

ADDITIONAL INFORMATION

in accordance with Art.12, item 4 of Ordinance № 2 of FSC dated 09.11.2021 about initial and subsequent disclosure of information in public offerings of securities and admission of securities to trading on a regulated market

as of the first quarter of 2024

on consolidated basis

(reporting period 01.01.2024 r. – 31.03.2024)

1. Information about the changes in the accounting policy during the reporting period, the reasons for their connection and how they affect the financial result and the equity of the issuer

During the reporting period there was no change in the accounting policy of SHELLY GROUP AD.

2. Information about changes in the economic group of the issuer, if it participates in such a group

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. The remaining 24% of the target Company shares held by three partners are subject to an additional call/put option exercisable in 2026 under the agreed terms.

3. Information on the results of organizational changes within the issuer, such as transformation, sale of companies from the economic group, in-kind contributions from the company, rental of property, long-term investments, suspension of activity

During the reporting period in 2024 there have been

- ✓ no organizational changes within the issuer
- ✓ no transformation proceedings have been initiated;
- ✓ no in-kind contributions have been made by the issuer;
- ✓ no property of the company has been leased;
- ✓ no suspended activities;
- ✓ long-term investments were made during the reporting period as shown under item 2 here above.

4. Opinion of the management body on the possibilities for realization of published forecasts for the results of the current financial year, taking into account the results of the current half-year, as well as information on the factors and circumstances that will affect the achievement of the forecast results at least until the end of the current financial year. year:

As of the end of the reporting period, SHELLY GROUP AD reported a consolidated profit of BGN 8 906 thousand, representing an increase of 50.4% compared to 2023.

During the reporting period, SHELLY GROUP AD reported on a consolidated basis revenue from sales of device of BGN 40 009 thousand, an increase of 45.0% compared to the previous year.

In the first quarter of 2024, the Company reported revenue from premium subscription services, which was attributable to the increase in service revenue

SHELLY GROUP AD has published financial guidance on an consolidated basis for 2024, according to which for the current financial year 2024, the Board of Directors expects revenue from sales of devices and related services of EUR 105.0 million (BGN 205.4 million) and earnings before interest and taxes (EBIT) likely to be above EUR 26.0 million (BGN 50.9 million).

5. Data on the persons holding directly and indirectly at least 5 per cent of the voting shares in the General Meeting at the end of the respective quarter, and the changes in the number of voting shares held by the persons for the period from the end of the previous quarter

Shareholders holding at least 5 percent of the votes in the GMS of Shelly Group AD as of 31.03.2024

NAME OF SHAREHOLDER	CAPITAL PERCENTAGE
SvetlinTodorov	30,39 %
Dimitar Dimitrov	32,00 %
Other individuals and legal entities	37,61 %

As of 31 March, 2024 the Company does not hold any treasury shares.

6. Data on the shares held by the management and supervisory bodies of the issuer at the end of the respective quarter period, as well as the changes that have occurred for the period from the end of the previous quarter for each person separately

Members of the Board of Directors

NAME OF BOARD MEMBER	CAPITAL PERCENTAGE
Svetlin Todorov	30,39 %
Dimitar Dimitrov	32,00 %
Nikolay Martinov *	0 %
Wolfgang Kirsch***	0 %
Christoph Vilanek	0 %

* Nikolay Martinov has no direct interest in the capital of the Issuer. The companies Unicom Consult EOOD, in which he is the sole owner of the capital and manager, Impetus Capital OOD and Impetus Partners OOD, in which he is a partner respectively with 50% and 43,75 % of the capital and manager, as well as ImVenture I KDA and ImVenture II KDA, in which he is a representative of the legal entity - "Impetus Capital" OOD, have respectively: "Unicom Consult "EOOD – 84,750 shares (0.47%), Impetus Capital OOD 162,000 shares (0.9%), Impetus Partners OOD 405,000 shares (2.25%) ImVenture I KDA 123,288 shares (0.68%), ImVenture II KDA - 68,493. shares (0.38%) in the capital of Shelly Group AD and a total number of shares 843,531 (4.686%) of the voting rights in its General Meeting.

*** Wolfgang Kirsch holds approx. 0.03% of the voting rights in the General Meeting of the Shareholders of the Issuer;

7. Information on pending court, administrative or arbitration proceedings concerning liabilities or receivables amounting to at least 10 percent of the issuer's equity; if the total value of the issuer's liabilities or receivables under all initiated proceedings exceeds 10 per cent of its own capital, information shall be provided for each proceeding separately

During the reporting period there are no pending court, administrative or arbitration proceedings concerning liabilities or receivables amounting to at least 10 percent of the issuer's equity; nor such individual cases with the total value of the issuer's liabilities or receivables under all initiated proceedings exceeds.

8. Information on the loans granted by the issuer or its subsidiary, providing guarantees or assuming obligations in total to one person or its subsidiary, including related parties, indicating the nature of the relationship between the issuer and the person, the amount of outstanding principal, interest rate, payment deadline, amount of commitment, conditions and term

Except for the transactions specified here below, during the reporting period SHELLY GROUP AD has not granted any loans or guarantees and has not assumed obligations towards one person or its subsidiary, including related parties.

During the first quarter of 2022 SHELLY GROUP AD has granted to its subsidiary Shelly USA Inc. (previous company name Allterco Robotics Inc, USA) an additional cash contribution of USD 1 million, for a term of 1 year as of the payment date, at an annual interest rate of 1%. As of the date of this Report, the additional cash contribution has not been repaid, and by a resolution of the Board of Directors of SHELLY GROUP AD dated 20 March 2024, its term has been extended by a further 1 year from the date of the resolution on the same terms. During the reporting period Shelly Group AD has accrued interest income in the amount of BGN 5 thousand for additional cash contribution to Shelly USA Inc.

During the first quarter of 2024 Shelly Group AD granted to its subsidiary Shelly USA Inc. 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 the first quarter of 2023 SHELLY GROUP AD has granted a cash loan to its subsidiary Shelly Tech avtomatizacija stavb, d.o.o (former company name GOAP Računalniški inženiring in avtomatizacija proces d.o.o., Nova Gorica) in the amount of BGN 978 thousand (EUR 500 thousand) under the following conditions: repayment term 31.12.2029, interest rate – according to the statistical data published by the Bulgarian National Bank on Interest rates and volumes on non-overdraft balances for the non-financial corporations' sector (in EUR over 5 years). The accrued interest income for the reporting period is BGN 14 thousand;

In the second quarter of 2023 SHELLY GROUP AD has granted an additional cash contribution to its subsidiary Shelly Tech avtomatizacija stavb, d.o.o (former company name GOAP Računalniški inženiring in avtomatizacija proces d.o.o., Nova Gorica), in the amount of BGN 978 thousand (EUR 500 thousand) under the following conditions: repayment term 1 year as of the date of provision of the cash, interest rate – 1% interest to be charged at the end of the period; the additional cash contribution is provided for the purpose of covering losses from previous years and temporary cash requirements for the normal continuation of business as usual. The interest income accrued for the reporting period is BGN 2 thousand.

In the second quarter of 2023 SHELLY GROUP AD has provided a cash loan to a to an unrelated and not-interested third party – Expat Capital AD, UIC 175192462, Bulgarian joint stock company in the amount of EUR 280 000 (BGN 547 632) under the following conditions: term – 1 year as of the date of provision of the cash, interest rate of 1% per annum on the amount borrowed in proportion to the period for which the amount has been used, which interest shall accrue at the end of the loan period. The interest income accrued for the reporting period is BGN 2 thousand.

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 57,914. 40 € or 113,270.72 BGN excluding VAT, subject to annual indexation or a total of € 6,949,728.00 or 13,592,486.51 BGN 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 EUROBANK 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, at rate formed as the sum of basis rate - PRIME Business Customers for EUR of Eurobank Bulgaria AD, which is periodically updated by the Bank according to the methodology published on the Bank's website <https://www.postbank.bg/bg-BG> (currently 1.95%) and contractual surcharge: 1.50%. To date, the amount of EUR 208 490 subject to the bank guarantee has been used under the credit line.

After the end of the reporting period, the Board of Directors of Shelly Group AD has decided to grant 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.

The Company considers that there is no other information that has not been publicly disclosed that would be important to shareholders and investors in making an informed investment decision.

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Dimitar Dimitrov
CEO, SHELLY GROUP AD