

**ANNEX 4****UNDER 12, ITEM 1 OF ORDINANCE 2 OF 09.11.2021 OF FSC  
TO THE INTERIM REPORT ON BUSINESS ACTIVITIES OF SHELLY GROUP AD  
AS OF THE FIRST QUARTER OF 2024  
ON CONSOLIDATED BASIS****(reporting period 01.01.2024 – 31.03.2024)**

The Board of Directors of Shelly Group AD, UIC: 201047670, with registered office and address of management, Sofia, 103 Cherni Vrah Blvd. (“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 to the above-mentioned legal act. It contains the legally determined information about the activity of the company on consolidated basis for the period from 01.01.2024 to 31.03.2024. 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.

**THE FINANCIAL SUPERVISION COMMISSION IS NOT RESPONSIBLE FOR THE ACCURACY  
OF THE INFORMATION PROVIDED**

The persons responsible for damages caused by incorrect, misleading or incomplete data in this information are:

Wolfgang Kirsch - Executive Director and Representative;  
Dimitar Dimitrov - Executive Director and Representative;  
Christoph Vilanek – Chairman of the BoD (holding the position as of 01.01.2024);  
Nikolay Martinov - Deputy Chairman of the BoD;  
Svetlin Todorov - Member of the BoD and Representative;

**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. On the basis of a resolution of the General Meeting of Shareholders dated 18.12.2023, as of 01.01.2024, there have been personnel changes in the Board of Directors, namely the resigned Mr. Gregor Bieler has been replaced by Mr. Christoph Vilanek and therefor as of 01.01.2024, the Board of Directors has the following structure:

- 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.

**As of 31.03.2024 the capital structure of SHELLY GROUP AD is as follows:**

<b>NAME OF SHAREHOLDER</b>	<b>PERCENTAGE OF THE CAPITAL</b>
Svetlin Todorov	30,39 %
Dimitar Dimitrov	32,00 %
Other individuals and legal entities	37,61 %

As of 31.03.2024 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:

- During the reporting period Shelly Group AD has 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 AD has acquired in the first quarter of 2023 on the basis of Share Purchase Agreements signed with the four owners of the target company.
- During the reporting period Shelly Group AD 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. Accrued interest income for the period amounted to BGN 240.

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 AD to its subsidiary Shelly USA Inc. in 2022, which as of the end of the reporting period is not returned, the Board of Directors of SHELLY GROUP AD 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.

After the end of the reporting period the Company has concluded the following transactions within the scope of its ordinary course of business:

- Shelly Group AD has 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. In this regard, the Board of Directors has also decided to extend the additional cash contribution of EUR 500,000 granted in 2023 for another year under the same conditions.

#### **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 19.06.2023, Deloitte Audit OOD, UIC: 121145199 has been appointed as the Company's auditor for 2023. An auditor for 2024 is to be elected by the General Meeting of Shareholders.

#### **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 is purchase, sale or established pledge 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*)

#### **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 AD, 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. To the extent that the current office building housing the Shelley Group companies no longer meets their needs, the Company has entered into negotiations in relation to its potential sale.

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 AD 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.

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 Interim Report on the Business Activities of the company as of the first quarter of 2024 on consolidated basis and the Explanatory Notes to the Quarterly Consolidated Financial Statements as of the first quarter of 2024.

On behalf of Shelly Group AD

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Dimitar Dimitrov, CEO