

SMT Scharf AG approves capital increase against cash capital contributions from Authorised Capital and plans joint venture in China; completion of China III approval expected only in Q3 2021

Hamm, May 25, 2021 – The Managing Board of SMT Scharf AG (“**SMT**”) (German Securities Code (WKN) 575198, ISIN DE0005751986) passed a resolution today, with the approval of the Supervisory Board, to implement a capital increase from Authorised Capital against cash capital contributions by issuing up to 924,000 new no-par value bearer shares with indirect subscription rights (“**New Shares**”). This corresponds to an increase in SMT’s existing share capital of up to 20 %. Quirin Privatbank AG, Berlin, has entered into a commitment to SMT to offer the New Shares to existing shareholders at a subscription ratio of 41:8 (indirect subscription right); in other words, forty-one old shares entitle the holder to subscribe to eight New Shares. In order to achieve a smooth subscription ratio, one shareholder waived subscription rights from 38 shares.

The subscription price per New Share is EUR 8.86. The further details of the capital increase will be set out in the subscription offer, which is expected to be published in the German Federal Gazette (Bundesanzeiger) during the course of June 1, 2021. The subscription period is expected to commence on June 2, 2021 at 00:00 (CEST), and end on June 16 at 24:00 (CEST).

New Shares that are not acquired in the course of the exercise of subscription rights by shareholders of SMT will be placed with institutional investors by way of a private placement.

The New Shares will carry dividend rights as of January 1, 2021 and are expected to be included in trading in the m:access Regulated Unofficial Market segment of the Munich Stock Exchange on or shortly after June 28, 2021.

The Company intends to use the issue proceeds from the capital increase as follows. Around 40 % is to be used to finance SMT Scharf AG's further operational and strategic growth and a further approx. 40 % is to be used to finance measures relating to the new approval required from 2021 (China III) and effects of its delay. A further approx. 20 % is to be used to finance investments to enter international business activities in the electromobility segment outside the coal market.

The public offering is exempt from prospectus requirements pursuant to Section 3 No. 2 of the German Securities Prospectus Act (WpPG). For this reason, shareholders and investors are advised to read carefully especially the Company’s securities information sheet, which is to be available prospectively on May 28, 2021 on the Company’s website at

Ad hoc announcement pursuant to Article 17 of the EU Market Abuse Regulation (MAR)



<https://www.smtscharf.com> under the heading “Investor Relations”, before deciding to exercise, purchase or sell any subscription rights, or to purchase or sell shares.

The existing shareholders of SMT, Shareholder Value Beteiligungen AG and Share Value Stiftung, each intend to issue fixed subscription declarations in which they enter into a commitment to the Company to exercise their subscription rights from the shares they hold in each case as part of the capital increase.

SMT also announces that it has entered into a partnership agreement with Famous Industrial Group GmbH, Düsseldorf, (“**Famous**”) to establish a Chinese joint venture. Under the partnership agreement, Famous will be responsible for establishing contact with Chinese partner companies and, through the conclusion of a framework agreement, arranging for the establishment of a joint venture as well as the supply of components for monorail systems by SMT to the joint venture company. The joint venture is to source predefined essential core components from SMT in Germany, from subsidiaries of SMT or from existing SMT joint ventures in China.

In the course of the cooperation between Famous and SMT, Famous Holding GmbH is interested in acquiring a stake of approximately 3% of SMT's share capital. With reference to the capital increase decided today by the Board of SMT, Famous Holding GmbH intends to sign a preliminary subscription agreement with SMT, in which it commits to subscribe for unsubscribed New Shares in an amount of up to EUR 1.3 million in the private placement.

Based on new information, SMT also announces that the completion of the China III approval will in all likelihood not occur in the first half of 2021, as previously expected, but is expected only in the third quarter of 2021. While the tests necessitated as part of the China III approval at the Chinese regulator have largely been successfully completed. However, given the extensive documentation still to be completed by the regulator and its current high workload, it is expected that the China III certificate will no longer be issued before the end of the second quarter of 2021.

Contact

Investor Relations
cometis AG
Thorben Burbach
Phone: +49 (0) 611 – 205855-23
Fax: +49 (0) 611 – 205855-66
Email: burbach@cometis.de