

AD-HOC RELEASE

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SMG European Recovery SPAC SE launches bookbuilding for up to €115 million private placement and listing on the Frankfurt Stock Exchange and targets business combination with a company in the European real estate-related hospitality sector with a focus on lodging and leisure

Luxembourg, May 25, 2022 – SMG European Recovery SPAC SE (the “Company”), a Luxembourg special purpose acquisition company (SPAC), today announces the start of its private placement of 11,500,000 units (the “Units”), consisting each of one share (a “Public Share”) and one half of a warrant (a “Public Warrant”), at a price of €10.00 per Unit for an aggregate of €115 million. The Units will be solely offered to institutional investors. The private placement is expected to end on or before May 26, 2022.

The Company is sponsored by SMG Holding S.à r.l. (the “Sponsor”), an affiliate of Dr. Stefan Petrikovics, Obotritia Capital KGaA (the “Co-Sponsor”), an affiliate of Rolf Elgeti, as well as certain members of the Supervisory Board of the Company. The Company was established for the purpose of acquiring one operating business in a member state of the European Economic Area, the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the “Business Combination”) and plans to target a company in the real estate-related hospitality sector with a focus on the sub-sector lodging and leisure. The Company will have 15 months from the date of the admission to trading to consummate the Business Combination. This period may be extended up to two times, in each case by three months, by resolution of the Company’s shareholders’ meeting if the Company signs a letter of intent with a potential seller of a target within the initial 15 months. Otherwise, the Company will be liquidated and distribute substantially all of its assets to its shareholders.

SMG SPAC Investment S.à r.l. (“SMG Investment”), an affiliate of the Sponsor has agreed to subscribe for 2,500,000 Public Shares and 1,250,000 Public Warrants in the form of Units in the private placement for an aggregate subscription price of €25,000,000 (the “Sponsor Investment”). The Sponsor Investment is funded utilizing a loan facility provided by ELF European Lending Fund I S.C.Sp. SICAV-RAIF, a fund managed by ELF Capital Advisory GmbH, and secured by pledges over the shares in SMG Investment and the Public Shares subscribed under the Sponsor Investment. In addition, pursuant to an investment agreement entered into between the Company and de Krassny GmbH (the “Cornerstone Investor”) an affiliate of Alain François Marcel de Krassny, the Cornerstone Investor has agreed to subscribe for 3,000,000 Public Shares and 1,500,000 Public Warrants in the form of Units in the Private Placement for an aggregate subscription price of €30,000,000.

The Company has applied for admission of the Public Shares (ISIN: LU2380749676) to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (General Standard) and for introduction to trading of the Public Warrants (ISIN: LU2380751656) on the open market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Börse Frankfurt Zertifikate AG*). Trading of the Public Shares and Public Warrants is expected to commence on June 1, 2022.

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This publication constitutes neither an offer to sell nor a solicitation to buy securities. The listing of the Securities will be made solely by the means of, and on the basis of, a securities prospectus which is yet to be published. An investment decision regarding any securities of SMG European Recovery SPAC SE should only be made on the basis of the securities prospectus. The securities prospectus will be published promptly upon approval by the Luxembourg Financial Sector Supervisory Commission (*Commission de Surveillance du Secteur Financier (CSSF)*) and will be available free of charge on the SMG European Recovery SPAC SE website.

In the United Kingdom, this publication is only being distributed to and is only directed at persons who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), or (ii) persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) (all such persons together being referred to as “Relevant Persons”). This publication is directed only at Relevant Persons and must not be acted on or relied upon by persons who are not Relevant Persons. Any investment or investment activity to which this publication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

In member states of the European Economic Area the placement of securities described in this announcement is directed exclusively at persons who are “qualified investors” within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (Prospectus Regulation).

The Units are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any Retail Investor in the EEA. For these purposes, a “Retail Investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended (“MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the “PRIIPs Regulation”) for offering or selling the Units or otherwise making them available to Retail Investors in the EEA has been prepared and therefore offering or selling the Units or otherwise making them available to any Retail Investor in the EEA may be unlawful under the PRIIPs Regulation.

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Public Shares and Public Warrants has led to the conclusion that the Public Shares and the Public Warrants are (a) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II, and (b) eligible for distribution to professional clients and eligible counterparties through all distribution channels permitted by MiFID II.

Any person subsequently offering, selling or recommending the Public Shares and Public Warrants (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Public Shares and Public Warrants (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The Units are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any Retail Investor in the United Kingdom ("UK"). For these purposes the expression "Retail Investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Units or otherwise making them available to Retail Investors in the UK has been prepared and therefore offering or selling the Units or otherwise making them available to any Retail Investor in the UK may be unlawful under the UK PRIIPs Regulation.

No action has been taken that would permit an offering or an acquisition of the securities or a distribution of this announcement in any jurisdiction where such action would be unlawful. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.

This announcement does not constitute a recommendation concerning the placement. Investors should consult a professional advisor as to the suitability of the placement for the person concerned.

This release may contain forward looking statements, estimates, opinions and projections with respect to anticipated future performance of the Company ("forward-looking statements"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements are based on the current views, expectations and assumptions of the management of the Company and involve significant known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Any forward-looking statements included herein only speak as at the date of this release. The Company undertakes no obligation, and does not expect to publicly update, or publicly revise, any of the information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent to the date hereof, whether as a result of new information, future events or otherwise. The Company accepts no liability whatsoever in respect of the achievement of such forward-looking statements and assumptions.