

October 17, 2018



Cemtrex Announces Settlement of Class Action Securities Lawsuit & Derivative Actions

FARMINGDALE, N.Y.--(BUSINESS WIRE)-- [Cemtrex Inc.](#) (Nasdaq: [CETX](#), [CETXP](#), [CETXW](#)), a world leading technology and manufacturing company, announced today that the Company has agreed to settle the pending alleged securities class action lawsuit filed against it in the Eastern District of New York. The Company has also agreed to settle the related stockholder derivative litigation filed in the Eastern District of New York and New York state court.

Under the class action settlement, the Company specifically denies that it has engaged in any wrongdoing or had liability. On behalf of the defendants, the Company's insurer will pay \$625,000 to the class of plaintiffs to resolve all claims that the plaintiffs asserted or could have asserted in the litigation.

Under the derivative litigation settlement, the Company will implement certain corporate governance changes and modify certain governance practices, and the Company's insurer will pay \$100,000 to the plaintiffs' counsel. Like the class action settlement, the derivative litigation settlement will resolve all claims that were or could have been asserted in the litigation, and the Company and the directors and officers of the Company named as defendants continue to deny any liability or wrongdoing in connection with the allegations contained in the lawsuit.

"We are pleased to be putting the uncertainty around these lawsuits behind us, which we believe is beneficial to the Company and its shareholders. After carefully evaluating the merits of trying the case versus settling it, we chose the latter as any continued litigation of the Actions would be protracted, burdensome, and expensive for the Company. This settlement concludes this matter expeditiously with no additional costs to the Company and further avoids interference on operations," said Saagar Govil, Cemtrex's Chief Executive Officer. "With this action behind us, we can stay focused on our business and more specifically, the [SmartDesk](#), which we launched earlier this year through our own in-house research & development efforts and is gaining tremendous traction and market acceptance from major corporations, academic institutions, and government organizations."

The settlements are subject to several conditions, including formal settlement documentation and court approval.

As the parties were in the process of reaching the class action settlement, the Company filed a reply brief in support of its motion to dismiss the plaintiffs' amended complaint in the securities class action. A copy of the reply brief is available on Cemtrex's Investor Relations page [here](#). Full docket information including all filings in the class action litigation can be found under the case caption: *Cullinan v. Cemtrex, Inc. et al.*, Case No. 2:17-cv-01067-JFB-AYS (E.D.N.Y. filed May 7, 2018). The dockets for the derivative litigations are also available

under the following captions: *Alami v. Govil, et al.*, No. 606635/2017 (N.Y. Sup. Ct., Suffolk County filed April 10, 2017); *Desmond-Newman v. Govil, et al.*, Case No. 2:18-cv-03992 (E.D.N.Y. filed July 11, 2018); *Scharf v. Govil, et al.*, Case No. 1:18-cv-04596 (E.D.N.Y. filed August 15, 2018).

The Company is represented by Doug Greene, a nationally prominent securities litigation attorney, of the law firm of Baker Hostetler.

About Centrex

Centrex, Inc. ([CETX](#)) is the manufacturer of the [SmartDesk](#), the world's most advanced workstation. Centrex is a diversified technology company that's driving innovation in a wide range of sectors, including smart technology, virtual and augmented realities, advanced electronic systems, industrial solutions, and intelligent security systems.
www.centrex.com

Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to our new product offerings or any proposed fundraising activities. These forward-looking statements are based on management's current expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by such forward looking statements. Statements made herein are as of the date of this press release and should not be relied upon as of any subsequent date.

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Investor Relations

Centrex, Inc.

Phone: 631-756-9116

investors@centrex.com

or

General Inquiries

sales@centrex.com

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