-current financial debt (excluding current portion and debt instruments) in the table above).

4. Indirect or contingent indebtedness

As of 30 June 2024, SMT had indirect or contingent liabilities in the amount of EUR 11,309,309.83 relating to purchase commitments, pension provisions, other non-current provisions and current provisions.

5. Working Capital Statement

The Company is of the opinion that it is in a position to meet SMT's payment obligations that become due within at least the next twelve months from the date of this Prospectus.

XI. DIVIDEND POLICY

1. General Rules on Allocation of Profits and Dividend Payments

Shareholders have a share in the Company's profits determined in proportion to their interest in the Company's share capital. The participation of new shares in the profits may be determined in a different manner. Distributions of dividends on shares for a given financial year are, under German law for a stock corporation, such as the Company, generally resolved by the annual shareholders' meeting in the subsequent financial year. The Management Board and the Supervisory Board submit a proposal for the distribution of dividends to the annual shareholders' meeting held within the first eight months of the subsequent financial year. The shareholders' meeting then adopts a resolution on such distribution with a simple majority of the votes cast without being bound by the boards' proposal.

Under German law, dividends can only be resolved upon and distributed if the unconsolidated financial statements of the Company show distributable profit. Unlike the Company's consolidated financial statements, which are prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e of the German Commercial Code, the Company's unconsolidated financial statements are prepared in accordance with the German Commercial Code. These accounting principles differ from IFRS in material respects. The Company's unconsolidated financial statements are prepared by the Management Board and approved by the Supervisory Board, unless the Management Board and the Supervisory Board refer the approval to the shareholders' meeting.

When determining the distributable profit, the net profit or loss for the financial year (*Jahresüberschuss/-fehlbetrag*) is adjusted for profits or losses carried forward from the previous financial year (*Gewinn-/Verlustvorträge*), as well as for withdrawals from and transfers to reserves. Certain reserves are required to be set up by law and amounts mandatorily allocated to these reserves in the given financial year must be deducted when calculating the distributable profit. Subject to certain statutory restrictions, the shareholders' meeting is entitled to transfer additional amounts to the reserves or carry them forward. The Management Board must prepare unconsolidated financial statements (balance sheet, income statement and notes to the unconsolidated financial statements) and a management report for the previous financial year by the statutory deadline and present these to the Supervisory Board and the auditors immediately after preparation.

At the same time, the Management Board must present to the Supervisory Board a proposal for the allocation of the Company's distributable profits pursuant to Section 170 para. 2 of the German Stock Corporation Act (*Aktengesetz*). The Supervisory Board must review the unconsolidated financial statements, the Management Board's management report and the proposal for the allocation of the distributable profit and report to the shareholders' meeting in writing on the results. If the Management Board and the Supervisory Board approve the unconsolidated financial statements, they may, pursuant to Section 58 para. 2 of the German Stock Corporation Act, transfer up to 50% of the profit for the financial year remaining after deducting any transfers to statutory reserves and any losses carried forward to non-statutory reserves. The portion transferred to non-statutory reserves must not exceed 50% of the net income to the extent the non-statutory reserves exceed, or would exceed following such transfer, 50% of the registered share capital of the Company. Pursuant to the Articles of Association and subject

to applicable statutory law, the shareholders' meeting may resolve to pay dividends in kind (*Sachdividende*) in accordance with Section 58 para. 5 of the German Stock Corporation Act in addition to or in lieu of a cash distribution.

Dividends resolved by the shareholders' meeting are due and payable on the third business day following the relevant shareholders' meeting, unless a later payment has been resolved in the dividend resolution or the articles of association, in compliance with the rules of the respective clearing system.

Under German law, the right to dividend payments is generally time-barred after three years for the benefit of the Company. If dividend payment claims expire, the Company becomes the beneficiary of the dividends. The Shares carry full dividend rights as from 1 January 2024, which means for the full financial year 2024 and for all subsequent financial years. The dividends will be paid out in accordance with the rules of the clearing system of Clearstream Banking AG. Details on dividend payments and the respective payment agent will be published in the German Federal Gazette (*Bundesanzeiger*) after the shareholders' meeting. To the extent dividends can be distributed by the Company in accordance with the German Commercial Code and corresponding decisions are taken, there are no restrictions on shareholders' rights to receive dividends. Neither German law nor the Articles of Association provide for a special procedure for the exercise of dividend rights by shareholders not resident in Germany.

Besides requirements of mandatory German law, the Company's ability to distribute dividends may be limited by the availability of distributable funds.

Generally, withholding tax (*Kapitalertragsteuer*) is withheld from dividends paid.

2. Dividend Policy

The Company has not distributed any dividends during the period covered by the historical financial information. The Company currently intends to retain all available funds and any future earnings to support its operations and to finance the growth and development of its business.

In the future, the Company aims to pursue a dividend policy that considers both the interests of the shareholders and the general situation of the Company. Any future decision to pay dividends will be made in accordance with applicable laws and will depend upon, among other things, the Company's results of operations, financial condition, contractual restrictions, capital requirements as well as the general business situation of the markets in which SMT Group is active and the tax and regulatory environment.

The Company is not in a position to make any statements on the amount of future retained earnings or on whether retained earnings will exist at all in the future. The Company, therefore, is unable to guarantee that dividends will be paid in future years.

XII. GOVERNING BODIES

The Company's corporate bodies are the Management Board, the Supervisory Board (*Aufsichtsrat*) and the Shareholders' Meeting (*Hauptversammlung*). The powers and responsibilities of these corporate bodies are governed by the German Stock Corporation Act, the Company's Articles of Association (*Satzung*) and, if applicable, the Bylaws (rules of procedures, *Geschäftsordnungen*) of the Management Board and Supervisory Board.

1. Overview

The Management Board conducts the day-to-day business of the Company in accordance with the applicable law, the Articles of Association and the Bylaws of the Management Board to the extent Bylaws are issued, taking into account the resolutions of the Shareholders' Meeting and any distribution-of-business-plan. The Management Board represents the Company in its dealings with third parties. The Management Board is required to introduce and maintain appropriate risk management and risk controlling measures, in particular setting up a monitoring system, in order to ensure that any developments potentially endangering the continued existence of the Company may be identified early.

The Supervisory Board advises and oversees the Management Board's management of the Company. It is responsible for appointing and removing any members of the Management Board under certain circumstances but is itself not entitled to manage the Company. In accordance with the German Stock Corporation Act, the Supervisory Board is not authorized to exercise management functions. Simultaneous membership on the Management Board and the Supervisory Board is prohibited. However, if a position on the Management Board is vacant, the Supervisory Board may delegate the responsibilities attaching to this position to one of its own members for a limited period of time. Such appointment shall not exceed a period of one year and the designated person's membership of the Supervisory Board is suspended while serving on the Management Board.

The Management Board is required to report any material issues in relation to business transactions and any material developments regarding the business to the Supervisory Board. It has to report on the course of business, in particular revenue, and the situation of the Company and its subsidiaries and joint ventures at least on a quarterly basis. The Management Board is further required to report any planned business policies and other fundamental issues concerning corporate planning (including financial, investment, and staff planning) to the Supervisory Board once a year; material deviations of the actual developments from previously reported goals, including the reasons for any such deviations, must also be addressed.

The Chairperson of the Supervisory Board shall be in regular contact with the Management Board, in particular, the Chairperson of the Management Board, in order to discuss with the Chairperson of the Management Board issues of strategy, business development, the risk situation, risk management, and compliance.

In the meeting of the Supervisory Board in which the annual financial statements of the Company are discussed, the Management Board must also report on the profitability of the Company, especially in relation to return on equity.

As a general rule, the Management Board is required to report in a timely manner events which could have a material effect on the Company and transactions which could be of material importance, especially in relation to the Company's profitability or liquidity. This is to ensure that the Supervisory Board is able to assess such transactions prior to any action being taken. The Management Board is required to report any other important events to the chairperson of the Supervisory Board without undue delay; this includes events at any affiliated company of which the Management Board has become aware and which could potentially have a material impact on the Company. Moreover, any member of the Supervisory Board may at any time demand a report from the Management Board to the Supervisory Board about the affairs of the Company.

In Bylaws for the Management Board may be issued that certain types of transaction shall require the consent of the Supervisory Board. The Supervisory Board is entitled to extend or reduce the list of transactions requiring its consent at any time. Furthermore, the Articles of Association of the Company may designate the types of transactions that may only be made with the approval of the Supervisory Board.

The members of the Management Board and Supervisory Board owe fiduciary duties of loyalty and due care to the Company. In this context, the members of these corporate bodies must take into account a broad spectrum of interests, in particular, those of the Company, its shareholders, its employees and its creditors. The Management Board must further take into account the rights of shareholders to equal treatment and equal access to information. If members of the Management Board or the Supervisory Board breach their duties, they may be liable individually, or jointly and severally with other members of the Management Board or the Supervisory Board, as the case may be, to the Company for compensatory damages.

Under German law, a shareholder generally cannot take direct action against a member of the management board or the supervisory board of a German stock corporation with its registered office in Germany if the shareholder suspects that such member or members have violated their duties towards the company. Thus, under German law, generally only the Company has the right to pursue claims for damages against a member of the Management Board or the Supervisory Board. The Management Board represents the Company in relation to claims brought against members of the Supervisory Board and, in turn, the Supervisory Board represents the Company in relation to claims brought against members of the Management Board. Pursuant to a decision by the German Federal Court of Justice (*Bundesgerichtshof*), the Supervisory Board is required to pursue damages claims that are likely to be successful against members of the Management Board, unless significant interests of the Company either take precedence over or are of equal importance to any such claim.

If the governing body authorized to represent the Company decides against pursuing a claim, claims for damages can be pursued by the shareholders following a resolution (by a simple majority of the votes

cast) by the Shareholders' Meeting. The Shareholders' Meeting can also appoint a special representative (*Besonderer Vertreter*) to pursue such claims. Based on the resolution of the Shareholders' Meeting to claim damages, shareholders with a combined shareholding of 10% or more of the entire share capital or holders of shares with an aggregate nominal value of EUR 1 million may also apply to the competent court for the appointment of a special representative, such decision being subject to the court's discretion.

Furthermore, the Shareholders' Meeting can, by a simple majority resolution, appoint a special auditor (*Sonderprüfer*) to review any measures, in particular in relation to management. If the Shareholders' Meeting rejects a motion to appoint a special auditor, the court must appoint a special auditor at the request of shareholders who hold shares representing at least 1% of the share capital or shares with an aggregate nominal value of at least EUR 100,000.00 if the facts justify the suspicion of irregularities or that gross violations of the law or the Articles of Association have been committed.

If the Shareholders' Meeting appoints a special auditor, the court must appoint a different special auditor at the request of shareholders who hold shares representing at least 1% of the share capital or shares with an aggregate nominal value of at least EUR 100,000.00 if this is deemed necessary with respect to the person who has been appointed as special auditor.

Shareholders and shareholder associations can use the shareholder forum of the German Federal Gazette, which is available through the German Company Register's (*Unternehmensregister*) website, to call upon other shareholders to jointly, or through third-party representation, request a special audit, appoint a special auditor, demand that a Shareholders' Meeting is convened, or exercise their voting rights in a Shareholders' Meeting. If there is evidence leading to the strong suspicion that the Company has incurred damages through irregularities or gross violations of the law or the Articles of Association, shareholders whose shareholding constitutes at least 1% of the share capital or who hold shares with an aggregate nominal value of at least EUR 100,000.00 may request with a court to be allowed to bring a claim for damages of the Company in their own name but on behalf of the Company against members of governing bodies, subject to certain procedural requirements. Such claims, however, become inadmissible if the Company itself files a claim for damages.

The Company may only waive or settle claims for compensation against members of the Management Board or the Supervisory Board three years after the claim has arisen and only if (a) the shareholders resolve to do so in a shareholders' meeting by a simple majority resolution and (b) a quorum of the shareholders, together holding shares which represent at least 10% of the share capital, does not object to this in the minutes of the meeting.

Under German law, individual shareholders and any other persons are prohibited from intentionally using their influence within the Company to cause a member of the Management Board or the Supervisory Board to engage in conduct that could be damaging to the Company. A shareholder controlling the Company may not use its influence to persuade the Company to act against the Company's interests unless there is a domination agreement (*Beherrschungsvertrag*) between such shareholder and the Company in place and the influence exerted is within the limits of certain statutory mandatory provisions or any damages are compensated. Anyone intentionally exercising influence to cause a member of the

Management Board or the Supervisory Board, an authorized signatory (*Prokurist*), or a general representative (*Handlungsbevollmächtigter*) to act to the detriment of the Company or its shareholders is required to compensate the Company and its shareholders for any damages resulting from such behavior. In addition, in this context, the members of the Management Board and the Supervisory Board are jointly and severally liable if their actions or omissions amount to a violation of their duty of care.

2. The Management Board

2.1 Composition, Resolutions and Representation

Pursuant to the Company's Articles of Association, the Company's Management Board is composed of one or several members. The Supervisory Board determines the exact number of members, their responsibilities and their term of office. Pursuant to Section 84 paragraph 2 German Stock Corporation Act a Management Board member may be appointed chairman of the Management Board by the Supervisory Board.

The members of the Management Board are appointed by the Supervisory Board for a maximum term of five years. The Supervisory Board can revoke the appointment of a member of the Management Board before expiration of the term of appointment for good cause (*wichtiger Grund*), e.g. for gross breach of duties, or if the Shareholders' Meeting declares it has no confidence in the member of the Management Board, unless the vote of no confidence is based on obviously unobjective grounds.

The Management Board shall adopt its resolutions by simple majority of the votes cast unless otherwise stipulated by law, the Company's Articles of Association or the Bylaws.

If only one Management Board member is appointed, that person represents the Company alone. If the Management Board is comprised of several members, the Company is legally represented jointly by two members of the Management Board or by one Management Board member acting jointly with a holder of a proxy holder (*Prokurist*). The Supervisory Board may grant to each member of the Management Board of the Company sole power of representation. The Supervisory Board may also relieve individual members or all the members of the Management Board in general or in specific cases from the prohibition pursuant to Section 181 2nd alternative BGB on undertaking legal transactions in the name of the company with itself as representative of a third party (*Mehrfachvertretung*).

On 19 September 2024 the Supervisory Board has issued the Bylaws for the Management Board.

Pursuant to the Bylaws the Management Board must seek prior consent of the Supervisory Board for the following transactions or measures:

- acquisition of fixed assets, provided that the individual addition to the balance sheet exceeds EUR 300,000.00 and is not part of the approved annual budget,
- disposal of fixed assets with an individual market value exceeding EUR 300,000.00, not covered in the approved annual budget,
- approval of the annual budgets for each financial years,

- on extraordinary matters and business transactions of significant importance to the Company or entailing an exceptional economic risk,
- adoption of the annual financial statements and the management report of the Company,
- fundamental issues relating to the organization, business policy and investment, and financial planning of the Company,
- approval and alternation of the key performance indicators (KPI) of the senior managements (including managing directors) of the Company,
- matters at the discretion of the Management Board leading to an increase or decrease in the Company's reserves by more than 20% of their respective current total value,
- significant realignment of the strategy and business plan of the Company or its participations,
- any acceptance of financial liabilities (shareholder loans, bank liabilities, etc.) or off-balance-sheet liabilities/transactions (e.g., guarantees, factoring, ABS) with the exception of sureties and guarantees in the ordinary course of business (e.g., guarantees), provided that these exceptions do not exceed EUR 300,000.00 in any individual case or EUR 1,500,000.00 in total (for the avoidance of doubt, the Company must not provide any guarantee in any nature for the benefit of any third party other than the Company's controlling shareholder, affiliate, controlling subsidiaries and its participations),
- granting provisional remuneration to employees beyond their employment contract, also in the form of pension entitlements or similar, exceeding EUR 20,000.00 in individual cases,
- establishment, acquisition and sale of companies, participation in companies as well as the encumbrance of participations,
- assumption of supervisory board mandates outside the Group,
- conclusion of lease and rental agreements that run for more than one year and whose annual rent exceeds EUR 100,000.00,
- other transactions significantly altering the Company's net assets, financial position or results of operations, or the risk exposure.

The Supervisory Board is authorised to extend or restrict the scope of transactions requiring approval.

At present, the Management Board of the Company consists of three members. The current members of the Management Board can be reached at the Company's business address Römerstraße 104, 59075 Hamm.

2.2 Current Members of the Management Board

At present, the Management Board consists of the following members:

2.2.1 Volker Weiss

The Supervisory Board appointed Mr. Weiss as member of the Management Board by resolution of 20 October 2023 with effect from 1 November 2023. His term of office ends on 1 March 2027. Mr. Weiss was appointed as Chief Financial Officer and he is responsible for the areas of Finance, Controlling, Personal, IT, Compliance, Investor Relations.

Mr. Weiss represents the Company as set out in the Company's Articles of Association. Mr. Weiss is exempted from the restrictions of Section 181 Alt. 2 BGB.

The service agreement between the Company and Mr. Weiss was concluded on 24 August 2023 and amended on 20 and 30 October 2023. The service agreement became effective on 1 November 2023. The terms of the service agreement run until 1 March 2027. The service agreement does not provide for a termination right in the event of a change of control of the Company.

2.2.2 Reinhard Reinartz

In its meeting on 21 February 2024, the Supervisory Board appointed Mr. Reinartz as additional member of the Management Board until 30 April 2028, effective as of 1 March 2024. Mr. Reinartz was appointed as Chief Executive Officer until 19 September 2024 and as Chief Operating Officer; he is responsible for the areas of Product Development, Engineering, Sales, Supply Chain, Production, M&A and Investor Relations.

Mr. Reinartz represents the Company as set out in the Company's Articles of Association. Mr. Reinartz is exempted from the restrictions of Section 181 Alt. 2 BGB.

The service agreement between the Company and Mr. Reinartz was concluded on 26 and 27 October 2023 and amended on 22 and 23 December 2023 and 21 and 23 February 2024. The service agreement became effective on 1 March 2024. The terms of the service agreement run until 30 April 2028. The service agreement does not provide for a termination right in the event of a change of control of the Company.

2.2.3 Jun Liu

In its meeting on 19 September 2024, the Supervisory Board appointed Mr. Liu as additional member of the Management Board for a term of office of 5 years, effective as of 19 September 2024. Mr. Liu was appointed as the Chief Executive Officer.

Mr. Liu represents the Company as set out in the Company's Articles of Association. Mr. Liu is exempted from the restrictions of Section 181 Alt. 2 BGB.

The service agreement between the Company and Mr. Liu was concluded on 19 September 2024. The service agreement became effective on 19 September 2024. The terms of the service agreement run until 18 September 2029. The service agreement does not provide for a termination right in the event of a change of control of the Company.

Below are summaries of the curricula vitae of the current members of the Management Board, with indications of their principal activities outside the Company to the extent that those are significant with respect to the Company.

Volker Weiss

Mr. Weiss was born on 29 July 1962 and is resident in Hamm, Germany. Mr. Weiss studied Economics at Verwaltungs- und Wirtschaftsakademie in Düsseldorf, Germany. He completed his studies with a Business Economist degree. During his studies he focused on controlling. From 07/2011 until 10/2023 he worked for Caterpillar Global Mining Europe GmbH, Lünen, Germany (now: HBT GmbH, Dortmund). Mr. Weiss was responsible for global finances of the product line.

Mr. Weiss is currently also chairman of the management board (*Vorstandsvorsitzender*) in Pensionkasse Gewerkschaft Eisenhütte Westfalia i. L., Lünen, Germany. From 07/2021 until 01/2023 he was Managing Director (*Geschäftsführer*) of Caterpillar Global Mining Europe GmbH, Lünen, Germany. Besides these appointments, Mr. Weiss is not and has not been a member of any administrative, management or supervisory body of any company or a partner in a partnership outside the Group within the last five years.

Reinhard Reinartz

Mr. Reinartz was born on 5 May 1961 and is resident in Fröndenberg, Germany. Mr. Reinartz studied mining engineering at RWTH Aachen. He completed his studies as qualified engineer (*Dipl.-Ingenieur*) and has an additional MSc. in rock mechanics. His active mining career took place in underground and open pit operations mainly in Southern Africa. From 1995 until 2015 Mr. Reinartz had been working globally for different mining equipment companies. From 2012-2021 he was the chairman (*Vorsitzender des Komitees*) of ISO Technical Committee 82 (Mining Machinery), Geneva, Switzerland.

From July 2015 until end of February 2024 he was Managing Director (*Geschäftsführer*) of Sandvik Mining & Construction GmbH, Zeltweg, Austria. Besides this appointment, Mr. Reinartz is not and has not been a member of any administrative, management or supervisory body of any company or a partner in a partnership outside the Group within the last five years.

Jun Liu

Mr. Liu was born on 6 October 1976 and is resident in Zoucheng City, Shandong Province, China. From 1996 until 1999 Mr. Liu studied English at the Qingdao Institute of Construction and Engineering. Between 2016 and 2018 Mr. Liu completed a Master of Business Administration at Northwest University in Xi'an, Shanxi Province, China. In 1999 Mr. Liu joined the Introduction Section of International Trade Department of Yankuang Group Limited (former name of Shandong Energy Group Co., Ltd.), Jinan, Shandong Province, China ("**Yankuang Group Limited**") as translator and worked in this position until 2005. From 2005 until 2015 he worked as translator for Yancoal Australia Ltd., Sydney, Australia. Beginning in 2015 and until 2016 he worked as a Deputy Translator in the International Business Centre of Yankuang Group Limited, followed by a position as Chief Translator in 2016 in the International Business Centre of Yankuang.

Between 2016 and 2020 Mr. Liu was Deputy Managing Director (*stellvertretender Geschäftsführer*) of Yankuang Group Limited. From 2020 until 2023 he was Deputy Managing Director (*stellvertretender Geschäftsführer*) in the International Business Department of Shandong Energy Group Co. Ltd., Jinan, Shandong Province, China. Since July 2023 until further notice, Mr. Liu is Managing Director (*Geschäftsführer*) of Yancoal Luxembourg Energy Holding Co. Limited, Luxembourg, Luxembourg. Besides

these appointments, Mr. Liu is not and has not been a member of any administrative, management or supervisory body of any company or a partner in a partnership outside the Group within the last five years.

2.3 Former Members of the Management Board

In fiscal year 2023, Mr. Hans Joachim Theiß, born on 31 October 1967, resident in Werne, and Mr. Wolfgang Embert, born on 7 December 1957, resident in Hamm, were members of the Management Board. Both terms of offices ended 31 December 2023.

2.4 Compensation

In fiscal year 2023 the members of the Management Board received remuneration from the Company as follows:

Management Board	Remuneration			Total
	Fixed	Variable	Other	
EUR				
Volker Weiss	53,000.00	0.00	0,00	53,000.00
Hans Joachim Theiß	388,639.91	172,579.10	180,814,72	742,033.73
Wolfgang Embert	276,188.57	129,434.33	108,480.00	514,102.90

The current and former members of the Management Board are covered by the Company's D&O insurance with coverage in line with best market practice.

There are no agreements between the Company and the current and former members of the Management Board, which provide for the payment of any benefits after termination or expiration of the term of office.

For the former and current members of the Management Board the amount set aside or accrued by the Company or its subsidiaries to provide for pension, retirement or similar benefits amounts to EUR 168,016.00 in total.

2.5 Loans, Guarantees or other Warranties on behalf of Members of the Management Board

In fiscal year 2023, members of the Management Board were not granted any company loan. The Company did not assume any guarantees or other warranties on behalf of these persons.

2.6 Other legal Relationships

During the last five years, no current member of the Management Board has been convicted of any fraudulent offense. In addition, no member of the Management Board has been publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies) or, acting in the capacity of a member of an administrative, management or supervisory body or as founder

of an issuer, been associated with any bankruptcies and/or insolvencies, receiverships or liquidations. No member of the Management Board has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Apart from the activities described in this section XII, the current members of the Management Board do not carry out any other activity significant for the Company.

There are no family relationships between (i) current individual members of the Management Board or (ii) between Management Board members and members of the Supervisory Board.

Mr. Liu is currently appointed as a Managing Director (*Geschäftsführer*) in a group company relating to Yankuang as main shareholder of the Company. Accordingly, his interests may not be aligned with those of the Company or the Company's other shareholders, which constitutes a potential conflict of interest. Members of the Management Board may not act in their own interests or in the interests of persons or companies with whom they have a close relationship if those interests conflict with those of the Company.

Apart from this, there are no conflicts of interest or potential conflicts of interest between the members of the Management Board with respect to their duties to the Company on the one hand and their private interests, memberships in governing bodies of companies or other obligations on the other hand.

3. The Supervisory Board

3.1 Composition, Resolutions and Representation

In accordance with Section 11 para. 1 of the Company's Articles of Association the Company's Supervisory Board consists of five members all elected by the Shareholders' Meeting as representatives of the shareholders. Pursuant to the Articles of Association of the Company the members of the Supervisory Board and, if applicable, their substitute members are elected for the period up until the end of the Shareholders' Meeting that decides on the formal approval of the actions of the Supervisory Board for the fourth fiscal year after the term of office commenced. The fiscal year in which the term of office commences shall not be calculated in this period. On their election the Shareholders' Meeting may stipulate a shorter period. For each member of the Supervisory Board, the shareholders may, at the same time the respective member is elected, elect substitute members. The substitute members shall become members of the Supervisory Board in an order to be determined at the time of election if Supervisory Board members for whom they were elected as substitute members resign from the Supervisory Board before the end of their term of office. If a substitute member takes the place of the departed member, their office shall expire at the end of the General Meeting if a new election is held for the departed member at the next General Meeting or the one after that after the occurrence of the substitute case, otherwise at the end of the remaining term of office of the departed Supervisory Board member.

Pursuant to Section 100 German Stock Corporation Act the following individuals may not become a member of the Supervisory Board: a person (i) who is already a member of a Supervisory Board in ten

commercial companies which are required by law to have supervisory boards, (ii) who is a statutory representative of an enterprise which is controlled by the Company, (iii) who is legal representative of other corporations whose supervisory board comprises a member of the Management Board of the Company, or (iv) who in the past two years has served as member of the Management Board of the Company, unless it is appointed upon a motion presented by shareholders holding more than 25% of the voting rights in the Company. Members of the Supervisory Board who were elected by the Shareholders' Meeting may be dismissed at any time during their term of office by a resolution of the Shareholders' Meeting adopted by 75% of the votes cast. According to the Company's Articles of Association, any member of the Supervisory Board may resign at any time, even without providing a reason, by giving four weeks' notice of his resignation to the Chairman of the Supervisory Board or the Managing Board in writing. This does not affect the right to resign for good cause. In this case any member of the Supervisory Board may resign without notice.

In its first meeting after its election, the Supervisory Board elects from among its members a Chairman and a Vice Chairman for the term of their individual office.

The Supervisory Board must hold two meetings within six months of each calendar year pursuant to Section 110 German Stock Corporation Act. Meetings are called by the Chairman. The Supervisory Board has a quorum if all members are present. A member also takes part in the resolution if it abstains from voting. Absent members may participate in the vote on a resolution if they arrange for a written vote to be submitted by another member.

As a rule, resolutions of the Supervisory Board shall be passed at physical meetings. Outside of meetings, Supervisory Board resolutions may also be passed in writing, by telephone or by other comparable forms of resolution (such as by fax, e-mail or video conference) or by a combined resolution if all members of the Supervisory Board agree to this form of resolution.

Unless the law or the Articles of Association stipulate a larger majority, resolutions of the Supervisory Board require a simple majority of the votes cast. In the event of a tie, the Chairman shall have the casting vote; in elections, the casting vote shall be decided by lot. If no Chairman has been appointed or the Chairman does not participate in the vote, a motion is deemed to have been rejected in the event of a tie.

According to the Articles of Association the Supervisory Board shall issue its own Bylaws. On 19 September 2024 the Supervisory Board has issued the Bylaws for the Supervisory Board.

The members of the Supervisory Board can be reached at the Company's business address Römerstraße 104, 59075 Hamm.

3.2 Current Members

At present, the Company's Supervisory Board consists of three members.

The following table lists the current members of the Company's Supervisory Board and their main positions they hold outside the Company.

Name	Principal occupation outside of the SMT Group
Univ.-Prof. Dr. Louis Velthuis	Resident in Mainz, Professor at University of Mainz, Germany
Li Zhang	Resident in Zoucheng, Shandong Province, China, Managing Director (<i>Geschäftsführer</i>) at Yankuang Donghua Heavy Industry Co., Ltd., Zoucheng, Shandong Province, China
Qiang Yu	Resident in Zoucheng, Shandong Province, China, Minister (highest administrative position) of Financial Management at Yankuang

Univ.-Prof. Dr. Louis Velthuis has been elected by the ordinary Shareholders' Meeting on 22 May 2024 and his term of office last until the end of the Shareholders' Meeting that resolves on his discharge for the fourth financial year after the beginning of his term of office, namely in 2029.

Mr. Li Zhang and Mr. Qiang Yu have been elected as substitute members of the former Supervisory Board members, Dr. Dirk Vorsteher and Ms. Dorothea Gattineau by the ordinary Shareholders' Meeting on 22 May 2024 and their term of office last until the end of the Shareholders' Meeting that resolves on their discharge for the fourth financial year after the beginning of their term of office, namely in 2029. However, according to the resolution by the Company's ordinary Shareholders' Meeting on 22 May 2024 the term of office of Mr. Li Zhang and Mr. Qiang Yu may expire earlier, if a new election is held for the substitute members at the next Shareholders' Meeting or the one after that after the occurrence of the substitute case. In this case, their term office will expire at the end of the respective Shareholders' Meeting, that elects new supervisory board members.

Dr. Dirk Vorsteher and Ms. Dorothea Gattineau resigned on 19 September 2024 by written notice. As a result, Mr. Li Zhang, as substitute member of Dr. Dirk Vorsteher, and Mr. Qiang Yu as substitute member of Ms. Dorothea Gattineau became members of the Supervisory Board.

Pursuant to Section 11 para. 1 of the Company's Articles of Association, the Company's Supervisory Board consists of five members. That being said, there are currently two vacancies on the Supervisory Board. It is intended to fill the vacant positions in the near future. However, the incomplete composition of the supervisory board, meaning the appointment of only 3 members instead of the 5 stipulated in the articles of association of the Company, does not affect the Supervisory Board's ability to pass resolutions, provided that at least three members participate in the decision-making process. According to Section 104 paragraph 2 of the German Stock Corporation Act, members of a supervisory board can be appointed by the court if the supervisory board has been understaffed for more than three months, or if the board has been understaffed for less than three months but an urgent case is present.

3.3 Curricula Vitae

3.3.1 Univ.-Prof. Dr. Louis Velthuis

Univ.-Prof. Dr. Louis Velthuis (*1964)

Univ.-Prof. Dr. Velthuis was born on 10 July 1964 and is resident in Mainz, Germany.

Univ.-Prof. Dr. Velthuis attended schools in South Africa and Germany. From 1984 until 1986 he absolved an apprenticeship as a bank clerk at the Deutsche Bank. Beginning in 1986 and ending in 1991 he studied Business Administration at the Johann Wolfgang Goethe University in Frankfurt and completed the degree as business graduate (*Diplom Kaufmann*) with grade very good. He was supported by the German National Academic Foundation. During his studies he focused on finance and organization theories and marketing. Between 1992 and 1997 he completed his doctorate degree at the Johann Wolfgang Goethe University with summa cum laude. The topic of his dissertation was "Linear Profit-Sharing: Basic Problems of Agency Theory in the Light of the LEN Model". After that, from 1997 until 2003 he habilitated at the Johann Wolfgang Goethe University. The subject of his habilitation thesis was "Incentive-compatible Profit Sharing and Income Measurement". In 2021 he completed a qualification of the course "Financial Expert" at the Management Alliance GmbH, Munich, Germany with certificate and examination by Deutsche Börse AG, Frankfurt am Main, Germany in order to become a qualified "Financial Expert" supervisory board member. In 2022 he absolved a financial expert training course by Management Alliance GmbH.

Univ.-Prof. Dr. Velthuis worked in various universities, such as Donbei University Dalian in China, Johann Wolfgang Goethe University in Frankfurt am Main, University of Vienna and Johannes Gutenberg University in Mainz. He was appointed in chairs of University of Passau, University of Mainz and University of Tübingen. His main research topics are trust in artificial intelligence, design of management and financial accounting, construction and establishment of incentive systems, performance measurement and developments of concepts of value-based management, risk management and bank management as well as health economics. He furthermore supervised over 20 completed dissertations as first examiner.

Univ.-Prof. Dr. Velthuis is currently also a member of the supervisory board and chairman of the audit committee of Intershop Communications AG, Jena, Germany (since 2016). Besides these appointments, Univ.-Prof. Dr. Velthuis is not and has not been a member of any administrative, management or supervisory body of any company or a partner in a partnership outside the Group within the last five years.

He used his expertise in the dialog between science and practice in various cases. He was, for example, a member of the International Accounting working group of the Schmalenbach Society (*Schmalenbach-Gesellschaft für Betriebswirtschaft e.V., Cologne, Germany*) and of the Association of Supervisory Boards in Germany (*Vereinigung der Aufsichtsräte in Deutschland e.V., Frankfurt am Main, Germany*). Since 2022 he is a member of the Working Group German Supervisory Boards (*Arbeitskreis deutscher Aufsichtsrat e.V., Cologne, Germany*).

3.3.2 Li Zhang

Li Zhang (*1975)

Mr. Zhang was born on 25 October 1975 and is resident in Zoucheng, Shandong Province, China.

From 1994 until 1998 Mr. Zhang studied Mechanical Electronic Engineering at China University of Mining and Technology. From 2013 until 2015 he studied Mechanical Engineering at Shandong University of Science and Technology and completed a Master's degree.

Between 1998 and 2007 Mr. Zhang worked as technician in a leading position at Yanzhou Coal Mining Company Limited (Dongtan Coal Mine), Zoucheng, Shandong Province, China ("**Yanzhou Coal**"). From 2007 until 2011 he was District Head Director (*Bezirksleiter*) and from 2011 until 2013 Deputy Chief Engineer at Yanzhou Coal. Between 2013 and 2017 he worked as Deputy Director (*stellvertretender Geschäftsführer*) in the Comprehensive Machinery Management Center of Yanzhou Coal.

Between 2018 and 2020 he was Executive Director and Managing Director (*Geschäftsführer*) in Yanmei Mining Engineering Co. Ltd Comprehensive Management Evacuation Center, Zoucheng, Shandong Province, China. In 2020 he became Deputy General Manager in charge of the daily administrative work in Yankuang Donghua Heavy Industry Co. Ltd., Zoucheng, Shandong Province, China.

Since 2022 he is Managing Director (*Geschäftsführer*) in Yankuang Donghua Heavy Industry Co. Ltd., Zoucheng, Shandong Province, China. Mr. Zhang is also currently Managing Director (*Geschäftsführer*) in Yancoal International (Holding) Co., Ltd., Hong Kong, China, Yancoal International Resources Development Co., Ltd., Hong Kong, China and in Yancoal International Technology Development Co., Ltd., Hong Kong, China. Furthermore, he is chairman of the board of directors (*Vorstandsvorsitzender*) of Yankuang Australia Pty Ltd., Hong Kong, China, Debord Mechanics (Shandong) Co., Ltd., Zoucheng, Shandong Province, China, and Shandong Fenglong Zhikong Industrial Technology Co., Ltd, Zoucheng, Shandong Province, China. Besides these appointments, Mr. Zhang is not and has not been a member of any administrative, management or supervisory body of any company or a partner in a partnership outside the Group within the last five years.

3.3.3 Qiang Yu

Qiang Yu (*1976)

Mr. Yu was born on 2 January 1976 and is resident in Zoucheng, Shandong Province, China.

Mr. Yu studied accounting at Shandong Institute of Mining between 1994 and 1998 and completed his studies with a Bachelor's degree.

From 1998 until 2008 Mr. Yu worked as accountant in the financial section of Yanzhou Coal. In 2008 he became deputy section member (low-level position) of the financial department of Yanzhou Coal. In 2014 he became Section Chief (mid-level position) and in 2017 Deputy Director (*stellvertretender Geschäftsführer*) of the financial department of Yanzhou Coal.

Between 2018 and 2022 he was Deputy Minister (second highest administrative position) of the financial management department of Yankuang. Since 2023 he works as Minister (highest administrative position) of the financial management department of Yankuang. Mr. Yu is currently also Managing Director (*Geschäftsführer*) of Yankuang Finance Leasing Co., Ltd., Shanghai, China, Yancoal BLUE Clean ENERGY Co., Ltd., Jining, Shandong Province, China, Shandong Yanmei Shipping Co., Ltd., Jining, Shandong Province, China, Yankuang Energy Group International Trade Co., Ltd., Jinan, Shandong Province, China, and QingDao ZhongYan Trade Co. Ltd., Qingdao, Shandong Province, China, Duanxin Investment Holding (Shenzhen) Co. Ltd., Shenzhen, Guangdong Province, China, and Inner Mongolia Mining (Group) Limited Liability Company, Hohhot, Inner Mongolia Autonomous Region, China. Furthermore, he is Chief Financial Officer (*Finanzvorstand*) of Shanghai Jujiang Asset Management Co., Ltd., Shanghai, China. Besides these appointments, Mr. Yu is not and has not been a member of any administrative, management or supervisory body of any company or a partner in a partnership outside the Group within the last five years.

3.4 Compensation

The remuneration of the Supervisory Board is regulated in Section 13 of the Company's Articles of Association. Pursuant to Section 13 paragraph 1 each member of the Supervisory Board receives a fixed compensation of EUR 18,000.00 for his activity payable upon the completion of the fiscal year, besides reimbursement of their expenses. The Chairman receives twice this amount.

Furthermore, each member of the Supervisory Board receives variable remuneration in the form of a share in the Group result, which is calculated as follows:

The annual performance-related remuneration corresponds to an amount that is calculated by multiplying a bonus factor of 0.4% (or 0.8% for the Chairman of the Supervisory Board) by the residual profit. The residual profit is the Group's consolidated net income less interest on equity, whereby the amount of interest corresponds to the applicable base interest rate plus 2 percentage points. Consolidated net income is determined according to the IFRS consolidated financial statements for the respective fiscal year that have been audited by the auditor and approved by the Supervisory Board. If a Supervisory Board member can prove on the day before the General Meeting that resolves on the appropriation of profits that he or she holds shares in the Company totalling one third (the purchase price is decisive in this respect) of the respective fixed remuneration per year of membership of the Supervisory Board, the bonus factor increases to 0.8% for the (ordinary) Supervisory Board member providing the proof of investment and to 1.6% for the Chairman of the Supervisory Board. The variable remuneration for each ordinary member of the Supervisory Board amounts to a maximum of EUR 9,000.00 (without personal investment) or EUR 12,000.00 (with personal investment) and for the Chairman of the Supervisory Board EUR 18,000.00 (without personal investment) or EUR 24,000.00 (with personal investment).

The members of the Supervisory Board shall furthermore be reimbursed for their expenses. Remuneration and reimbursement of expenses shall be paid plus any value added tax due.

The members of the Supervisory Board shall also receive an attendance fee of EUR 1,000.00 for each meeting of the Supervisory Board attended, payable after the meeting; the Chairman of the Supervisory Board shall receive double this amount. For several meetings held on the same day, the attendance fee is only paid once. The attendance fees are paid plus any applicable value added tax.

The remuneration of the Supervisory Board for the fiscal year 2023 was as follows:

Supervisory Board	compensation		
Expressed in EUR	fixed compensation	performance-related compensation	total
Dr. Louis Velthuis	36,000.00	36,000.00	72,000.00
Dr. Dirk Vorsteher	18,000.00	18,045.05	36,045.05
Dorothea Gattineau	18,000.00	15,000.00	33,000.00
total	72,000.00	69,045.05	141,045.05

The current and former members of the Supervisory Board are covered by the Company's D&O insurance with coverage in line with best market practice.

No member of the Supervisory Board was compensated for any consulting services for the Company for the term of office. There are no service contracts between the members of the Supervisory Board and SMT Group. There are no agreements between the Company and the members of the Supervisory Board, which provide for the payment of any benefits after termination or expiration of the term of office.

There have been no amounts set aside or accrued by the Company or its subsidiaries to provide for pension, retirement or similar benefits for the former and current members of the Supervisory Board.

3.5 Loans, Guarantees or other Warranties on behalf of Members of the Supervisory Board

Currently, members of the Supervisory Board are not granted any loans by the Company and the Company does not issue any guarantee or warranty for any member of the Supervisory Board.

3.6 Other legal Relationships

During the last five years, no current member of the Supervisory Board has been convicted of any fraudulent offense. In addition, no member of the Supervisory Board has been publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies) or, acting in the capacity of a member of an administrative, management or supervisory body or as founder of an issuer, been associated with any bankruptcies and/or insolvencies, receiverships or liquidations. No member of the Supervisory Board has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

There are no family relationships between (i) individual current members of the Supervisory Board or (ii) between Supervisory Board members and Management Board members.

Mr. Zhang and Mr. Yu are currently appointed as directors in various group companies relating to Yankuang as main shareholder of the Company. Accordingly, their interests may not be aligned with those of the Company or the Company's other shareholders, which constitutes a potential conflict of interest. Members of the Supervisory Board may not act in their own interests or in the interests of persons or companies with whom they have a close relationship if those interests conflict with those of the Company.

Apart from this there are no conflicts of interest or potential conflicts of interest between the members of the Supervisory Board with respect to their duties to the Company on the one hand and their private interests, memberships in governing bodies of companies or other obligations on the other hand.

4. Shareholders' Meeting

The Shareholders' Meeting is the body in which shareholders can exercise their rights within the Company. Pursuant to the Articles of Association the Shareholders' Meeting shall take place at the Company's registered office, at a location within a radius of 75 kilometres from the Company's registered office or at a German stock exchange. Each individual share confers one vote in the Shareholders' Meeting. Only those shareholders who are entered in the Company's share register and have registered in within the deadline to the Shareholders' Meeting are entitled to attend the Shareholders' Meeting and exercise their voting rights. The registration must be received by the Company or one of the other offices specified in the invitation in text form in German or English within the statutory period prior to the Shareholders' Meeting. Shareholders may be represented when exercising their voting rights. The Company may determine that authorisations may be issued by electronic media or by fax and regulate the type of issue in detail. Furthermore, the Company may make one or more employees of the Company available as proxies. The details for granting proxies will be announced to the shareholders together with the convening of the Shareholders' Meeting or made available to the shareholders in a manner announced in the invitation to the Shareholders' Meeting.

The resolutions of the Shareholders' Meeting shall be adopted by a simple majority of the votes cast, unless mandatory statutory provisions provide otherwise, and, if the law prescribes a capital majority in addition to the majority of votes, by a simple majority of the share capital represented at the time the resolution is adopted.

Neither the German Stock Corporation Act nor the Articles of Association require any minimum participation for the Shareholder's Meeting to have quorum.

Under the German Stock Corporation Act, certain resolutions of fundamental importance mandatorily require - in addition to a majority of the votes cast - a majority of at least three-quarters of the share capital represented at the vote. These resolutions include in particular:

- Capital increases excluding shareholders' subscription rights,
- Capital reductions,

- Creation of authorized or contingent capital,
- Corporate transformation measures, such as mergers, de-mergers and changes in legal form,
- Execution and amendment of Company agreements (for example, control and profit and loss transfer),
- Transfer of all the assets of the Company, and
- Liquidation of the Company.

The Shareholders' Meeting of the Company is convened as a rule once a year (annual shareholders' meeting) and may be convened by the Management Board and/or by the Supervisory Board as prescribed by law. In addition, an extraordinary shareholders' meeting must be convened by the Management Board or Supervisory Board if the interests of the Company so require. Pursuant to the German Stock Corporation Act, shareholders whose shares constitute at least 5% of the share capital may demand that the Shareholders' Meeting is to be convened; this demand must be made in writing, stating the purpose of the meeting and be directed to the Management Board.

The ordinary Shareholders' Meeting must take place within the first eight months of each fiscal year.

Notice of the convening of the Shareholders' Meeting, accompanied by the agenda, is made through publication in the German Federal Gazette. The convening notice must be published at least thirty days before the day by the end of which the shareholders must register prior to the Shareholders' Meeting. Only those shareholders who are entered in the Company's share register and have registered in within the deadline to the General Meeting are entitled to attend the General Meeting and exercise their voting rights. The registration must be received by the Company or one of the other offices specified in the invitation in text form in German or English within the statutory period prior to the Shareholders' Meeting. The Management Board is authorised to set a shorter deadline, measured in days, instead of the statutory deadline. The day of the Shareholders' Meeting and the day of receipt shall not be counted. No changes shall be made to the share register from the time of the registration deadline up to and including the day of the Shareholders' Meeting.

In general, for periods and deadlines which are calculated backwards from the Shareholders' Meeting the date of the Shareholders' Meeting is not to be included in the calculation; if the end of that period is a Sunday, an official holiday at the registered office of the Company or a Saturday, such day will not be replaced by the preceding or succeeding working day.

The Management Board is authorised to provide for the Shareholders' Meeting to be held without the physical presence of shareholders or their proxies at the venue of the Shareholders' Meeting (Virtual General Meeting).

Neither German law nor the Company's Articles of Association restrict the right of shareholders not resident in Germany or foreign shareholders to hold shares or to exercise the voting rights attached to such shares.

5. Shareholdings and Stock Options

As of the date of this Prospectus, no Member of the Management Board but the following Members of the Supervisory Board hold shares in the Company as follows:

Name	Number	Proportion
Prof. Dr. Louis Velthuis	9,300	0.17%
Dr. Dirk Vorsteher	4,042	0.07 %
Dorothea Gattineau	2,103	0.04 %

No stock options were issued to members of the Management Board and the Supervisory Board.

6. Corporate Governance

The German Corporate Governance Code (*Deutscher Corporate Governance Kodex*, the "**Code**"), in its most recent version of 28 April 2022, as published in the German Federal Gazette on 27 June 2022, contains recommendations and suggestions for the management and supervision of German companies listed on the stock exchange. The Code incorporates nationally and internationally recognized standards of good and responsible corporate governance.

The Code contains principles, recommendations ("shall provisions") (*Empfehlungen*) and suggestions ("should provisions") (*Anregungen*) that are intended to ensure that the company is managed in its best interests. The Code aims to promote confidence in the management and supervision of German listed companies by investors, customers, employees, and the general public. German stock corporation law only requires the Management Board and the Supervisory Board of a listed company to state annually that the recommendations in the Code have been complied with, or to explain which recommendations have not been complied with and are not being applied and the reasons behind non-compliance. It is possible to deviate from the suggestions contained in the Code without disclosure. The declaration of conformity must be permanently publicly available on the Company's website.

Prior to the Listing of the Company's shares on the Frankfurt Stock Exchange, the Company has not been subject to the obligation to render a declaration as to compliance with the Code. Upon the Listing of the Company's shares on the Frankfurt Stock Exchange, the Management Board and the Supervisory Board declare annually that the recommendations of the Code have been and are being complied with or which recommendations have not been or are not being complied with and why not.

As of the date of the Prospectus, the Company complies, and following the Listing of the Company's shares on the Frankfurt Stock Exchange intends to comply, with the recommendations of the Code, subject to the following exceptions as of the date of the Prospectus:

- Recommendation A.2: The Management Board has decided not to set strict targets for diversity when filling management positions in the Company. Instead, the Management Board considers it appropriate to determine the question of diversity on a case-by-case basis and not to make it dependent on targets.
- Recommendation B.1: The Supervisory Board should pay attention to diversity in the composition of the Management Board. The Supervisory Board is currently not complying with this recommendation. Rather, the Supervisory Board considers it appropriate to determine the issue of diversity on a case-by-case basis and not to make it dependent on abstract targets.
- Recommendations B.5 and C.2: No age limit has been set for members of the Management Board and the Supervisory Board. The Company is of the opinion that the performance of a member of the Management Board or the Supervisory Board is independent of age. The Company is also of the opinion that setting an age limit is not appropriate, as the knowledge and experience of older persons should also be available to the Company in the context of Management Board and Supervisory Board activities. Furthermore, the company believes that setting an age limit for members of the Supervisory Board constitutes an inappropriate restriction of the shareholders' right to elect the members of the Supervisory Board.
- Recommendation D.2 and D.4: In view of its low number of members, the Supervisory Board has decided not to form committees, with the exception of the statutory audit committee. The tasks assigned to the audit committee are performed by the Supervisory Board as a whole. As soon as the two vacancies on the Supervisory Board have been filled, the Supervisory Board intends to form respective committees, if and insofar as appropriate.
- Recommendation F.2: In deviation from this recommendation, the consolidated financial statements and interim financial information are made available within the deadlines stipulated by the statutory provisions on disclosure and not within the stricter deadlines of F.2 which are 90 days after the end of the financial year (regarding consolidated financial statements and group management report) and 45 days after the end of the reporting period (regarding interim financial information). The Company believes that a publication within the statutory provisions will sufficiently satisfy the need for information of the shareholders, creditors and other stakeholders as well as the public.
- Recommendation G.6: Currently, the component of variable remuneration achieved as a result of reaching long-term targets does not exceed the component from short-term targets, because only short-term targets are considered for the calculation of variable remuneration. However, the Company is of the opinion that the current variable remuneration leads to a goal-oriented and appropriate incentive for the members of the Management Board. The Supervisory Board

and Management Board agree on the medium and long-term corporate goals and derive short-term targets for variable remuneration from these.

- G.10: Currently, the variable remuneration amounts are not invested predominantly in Company shares by the respective member of the Management Board or are granted as share-based remuneration. The Supervisory Board is of the opinion that the remuneration system and the performance criteria underlying the variable remuneration, even without a share-based component, provide sufficient incentives for sustainable and value-oriented corporate development, taking appropriate account of the interests of customers, employees, business partners, shareholders and other stakeholders.
- Recommendation G.11: Currently, there is no possibility to account for extraordinary developments to an appropriate extent relating to the variable remuneration. A permission to retain or reclaim variable remuneration if justified is currently also not stipulated. In the opinion of the Supervisory Board, such regulations are not necessary, as the members of the Management Board are sufficiently motivated by the current remuneration system to act in the long-term interests of the company.
- Recommendation G.13: Currently, there is no clause in the employment contract that severance payments shall be taken into account in the calculation of any compensation payments.
- Recommendation G.17: There is no provision for higher remuneration for the Deputy Chairman of the Supervisory Board because his workload is not significantly higher than that of the Supervisory Board member.

XIII. MAJOR SHAREHOLDERS, RELATED PARTY TRANSACTIONS

1. Major Shareholders

As far as the Company is aware, at the date of the Prospectus the following shareholder holds interests or voting rights in the Company's share capital:

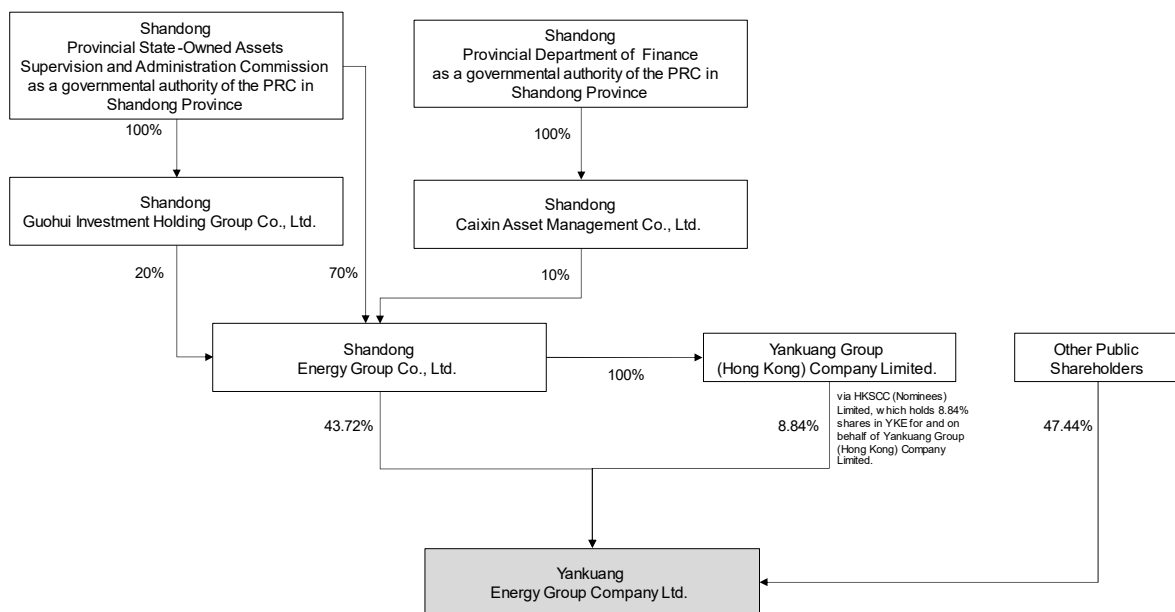
Name	Number of shares	in %
Yankuang	2,907,454	52.66%

Besides the participation of Yankuang the Company is not aware of a shareholder, which holds more than 5% of the voting rights in the Company.

Yankuang as the Company's major shareholder has no different voting rights. There are no different voting rights for individual shares in the Company.

Pursuant to Section 33 et seqq. of the German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG"), assuming these provisions were already applicable to the Company, the voting rights in the Company held by Yankuang are directly or indirectly, through various entities, ultimately attributed to Shandong Provincial State-Owned Assets Supervision and Administration Commission as a governmental authority of the PRC in Shandong Province. The voting rights held by Yankuang are attributed to Shandong Provincial State-Owned Assets Supervision and Administration Commission as a governmental authority of the PRC in Shandong Province through the following entities pursuant to Section 34 WpHG: Shandong Energy Group Co., Ltd. and Yankuang Group (Hong Kong) Company Limited.

The following chart provides an overview of the direct and indirect shareholdings in Yankuang as of the date of the Prospectus.



Founded in 1997, Yankuang and its subsidiaries (“**Yankuang Group**”) take mining, high-end chemicals and new materials, new energy, high-end equipment manufacturing, and intelligent logistics as pillar industries. Yankuang is one of the major coal producer, supplier and trader in China and Australia, and takes a lead in thermal coal industry in China. Yankuang Group enjoys four major listing platforms in China and beyond.

Yankuang Group mainly carries out coal mining. It also operates coal mines in China and Australia. Furthermore, Yankuang Group provides a regional rail network that links the mines with the national rail network. Yankuang Group is also working on the development of high-end coal machinery.. Moreover, Yankuang Group operates five high-end chemical parks and works for high-end, refined, and low-carbon development. It has built multiple complete coal chemicals industrial chains such as coal gasification and coal liquefaction. In the field of renewable energies, Yankuang Group focuses on photovoltaic power generation as well as the upstream and downstream PV industry.

2. Controlling Interest

As of the date of the Prospectus, Yankuang directly holds more than 50% of the share capital of and voting rights in the Company. The voting rights in the Company held by Yankuang are directly or indirectly, through various entities, ultimately attributed to Shandong Provincial State-Owned Assets Supervision and Administration Commission as a governmental authority of the PRC in Shandong Province pursuant to Sections 33 et seqq. of the German Securities Trading Act (*Wertpapierhandelsgesetz*), assuming these provisions were already applicable to the Company.

The Company is not aware of any arrangements which may result in a change of control of the Company.

3. Related Party Transactions

In the three prior fiscal years and since the end of the last fiscal year up to the date of this Prospectus, the following legal relationships existed between the SMT Group and related parties:

SMT Group	Related party	Legal nature of relationship
SMT Scharf AG	Zhongyin (Hong Kong) Co. Limited, Hong Kong, China	Financing Agreement dated 19 September 2024 between SMT as borrower and Zhongyin (Hong Kong) Co. Limited as lender (as described in more detail under no. VII.5.1)
SMT Scharf AG	Yankuang Energy Group Company Limited	Investment Agreement dated 1 March 2024 between SMT and Yankuang Energy Group Company Limited, in which SMT committed to support the YKE SPA (as

SMT Group	Related party	Legal nature of relationship
		described in more detail under no. VII. 5.2).
Mr. Joachim Theiß as former Management Board Member of SMT Scharf AG	Shareholder Value Management AG, Frankfurt am Main as former major shareholder	Agreement between Mr. Joachim Theiß as former Management Board Member of SMT Scharf AG and the former major shareholder Shareholder Value Management AG on a due inquiry process to be carried out by Mr. Theiß in connection with the potential transaction of the sale of a block of shares by the former major shareholder. As this transaction did not take place, the agreement did not begin to run.
SMT Scharf AG	Mr. Joachim Theiß as former Management Board Member of SMT Scharf AG	Agreement dated 19 December 2023 between Mr. Theiß as former Management Board Member of SMT Scharf AG and SMT Scharf AG. According to the consultancy agreement Mr. Theiß, who has been management board member of SMT until 31 December 2023, works for SMT as consultant as of 1 January 2024.
SMT Scharf AG	Mr. Wolfgang Embert as former Management Board Member of SMT Scharf AG	Agreement dated 19 December 2023 between Mr. Embert as former Management Board Member of SMT Scharf AG and SMT Scharf AG. According to the consultancy agreement Mr. Embert, who has been management board member of SMT until 31 December 2023, works for SMT as consultant as of 1 January 2024.

Besides these legal relationships the Company has not entered into any related party transactions during the period covered by the historical financial information and up to the date of the Prospectus.

XIV. INFORMATION ABOUT THE COMPANY'S SHARE CAPITAL AND APPLICABLE REGULATIONS

1. Current Share Capital

As of the date of this Prospectus, the Company's share capital amounts to EUR 5,521,456.00. It is divided into 5,521,456 Shares, i.e. ordinary bearer registered with no par value (*auf den Namen lautende Stückaktien*), each such Share representing a notional value in the Company's share capital of EUR 1.00. All Shares were created and have been fully paid up in accordance with the provisions of the German Stock Corporation Act.

The Shares carry full dividend rights as from 1 January 2024.

Each Existing Share grants the holder one vote in the Shareholders' Meeting. There are no restrictions on the voting rights. In the event of the dissolution of the Company, any assets remaining after the discharge of the Company's liabilities shall be distributed among the Shares in proportion to the share of each Share in the share capital.

2. Development of the Share Capital

The Company was founded under the company name "B2B Info Systems AG". On 8 August 2000, the date on which the Company was entered in the Commercial Register of the Singen/Hohentwiel Local Court under HRB 1745, the Company had a share capital of EUR 50,000.00.

By resolution of the Shareholders' Meeting on 14 December 2006, an increase in the Company's share capital of EUR 50,000.00 by EUR 2,950,000.00 to EUR 3,000,000.00 was resolved by way of a contribution in kind in return for shares in the Company. This increase was entered in the Commercial Register on 19 December 2006. The existing shareholders contributed 100 % of the shares in SMT Scharf GmbH as a contribution in kind. The value of this contribution in kind (in relation to the increase of EUR 2,950,000.00) was certified by a court-appointed auditor.

The Shareholders' Meeting of the Company resolved on 2 February 2007 to increase the share capital from EUR 3,000,000.00 by up to EUR 1,200,000.00 to up to EUR 4,200,000.00 by issuing up to 1,200,000 new shares in accordance with Section 182 German Stock Corporation Act. The new shares were issued at an issue price of EUR 1.00 per share. The new shares from the capital increase carried dividend rights from 1 January 2007. The existing shareholders waived their statutory subscription rights in the capital increase resolution to issue the offered shares, therefore there were no transferable subscription rights. The resolved change to the share capital has been implemented. The change was registered with the Commercial Register of the Hamm Local Court on 3 April 2007.

By resolutions of the Management Board on 6 and 7 November 2017, approved by the Supervisory Board on 7 November 2017, the Company's share capital was increased against contribution in cash from the authorized capital which had been created by a resolution of the Shareholders' Meeting of 20 April 2016 from EUR 4,200,000.00 by EUR 420,000.00 to EUR 4,620,000.00. The resolved change

to the share capital has been implemented. The consummation of this capital increase was registered with the Commercial Register on 8 November 2017, corrected on 9 November 2017.

By resolutions of the Management Board on 25 May 2021 and 17 June 2021, approved by the Supervisory Board on 25 May 2021 and 17 June 2021, the Company's share capital was increased against contribution in cash from the authorized capital which had been created by a resolution of the Shareholders' Meeting of 23 May 2018 from EUR 4,620,000.00 by EUR 901,456.00 to EUR 5,521,456.00. The resolved change to the share capital has been implemented. The consummation of this capital increase was registered with the Commercial Register on 30 June 2021, corrected on 6 August 2021.

On 17 May 2022 the Shareholders' Meeting of the Company resolved to convert the bearer shares in the Company to registered shares. The change in the articles of association of the Company was registered with the Commercial Register on 10 June 2022.

3. Authorized Capital

By resolution of the Shareholders' Meeting on 17 May 2022, which was entered into the Commercial Register on 12 July 2022, the Management Board has been authorized, subject to approval of the Supervisory Board, to increase the Company's share capital by up to a total of EUR 2,760,728.00 by issuing up to 2,760,728 new no-par value registered shares against cash contributions or contributions in kind until 16 May 2027 (Authorized Capital 2022) and to also decide on the exclusion of subscription rights.

The Management Board is authorized, subject to approval of the Supervisory Board, to completely or partially exclude shareholders' statutory subscription rights in the following cases:

- in the case of capital increases against cash contributions, if shares in the Company are traded on the stock exchange (regulated market or over-the-counter market or the successors to these segments), the capital increase does not exceed 10% of the share capital, neither at the time this authorization becomes effective nor at the time it is exercised, and the issue price of the new shares is not significantly lower than the stock exchange price of the Company's shares of the same class and features already traded on the stock exchange within the meaning of Sections 203 (1) and (2), 186 (3) sentence 4 German Stock Corporation Act. The amount of 10% of the share capital shall include the amount attributable to shares that are issued or sold on the basis of another corresponding authorization with the exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 German Stock Corporation Act, insofar as such inclusion is required by law. For the purposes of this authorization, the issue amount in the case of the acquisition of new shares by an issuing intermediary with a simultaneous obligation on the part of the issuing intermediary to offer the new shares for purchase to one or more third parties determined by the Company is the amount to be paid by the third party or third parties;
- in the case of capital increases against contributions in kind, in particular for the acquisition of companies, parts of companies and equity interests in companies, industrial property

rights, such as patents, trademarks or licenses relating thereto, or other product rights or other contributions in kind, including bonds, convertible bonds and other financial instruments, if the capital increase does not exceed 10% of the share capital; or

- insofar as this is necessary to grant the holders or creditors of bonds with option or conversion rights or obligations issued by the Company or its Group companies a subscription right to new shares to the extent to which they would be entitled after exercising their option or conversion rights or after fulfilment of an option or conversion obligation; or
- for fractional amounts arising as a result of the subscription ratio.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the further content of the share rights and the other details of the capital increase and its implementation. In particular, the Management Board may, with the approval of the Supervisory Board, determine the profit participation of new shares, insofar as legally permissible, in deviation from Section 60 (2) German Stock Corporation Act, even for a financial year that has already expired, provided that the Shareholders' Meeting has not yet resolved on the appropriation of the net profit for the past financial year. The Management Board is authorized to determine that the new shares are to be taken over by a bank or a Company operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the Banking Act in accordance with Section 186 (5) German Stock Corporation Act with the obligation to offer them to shareholders for subscription.

The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the respective scope of the share capital increase from the Authorized Capital 2022.

4. Contingent Capital

4.1. Contingent Capital 2021

By resolution of the Shareholders' Meeting dated 27 May 2021, which was entered into the Commercial Register on 18 June 2021, the share capital has been contingently increased by up to EUR 462,000.00 by issuing up to 462,000 new no-par value registered shares to service the share options issued to beneficiaries in accordance with the resolution on agenda item 6 lit. b) of the General Meeting on 27 May 2021 (Conditional Capital 2021). Each subscription right entitles the beneficiary to subscribe to one new no-par value registered share in the Company. The conditional capital increase will only be implemented to the extent that subscription rights are issued for shares in accordance with the resolution of the Shareholders' Meeting on 27 May 2021 on the authorization to issue share options, the holders of which exercise the subscription rights granted and the subscription rights are serviced from conditional capital. The new shares participate in profits from the beginning of the financial year in which they are issued. The issue price for each share corresponds to the average market price of the Company's share on the last five trading days before the subscription rights are granted. The market price of the Company's share is to be determined on the basis of the closing price (or a comparable price) determined in XETRA® trading (or, if XETRA® trading no longer exists, a successor system determined by Deutsche Börse AG) on the Frankfurt Stock Exchange. The Management Board is authorized, with the approval

of the Supervisory Board, to determine the further details of the implementation of a conditional capital increase.

The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the scope of the issue of new shares from the Conditional Capital 2021 and after the expiry of the authorization period.

4.1. Contingent Capital 2022

By resolution of the Shareholders' Meeting dated 17 May 2022, which was entered into the Commercial Register on 12 July 2022, the share capital has been contingently increased by up to EUR 2,298,728.00 by issuing up to 2,298,728 new no-par value registered shares (Contingent Capital 2022).

The Contingent Capital serves to service bonds issued on the basis of the authorization resolution of the Shareholders' Meeting on 17 May 2022 under agenda item 7 b). The new shares will participate in profits from the beginning of the financial year in which they are created; to the extent permitted by law, the Management Board may, with the approval of the Supervisory Board, determine the profit participation of new shares for a financial year that has already expired, in deviation from Section 60 (2) German Stock Corporation Act. The Contingent Capital increase will only be implemented to the extent that

- the holders of convertible bonds and/or bonds with warrants and/or profit participation rights with conversion or subscription rights issued by the Company or its subordinated Group companies until 16 May 2027 on the basis of the authorization resolution adopted at the General Meeting on 17 May 2022 exercise their conversion or subscription rights and the Company decides to service the conversion or subscription rights from this Conditional Capital 2022, or
- the holders of convertible bonds and/or bonds with warrants and/or profit participation rights with conversion or subscription obligations, which were issued by the Company or its subordinated Group companies until 16 May 2027 on the basis of the authorization resolution adopted at the General Meeting on 17 May 2022, fulfil their obligation to convert or the Company exercises its right to demand delivery of shares, and the Company decides to deliver shares from this Contingent Capital 2022 for this purpose.

The shares will be issued in accordance with the provisions of the authorization resolution of the Shareholders' Meeting on 17 May 2022 under agenda item 7 b), i.e. in particular either (i) at least 80 per cent of the arithmetic mean of the closing auction prices of shares of the same class of the Company in XETRA® trading (or in a functionally comparable successor system replacing the XETRA® system) on the Frankfurt Stock Exchange on the last five trading days prior to the date of the resolution by the Management Board on the issue of the bonds or in the event that a direct or indirect subscription right is granted, at least 80 per cent of the arithmetic mean of the closing auction prices of shares of the same class of the Company in XETRA® trading (or in a functionally comparable successor system replacing the XETRA® system) on the Frankfurt Stock Exchange during the subscription period, with the exception of the days of the subscription period, necessary for the conversion or option price to be announced

within the deadline pursuant to Section 186 (2) sentence 2 German Stock Corporation Act, or (ii) at least 80 per cent of the arithmetic mean of the closing auction prices of shares of the same class of the Company in XETRA® trading (or in a functionally comparable successor system replacing the XETRA® system) on the Frankfurt Stock Exchange on the last five trading days prior to the day on which the holders of the bonds notify the Company of the conversion of bonds or the exercise of options, taking into account any adjustments in accordance with the dilution protection rules set out in the resolution of the aforementioned General Meeting under agenda item 7 b) (v).

The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the respective scope of the issue of shares from Contingent Capital 2022.

5. Authorization to Purchase and Sell Treasury Shares

By resolution of the Shareholders' Meeting dated 23 April 2009 the Company was authorized to acquire up to 10 % of the share capital in treasury shares. Using this authorization, the Company acquired 60,000 shares via the stock exchange in May and August 2009 and a further 299,996 shares in the Company via a share buyback offer in October 2009. By resolution of the Shareholders' Meeting dated 14 April 2020 the Company was authorized to acquire up to 10 % of the share capital in treasury shares. Using this authorization, the Company acquired a further 14,327 shares in the Company via share buyback offer in 2015. Due to the use of the treasury shares, i.a. in connection with employee participation programmes over the last years, the Company holds 49.477 treasury shares since 2017 and up to the date of this Prospectus.

By resolution of the Shareholders' Meeting dated 17 May 2022 the Company was authorized to acquire shares in the Company. The authorization is limited to the acquisition of treasury shares of up to 10% of the share capital existing at the time of the resolution by the General Meeting. The authorization is valid until 16 May 2027.

6. General Provisions Governing a Change in the Share Capital

Pursuant to the German Stock Corporation Act, the Company requires a resolution of the Shareholders' Meeting passed by a majority of at least 75% of the share capital represented at the vote to increase the share capital and change the Articles of Association accordingly. Insofar as the law requires a capital majority in addition to a majority of votes for resolutions of the Shareholders' Meeting, a simple majority of the share capital represented shall be sufficient to the extent legally permissible. Accordingly, certain capital measures that do not mandatorily require a majority of at least 75% of the share capital represented at the vote, such as capital increases from the Company's own funds, may be adopted by a simple majority.

The Shareholders' Meeting may create authorized capital. This requires a resolution passed by a majority of at least 75% of the share capital represented at the vote, authorizing the Administrative Board, to issue a specific number of shares within a period of no more than five years. The aggregate nominal amount of the new shares may not exceed 50% of the share capital existing at the time the authorization is granted (i.e., at the time the authorized capital is registered with the Commercial Register).

In addition, the Shareholders' Meeting can create contingent capital through a resolution passed with a majority of at least 75% of the share capital represented at the vote, for the purposes of (i) granting exchange or subscription rights to holders of convertible bonds or other securities granting a right to subscribe for shares; (ii) preparing for a merger with other companies; or (iii) granting subscription rights to managers and employees of the Company or an affiliated company by way of an approval resolution or authorization resolution. The nominal amount of contingent capital may not exceed 10% of the share capital at the time the resolution is passed in cases where it is created to grant subscription rights to managers and employees, and may not exceed 50% in all other cases.

Resolutions to reduce the Company's share capital require a majority of at least 75% of the share capital represented at the vote.

7. General Provisions relating to Subscription Rights

Pursuant to Section 186 German Stock Corporation Act, all shareholders generally have the right to subscribe for new shares of the Company issued in case of a capital increase, which correspond to their existing proportionate participation in the Company's share capital. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be traded on German stock exchanges for a prescribed period before the deadline for subscription expires. Yet shareholders do not have the right to demand admission to trading for subscription rights. The Shareholders' Meeting may resolve to exclude shareholders' subscription rights with a vote of 75% or more of the share capital represented at the vote. The exclusion of shareholders' subscription rights, in full or in part, also requires a report from the Administrative Board to the Shareholders' Meeting that justifies the exclusion and demonstrates that the Company's interest in excluding subscription rights outweighs the interests of the shareholders to be granted subscription rights. An exclusion of shareholders' subscription rights with respect to the issuance of new shares is, in particular, permissible if (i) the Company increases its share capital against cash contributions, (ii) the amount of the capital increase under exclusion of subscription rights does not exceed 20% of the outstanding share capital, both at the time when the authorization takes effect and at the time when it is exercised, and (iii) the price at which the new shares are issued is not materially lower than the stock exchange price of the Shares.

8. General Provisions Governing a Liquidation of the Company

Apart from a liquidation as a result of insolvency proceedings, the Company may only be liquidated by a resolution of the Shareholders' Meeting passed by a majority of at least 75% of the share capital represented at the vote. Furthermore, the commencement of insolvency proceedings regarding the assets of the Company, the rejection of insolvency proceedings for insufficient assets to cover the costs of the proceedings, a cancellation of the Company for lack of funds or the imposition of a final decision of the registry court about a material defect in the Articles of Association could lead to a cancellation of the Company. In the event of the Company's liquidation, the assets remaining after all Company liabilities have been satisfied are distributed among the shareholders in proportion to their interest in the

Company's share capital. The German Stock Corporation Act provides certain protections for creditors in the event of a liquidation of the Company.

9. Squeeze-Out of Minority Shareholders

Squeeze-Out under Stock Corporation Law

Pursuant to Section 327a et seq. German Stock Corporation Act, which govern the so-called "squeeze-out under stock corporation law", upon request of a shareholder holding 95% or more of the Company's share capital, the Shareholders' Meeting may resolve to transfer the Shares of minority shareholders to such majority shareholder against payment of an adequate compensation in cash. The amount of the cash compensation offered to minority shareholders must reflect "the circumstances of the Company" at the time the Shareholders' Meeting passes the resolution. The amount of the cash compensation is based on the full value of the Company, which is generally determined using the capitalized earnings method (*Ertragswertverfahren*). Minority shareholders are entitled to file for a valuation proceeding (*Spruchverfahren*), wherein the court will review the fairness (*Angemessenheit*) of the cash compensation.

Squeeze-Out under Reorganization Law

Pursuant to Section 62 para. 5 sentence 1 of the German Reorganization of Companies Act (*Umwandlungsgesetz*, "**UmwG**"), a majority shareholder holding at least 90% of the Company's share capital may require the Shareholders' Meeting to resolve to transfer the Shares of the minority shareholders to such majority shareholder against payment of an adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation, a partnership limited by shares (*Kommanditgesellschaft auf Aktien*), or a European company (*Societas Europaea* ("**SE**")) having its seat in Germany; and (ii) the squeeze-out is performed to facilitate a merger under the UmwG between the majority shareholder and the Company. The Shareholders' Meeting held to approve the squeeze-out must take place within three months of the conclusion of the merger agreement.

The procedure for a squeeze-out under the UmwG is essentially identical to the "squeeze-out under stock corporation law" described above, including the minority shareholders' right to judicial review of the appropriateness of the cash compensation.

10. Integration

Pursuant to Section 319 et seq. German Stock Corporation Act, the Shareholders' Meeting may vote for an integration (*Eingliederung*) into another stock corporation that has its registered seats in Germany, provided the prospective parent company holds at least 95% of the Shares. The former shareholders of the Company are entitled to adequate compensation, which generally must be provided in the form of shares in the parent company. In such case, Section 305 para. 3 sentence 1 German Stock Corporation Act stipulates that the amount of compensation is to be determined by the so-called merger value ratio (*Verschmelzungswertrelation*) between the companies, i.e., the exchange ratio, which would have to be

considered adequate in the event of a merger of the two companies. Fractional amounts may be paid out in cash.

11. Mandatory Takeover Bids

Upon admission of the Company's shares to trading on the regulated market of the Frankfurt Stock Exchange, the Company is subject to the provisions of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "WpÜG"), according to which every person whose share of voting rights reaches or exceeds 30% of the voting shares of the Company must publish this fact, including the percentage of its voting rights, within seven calendar days by publication on the internet and through electronic media for disseminating financial information. Subsequently, such person must submit a mandatory public tender offer to all shareholders of the Company, unless an exemption from this obligation has been granted by BaFin.

The WpÜG contains provisions relating to the attribution and aggregation of voting rights in order to ensure that the shares are attributed to the person actually controlling the voting rights attached thereto. If a person fails to give notice of reaching or exceeding the 30% threshold or fails to submit a mandatory public tender offer, such person is barred from exercising shareholder rights (including voting rights and, in certain cases, the right to collect dividends and liquidation proceeds) for the duration of non-compliance. In addition, a fine may be imposed in connection with such non-compliance.

Squeeze-Out under Takeover Law

Under Sections 39a and 39b WpÜG, in case of a so-called "squeeze-out under takeover law", an offeror holding at least 95% of the voting share capital of a target company (as defined in the WpÜG) following a takeover bid or mandatory offer, may, within three months of the expiration of the deadline for acceptance of the offer, petition the competent regional court to order the transfer of the remaining voting shares to such offeror against payment of an adequate compensation. Such transfer does not require a resolution of the General Meeting. The consideration paid in connection with the takeover or mandatory offer is considered adequate if the offeror has obtained at least 90% of the share capital that was subject to the offer. The nature of the compensation must be the same as the consideration paid under the takeover offer or mandatory offer, while at all times compensation in cash must also be offered.

In addition, following a takeover offer or mandatory offer, the shareholders in a target company who have not accepted the offer may do so up to three months after the acceptance period has expired (Section 39c WpÜG), provided the offeror is entitled to petition for the transfer of the outstanding voting shares in accordance with Section 39a WpÜG.

The provisions for a squeeze-out under stock corporation law cease to apply once an offeror has petitioned for a squeeze-out under takeover law, and only apply again when these proceedings have been definitively completed.

12. Disclosure Requirements for Shareholdings and Other Instruments

Once the Company's shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange the Company will also be subject to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG"), governing, among other things, disclosure requirements for significant shareholdings as well as the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended ("MAR") governing, among other things, directors' obligations to disclose transactions in the Company's shares, debt instruments, related derivatives or other related financial instruments.

a) Notification Requirements of Shareholders

Pursuant to Section 33 para. 1 WpHG, anyone who acquires, sells, or whose shareholding in any other way reaches, exceeds, or falls 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total number of voting rights in an issuer whose home country (*Herkunftsstaat*) is Germany and whose shares are admitted to trading on an organized market must notify the issuer and BaFin at the same time. Subsequent notifications are required if such person (i) acquires additional shares or in any other way reaches or exceeds a higher threshold, or (ii) sells or in any other way falls below the aforementioned thresholds.

All such notifications must be submitted without undue delay, and no later than within four trading days. The four-day notification period starts at the time the person or entity subject to the notification requirement has knowledge of or, in consideration of the circumstances should have had knowledge of, his proportion of voting rights reaching, exceeding or falling below the aforementioned thresholds. The WpHG contains a conclusive presumption that the person or entity subject to the notification requirement has knowledge at the latest two trading days after such an event occurs. Moreover, a person or entity is deemed to already hold shares as of the point in time such person or entity has an unconditional and due claim of transfer related to such shares pursuant to Section 33 para. 3 of the German Securities Trading Act. If a threshold has been reached or crossed due to a change in the total number of voting rights, the notification period starts at the time the person or entity subject to the notification requirement has knowledge about such change, or upon the publication of the revised total number of voting rights by the Company, at the latest. The notice period might commence at a later time only in case the voting rights reach, exceed, or fall below the thresholds as a result of a change affecting all voting rights. In such cases the notification requirement is set off by the establishment of an obligation to transfer such ownership immediately (*ohne zeitliche Verzögerung*).

In connection with these requirements, Section 34 WpHG contains various attribution rules (*Zurechnung*). For example, voting rights attached to shares held by a subsidiary are attributed to its parent company. Similarly, voting rights attached to shares held by a third party for the account of a person or entity are attributed to such person or entity. Voting rights which a person or entity is able to exercise as a proxy according to such person's or entity's discretion are also attributed to such person or entity. Furthermore, any coordination by a person or entity with a third party on the basis of an agreement or in any other way generally results in an attribution of the full amount of voting rights held by, or attributed to, the third party as well as to such person or entity. Such acting-in-concert generally requires a consultation on the exercise of voting rights or other efforts designed to effect a permanent and material

change in the business strategy of the Company. Accordingly, the exercise of voting rights does not necessarily have to be the subject of acting-in-concert. Coordination in individual cases, however, is not considered as acting in concert.

Except for the 3% threshold, Section 38 para. 1 WpHG sets forth similar notification requirements towards the Company and BaFin, if the aforementioned thresholds are reached, exceeded or undercut, because the shareholder holds financial instruments that (i) confer to him (a) the unconditional right to acquire already issued shares of the Company to which voting rights are attached when due or (b) discretion to exercise his right to acquire such shares, or (ii) relate to such shares and have a similar economic effect as the aforementioned instruments, whether or not conferring a right to a physical settlement. Thus, the latter mentioned notification requirements also apply, for example, to share swaps against cash consideration and contracts for difference. In general, the number of voting rights from financial instruments is calculated by reference to the full nominal amount of shares underlying the financial instrument, except where such financial instrument is only settled in cash. Details for such calculations are set forth in Commission Delegated Regulation (EU) 2015/761 of 17 December 2014 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to certain regulatory technical standards on major holdings.

In addition, a person or entity is subject to a notification requirement towards the Company and BaFin if the sum of the voting rights from shares and (financial) instruments held or attributed to such person or entity reaches, exceeds or falls below the aforementioned thresholds, again except for the 3% threshold.

Exceptions to Notification Requirements

There are certain exceptions to the notification requirements. For example, a company is exempt from notification obligations if its parent company has filed a group notification pursuant to Section 37 para. 1 WpHG. If the Company's parent company is itself a subsidiary, then the relevant company is exempt from notification obligations if its parent's parent company has filed such group notification. Moreover, shares or instruments held for trading by a credit institution or a credit securities services company with a registered seat in the European Union or in a member state of the EEA are not taken into account for determining the notification obligation or proportion of voting rights held, provided (i) the shares or instruments are held in such credit institution's or credit securities services company's trading book, (ii) they amount to no more than 5% of the Company's voting rights, do not grant the right to acquire more than 5% of the voting rights, or do not have a similar economic effect and (iii) it is ensured that the voting rights pertaining to such shares or instruments are not exercised or otherwise utilized.

Fulfilment of Notification Requirements

If any notification obligation is triggered, the notifying person or entity is required to fully complete the notification form set forth as an annex to the German Securities Trading and Insider List Regulation (*Wertpapierhandelsanzeige und Insiderverzeichnisverordnung*). The notice may be submitted either in the German or the English language, in writing, via fax or via electronic communications. Irrespective of the event triggering the notification, the notice must include (i) the number and proportion of voting rights, (ii) the number and proportion of instruments and (iii) the aggregate number and proportion of voting

rights and instruments held by, or attributed to, the notifying person or entity. In addition, the notice must include certain attribution details (e.g., the first name, surname and date of birth of the notifying individual or the legal name, seat and state of a notifying entity, the event triggering the notification, the date on which the threshold was reached or crossed and whether voting rights or instruments are attributed).

As a domestic issuer in Germany, the Company is required to publish such notices without undue delay, but no later than three trading days after receipt, via media outlets or outlets where it can be assumed that the notice will be disseminated in the entire European Union and in all member states of the EEA (so-called "*Medienbünde*"). Such publications may only be made in the German and/or the English language. The Company is also required to transmit these publications to BaFin, specifying the time of publication and the media used and to the German Company Register (*Unternehmensregister*) for storage.

Consequences of Violations of Notification Requirements

Rights of shares held by shareholders, or from which voting rights are attributed to shareholders, do not exist are suspended for the duration of non-compliance as long as the notification requirements are not fulfilled or not fulfilled appropriately. This temporary nullification of rights applies, in particular, to dividend, voting and subscription rights. Yet it does not apply to entitlements to dividend and liquidation gains if the notifications were not omitted wilfully and have since been submitted. If the shareholder wilfully or grossly negligently fails to disclose the correct proportion of voting rights held, the rights attached to shares held by or attributed to such shareholder cease to exist are suspended for a period of six months after such shareholder has correctly filed the necessary notification, except if the variation was less than 10% of the actual voting right proportion and no notification with respect to reaching, exceeding or falling below the aforementioned thresholds, including the 3% threshold, was omitted. In addition, a fine may be imposed for failure to comply with notification obligations. Pursuant to Sections 38 para. 1 and 39 para. 1 WpHG, the same rules apply if a shareholder fails to file a notice or provides false information with regard to holdings in instruments or aggregate holdings in shares and instruments.

Special Notification Requirements for more than 10% of the Voting Rights

Pursuant to Section 43 WpHG, a shareholder who reaches or exceeds the threshold of 10% of the voting rights of the Company, or a higher threshold, is required to notify the Company within 20 trading days regarding the objective being pursued through the acquisition of such voting rights, as well as regarding the source of funds used for the purchase. Changes in those objectives must also be reported within 20 trading days. The Articles of Association have not made use of the option to release shareholders from this disclosure obligation. In calculating whether the 10% threshold has been reached, the aforementioned attribution rules apply. The Company is required to publish any notification pursuant to Section 43 WpHG without undue delay following the receipt of such notification, and in any event no later than within three trading days therefrom. Furthermore, the Company is required to publish any acts of non-compliance with notification obligations by a shareholder in the same manner.

b) **Managers' Transactions**

Pursuant to Art. 19 MAR person discharging managerial responsibilities must notify the Company and BaFin of transactions undertaken for their own account relating to the Company's shares or to financial instruments based on the Company's shares (subject to a EUR 20,000.00 de minimis exception per calendar year for all such transactions). The same applies to persons closely associated with a person discharging managerial responsibilities. Such notifications shall be made promptly and no later than three business days after the date of the relevant transaction. The Company shall ensure that such notifications are made public promptly and no later than three business days after the relevant transaction. The notification requirement shall apply to any subsequent transaction once a total amount of EUR 20,000.00 has been reached within a calendar year. Notification shall be made promptly and no later than three business days after the date of the transaction.

A "**person discharging managerial responsibilities**" within the meaning of Art.3 para. 1 no. 25 MAR means a person within the Company who is a member of the administrative, management or supervisory body of the Company or a senior executive who is not such member but who has regular access to inside information relating directly or indirectly to the Company and who has power to take managerial decisions affecting the future developments and business prospects of the Company.

A "**person closely associated**" with such a person means a spouse, a registered civil partner (*eingetragener Lebenspartner*), a dependent child, as well as a relative who has shared the same household for at least one year on the date of the transaction concerned. A person closely associated also includes a legal person, trust, or partnership, the managerial responsibilities of which are discharged by an Executive of the Company or by another person closely associated with him. Finally, the term includes a legal person, trust, or partnership, which is directly or indirectly controlled by an Executive of the Company or by another person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

During a **closed period** of 30 calendar days before the announcement of an interim financial report or a yearend report which the Company is required to make public according to (i) the rules of the trading venue where the Company's shares are admitted to trading or (ii) national law, persons discharging managerial responsibilities are prohibited from conducting for their own account or for the account of a third party any transactions directly or indirectly relating to shares or debt instruments of the Company, or to derivatives or other financial instruments linked to such securities.

13. **EU Short Selling Regulation**

Pursuant to Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps, as amended ("**Short Selling Regulation**"), the European Commission's delegated regulation for the purposes of detailing the Short Selling Regulation, and the German EU Short Selling Implementation Act (*EU Leerverkaufs Ausführungsgesetz*) of 15 November 2012, the short selling of the Company's shares is only permitted under certain conditions. In addition, under the provisions of the Short Selling Regulation, significant net short selling positions in the Company's shares must be reported to BaFin and published if they exceed a

specific percentage. The reporting and publication process is detailed in the German Regulation on NetShort Positions (*Netto-Leerverkaufspositionsverordnung*) of 17 December 2012. The net short selling positions are calculated by offsetting the short positions of a natural person or legal entity in the Company's shares with its long positions in such shares. The details are regulated in the Short Selling Regulation and the other regulations the European Commission enacted on short selling. In certain situations, described in the Short Selling Regulation, BaFin may restrict short selling and comparable transactions.

14. Post-Admission Disclosure Requirements

As a result of the intended admission of the Company's shares to trading on the regulated market of the Frankfurt Stock Exchange, the Company will for the first time be subject to the legal disclosure requirements for stock corporations listed in Germany under the German Stock Corporation Act. These include, in particular, the disclosure of an audited report of the remuneration paid to members of the Administrative Board (*Vergütungsbericht*) and the disclosure of transactions with related parties, which requirements were added to the German Stock Corporation Act with the Act on the Implementation of the Shareholder Rights Directive II (ARUG II) based on the Directive (EU) 2017/828 (Shareholder Rights Directive II). Furthermore, the Company will be subject to the disclosure requirements under the German Securities Trading Act and under the Market Abuse Regulation, including, among others, periodic financial reporting (disclosure of annual and half-year financial reports), regular calls with securities and industry analysts and other required disclosures.

Pursuant to Art. 17 of the Market Abuse Regulation, the Company shall inform the public as soon as possible of inside information (as defined below) which directly concerns the Company (so called "ad-hoc obligations"). In such case the Company shall also, prior to informing the public, inform BaFin and the management of the trading venues and facilities (*Geschäftsführungen der Handelsplätze*) where financial instruments of the Company have been admitted to trading or been included in such trading, and, after publication, without undue delay transmit the information to the German Company Register (*Unternehmensregister*).

Inside information comprises, among others, any information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

The Company may, on its own responsibility, delay disclosure of inside information if (i) immediate disclosure is likely to prejudice the legitimate interests of the Company, (ii) delay of disclosure is not likely to mislead the public, and (iii) the Company is able to ensure that the inside information will remain confidential. In such case, the Company shall also inform BaFin that disclosure of the information was delayed and shall provide a written explanation of how the conditions set out in the preceding sentence were met, immediately after the inside information is disclosed to the public. Where disclosure of inside information has been delayed and the confidentiality of that inside information is no longer ensured, the Company shall disclose such inside information to the public as soon as possible.

XV. OPERATING AND FINANCIAL REVIEW

1. Notes on the Financial Position

The requirements according to Article 2 (Annex 1, Item 7.1) of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 to the Prospectus Regulation (EU) 2017/1129 of 14 June 2017 are satisfied by the inclusion of the entire group management reports for the financial years 2021, 2022 and 2023 (audited) and for the six-month-period ended 30 June 2024 (unaudited), which have been prepared in accordance with national laws, regulations and administrative provisions transposing Article 19 or Article 29 of the Accounting Directive 2013/34/EU of 26 June 2013 (see Section XVIII. "Incorporation by Reference"), see Section XVIII. Incorporation by Reference, subsection 1. through sub-section 4.

The group management report for the six -month-period ended 30 June 2024 is still up to date as of the date of this Prospectus and consistent with the information in this Prospectus. The group management reports for the financial year 2021, the financial year 2022 and the financial year 2023 are not completely up to date and therefore not fully consistent with the information in this Prospectus as they are superseded by the group management report for the six-month-period ended 30 June 2024.

The information on the operating results and capital resources as of 30 June 2024 is still up to date as of the date of this Prospectus (see also Section IX. "Liquidity and Capital Resources").

Any forward-looking information in the group management report for the financial year 2023 and the group management report for the six-month period ended 30 June 2024 such as trends is still up to date as of the date of this Prospectus (see also Sections XVI. "Recent Developments and Out-look" and VII. "Business", subsection 11 "Research and Development, Patents, Licenses and Trademarks").

The current profit forecast for the financial year 2024 in the group management report for the financial year 2023 and the group management report for the six-month period ended 30 June 2024 is still up to date as of the date of this Prospectus (see also Section VII. "Business", subsection 12 "Profit Forecast"). The profit forecasts for the financial years 2021, 2022 and 2023 expired.

There was no change in the group structure of SMT during the period of the historical financial information and up to the date of this Prospectus.

2. Changes in the Financial Position

There has been no significant change in the financial position of SMT between 30 June 2024 and the date of the Prospectus.

3. Significant Factors Influencing the Earnings Situation

SMT believes that the factors described below have materially affected its income from operations (earnings situation) in the past periods for which financial information is presented in this Prospectus and that these factors will continue to have a material effect on SMT's results of operations in the future.

3.1 Investment behaviour of mines with regard to the price development for coal and minerals such as platinum, gold, silver, copper, nickel and other raw materials as well as the general development of the global economy.

The earnings situation of SMT is dependent on the investment behaviour of mining companies in both coal and mineral mining. The investment behaviour of mining companies and therefore also the sales growth planned by SMT is largely dependent on the development of the price of coal and minerals such as platinum, gold, silver, copper, nickel and other raw materials. The price trend for the aforementioned raw materials is in turn significantly influenced by the general development of the global economy.

In the medium term, SMT expects the demand for relevant raw materials and energy to continue to rise as a result of the forecasted growth in the global economy (IMF: World Economic Outlook Update, January 2024).

In 2023, however, the macroeconomic conditions had a negative impact on the development of the commodities markets. While the price of coal in US dollars was at a level of USD 190.50 at the beginning of 2023, it was only USD 117.60 at the end of 2023 (source: <https://www.finanzen.net/rohstoffe/kohlepreis>). This corresponds to a price drop of around 38%. Nevertheless, there were differences in the price development of the individual commodities. While gold, for example, closed 2023 with a double-digit percentage increase, lithium recorded an extremely weak performance. The reason for this was the weak demand for batteries combined with high production.

SMT generally anticipates that commodity prices will be volatile in 2024, although this will nevertheless incentivise raw materials extraction in the mining sector. Investments in infrastructure and the modernisation of mines should have a correspondingly positive effect on demand for mining equipment in the medium and long term, thereby generating good growth prospects for SMT. In the short term, geopolitical tensions around the world could have a negative impact on global economic growth, and correspondingly dampen activity on the global mining equipment market.

SMT anticipates that mining companies in the mining markets will once again invest more in modern infrastructure. Following a decline in global economic output in 2023, the IMF is forecasting growth of 3.1% in its economic report in January 2024, which would be on a par with the previous year (IMF: World Economic Outlook Update, January 2024). According to this report, the global economy has recently proved more resilient than expected and the risks to global growth have decreased. In general, the emerging economies in particular are fuelling demand for raw materials. This in turn boosts demand for coal and other raw materials, incentivising mine operators to invest more in new plants.

SMT assumes that Chinese mines will continue to produce more coal and other raw materials in 2024 in order to meet the high demand for resources in the local economy against the backdrop of renewed growth.

3.2 Investment behaviour of the mines with regard to modernisation requirements, in particular with regard to advancing digitalisation and increasing legal requirements.

The earnings situation of SMT is dependent on the investment behaviour of mines in both the coal and mineral mining sectors with regard to their modernisation requirements, particularly with regard to advancing digitalisation and increasing legal requirements for the equipment used in coal and mineral mining.

Against the backdrop of rapidly advancing digitalisation, global operators of mines and extraction sites are showing increasing interest in innovations in all areas of mining equipment and technology, as well as in optimising the efficiency of processes and organisational structures. Mining companies are focusing on automation and data management. One trend in underground mining is the integration of machines into mine operators' networks.

In addition, there is demand for SMT's products from mine operators in both coal and mineral mining with regard to the tightening of legal requirements for the equipment used. For example, SMT anticipates that the stricter standards for machinery in underground mining in China will continue to stimulate growth, as Chinese mine operators must successively convert their fleets to modern mining machinery with lower-emission engines.

3.3 Development of demand for coal with regard to the use of renewable energies.

The earnings situation of SMT is dependent on the development of demand for coal in view of the increased use of renewable energies instead of coal. According to the multinational oil and gas company BP p.l.c., coal is the fuel that will lose the most ground in the coming decades due to the increasing dominance of low-carbon energy sources (BP Energy Outlook: 2023 edition). For the time being, however, domestic coal will continue to be heavily utilised, particularly in many parts of Asia. Overall, coal will remain one of the most important energy sources alongside oil and gas for the foreseeable future, despite the increasing use of renewable energies. According to estimates, all three types of energy together will cover around 75% of the global energy supply by 2035 (BP Energy Outlook 2035). In view of the high demand for energy in China, SMT believes that it can assume a particularly high market potential due to the China III emissions standard and the resulting high demand for SMT products (see section 2. above).

3.4 Increased production in less accessible deposits.

The earnings situation of SMT is significantly influenced by mining in increasingly inaccessible deposits and the resulting increased demands on the products used. In the medium term, global raw material deposits will be extracted from increasingly inaccessible deposits. This increases the incentive for the mining industry to use products from SMT, as they are particularly suitable for this application. In addition to being more cost-efficient, they have the advantage that they have been specially developed for difficult underground conditions and have already proven themselves in German hard coal mining.

3.5 Expansion and diversification of business areas outside the coal division.

The earnings situation of SMT is significantly influenced by the expansion and diversification of its business areas outside the coal division. SMT is pursuing the goal of further expanding its activities in business areas outside of its coal division. This includes the Mineral Mining Segment, which is expected to grow into a segment equivalent to coal in the medium and long term. SMT believes that the use of conveyor belts and logistics systems in platinum, gold and copper mines will increase and is likely to have a positive impact on the revenue contribution from this business.

SMT is also aiming to diversify its business areas. The investment in ser elektronik, which has been in place since 2019, contributes to the diversification and further development of the business. This strengthens SMT's expertise in electromobility issues. Thanks to ser elektronik's specific expertise, SMT can supplement its own battery management systems tailored to customer requirements in addition to electronic control systems for electric vehicles. (see also Section VII. "Business", subsection 2. "Principal Activities").

The Tunnel Segment, which also contributes to the diversification of the business areas, also generally promises great sales potential in the opinion of SMT and the opportunity for greater independence from the commodity price cycle, as the demand for infrastructure is driven by other factors such as the global densification of urban centres. (see also Section VII. "Business", subsection 2. "Principal Activities" and see Section XVI. "Recent Developments and Outlook", subsection 2. "Outlook.")

3.6 Maintaining the competitive advantages of SMT's products over those of its competitors.

The earnings situation of SMT is significantly influenced by the competitive advantages that SMT attributes to its products compared to those of its competitors. In general, there is a risk that competitors could capitalise on these competitive advantages, such as designs designed for low maintenance and operating costs and higher drive performance. If competitors were to catch up with what SMT believes to be the competitive advantages that have existed to date, this could lead to increased price pressure and lower margins for SMT, which in turn could have a significant impact on SMT's earnings situation.

3.7 Maintaining and expanding of the international sales structure.

The earnings situation of SMT is significantly influenced by maintaining and expanding of the international sales structure. SMT has an extensive international sales structure. SMT's international sales structure is particularly necessary in order to realise growth opportunities in developing countries. Maintaining and expanding the international sales structure is associated with costs that have a negative impact on earnings.

3.8 Development of SMT's costs.

The earnings situation of SMT is significantly influenced by the development of SMT 's costs. SMT's costs are generally influenced by inflation and customers' high expectations of technical developments.

SMT endeavours to compensate for cost increases through productivity increases and investments or to pass them on to customers in sales prices. In particular, the customisation of products for customers can also lead to increased costs. A high degree of product customisation is a key success factor for SMT with its customers. However, in view of the limited demand, the resulting costs must be allocated to usually small quantities, which means higher costs per unit produced. This requires a willingness on the part of the customers to pay higher prices, which, however, cannot always be guaranteed. Cost increases that cannot be passed on to customers or otherwise compensated for will have a negative impact on SMT's earnings situation.

3.9 Financing structure.

The earnings situation of SMT is significantly influenced by its financing structure. Due to the international nature of SMT's business, the financing structure also includes risks with regard to exchange rate losses or gains as well as burdens with regard to interest expenses for financing the operating business. With regard to interest expenses, the earnings situation of SMT is also dependent on the general interest rate trend. The earnings situation of SMT was and is therefore also significantly influenced by the extent to which SMT suffers exchange rate losses and/or has interest expenses with regard to the financing of business operations and/or whether these interest expenses increase in view of the general interest rate trend.

XVI. RECENT DEVELOPMENTS AND OUTLOOK

1. Recent Developments

There have been no significant changes to the Company's financial position, financial performance, cash flows or trading position between 31 December 2023 and the date of the Prospectus.

2. Outlook

Positive effects of strategic measures

The extensive list of measures contained in the three strategic action areas of "Organic Growth", "External Growth" and "Operative Excellence" aims to make SMT even more productive and more competitive overall. This will enable SMT to take advantage of the growth opportunities in the mining industry, starting from a position of strength. SMT is tapping new markets and customer groups through further developing the company to become a system supplier of logistics solutions in underground mining and for tunnel construction sites. In addition to its core business, SMT continuously examines the extent to which the company can enter new application areas outside mining with emission-free transport solutions. As electrically powered vehicles have a significantly better net ecological impact than combustion engine vehicles, they are increasingly becoming the focus in many sectors and deployment areas. This can lead to additional revenue potential.

More complex geological locations of raw materials deposits

In the medium term, raw materials deposits worldwide will be mined in increasingly inaccessible locations. This gives the mining industry a growing incentive to deploy SMT's products. Along with greater cost-efficiency, such products offer the benefit of being especially developed for demanding underground conditions and have already proved themselves in the German hard coal mining industry.

Rising global demand for raw materials

In 2023, the global economy recorded growth of 3.3% according to IMF in its World Economic Outlook in July 2024. For 2024, the IMF is forecasting moderate growth of 3.2%. 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.

Higher demand on local markets

SMT expects that Chinese mines will continue to mine more coal and other raw materials in 2024 to meet the domestic economy's high demand for resources in line with renewed growth. SMT also expects that the more stringent standards for machines in underground mining (China III) will continue to drive growth, as Chinese mine operators will have to successively convert their fleets to modern mining machines with lower-emission engines. According to BP, coal is the fuel that will lose the most ground in the coming decades thanks to the growing dominance of lower carbon fuels. For the time being, heavy

use of domestic coal remains the norm in many parts of Asia. Along with oil and gas, coal will remain one of the most important energy sources for the foreseeable future despite the increasing use of renewable energies. All three energy types together will cover around 75 % of global energy supplies in 2035, according to estimates. Given China's high energy requirements, SMT assumes that the market potential is particularly high due to the China III emissions standard.

Trend towards Mining 4.0

Against the backdrop of dynamically advancing digitalisation, operators of mines and production sites worldwide are becoming increasingly interested in innovations in all areas of mining equipment and technology, as well as in optimising the efficiency of their processes and organisational structures. Automation and data management form the focus for mining companies. One trend in underground mining is the integration of machines into mine operators' networks. Mining companies wish to have information about drivers, oil levels and underground temperatures. Against the backdrop of dynamically advancing digitalisation, operators of mines and production sites worldwide are becoming increasingly interested in innovations in all areas of mining equipment and technology, as well as in optimising the efficiency of their processes and organisational structures. Automation and data management form the focus for mining companies. One trend in underground mining is the integration of machines into mine operators' networks. Mining companies wish to have information about drivers, oil levels and underground temperatures.

This direct data transfer will help to improve maintenance and work processes in underground mining in the future. A further trend in underground mining is the development of automated transport systems with which mine operators wish to further boost efficiency and save costs. SMT identifies attractive growth prospects in Mining 4.0 thanks to its expertise in electrical engineering, control, measurement technology, electrification and data management, as well as in industries unrelated to mining in the future.

Diversification advanced

SMT is pursuing the goal of further expanding its activities in the business segments outside coal, including in the Mineral Mining Segment, which is expected to form a segment equivalent to that of the Coal Mining Segment in the medium to long term. The use of rail transport and logistics systems in platinum, gold or copper mines will increase and consequently make a positive contribution to revenues from this business. SMT continually examines whether to expand its sales into new regions of the world by setting up new subsidiaries or expanding its distribution network through local agents such as in the African market to move closer to customers in these areas. Above and beyond this, salt deposits also offer opportunities to deploy SMT's products.

Attractive growth opportunities in the coming years will also arise from electric-powered rubber-tyred vehicles. SMT has further expanded its research and development work in the area of electric vehicles at its South African location. Electric vehicles require much less maintenance than vehicles with combustion engines, and thus over the long term they help to save costs. They still cost significantly more to buy than diesel vehicles with the result that mine operators weigh up the pros and cons of converting to vehicles with electric drives very carefully. In principle, SMT has proven battery and electrical expertise and can meet demand for electrically powered drive systems.

The interest in ser elektronik, which has been held since 2019, contributes to the further diversification and development of the business. Firstly, it strengthens the company's expertise in electromobility. In electric vehicles, thanks to ser's specific expertise, SMT can also supplement its electronic controls with its own battery management systems tailored to customer requirements. In this way, SMT is able to offer operators batteries optimised for mining and to support them with advice on operational concepts for their machines. At the same time, ser elektronik also realises electronic controls for industries unrelated to mining such as the food industry, for example. This will generate further growth opportunities for SMT in the future.

In addition, the Tunnel Segment generally promises huge potential for sales revenues as well as the opportunity to enjoy greater freedom from the raw materials price cycle as the demand for infrastructure is driven by other factors such as the worldwide densification of conurbations.

In the medium to long term, the management expects an improvement in the worldwide market for mining equipment. In China and Poland it is becoming apparent that more modern mines are being commissioned, and mine operators are optimising their infrastructures and investing in innovative transport logistics. This trend is being further accelerated by more stringent regulation for underground mining machinery.

Over the coming years, the management expects rising demand for electric vehicles for deployment in underground mining. At its location in South Africa, SMT has been working over the last years to create the conditions to be able to further expand research and development in the area of electromobility as well as the production of electric vehicles.

SMT has developed a fully electric truck, the light electric vehicle (LEV). In 2020, the LEVs were still equipped with a battery from a German manufacturer. However, this battery proved not to be resilient and therefore not suitable for use in a mining operation. As a result, another battery manufacturer was identified as a supplier and commissioned for further LEVs. Unfortunately, their battery also proved to be unsuitable due to permanent leaks. These painful experiences led to the decision that SMT would start its own battery development in 2021 specifically for LEVs, which were still seen as a lucrative business area. Based on these assumptions, a 5-year plan was developed for SMT Scharf Africa PTY Ltd. Significant increases in revenue with corresponding earnings contributions were assumed. In the years 2022 and 2023, several negative circumstances occurred such as technical delays in the in-house development of the battery, increased costs due to time and material constraints in in-house development and increased costs in logistics due to the coronavirus pandemic and transport shortages. These influencing factors led to a revision of the 5-year plan as a significantly later market entry, significantly lower sales volumes and lower margins were assumed. This delay in bringing the electric commercial vehicles to market and the economically precarious situation in the important sales market of South Africa was the basis for the impairment of the goodwill of the South African entity.

In order to diversify further and steadily reduce its dependency on coal mine operators, SMT will work towards further expanding its activities in business segments outside coal. As part of its corporate strategy, the company will continue to focus in the future on operative excellence, as well as on both external growth and organic growth, in order to further strengthen SMT's market position.

Russian Business

Russia is one of the Group's core markets. The EU sanctions on Russia which were further tightened in February 2023 are impacting on business activities. Under these sanctions, the delivery of complete machines and individual components as well as the delivery of spare parts to Russia is forbidden or highly restricted. Against this background, SMT expects business activity in Russia to remain at a low ebb in the current year following the decline in sales revenue in Russia in 2023. SMT 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.

To the Company's knowledge, there are no additional trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

XVII. WARNING ON TAX CONSEQUENCES/ TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The tax legislation of the investor's member state and of the Company's country of incorporation (i.e. Germany) may have an impact on the income received from the Shares.

Shareholders are subject to taxation in particular in connection with the holding of shares (taxation of dividends), the sale of shares and subscription rights (taxation of capital gains) as well as the free transfer of shares and subscription rights (inheritance and gift tax). A withholding tax on dividends might apply.

Foreign shareholders are required and obliged to declare and pay the taxes applicable to the tax law of their tax residence.

XVIII. INCORPORATION BY REFERENCE

The following financial information of SMT, which have previously or simultaneously been published electronically by the Company and submitted to BaFin in a searchable electronic format, are included in this Prospectus in the Section XX. "Financial Information" according to Annex 1, Item 18 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 by reference pursuant to Art. 19 (1)(d) of the Prospectus Regulation and form part thereof:

1. Company's audited consolidated financial statements as of and for the period ended 31 December 2023 in accordance with IFRS

An electronic version of the information incorporated by reference is available on the Company's website as "Geschäftsbericht 2023" and can be accessed via the following hyperlink:

<https://www.smtscharf.com/investorrelations/veroeffentlichungen/finanzberichte/>

Reference is made exclusively to the below mentioned pages of the electronic document. Any additional information contained in the document is not relevant to the investor and is not incorporated by reference into this Prospectus.

Reference	Page number in the electronic document	Prospectus Section
Consolidated Balance Sheet as of 31 December 2023	60-61	XX.
Consolidated Statement of Comprehensive Income 2023	62-63	XX.
Consolidated Cash Flow Statement 2023	64	XX.
Consolidated Statement of Changes in Equity 2023	65	XX.
Annex 2023	69-116	XX.
Auditor's Report	118-120	XX.
Consolidated Management Report 2023	38-57	XV.

2. Company's audited consolidated financial statements as of and for the period ended 31 December 2022 in accordance with IFRS

An electronic version of the information incorporated by reference is available on the Company's website as "Geschäftsbericht 2022" and can be accessed via the following hyperlink:

<https://www.smtscharf.com/investorrelations/veroeffentlichungen/finanzberichte/>

Reference is made exclusively to the below mentioned pages of the electronic document. Any additional information contained in the document is not relevant to the investor and is not incorporated by reference into this Prospectus.

Reference	Page number in the electronic document	Prospectus Section
Consolidated Balance Sheet as of 31 December 2022	62-63	XX.
Consolidated Statement of Comprehensive Income 2022	64-65	XX.
Consolidated Cash Flow Statement 2022	66	XX.
Consolidated Statement of Changes in Equity 2022	68-69	XX.
Annex 2022	72-123	XX.
Auditor's Report	125-127	XX.
Consolidated Management Report 2022	38-58	XV.

3. Company's audited consolidated financial statements as of and for the period ended 31 December 2021 in accordance with IFRS

An electronic version of the information incorporated by reference is available on the Company's website as "Geschäftsbericht 2021" and can be accessed via the following hyperlink:

<https://www.smtscharf.com/investorrelations/veroeffentlichungen/finanzberichte/>

Reference is made exclusively to the below mentioned pages of the electronic document. Any additional information contained in the document is not relevant to the investor and is not incorporated by reference into this Prospectus.

Reference	Page number in the electronic document	Prospectus Section
Consolidated Balance Sheet as of 31 December 2021	60-61	XX.
Consolidated Statement of Comprehensive Income 2021	62-63	XX.
Consolidated Cash Flow Statement 2021	64	XX.

Reference	Page number in the electronic document	Prospectus Section
Consolidated Statement of Changes in Equity 2021	66-67	XX.
Annex 2021	70-121	XX.
Auditor's Report	123-125	XX.
Consolidated Management Report 2021	38-57	XV.

4. Company's unaudited consolidated financial statements as of and for the period ended 30 June 2024 in accordance with IFRS

An electronic version of the information incorporated by reference is available on the Company's website as "6-Monatsbericht 2024" and can be accessed via the following hyperlink:

<https://www.smtscharf.com/investorrelations/veroeffentlichungen/halbjahres-und-quartalsberichte/>

Reference is made exclusively to the below mentioned pages of the electronic document. Any additional information contained in the document is not relevant to the investor and is not incorporated by reference into this Prospectus.

Reference	Page number in the electronic document	Prospectus Section
Consolidated Balance Sheet as of 30 June 2024	13	XX.
Consolidated Cash Flow Statement H1-2024	16	XX.
Annex H1-2024	21	XX.
Consolidated Management Report H1-2024	4-12	XX.

5. Company's audited financial statements as of and for the period ended 31 December 2023 in accordance with HGB

An electronic version of the information incorporated by reference is available on the Company's website as "Jahresfinanzbericht 2023" and can be accessed via the following hyperlink:

<https://www.smtscharf.com/investorrelations/veroeffentlichungen/finanzberichte/>

Reference is made exclusively to the below mentioned pages of the electronic document. Any additional information contained in the document is not relevant to the investor and is not incorporated by reference into this Prospectus.

Reference	Page number in the electronic document	Prospectus Section
Balance Sheet as of 31 December 2023	2-3	XX.
Statement of Comprehensive Income 2023	4	XX.
Annex 2023	5-14	XX.
Auditor's Report	15-17	XX.

XIX. GLOSSARY

Aval	Guarantee that a third party adds to a debt obligation
B-BBEE Act	Broad-Based Black Economic Empowerment Act in South Africa implemented in 2003 to facilitate broader participation in the economy by black people
B-BBEE rating	Rating that measures the compliance of individual businesses with the act
BP p.l.c.	BP p.l.c. (formerly The British Petroleum Company p.l.c. and BP Amoco p.l.c.) is a British multinational oil and gas company headquartered in London, England. It is one of the oil and gas "supermajors" and one of the world's largest companies measured by revenues and profits
CAGR	Compound annual growth rate measures the annual growth rate of an investment in order to calculate and determine returns.
Catalogue	A Circular of Catalogue of Mining Products Subject to the Administration of Safety Marks released by the NMSA from time to time
China III	Stricter exhaust emission standards for engines by the Chinese government adopted in 2021
CMAC	China Mining Products Safety Approval and Certification Centre - any mining products (including coal mining sector and non-coal underground mining sector) in the Catalogue must be mandatorily certified by the centre
CMS	Compliance Management System - the totality of measures, structures and processes established in an organisation to ensure compliance with rules, which may include legally binding and ethical rules
Coal Mining Segment	Sales and services provided by SMT to operators of underground coal mines are summarized in this segment
COVID-19	Coronavirus disease 2019, a contagious disease caused by the coronavirus SARS-CoV-2 that caused a pandemic
CSRD	Corporate Sustainability Reporting Directive - a directive by the European Union aiming to ensure that businesses report reliable and comparable sustainability information so that investors can re-orient investments towards more sustainable technologies and industries
CSRD Implementation Act	The CSRD had to be transposed into German law, which has not been done until the date of this prospectus. The requirements of the directive will be implemented by a separate German act
Contribution Notice	Payment claim for pension funds under English law, which arises from a waiver by a Pensions Regulator if a pension fund has suffered significant disadvantages.
DZK 2500	Diesel-powered monorail by SMT, introduced in 2017
DZK 3500	Diesel-powered monorail by SMT, introduced in 2021
EBIT	Consolidated net income plus income taxes plus financial result
ECB	European Central Bank

ERP System	Business management software that an organization can use to collect, store, manage and interpret data from many business activities.
ESG	ESG stands for environmental, social, and governance and factors to assess the sustainability of companies and their investments
€STR	Euro short-term rate – the Euro overnight short term-interest rate, calculated on the basis of unsecured Euro deposits which reporting banks receive from other banks and non-banks
EURIBOR	Euro InterBank Offered Rate: daily reference rate, based on the averaged interest rates at which Eurozone banks borrow unsecured funds from counterparties in the Euro wholesale money market
FX Gains	Foreign exchange gains
GDP	Gross domestic product
GDPR	General Data Protection Regulation – a European Union regulation on information privacy in the European Union and the European Economic Area
HGB	<i>Handelsgesetzbuch</i> - German Commercial Code
IASB	International Accounting Standards Board - the independent accounting standard-setting body responsible for developing International Financial Reporting Standards (IFRS) and for promoting their use and application
ICS	Internal Controlling System to ensure that all business transactions are accurately reflected in the reporting
IMF	International Monetary Fund - major financial agency of the United Nations regarded as the global lender of last resort to national governments
IFRS	International Financial Reporting Standards - a set of accounting rules and standards that determine how accounting events should be reported in your business's financial statements.
LEI	A twenty-digit alphanumeric company identifier that is established as an international standard for companies in the financial market. Each LEI code is assigned once and enables a worldwide assignment to a specific company
LEV	A fully electric truck by SMT which is currently in development
LHD vehicles	A fully electric truck by SMT which is currently in development Underground mining vehicle that loads, hauls and dumps metalliferous ore from an open stope (where there is broken rock) to a crusher or waiting truck to be transported to the surface
Longwall mining	Form of underground coal mining where a long wall of coal is mined in a single slice
MA Certification	Mining Products Safety Marks Certification – the certification obtained after the approval by the CMAC
Manipulator	Lift-assist device used to help workers lift, move and place articles in process that are too heavy, too hot, too large or otherwise too difficult for a single worker to manually handle

MAR	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
Medienbündel	Bundle of media providers in the entire European Union and all member states of the EEA
Mineral Mining Segment	Sales and services provided by SMT to operators of underground mineral mines are summarized in this segment
Monorail	Railway in which the track consists of a single rail or beam
NMSA	National Mine Safety Administration - the authorities administering the safety production of the mining sector of China. The NMSA releases the Circular of Catalogue of Mining Products Subject to the Administration of Safety Marks
OECD	Organisation for Economic Co-operation and Development
Other Industries Segment	The segment mainly comprises the business activities of the subsidiary ser elektronik GmbH, whose revenues outside the underground mining area are reported in this segment
Pari passu clause	Two or more parties that are treated the same regarding a financial claim or contract
Pensions Regulator	UK regulator of work-based pension schemes
Rand	Official currency of the Southern African Common Monetary Area
Regulated market	Market over which government bodies or, less commonly, industry or labor groups, exert a level of oversight and control
Prime Standard	Segment of the Frankfurt Stock Exchange that includes companies which comply with transparency standards higher than those of the General Standard, which is regulated by law
Ruble	Official currency of the Russian Federation
<u>Scope 1-3 emissions</u>	Scope 1: Direct emissions – Emissions directly caused by sources owned or controlled by the company Scope 2: Indirect emissions – Emissions from purchased electricity, steam and heating/cooling for the company's operations Scope 3: Indirect emissions – Emissions from sources not owned or controlled by the company, such as emissions of suppliers, business travel and end of life emissions of sold products
SME	Small and medium sized enterprise
SOFR	SOFR is a reference interest rate for the US Dollar currency.
Tunnel Segment	All business related to tunnel logistics for large-scale construction projects is summarized in this segment
VAT	Value-added tax, a broadly-based consumption tax assessed on the value added to goods and services
WpHG	<i>Wertpapierhandelsgesetz</i> - German Securities Trading Act, governing, among other things, disclosure requirements for significant shareholdings

WUG Approval	Approval decisions for manufactured items used in mining transportation in Poland, issued by the President of the Higher Mining Authority (Prezes Wyższego Urzędu Górniczego), in accordance with Article 113 of the Polish Mining and Geological Law and the Decree of the Council of Ministers on the approval of products for use in mining plants
Yuan Renminbi	Official currency of the People's Republic of China
Zloty	Official currency of Poland

XX. FINANCIAL INFORMATION

The financial information of SMT mentioned under no. 1. to 5 below are included in this Section of the Prospectus according to Annex 1, Item 18 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 by reference pursuant to Art. 19 (1)(d) of the Prospectus Regulation and form part thereof. Any additional information contained in the documents mentioned under no. 1. to 5 below is not relevant to the investor and is not incorporated by reference into this Prospectus.

1. Company's audited consolidated financial statements as of and for the period ended 31 December 2023 in accordance with IFRS

From the document "Geschäftsbericht 2023", which can be accessed at the Internet address given in Section XVIII. above the table the following information is incorporated into this prospectus by reference:

The audited consolidated financial statements as of and for the period ended 31 December 2023 in accordance with IFRS consisting of the Consolidated Balance Sheet (pages 60 and 61 of the document), Consolidated Statement of Comprehensive Income (pages 62 and 63 of the document), Consolidated Cash Flow Statement (page 64 of the document), Consolidated Statement of Changes in Equity (page 65 of the document), Annex (pages 69 to 116 of the document), and Auditor's Report (pages 118 to 120 of the document).

2. Company's audited consolidated financial statements as of and for the period ended 31 December 2022 in accordance with IFRS

From the document "Geschäftsbericht 2022", which can be accessed at the Internet address given in Section XVIII. above the table the following information is incorporated into this prospectus by reference:

The audited consolidated financial statements as of and for the period ended 31 December 2022 in accordance with IFRS consisting of the Consolidated Balance Sheet (pages 62 and 63 of the document), Consolidated Statement of Comprehensive Income (pages 64 and 65 of the document), Consolidated Cash Flow Statement (page 66 of the document), Consolidated Statement of Changes in Equity (pages 68 and 69 of the document), Annex (pages 72 to 123 of the document), and Auditor's Report (pages 125 to 127 of the document).

3. Company's audited consolidated financial statements as of and for the period ended 31 December 2021 in accordance with IFRS

From the document "Geschäftsbericht 2021", which can be accessed at the Internet address given in Section XVIII. above the table the following information is incorporated into this prospectus by reference:

The audited consolidated financial statements as of and for the period ended 31 December 2021 in accordance with IFRS consisting of the Consolidated Balance Sheet (pages 60 and 61 of the document), Consolidated Statement of Comprehensive Income (pages 62 and 63 of the document), Consolidated Cash Flow Statement (page 64 of the document), Consolidated Statement of Changes in Equity (pages 66 and 67 of the document), Annex (pages 70 to 121 of the document), and Auditor's Report (pages 123 to 125 of the document).

4. Company's unaudited consolidated financial statements as of and for the period ended 30 June 2024 in accordance with IFRS

From the document "6-Monatsbericht 2024", which can be accessed at the Internet address given in Section XVIII. above the table the following information is incorporated into this prospectus by reference:

The unaudited consolidated financial statements as of and for the period ended 30 June 2024 in accordance with IFRS consisting of the Consolidated Balance Sheet (page 13 of the document), Consolidated Cash Flow Statement (page 16 of the document) and Annex (page 21 of the document).

5. Company's audited financial statements as of and for the period ended 31 December 2023 in accordance with HGB

From the document "Jahresfinanzbericht 2023", which can be accessed at the Internet address given in Section XVIII. above the table the following information is incorporated into this prospectus by reference:

The audited financial statements as of and for the period ended 31 December 2023 in accordance with HGB consisting of the Balance Sheet (pages 2 and 3 of the document), Statement of Comprehensive Income (page 4 of the document), Annex (pages 5 to 14 of the document) and Auditor's Report (pages 15 to 17 of the document).