

ANNEX 4

UNDER 12, ITEM 1 OF ORDINANCE 2 OF 09.11.2021 OF FSC TO THE QUATERLY REPORT ON BUSINESS ACTIVITIES OF SHELLY GROUP SE AS OF THE FOURTH QUARTER OF 2024 ON CONSOLIDATED BASIS

(reporting period 01.01.2024 – 31.12.2024)

The Board of Directors of Shelly Group SE, UIC: 201047670 (“Shelly Group” / “the Company”), notifies all current and future investors that the information presented in this document has been prepared in compliance with the requirements of Art.12, para. 1, item 1 of Ordinance No. 2 of the Financial Supervision Commission and represents Annex No. 4 thereto. It contains the legally determined information about the activity of the company on consolidated basis for the period from 01.01.2024 to 31.12.2024. It is in the interest of the investors to get acquainted with the provided information before making a decision to invest in the company's securities.

1.1. Change of the persons exercising control over the company.

During the reporting period there was **change** in the persons exercising control over the company. By resolution of the General Meeting of Shareholders of 18.12.2023, as of 01.01.2024, a change in the personnel of the Board of Directors has been made, to which Mr. Christoph Vilanek has been appointed in place of Mr. Gregor Bieler. In relation to the conversion of the Company from a public limited liability company into a European company pursuant to Chapter Nineteen of the Companies Act and Article 37 of Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European company (SE), by its resolution of 14.10.2024 the General Meeting of Shareholders has re-elected the members of the Board of Directors and the latter, by its resolution of the same date, has assigned their functions as follows:

- Christoph Vilanek - Chairman;
- Nikolay Martinov - Deputy Chairman;
- Dimitar Dimitrov - Executive Director and Representative;
- Wolfgang Kirsch - Executive Director and Representative;
- Svetlin Todorov - Member of the Board of Directors and Representative;

The representatives represent the Company together or individually.

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As of 31.12.2024 the capital structure of SHELLY GROUP SE is as follows:

NAME OF SHAREHOLDER	PERCENTAGE OF THE CAPITAL
Dimitar Dimitrov	30,26 %
Svetlin Todorov	29,19 %
Other individuals and legal entities	40,55 %

As of 31.12.2024 the Company does not hold any treasury shares.

1.2. Initiating insolvency proceedings for the company or its subsidiary and all significant stages related to the proceedings.

During the reporting period **no** insolvency proceedings were initiated for the company or its subsidiary.

1.3. Concluding or executing significant transactions.

During the reporting period **no** significant transactions outside the ordinary course of business were concluded or executed.

During the reporting period and within the scope of the ordinary course of business the Company has concluded the following transactions:

- Exercised the first of its call options under an Options Agreement that was signed and disclosed in 2023, whereas the Company has acquired an additional 16% stake of the Slovenian IoT company Shelly Tech d.o.o. (formerly GOAP Računalniški inženiring in avtomatizacija procesov d.o.o. Nova Gorica). The total acquisition price of the 16% interest under the exercised Call Option amounts to EUR 586,666.30, calculated in accordance with the terms of the Option Agreement. The exercise of the call option is the second stage of the acquisition of the Slovenian company, 60 % of which Shelly Group SE has acquired in the first quarter of 2023 on the basis of Share Purchase Agreements signed with the four owners of the target company.
- Acquired an additional 50% of the capital of the associate Shelly Asia Ltd. bringing the ownership interest to 80%. The price paid for the newly acquired shares is EUR 520 000.
- Sold 100% of the capital of the subsidiary Shelly Properties Ltd. for the price of EUR 3,5 million (BGN 6,8 million);
- Granted to its subsidiary Shelly USA an additional cash contribution of USD 400,000 for a period of 1 year from the date of grant and bearing interest at the rate of 1% per annum;
- In relation to an additional cash contribution of USD 1 million from the date of the provision, for a period of 1 year, at an annual interest rate of 1% that was granted by Shelly Group SE to its subsidiary Shelly USA Inc. in 2022, the Board of Directors of SHELLY

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GROUP SE resolved on 20 March 2024, its term to be extended by a further 1 year from the date of the resolution on the same terms.

- Granted an additional cash contribution of EUR 600 000 to its Slovenian subsidiary Shelly Tech d.o.o. (formerly GOAP Računalniški inženiring in avtomatizacija proces d.o.o. Nova Gorica). The additional cash contribution was provided for a period of 1 year at an annual interest rate of 1% to cover losses and temporary cash need for covering of current liabilities in order to ensure the continuance of the normal business operations.
- The Board of Directors has decided to extend by another 1 year and under the same conditions the term of the additional cash contribution of EUR 500,000 granted in 2023 to its Slovenian subsidiary Shelly Tech d.o.o. (formerly GOAP Računalniški inženiring in avtomatizacija proces d.o.o. Nova Gorica) at annual rate of 1%.

1.4. Decision to conclude, terminate and cancel a joint venture agreement.

During the reporting period **no** decision was made to conclude, terminate and cancel a joint venture agreement.

1.5. Change of the company's auditors and reasons for the change.

During the reporting period there **was no** change in the company's auditors.

By decision of the General Meeting of Shareholders, held on 14.10.2024, Deloitte Audit OOD, UIC: 121145199 has been appointed as an auditor for 2024.

1.6. Initiation or termination of a court or arbitration case relating to liabilities or receivables of the company or its subsidiary, with a claim value of at least 10 percent of the company's equity.

During the reporting period there is no initiation or termination of a court or arbitration case relating to liabilities or receivables of the company or its subsidiary, with a claim value of at least 10 percent of the company's equity.

1.7. Purchase, sale or established pledge of shares in companies by the issuer or its subsidiary.

During the reporting period there **are** purchase and sale of shares in companies by the issuer or its subsidiary.

- During the reporting period the Company acquired additional 16% of the share capital of Shelly Tech avtomatizacija stavb, d.o.o. in compliance with an Options Agreement of 2023. (*see item 1.3 here above*)
- During the reporting period, the Company acquired an additional 50% of the capital of the associate Shelly Asia Ltd. bringing the ownership interest to 80%. The price paid for the newly acquired shares is EUR 520 000.

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- During the reporting period, the Company, has entered into a Share Purchase Agreement and sold 100% of the capital of the subsidiary Shelly Properties Ltd. for the price of EUR 3,5 million (BGN 6,8 million).
- In connection with overdraft agreement signed between the subsidiary Shelly Europe Ltd. and "UNITED BULGARIAN BANK" AD, UIC 000694959 with a credit limit up to BGN 10 000 000.00 /ten million BGN/, with a final repayment date of 29.10.2027 and at an annual interest rate on the regular principal - short-term interest rate of UBB /KLP/ plus 2.5 /two whole and five tenths/ points per annum, but not less than 2.5% /two whole and five tenths percent/ per annum, the subsidiary has provided collateral in the form of a special pledge of receivables and a financial collateral agreement. The transaction is below the thresholds of Art. 114 para. 3 and falls within the scope of Art. 114 para. 10 of the Securities Act.

1.8. Other circumstances that the company considers may be important for the investors in deciding to acquire, sell or continue to hold publicly traded securities.

Pursuant to the approval of the Board of Directors of Shelly Group SE, the subsidiary Shelly Europe Ltd, as tenant, has entered into an Office Lease Agreement dated 5 March 2024 with Office X plc, as landlord, for a term of 10 years. The subject of the agreement are 2840 sq. m. of office space, 60 parking spaces and a service room, located in the office building "Office X", Building 3, the use of which is granted for a monthly remuneration (rental price and management and maintenance fee fixed for a period of 5 years) in the total amount of EUR 57 914.40 or BGN 113 270.72 excluding VAT, subject to annual indexation or a total of EUR 6 949 728.00 or BGN 13 592 486.51 excluding VAT for the entire term of the contract. No interested or related parties are involved in the transaction. The transaction relates to the need for additional office space as a result of the expansion of the team and the development of the business.

For the purpose of fulfilling Shelly Europe's obligation under the Lease Agreement to provide a bank guarantee in favor of the landlord, Office X AD, after the end of the reporting period the Board of Directors of Shelly Group SE has approved and the subsidiary entered into a Credit Agreement for the provision of a credit facility in the form of a credit limit for the issuance of bank guarantees and letters of credit with EROBANK BULGARIA AD for the amount of EUR 500 000 (BGN 977 915 according to the fixed rate of BNB) and the term of 36 months.

By decision of 14.10.2024. The General Meeting of Shareholders has approved the conversion of the company from a joint stock company into a European company with its registered office in the Republic of Bulgaria pursuant to Article 2(4) of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE). The SE conversion is in force as of 13.12.2024.

After the end of the reporting period, the Board of Directors has resolved on 08 January 2025 to provide Shelly Group SE with financing in the form of an additional cash contribution of USD 700 thousand for a period of one year at an annual interest rate of 1% to its US subsidiary Shelly USA

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Inc., in addition to the financing already provided in 2022 and 2024, respectively in the amount of USD 1 million and USD 400 thousand. Currently only part of the amount of USD 400 thousand has been paid.

Other circumstances that the company believes may be important for the investors in deciding to acquire, sell or continue to hold shares were publicly disclosed, incl. in the separate Report on the Business Activities of the company as of the fourth quarter of 2024 on consolidated basis and the Explanatory Notes to the Consolidated Financial Statements as of the fourth quarter of 2024.

On behalf of Shelly Group SE

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Dimitar Dimitrov, CEO

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