

SMG Technology Acceleration SE
Société européenne

ANNUAL ACCOUNTS

**FOR THE FINANCIAL PERIOD
FROM 7 AUGUST 2023 (DATE OF REGISTRATION)
TO 31 DECEMBER 2023**

Registered office: 9, rue de Bitbourg
L - 1273 Luxembourg
R.C.S. Luxembourg: B279346

Table of contents

	Page(s)
Management report	1-4
Corporate governance statement	5
Auditor's report	6-10
Balance sheet	11-15
Profit and loss account	16-17
Notes to the annual accounts for the year ended 31 December 2023	18-25

SMG Technology Acceleration SE

Management Report for the period ended 31 December 2023

The Management Board (the “**Board**”) of SMG Technology Acceleration SE (hereafter the “**Company**”) submit its management report with the annual accounts of the Company for the period ended 31 December 2023.

1. Overview

The Company is a special purpose acquisition company (otherwise known as a blank cheque company) incorporated in Luxembourg on 27 July 2023 and registered with the Luxembourg Trade and Companies Register on 7 August 2023. 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, the United Kingdom or Switzerland that is based in the technology sector, which shall encompass primarily the following verticals: additive manufacturing/3D printing, software as a service (SaaS), and digital infrastructure/blockchain-based technologies, through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the “**Business Combination**”). The Company intends to complete the Business Combination using cash from the proceeds of the private placement of the class A shares and class A warrants (see below).

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

The Company completed its private placement (the “**Private Placement**”) on 27 October 2023 through the issuance of 22.000.000 redeemable class A shares with a par value of EUR 0,00548 (the “**Public Shares**”) and 11.000.000 class A warrants (the “**Class A Warrants**”). The Public Shares are admitted to trading on the Frankfurt Stock Exchange under the symbol “7GG” since 27 October 2023. The Class A Warrants are not admitted to trading or listed on the Frankfurt Stock Exchange. One Public Share and one-half (1/2) of a Public Warrant (each, a “**Unit**”), were sold at a price of EUR 1 per unit representing a total placement volume of EUR 22 million.

The sponsor of the Company, SMG Technology Holding S.à r.l. (the “**Sponsor**”), a wholly owned subsidiary of SMG Holding S.à r.l., has subscribed to 21.900.000 class B shares amounting to EUR 120.000. On 26 October 2023, the Sponsor also subscribed to an aggregate 20,000,000 class B warrants (the “**Sponsor Warrants**”) at a total price of EUR 3.000.000. The class B shares and Sponsor Warrants are not publicly traded securities. The Sponsor has 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**”).

On 20 December 2023, the Company signed a Business Combination Agreement with BigRep GmbH (“**BigRep**”), a producer of advanced 3D printing solutions which serves a wide range of industries e. g. industrial, business solution and consumer products, automotive, transportation, aerospace and logistics as well as government and education.

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 2023 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 2023 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 2023 was EUR 4.185.133,17, due to the operating expenses and finance costs.

Financial position highlights

The Company's main asset accounts refer to the investment in shares in affiliated undertakings for its holdings in two German subsidiaries. The balance sheet also has a significant capital and reserves in relation to the issuance of its redeemable class A shares and class A and B warrants as described above.

3. Principal risk and uncertainties

The Company has analysed the risks and uncertainties to which its business is subject, and the Management Board 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.	Low	On 20 December 2023, the Company entered into a Business Combination Agreement with BigRep and expects to successfully complete the Business Combination in Q2 2024. The shareholders are expected to approve the Business Combination on the annual/extraordinary general meeting.
<i>Going concern risk in case of no business combination</i> The Company has incurred fees and expenses associated with preparing and completing the Business Combination. 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.	Low	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 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.
<i>Legal and regulatory</i> 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 Management and the Supervisory board is supported by leading service providers on the respective legal, accounting and tax domains.
<i>Market conditions</i> Adverse events and market conditions, such as the conflict between Russia and Ukraine and rising interest rates environment, 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 Technology Acceleration 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 2023, the Company had EUR 2.915,69 in cash at bank and in hand. Subsequently on 28 May 2024, the Company received repayment of amounts owed by affiliated undertakings for total amount of EUR 2.900.000,00.

The Company had a net equity of EUR 21.684.866,83 as at 31 December 2023. The Sponsor commits to secure additional liquidity to the Company to pay costs and expenses prior to the completion of the Business Combination. The Management Board further believes that there will be sufficient funds available to the Company to pay costs and expenses in the foreseeable future.

The Company has conducted no operations and currently 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 Technology Acceleration SE

The Annual Accounts of SMG Technology Acceleration SE are shown on page 11 to page 25. These were prepared in accordance with Luxembourg's legal and regulatory requirements and using the going concern basis of accounting described above.

The loss for the year ended 31 December 2023 was EUR 4.185.133,17 and is mainly due to the operating expenses and the value adjustment recorded in relation to receivables from affiliated undertakings. It is proposed that the loss for the year ended 31 December 2023 be allocated to profit and loss brought forward at 1 January 2024.

Distributable amounts

At 31 December 2023, the Company had no distributable amounts, as defined by Luxembourg law.

7. Related party transactions

Please see Notes 4 and 6 to the annual accounts.

8. Research and development

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

9. Transactions in own shares

The Group has not acquired or held any of its own shares as at and during the period ended 31 December 2023.

10. Outlook

The Management Board is confident that the Business Combination with BigRep will be completed in Q2 2024.

11. Events after the reporting period

Please refer to Note 13 to the annual accounts.

Luxembourg, 03 June 2024



Dr. Stefan Petrikovics

Chief Executive Officer

Member of the Management Board



George Aase

Chief Financial Officer

Member of the Management Board

SMG Technology Acceleration SE

Corporate Governance Statement by the Management Board for the year ended 31 December 2023

The Management Board 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 2023, 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, 03 June 2024



Dr. Stefan Petrikovics

Chief Executive Officer

Member of the Management Board



George Aase

Chief Financial Officer

Member of the Management Board

To the Shareholders of
SMG Technology Acceleration SE
Société européenne

R.C.S. Luxembourg B279346

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 Technology Acceleration SE** (the "Company"), which comprise the balance sheet as at 31 December 2023, and the profit and loss account for the period from 7 August 2023 (date of registration) to 31 December 2023, and the 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 2023, and of the results of its operations for the period from 7 August 2023 (date of registration) to 31 December 2023 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.

Emphasis of Matter

We draw your attention to notes 4, 6 and 13 to the annual accounts.

As of 31 December 2023, the Company has open receivables from related parties and its directors amounting to EUR 3.018.554,53 net of valued adjustments of EUR 627.525,11.

Creditors due and payable within one year amount to EUR 3.337.329,94.

Due to the delay in completion of the intended business combination (agreement signed on 20 December 2023), the Company experienced a liquidity shortage, among others arising from significant costs already incurred in connection with the Business Combination, and its listing.

On 28 May 2024, the Company received repayment of amounts owed by the following affiliated undertakings:

- EUR 1.092.474,89 from SMG Holding S.à r.l.;
- EUR 1.034.000,00 from SMG Hospitality SE; and
- EUR 773.525,11 from SMG SPAC Investment S.à r.l..

The target company was made aware of the Company's liquidity situation and as a result of this the terms of the business combination agreement were amended accordingly.

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 2023.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the annual report including 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.

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

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

The Management Board 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 Management Board determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

The Management Board 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 Management Board 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 Management Board 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 Management Board.
- Conclude on the appropriateness of Management Board 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, “related safeguards” or “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 27 July 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

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 5. 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 2023 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 2023, 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.

Other Matter

This audit report cancels and replaces the audit report issued on 4 June 2024 on the same annual accounts as of 31 December 2023, in which erroneous reference was made to the audit of the annual accounts as of 31 December 2022 in the Key Audit Matters paragraph.

Luxembourg, 5 June 2024

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

DocuSigned by:


4574F35253B847A...

Fabien DELANTE
Réviseur d'entreprises agréé

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B279346

Matricule : 2023 8400 016

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 07/08/2023 **to** ⁰² 31/12/2023 (in ⁰³ EUR)

SMG Technology Acceleration SE
 9, rue de Bitbourg
 L-1273 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>22.000.726,55</u>	110 _____
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

RCSL Nr. : B279346

Matricule : 2023 8400 016

	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 22.000.726,55	136
1. Shares in affiliated undertakings	1137	22.000.726,55	138
2. Loans to affiliated undertakings	1139		140
3. Participating interests	1141		142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		144
5. Investments held as fixed assets	1145		146
6. Other loans	1147		148
D. Current assets	1151	3.021.470,22	152
I. Stocks	1153		154
1. Raw materials and consumables	1155		156
2. Work in progress	1157		158
3. Finished goods and goods for resale	1159		160
4. Payments on account	1161		162
II. Debtors	1163	4 3.018.554,53	164
1. Trade debtors	1165		166
a) becoming due and payable within one year	1167		168
b) becoming due and payable after more than one year	1169		170
2. Amounts owed by affiliated undertakings	1171	2.900.806,67	172
a) becoming due and payable within one year	1173	2.900.806,67	174
b) becoming due and payable after more than one year	1175		176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		178
a) becoming due and payable within one year	1179		180
b) becoming due and payable after more than one year	1181		182
4. Other debtors	1183	117.747,86	184
a) becoming due and payable within one year	1185	117.747,86	186
b) becoming due and payable after more than one year	1187		188

RCSL Nr. : B279346

Matricule : 2023 8400 016

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>2.915,69</u>	198 _____
E. Prepayments	1199 _____	199 _____	200 _____
	TOTAL (ASSETS)	201 <u>25.022.196,77</u>	202 <u>0,00</u>

RCSL Nr. : B279346

Matricule : 2023 8400 016

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>5</u>	301 <u>21.684.866,83</u>	302 <u></u>
I. Subscribed capital	1303 <u></u>	303 <u>240.560,00</u>	304 <u></u>
II. Share premium account	1305 <u></u>	305 <u>22.618.440,00</u>	306 <u></u>
III. Revaluation reserve	1307 <u></u>	307 <u></u>	308 <u></u>
IV. Reserves	1309 <u></u>	309 <u>3.011.000,00</u>	310 <u></u>
1. Legal reserve	1311 <u></u>	311 <u></u>	312 <u></u>
2. Reserve for own shares	1313 <u></u>	313 <u></u>	314 <u></u>
3. Reserves provided for by the articles of association	1315 <u></u>	315 <u></u>	316 <u></u>
4. Other reserves, including the fair value reserve	1429 <u></u>	429 <u>3.011.000,00</u>	430 <u></u>
a) other available reserves	1431 <u></u>	431 <u></u>	432 <u></u>
b) other non available reserves	1433 <u></u>	433 <u>3.011.000,00</u>	434 <u></u>
V. Profit or loss brought forward	1319 <u></u>	319 <u></u>	320 <u></u>
VI. Profit or loss for the financial year	1321 <u></u>	321 <u>-4.185.133,17</u>	322 <u></u>
VII. Interim dividends	1323 <u></u>	323 <u></u>	324 <u></u>
VIII. Capital investment subsidies	1325 <u></u>	325 <u></u>	326 <u></u>
B. Provisions	1331 <u></u>	331 <u></u>	332 <u></u>
1. Provisions for pensions and similar obligations	1333 <u></u>	333 <u></u>	334 <u></u>
2. Provisions for taxation	1335 <u></u>	335 <u></u>	336 <u></u>
3. Other provisions	1337 <u></u>	337 <u></u>	338 <u></u>
C. Creditors	1435 <u>6</u>	435 <u>3.337.329,94</u>	436 <u></u>
1. Debenture loans	1437 <u></u>	437 <u></u>	438 <u></u>
a) Convertible loans	1439 <u></u>	439 <u></u>	440 <u></u>
i) becoming due and payable within one year	1441 <u></u>	441 <u></u>	442 <u></u>
ii) becoming due and payable after more than one year	1443 <u></u>	443 <u></u>	444 <u></u>
b) Non convertible loans	1445 <u></u>	445 <u></u>	446 <u></u>
i) becoming due and payable within one year	1447 <u></u>	447 <u></u>	448 <u></u>
ii) becoming due and payable after more than one year	1449 <u></u>	449 <u></u>	450 <u></u>
2. Amounts owed to credit institutions	1355 <u></u>	355 <u></u>	356 <u></u>
a) becoming due and payable within one year	1357 <u></u>	357 <u></u>	358 <u></u>
b) becoming due and payable after more than one year	1359 <u></u>	359 <u></u>	360 <u></u>

RCSL Nr. : B279346

Matricule : 2023 8400 016

	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	3.188.276,24	368
a) becoming due and payable within one year	1369	3.188.276,24	370
b) becoming due and payable after more than one year	1371		372
5. Bills of exchange payable	1373		374
a) becoming due and payable within one year	1375		376
b) becoming due and payable after more than one year	1377		378
6. Amounts owed to affiliated undertakings	1379	91.450,00	380
a) becoming due and payable within one year	1381	91.450,00	382
b) becoming due and payable after more than one year	1383		384
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		386
a) becoming due and payable within one year	1387		388
b) becoming due and payable after more than one year	1389		390
8. Other creditors	1451	57.603,70	452
a) Tax authorities	1393	36.750,00	394
b) Social security authorities	1395		396
c) Other creditors	1397	20.853,70	398
i) becoming due and payable within one year	1399	20.853,70	400
ii) becoming due and payable after more than one year	1401		402
D. Deferred income	1403		404
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	25.022.196,77	406 0,00

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
 Email : centralebilans@statec.etat.lu

RCSL Nr. : B279346

Matricule : 2023 8400 016

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 07/08/2023 to ⁰² 31/12/2023 (in ⁰³ EUR)

SMG Technology Acceleration 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 _____	713 <u>97.747,86</u>	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-3.187.392,47</u>	672 _____
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ <u>7</u>	603 <u>-3.187.392,47</u>	604 _____
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 _____ <u>4</u>	657 <u>-657.525,11</u>	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 <u>-657.525,11</u>	662 _____
8. Other operating expenses	1621 _____ <u>8</u>	621 <u>-409.190,00</u>	622 _____

RCSL Nr. : B279346

Matricule : 2023 8400 016

	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	-28.773,45	
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
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
		-4.185.133,17	
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669	670
		-4.185.133,17	

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(Expressed in EUR)

1. GENERAL

SMG Technology Acceleration SE (the “Company” or “Parent”) was incorporated on 27 July 2023 (date of incorporation per the deed of incorporation 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”). The Company is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, in abbreviated “RCS”) under the number B279346 since 7 August 2023. The Company is a listed entity with its class A shares traded in the regulated market of Frankfurt Stock Exchange under the symbol “7GG” since 27 October 2023. The Class A Warrants are not admitted to trading or listed on the Frankfurt Stock Exchange. The Company also has 21.900.000 class B shares and 20.000.000 class B warrants issued and outstanding as at 31 December 2023 that are not listed on a stock exchange.

The share capital of the Company on 7 August 2023 was set to EUR 120.000, represented by 12.000.000 class B shares without nominal value. The share capital has been fully paid up.

The founder and sponsor of the Company is SMG Technology Holding S.à r.l. (the “Sponsor”), a wholly-owned subsidiary of SMG Holding S.à r.l. (the “Ultimate shareholder”). As at 31 December 2023, the Sponsor owns 100% of the class B shares in the Company.

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

The Company's governing bodies are the Management Board, the Supervisory Board and the shareholders' meeting. The Company is managed by its Management Board under the supervision and control of the Supervisory Board. This two-tier governance structure was resolved by an extraordinary shareholders' meeting of the Company held on 25 September 2023. The Management Board is composed of Dr. Stefan Petrikovics (Chief Executive Officer), René Geppert (Chief Operating Officer), George Aase (Chief Financial Officer) and Werner Weynand (Chief Administration Officer). The Supervisory Board members appointed consists of Ewald Weizenbauer (Chairman), Rhett Oudkerk Pool, Benoît de Belder and Dr. Geza Toth-Feher Lord of Kennal (the “Supervisory Board”).

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 that is based in the technology sector, which shall encompass primarily the following verticals: additive manufacturing/3D printing, software as a service (SaaS), and digital infrastructure/blockchain-based technologies, through a merger, capital stock exchange, share purchase, asset acquisition, reorganization, or similar transaction and forming a business combination with such operating business (the “Business Combination”).

The Company will not conduct operations or generate operating revenue unless and until the Company consummates the Business Combination. The Company will have 12 months from the date of the admission to trading (the “Business Combination Deadline”) to consummate a Business Combination. Otherwise, the Company will be liquidated and distribute substantially all of its assets to its shareholders (other than the Sponsor).

Pursuant to article 2 of the current articles of association, the Company's purpose is the creation, holding, development and realization of a portfolio, consisting of interest 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

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(Expressed in EUR)

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 Societe Europeenne only exists from the date of publication of its statutes with the RCS. Accordingly, the comparative period on these annual accounts was prepared in accordance with Luxembourg legal and regulatory requirements from 07 August 2023 (date of registration of the Company with the RCS) to 31 December 2023. 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 Format regulation on the Company's website (<http://www.smg-spac.com>).

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 Management Board, 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 Management Board 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 Management Board 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.

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(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.

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 Management Board, 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.

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023 (Expressed in EUR)

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. Prepayment

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.

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 financial statements 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.

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(Expressed in EUR)

3. FINANCIAL ASSETS

Movements in financial assets during the year are as follows:

	Shares in affiliated undertakings EUR 2023
Gross book value – opening balance	-
Additions for the year	22.029.500,00
Repayments for the year	-
Gross book value – closing balance	22.029.500,00
Accumulated value adjustment – opening balance	-
Allocation of value adjustments for the year	-28.773,45
Reversals of value adjustments for the year	-
Accumulated value adjustment – closing balance	-28.773,45
Net book value – opening balance	-
Net book value – closing balance	22.000.726,55

On 07 August 2023, the Company incorporated SMG Technology Advisors Verwaltungs GmbH for an amount of EUR 27.500,00 and SMG Technology Advisors GmbH & Co. KG for EUR 2.000,00.

On 31 October 2023, the Company contributed proceeds from the class A shares subscription (Note 6) totaling to EUR 22.000.000,00 into SMG Technology Advisors GmbH & Co. KG. These funds are held in an escrow account by SMG Technology Advisors GmbH & Co. KG. During the year, EUR 41.000,00 was repaid to the Company relating to the Additional Sponsor Subscription. Following repayments represent the liability towards SMG Technology Advisors GmbH & Co. KG. The Additional Sponsor Subscription refers to the funds used to cover the negative interest on the escrow account, and any amounts in excess are returned to the Company.

As at 31 December 2023, the Management Board recognized an impairment on the Company's investments in SMG Technology Advisors Verwaltungs GmbH amounting to EUR 1.447,32, and SMG Technology Advisors GmbH & Co. KG amounting to EUR 27.326,13.

Shares in affiliated undertakings as at 31 December 2023 consist of the following:

Name of undertakings	Registered office	Ownership %/ Contribution	Cost of acquisition EUR	Last balance sheet date	Net equity as at 31/12/2023* EUR	(Loss) / Profit as at 31/12/2023* EUR
SMG Technology Advisors Verwaltungs GmbH	Ute Mainzer Gasse 55, D-60311 Frankfurt a. Main, Germany	100%	27.500,00	31/12/2023	26.052,68	-1.052,68
SMG Technology Advisors GmbH & Co. KG	Ute Mainzer Gasse 55, D-60311 Frankfurt a. Main, Germany	100%	2.000,00	31/12/2023	21.974.673,87	25.326,13

*Unaudited

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(Expressed in EUR)

4. DEBTORS

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

	31/12/2023
	EUR
Amounts due from affiliated undertakings	3.656.079,64
Value adjustments	-657.525,11
Other debtors	20.000,00
Total	3.018.554,53

Amounts due from affiliated undertakings

Amounts due from affiliated undertakings as at 31 December 2023 mainly consist of:

- EUR 1.750.000,00, loan granted to SMG Holding S.à r.l.;
- EUR 1.034.000,00 short-term interest-free receivable from SMG Hospitality SE;
- EUR 773.525,11 short-term interest-free receivable from SMG SPAC Investment S.à r.l.; and
- EUR 97.747,86 accrued cost recharge receivable from SMG Technology Advisors GmbH & Co. KG.

As of 31 December 2023, the Company recorded an impairment on the receivables due from SMG Holding S.à r.l. in the amount of EUR 657.525,11, due to doubts surrounding the recoverability of these receivables. Please also refer to note 13 on subsequent payment of amounts owed by affiliated undertakings.

Other debtors

Other debtors as at 31 December 2023, comprise of EUR 20.000,00 advance made to a Director.

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(Expressed in EUR)

5. CAPITAL AND RESERVES

Movements during the year are as follows:

	Subscribed capital EUR	Shares premium account EUR	Other non-available reserves EUR	Profit or loss for the period ended 31 December 2023 EUR	Total EUR
Issuance of 21.900.000 class B shares	120.000,00	-	-	-	120.000,00
Issuance of 22.000.000 class A shares and 11.000.000 class A warrants	120.560,00	21.868.440,00	11.000,00	-	22.000.000,00
Issuance of 20.000.000 class B warrants	-	-	3.000.000,00	-	3.000.000,00
Equity contribution in cash without issuance of shares	-	750.000,00	-	-	750.000,00
Results for the financial period	-	-	-	-4.185.133,17	-4.185.133,17
Closing balance at 31/12/2023	240.560,00	22.618.440,00	3.011.000,00	-4.185.133,17	21.684.866,83

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(Expressed in EUR)

Share capital – Class B shares

As at 31 December 2023, the subscribed share capital amounts to EUR 120.000 consisting of 21.900.000 class B shares without nominal value.

Upon and following the completion of the Business Combination, the class B 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

On 26 October 2023, the Company issued 22.000.000 redeemable class A shares with a par value of approximately EUR 0,00548 per share, together with class A warrants (together, a “Unit”) for an aggregate price of EUR 1 per Unit, the nominal subscription price per class A warrant being EUR 0,001. The total proceeds amounted to EUR 22.000.000,00 of which EUR 120.560,00 were allocated to class A shares and EUR 21.868.440,00 to the share premium account.

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 repaid to the shareholders before the Company is put into liquidation.

Share premium

On 25 October 2023, the sponsor made an additional equity contribution in cash without issuance of new shares in the amount of EUR 750.000,00.

For the period ended 31 December 2023, EUR 21.868.440,00 have been allocated to the share premium account as described in “*Share capital – Class A shares*”.

Authorised capital

The authorized capital, excluding the issued share capital, of the Company is set at EUR 10.839.440,00 consisting of 1.978.000.000 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.

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(Expressed in EUR)

Other non-available reserves

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

- Class A warrants:

On 27 October 2023, the Company issued 11.000.000 class A warrants (the "Class A warrants") together with the 22.000.000 Class A shares, the nominal subscription price per Class A warrant being EUR 0.00548. Hence, the total proceeds in relation to the issue of the warrants amount to EUR 11.000,00. Class A warrants has International Securities Identification Number ("ISIN") LU2699152422. Each Class A warrant entitles its holder to subscribe for one Class A share, with a stated exercise price of EUR 1,150, 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 2023, the carrying value of the other non-available reserves related to class A warrants is EUR 11.000,00. The class A warrants are not listed on the open market of the Frankfurt Stock Exchange.

As at 31 December 2023, the unrecognised fair value of Class A warrants was estimated to be EUR 953.700,00 (EUR 0,0867 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 Warrant and each whole Class A Warrant entitles the holder to subscribe for one Public Share. The Class A Warrants will become exercisable 30 days after the consummation of the Business Combination. The Class A Warrants expire five years from the consummation of the Business Combination, or earlier upon redemption or liquidation.

- Class B warrants:

The Sponsor has subscribed for an aggregate of 20.000.000 Sponsor Warrants for a purchase price of EUR 0,15 per warrant or EUR 3.000.000 in total for the sponsor capital at-risk (the "Sponsor Capital At-Risk").

The Sponsor and the Company agreed to set off the amount due under a loan agreement in the amount of EUR 216.646,63, at the time of the incorporation of the Company in order to finance the Company's working capital requirements until the Private Placement, as amended (the "Shareholder Loan") against part of the aggregate subscription price payable by the Sponsor for these Sponsor Warrants. The Shareholder Loan was repaid during the period ended 31 December 2023.

The Sponsor Capital At-Risk will, next to the additional purchase price for the Sponsor Shares, be used to finance the Company's ongoing working capital requirements (including due diligence costs in connection with the Business Combination), Private Placement and Listing expenses, except for the Deferred Listing Commissions, that will, if and when due and payable, be paid from the Escrow Account.

The Sponsor Warrants will not be transferable, assignable or saleable (except to Permitted Transferees) until the consummation of the Business Combination. From the consummation of the Business Combination, Public Shares held by the Sponsor due to the exercise of Sponsor Warrants and due to the conversion of Sponsor Shares into Public Shares will be subject to the Sponsor Lock-Up.

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023 (Expressed in EUR)

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 2023, the carrying value of the other non-available reserves related to Class B warrants is EUR 3.000.000,00.

As at 31 December 2023, the fair value of class B warrants was determined to be EUR 0,3136 per warrant using a combination of Monte Carlo and Binomial Tree valuation model (level 3). Class B warrants issued as Sponsor Capital At-Risk are valued at EUR 6.272.000.

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.

6. CREDITORS

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

	<u>31/12/2023</u> <u>EUR</u>
Trade creditors	1.929.690,61
Accrued expenses	1.258.585,63
Amounts owed to affiliated undertakings	91.450,00
Other creditors	57.603,70
Total	<u>3.337.329,94</u>

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 trade creditors, the Company has EUR 1.079.169,75 of unpaid overdue payables as at 31 December 2023, which break down as follows:

- Overdue since more than 3 months (and less than 6 months) amounts to EUR 142.559,32;
- Overdue since more than 1 month (and less than 3 months) amounts to EUR 936.610,43.

As of the date of approval of the financial statements these balances remain unpaid. The EUR 2.900.000 repayments received from affiliated undertakings post balance sheet date (see Note 13) will however allow the Company to settle these outstanding balances.

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(Expressed in EUR)

Amounts owed to affiliated undertakings

As at 31 December 2023, amounts owed to affiliated undertakings due within one year in the amount of EUR 91.450,00 pertain to short-term advances and payments made by related entities on behalf of the Company.

Other creditors

As at 31 December 2023, other creditors were represented by directors' fees payable for an amount of EUR 20.853,70 and withholding tax payable for an amount EUR 36.750,00.

7. OTHER EXTERNAL EXPENSES

Other external expenses are composed of:

	From 07/08/2023 to 31/12/2023 EUR
Other professional fees	-1.250.986,77
Legal fees	-739.160,26
Audit fees	-559.413,81
Listing fee	-400.000,00
Accounting and corporate fees	-208.366,33
Notary fees	-15.959,50
Travel and entertainment expenses	-12.678,70
Bank fees	-791,40
Other expenses	-35,70
Total	-3.187.392,47

The total audit fees paid breaks down as follows:

	From 07/08/2023 to 31/12/2023 EUR
Statutory audit of the annual accounts	128.319,76
Audit-related fees	431.094,05
Total	559.413,81

8. OTHER OPERATING EXPENSES

Other operating expenses are composed of:

	From 07/08/2023 to 31/12/2023 EUR
Directors fees	-378.750,00
CSSF fees	-30.440,00
Total	-409.190,00

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(Expressed in EUR)

9. STAFF

The Company did not employ any staff during the period ended 31 December 2023.

10. EMOLUMENTS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES AND COMMITMENTS IN RESPECT OF RETIREMENT PENSIONS FOR FORMER MEMBERS OF THOSE BODIES

The Company did not grant any emoluments to and has no commitments in respect of retirement pensions towards members of its Management Board and Supervisory Board during the period ended 31 December 2023.

Directors fee accrued during the period amounted to EUR 378.750,00 (See Note 8).

11. ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

The Company did not grant any advances or loans to members of its Management Board and Supervisory Board during the period ended 31 December 2023 other than what is disclosed in Note 4.

12. OFF-BALANCE SHEET COMMITMENTS

In accordance with the Prospectus, the Company will be liable to pay the below amounts which are contingent to certain events as follows:

- A success fee of 2.5% of the gross proceeds from the Private Placement (which excludes Sponsor generated amounts) on the date of the consummation of the Business Combination;
- A business combination completion fee of 0.5% of the gross proceeds from the Private Placement less any cancellations of subscriptions, split between the joint bookrunners; and
- The success fee and business combination completion fee will be paid from the escrow account.

The Group has no other commitments and contingencies as at 31 December 2023.

13. SUBSEQUENT EVENTS

Due to the delay in completion of the intended business combination signed on 20 December 2023, the Company experienced a liquidity shortage, among others from significant costs already incurred in connection with the Business Combination and its IPO. Consequently on 27 May 2024, the Sponsor sold 13.362.000 Class B shares of the Company to a third party, i.e. De Krassny GmbH, for an amount of EUR 2.900.000. The cash proceed was advanced by the Sponsor to certain affiliated undertakings which in turn repaid their amounts owed to the Company.

On 28 May 2024, the Company received repayment of amounts owed by these affiliated undertakings:

- EUR 1.092.474,89 from SMG Holding S.à r.l.;
- EUR 1.034.000,00 from SMG Hospitality SE; and
- EUR 773.525,11 from SMG SPAC Investment S.à r.l.

SMG Technology Acceleration SE

Notes to the annual accounts for the period ended 31 December 2023
(Expressed in EUR)

BigRep, the target company, was made aware of the Company's liquidity situation and as a result of this the terms of the business combination agreement were amended accordingly in an agreement on 27 May 2024 and amendment to the business combination agreement that was signed on 28 May 2024.

There are no other events or conditions after the reporting year requiring disclosure in or adjustment to these annual accounts.