

# SMG EUROPEAN RECOVERY SPAC SE

*société européenne*

Registered office: 9, rue de Bitbourg, L-1273 Luxembourg

R.C.S. Luxembourg: B 255839

## Remuneration Report 2022

### INTRODUCTION

SMG European Recovery SPAC SE, with its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés Luxembourg*) under B 255839 (the “**Company**”), is a European Company (*Societas Europaea*). The shares of the Company are admitted to trading on the regulated market of the Frankfurt Stock Exchange (General Standard) since 1 June 2022.

This remuneration report (the “**Report**”) has been drawn up for the purposes of Article 7b of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings, as amended (the “**Shareholders’ Rights Law**”) and in accordance with Luxembourg legal requirements, containing the main features of the remuneration systems for the management board of the Company (the “**Management Board**”) and the supervisory board of the Company (the “**Supervisory Board**”) for the financial year 2022.

The Report is submitted to the advisory vote of the Company’s shareholders in connection with agenda item 16 of the annual general meeting of the Company’s shareholders to be held on 21 July 2023 (the “**AGM**”).

### A. GENERAL

#### 1. THE REMUNERATION POLICY FOR THE MEMBERS OF THE MANAGEMENT BOARD

In 2022, no formal remuneration policy was in place. Remunerations paid to the members of the Management Board and the Supervisory Board have been determined in compliance with relevant Luxembourg laws.

In 2023, the Company has established a remuneration policy (the “**Remuneration Policy**”) for the purposes of article 7bis of the Shareholders’ Rights Law. The Policy, which has been established by the Supervisory Board and subsequently acknowledged by the Management Board, is submitted to the advisory vote of the Company’s shareholders in connection with agenda item 17 of the AGM.

The Remuneration Policy shall have retroactive effect as of 1 January 2023, and is intended to remain in place for four years, i.e. until the annual general meeting to be held in 2027. In the event of material changes and in any case, every four years, the Policy shall be submitted to the advisory vote of the Company’s shareholders.

#### 2. THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE MANAGEMENT BOARD

The Remuneration Policy promotes the Company’s business strategy and long-term interests and thus contributes to Company’s long-term development.

The Company has been incorporated as a special purpose company ("**SPAC**") in view of the acquisition of one operating business with principal business operations 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**").

The Management Board's main activity is evaluating and reviewing proposals for potential Business Combinations. Currently, the Company has no operational activities. The Company is therefore of the view that the fixed remuneration as sole compensation component besides fringes benefits and the reimbursement of expenses, as set out in the following sections, is appropriate as compensation and in line with market practice for a SPAC prior to its Business Combination.

## **B. REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD**

### **1. REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD GRANTED IN 2022**

The members of the Management Board of the Company in 2022 only received an annual fixed remuneration for 2022 on a pro-rated basis, as detailed in the table below, based on the tasks and responsibilities of the individual member of the Management Board.

	<b>Annual remuneration in 2022 (gross)</b>	<b>Pro-rated remuneration in 2022 (gross)</b>
<p><b>Dr. Stefan Petrikovics</b></p> <p><i>CEO, Founder and member of the Management Board</i></p>	EUR 300,000	EUR 250,000 Remuneration payments were granted since 1 March 2022.
<p><b>George Aase<sup>1</sup></b></p> <p><i>CFO and member of the Management Board</i></p>	EUR 120,000	EUR 70,000 Remuneration payments were granted since 1 June 2022.
<p><b>Liam Doyle</b></p> <p><i>COO and member of the Management Board and chief risk officer</i></p>	EUR 120,000	EUR 70,000 Remuneration payments were granted since 1 June 2022.
<p><b>Werner Weynand</b></p> <p><i>Chief compliance &amp; audit officer, and member of the Management Board</i></p>	EUR 25,000	EUR 25,000

<sup>1</sup> With effect as of the AGM, George Aase will no longer be member of the Management Board but become member of the Supervisory Board.

<b>René Geppert</b>	EUR 120,000	EUR 90,000
<i>Member of the Management Board</i>		Remuneration payments were granted since 1 April 2022.
<b>In total</b>	<b>EUR 685,000</b>	<b>EUR 505,000</b>

The independent Management Board member, Werner Weynand, received the fixed remuneration in accordance with the terms of an independent director service agreement entered into between the Company and Weynand & Partners S.à r.l. under which Werner Weynand is obligated to perform his duties as independent director for the Company.

In addition to the remuneration stated above, the members of the Management Board were included in a D&O insurance covering from 25 May 2022 on.

The members of the Management Board received no further remuneration, in particular no further fringe benefits, except reimbursed costs, such as travel expense, which are not included in this Report.

## 2. REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD AWARDED IN 2022

George Aase<sup>2</sup> and Liam Doyle have been awarded a one-time payment of EUR 250,000 (gross) from SMG Holding S.à r.l. upon completion of the Business Combination.

## 3. COMPARATIVE PRESENTATION OF THE ANNUAL CHANGE OF THE REMUNERATION OF THE MANAGEMENT BOARD

Since the Company only exists since June 2021, the change of the remuneration is only reported starting 2021.

	<b>Annual remuneration in 2022 (gross)</b>	<b>Annual remuneration in 2021 (gross)</b>	<b>Explanation</b>
<b>Dr. Stefan Petrikovics</b>	EUR 300,000	-	Remuneration payments were only granted since 1 March 2022.
<i>CEO, Founder and member of the Management Board</i>	(EUR 250,000, pro-rated remuneration)		
<b>George Aase</b>	EUR 120,000	-	Remuneration payments were only granted since 1 June 2022.

<sup>2</sup> With effect as of the AGM, George Aase will no longer be member of the Management Board but become member of the Supervisory Board. The one-time payment as stated above will no longer be relevant.

<i>CFO and member of the Management Board</i>	(EUR 70,000, pro-rated remuneration)		
<b>Liam Doyle</b> <i>COO and member of the Management Board and chief risk officer</i>	EUR 120,000 (EUR 70,000, pro-rated remuneration)	-	Remuneration payments were only granted since 1 June 2022.
<b>Werner Weynand</b> <i>Chief compliance &amp; audit officer, and member of the Management Board</i>	EUR 25,000	EUR 25,000 (EUR 15,493, pro-rated remuneration)	No change. (Remuneration payments were granted since 24 June 2021.)
<b>René Geppert</b> <i>Member of the Management Board</i>	EUR 120,000 (EUR 90,000, pro-rated remuneration)	-	Remuneration payments were only granted since 1 April 2022.
<b>In total</b>	<b>EUR 685,000</b>	<b>EUR 25,000</b>	

#### 4. REVIEW OF THE APPROPRIATENESS OF THE MANAGEMENT BOARD REMUNERATION

The Supervisory Board conducted a review of the remuneration of the Management Board in financial year 2022 and came to the conclusion that the amount of the remuneration of the Management Board is appropriate from a legal perspective and ensures conformity with the Luxembourg laws.

#### C. REMUNERATION OF THE SUPERVISORY BOARD

##### 1. REMUNERATION OF THE SUPERVISORY BOARD GRANTED IN FINANCIAL YEAR 2022

The members of the Supervisory Board of the Company in 2022 only received an annual fixed remuneration for 2022 on a pro-rated basis, as detailed in the table below.

	Annual remuneration in 2022 (gross)	Pro-rated remuneration in 2022 (gross)
<b>Anand Tejani</b> <i>Chairman and member of the Supervisory Board</i>	EUR 233,009	EUR 135,922 Remuneration payments were granted since 1 June 2022.

<b>Paul Johnson<sup>3</sup></b> <i>Member of the Supervisory Board</i>	EUR 120,000	EUR 70,000 Remuneration payments were granted since 1 June 2022.
<b>Benoît de Belder</b> <i>Member of the Supervisory Board and chief risk officer</i>	EUR 25,000	EUR 25,000
<b>In total</b>	<b>EUR 378,009</b>	<b>EUR 230,922</b>

The independent Supervisory Board member, Benoît de Belder, received the fixed remuneration in accordance with the terms of an independent director service agreement entered into between the Company and SRL Dianthus under which Benoît de Belder is obligated to perform his duties as independent director for the Company.

The members of the Supervisory Board received no further remuneration, in particular no fringe benefits, except reimbursed costs, such as travel expense, which are not included in this Report.

## 2. COMPARATIVE PRESENTATION OF THE ANNUAL CHANGE OF THE REMUNERATION OF THE SUPERVISORY BOARD

Since the Company only exists since June 2021, the change of the remuneration is only reported starting 2021.

	<b>Annual remuneration in 2022 (gross)</b>	<b>Annual remuneration in 2021 (gross)</b>	<b>Explanation</b>
<b>Anand Tejani</b> <i>Chairman and member of the Supervisory Board</i>	EUR 233,009 (EUR 135,922, pro-rated remuneration)	-	Remuneration payments were only granted since 1 June 2022.
<b>Paul Johnson</b> <i>Member of the Supervisory Board</i>	EUR 120,000 (EUR 70,000, pro-rated remuneration)	-	Remuneration payments were only granted since 1 June 2022.

<sup>3</sup> With effect as of the AGM, Paul Johnson will no longer be member of the Supervisory Board.

<b>Benoît de Belder</b>	EUR 25,000	EUR 25,000	No change.
<i>Member of the Supervisory Board and chief risk officer</i>		(EUR 7,575, pro-rated remuneration)	Remuneration payments were granted since 13 September 2021.
<b>In total</b>	<b>EUR 378,009</b>	<b>EUR 25,000</b>	

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