

INVESTOR REPORT **2024**



Smart home at the edge
of the mass market

Shelly[®]

Important information

This report contains general information about Shelly Group SE. It consists of summarized information based on a conversion of BGN figures from the audited consolidated financial statements of Shelly Group SE into EUR figures. The official exchange rate to the Euro is set at 1 EUR = 1.95583 BGN, as Bulgaria has been a member of the European Exchange Rate Mechanism II (ERM II) since 10 July 2020 and is expected to adopt the Euro by 1 January 2026. It does not purport to be complete and it is not intended to be relied upon as advice to investors. The EUR figures presented here have not been audited and are supplementary information to the Shelly Group SE audited consolidated financial statements for capital market participants.

Each investor must conduct and rely on its own evaluation in taking an investment decision.

Recipients of this report are not to construe the contents of this summary as legal, tax, or investment advice and recipients should consult their own advisors in this regard.

The Important Information presented in this section is to be read in concert with the disclaimer at the end of this Report.

This report should be read in concert with the audited consolidated financial statements 2024 of Shelly Group SE, which are available on the Company's website at corporate.shelly.com.

About Shelly Group SE

Shelly Group SE develops, designs and distributes IoT and smart building solutions for DIY and professional users, offering advanced technology, seamless interoperability and a high degree of technological flexibility. Shelly products enable remote control and automation as well as energy management of electrical appliances and smart building solutions via smart phones, PCs or third-party home automation systems. In addition to the sale of devices, the Shelly Group generates revenue from its cloud applications. The Shelly Group benefits from asset light production through the use of contract manufacturers. The Company has a strong presence in German-speaking countries and is represented with its products in more than 100 countries. With subsidiaries in Germany, Bulgaria and Slovenia as well as in the USA and China, the Shelly Group is globally present.

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Letter to the Shareholders

Dear Shareholders

The past financial year 2024 was highly dynamic and marked by numerous **strategic, operational, and financial milestones** on our path to achieving our medium-term goals by **2026**. With the smart home industry evolving into a **mass market**, Shelly Group benefits from strong internal innovation and external momentum. Our versatile solutions and innovative technologies enable broad market adaptability. Positioned at the forefront of the **smart home revolution**, we are ready to seize **European and global opportunities** – driven by trends like connected living, energy management, smart commercial applications, and automated industrial processes. In this first **Shelly Group Investor Report**, we share insights into our performance and outlook.

Operational Highlights 2024

In 2024, **Shelly Group SE** advanced the integration of global hardware and software standards and launched new products and categories to strengthen its position in the **smart-building** market. Devices in the **Shelly Pro, Shelly Pro PM, and Shelly Gen3** series now support the globally recognized **KNX** protocol, while the new **Shelly DALI Dimmer Gen3** enables seamless integration of **DALI** lighting into the **Shelly** ecosystem—without additional wiring. The **Gen3** series features doubled memory for improved performance and future expandability. Key innovations include support for “**virtual components**”, simplifying third-party integration via the **Shelly Smart Control App**, and future readiness for the **Matter** standard. The portfolio is complemented by the **Shelly X-Modul**, a compact hardware component that enables third-party devices to be equipped with smart features and integrated into the **Shelly IoT** ecosystem. Compatible with over 200 control sys-

tems and voice assistants, it expands cross-manufacturer possibilities. Continued growth was also reflected in the move to a new, modern office in **Sofia**, offering space for up to 250 employees and aligned with the “**New Work**” concept. Additionally, **Shelly** optimized its management structure: **Karsten Sommer**, a renowned industry expert, became Managing Director for the **DACH** region, contributing over 30 years of international retail experience. Since then, **Wolfgang Kirsch**, Co-CEO, has focused entirely on strategic corporate development, capital market communication, and operational excellence.

We are particularly pleased with our **successes** in the area of **solar systems**, especially with the **Shelly Pro 3EM**, one of our **best-selling products**. The Shelly Pro 3EM is achieving **above-average growth rates** across the Group and is in demand from **professional installers** almost exclusively in **wholesale quantities** – a clear sign of its **strong market acceptance**. We are also particularly proud that our solutions are **leading** the way in **seamless integration** into **third-party solar systems**. This strength, combined with continuous product development and easy retrofitting, makes us a **reliable partner for sustainable energy solutions** worldwide.

Strategic Highlights 2024

As part of our **growth** and **internationalization** strategy, Shelly Group advanced its **acquisition** of the Slovenian IoT company, now operating as **Shelly Tech**. Following the initial purchase of 60% of shares in January 2023, the Group exercised a call option in February 2024 to acquire an additional 16%. With this acquisition, we have expanded our technology portfolio, adding Qubino smart home solutions, including the world’s smallest



Dimitar Dimitrov, Co-CEO



Wolfgang Kirsch, Co-CEO

Z-Wave devices, to our range of products for both consumers and professionals. Shelly Tech also gives us access to extended research and development resources, enabling us to further develop our LOQED by Shelly products. By acquiring the LOQED's assets, Shelly Group then successfully entered the **high-growth smart lock market**. Now offered under the **LOQED by Shelly** brand, the products have been fully integrated into the Shelly ecosystem. The first batch of 1,000 units sold out immediately, and the next 4,000 units are already pre-sold. With two new models planned for Q3 2025, Shelly expects continued strong demand. The smart locks meet the highest security standards and are suited for residential, commercial, and hospitality use.

In April 2024, we achieved a key milestone in Shelly Group's capital market strategy with the **commencement of trading on XETRA**, making it the **first Bulgarian company** listed on Germany's leading electronic trading platform. This move followed growing demand from domestic and international investors and ensured **greater liquidity and broader investor access**. In doing so, we underline our commitment to aligning our capital market presence with our strong operational growth. In June 2024, Shelly Group successfully completed a **private placement** of 500,000 shares, to further **increase free float** and broaden its investor base, including participation from **BIT Capital's Global Internet Leaders 30 Fund**. A special highlight was our **first Capital Markets Day** in November 2024 in

front of investors, analysts and representatives of the business and financial press in Frankfurt am Main and virtually via webcast. Addressing **over 100 participants** from **Germany and abroad**, we explained how the Shelly Group is revolutionizing the market for intelligent building solutions, how Shelly **products** are conquering the hearts and homes of customers, outlined the **business strategy** and **growth drivers** and presented the capital market strategy and **long-term prospects up to 2030**.

Financial Highlights 2024

The best way to show that we are on the **right track** to capitalize on these market trends is to take a look at the past **financial year 2024**. We strengthened our position as the leading platform for smart buildings and achieved all the forecast targets, we had set ourselves.

In the past financial year 2024, Shelly Group achieved an increase in **group revenue** of 42.4% to EUR 106.7 million by expanding its international distribution channels and geographical footprint, broadening its product and service portfolio and increasing the share of sales to professional users. The increase in revenue was thus slightly above the **forecast** of EUR 105 million and four times the industry average of 10%. If we also take into account the fact that we initiated changes to the terms and conditions with key accounts in Q4 2024, which include volume-based bonus payments and reduce sales, our **adjusted revenue** would have grown by around 45% to around EUR 109 million. We are really proud that in the past financial year 2024, Shelly Group achieved continuous revenue growth quarter-on-quarter. Even in the Q4, sales increased by a strong 35.6% compared to the previous quarter, although

product launches were postponed. In view of the increasing sales revenues in the United States, but the still low share of US business in Group sales revenues, the Company expects the current customs disputes to have only an insignificant impact on the sales and earnings situation.

We are also proud of the fact that we have further expanded our **growth drivers**. In line with our strategy, we have shifted the **sales split** between **do-it-yourself** and **professional** users. The share of professional sales rose from 20% in the previous year 2023 to 30% in 2024. Here, the aim is to achieve a profitable balance between growth momentum and market share. We are therefore increasingly tapping into the significantly larger professional market, which accounts for around 70% of the overall market. At the same time, we are expanding our market share in the DIY market, which has favorable market entry barriers to our advantage. Moreover, we have expanded our distribution activities and thus accelerated our **regional expansion**. In doing so, we have expanded the team in our fastest growing market, the German-speaking countries. It is particularly pleasing that our team for the Nordic countries has started work and is being continuously expanded. On the product range, we offered significantly **more products** in the past 2024 financial year than in the previous year. We presented 46 products in new versions, launched 26 new products and introduced a completely **new product category** with Smart Locks. We have integrated numerous **new communication protocols** that make our products even more versatile. The number of **premium app** users was still at a low level in the current financial year 2024 because of the somewhat longer test phase, but showed promising initial results. For example, the gross margin is almost 100%.

Earnings before interest and taxes (**EBIT**) grew by 34.4% to EUR 25.7 million. With a difference of only 1.2%, EBIT was also in line with the **forecast** of EUR 26 million. In addition to increased sales and marketing expenses in connection with trade fair participations, third-party marketing activities and online advertising, the clearance sale of products from previous generations had a noticeable impact. Thus, **EBIT margin** remained at a high level of 24.1% after 25.5% in the prior year, while not fully reaching the set target of 25%. Here, the sale of the Company's previous office building through the corresponding real estate company is to be taken into account, the proceeds of which are recognized as income from discontinued operations. **EBIT adjusted** for the corresponding IFRS effect amounted to EUR 26.3 million.

Group net result increased by 36.9% to EUR 23.1 million, translating into an earnings per share growth of 35% to EUR 2.47 (2023: EUR 1.83). We will therefore propose to the Annual General Meeting that a **dividend** of EUR 0.13 per share be distributed to our shareholders for their loyalty for the past financial year 2024, as in the previous year.

With a cash inflow of EUR 2.8 million, **cash flow** from operating activities in the twelve-month period of 2024 reflects in particular an increase in **working capital** from the Company's own funds to strengthen growth momentum. The corresponding increase in inventories was offset by an overall improvement in receivables management. Improved planning using the newly implemented SAP system, increasing economies of scale in procurement and faster inventory turnover, as well as more efficient deliveries and shorter payment terms, are expected to contribute to an optimization of working capital from 2025 onwards.

Guidance 2025

In the current 2025 financial year, we will continue our **regional expansion** and the strong progress we have already made in diversifying our sales markets from **DIY to professional users**. For example, we will increasingly develop the **UK market** and tap into the **Polish market**, starting in Q2. In Q3 and Q4, we will have at least one additional country team in place. A broader **product range** will support future growth, while our **cloud** and **premium app** will unlock additional **revenue potential**. On the product side, we have already launched several new products and the new smart locks product category on the market in Q1 and intend to launch **new products, product updates** and **new product categories** in the coming quarters. In 2025, we will further increase the versatility of our products by introducing new protocols, including long-range protocols.

Overall, we expect sales revenues to accelerate from quarter to quarter as a result. For the current financial year 2025, we expect **revenue growth** to between **EUR 145 million** and **EUR 155 million** and an increase in **EBIT** to between **EUR 35 million** and **EUR 40 million**.

Medium-term Goals 2026

We therefore see Shelly Group on an **excellent path** to achieving our **medium-term targets by 2026**, with **revenues** of more than **EUR 200 million** and **EBIT** of at least **EUR 50 million**. A well-formulated **growth strategy** contributes to this objective. Firstly, we are **expanding our presence** in **attractive growth regions** in a rapidly evolving market by establishing **decentralized sales teams** to leverage demand for our products. Secondly, we skillfully and purposefully use the growth acceleration of **network effects in distribution**. And thirdly,

we are relentlessly driving the **expansion of our product lines** into new **categories** and **verticals**.

Acknowledgments

We would like to take this opportunity to express our special thanks to **our employees**. Your **dedication, passion** and **performance** not only drive the development of our Company. With your **creativity** and **innovative spirit**, you are driving our mission forwards: To develop the **best value smart solutions** that make people's lives easier and help them use energy more efficiently and increase savings.

We would like to thank you, our **shareholders**, for your continued **loyalty** and **commitment** to realizing our vision: To become the **preferred partner** that offers long-lasting **smart solutions** to bring **sustainable living** accessible to everyone.

A large, fast-growing and still untapped market lies ahead of us. Based on our own calculations, taking into account various market studies and interviews with experts, we expect the market for **smart home automation** to grow by an average of **10-15%** per year until 2030. But there's more: We expect the virtually still untapped market for **industrial** and **commercial automation** to grow by as much as **15-20%** per year until 2026. As you can see, there are really **significant opportunities** ahead of us beyond the smart home. We look forward to embarking on the Shelly Group's future together with you.

Yours sincerely, your Co-CEOs



Dimitar Dimitrov



Wolfgang Kirsch

Shelly Group on the Capital Market

Dual Listing Accesses Broader Investor Base

On 29 April 2024, Shelly Group SE, listed in the Prime Standard of the Frankfurt Stock Exchange and in the Eurobridge segment of the Bulgarian Stock Exchange, reached another milestone in the implementation of its capital market strategy with the admission to trading on XETRA. Hence, Shelly Group was the first Bulgarian company to be traded on XETRA. With the start of trading on the leading stock exchange in Germany, the Shelly Group responded to the strong demand and increasing interest of investors from both Germany as well as abroad. The uplisting from specialist trading on the Frankfurt Stock Exchange to the fully electronic trading platform XETRA has improved trading liquidity and opened up a broader investor base.

Investment by BIT Capital for strategic increase in free float

On 14 June 2024, Dimitar Dimitrov, Co-CEO and co-founder, and Svetlin Todorov, responsible for the US business and co-founder, responded to the great interest in the Company's shares. As part of an oversubscribed private placement, shares totaling around 2.7% of the company's share capital were placed with various institutional investors, including BIT Capital's BIT Global Internet Leaders 30 fund. The primary purpose of this reallocation was to further increase the liquidity of Shelly Group shares in trading through a targeted increase in the free float. Dimitar Dimitrov and Svetlin Todorov remained major shareholders of the company, each holding around 30% of the shares, and continue to fully support the development of the Shelly Group.

Following the admission to trading on XETRA as the first Bulgarian company, the placement of shares of the major shareholders is an essential part of the Company's capital market strategy. In the medium term, the Shelly Group aims to meet the key qualification criterion of market capitalization of freely tradable shares for inclusion in the SDAX. The total market capitalization of all Shelly Group shares at the time of the placement amounted to around EUR 650 million. The SDAX comprises the 70 largest companies by market capitalization below the MDAX and DAX in Deutsche Börse's index family.

Share Data

Ticker symbol	SLYG
ISIN (International Securities Identification Number)	BG1100003166
Stock exchanges	Bulgaria, Xetra, Frankfurt, Düsseldorf, Gettex, Munich, Quotrix, Tradegate
Market segment	Prime Standard (FSE) / Eurobridge Market (BSE)
Number of shares	18,105,559
Share class	Registered shares
Designated Sponsor	Baader bank AG

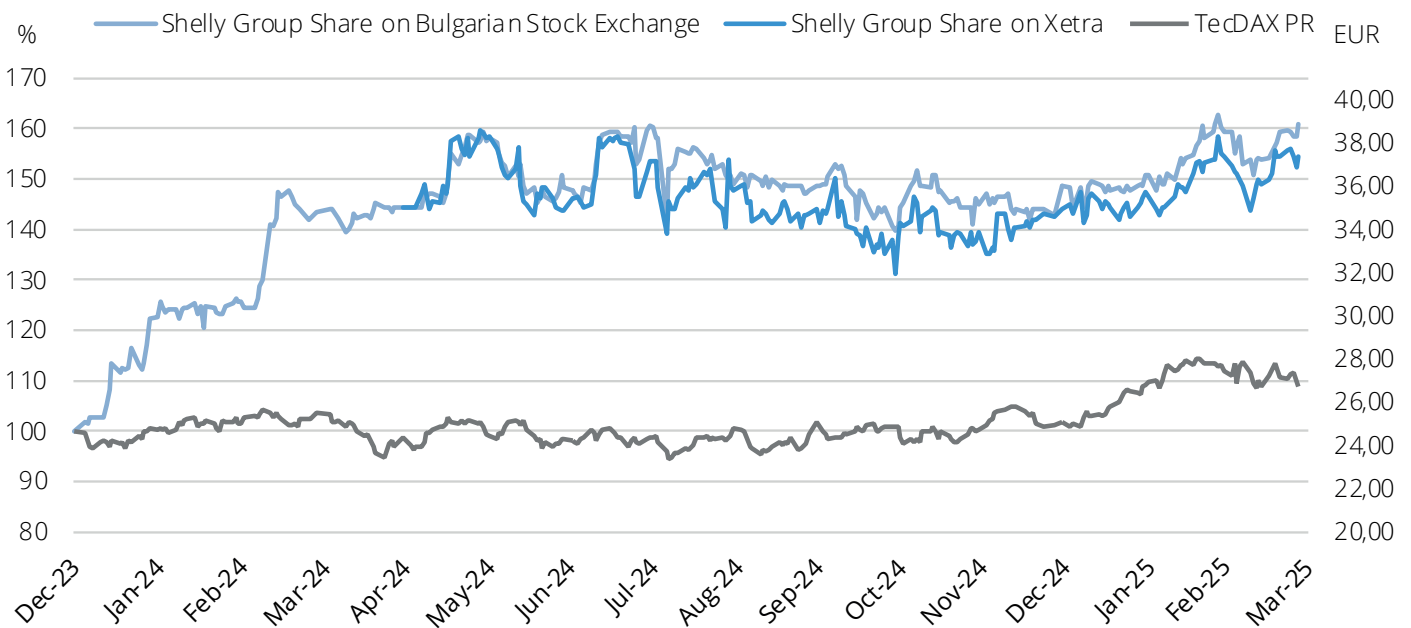
Shelly Group SE has been listed on the Regulated Market of the Bulgarian Stock Exchange in Sofia since December 2016 and on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange since November 2021.

Stock Markets Performance

2024 was another challenging year for the capital markets. Despite persistent negative factors such as inflation, geopolitical conflicts and recurring fears of recession, particularly in Germany, the major international indices reached new highs over the course of the year. The interest rate cuts by central banks in the second half of the year, particularly the European Central Bank (ECB) and the US Federal Reserve, were an important factor. The outcome of the US presidential election on 5 November 2024 led to euphoria on the capital markets in the hope of growth-promoting economic policy measures. The almost simultaneous failure of the grand coalition in Germany was unable to dampen the sentiment.

Over the course of the year, artificial intelligence (AI) stocks and large-cap companies were more in vogue. Large-cap U.S. technology stocks were omnipresent and a particular focus for investors, driving the S&P 500 up 23.8% and the Nasdaq 100 up 25.6%. In contrast, the MSCI ACWI Small Cap Index rose 15.4% and the MSCI Europe Small Cap Index rose only 6.3%. In Germany, the general reluctance of institutional investors to invest in small caps, combined with structural challenges in the German economy, led to a decline of 5.7% in the mid-cap index MDAX and 1.8% in the small-cap index SDAX.

Shelly Group Share Performance



Shelly Group SE shares opened at a price of EUR 24.70 in floor trading on the Frankfurt Stock Exchange at the start of trading on 2 January 2024 and already reached its low on 3 January at a price of EUR 24.20. The Shelly Group share price reached its high on 21 May 2024 at EUR 39.90. Despite its extremely positive business performance, the Shelly Group SE felt the effects of the noticeable reluctance of institutional investors to invest in small and mid-cap companies. The Shelly Group share price subsequently moved in a sideways corridor for the following months. On the last trading day of 2024, the Shelly Group share closed at EUR 35.00 (2023: EUR 24.30). On the basis of the year-end closing price, the shares of Shelly Group SE were trading around 44% higher.

The average daily trading volume of Shelly Group shares on XETRA amounted to 3,184 shares in the 2024 financial year. In the previous year 2023 as a whole, the average daily trading volume on the floor trading of the Frankfurt Stock Exchange was 1,777 shares. With a closing price of EUR 35.00 and around 18.1 million shares outstanding, the market capitalization of Shelly Group SE amounted to EUR 633.7 million as of 30 December 2024 (2023: EUR 438.6 million).

After the end of the reporting period, an average of 4,509 shares were traded daily on Xetra from 2 January 2025 to 31 March 2025. With a closing price of EUR 35.00 and around 18.1 million shares outstanding, the market capitalization of Shelly Group SE amounted to EUR 660.5 million as of 31 March 2025.

As designated sponsor, Baader Bank AG provided binding bid/ask prices as well as appropriate liquidity and corresponding tradability of the Shelly Group share in financial year 2024.

Share Price Performance 2024

		in EUR
Open	02/01/2024	23.90
High (intraday)	21/05/2024	39.90
Low (intraday)	03/01/2024	24.20
Close	30/12/2024	35.00
Performance		+44.0%
Market capitalization		633.7 million

Investor Relations Activities

Shelly Group SE shares are listed in the Prime Standard segment of the Frankfurt Stock Exchange and in the Eurobridge segment of the Bulgarian Stock Exchange. The Company informs its shareholders and capital market participants without delay about important business events or events of significance for the development of the share price by means of ad hoc announcements or corporate news as well as webcasts/conference calls.

In 2024, the Shelly Group's Board of Directors maintained an active, transparent and continuous dialog with existing and potential investors, analysts and the financial and business press. The Board of Directors also took part in investment conferences such as the Planet Microcap Showcase Conference in Las Vegas, USA, and in Germany the Munich Capital Markets Conference, the Montega – Hamburg Investors Days, the Baader Investment Conference in Munich, and the German Equity Forum in Frankfurt/Main. In addition, Management presented the Shelly Group and its corporate strategy at international and national roadshows, including in New York City, USA, and London, UK, as well as in Vienna, Austria, Hamburg and Frankfurt/Main, both in Germany.

Capital Markets Day

On 5 November 2024, the Shelly Group held its first Capital Markets Day in front of investors, analysts and representatives of the business and financial press in Frankfurt am Main, Germany, and virtually via webcast. Addressing over 100 participants from Germany and internationally, Co-CEOs Dimitar Dimitrov and Wolfgang Kirsch explained how the Shelly Group is revolutionizing the market for smart building solutions, showed how Shelly products are conquering the hearts and homes of customers, outlined the business strategy and growth drivers and presented the capital market strategy and long-term prospects up to 2030.

Financial Calendar 2024

26 February 2024	(Unaudited) Consolidated Financial Report Q4 2023 (after close of trading)
27 February 2024	Earnings Call (Unaudited) Q4 2023
15 April 2024	Annual Financial Report 2023 (after close of trading)
24 April 2024	Munich Capital Markets Conference, Munich, Germany
30 April/02 May 2024	Planet Microcap Showcase, Las Vegas; United States of America
15 May 2024	(Unaudited) Consolidated Financial Report Q1 2024 (after close of trading)
16 May 2024	Earnings Call (Unaudited) Q1 2024
04 June 2024	Ordinary General Meeting, Sofia, Bulgaria
13 August 2024	(Unaudited) Consolidated Financial Report Q2 2024 (after close of trading)
14 August 2024	Earnings Call (Unaudited) Q2 2024
21 August 2024	Montega – Hamburg Investors Days, Hamburg, Germany
23/24 Oktober 2024	Baader Investment Conference, Munich, Germany
13 November 2024	(Unaudited) Consolidated Financial Report Q3 2024 (after close of trading)
14 November 2024	Earnings Call (Unaudited) Q3 2024
25/27 November 2024	German Equity Forum, Frankfurt/Main, Germany

Analyst Research

The shares of Shelly Group SE are regularly analyzed and evaluated by renowned research houses. Detailed information is available to interested investors at corporate.shelly.com.

Institution	Date	Recommendation	Price Target in EUR
Baader Bank	27/02/2025	Buy	46.70
Montega	26/02/2025	Buy	49.00

In their studies, the analysts recommend buying the Shelly Group share with price targets of up to EUR 49.00. In particular, they emphasize Shelly Group's continued successful path

in 2024 and its ability to further expand both its strong operational performance and its product offerings and corporate structures. The analysts' recommendations to buy the Shelly Group share correspond to a price potential of around 40% at the closing price of EUR 35.00 on 30 December 2024.

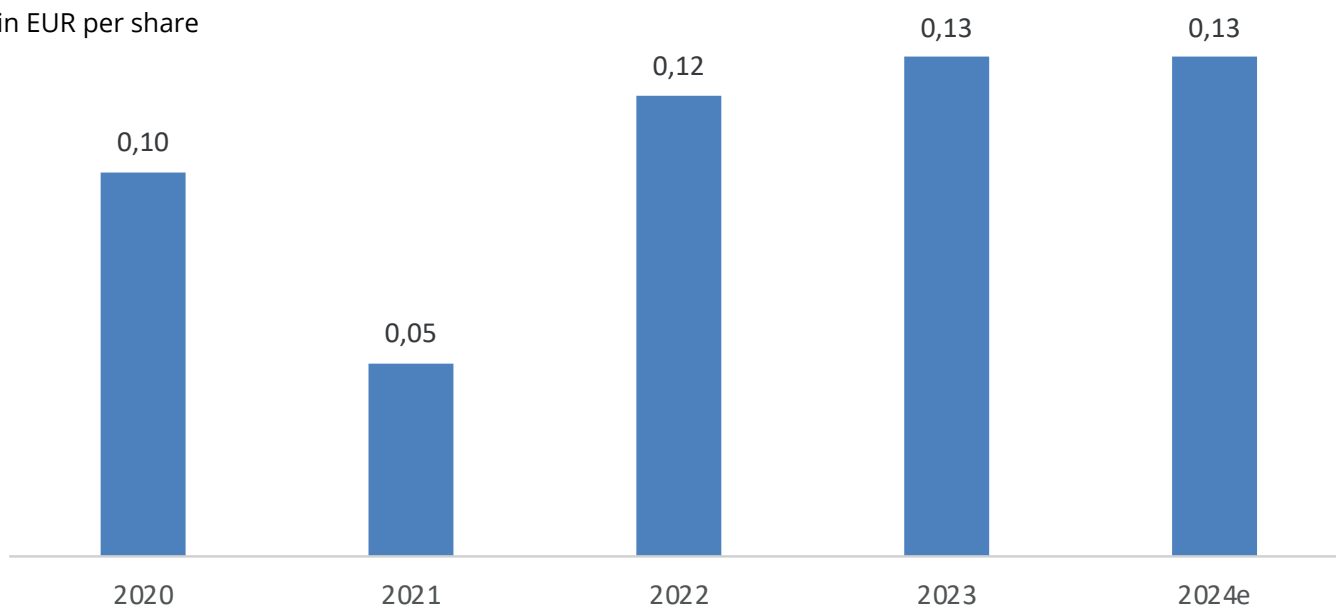
Directors intends to propose a dividend of EUR 0.13 per share at the Annual General Meeting 2025.

Dividend policy and growth orientation

In view of the strong growth in sales and earnings, and with virtually no debt, the Shelly Group pursues a policy of investing its after-tax profits in further business development. For historical reasons and in recognition of its first investors, the Shelly Group pays a continuous loyalty dividend. At the Annual General Meeting of Shelly Group on 4 June 2024, the shareholders approved the proposal of the Board of Directors and resolved to distribute a gross dividend of EUR 0.13 per share (2023: EUR 0.12). For the past financial year 2024, the Board of

Dividend History

in EUR per share

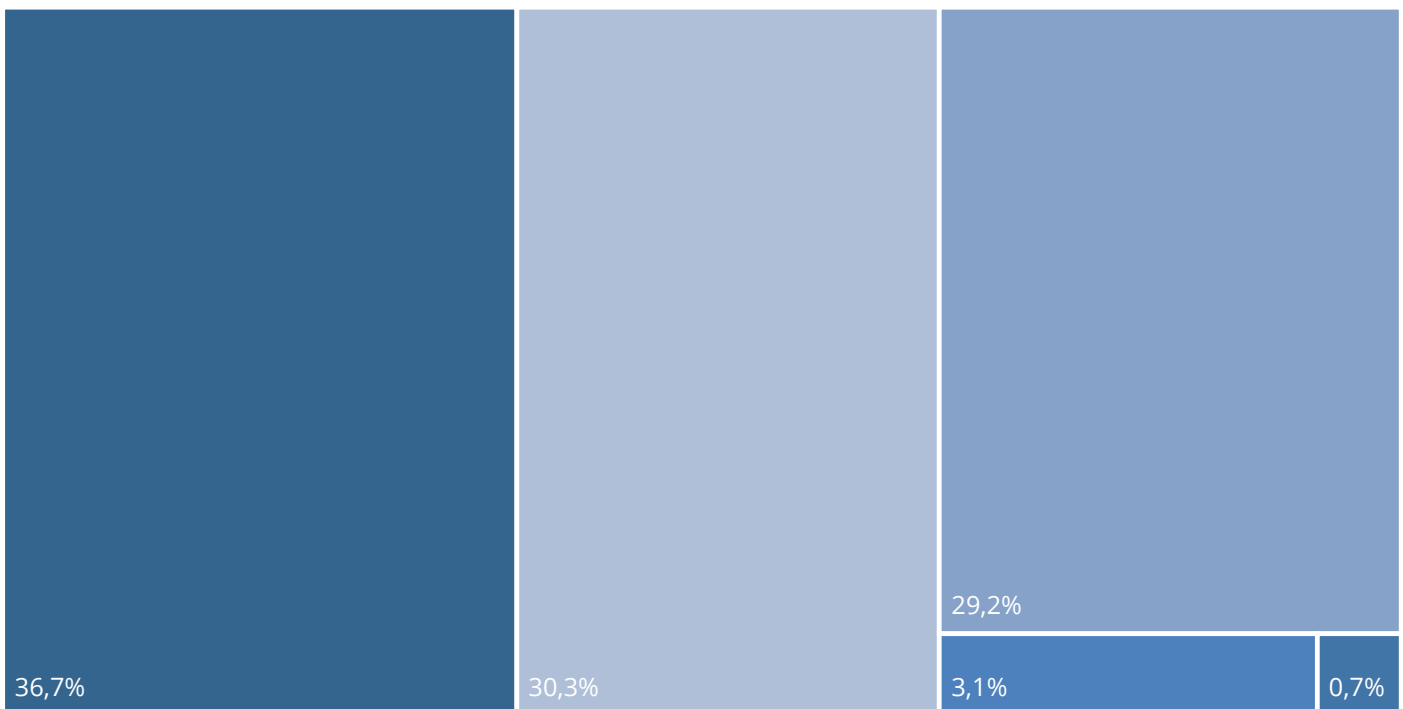


Shareholder Structure

The share capital of Shelly Group SE increased from EUR 18,050,945.00, divided into 18,050,945 no-par value registered shares, to EUR 18,105,559, divided into 18,105,559 no-par value shares. In the past financial year, Shelly Group SE carried out capital increases with subscription rights in connection with employee participation programs.

Detailed information on the shareholder structure can be found at corporate.shelly.com.

■ Dimitar Dimitrov ■ Svetlin Todorov ■ Impetus Capital ■ BIT Capital ■ Freefloat



Financial Calendar 2025

5 February 2025	Montega – Hamburg Investor Days, Hamburg, Germany
24 February 2025	(Unaudited) Consolidated Financial Report Q4 2024 (after close of trading)
25 February 2025	Earnings Call (Unaudited) Q4 2024
15 April 2025	Annual Financial Report 2024 (after close of trading)
22/24 April 2025	Planet Microcap Showcase, Las Vegas; United States of America
14 May 2025	(Unaudited) Consolidated Financial Report Q1 2025 (after close of trading)
15 May 2025	Earnings Call (Unaudited) Q1 2025
22/23 May 2025	Corporate Field Trip to Shelly Group headquarters, Sofia, Bulgaria
26/29 May 2025	Erste Group/Baader Bank – The Finest CEElection Equity Conference, Warsaw, Poland
June 2025	Ordinary General Meeting, Sofia, Bulgaria
13 August 2025	(Unaudited) Consolidated Financial Report Q2 2025 (after close of trading)
14 August 2025	Earnings Call (Unaudited) Q2 2025
22/23 September 2025	Baader Investment Conference, Munich, Germany
12 November 2025	(Unaudited) Consolidated Financial Report Q3 2025 (after close of trading)
13 November 2025	Earnings Call (Unaudited) Q3 2025
24/26 November 2025	German Equity Forum, Frankfurt/Main, Germany

Macroeconomic and sector-specific conditions

The Shelly Group monitors global economic developments as well as macroeconomic and sector-specific developments in the regions and countries in which it operates. By doing so, Shelly Group assesses the potential impact on purchasing power and consumer behavior as well as industry trends. The statements regarding industry, market, and competitive position are based on official market studies as well as internal management assessments, supported by market observation, experience, and ongoing dialogue with customers and partners.

Macroeconomic environment

Global economy expanded with little momentum in 2024 as a whole

According to the Kiel Institute for the World Economy, global GDP grew by just 3.2% in 2024, only slightly above the previous year. After a weak spring, momentum picked up modestly, mainly in the services sector, while industrial production lost steam again. Economic policy uncertainty, including announced U.S. tariffs, further dampened sentiment. While the U.S. economy remained strong, growth in other advanced economies stagnated. Toward the end of the year, global growth stayed subdued, with falling services PMIs and a slight uptick in manufacturing from a low level.^{1,2}

Eurozone economy picked up slightly

According to the IfW, eurozone GDP grew by 0.8% in 2024, up from 0.5% the year before. However, growth remained subdued as a result of ongoing structural challenges and continued weakness in the manufacturing sector. Momentum slowed toward the end of the year, particularly in private consumption, which had temporarily benefited from one-off effects in Q3. Economic performance varied significantly across the eurozone. While production increased in many member states, others saw declines, especially where manufacturing plays a larger role. Inflation averaged 2.3% in 2024, a sharp drop from 5.4% in the previous year.^{3,4}

1 https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/b6400436-e48e-4080-8751-9b6736201b75-KKB_119_2024-Q4_Welt_DE.pdf
 2 https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/ab-f832ab-051e-4e64-a39c-d483bf10930b-KKB_121_2025-Q1_Welt.pdf
 3 https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/b6400436-e48e-4080-8751-9b6736201b75-KKB_119_2024-Q4_Welt_DE.pdf
 4 https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/ab-f832ab-051e-4e64-a39c-d483bf10930b-KKB_121_2025-Q1_Welt.pdf

Germany without upward momentum

In 2024, the German economy remained largely stable, with GDP declining slightly by 0.2% following a modest contraction of 0.3% in the previous year. Growth in the service sector continued to provide support, while industrial activity softened, reflecting both cyclical factors and longer-term structural challenges. According to the IfW, competitiveness issues specific to the German business environment contributed to this development. Capacity utilization remained comparatively low. Labor market conditions were affected by the overall economic environment, with the unemployment rate rising moderately to 6.0% from 5.7%. Inflation eased significantly, averaging 2.2% after 5.9% in 2023.⁵

Smart Home sector environment

Home automation technologies have been available to professional users and end consumers for several decades, but until a few years ago they formed a niche segment, either for the wealthy or the tech-savvy. In recent years, this picture has changed as a result of various factors and smart home applications and complete systems are on the edge of mass adoption. Entry-level smart home technologies have become much more affordable in recent years, while reliability and functionality have improved significantly. At the same time, as the cost of connectivity has fallen, vendors have entered the market offering technology not only in high-end products, but also in mid-

5 https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/6d1b5ad6-1bca-478a-8890-232b6c115e0f-KKB_120_2024-Q4_Deutschland_DE.pdf

range and lower-end products. In addition, the introduction of voice-controlled smart speakers from Amazon, Apple, Google and Samsung SmartThings, and others has fueled the growth of the smart home market by raising awareness of the market and enabling easy integration and control of smart home products from different vendors.⁶

The smart home market, as defined in the following estimates, covers the sale of connected home automation devices to private consumers (B2C). It includes devices that control, monitor and regulate various functions in the home, connected devices that can be monitored and controlled, and sensors, actuators and cloud services that support general automation. Direct communication between devices (IoT) is a key component of the smart home. The smart home market does not include smartphones, tablets or smart TVs.⁷ The European market is the largest sales region for Shelly Group, led by the German-speaking countries with a growing presence across other key target geographies including Italy, France, Spain, UK, Poland and the Nordics.

Market Overview – Europe

In 2024, the number of smart homes in Europe increased by around 28% year-on-year to around 52 million, according to estimates of market firm Statista. As a result, market penetration in Europe rose to around 14% in 2024 after around 11% in the previous year. The European market for smart home solutions grew by around 14% to around EUR 74 billion in 2024. The largest markets in the past financial year 2024 were the United Kingdom with around EUR 9 billion, Germany with around EUR 7 billion, and France with around EUR 2 billion. The Connectivity & Control (around +16%) and Comfort & Lighting

(around +15%) segments, which are of particular importance to the Shelly Group, recorded the highest growth rates.⁸

Market Overview – Germany

According to estimates of market research firm Statista, the German market for smart home solutions grew by around 11.7% to around EUR 7 billion in 2024. As market research suggests, the German market is primed for growth.⁹ The largest segment in the past financial year was the Connectivity & Control segment (around EUR 2 billion), followed by Comfort & Lighting (around EUR 1 billion) and Energy Management (around EUR 1 billion segments). The Connectivity & Control (around +13.5%), and Comfort & Lighting (around +12.6%) segments, recorded the highest growth rates.

Technological advances, energy efficiency standards and an increasing focus on home security are driving this development. In the face of rising energy costs and a strong cultural emphasis on sustainability, German consumers are particularly receptive to smart home solutions that help reduce energy consumption. A contributing factor is the German Building Energy Act, a central instrument in the country's energy and climate protection strategies. Security concerns are another important factor contributing to market growth. The increasing need for safety and security in the home has led to a growing demand for smart security systems. Smart home security products offer advanced features such as real-time monitoring, remote access and automatic alerts that significantly improve home security. In addition, Germany's aging population is changing market dynamics and creating increased demand for smart home solutions that address the needs of older individuals, prioritizing both comfort and safety.¹⁰

6 Bäckmann, M. (2024). Smart Homes and Home Automation, 11th Edition

7 Statista Market Insights (2024): Smart Home - Europe

8 Statista Market Insights (2024): Smart Home - Europe

9 Statista Market Insights (2024): Smart Home - Europe

10 <https://www.mordorintelligence.com/industry-reports/germany-smart-home-market>

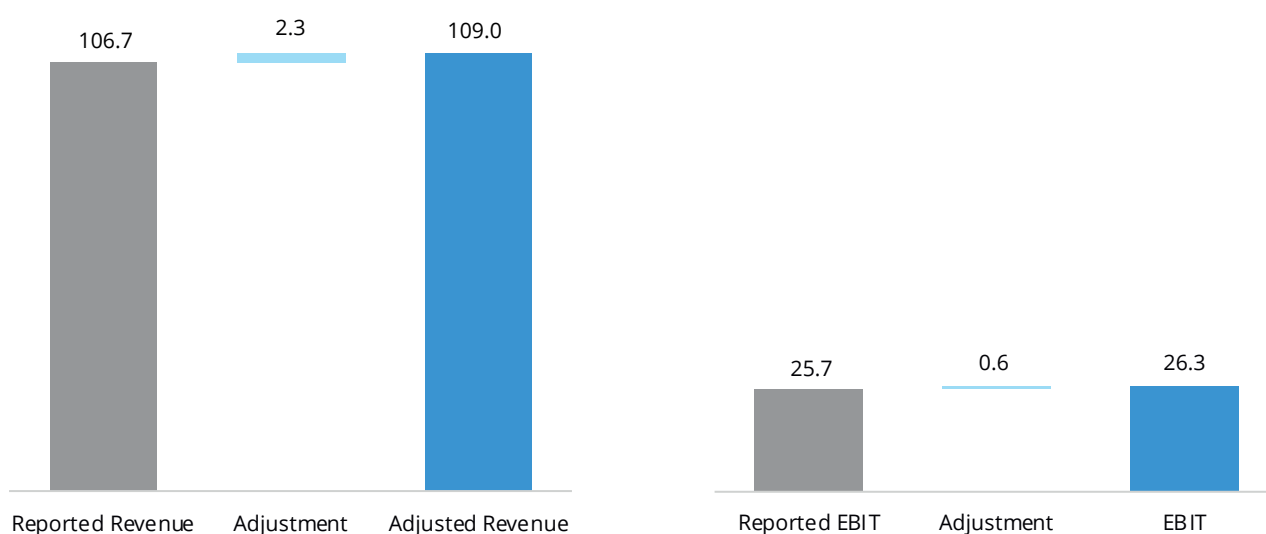
Group results of operations, assets and liabilities and financial positions

Assessment of Group business performance and economic situation

In the past financial year 2024, Shelly Group achieved an increase in **group revenue** of 42.4% to EUR 106.7 million by expanding its international distribution channels and geographical footprint, broadening its product and service portfolio and increasing the share of sales to professional users. The increase in revenue was thus slightly above the forecast of EUR 105 million and up to four times the management's industry average estimation of 10%. Here it should be noted that in Q4 2024 changes to the terms and conditions with key distributors were initiated, which include volume-based bonus payments and are recognized as a reduction in revenue. Adjusted for revenue reductions in connection with bonus payments for key distributors as of Q4 2025, **adjusted revenue** growth amounted to around 45% to around EUR 109 million.

Revenue and EBIT performance

Financial Year 2024 in EUR million

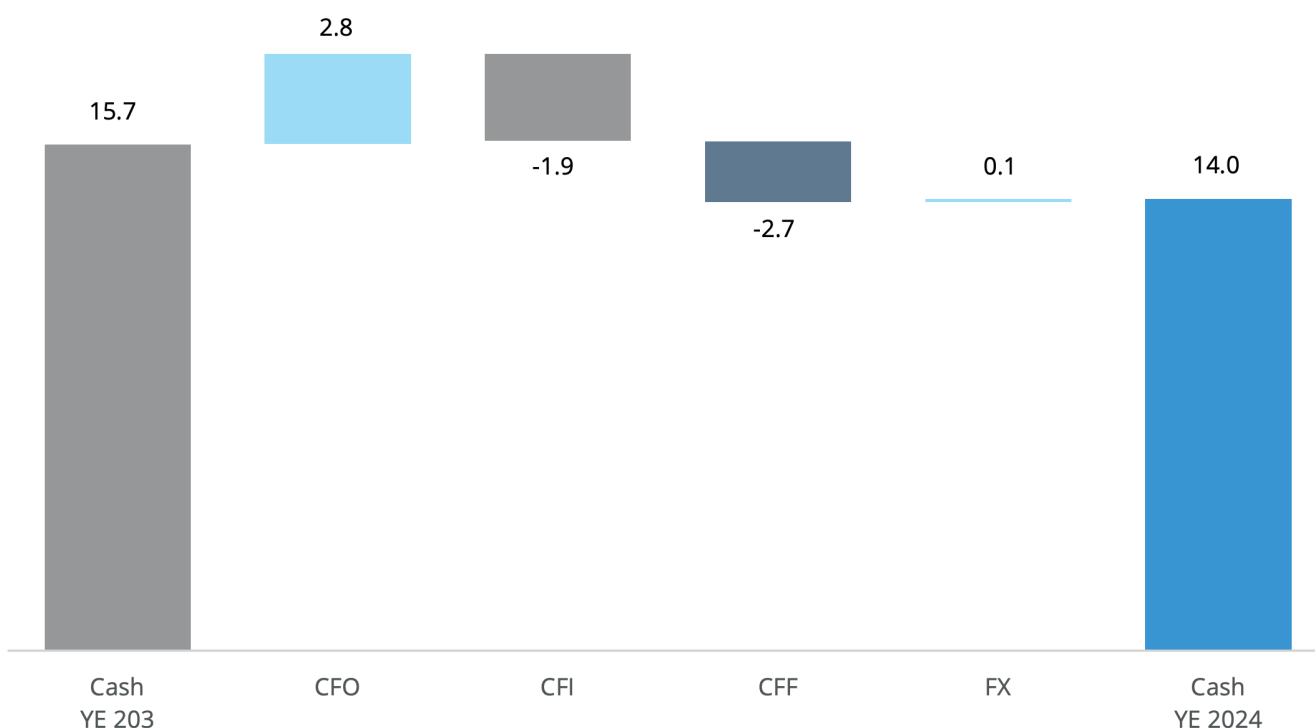


Note: Rounding differences may occur.

Earnings before interest and taxes (**EBIT**) grew by 34.9% to EUR 25.8 million. With a difference of only 1.2%, EBIT was also in line with the forecast of EUR 26 million. In addition to increased sales and marketing expenses in connection with trade fair participations, third-party marketing activities and online advertising, the clearance sale of products from previous generations had a noticeable impact. Thus, **EBIT margin** remained at a high level of 24.2% after 25.5% in the prior year, while not fully reaching the set target of 25%. Here, the sale of the Company's previous office building through the corresponding real estate company is to be taken into account, the proceeds of which are recognized as income from discontinued operations. **EBIT adjusted** for the corresponding IFRS effect amounted to EUR 26.4 million.

Cashflow performance

Financial Year 2024 in EUR million



Note: Rounding differences may occur.

The decline in cash flow from operating activities to EUR 2.7 million (2023: EUR 7.7 million) despite the sharp rise in positive net result reflects in particular an increase in working capital from own funds to strengthen growth momentum. Net financial assets (cash and cash equivalents less liabilities to banks) contracted to EUR 13.2 million (2023: EUR 14.9 million) as of 31 December 2024. At the same time, dividend payments of EUR 2.3 million were distributed.

Group results of operations

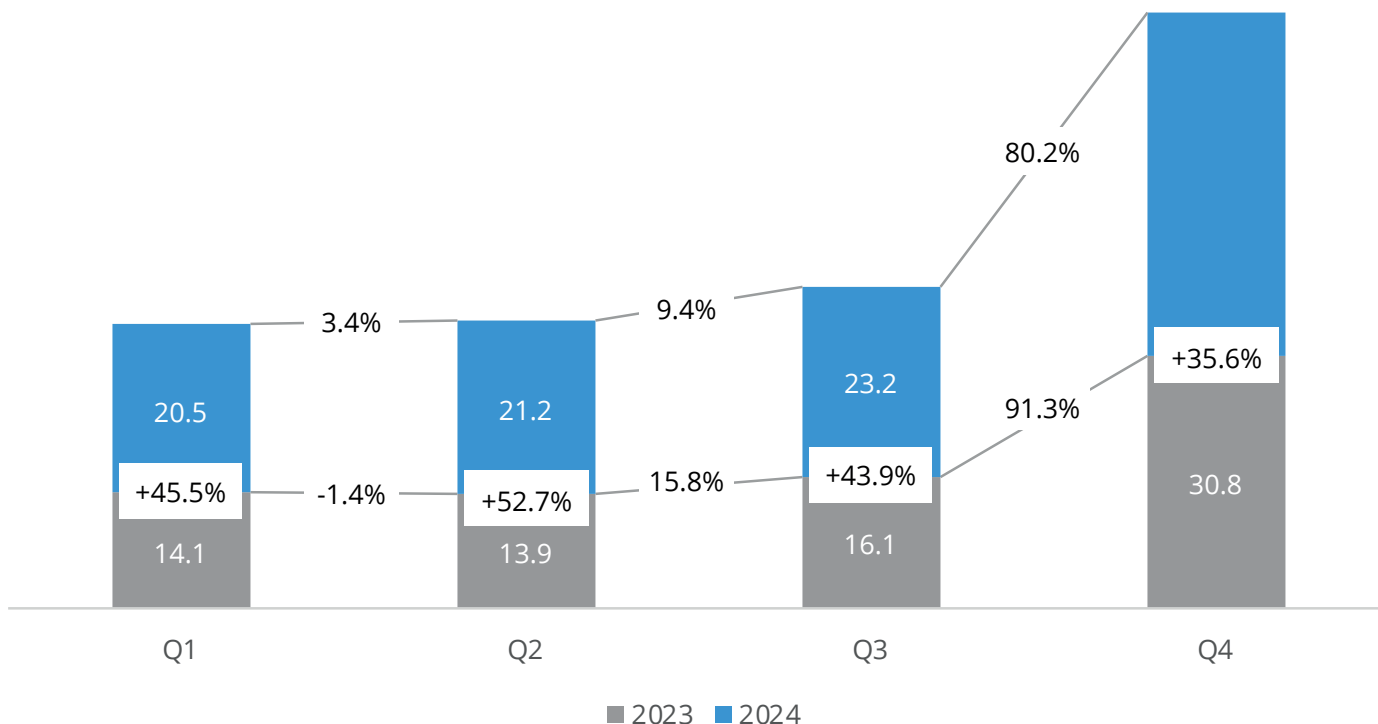
Shelly Group achieved an increase in **group revenue** of 42.4% to EUR 106.7 million by expanding its international distribution channels and geographical footprint, broadening its product and service portfolio and increasing the share of sales to professional users. The Company is pleased with the positive initial development of its premium app offering. While the number of users has already exceeded expectations, revenue is slightly below target due to a longer trial period—an effect that was anticipated. Encouragingly, revenue targets for 2025 and 2026 remain fully on track. With a gross margin of nearly 100%, the premium app has strong long-term potential and is an important driver of future growth.

In the past financial year 2024, the Shelly Group achieved continuous revenue growth **year-on-year**. In Q4, revenue increased by 35.6% **quarter-on quarter** even though product launches were postponed as a result of lengthy Matter certification processes. Here it should be noted as well that in Q4 2024 changes to the terms and conditions with key distributors were initiated, which include volume-based bonus payments and are recognized as a reduction in revenue.

Revenue performance

Financial Year 2024 in EUR million

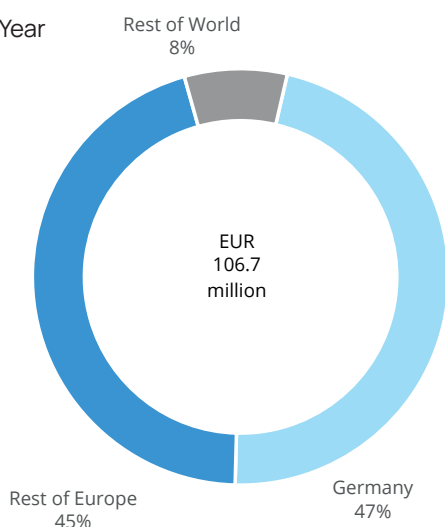
With a revenue performance above the market average in all **sales regions**, the German-speaking countries continued to make the largest contribution to growth with an increase of 36.0% to EUR 49.9 million. The international expansion of distribution structures continued to accelerate, with particularly strong growth in Italy and the Iberian Peninsula. The rest of Europe grew by 47.4% and the rest of the world by as much as 54.5%. Shelly Group recorded revenue outside Europe, still at a low level but with increasing growth rates, and made promising progress in Asia in particular.



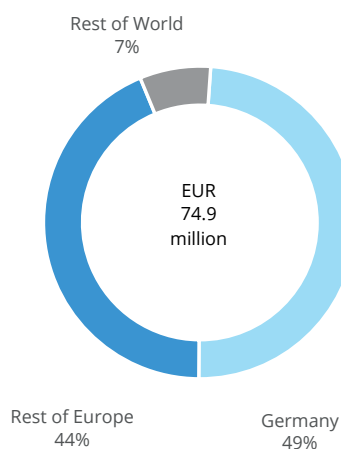
Note: Rounding differences may occur.

Regional split of revenue distribution

Financial Year 2024



Financial Year 2023



Note: Rounding differences may occur.

Cost of sales rose slightly slower than revenues by 35% to EUR 43.4 million. Here, optimizations in the supply chains and a changed product portfolio led to an improvement in the gross margin.

Other operating income came to EUR 3.7 million (2023: EUR 0.7 million). Here, in particular, exchange rate effects from procurement, compensation from the contract manufacturer for defective products and returned goods in connection with the changed conditions for key distributors had a noticeable impact.

Sales expenses driven in particular by marketing and advertising expenses more than tripled to EUR 19.9 million (2023: EUR 5.2 million). Efficiency gains will be realized again from 2025 through greater control of distributors' advertising. In

contrast, transportation expenses rose only slightly. The sales-expenses-to revenue ratio remain at the previous year's level.

Administrative expenses increased, in particular as a result of higher personnel expenses as well as the use of hired services such as contracted marketing agencies and software developers, to EUR 18.5 million (2023: EUR 14 million). **Personnel expenses** grew by 26.5% to EUR 12.2 million.

Other operating expenses fell to EUR 2.8 million (2023: EUR 3.5 million). While provisions for liabilities were recognized in the previous year, provisions for product warranties arose in the past financial year 2024 with increasing product sales.

Earnings before interest and taxes (**EBIT**) grew by 34.9% to EUR 25.8 million. The EBIT margin remained at a high level of

24.2%. Here, the sale of the Company's previous office building through the corresponding real estate company is to be taken into account, the proceeds of which are recognized as income from discontinued operations. **EBIT adjusted** for the corresponding IFRS effect amounted to EUR 26.4 million. In addition to increased sales and marketing expenses in connection with trade fair participations, third-party marketing activities and online advertising, the clearance sale of products from previous generations had a noticeable impact.

Group net result increased by 35.8% to EUR 22.9 million, translating into an earnings per share growth of 35.2% to EUR 1.26 (2023: EUR 0.94). The number of shares increased by 0.3% to 18,105,559 as of 31 December 2024 (31 December 2023: 18,050,945 shares).

Group key performance indicators

in EUR million	2024	2023	Δ
Group revenues	106.7	74.9	42.4%
EBIT	25.8	19.1	34.4%
EBIT margin	24.2%	25.5%	-5.6%
Net profit	22.9	16.8	36.9%
Equity ratio	82.3%	85.8%	-5.2%
Operating cash flow	2.8	7.7	-63.6%
Cash and cash equivalents	14.0	15.7	-11.1%

Group assets and financial position

Shelly Group's total assets increased by 41.1% to EUR 92.3 million as of 31 December 2024 (31 December 2023: EUR 65.3 million). Non-current assets (excluding deferred taxes) are financed by equity. Current assets cover current liabilities.

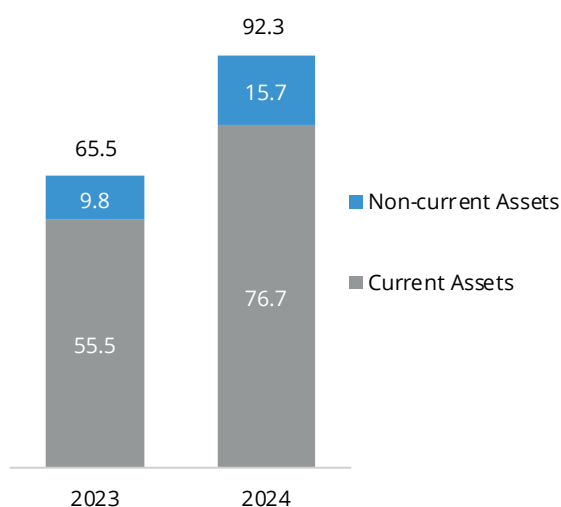
Asset position

Non-current assets as of 31 December 2024 increased to EUR 15.7 million (31 December 2023: EUR 9.8 million) in particular as a result of the rise in self-generated **intangible assets** such as patents, licenses, trademarks, prototypes and development, as well as in **right-of-use-assets**, in particular for the new office building.

Note: Rounding differences may occur.

Balance sheet analysis

Assets (in EUR million)



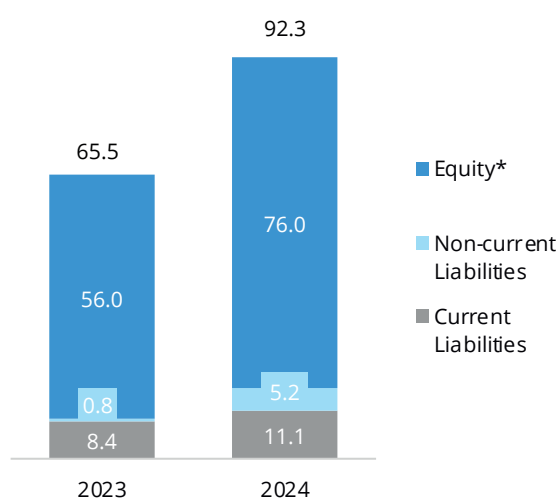
Note: Rounding differences may occur.

Current assets rose to EUR 76.7 million as of 31 December 2024 (31 December 2023: EUR 55.5 million). Here, the **increase in inventories** to EUR 23.3 million was particularly noticeable (31 December 2023: EUR 9.3 million). In addition, **trade receivables** increased to EUR 35.9 million (31 December 2023: EUR 26.7 million), mainly driven by higher sales.

Net financial assets (cash and cash equivalents less liabilities to banks) contracted to EUR 13.2 million (2023: EUR 14.9 million) as of 31 December 2024. At the same time, dividend payments of EUR 2.3 million were distributed.

Equity increased by 35.7% to EUR 76.0 million (31 December 2023: EUR 56 million). The change in equity reflects the positive earnings situation as well as the dividend of EUR 2.3 million distributed to the shareholders of Shelly Group SE. In contrast,

Equity and Liabilities (in EUR million)



the **equity ratio** decreased to 82.3% as of 31 December 2024 (31 December 2023: 85.8%). Here, the repayment of liabilities through the use of the proceeds from the sale of the previous office building was offset by the future rental expenses to be recognized in accordance with IFRS 16.

Non-current liabilities amounted to EUR 5.2 million as of 31 December 2024 (31 December 2023: EUR 0.8 million). Here, the full reimbursement of non-current **financial liabilities** was mainly offset by the recognition of **lease liabilities** related to future rental expenses for the new office building in accordance with IFRS 16.

The **current liabilities** amounted to EUR 11.1 million as at 31 December 2024 (31 December 2023: EUR 8.4 million) resulting in particular from the increase in **trade payables**.

As of 31 December 2024, Shelly Group SE reported **total financial liabilities** of EUR 11.1 million (31 December 2023: EUR 3.3 million), of which EUR 6.1 million comes with a **maturity** of up to 12 months (31 December 2023: EUR 2.6 million). The total financial liabilities include lease liabilities of EUR 5.8 million (31 December 2023: EUR 0.3 million), of which EUR 5.1 million are in particular non-current lease liabilities related to the use of the new office building as well vehicles.

Working capital increased in particular as a result of the build-up of inventories by 39.3% to EUR 65.6 million (31 December 2023: EUR 47.1 million). Improved planning using the newly implemented SAP system, increasing economies of scale in procurement and faster inventory turnover, as well as more efficient deliveries and shorter payment terms, are expected to contribute to an optimization of working capital from 2025 onwards.

Liquidity analysis and capital spending

Shelly Group maintained cash and cash equivalents of EUR 14 million as of 31 December 2024 (31 December 2023: EUR 15.7 million). Credit facilities amounting to a total of EUR 5.1 million are available under the existing loan agreements. As of 31 December 2024, credit lines in the amount of EUR 0.3 million have been utilized.

Cash flow from operating activities fell to EUR 2.7 million in the past financial year 2024 (2023: EUR 7.7 million) reflecting in particular an increase in working capital from own funds to strengthen growth momentum. The corresponding increase in inventories was offset by an overall improvement in receivables management. Improved planning with the newly imple-

mented SAP system, increasing economies of scale in procurement and faster inventory turnover as well as more efficient deliveries and shorter payment terms should help to optimize working capital from 2025.

Cash flow from investing activities resulted in a cash outflow of EUR 1.8 million (2023: cash outflow of EUR 4.1 million). The cash flow from investing activities reflects investments in research and development as well as the acquisition of a further 16% in Shelly Tech (GOAP), the acquisition of a further 50% in Shelly Asia Ltd, and the sale of the former office building (Shelly Properties).

The cash flow from financing activities resulted in a cash outflow of EUR 2.7 million (2023: cash outflow of EUR 2.2 million). While the proceeds from new loans were offset by redemptions in the same amount, Shelly Group SE distributed dividends of around EUR 2.3 million, as in the previous year.

At EUR 0.9 million, free cash flow (cash flow from operating activities plus cash flow from investing activities) was below the previous year's figure (EUR 3.6 million). This primarily reflects the strong acceleration in growth with advance payments to suppliers.

Forecast report

In principle, the Shelly Group's business performance is closely intertwined with the development of the macroeconomic and industry environment. The Board of Directors bases its forecast for the 2025 financial year on expectations and assumptions regarding the macroeconomic environment and the development of relevant industries. Historically, challenging market environments have proven to be favorable for Shelly Group, as customers increasingly prioritize solutions that offer exceptional value for money. With its high-quality, cost-effective smart home products, Shelly Group is ideally positioned to gain further market share as households and businesses seek energy-efficient and budget-conscious solutions.

In view of the increasing sales revenues in the United States, but the still low share of US business in Group sales revenues, the Company expects the current customs disputes to have only an insignificant impact on the sales and earnings situation. However, a negative impact on macroeconomic and sectoral developments from the current customs disputes cannot be entirely excluded.

Development of macroeconomic environment

Global economic upturn remains to come

The Kiel Institute for the World Economy (IfW) expects the global economy to grow by 3.1% in 2025. In 2026, growth is also expected to slow to 3.1%, 0.2 percentage points lower than the IfW's autumn forecast. In contrast, global economic output could fall by 0.8% as a result of the tariff disputes raging at the time of preparing the report. Economic development in the United States is also expected to weaken and slow to 2.4% in 2025 as a result of measures to curb irregular migration and additional import tariffs. Taking the tariff disputes into

account, however, US economic output could fall by 1.7%. For China, the IfW expects a further slowdown to growth of 4.4% in 2025, or a contraction of 2.6% as a result of tariff disputes. In view of the global tightening of monetary policy and, in particular, falling commodity prices, the IfW expects that global inflation will fall from an average of 6.9% in 2024 to 4.7% in 2025. In the context of the tariff disputes, global inflation could even fall to 0.7%.^{1 2}

The tariffs on imports from almost all countries announced by the US government in April 2025 could have serious negative economic consequences - most noticeably for the United States itself. Other countries are far less negatively affected, Germany and the EU only moderately so. According to the Kiel Institute for the World Economy (IfW), the price effects would be smaller if the affected countries were to take the expected countermeasures, but the decline in exports would be even greater. The consequences for the USA itself would therefore be far more dramatic than for almost all other countries.

Economic activity in the eurozone remains sluggish

The IfW expects weak economic momentum in the eurozone. In 2025, private consumption should continue to have a supportive effect as a result of declining inflation, and an expected loosening of monetary policy should improve financing conditions, while the ongoing weakness of the manufacturing sector should have a dampening effect. The phasing out of fiscal stimuli and economic policy uncertainties are likely to have an impact here. These include, in particular, new tariffs in the US and the risk of trade conflicts with China. Economic growth is

¹ https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/b6400436-e48e-4080-8751-9b6736201b75-KKB_119_2024-Q4_Welt_DE.pdf

² <https://www.ifw-kiel.de/de/publikationen/aktuelles/neue-us-zoelle-treffen-vor-allemdie-usa-selbst/>

expected to remain weak at 0.9% in 2025. In contrast, the intensity of customs disputes at the time of preparing the report could mean a decline of 0.2% according to the IfW.^{3 4}

Economic activity in Germany will only pick up again in 2026

According to the IfW, the German economy will continue to stagnate. The IfW is thus significantly reducing its expectations compared to the autumn forecast for 2024 by 0.5 percentage points and is now only expecting zero growth for 2025. According to the IfW, the economic weakness is mainly structural in nature and less cyclical. Taking the tariff disputes into account, however, German economic output could fall by 0.3%. While private consumption will hardly develop any great momentum, structural problems will continue to weigh on industrial production. According to the IfW, inflation in 2025 should be 2.2% on average, as in the previous year. In the context of the tariff disputes, inflation Germany could even fall to -1.0%.^{5 6}

Development of the Smart Home sector

The market for smart home technology is influenced by a number of trends, which play a pivotal part in Shelly Group's strategy. These include rising energy prices and the associated demand for intelligent energy efficiency solutions, lower prices opening mass market adoption, or approaches of open versus closed smart home ecosystems.

Intelligent energy management solutions enable consumers to reduce their energy consumption and thus their energy costs. Since the actual savings that a household can achieve are directly related to energy prices, the demand for energy-saving and energy management solutions is continuously increasing. Smart thermostats and radiator valves, combined with occupancy sensors and energy optimization software, in which the Shelly Group plays a leading role, are among the most common solutions in this segment.⁷

In the past, professional home automation systems cost tens of thousands of US dollars, while do-it-yourself (DIY) systems were often unreliable and required a great deal of tinkering and technical know-how on the part of users. However, with the emergence of providers like the Shelly Group, prices have fallen significantly in recent years, and at the same time, solutions have become easier for the average consumer to install and use. Such solutions that are based on wireless home network technologies, lightweight smart home hubs and smartphone apps as the primary user interface have further lowered prices, making home automation accessible to the vast majority of the population. In particular, the use of connected appliances is expected to increase as prices fall, given their usefulness in controlling energy consumption.⁸

Smart home solutions are available as open or closed systems, depending on the provider. In closed ecosystems, only a predefined set of devices can be used in the smart home system. By contrast, a much wider range of devices can be added to open smart home ecosystems. Out-of-the-box compatibility with a wide range of smart home devices is common and sometimes

³ https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/b6400436-e48e-4080-8751-9b6736201b75-KKB_119_2024-Q4_Welt_DE.pdf

⁴ <https://www.ifw-kiel.de/de/publikationen/aktuelles/neue-us-zoelle-treffen-vor-allemdie-usa-selbst/>

⁵ https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/51c44c5a-29eb-4a78-ace8-a7aa207c55ce-_KKB_122_2025-Q1_Deutschland_DE.pdf

⁶ <https://www.ifw-kiel.de/de/publikationen/aktuelles/neue-us-zoelle-treffen-vor-allemdie-usa-selbst/>

⁷ Bäckmann, M. (2024). Smart Homes and Home Automation, 11th Edition

⁸ Bäckmann, M. (2024). Smart Homes and Home Automation, 11th Edition

custom integrations can be made to support additional devices. The market research firm Berg Insight assumes that open smart home ecosystems will win in the long term. The current trend in the smart home industry is to open ecosystems and make APIs available to third-party companies to enable interoperability between more devices and systems, as offered by the Shelly Group.⁹

Market Development – Europe

The number of smart homes in Europe is expected to increase by around 18% year-on-year to around 67 million in 2025, according to market research firm Statista. The number of smart homes in Europe is expected to increase by a compound annual growth rate of around 28% to around 142 million until 2028. As a result, market penetration in Europe is expected to increase to around 18% in 2025, up from around 14% in the previous year, an increase of around 28%. By 2028, market penetration of smart homes in Europe is expected to increase by a compound annual growth rate of around 28% per year to around 38%. The European market for smart home solutions is expected to grow by around 12% to around EUR 37 billion in 2025. By 2028, the market for smart homes in Europe is expected to grow by an average of around 10% per year to around EUR 48 billion. The largest markets in the 2025 financial year are expected to be the United Kingdom, with around EUR 12 billion, Germany, with around EUR 9 billion, and France with around EUR 4 billion.¹⁰

Market Development – Germany

According to market research firm Statista, the German market for smart home solutions is expected to grow by around 11% to around EUR 9 billion in 2025.¹¹ The largest segment is expected

to be once again the Connectivity & Control segment (around EUR 2 billion), followed by the Comfort & Lighting (around EUR 1 billion) and Energy Management (around EUR 1 billion) segments. The Connectivity & Control (around +12%), and Comfort & Lighting (around +12%) segments are expected to see the highest growth rates. The German market for smart home solutions is expected to grow by a compounded annual growth rate (CAGR) of around 9% to EUR 12 billion by 2028.

In Germany, intelligent energy management in particular is expected to serve as a growth driver. Intelligent energy management systems are becoming increasingly popular as the country pushes ahead with its ambitious climate targets and renewable energies are widely used. These systems, which integrate advanced technologies to monitor, control and optimize energy consumption in homes, are essential to creating energy-efficient and sustainable living environments. Smart energy management systems for homes, for example, enable homeowners to efficiently manage and use renewable energy. For example, intelligent energy management systems are able to optimize the use of solar panels by storing excess energy in batteries for later use or feeding it back into the grid at peak times, maximizing both energy efficiency and cost savings.¹²

Future development of the Shelly Group

Shelly Group has consistently outperformed the market by leveraging innovative solutions and a strong brand presence. The Board of Directors strives to continue the successful development of the Shelly Group in recent years and to continue to grow around three times faster than the market, taking

⁹ Bäckmann, M. (2024). Smart Homes and Home Automation, 11th Edition

¹⁰ https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IFW-Publications/fis-im-port/6d1b5ad6-1bca-478a-8890-232b6c115e0f-KKB_120_2024-Q4_Deutschland_DE..pdf

¹¹ Statista Market Insights (2024): Smart Home - Europe

¹² <https://www.mordorintelligence.com/industry-reports/germany-smart-home-market>

base effects into account. Shelly Group's proven track record is based on three pillars: growth, margins and cash generation.

Growth

The Shelly Group's market expansion is supported by fundamental market growth, market share gains and new market entries. High-quality products and a market-leading operating system developed in-house ensure a lasting competitive advantage. Finally, a strong upselling lever for growth is the existing customer base, which generates repeat purchases.

Margins

The Shelly Group's margin potential stems at first sight from the supply chain, through the outsourcing of production to low-wage countries and a partial shift from air to sea freight. At the same time, Shelly Group can provide high quality R&D work with top-skilled European engineering staff at low cost with strong retention. The strong focus on the cost margin, taking into account value-oriented innovation and cost control, also enables further potential for price increases.

Cash generation

The Shelly Group's asset-light business model supports the deployment of cash for growth initiatives with minimal capital expenditure. In addition, future growth is supported by continued improvements in working capital and the resulting additional liquidity. At the same time, strict cost management reduces expenses, improves cash flow and in turn supports competitive pricing

Shelly Group's opportunities in tariff-driven market shifts

According to the Shelly Group's assessment, the tariffs imposed by the United States on goods produced in China would

probably affect the Company's competitors equally, as most of their products are also manufactured in the People's Republic. In light of the attractive price-performance ratio of Shelly products, the Company believes that the effect of the tariffs will vary and lead to a relative competitive advantage for the Shelly Group. Higher priced competitor products would become less attractive with increasing tariff levels. As a result, the Company anticipates increased demand for the more competitive Shelly products and a positive impact on sales and earnings.

Shelly Group consolidated forecast 2025

The Board of Directors will remain committed to the Shelly Group's strategy in the 2025 financial year. The objectives for the current financial year 2025 are to continue the strong topline growth, to at least maintain if not improve profitability and to safeguard a solid cash position. To this end, regional expansion will continue with the market entry into Poland and the United Kingdom, and the customer base will be further diversified from DIY enthusiasts to professional users, building on the strong progress already made. Moreover, a broader product range will support future growth, while the cloud and premium apps will open up additional revenue potential. In addition, the Board of Directors sees ample opportunity for inorganic / M&A growth.

For the current financial year 2025, the Board of Directors expects revenue growth to between EUR 145 million and EUR 155 million and an increase in EBIT to between EUR 35 million and EUR 40 million. In the past financial year 2024, revenue amounted to EUR 106.7 million (forecast: EUR 105.0 million) and EBIT to EUR 25.7 million (forecast: EUR 26.0 million).

Consolidated Statement of Financial Position

in EURk Assets	31 December 2024	31 December 2023 (recalculated)
Non-current assets		
Property, plant and equipment	1,125	2,747
Intangible assets	6,830	3,859
Right-of-use assets	5,638	216
Goodwill	1,860	1,797
Investments in associates	82	206
Trade receivables	-	525
Deferred tax assets	155	473
Total non-current assets	15,689	9,823
Current assets		
Inventory	23,293	9,343
Receivables on loans granted	-	281
Trade receivables	35,857	26,730
Other receivables	3,517	3,369
Cash and cash equivalents	13,985	15,737
Total current assets	76,653	55,460
Total Assets	92,342	65,283

in EURk Liabilities	31 December 2024	31 December 2023 (recalculated)
Non-current liabilities		
Bank loans	-	521
Lease liabilities	5,061	227
Retirement benefit obligations	167	101
Total non-current liabilities	5,228	848
Current liabilities		
Bank loans	421	343
Lease liabilities	696	110
Trade payables	5,021	2,098
Payables to employees and social security	1,210	1,254
Other liabilities	3,749	4,590
Total current liabilities	11,097	8,395
Total liabilities	16,325	9,244
Equity		
Share capital	9,257	9,229
Retained earnings	63,060	42,522
Legal reserves	986	1,434
Premium reserve	2,763	2,763
Reserves from revaluation of defined benefits plans	-45	2
Exchange differences from translation of foreign subsidiaries' financial statements	267	487
Equity attributable to Parent Company's equity holder	76,288	56,436
Non-controlling interest	-271	-397
Total equity	76,017	56,039
Total equity and liabilities	92,342	65,283

Group Segment Report

in EURk	2024	2023
Sales revenue	106,709	74,926
Cost of sales	-43,382	-32,136
Gross profit	63,327	42,790
Other operating income	3,731	658
Sales expenses	-19,924	-5,201
Administrative expenses	-18,506	-13,974
Impairment expenses	-	-1,670
Other operating expenses	-2,834	-3,480
Profit from operating activity	25,795	19,122
Finance income	10	102
Finance expense	-72	-58
Share of associated companies' profit/(loss)	-13	25
Profit before tax	25,721	19,191
Income tax expense	-3,476	-2,344
Profit for the period from continuing operations	22,244	16,847
Profit for the period from discontinued operations	635	-
Net profit	22,879	16,847
Other comprehensive income:		
Items, that will not be reclassified to profit or loss		
Other long-term capital instruments	-	227
Deferred tax related to equity instruments	-	-29
Actuarial gain (loss)	-51	3
Deferred tax on actuarial gain	5	-1
Exchange differences from translation of foreign subsidiaries' financial statements	-34	25
Effect from business combinations	-501	274
Other comprehensive income for the year after taxes	-581	498
Total comprehensive income for the year	21,663	17,345
Net profit attributable to:		
Owners of the Parent Company	22,974	17,176
Non-controlling interest	-95	-329
Other comprehensive income attributable to:		
Owners of the Parent Company	-802	565
Non-controlling interest	221	-67
Total comprehensive income attributable to:		
Owners of the Parent Company	22,172	17,741
Non-controlling interest	126	-397
Earnings per share (in EUR)	1,26	0,94

Consolidated Statement of Cash Flows

in EURk	2024	2023
Cash flows from operating activities		
Proceeds from customers	85,366	59,419
Payments to suppliers	-67,882	-38,813
(Taxes (refunds) paid	-1,076	-1,199
Corporate tax paid	-2,715	-2,596
Payments to employees and social security institutions	-10,793	-8,804
Bank fees	-7	-7
Other payments, net	-143	-319
Net cash flows from operating activities	2,749	7,682
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment and intangible assets	-3,890	-2,436
Loans granted	-	-280
Loans returned	280	-
Proceeds from sale of property, plant and equipment	-	43
Proceeds from the sale of investments	2,965	748
Other proceeds	-	76
Purchase of investments	-1,168	-2,274
Net cash flows used in investing activities	-1,813	-4,124
Cash flows from financing activities		
Increase of share capital	28	26
Redeemed shares	-	544
Lease payments	-268	-153
Loans received	1,073	134
Loans repaid	-1,132	-371
Cash flows related to interest and commissions	-8	-29
Dividends paid	-2,347	-2,301
Other payments, net	-27	-6
Net cash flows used in financing activities	-2,681	-2,156
Net increase/(decrease) in cash and cash equivalents for the year	-1,745	1,402
Net exchange differences	-7	-57
Cash and cash equivalents at the beginning of the year	15,737	14,392
Cash and cash equivalents at the end of the year	13,985	15,737

Consolidated Statement of Changes in Equity

in EURk	Share capital	Retained earnings	Revaluation reserve	Premium reserve	Legal reserves	Redeemed shares
Balance at 1 January 2023	9,203	28,181	-259	2,763	920	-399
Total comprehensive income, net, incl.	-	16,561	198	-	513	-
Net profit	-	17,176	-	-	-	-
Other comprehensive income	-	-	227	-	-	-
Deferred tax	-	-	-29	-	-	-
Actuarial gain	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-
Exchange differences from translation of foreign subsidiaries' financial statements	-	-	-	-	-	-
Effect from business combination	-	-615	-	-	513	-
Redeemed shares	-	143	-	-	-	399
Increase of share capital	26	-	-	-	-	-
Dividends (EUR 0.13 per share)	-	-2,301	-	-	-	-
Other adjustments	-	-63	61	-	-	-
Balance at 31 December 2023	9,229	42,522	-	2,763	1,434	-
Balance at 1 January 2024	9,229	42,522	-	2,763	1,434	-
Total comprehensive income, net, incl.	-	22,889	-	-	-450	-
Net profit	-	22,974	-	-	-	-
Exchange differences from translation of foreign subsidiaries' financial statements	-	-	-	-	-	-
Actuarial gain (loss)	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-
Effect of increase of controlling participation, net	-	-85	-	-	-450	-
Replenishment of reserve	-	-3	-	-	3	-
Capital increase	28	-	-	-	-	-
Dividend (EUR 0.13 per share)	-	-2,347	-	-	-	-
Other adjustments	-	-0.3	-	-	-1	-
Balance at 31 December 2024	9,257	63,060	-	2,763	986	-

in EURk	Reserves from re-valuation of defined benefits plans ¹	Exchange differences from translation of foreign subsidiaries' financial statements	Total	Non-controlling interests	Total equity
Balance at 1 January 2023	-	20	40,429	-	40,429
Total comprehensive income, net, incl,	2	467	17,741	-397	17,345
Net profit	-	-	17,176	-329	16,847
Other comprehensive income	-	-	227	-	227
Deferred tax	-	-	-29	-	-29
Actuarial gain	3	-	3	-	3
Deferred tax	-1	-	-1	-	-1
Exchange differences from translation of foreign subsidiaries' financial statements	-	25	25	-	25
Effect from business combination	-	442	341	-67	274
Redeemed shares	-	-	542	-	542
Increase of share capital	-	-	26	-	26
Dividends (EUR 0.13 per share)	-	-	-2,301	-	-2,301
Other adjustments	-	-	-2	-	-2
Balance at 31 December 2023	2	487	56,436	-397	56,039
	-	-	-	-	-
Balance at 1 January 2024	2	487	56,436	-397	56,039
Total comprehensive income, net, incl,	-47	-220	22,172	126	22,298
Net profit	-	-	22,974	-95	22,879
Exchange differences from translation of foreign subsidiaries' financial statements	-	-30	-30	-4	-34
Actuarial gain (loss)	-51	-	-51	-	-51
Deferred tax	5	-	5	-	5
Effect of increase of controlling participation, net	-	-190	-726	224	-501
Replenishment of reserve	-	-	-	-	-
Capital increase	-	-	28	-	28
Dividend (EUR 0.13 per share)	-	-	-2,347	-	-2,347
Other adjustments	-	-	-1	-	-1
Balance at 31 December 2024	-45	267	76,288	-271	76,017

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