

SMG Hospitality SE
(Formerly SMG European Recovery SPAC SE)
Société européenne

ANNUAL ACCOUNTS

FOR THE YEAR ENDED
31 DECEMBER 2024

AND REPORT OF THE
RÉVISEUR D'ENTREPRISES AGRÉÉ

Registered office: 9, rue de Bitbourg
L - 1273 Luxembourg
R.C.S. Luxembourg: B255839

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SMG Hospitality SE (Formerly SMG European Recovery SPAC SE)

Management Report for the year ended 31 December 2024

The Board of Directors (the “**Board**”) of SMG Hospitality SE (hereafter the “**Company**”) submit its management report with the audited annual accounts of the Company for the year ended 31 December 2024.

1. Overview

The Company is a special purpose acquisition company (otherwise known as a blank cheque company) incorporated in Luxembourg on 11 June 2021 and registered with the Luxembourg Trade and Companies Register on 17 June 2021. The Company’s corporate purpose is the acquisition of one operating business with a principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland that is based in the real estate-related hospitality sector with a focus on the sub-sector lodging and leisure through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the “**Business Combination**”).

2. Review and development of the Company’s business and financial position

The Company completed its Private Placement (the “**Private Placement**”) on 30 May 2022 through the issuance of 11.500.000 redeemable class A shares with a par value of EUR 0,0417 (the “**Public Shares**”) and 5.750.000 class A warrants (the “**Public Warrants**”). The Public Shares are admitted to trading on the Frankfurt Stock Exchange under the symbol “RCVR” on 1 June 2022. Likewise, the Public Warrants are also admitted to trading on the Frankfurt Stock Exchange under the symbol “RCVRW”. One Public Share and one-half (1/2) of a Public Warrant (each, a “**Unit**”), were sold at a price of EUR 10 per unit representing a total placement volume of EUR 115 million.

The sponsor and the co-sponsor of the Company, as well as certain members of the former supervisory board (the “**Supervisory Board Investors**”) of the Company have subscribed to 2.875.000 class B shares amounting to EUR 120.000,00. On 25 May 2022, the sponsor, co-sponsors and Supervisory Board Investors also subscribed to an aggregate 6.199.999 class B warrants (the “**Sponsor Warrants**”) at a total price of EUR 9.300.000,00. The class B shares and Sponsor Warrants are not publicly traded securities. The sponsor, co-sponsors and Supervisory Board Investors have agreed to a lock-up period running at least until the Business Combination, subject to customary exceptions described in the Company’s prospectus (the “**Prospectus**”). The sponsor subsequently purchased all class B shares and Sponsor Warrants from the co-sponsor and certain members of the former supervisory board.

On 24 July 2023, the Company announced in a buyback offer to all holders of Public Shares the possibility to tender their Public Shares for a price of EUR 10.35 per Public Share so redeemed (the “**Buyback Offer**”). At the closing of the period of the Buyback Offer on 28 July 2023, holders owning a total of 8.498.329 Public Shares had accepted the Buyback Offer. The aggregate purchase price for the tendered Public Shares amounted to EUR 87.957.705,15.

On 15 February 2024, the Company signed a Business Combination Agreement with the Sircle Hospitality Group Ltd (“**Sircle**”), an expert real estate investment group specialized in hospitality across Europe. As at the date of these annual accounts, negotiations with Sircle are ongoing and both parties are committed to closing the transaction. In parallel, the Company is also in discussion with other potential partners on alternative Business Combination opportunities.

On 12 April 2024, the Company further redeemed 2.949.140 Public Shares at a price of EUR 10.35 per share, for an aggregate redemption price of EUR 30.523.599,00. Following the redemption, 52.531 Public Shares remain outstanding and 11.447.469 Public Shares are held by the Company as own shares.

During the year ended 31 December 2024, the Company recorded additional negative value adjustment on own shares in the amount of EUR 4.223.889,35 (2023: EUR 7.223.579,65).

Financial performance highlights

As a blank cheque company, the Company currently does not have an active business. The Company did not generate revenue during the year ended 31 December 2024 and is not expected to generate any operating revenues until after the completion of the Business Combination. The Company's activities for the year ended 31 December 2024 were those necessary to prepare for the Private Placement and the subsequent listing on the Frankfurt Stock Exchange, and, after the listing, to identify a target company for a Business Combination and the potential acquisition, described below. The Company incurred expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance).

The net loss of the Company for the year ended 31 December 2024 was EUR 3.241.185,84 (2023: net loss of EUR 11.283.561,73), and is mainly due to the impairment of the Company's own shares, operating expenses and finance costs incurred in the ordinary course of Business of the Company.

Financial position highlights

The Company's assets mainly comprise of own shares held as a result of the successive redemptions described above. The balance sheet also comprises significant capital and reserves in relation to the reserve for own shares as well as the reserves set-up in relation to the issuance of class A and B warrants (as described above) which are non-distributable reserves.

3. Principal risk and uncertainties

The Company has analysed the risks and uncertainties to which its business is subject, and the Board of Directors of the Company has considered their potential impact, their likelihood, controls that the Company has in place and steps the Company can take to mitigate such risks. The Company's principal risks and uncertainties can be summarised as follows:

Risk	Likelihood	Mitigating factors
<i>Benefits not achieved & the liquidation of the Company</i> There is no assurance that the Company will identify suitable Business Combination opportunities by the Business Combination Deadline, which would ultimately lead to the liquidation of the Company.	Medium	On 15 February 2024, the Company entered into a Business Combination Agreement with the Sircle and expects to successfully complete the Business Combination. In parallel, the Company believes that the long-standing presence, reputation, visibility, operational experience and extensive network of relationships of the members of the Board of Directors provide the Company with an advantage in accessing Business Combination opportunities and allow therefore unique access to off-market transactions (i.e. transactions that involve a target business that is not widely known in the market to be available for acquisition). The Company is also in discussion with other potential partners on alternative Business Combination opportunities.
<i>Going concern risk until completion of the business combination</i> The Company has incurred fees and expenses associated with preparing and completing the Business Combination.	Medium	The Company is undertaking continuous control and monitoring of expenses incurred in view of its available funding and has engaged reputable service providers to assist

Risk	Likelihood	Mitigating factors
The Company may need to arrange third-party financing and there can be no assurance that it will be able to obtain such financing, which could compel the Company to restructure or abandon the Business Combination.		with this monitoring. The Board believes that the Company has sufficient funds to meet the fees and expenditures required for operating its business prior to the closing of the Business Combination.
Legal and regulatory The Company may be adversely affected by changes to the regulations, law, account and general tax environment in Luxembourg and Germany as well as the jurisdiction which the target business is subject to.	Low	The Company is undertaking continuous control and monitoring measure of the ongoing legal and regulatory landscape. Moreover, the Board of Directors is supported by leading service providers on the respective legal, accounting and tax domains.
Market conditions The Company may be adversely affected by market conditions and events (e.g., the conflict between Russia and Ukraine, import tariffs put in place in the United States and the ongoing trade tensions between a number of countries, changes in interest rates) which might prevent the completion of the Business Combination.	Low	The Company believes that external market conditions have not negatively disrupted in a material manner its operations and objectives. But it will continue to monitor external market conditions and continue to assess on a timely basis their impact on its operations and objectives.

The other risks surrounding the Company are further disclosed in the Prospectus.

4. Risk management, internal control and corporate governance

The Company's approach to risk management, internal control and corporate governance is consistent with that applied to affiliates in the SMG Hospitality SE Group and are detailed in the Group Management Report sections 7 and 8. Non-financial information required by regulation is provided in section 3.

5. Financial risk management objectives and policies

As at 31 December 2024, the Company has a negative cash balance of EUR 20.464,88 (2023: EUR -6.894,47).

The Company had a net equity of EUR 102.080.649,12 as at 31 December 2024 (2023: EUR 105.321.834,96). The Sponsor commits to secure additional liquidity to the Company to pay costs and expenses prior to the completion of the Business Combination. The Board of Directors is in discussion with various parties and believes there will be funds available to the Company sufficient to pay costs and expenses incurred by the Company prior to the completion of the Business Combination.

The Company has conducted no operations and generated no revenue.

Beside the above, the Company identified the related financial risks and has considered their potential impact, their likelihood, and controls in place to mitigate such risks. The applicable risks to the Company are liquidity risks and credit risks.

6. Annual Accounts of SMG Hospitality SE

The Annual Accounts of SMG Hospitality SE are shown on page 12 to page 36. These were prepared in accordance with Luxembourg's legal and regulatory requirements and using the going concern basis of accounting described above and in Note 18.

The net loss of the Company for the year ended 31 December 2024 was EUR 3.241.185,84 (2023: net loss of EUR 11.283.561,73), and is mainly due to the impairment of the Company's own shares, operating expenses and finance costs incurred in the ordinary course of Business of the Company. It is proposed that the loss for the year ended 31 December 2024 be allocated to profit and loss brought forward at 1 January 2025.

Distributable amounts

At 31 December 2024, the Company had no distributable amounts, as defined by Luxembourg law.

7. Related party transactions

Please see Notes 4, 8, 12, 14 and 15 to the annual accounts.

8. Research and development

The Company did not have any activities in the field of research and development during the financial years ended 31 December 2024 and 2023.

9. Transactions in own shares

On 31 July 2023, the Company redeemed 8.498.329 of its Public Shares at a redemption price of EUR 10,35 per share and currently holds them as own shares. A payment in the amount of EUR 87.957.705,15 was made from the escrow account to redeeming shareholders to redeem these class A shares.

On 12 April 2024, the Company further redeemed 2.949.140 Public Shares at a price of EUR 10,35 per share, for an aggregate redemption price of EUR 30.523.599,00. Following the redemption, 52.531 Public Shares remain outstanding and 11.447.469 Public Shares are held by the Company as own shares.

As at 31 December 2024, the fair value of the own shares was estimated to be EUR 9,35 per share (2023: EUR 9,50 per share). Consequently, the Company recognized a negative value adjustment in the amount of EUR 11.447.469,00, of which EUR 4.223.889,35 was recognized during the financial year, and EUR 7.223.579,65 was brought forward from the previous financial year.

10. Outlook

As at the date of these annual accounts, the Company experienced a liquidity shortage, among others from significant operating costs already incurred. However, the Board of Directors is working to achieve a Business Combination.

As of 31 December 2024, the liquidity shortage towards third parties amounted to EUR 2,322,534.67. As of the date of this report, a large portion of the third-party payables has been repaid.

11. Events after the reporting period

Please refer to Note 17 to the annual accounts.

Luxembourg, 08 July 2025



Dr. Stefan Petrikovics

Chief Executive Officer

Member of the Board of
Directors



Werner Weynand

Chief Administration Officer

Member of the Board of
Directors



George Aase

Chief Financial Officer

Member of the Board of
Directors

SMG Hospitality SE **(Formerly SMG European Recovery SPAC SE)**

Corporate Governance Statement by the Board of Directors **for the year ended 31 December 2024**

The Board of Directors of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the Company with reasonable accuracy at any time and ensuring that an appropriate system of internal controls is in place to ensure that the Company's business operations are carried out efficiently and transparently.

In accordance with Article 3 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, the Company declares that, to the best of our knowledge, the audited annual accounts for the year ended 31 December 2024, prepared in accordance with Luxembourg legal and regulatory requirements, give a true and fair view of the assets, liabilities, financial position as of that date and results for the year then ended.

In addition, management's report includes a fair review of the development and performance of the Company's operations during the year and of business risks, where appropriate, faced by the Company, as well as other information required by Article 68 of the law of 19 December 2002 on the commercial companies register and on the accounting records and financial statements of undertakings, as amended.

Luxembourg, 08 July 2025



Dr. Stefan Petrikovics

Chief Executive Officer

Member of the Board of
Directors



Werner Weyand

Chief Administration Officer

Member of the Board of
Directors



George Aase

Chief Financial Officer

Member of the Board of
Directors



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To the Shareholders of
SMG Hospitality SE
Société européenne

R.C.S. Luxembourg B255839

9, rue de Bitbourg
L - 1273 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Annual Accounts

Opinion

We have audited the annual accounts of **SMG Hospitality SE** (the "Company") which comprise the balance sheet as of 31 December 2024 and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the Audit of the Annual Accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty on Going Concern

We draw attention to Note 18 to the annual accounts where it is stated that the ability of the Company to continue as a going concern largely depends on the Company and the Sponsor's ability to fulfill their obligations under the Business Combination Agreement (the "BCA") the Company entered into with Sircle Hospitality Group Ltd ("Sircle") on February 15, 2024, including meeting the Minimum Cash Condition (as defined in the BCA), and to complete the Business Combination (the "BC").

As of 31 December 2024, the Company has a positive equity of EUR 102.1 million (2023: EUR 105.3 million) and presents a net loss of EUR 3,2 million for the year ended 31 December 2024 (2023: net loss of EUR 11,2 million) that is mainly due to the impairment of the Company's own shares and external expenses.

Despite a delay in meeting certain closing conditions by May 31, 2024, as agreed in the BCA, Sircle has so far not expressed or indicated that it wishes to or will exercise its termination right under the BCA. Modifications to the initial terms of the BCA may also be required and are currently being discussed. The delay resulted in a liquidity shortage due to significant costs already incurred in connection with the BC and recurring costs to operate as a publicly listed company. Discussions are ongoing with the shareholder as well to improve again the liquidity situation of the Company.

These events and circumstances, along with the other matters depicted in the above-mentioned note to the annual accounts, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on the result of our audit procedures no Key Audit Matter was identified for the audit of the annual accounts as of 31 December 2024.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report and the Corporate Governance Statement but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Annual Accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Annual Accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as “réviseur d’entreprises agréé” by the Shareholders upon resolutions on 23 December 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The accompanying Corporate Governance Statement is presented on page 6. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the annual accounts of the Company as of 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the annual accounts.

For the Company, it relates to annual accounts prepared in valid xHTML format.

In our opinion, the annual accounts of the Company as of 31 December 2024, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that no prohibited non-audit services referred to in the EU Regulation No 537/2014 were provided and that we remained independent of the Company in conducting the audit.

Luxembourg, 08 July 2025

For Forvis Mazars, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 LUXEMBOURG

Signed by:

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Fabien DELANTE
Réviseur d’entreprises agréé

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RCSL Nr. : B255839

Matricule : 2021 8400 176

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2024 **to** ⁰² 31/12/2024 (in ⁰³ EUR)

SMG Hospitality SE
 9, rue de Bitbourg
 L-1273 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets			
I. Intangible assets	1109 _____	109 984.196,55	110 31.503.303,85
1. Costs of development	1111 _____	111 _____	112 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____	114 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____	116 _____
b) created by the undertaking itself	1117 _____	117 _____	118 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1119 _____	119 _____	120 _____
4. Payments on account and intangible assets under development	1121 _____	121 _____	122 _____
II. Tangible assets	1123 _____	123 _____	124 _____
1. Land and buildings	1125 _____	125 _____	126 _____
2. Plant and machinery	1127 _____	127 _____	128 _____
	1129 _____	129 _____	130 _____

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 _____ 3	135 _____ 984.196,55	136 _____ 31.503.303,85
1. Shares in affiliated undertakings	1137 _____	137 _____ 984.196,55	138 _____ 31.503.303,85
2. Loans to affiliated undertakings	1139 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____	147 _____	148 _____
D. Current assets	1151 _____	151 _____ 108.440.197,18	152 _____ 81.311.163,28
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____ 4	163 _____ 1.406.362,03	164 _____ 577.037,78
1. Trade debtors	1165 _____	165 _____ 17.962,57	166 _____
a) becoming due and payable within one year	1167 _____	167 _____ 17.962,57	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 _____ 349.937,26	172 _____ 507.013,76
a) becoming due and payable within one year	1173 _____	173 _____ 349.937,26	174 _____ 507.013,76
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____	183 _____ 1.038.462,20	184 _____ 70.024,02
a) becoming due and payable within one year	1185 _____	185 _____ 1.038.462,20	186 _____ 70.024,02
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

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	Reference(s)	Current year	Previous year
III. Investments	1189 <u>5</u>	189 <u>107.033.835,15</u>	190 <u>80.734.125,50</u>
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 <u>107.033.835,15</u>	210 <u>80.734.125,50</u>
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 _____	198 _____
E. Prepayments	1199 <u>6</u>	199 _____	200 <u>112.013,11</u>
TOTAL (ASSETS)		201 <u>109.424.393,73</u>	202 <u>112.926.480,24</u>

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CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>7</u>	301 <u>102.080.649,12</u>	302 <u>105.321.834,96</u>
I. Subscribed capital	1303 _____	303 <u>600.000,00</u>	304 <u>600.000,00</u>
II. Share premium account	1305 _____	305 <u>100.000,00</u>	306 <u>26.604.794,85</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>124.419.999,50</u>	310 <u>97.915.204,65</u>
1. Legal reserve	1311 _____	311 _____	312 _____
2. Reserve for own shares	1313 _____	313 <u>107.033.835,15</u>	314 <u>80.734.125,50</u>
3. Reserves provided for by the articles of association	1315 _____	315 <u>600.000,00</u>	316 <u>600.000,00</u>
4. Other reserves, including the fair value reserve	1429 _____	429 <u>16.786.164,35</u>	430 <u>16.581.079,15</u>
a) other available reserves	1431 _____	431 <u>7.428.664,85</u>	432 <u>7.223.579,65</u>
b) other non available reserves	1433 _____	433 <u>9.357.499,50</u>	434 <u>9.357.499,50</u>
V. Profit or loss brought forward	1319 _____	319 <u>-19.798.164,54</u>	320 <u>-8.514.602,81</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>-3.241.185,84</u>	322 <u>-11.283.561,73</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
C. Creditors	1435 <u>8</u>	435 <u>7.343.744,61</u>	436 <u>7.604.645,28</u>
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 <u>20.464,88</u>	356 <u>6.893,97</u>
a) becoming due and payable within one year	1357 _____	357 <u>20.464,88</u>	358 <u>6.893,97</u>
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

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	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>1.952.354,70</u>	368 <u>1.866.887,03</u>
a) becoming due and payable within one year	1369 _____	369 <u>1.952.354,70</u>	370 <u>1.866.887,03</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>4.969.720,65</u>	380 <u>5.429.873,01</u>
a) becoming due and payable within one year	1381 _____	381 <u>4.969.720,65</u>	382 <u>3.679.873,01</u>
b) becoming due and payable after more than one year	1383 _____	383 <u>0,00</u>	384 <u>1.750.000,00</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>401.204,38</u>	452 <u>300.991,27</u>
a) Tax authorities	1393 _____	393 <u>167.686,05</u>	394 <u>156.280,68</u>
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 <u>233.518,33</u>	398 <u>144.710,59</u>
i) becoming due and payable within one year	1399 _____	399 <u>233.518,33</u>	400 <u>144.710,59</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
D. Deferred income	1403 _____	403 _____	404 _____
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 <u>109.424.393,73</u>	406 <u>112.926.480,24</u>

Annual Accounts Helpdesk :

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Email : centralebilans@statec.etat.lu

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Matricule : 2021 8400 176

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2024 **to** ⁰² 31/12/2024 *(in* ⁰³ EUR *)*

SMG Hospitality SE

9, rue de Bitbourg
L-1273 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____ 9	713 _____ 774.592,54	714 _____ 115.160,26
5. Raw materials and consumables and other external expenses	1671 _____	671 _____ -1.179.564,08	672 _____ -3.262.229,10
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ 10	603 _____ -1.179.564,08	604 _____ -3.262.229,10
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____ 4	657 _____ 0,00	658 _____ -35.867,31
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____ 0,00	662 _____ -35.867,31
8. Other operating expenses	1621 _____ 11	621 _____ -362.001,65	622 _____ -872.431,37

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	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
	3,5	-4.219.397,65	-7.228.071,35
14. Interest payable and similar expenses	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
		0,00	-122,86
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
		-3.236.370,84	-11.283.561,73
17. Other taxes not shown under items 1 to 16	1637	637	638
		-4.815,00	
18. Profit or loss for the financial year	1669	669	670
		-3.241.185,84	-11.283.561,73

SMG Hospitality SE

(Formerly SMG European Recovery SPAC SE)

Notes to the annual accounts for the year ended 31 December 2024
(Expressed in EUR)

1. GENERAL

SMG Hospitality SE (formerly known as SMG European Recovery SPAC SE and hereinafter the “Company”) was incorporated on 11 June 2021 (date of incorporation per the deed of incorporation as agreed between shareholders in front of the notary) in Luxembourg as a European company (*Société Européenne* or “SE”) based on the laws of the Grand Duchy of Luxembourg (“Luxembourg”) for an unlimited period. The Company is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*, in abbreviated “RCS”) under the number B255839 since 17 June 2021. The Company is a listed entity with its class A shares traded in the regulated market of Frankfurt Stock Exchange under the symbol “RCVR” since 1 June 2022. Likewise, the Company’s class A warrants are also traded on the open market of the Frankfurt Stock Exchange under the symbol “RCVRW”. The Company also has 2.875.000 class B shares and 6.199.999 class B warrants issued and outstanding as at 31 December 2024 that are not listed on a stock exchange.

The registered office of the Company is located at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company completed its Private Placement (the “**Private Placement**”) on 30 May 2022 through the issuance of 11.500.000 redeemable class A shares with a par value of EUR 0,0417 (the “**Public Shares**”) and 5.750.000 class A warrants (the “**Public Warrants**”). The Public Shares are admitted to trading on the Frankfurt Stock Exchange under the symbol “RCVR” on 1 June 2022. Likewise, the Public Warrants are also admitted to trading on the Frankfurt Stock Exchange under the symbol “RCVRW”. One Public Share and one-half (1/2) of a Public Warrant (each, a “**Unit**”), were sold at a price of EUR 10 per unit representing a total placement volume of EUR 115 million.

The sponsor and the co-sponsor of the Company, as well as certain members of the former supervisory board (the “**Supervisory Board Investors**”) of the Company have subscribed to 2.875.000 class B shares amounting to EUR 120.000,00. On 25 May 2022, the sponsor, co-sponsors and Supervisory Board Investors also subscribed to an aggregate 6.199.999 class B warrants (the “**Sponsor Warrants**”) at a total price of EUR 9.300.000,00. The class B shares and Sponsor Warrants are not publicly traded securities. The sponsor, co-sponsors and Supervisory Board Investors have agreed to a lock-up period running at least until the Business Combination, subject to customary exceptions described in the Company’s prospectus (the “**Prospectus**”). The sponsor subsequently purchased all class B shares and Sponsor Warrants from the co-sponsor and certain members of the former supervisory board.

The Company’s governing bodies are the Board of Directors and the shareholders’ meeting. The Company is managed by its Board of Directors which is vested with the broadest powers to act in the name of the Company and to take any action necessary or useful to fulfil the Company’s corporate purpose, with the exception of the powers reserved to the general meeting of shareholders by any laws or regulations or by the Articles of Association. This one-tier governance structure was resolved by an extraordinary shareholders’ meeting of the Company held on 28 June 2024. The Board of Directors is composed of Dr. Stefan Petrikovics, Werner Weynand and George Aase.

The Company has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area (the “EEA Member States”), the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transactions (the “Business Combination”). The Company will not conduct operations or generate operating revenue unless and until the Company consummates the Business Combination.

SMG Hospitality SE

(Formerly SMG European Recovery SPAC SE)

Notes to the annual accounts for the year ended 31 December 2024
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The Company intends to seek a suitable target for the Business Combination in the real estate-related hospitality sector with a focus on the sub-sector lodging and leisure. The Company had 15 months from the date of the admission to trading to consummate a Business Combination. This period may be extended up to two times in total (for a maximum of 21 months), provided that (i) the period shall extend automatically by three months if the Company signs a letter of intent with a potential seller of a target within the initial 15 months (the "Automatic Extension") and (ii) may be extended, in each case by three months, by resolutions of the Company's general shareholders' meeting (those initial 15 months plus any Extension thereof is referred to as the "Business Combination Deadline"). If no Business Combination is completed before the Business Combination Deadline, the Public Shares will be redeemed from the public shareholders and the Company will be liquidated. On 28 June 2024, an extension of 5 years running up to 31 December 2029 to the period to consummate a Business Combination was approved through a general meeting of shareholders.

Upon closing of the Business Combination, the above Company's purpose shall cease to apply and the Company's purpose shall as from such time be the creation, holding, development and realisation of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, by purchase, sale, or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it may deem useful in accomplishment of these purposes.

Unlike other forms of companies, a Société Européenne only exists from the date of publication of its statutes with the RCS. Any act performed and any transaction carried out by the Company between the date of incorporation and the date of registration is considered to emanate from the Company and is therefore included in the annual accounts. The Company's financial year runs from 1 January to 31 December.

The Company also prepares consolidated financial statements under International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements are published in accordance with the European Single Electronic Format regulation on the Company's website (<http://www.smg-spac.com>).

SMG Hospitality SE

(Formerly SMG European Recovery SPAC SE)

Notes to the annual accounts for the year ended 31 December 2024
(Expressed in EUR)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

These annual accounts have been prepared in accordance with the Luxembourg legal and regulatory requirements under the historical cost convention and under the going concern assumption.

The accounting and valuation methods are determined and implemented by the Board of Directors, apart from the regulations of the law of 19 December 2002.

The preparation of these annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise significant judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present fairly the financial position and results.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2. Significant accounting policies

The following are the significant accounting policies and valuation rules adopted by the Company in the preparation of these annual accounts.

2.2.1. Foreign currency translation

The Company maintains its books and records in Euro ("EUR"). The balance sheet and the profit and loss account are expressed in EUR.

Translation of foreign currency transactions

Foreign currency transactions are translated into EUR using the exchange rates prevailing at the dates of the transactions.

Translation of foreign currency balances as at the balance sheet date

- Financial assets denominated in currencies other than EUR are translated at the historical exchange rates;
- Other assets denominated in currencies other than EUR are translated at the lower between the exchange rate prevailing at the balance sheet date and historical exchange rate;
- Creditors denominated in currencies other than EUR are translated at the higher between the exchange rate prevailing at the balance sheet date and historical exchange rate; and
- Cash at bank and in hand denominated in currencies other than EUR are translated at the exchange rates prevailing at the balance sheet date.

As a result, realized exchange gains and losses and unrealized exchange losses are recorded in the profit and loss account. Unrealized exchange gains are not recognized unless they arise from cash at bank and in hand.

SMG Hospitality SE

(Formerly SMG European Recovery SPAC SE)

Notes to the annual accounts for the year ended 31 December 2024
(Expressed in EUR)

2.2.2. Formation expenses

Formation expenses include costs and expenses incurred in connection with the incorporation of the Company and subsequent capital increases. Formation expenses are charged to the profit and loss account of the year in which they were incurred.

2.2.3. Financial assets

Shares in affiliated undertakings are valued at acquisition cost including the expenses incidental thereto.

In case of durable decline in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets so that these are valued at the lower figure to be attributed at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.2.4. Cash at bank and in hand

Cash at bank and in hand comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2.2.5. Debtors

Debtors are recorded at their nominal value. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.6. Investments

Investments consist of own shares purchased by the Company. Own shares are presented as assets and are initially measured at acquisition cost. Cost is determined using the weighted average method. Own shares are subsequently remeasured at the lower of cost or market value. They are subject to value adjustments where their recovery is compromised. These value adjustments are reversed when the reasons for which the value adjustments were made have ceased to apply.

In accordance with Luxembourg law, a non-distributable reserve for own shares is created under capital and reserves section and an amount from the share premium is allocated to the reserve for own shares to equal to the value of the own shares.

2.2.7. Prepayments

Prepayments include expenditure items incurred during the financial year but relating to a subsequent financial year.

2.2.8. Provisions

Provisions are intended to cover losses or debts which originate in the financial year under review or in the previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date they will arise.

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Provisions for taxation

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Creditors becoming due and payable within one year". The advance payments are shown in the assets of the balance sheet under the "Debtors becoming due and payable within one year" item.

2.2.9. Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable of a financial liability is higher than the amount of cash received upfront, the related repayment premium is shown in the balance sheet as an asset and is amortized over the period of the related debt on a straight-line method.

2.2.10. Expenses

Expenses are accounted for on an accrual basis.

2.2.11. Income tax

The Company is subject to income taxes in Luxembourg.

2.2.12. Warrants

The Company has issued class A warrants and class B warrants, which under Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts are recorded as equity. When such warrants are expected to be equity settled, the Company does not book any provision to cover any surplus of the fair value of those warrants compared to the amounts booked in Other non-available reserves, as the Company will not suffer any loss in relation to those warrants in the future.

3. FINANCIAL ASSETS

Movements in financial assets during the financial year are as follows:

	Shares in affiliated undertakings EUR 2024	Shares in affiliated undertakings EUR 2023
Gross book value – opening balance	31.508.294,55	119.059.243,05
Additions for the year	-	-
Disposals for the year	-30.523.599,00	-87.550.948,50
Gross book value – closing balance	984.695,55	31.508.294,55
Accumulated value adjustment – opening balance	-4.990,70	-499,00
Allocation of value adjustments for the year	-	-4.491,70
Reversals of value adjustments for the year	4.491,70	-
Accumulated value adjustment – closing balance	-499,00	-4.990,70
Net book value – opening balance	31.503.303,85	119.058.744,05
Net book value – closing balance	984.196,55	31.503.303,85

SMG Hospitality SE

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Notes to the annual accounts for the year ended 31 December 2024
(Expressed in EUR)

On 31 July 2023, a return of capital in the amount of EUR 87.957.705,15 was made from SMG SPAC Advisors GmbH & Co. KG's escrow account to the Company in connection with the Company's announced buyback offer to the holders of Public Shares (Note 5). As at 31 December 2023, the disposal relating to year ended 31 December 2022 in total amount of EUR 406.756,65 was reversed.

On 9 April 2024, a return of capital in the amount of EUR 30.523.599,00 was made from SMG SPAC Advisors GmbH & Co. KG's escrow account to the Company in connection with the redemption of 2.949.140 Public Shares from public shareholders (Note 5).

During the financial year ended 31 December 2024, the Board of Directors reversed a negative value adjustment in the amount of EUR 4.491,70 previously recognized on the Company's investment in SMG SPAC Advisors Verwaltungs GmbH (2023: negative value adjustment of EUR 4.491,70). A negative value adjustment in the amount of EUR 499,00, brought forward from the previous financial year, on the Company's investment in SMG SPAC Issuance GmbH & Co. KG has been maintained (2023: negative value adjustment of EUR 499,00).

Shares in affiliated undertakings as at 31 December 2024 consist of the following:

Name of undertakings	Registered office	Ownership %/ Contribution	Cost of acquisition EUR	Last balance sheet date	Net equity as at 31/12/2024* EUR	Profit / (loss) as at 31/12/2024* EUR
SMG SPAC Advisors Verwaltungs GmbH	Gneisenaustr. 112, 10961 Berlin, Germany	100%	28.500,00	31/12/2024	25.363,13	1.354,83
SMG SPAC Advisors GmbH & Co. KG	Gneisenaustr. 112, 10961 Berlin, Germany	100%	955.695,55	31/12/2024	3.273.704,86	229.816,60
SMG SPAC Issuance GmbH & Co. KG	Gneisenaustr. 112, 10961 Berlin, Germany	100%	500,00	31/12/2024	-25.177,54	-9.234,70

*Unaudited

4. DEBTORS

Debtors are composed of the following which are due and payable within one year:

	31/12/2024 EUR	31/12/2023 EUR
Amounts due from affiliated undertakings	567.599,98	507.013,76
Trade and other debtors	938.750,35	170.012,32
Value adjustment – Trade and other debtors	-99.988,30	-99.988,30
Total	1.406.362,03	577.037,78

SMG Hospitality SE

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Notes to the annual accounts for the year ended 31 December 2024
(Expressed in EUR)

Amounts due from affiliated undertakings

Amounts due from affiliated undertakings as at 31 December 2024 comprise of the following:

- Short-term, interest-free receivable from SMG Holding S.à r.l. in the amount of EUR 175.000,58 (2023: EUR 167.614,46), arising from short-term advances and payments made by the Company on behalf of this affiliated undertaking;
- Short-term, interest-free receivable from Aeneas Capital BV in the amount of EUR 224.625,60 (2023: EUR 215.191,35), arising from short-term advances and payments made by the Company on behalf of this affiliated undertaking;
- Short-term, interest-free receivable from SMG SPAC Advisors GmbH & Co. KG in the amount of EUR 92.754,95 (2023: EUR 89.470,55), arising from short-term advances and payments made by the Company on behalf of this affiliated undertaking;
- Short-term, interest-free receivable from SMG Holding GmbH in the amount of EUR 72.500,00 (2023: nil), arising from short-term advances and payments made by the Company on behalf of this affiliated undertaking; and
- Short-term, interest-free receivable from SMG SPAC Issuance GmbH & Co. KG in the amount of EUR 2.718,85 (2023: EUR 338,85), arising from short-term advances and payments made by the Company on behalf of this affiliated undertaking.
- Short-term, interest-free receivable from SMG SPAC Investment S.à r.l. in the amount of nil (2023: EUR 34.398,55), arising from short-term advances and payments made by the Company on behalf of this affiliated undertaking.

The Board of Directors has assessed that the amounts owed by affiliated undertakings are fully recoverable.

Trade and other debtors

Trade and other debtors as at 31 December 2024 comprise of the following:

- Short-term, interest-free receivable in the amount of EUR 849.703,91, and for which a negative value adjustment of EUR 35.867,31 was recognized (2023: EUR 105.891,33 and for which a negative value adjustment of EUR 35.867,31 was recognized), arising from advances made to Directors;
- Short-term, interest-free receivable in the amount of EUR 82.083,56 (2023: EUR 64.120,99), arising from overpayments made to suppliers, and for which a negative value adjustment in the amount of EUR 64.120,99 was recognized (2023: negative value adjustment of EUR 64.120,99); and
- Short-term, interest-free receivable in the amount EUR 6.962,88 (2023: nil), arising from short-term advances and payments made by the Company on behalf of third parties.

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Notes to the annual accounts for the year ended 31 December 2024
(Expressed in EUR)

5. INVESTMENTS

Investments in the amount of EUR 107.033.835,15 (2023: EUR 80.734.125,50) pertain entirely to own shares held.

On 24 July 2023, the Company announced a buyback offer to all holders of Public Shares offering the possibility to tender their Public Shares for a price of EUR 10,35 per share. At the closing of the period of the Buyback Offer on 28 July 2023, shareholders of the Company owning a total of 8.498.329 Public Shares had accepted the Buyback Offer. The aggregate purchase price for the tendered Public Shares amounted to EUR 87.957.705,15.

On 12 April 2024, the Company further redeemed 2.949.140 Public Shares at a price of EUR 10,35 per share, for an aggregate redemption price of EUR 30.523.599,00.

As at 31 December 2024, 52.531 Public Shares remain outstanding and 11.447.469 Public Shares are held by the Company as own shares.

As at 31 December 2024, the fair value of the own shares was estimated to be EUR 9,35 per share (2023: EUR 9,50 per share). Consequently, the Company recognized a negative value adjustment in the amount of EUR 11.447.469,00, of which EUR 4.223.889,35 was recognized during the financial year, and EUR 7.223.579,65 was brought forward from the previous financial year.

6. PREPAYMENTS

As at 31 December 2023, prepayments in the amount of EUR 112.013,11 pertain to prepaid insurance premium. Remaining prepaid insurance premium were fully amortised during the financial year. Consequently, no prepayments remained at 31 December 2024.

SMG Hospitality SE

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Notes to the annual accounts for the year ended 31 December 2024
(Expressed in EUR)

7. CAPITAL AND RESERVES

Movements during the financial year are as follows:

	Subscribed capital EUR	Shares premium account EUR	Reserves provided for by the articles of association EUR	Reserve for own shares EUR	Other reserves available for distribution EUR	Other non-available reserves EUR	Profit or loss brought forward EUR	Profit or loss for the year EUR	Total EUR
Balance at 1 January 2024	600.000,00	26.604.794,85	600.000,00	80.734.125,50	7.223.579,65	9.357.499,50	-8.514.602,81	-11.283.561,73	105.321.834,96
Redemption of 2.949.140 class A shares	-	-26.504.794,85	-	30.523.599,00	-4.018.804,15	-	-	-	-
Revaluation of own shares		-		-4.223.889,35	4.223.889,35	-	-	-	-
Allocation of prior year's results to profit or loss brought forward	-	-	-	-	-	-	-11.283.561,73	11.283.561,73	-
Results for the financial year	-	-	-	-	-	-	-	-3.241.158,84	-3.241.158,84
Balance at 31 December 2024	600.000,00	100.000,00	600.000,00	107.033.835,15	7.428.664,85	9.357.499,50	-19.798.164,54	-3.241.158,84	102.080.649,12

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Share capital – Class B shares

As at 31 December 2021, the subscribed share capital amounts to EUR 120.000 consisting of 12.000.000 class B shares without nominal value.

On 23 May 2022, following the extraordinary general meeting of shareholders the Company created two share classes within the class B shares and converted the existing 12.000.000 class B shares into 1.437.500 class B1 shares without nominal value ("Class B1 Shares") and 1.437.500 class B2 shares without nominal value ("Class B2 Shares").

Pursuant to the BCA and as part of the preparation for the closing, the Sponsor agrees to proceed with the Class B2 shares redemption for no consideration by redeeming 408.333 Class B2 shares and up to an additional 550.000 Class B2 shares calculated pursuant to section 2.1.1 of the BCA.

Upon and following the completion of the Business Combination, the Class B1 shares and remaining Class B2 shares existing at that point in time shall convert into class A shares in accordance with the conversion schedule (the "Promote Schedule" in the "Glossary" of the Prospectus).

The class B shares will only have nominal economic rights (i.e., reimbursement of their par value, at best, in case of liquidation). The class B shares were not part of the private placement and are not listed on a stock exchange.

Share capital – Class A shares (Public Shares)

On 30 May 2022, the Company issued 11.500.000 Units (each a "Unit"), each Unit consisting of one redeemable class A shares with a par value of approximately EUR 0,042 and one half of a class A warrant for an aggregate price of EUR 10,00 per Unit, the nominal subscription price per Class A warrant being EUR 0,01. The total proceeds amounted to EUR 114.942.500,00 of which EUR 480.000,00 were allocated to class A shares and EUR 114.462.500,00 to the share premium account.

On 24 July 2023, the Company announced a buyback offer to all holders of class A shares offering the possibility to tender their class A shares for a price of EUR 10,35 per share. At the closing of the period of the Buyback Offer on 28 July 2023, shareholders of the Company owning a total of 8.498.329 class A shares had accepted the Buyback Offer. The aggregate purchase price for the tendered class A shares amounted to EUR 87.957.705,15.

On 12 April 2024, the Company further redeemed 2.949.140 class A shares at a price of EUR 10,35 per share, for an aggregate redemption price of EUR 30.523.599,00.

As at 31 December 2024, 52.531 of class A shares remain outstanding and 11.447.469 class A shares are held by the Company as own shares.

Class A Shareholders may request redemption of all or a portion of their Class A shares in connection with the Business Combination, subject to the conditions and procedures set forth in the Articles of Association of the Company. Each Class A share that is redeemed shall be redeemed in cash for a price equal to the aggregate amount on deposit in the escrow account related to the proceeds from the private placement of the Class A shares and class A warrants, divided by the number of the then outstanding Class A Shares, subject to (i) the availability of sufficient amounts on the escrow account and (ii) sufficient distributable profits and reserves of the Company.

In the event that no Business Combination would be completed before the Business Combination Deadline, the Class A shares would also be redeemed to the shareholders before the Company went into liquidation.

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Share premium

On 25 May 2022, the sponsor made an additional equity contribution in cash without issuance of new shares in the amount of EUR 700.000,00.

On 27 May 2022, the Management resolved to allocate EUR 600.000,00 from the share premium, in accordance with the articles of association, to the warrant reserve.

On 30 May 2022, EUR 114.462.500,00 have been allocated to the share premium account as described in "*Share capital – Class A shares*".

On 1 August 2023, following the redemption of 8.498.329 class A shares, the Company allocated portion of the share premium in the amount of EUR 87.957.705,15 to the reserve for own shares.

On 9 April 2024, following the redemption of 2.949.140 class A shares, the Company allocated portion of the share premium in the amount of EUR 26.504.794,85 to the reserve for own shares.

As at 31 December 2024, the share premium account amounts to EUR 100.000,00 (2023: EUR 26.604.794,85).

Authorised capital

The authorized capital of the Company, excluding the issued share capital, is set at EUR 6.520.002,24 consisting of 156.208.387 shares without nominal value.

Legal reserves

In accordance with Luxembourg law, the Company is required to allocate a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the subscribed capital. The legal reserve is not available for distribution to the shareholders.

Reserves provided for by the articles of association - Warrant reserve

Pursuant to Article 31 of the amended Articles of Association, the Board of Directors shall create a specific reserve in respect of the exercise of any class A warrants or class B warrants issued by the Company (the "Warrant Reserve") and allocate and transfer sums contributed to the share premium and/or any other distributable reserve of the Company to such Warrant Reserve. The Board of Directors may, at any time, fully or partially convert amounts contributed to such Warrant Reserve to pay for the subscription price of any class A Shares to be issued further to an exercise of class A warrants or class B warrants issued by the Company. Only in case of failure by the Company to secure a Business Combination before the expiry of the Business Combination Deadline, the Warrant Reserve may be used for redemption of class A shares, in case where other available reserves are not sufficient. The Warrant Reserve is not distributable or convertible prior to the exercise, redemption or expiration of all outstanding class A warrants and class B warrants and may only be used to pay for the class A shares issued pursuant to the exercise of such class A warrants and class B warrants; thereupon, the Warrant Reserve will become a distributable reserve.

As at 31 December 2024, EUR 600.000,00 (2023: EUR 600.000,00) has been allocated to warrant reserve from Share premium.

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Other non-available reserves

Other non-available reserves refer to the class A and B warrants.

- Class A warrants:

On 30 May 2022, the Company issued 5.750.000 class A warrants (the "Class A warrants") together with the 11.500.000 Class A shares, the nominal subscription price per Class A warrant being EUR 0,01. Hence, the total proceeds in relation to the issue of the warrants amounted to EUR 57.500,00. Class A warrants has International Securities Identification Number ("ISIN") LU2380751656. Each Class A warrant entitles its holder to subscribe for one Class A share, with a stated exercise price of EUR 11,50, subject to customary anti-dilution adjustments. Holders of Class A warrants can exercise the warrants on a cashless basis unless the Company elects to require exercise against payment in cash of the exercise price.

As at 31 December 2024, the carrying value of the other non-available reserves related to class A warrants is EUR 57.500,00 (2023: EUR 57.500,00). The class A warrants are traded on the open market of the Frankfurt Stock Exchange under the symbol "RCVRW".

As at 31 December 2024, the unrecognised fair value of Class A warrants was estimated to be 4.234.875,00 and EUR 0.74 per warrant (2023: EUR 4.835.175,00 and EUR 0.84 per warrant) using a combination of Monte Carlo and Binomial Tree valuation model.

The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds, volatility of the Company's potential target peers and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

Class A warrants may only be exercised for a whole number of class A shares. Class A warrants will become exercisable 30 days after the completion of a Business Combination. Class A warrants will expire five years from the date of the consummation of the Business Combination, or earlier upon redemption or liquidation. The Company may redeem Class A warrants upon at least 30 days' notice at a redemption price of EUR 0,01 per Class A warrant if (i) the closing price of its Class A shares for any 20 out of the 30 consecutive trading days following the consummation of the Business combination equals or exceeds EUR 18,00 or (ii) the closing price of its Class A shares for any 20 out of the 30 consecutive trading days following the consummation of the Business Combination equals or exceeds EUR 10,00 but is below EUR 18,00, adjusted for adjustments as described in the section of redemption of warrants in the prospectus. Holders of Class A warrants may exercise them after the redemption notice is given.

- Class B warrants:

On 25 May 2022, the sponsor, co-sponsor and the Company entered into a Sponsor Warrant Purchase Agreement. The sponsor and the co-sponsor agreed, to initially subscribe to class B warrants (the "Class B warrants") as follows:

- 3.243.333 Class B warrants at a price of EUR 1,50 per warrant or EUR 4.865.000,00 in total for the sponsor capital at-risk (the "Sponsor Capital At-Risk");
- 656.666 Class B warrants at a price of EUR 1,50 per warrant or EUR 985.000,00 in total for the additional sponsor subscription (the "Additional Sponsor Subscription") and;
- 2.300.000 Class B warrants at a price of EUR 1,50 per warrant or EUR 3.450.000,00 in total for the overfunding sponsor subscription (the "Overfunding Sponsor Subscription").

On the same date, the sponsor transferred 1.302.000 class B warrants to the Supervisory Board Investors. In 2023, the Sponsor reacquired a total of 1.302.000 class B warrants from the Supervisory Board Investors.

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The Sponsor Capital At-Risk is used to finance the Company's working capital requirements (including due diligence costs in connection with the Business Combination) and private placement and listing expenses, except for the deferred listing commission which will be paid from the escrow account. The Additional Sponsor Subscription is used to cover the negative interest on the escrow account. The Overfunding Sponsor Subscription will be used to provide additional funds to cover the liquidation of the Company after the expiry of the Business Combination Deadline or in case of redemptions of Class A shares in the context of a Business Combination, for a redemption per Class A share of up to (i) EUR 10,30 in case no extension has occurred, (ii) EUR 10,40 in case one extension has occurred and (iii) EUR 10,50 in case two extensions have occurred.

For any excess portion of the Additional Sponsor Subscription or Overfunding Sponsor Subscription remaining after the consummation of the Business Combination and the redemption of Class A shares, the sponsor may elect to either (i) request repayment of the remaining cash portion of the Additional Sponsor Subscription or the Overfunding Sponsor Subscription by redeeming the corresponding number of Class B warrants subscribed for under the Additional Sponsor Subscription or the Overfunding Sponsor Subscription or (ii) not to request repayment and to keep the Class B warrants subscribed for under the Additional Sponsor Subscription or the Overfunding Sponsor Subscription.

Furthermore, with respect to the Additional Sponsor Subscription, if the negative interest payable under the escrow account has been reduced due to a change in the interest rate on deposits set by European Central Bank, the sponsor may request from the escrow agent that a portion of the proceeds from the Additional Sponsor Subscription reflecting the amount by which the negative interest has been overfunded in respect of such period shall either be (i) repaid to the sponsor against redemption of the corresponding number of class B warrants subscribed for under the Additional Sponsor Subscription or (ii) paid to the Company for working capital purposes.

Each Class B warrant entitles its holder to subscribe for one Class A share, with a stated exercise price of EUR 11,50.

As at 31 December 2024, the carrying value of the other non-available reserves related to Class B warrants is EUR 9.299.999,50 (2023: EUR 9.299.999,50).

As at 31 December 2024, the unrecognised fair value of Class B warrants is determined to be EUR 1,24 per warrant (2023: EUR 1,14 per warrant) using a combination of Monte Carlo and Binomial Tree valuation model (level 3). The breakdown is as follows:

- Class B warrants issued as Sponsor Capital At-Risk is valued at EUR 4.011.679,00 (2023: EUR 3.693.183,50);
- Class B warrants issued as Additional Sponsor Subscription is valued at EUR 812.231,00 (2023: EUR 747.746,00); and
- Class B warrants issued as Overfunding Sponsor Subscription is valued at EUR 2.844.870,00 (2023: 2.619.010,00).

The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds, volatility of the Company's potential target peers and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

Class B warrants are identical to the Class A warrants underlying the Units sold in the private placement, except that the Class B warrants are not redeemable and may always be exercised on a cashless basis while held by the sponsor or their Permitted Transferees (defined in the prospectus). Class B warrants are not part of the private placement and are not listed on a stock exchange.

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Pursuant to the BCA, and as part of the preparation of the Closing, the Sponsor agrees to proceed with the redemption and cancellation of all Class B warrants pursuant to the Sponsor Warrant Cancellation Agreement provided in section 2.2 of the BCA.

8. CREDITORS

Creditors are composed of the following:

	Due within one year EUR	Due after more than one year EUR	Total 31 December 2024 EUR	Total 31 December 2023 EUR
Amounts owed to affiliated undertakings	4.969.720,65	-	4.969.720,65	5.429.873,01
Trade creditors and accruals	1.952.354,70	-	1.952.354,70	1.866.887,03
Other creditors	401.204,38	-	401.204,38	300.991,27
Bank overdraft	20.464,88	-	20.464,88	6.894,47
Total	7.343.744,61	-	7.343.744,61	7.604.645,78

Amounts owed to affiliated undertakings

As at 31 December 2024, amounts owed to affiliated undertakings amount to EUR 4.969.720,65 (2023: EUR 5.429.873,01) and comprise of the following:

- Short-term, interest-free, advances and payments made by SMG SPAC Advisors GmbH & Co. KG on behalf of the Company amounting to EUR 3.889.593,52 (2023: EUR 2.599.745,88);
- Short-term, interest-free, advances and payments made by SMG Holding S.à r.l. on behalf of the Company amounting to EUR 1.079.627,13 (2023: EUR 45.627,13);
- Short-term, interest-free, advances and payments made by SMG Issuance GmbH & Co. KG on behalf of the Company amounting to EUR 500,00 (2023: EUR 500,00);
- During year ended 31 December 2024, interest-free, non-current loan payable to SMG Holding S.à r.l. was waived per agreement between both parties and amounting to nil (2023: EUR 1.750.000,00);
- Short-term, interest-free, advances and payments made by SMG Technology Acceleration SE on behalf of the Company amounting to nil (2023: EUR 1.034.000,00).

Trade creditors and accruals

Trade creditors and accruals are related to outstanding amounts due as at balance sheet date on legal and other professional fees received by the Company.

Out of the total amount of the trade creditors and accruals in the amount of EUR 1.952.354,70, the Company has EUR 1.830.191,71 of overdue payables as at 31 December 2024, which break down as follows:

- Overdue since more than 6 months amounts to EUR 1.325.624,34;
- Overdue since more than 3 months (and less than 6 months) amounts to EUR 290.055,90;
- Overdue since more than 1 month (and less than 3 months) amounts to EUR 214.511,47.

As of the date of approval of the annual accounts, a large portion of these balances have been repaid.

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Other creditors

As at 31 December 2024, other creditors comprise of the following:

- EUR 158.411,85 (2023: EUR 152.000,68) withholding tax payable;
- EUR 140.886,02 (2023: EUR 129.028,50) Directors' fees payable; and
- EUR 101.906,51 (2023: EUR 19.962,09) other miscellaneous payables.

9. OTHER OPERATING INCOME

Other operating income are composed of:

	2024 EUR	2023 EUR
Miscellaneous operating income	715.608,36	115.160,26
Income from the reversals of operating provisions	58.984,18	-
Total	774.592,54	115.160,26

Miscellaneous operating income

During the financial year, miscellaneous operating income in the amount of EUR 715.608,36 arose from the write-off of Directors' fees that were previously recognized (including some already paid which the Directors agreed to repay to the Company), and withholding tax accrued on these fees (for those remaining unpaid), following negotiations with these Directors.

Income from the reversals of operating provisions

During the financial year, income from the reversals of operating provisions in the amount of EUR 58.984,18 arose from the reversal of operating provisions made in the past year, that did not materialize.

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10. OTHER EXTERNAL EXPENSES

Other external expenses are composed of:

	2024 EUR	2023 EUR
Legal fees	-428.418,21	-771.729,36
Accounting and corporate fees	-275.128,55	-280.901,88
Other professional fees	-238.922,15	-1.174.195,40
Audit fees	172.239,40	-403.111,80
Consultancy fees	-186.703,00	-201.898,18
Insurance expense	-112.013,11	-280.337,57
Bank fees	-39.675,66	-18.428,62
Travel and entertainment expenses	-34.491,55	-84.848,17
Rental expense	-31.944,00	-32.914,45
Notary fees	-4.507,25	-
Other expenses	-	-13.863,67
Total	-1.179.564,08	-3.262.229,10

The audit fees break down as follows:

	2024 EUR	2023 EUR
Statutory audit of the annual accounts	-	-128.319,75
Audit-related fees	172.239,40*	-274.792,05
Total	172.239,40	-403.111,80

*Negative cost of EUR 172.239,40 is due to the reversal of an over-accrual made in the previous financial year.

11. OTHER OPERATING EXPENSES

Other operating expenses are composed of:

	2024 EUR	2023 EUR
Directors fees	-306.502,05	-839.720,74
CSSF fees	-55.320,40	-32.282,63
Other expenses	-179,20	-428,00
Total	-362.001,65	-872.431,37

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12. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Other interest receivable and similar income in the amount of EUR 1.750.000,00 during the financial year pertains to write-off of the interest-free, non-current loan payable to SMG Holding S.à r.l as per agreement between both parties.

13. STAFF

The Company did not employ any staff during the year ended 31 December 2024 (2023: nil).

14. EMOLUMENTS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND COMMITMENTS IN RESPECT OF RETIREMENT PENSIONS FOR FORMER MEMBERS OF THE MANAGEMENT

The Company did not grant any emoluments to and has no commitments in respect of retirement pensions towards members of its Board of Directors during the year ended 31 December 2024, except for those disclosed in Note 11.

15. ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT

The Company did not grant any advances or loans to members of its Board of Directors during the year ended 31 December 2024, except for those disclosed in Note 4.

16. OFF-BALANCE SHEET COMMITMENTS

The following agreements were entered by the Company in the context of the private placement:

- a. On 24 May 2022, the Company entered into a fee letter with ELF European Lending Fund I SCSp SICAV-RAIF ("ELF Fund") for facilitating the loan facility. Under this agreement, the Company paid a fee of 1,75% of the amount invested by SMG SPAC Investment S.à r.l., a class A shareholder, (the "Sponsor Investment"), on the date of the completion of the private placement. This fee was paid from the Sponsor Capital At-Risk. On the date of the consummation of the Business Combination, the Company will pay ELF Fund a fee of 3,5% on the Sponsor Investment.
- b. On 25 May 2022, the Company entered into an underwriting agreement with Barclays Bank Ireland PLC ("Barclays") as the Sole Global Coordinator and Joint Bookrunner, and ABN AMRO Bank N.V. ("ABN AMRO") as Joint Bookrunner. Under this agreement, the Company paid a Listing Fee of 1,75% of the gross proceeds from the Private Placement raised from investors initially contacted by Barclays and ABN AMRO on the date of the completion of the Private Placement and a Deferred Listing Commission of 3,5% on the gross proceeds from the private placement raised from investors initially contacted by Barclays and ABN AMRO on the completion of the Business Combination.
- c. On 25 May 2022, the Company entered into a fee letter with Alpine Consulting B.V.. Under this agreement, the Company paid a fee of 1,75% of the gross proceeds from the private placement raised from investors initially contacted by Alpine Consulting on the date of the completion of the private placement. This fee was paid from the Sponsor Capital At-Risk. On the date of the consummation of the Business Combination, the Company will pay a fee of 3,5% on the gross proceeds from the private placement raised from investors initially contacted by Alpine Consulting.

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The Company has no other commitments and contingencies as at 31 December 2024 (2023: nil).

17. SUBSEQUENT EVENTS

On 1 July 2025, the Company entered into an agreement to offset certain receivables from SMG Holding S.à r.l. amounting to a total of EUR 1,03 million as at 31 December 2024, against the Company's liabilities to SMG Holding S.à r.l.

Aside from the above, there are no other events occurred after the reporting date which would impact the financial situation of the Company as of 31 December 2024 or its performance for the year then ended, or would require to be disclosed in the annual accounts.

18. GOING CONCERN

On 15 February 2024, the Company signed a Business Combination Agreement ("BCA") with the Sircle Hospitality Group Ltd ("Sircle").

Due to a delay in meeting certain closing conditions of the BCA, a consummation of the Business Combination by 31 May 2024, as agreed in the BCA, has not been possible. However, Sircle has so far not expressed or indicated that it wishes to or will exercise its termination right under the BCA. Sircle confirmed in writing on 26 August 2024 that they remained "open to closing the transaction under the Business Combination Agreement (the "BCA"), subject to SMG and the Sponsor fulfilling all their obligations under the BCA, including meeting the Minimum Cash Condition (as defined in the BCA)". Sircle had previously indicated that it may seek certain modifications of the terms of the Business Combination in order to still complete the transactions. No modifications have yet been communicated and conversations on this are still ongoing.

Management is of the opinion that the going concern assumption is appropriate due to the signed BCA still being intact and enforceable and both parties still being committed to consummate the Business Combination, albeit under modified conditions than currently agreed. Furthermore, the Company has explored and continues to explore alternative Business Combination options.

Although the going concern assumption is deemed appropriate, it is clear from the above that material uncertainties exist to date regarding the Company's ability to meet all closing conditions of the BCA and hence secure the completion of the Business Combination.