



INVESTOR REPORT

2025



Important information

This report contains general information about Shelly Group SE. It includes summarized information based on a conversion of BGN figures from the audited consolidated financial statements of Shelly Group SE into EUR figures. BGN figures have been converted into EUR at the fixed exchange rate of 1 EUR = 1.95583 BGN; Bulgaria adopted the euro on 1 January 2026.

This report does not purport to be complete and is not intended to be relied upon as advice to investors. The EUR figures presented herein have not been audited and are provided as supplementary information to the audited consolidated financial statements of Shelly Group SE for capital market participants.

Each investor must conduct and rely on its own evaluation when making an investment decision.

Recipients of this report must not construe its contents as legal, tax or investment advice and should consult their own advisors in this regard.

The Important Information presented in this section should be read in conjunction with the disclaimer at the end of this report.

This report should be read in conjunction with the audited consolidated financial statements of Shelly Group SE for the financial year 2025, 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 smartphones, 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 sales organizations in DACH, Benelux, the Nordics, Iberia, Poland, Italy, France, the United Kingdom, Bulgaria, Slovenia, the United States and China, the Shelly Group has a broad international presence.

Shelly Group SE (ISIN: BG1100003166) is listed on the Bulgarian Stock Exchange and on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (XETRA: SLYG), and is included in the SDAX.

Contents

| | |
|---|----|
| Important information / About Shelly Group SE | 3 |
| Letter to the Shareholders | 5 |
| Shelly Group on the Capital Market | 10 |
| Macroeconomic and sector-specific conditions | 17 |
| Group results of operations, assets and liabilities and financial positions | 19 |
| Forecast report | 24 |
| Financial Statements | 28 |
| Imprint | 33 |
| Disclaimer | 34 |

Letter to the Shareholders

Dear Shareholders,

When we announced in the first quarter of 2023 that we intended to grow revenue to EUR 200 million by end of 2026, many considered that target too ambitious. Today, shortly before this report goes to press, Shelly Group SE has been admitted to the SDAX as the first Bulgarian company ever included in the DAX index family of Deutsche Börse. Two milestones that belong together: one measures our operational progress, the other reflects recognition by the capital market. Through the systematic expansion of our sales structures across Europe, an installer network that has grown to more than 5,300 registered installers, and new product categories that substantially enlarge our addressable market, we have laid the foundations to deliver on these ambitions. In the financial year 2025, we generated revenue of EUR 149.7 million. With guidance of EUR 195 million to EUR 205 million for the current financial year, we are on track to reach this goal, step by step, as announced.

Operational Highlights 2025

One of the defining developments in the financial year 2025 was the continued shift in revenue mix from the DIY segment towards the professional segment. Because professional installers source products through a variety of channels, the exact share of revenue they generate cannot be measured directly. Based on internal analysis of sales channel composition, distributor feedback, and customer survey data, we estimate that the share of professional users in total revenue has risen from approximately 30 percent to approximately 35 percent. The installer network, which we launched in April 2024, grew to 5,300 registered installers by 31 December 2025. Compared to approximately 900 participants at year-end 2024, this represents a fivefold increase within twelve months. This network is not a marketing instrument: it generates recurring project business, reduces acquisition costs, and drives adoption of our higher-margin professional product lines.

In the financial year 2025, Shelly Group's regional revenue distribution continued to broaden. Rest of Europe overtook the DACH region (Germany, Austria, Switzerland) as the largest revenue contributor for the first time, generating approximately EUR 74 million (+51%), with Italy as the largest market within the region. The DACH region contributed approximately EUR 62 million (+27%) – with Germany remaining the Group's single largest market – and the Rest of World approximately EUR 13 million (+54%), driven by strongly growing business in Asia and a promising development in the United States. During the year, we built local teams in Poland and the Benelux region. After the reporting period, in early 2026, we deployed country managers and sales teams in Italy, on the Iberian Peninsula, in France and in the United Kingdom, and significantly expanded our team in the Nordic markets. Today we operate dedicated teams in ten markets worldwide, while selling our products and services in considerably more countries.

The geographic expansion is directly reflected in the growth of our user base. As of 31 December 2025, we counted 2.7 million cloud users, up 46 percent year on year. Based on activation data available to us, we estimate approximately 5.6 million households worldwide. Particularly notable is the quality of this growth: repeat buyers accounted for 57% of cloud device additions, up from 53% in the prior year, with average devices per buyer increasing to 4.4. Premium app users grew 61 percent to 38,000; subscription revenue rose 78 percent. The Net Promoter Score (NPS), which measures the likelihood of customers recommending a product, improved to 56 for Shelly products, a level considered very strong across industries. The figures show clearly: we are not merely adding new customers, we are integrating existing customers more deeply into our ecosystem over time.



Dimitar Dimitrov, Co-CEO



Wolfgang Kirsch, Co-CEO

Strategic Highlights 2025

The growing customer retention is in no small part the result of a consistent product strategy. Devices from the third and fourth generation grew from 20 percent of revenue in the financial year 2024 to 60 percent in the financial year 2025. They contribute to improved gross margins and deliver greater functional depth, which directly translates into higher cloud activation rates and stronger customer loyalty. Each new device generation therefore creates incentives for existing customers to expand their installation. At the same time, our entry into new product categories has substantially extended our addressable market.

In the smart lock segment, what we set out to achieve with the acquisition of the LOQED assets in the financial year 2024 has been confirmed: Shelly's combination of ecosystem depth, open architecture, and competitive pricing is generating the same dynamics in the access control segment that it previously achieved in energy management and lighting control. An initial delivery of 1,000 locks in the first quarter of 2025 sold out within a very short time. The subsequent batch of at least 4,000 units was fully pre-sold before delivery. Through cloud registrations, we were able to verify that the locks were actually installed at end-user premises rather than held in trade inventories. New models ranging from premium to cost-efficient variants are planned for both halves of the current year. The global market for smart locks is projected to grow to USD 5.8 billion by 2029, at a compound annual growth rate of 15.4 percent. Given the market reception we have observed, we consider ourselves well positioned to capture a meaningful share of this growth.

Smart locks are not the only category in which we have systematically extended our platform strategy. In the energy management space, Shelly products are already recommended by more than 30 solar and energy storage manufacturers, in many cases as the only compatible solution. In the financial year 2025, we further strengthened this lead with the co-branding partnership with EcoFlow, one of the world's leading providers of portable energy storage and solar solutions. The Shelly Plug S Gen3 and the Shelly Pro 3EM now carry both brand logos and are fully integrated into the EcoFlow software platform. This enables bidirectional control of energy consumption, storage, and generation within a unified ecosystem. For us, this partnership is more than a distribution channel: it confirms our role as a technology platform for decentralized energy management and lays the foundation for further collaborations with device manufacturers that will integrate Shelly technology into their own products in the future.

A further new category that directly addresses the professional segment is smart circuit breakers. At the Internationale Funkausstellung (IFA) 2025 in Berlin, we presented the world's first smart circuit breakers in the compact 1M form factor, as well as a comprehensive Pro Series with 1- to 4-pole configurations and rated currents from 10A to 63A. In March 2026, the products were introduced to a broad professional audience at Light + Building in Frankfurt and are currently in the market launch phase. The global smart circuit breaker market is projected to grow from approximately USD 2.5 billion today to more than USD 5.8 billion by 2033, at a compound annual growth rate of approximately 10.5 percent. We see significant growth potential in this category.

The growing product portfolio and increasing demand are also reflected in our manufacturing strategy. In the financial year 2025, we made two important decisions. First, we nearly doubled the capacity of our principal manufacturing partner in China from approximately 800,000 to 1.5 million units per month, with a planned further increase to up to two million units per month in the current year; the associated costs are borne entirely by the manufacturing partner. Second, we commenced the establishment of our own production facility in Bulgaria, which will provide us with a European manufacturing base in the medium term. In a market environment where data sovereignty and the provenance of connected technology are gaining increasing regulatory and political relevance, this is a strategically important investment.

The strategic investments in product portfolio and manufacturing are complemented by a development we regard as particularly forward-looking. After the end of the reporting period, we publicly introduced the Shelly AI Assistant for the first time. Unlike the voice assistants of large technology groups, it is natively integrated with our hardware. It analyzes real-time electrical data, evaluates historical device data, creates automations from natural-language instructions, and provides contextual safety and energy recommendations. The Shelly AI Assistant is available to all users; advanced features are reserved for premium subscribers. The decisive difference to market-standard solutions: while common voice assistants accept commands, the Shelly AI Assistant understands the physics of the respective building, its usage history, and the current context. We are convinced that this will strengthen customer loyalty, drive premium conversion, and unlock capabilities that no competitor can currently match.

Financial Highlights 2025

The expansion of the installer network, geographic growth into new markets, and entry into new product categories are paying off. With group revenue of EUR 149.7 million, we are within the guidance range of EUR 145 million to EUR 155 million and have again grown by more than 40 percent. This corresponds to more than 2.5 times the estimated market rate of 10 to 15 percent. The fourth quarter was our strongest: with revenue of EUR 63.0 million, it exceeded the entire annual revenue of Shelly Group in 2022.

Particularly pleasing is the fact that gross margin, at 57.8 percent, remained nearly stable relative to the prior-year figure of 59.3 percent. The higher-value third and fourth generation devices fully offset the price pressure in the entry-level segment. The sales and marketing ratio declined from 18.7 percent in the prior year to 13.6 percent of revenue, clear evidence of the operational scaling we have been building over the years. Both together create the basis for the disproportionate earnings growth.

EBIT, adjusted for the non-cash provision from the Management Share Program (MSP), grew by 46.7 percent, outpacing revenue growth, to EUR 37.8 million. The MSP is a management participation program approved by the Annual General Meeting, tied to demanding financial and operational targets for the performance period 2022 to 2025 that management has largely achieved. Shares are issued in tranches over three to five years, creating an additional incentive for continued target achievement. The non-cash provision of EUR 7.4 million associated with the MSP under IFRS 2 is entirely cash-neutral and is settled through small capital increases spread over several years. Annual dilution is expected not to exceed approximately 1 percent of the current share count of 18,158,060 shares. The adjusted EBIT margin for the full year was 25.3 percent, in line with our medium-term target. Adjusted earnings per share rose 41 percent to EUR 1.79, compared with EUR 1.26 in the prior year. Reported earnings per share amounted to EUR 1.40. Group net result grew 11 percent to EUR 25.3 million.

The balance sheet remains conservatively structured. The equity ratio stood at 80.3 percent as of 31 December 2025, compared with 82.3 percent at year-end 2024. The decrease is principally attributable to the dividend payment and the expansion of the balance sheet total in the course of strong growth. Current assets exceeded current liabilities by approximately 5.4 times. Cash on hand amounted to EUR 13.7 million; after deducting short-term bank borrowings of EUR 3.4 million representing routinely used working capital lines, a positive net cash position of EUR 10.3 million results. Shelly Group therefore carries no net debt.

The receivables balance of EUR 78.7 million as of 31 December 2025, compared with EUR 35.9 million at year-end 2024, has attracted attention. It is important to note there was no change in our accounting policy. The increase furthermore gives no indication of a change in the fundamental quality of our business; rather, it reflects seasonal and operational factors that we explain in the following. The months of October through December represent our seasonally strongest quarter. Black Friday business in 2025 generated revenue of EUR 36.0 million, up 50 percent year on year. Demand in our own web shop tripled, accompanied by strong performance in Smart Locks, BLU TRV Bluetooth radiator thermostats, and the Shelly Pro 3EM energy meter. High delivery volumes towards period-end naturally result in elevated receivables balances, which flow through as cash in subsequent periods. This is a pattern we know from prior years.

A second factor: planned new product releases were shifted into the first quarter of 2026 due to component optimizations and certification timelines. To sustain the revenue momentum in the fourth quarter, existing product lines were shipped ahead of schedule to distribution partners, in some cases with adjusted payment terms. This explains the disproportionate receivables increase. Management expects a normalization of receivables in the course of 2026 and has defined a sustained improvement in working capital as a key priority for 2026 and beyond. That the products actually reached end customers rather than remaining in distributors' warehouses is evidenced by cloud device activations, which rose by approximately 52 percent in the fourth quarter compared with the third quarter: each activation corresponds to an installed device. Inventories, meanwhile, declined from EUR 23.3 million to EUR 19.5 million. Operating cash flow increased 104 percent to EUR 5.6 million; free cash flow improved 101 percent to EUR 1.9 million. Both figures reflect the significantly improved management of net working capital during the year. In brief: on one hand, the elevated balance is a consequence of strong growth; on the other hand, we are working with determination on a marked improvement. Normalization of receivables in the course of 2026, and a sustainably improved working capital position beyond that, are stated objectives of our newly appointed CFO Iliyana Krushkova, who joined us with precisely this expertise.

Leadership Continuity and Evolution of Governance Structures

In the financial year 2025 and immediately thereafter, we made two important personnel decisions. In February 2025, the Board of Directors proposed, and shareholders approved at the Annual General Meeting in June with a high majority, the early renewal of all Board members mandates, including these of both Co-CEOs' mandates. Dimitar Dimitrov was reappointed for a further five years until 31 December 2030; Wolfgang Kirsch, at his own request, for three years until 31 December 2028. The Board of Directors thereby sends a clear signal of leadership continuity. In January 2026, we appointed Iliyana Krushkova as Chief Financial Officer. She succeeds Svetozar Illiev, who built the financial foundations of Shelly Group over 16 years. Iliyana brings 20 years of experience in financial management, IFRS-compliant reporting, ERP implementation, and net working capital optimization from international technology companies and advisory mandates at ScaleFocus and KPMG.

As a listed company with a growing international investor base, we are continuously developing our corporate governance structures. We intend to appoint Iliyana Krushkova to the Board of Directors. She brings exactly the financial and governance expertise the body requires in the coming phase. This is to be combined with the appointment of a further independent member with an international capital markets background, to deliberately strengthen the independence and expertise of the Board. The necessary shareholder resolutions will be sought at an extraordinary general meeting to be held after the 2026 Annual General Meeting, expected in autumn 2026. These steps are an expression of our own aspiration to align Shelly's corporate governance with the expectations of the international capital market.

Dialogue with the Capital Market

With the first Shelly Group Investors Report, we introduced a format last year that you are now holding in your hands for the second time. Our aim is not merely to fulfill regulatory disclosure requirements, but to provide genuine insight into our strategy, our thinking, and our operational actions. In May 2025, we also invited institutional investors, analysts, and financial journalists to a Corporate Field Trip to Sofia, offering direct access to research and development, logistics, and the company headquarters.

In September 2025, Berenberg, one of Europe's most respected private banks with a selective coverage policy, initiated coverage of Shelly Group SE with a Buy recommendation and a price target of EUR 70.00, which was raised to EUR 73.00 in February 2026. The analysts highlighted three points that we consider particularly apt: our pricing positioning, which provides structural advantages in a cost-conscious market environment; the potential of the professional segment, which accounts for approximately 70 percent of the total market and where we are only at the beginning; and our product innovation pipeline, which will substantially expand the addressable market in the coming years.

The Shelly share achieved a gain of approximately 72 percent over the course of the financial year 2025. After reaching its annual high of EUR 71.60 in February 2026, a consolidation phase followed in a challenging capital market environment. We regard this primarily as a normalization following an exceptional share price performance. The company's operational progress justifies, in our view, confidence in the further course of the financial year 2026.

After the end of the reporting period, Deutsche Börse announced the inclusion of Shelly Group SE in the SDAX with effect from 10 April 2026. Shelly thereby becomes the first Bulgarian company to join the DAX index family, a milestone that confirms the consistent execution of our capital market strategy over the past years and will sustainably strengthen the visibility of the Shelly share among institutional investors.

Outlook 2026: On Course to Achieve Medium-Term Targets

For the current financial year 2026, the Board of Directors expects group revenue of between EUR 195 million and EUR 205 million, and adjusted EBIT of between EUR 47 million and EUR 52 million. This corresponds to expected growth of approximately 34 percent in revenue and 33 percent in EBIT. Growth will likely be more heavily weighted towards the second half of the year, reflecting planned launches of new products, including further smart lock variants, cameras, smart circuit breakers, a new lineup of competitively priced smart bulbs as additional volume sellers, and the Shelly Plug M as a volume driver in the entry segment, as well as the ramp-up of expanded production capacities and the maturation of newly established country presences. In the first half, revenue development is expected to be more moderate than in the prior year, as the distribution channel normalizes and new products build their contribution incrementally.

Yours sincerely, your Co-CEOs

Dimitar Dimitrov

Wolfgang Kirsch

With the guidance for 2026, we consider ourselves on a clear path to meet or exceed the medium-term targets communicated in the first quarter of 2023: revenue of more than EUR 200 million and EBIT of at least EUR 50 million by end of 2026. The foundation has been laid over three years: through the build-out of the installer network, the broadening of our geographic presence, the generational renewal of the product portfolio, and the development of our platform capabilities. The market we address is growing structurally. Smart home, intelligent building management, and energy management are still at the early stages of their development. Connecting all three with artificial intelligence opens additional dimensions. The installed base we are building today is an asset that will be monetized over years. We expect to continue growing materially faster than the market beyond 2026, carried by regions where we are still at the beginning, product categories where we are just gaining a foothold, and platform potentials we are only beginning to unlock.

Our Thanks to the People Who Drive Shelly

Our sincere thanks go to our employees worldwide. Your commitment, your speed, and your willingness to take on new challenges in a rapidly changing environment are the true source of Shelly's competitive advantage. We would also like to express our particular appreciation once again to Svetozar Illiev: his work in building the financial infrastructure is a foundation on which the company can continue to grow. At the same time, we are pleased to have gained in Iliyana Krushkova a CFO who will develop this foundation with the execution strength and international experience that the next phase of growth requires.

Finally, we would like to address you, our shareholders: the trust you have maintained even during periods of share price volatility is noted and valued. We commit to being transparent when figures require explanation, to remaining consistent in our strategy, and to not letting up in execution. We look forward to shaping the next phase of growth together with you.

Shelly Group on the Capital Market

Capital Market Environment 2025

The 2025 fiscal year was marked by considerable volatility on international capital markets. The year began with growing uncertainty about the economic policy of the new U.S. administration under President Donald Trump. In April, the situation escalated: the announcement of surprisingly high U.S. import tariffs of up to 24% on EU imports triggered corrections of ten% or more on many equity markets worldwide. The subsequent 90-day tariff pause, combined with growth-friendly fiscal policy and the continued tailwind from artificial intelligence, drove markets broadly higher throughout the remainder of the year. For European equities, Germany's fiscal policy shift acted as an additional catalyst. Interest rate cuts by the European Central Bank and the U.S. Federal Reserve provided further support for the valuation of growth stocks.

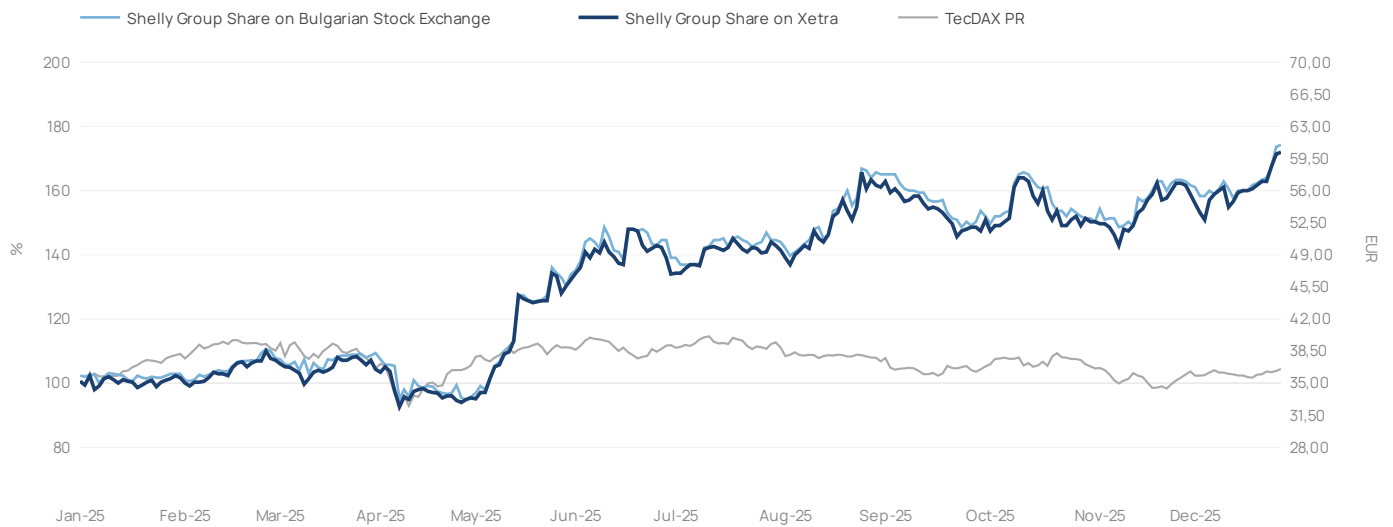
The S&P 500 gained approximately 16.4% and the Nasdaq 100 approximately 20.0%, the MSCI Europe approximately 21%, the MSCI World approximately 19%, and the MSCI Emerging Markets Index approximately 32%, each in local currency. The TecDAX closed the year with a gain of approximately 4.4%. The Shelly share outperformed its benchmark index significantly, delivering a full-year performance of approximately 72.0%.

Share Data

| | |
|--------------------|--|
| Ticker symbol | SLYG |
| ISIN | BG1100003166 |
| Stock exchanges | Bulgaria, Xetra, Frankfurt, Düsseldorf, Gettex, Munich, Quotrix, Tradegate |
| Market segment | Prime Standard (FSE) / Eurobridge Market (BSE) |
| Number of shares | 18,158,060 |
| 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.

Shelly Group Share Performance



The Shelly Group share performed significantly better than the market environment and continued its strong upward trajectory throughout the year. Started trading at EUR 35.00 on 2 January 2025, the share price rose continuously throughout the year and closed at EUR 60.20 on Xetra on 30 December 2025, a gain of approximately 72.0% year-on-year. Following the year-end, the share price continued to increase and reached a peak of EUR 71.60 on 26 January 2026 before entering a consolidation phase in a more challenging capital market environment. Since mid-March 2026, the share price has shown a noticeable recovery. On the day of the announcement of Shelly Group SE's inclusion in the SDAX, 9 April 2026, the share closed at EUR 56.50.

Average daily trading volume across all German trading venues amounted to approximately 5,959 shares, compared to 4,114 shares in the prior year. Based on the Xetra closing price of EUR 60.20 and 18,158,060 shares outstanding, the market capitalization of Shelly Group SE amounted to EUR 1,091.6 million as of 30 December 2025, compared to EUR 633.7 million at year-end 2024. After the end of the reporting period, an average of 11,719 shares were traded daily on Xetra from 2 January 2026 to 31 March 2026. With a closing price of EUR 49.60 and around 18.2 million shares outstanding, the market capitalization of Shelly Group SE amounted to EUR 900.6 million as of 31 March 2026.

Share Price Performance 2025

| | | in EUR |
|-----------------------|------------|---------------------|
| Open | 02/01/2025 | 35.00 |
| High (intraday) | 30/12/2025 | 61.00 |
| Low (intraday) | 04/07/2025 | 28.10 |
| Close | 30/12/2025 | 60.20 |
| Performance | | +72.0% |
| Market capitalization | | EUR 1,091.6 million |

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 2025.

Strategic Increase in Free Float and SDAX Inclusion

In September 2025, the founders the Co-CEO Dimitar Dimitrov and the Board member Svetlin Todorov each placed share packages of approximately 240,000 shares with institutional investors, continuing the strategy initiated in June 2024 to systematically increase the free float and broaden the institutional investor base. Through its secondary listing in the Prime Standard of the Frankfurt Stock Exchange in November 2021, the commencement of trading on XETRA in April 2024, and the targeted increase in free float, Shelly Group SE systematically built the foundation for index inclusion and fulfilled the relevant criteria for entry into the SDAX.

Effective 10 April 2026, after the end of the reporting period, Shelly Group SE was included in the SDAX, becoming part of Deutsche Börse's DAX index family. The SDAX comprises the 70 largest companies by free float market capitalization and trading volume below the MDAX and DAX. Shelly Group is the first Bulgarian company to be included in the SDAX. The index inclusion increases the Company's visibility among institutional investors and makes the share eligible for index-based investment strategies.

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 2025, 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 participated in international investment conferences including the Planet Microcap Showcase in Las Vegas and the Die Erste Investment Conference in Warsaw, and in national conferences including the Montega – Hamburg Investor Days, the Berenberg Discovery Conference, the Baader Investment Conference and the Berenberg Conference in Munich, and the German Equity Forum in Frankfurt/Main. Management presented the Shelly Group and its corporate strategy at international roadshows covering New York City and Chicago as well as London and Paris, and at national roadshows in Munich and Hamburg.

Financial Calendar 2025

| | |
|---------------------|---|
| 17 January 2025 | Roadshow Munich (Montega) |
| 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 |
| 27 February 2025 | Roadshow London, United Kingdom (Montega) |
| 15 April 2025 | Annual Financial Report 2024 (after close of trading) |
| 23/24 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 |
| 29 May 2025 | Erste Group/Baader Bank – The Finest CEElection Equity Conference, Warsaw, Poland |
| 29/30 May 2025 | Berenberg Discovery Conference, Munich, Germany |
| 5 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 |
| 9/11 September 2025 | Roadshow USA, New York City and Chicago |
| 22 September 2025 | Baader Investment Conference, Munich, Germany |
| 23 September 2025 | Berenberg Conference, Munich, Germany |
| 8 October 2025 | Roadshow London, United Kingdom (Berenberg) |
| 9 October 2025 | Roadshow Paris, France (Montega) |
| 12 November 2025 | (Unaudited) Consolidated Financial Report Q3 2025 (after close of trading) |
| 13 November 2025 | Earnings Call (Unaudited) Q3 2025 |
| 25/27 November 2025 | German Equity Forum, Frankfurt/Main, Germany |

Analyst Research

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

The initiation of coverage by Berenberg in September 2025 was an important milestone: as one of Europe's most prestigious private banks with a selective coverage policy, Berenberg added Shelly Group SE to its research universe for the first time, confirming the Company's growing recognition among institutional investors.

All three research institutions issue a positive recommendation on Shelly Group SE shares, with price targets of up to EUR 79.00. Across all three research reports, the analysts highlight the strength of Shelly's product pipeline, the continued shift toward professional users as a structural growth driver, and the conservative nature of management's guidance for fiscal year 2026.

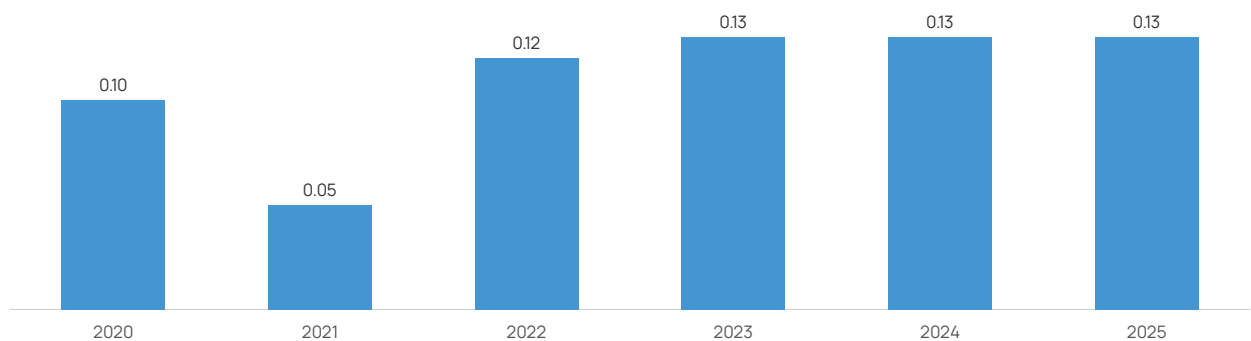
| Institution | Date | Recommendation | Price Target (EUR) |
|-------------|------------|----------------|--------------------|
| Baader Bank | 26/02/2026 | Add | 72.50 |
| Berenberg | 24/02/2026 | Buy | 73.00 |
| Montega | 08/04/2026 | Buy | 79.00 |

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 on 4 June 2025, shareholders resolved to distribute a gross dividend of EUR 0.13 per share (2024: EUR 0.13).

Dividend History

in EUR per share



Financial Calendar 2026

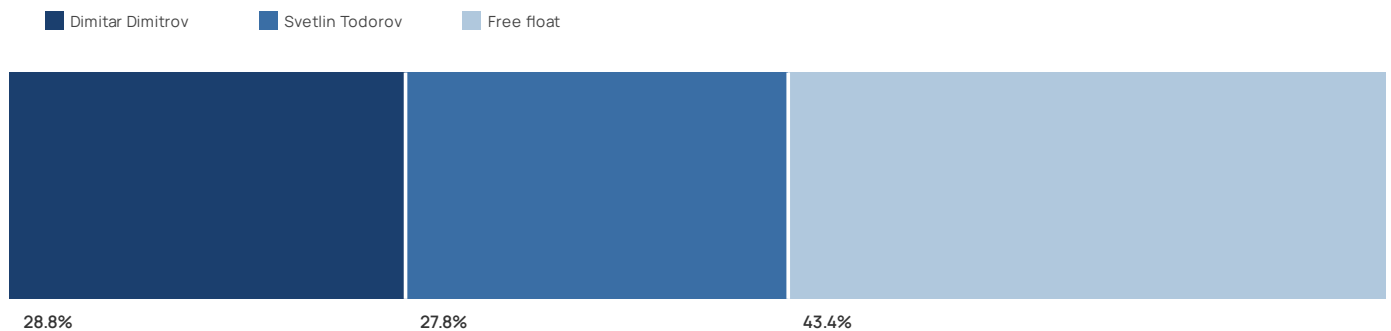
| | |
|---------------------|--|
| 22 January 2026 | Roadshow Munich, Germany (Montega) |
| 4 February 2026 | Montega – Hamburg Investor Days, Hamburg, Germany |
| 23 February 2026 | (Unaudited) Consolidated Financial Report Q4 2025 (after close of trading) |
| 24 February 2026 | Earnings Call (Unaudited) Q4 2025 |
| 26 February 2026 | Roadshow Milan, Italy (Montega) |
| 27 February 2026 | Roadshow Frankfurt, Germany (Montega) |
| 15 April 2026 | Annual Financial Report 2025 (after close of trading) |
| 28 April 2026 | European Platform Summit (Airtime), virtual event |
| 29 April 2026 | Bulgarian Stock Exchange Investors Day, Sofia, Bulgaria |
| 5 May 2026 | Roadshow Stockholm, Sweden (Berenberg) |
| 6 May 2026 | Roadshow Helsinki, Finland (Berenberg) |
| 11 May 2026 | (Unaudited) Consolidated Financial Report Q1 2026 (after close of trading) |
| 12 May 2026 | Earnings Call (Unaudited) Q1 2026 |
| 19 May 2026 | Roadshow Paris, France (Baader) |
| 20 May 2026 | Roadshow London, United Kingdom (Baader) |
| June 2026 | Ordinary General Meeting, Sofia, Bulgaria |
| 16/18 June 2026 | Planet Microcap Showcase, Las Vegas, United States of America |
| 12 August 2026 | (Unaudited) Consolidated Financial Report Q2 2026 (after close of trading) |
| 13 August 2026 | Earnings Call (Unaudited) Q2 2026 |
| September 2026 | Berenberg Investment Conference, Munich, Germany |
| 10 November 2026 | (Unaudited) Consolidated Financial Report Q3 2026 (after close of trading) |
| 11 November 2026 | Earnings Call (Unaudited) Q3 2026 |
| 23/25 November 2026 | German Equity Forum, Frankfurt/Main, Germany |
| 30 Nov./3 Dec. 2026 | Berenberg European Conference, Fairmont Windsor Park, United Kingdom |

Shareholder Structure

Changes in the shareholder structure compared to the prior year result primarily from share placements by members of the Board of Directors aimed at further increasing the free float and broadening the institutional investor base. Dimitar Dimitrov and Svetlin Todorov, co-founders and major shareholders of the Company, remain significantly invested in Shelly Group SE and continue to fully support the development of the Company. As of 31 December 2025, Dimitar Dimitrov held approximately 28.8% and Svetlin Todorov approximately 27.8% of the share capital of Shelly Group SE. The free float amounted to approximately 43.4%.

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

The share capital of Shelly Group SE increased from BGN 18,105,559.00, divided into 18,105,559 no-par value registered shares, to BGN 18,158,060.00, divided into 18,158,060 no-par value registered shares. The increase is attributable to capital increases with subscription rights carried out in connection with the Employee Share Program.



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 remained robust despite near-term headwinds in 2025

According to the Kiel Institute for the World Economy (IfW), global GDP grew by 3.4% in 2025, matching the prior year's pace despite significant headwinds from U.S. trade policy and heightened geopolitical uncertainty. The U.S. economy expanded robustly, while growth in advanced economies overall remained at 1.7%. The global expansion was supported by strong momentum in the IT and AI sectors, which drove investment and trade in related goods. World trade in goods grew by 4.4%, substantially above the prior year's 2.5%, partly reflecting front-loading of exports ahead of new U.S. tariffs. Toward year-end, global growth moderated as the U.S. government shutdown temporarily weighed on output. Early 2026 indicators pointed to continued solid expansion before energy market disruptions from the Iran conflict introduced a new source of uncertainty.

Eurozone recovery continued at a moderate pace

According to the IfW, eurozone GDP grew by 1.5% in 2025, a meaningful acceleration from 0.9% the year before. The recovery was unevenly distributed: Spain expanded by 2.8%, supported by strong domestic demand, while Germany posted only 0.4% growth and France 0.9%. The manufacturing sector remained broadly weak, though construction activity stabilized. Private consumption proved resilient, aided by declining inflation and real wage gains. The eurozone unemployment rate held near historical lows at around 6.3%. Consumer price inflation fell to 2.1% in 2025, approaching the European Central Bank's 2% target, allowing the ECB to reduce its deposit rate to 2.0% by mid-year – a level it then held steady.

Germany stabilizes after years of contraction

In 2025, the German economy stabilized after two consecutive years of contraction, with GDP growing by 0.2% – a marginal but meaningful turnaround. The near-four-year period of weakness gave way to the early stages of a tentative recovery, driven primarily by expansionary fiscal policy including the new special infrastructure and defense funds. Structural challenges persisted, particularly in the manufacturing sector, where competitiveness losses continued to weigh on activity. Private consumption rose 1.6%, supported by declining inflation and real wage gains as one-off payments from prior years faded. The unemployment rate remained elevated at 6.3%. Inflation came in at 2.2% – unchanged from the previous year – though energy price pressures began to re-emerge in early 2026 due to the Iran conflict.

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-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.

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. 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, the Benelux and the Nordics. The current environment of elevated energy prices and heightened cost awareness among consumers plays to Shelly Group's strengths: demand for intelligent energy management solutions is rising, and the Company's best-in-class price-performance ratio positions it favorably in a market where household budgets are under pressure. At the same time, the smart home market is at an inflection point towards mass adoption, underscored by the entry of mainstream retailers such as IKEA into the smart device segment.

Market Overview – Europe

In 2025, the number of smart homes in Europe increased by around 10% year-on-year to around 57 million, according to estimates of market research firm Statista. As a result, market penetration in Europe rose to around 15% in 2025 after around 14% in the previous year. The European market for smart home solutions grew by around 10% to around EUR 37 billion in 2025. The largest markets in the past financial year 2025 were the United Kingdom with around EUR 10 billion, Germany with around EUR 8 billion, and France with around EUR 3 billion. The Connectivity & Control and Comfort & Lighting segments, which are of particular importance to the Shelly Group, recorded the highest growth rates.

Market Overview – Germany

According to estimates of market research firm Statista, the German market for smart home solutions grew by around 9% to around EUR 8 billion in 2025. 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). The Connectivity & Control and Comfort & Lighting 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.

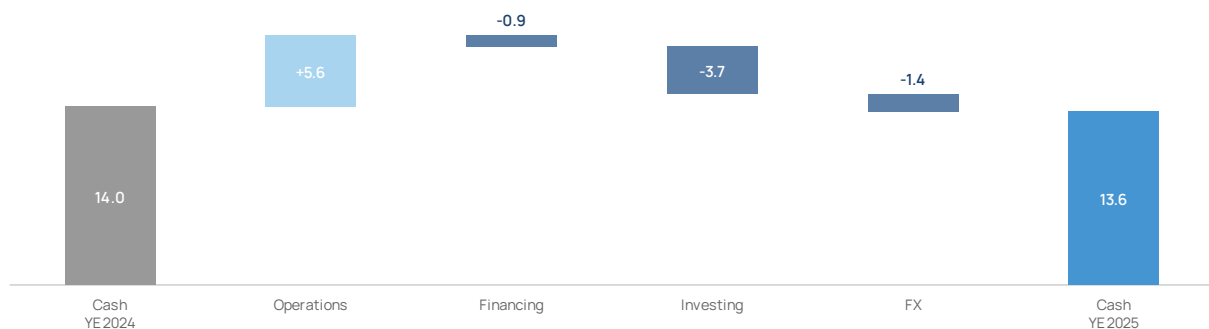
Group results of operations, assets and liabilities and financial positions

Assessment of Group business performance and economic situation

In the financial year 2025, Shelly Group SE achieved an increase in **group revenue** of 40.3% to EUR 149.7 million. Growth was driven by the continued expansion of international distribution channels and geographical footprint, a broadening of the product and service portfolio, the introduction of new product categories, and a further increase in the share of sales to professional users. Revenue thus came in within the guidance range of EUR 145 million to EUR 155 million issued at the beginning of the year and represented more than 2.5 times the management's estimated market growth rate of 10 to 15%.

Earnings before interest and taxes (**adjusted EBIT**), adjusted for the MSP accrual, grew by 46.7% to EUR 37.8 million, with an adjusted margin of 25.3% (FY 2024: 24.2%). The third quarter in particular delivered an outstanding **adjusted EBIT margin** of 29.5%, the highest in the Group's history for a single quarter, reflecting the simultaneous benefit of favorable dollar-euro exchange rates, sea-freight savings and improved chip costs. On a reported basis, EBIT amounted to EUR 30.4 million, after EUR 25.7 million in the prior year.

Cashflow performance – Financial Year 2025 in EUR million



Note: Rounding differences may occur.

Cash flow from operating activities increased by approximately 104% to EUR 5.6 million (FY 2024: EUR 2.7 million), despite the strong increase in trade receivables. **Net financial assets** (cash and cash equivalents less bank liabilities) amounted to EUR 10.3 million as of 31 December 2025, compared with EUR 13.6 million as of 31 December 2024.

Dividend payments of EUR 2.4 million were distributed to shareholders in the course of the year.

Cash flow from operating activities increased by approximately 104% to EUR 5.6 million (FY 2024: EUR 2.7 million), despite the strong increase in trade receivables. **Net financial assets** (cash and cash equivalents less bank liabilities) amounted to EUR 10.3 million as of 31 December 2025, compared with EUR 13.6 million as of 31 December 2024.

Dividend payments of EUR 2.4 million were distributed to shareholders in the course of the year.

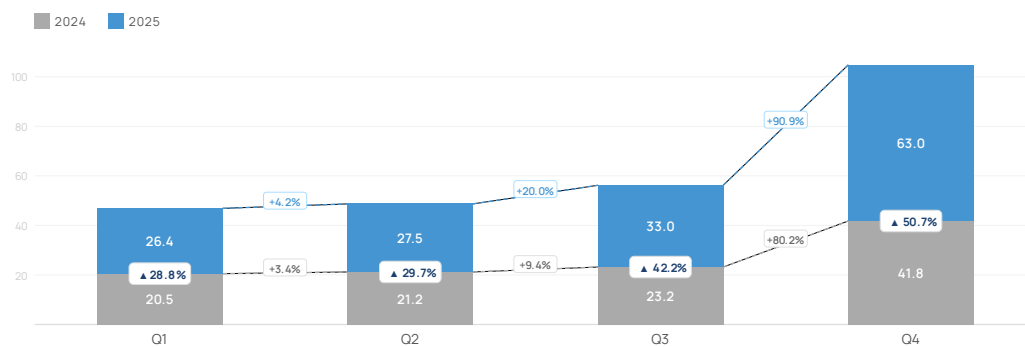
Net financial assets (cash and cash equivalents less bank liabilities) amounted to EUR 10.3 million as of 31 December 2025, compared with EUR 13.6 million as of 31 December 2024. Dividend payments of EUR 2.4 million were distributed to shareholders in the course of the year.

Group results of operations

Shelly Group SE achieved **group revenue** growth of 40.3% to EUR 149.7 million in the financial year 2025. The fourth quarter was the strongest quarter in the Group's history, with revenue of approximately EUR 63 million, exceeding the total revenue Shelly Group generated in its entire financial year 2022.

With a revenue performance above the market average in all **sales regions**, the Group achieved consecutive quarterly revenue growth for the 32nd quarter in succession as of 31 December 2025. Growth accelerated quarter by quarter. The fourth quarter, in particular, demonstrated the Group's ability to deliver above the full-year average growth rate, driven by Black Friday activity, new product introductions and the initial contribution of new country teams. Q4 Black Friday revenue amounted to EUR 36.0 million, approximately 50% above the prior-year level.

Revenue performance – Financial Year 2025 in EUR million

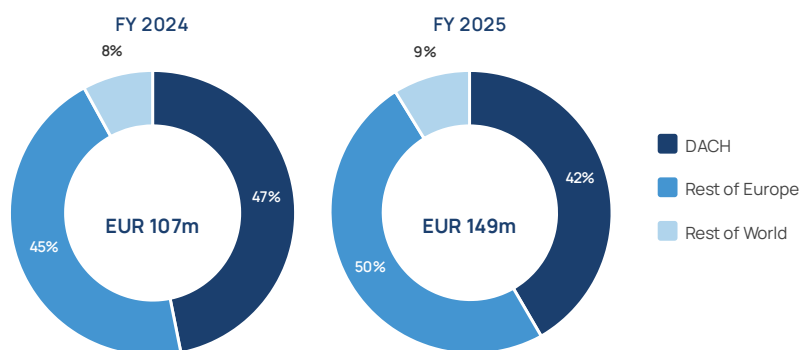


The Company continued to make positive progress with its **premium app** offering. The number of premium app subscribers grew by 61% to 38,000 as of 31 December 2025. Premium app revenue grew by 78%, reflecting both the continued subscriber growth and the deferred revenue accounting treatment introduced in 2025 for annual subscriptions. With a gross margin approaching 100%, the premium app represents a highly scalable addition to the revenue profile and an important driver of future recurring revenues.

The **DIY-to-professional revenue split** continued to shift in favor of professional users, which now account for an estimated 35% of revenue (FY 2024: approximately 30%), based on channel and customer survey data. Professional devices, in particular power meters, smart energy monitors and DIN-rail products, carry higher average selling prices, which amplifies the revenue effect of the growing professional share. The installer network, launched in April 2024, grew from 900 members at the end of 2024 to 5,300 members at 31 December 2025, a nearly fivefold increase in twelve months.

Regional split of revenue distribution

Financial Year 2025 in EUR million



Note: Rounding differences may occur.

Cost of sales rose by 45.8% to EUR 63.3 million (FY 2024: EUR 43.4 million), slightly faster than revenue, resulting in a gross margin of 57.8% compared with 59.3% in the prior year. The 1.5 percentage point decline reflects a product shift in the entry segment, which more than offset the margin improvement from the growing share of Gen3 and Gen4 devices. Management expects the positive and negative margin effects to broadly offset each other as Gen3/Gen4 volumes grow and procurement optimizations, including sea-freight shipments and improved chip sourcing terms, take full effect.

Other operating income amounted to EUR 3.4 million (FY 2024: EUR 3.7 million). Exchange rate effects from procurement, which were negative in the first half of the year due to dollar-euro movements on pre-paid orders, reversed in the second half as lower dollar rates reduced cost of goods. The full-year exchange rate impact on EBIT was broadly neutral.

Sales and marketing expenses declined to 13.6% of revenue (FY 2024: 18.7%), reflecting improved channel management, reduced dependency on a single large online retailer and more efficient allocation of third-party marketing expenditure. In absolute terms, sales expenses amounted to EUR 20.4 million (FY 2024: EUR 19.9 million), rising only modestly despite revenue growth of over 40%, a clear indicator of operating leverage at the distribution level.

Administrative expenses increased to EUR 30.3 million (FY 2024: EUR 18.5 million), of which EUR 7.4 million relates to the non-cash MSP accrual under IFRS 2. Adjusting for this one-off, underlying administrative expenses grew to approximately EUR 23.0 million, reflecting planned investments in country organizations, notably the establishment of subsidiaries in Poland (May 2025) and Benelux (October 2025), higher personnel costs as headcount expanded, and increased IT and software development expenditure.

Other operating expenses amounted to EUR 8.7 million (FY 2024: EUR 2.8 million). The increase reflects foreign exchange losses from currency revaluation and provisions relating to product warranties and other operational items in line with overall volume growth. Management does not consider this change to be indicative of a structural deterioration in the cost base.

Earnings before interest and taxes (adjusted EBIT), adjusted for the MSP accrual, grew by 46.7% to EUR 37.8 million, with an adjusted margin of 25.3% (FY 2024: 24.2%). The third quarter in particular delivered an outstanding adjusted EBIT margin of 29.5%, the highest in the Group's history for a single quarter, reflecting the simultaneous benefit of favorable dollar-euro exchange rates, sea-freight savings and improved chip costs. On a reported basis, EBIT amounted to EUR 30.4 million, after EUR 25.7 million in the prior year.

Group net result amounted to EUR 25.3 million (FY 2024: EUR 22.9 million), with net income per share of EUR 1.40 on a reported basis and EUR 1.79 on an adjusted basis. The prior year adjusted earnings per share were EUR 1.26. The number of shares as of 31 December 2025 stood at 18,158,060 (31 December 2024: 18,105,559 shares).

Group key performance indicators

| in EUR million | 2025 | 2024 | Δ |
|--------------------|-------|-------|--------|
| Group revenues | 149.7 | 106.7 | 40.3% |
| EBIT (adjusted) | 37.8 | 25.8 | 46.7% |
| EBIT margin (adj.) | 25.3% | 24.2% | +1.1pp |
| Net result | 25.3 | 22.9 | 10.5% |
| Equity ratio | 80.3% | 82.3% | -2.0pp |
| Oper. cash flow | 5.6 | 2.7 | 107.4% |
| Cash equiv. | 13.7 | 14.0 | -2.1% |

Note: EBIT includes the non-cash MSP accrual of EUR 7.4 million (FY 2025 only).

Group assets and financial position

Asset position

Shelly Group's **total assets** increased by 44.4% to EUR 133.2 million as of 31 December 2025 (31 December 2024: EUR 92.3 million). Non-current assets (excluding deferred taxes) continue to be fully financed by equity. Current assets cover current liabilities by a factor of approximately 5.4 times.

Non-current assets as of 31 December 2025 increased to EUR 19.9 million (31 December 2024: EUR 15.7 million), principally reflecting the continued rise in self-generated **intangible assets**, including patents, licenses, trademarks and capitalized development costs associated with the Gen4 product platform, new product categories and the Shelly AI Assistant, as well as **right-of-use assets** related to the Group's office premises. Deferred tax assets rose significantly to EUR 1.7 million (31 December 2024: EUR 0.2 million), primarily in connection with the MSP accrual.

Current assets rose to EUR 113.4 million as of 31 December 2025 (31 December 2024: EUR 76.7 million). The increase in **trade receivables** to EUR 78.7 million (31 December 2024: EUR 35.9 million) was the dominant factor and is addressed in detail in the working capital section below. **Inventories** declined to EUR 19.5 million (31 December 2024: EUR 23.3 million), reflecting the early results of working capital optimization measures.

Equity increased by 40.8% to EUR 107.0 million as of 31 December 2025 (31 December 2024: EUR 76.0 million), driven by the positive earnings result and the recognition of the share-based payments reserve of EUR 7.4 million under IFRS 2. The **equity ratio** stood at 80.3% as of 31 December 2025, compared with 82.3% as of 31 December 2024. The moderate decline reflects the faster growth of total assets relative to equity, primarily as a result of the trade receivables build-up in the fourth quarter.

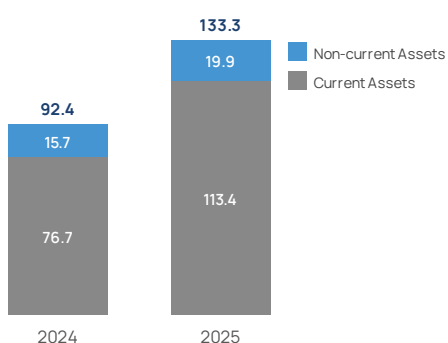
Balance sheet analysis

Non-current liabilities amounted to EUR 5.2 million as of 31 December 2025 (31 December 2024: EUR 5.2 million), consisting principally of non-current lease liabilities relating to the Group's office premises.

Current liabilities increased to EUR 21.1 million as of 31 December 2025 (31 December 2024: EUR 11.1 million), primarily reflecting higher trade payables of EUR 8.7 million (31 December 2024: EUR 5.0 million), other current liabilities of EUR 6.1 million and short-term bank loans of EUR 3.4 million.

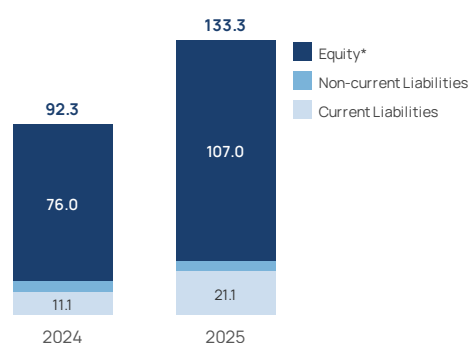
As of 31 December 2025, Shelly Group SE reported **total financial liabilities** of EUR 8.9 million (31 December 2024: EUR 11.1 million), of which EUR 4.2 million have a **maturity** of up to 12 months (31 December 2024: EUR 6.1 million). Total financial liabilities include lease liabilities of EUR 5.6 million (31 December 2024: EUR 5.8 million), of which EUR 4.7 million are non-current lease liabilities relating in particular to the use of the Group's office premises and vehicles, recognized in accordance with IFRS 16. The remaining EUR 3.4 million of financial liabilities consist of short-term bank loans drawn under revolving credit facilities. The Group has no long-term bank debt.

Assets (in EUR million)



Note: Rounding differences may occur. *Including non-controlling interests.

Equity and Liabilities (in EUR million)



Note: Rounding differences may occur.

Working capital, liquidity and capital spending

Trade receivables increased substantially year-on-year, and the Group is aware that this development requires detailed explanation. The increase reflects a combination of structural and operational factors. Structurally, the continued shift towards professional distributors and wholesalers, who typically operate with payment terms of 60 to 90 days, lengthens the average collection cycle relative to earlier periods when online retail channels, which settle more rapidly, carried a higher revenue share. In several markets, Shelly Group operates through a two-tier distribution model, supplying both master distributors and their sub-distributors on credit terms, which further extends the effective receivables cycle relative to direct-to-retail arrangements. Operationally, the fourth quarter represents the Group's seasonally strongest period: fourth-quarter revenue of approximately EUR 63 million represents 42% of full-year revenue, and the concentration of high-volume shipments close to the balance sheet date structurally generates a higher period-end receivables balance. Management notes that there has been no change in the Group's receivables accounting policy.

A second contributing factor was the decision to accelerate deliveries of existing product lines to distributors in the fourth quarter, partly at adjusted payment terms, in order to maintain revenue momentum ahead of planned product launches that were shifted into the course of 2026 following component optimizations and certification delays. Management is satisfied that the receivables balance represents genuine demand: cloud device activations in the fourth quarter increased by approximately 52% relative to the third quarter, confirming that products reached end users rather than accumulating in distributor warehouses. Prepayments to suppliers for components ordered ahead of planned 2026 product launches also contributed to the build-up in current assets.

Shelly Group maintained **cash and cash equivalents** of EUR 13.7 million as of 31 December 2025 (31 December 2024: EUR 14.0 million). Net financial assets (cash and cash equivalents less bank liabilities) amounted to EUR 10.3 million as of 31 December 2025 (31 December 2024: EUR 13.6 million). The Group has no net financial debt. In addition, revolving **credit facilities** are available under existing loan agreements with the Group's principal bank, of which EUR 3.4 million were drawn as of 31 December 2025. A further **undrawn credit line** of EUR 19 million to EUR 20 million has been secured with a Bulgarian bank to provide additional liquidity headroom should it be required.

Cash flow from operating activities increased to EUR 5.6 million in FY 2025 (FY 2024: EUR 2.7 million), an improvement of approximately 104%, notwithstanding the substantial trade receivables build-up in the fourth quarter. The increase in receivables was partially offset by lower inventory levels, higher trade payables and improved operating profitability.

Cash flow from investing activities resulted in a cash outflow of EUR 3.7 million (FY 2024: EUR 1.8 million), reflecting investments in research and development, including the Gen4 product platform, smart circuit breakers and the Shelly AI Assistant. Development costs for the Shelly AI Assistant were capitalized in FY 2025; the product was publicly launched after the end of the reporting period.

Cash flow from financing activities resulted in a cash outflow of EUR 0.9 million (FY 2024: EUR 2.7 million). New loans of EUR 6.2 million were drawn and EUR 3.5 million repaid, with a net loan increase of EUR 2.7 million reflecting the planned partial utilization of available credit facilities. Shelly Group SE distributed dividends of EUR 2.4 million to shareholders, consistent with the prior year.

Free cash flow (cash flow from operating activities plus cash flow from investing activities) amounted to EUR 1.9 million (FY 2024: EUR 0.9 million), an improvement of approximately 101%, reflecting the stronger operating result and disciplined capital expenditure management.

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 2026 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.

Development of macroeconomic environment

Global economy remains on a growth path despite new headwinds

According to the Kiel Institute for the World Economy (IfW), global GDP grew by 3.4% in 2025, matching the prior year's pace despite significant headwinds from U.S. trade policy and heightened geopolitical uncertainty. The U.S. economy expanded robustly at 2.2%, while growth in advanced economies overall remained at 1.7%. The global expansion was supported by strong momentum in the IT and AI sectors, which drove investment and trade in related goods. World trade in goods grew by 4.4%, substantially above the prior year's 2.5%, partly reflecting front-loading of exports ahead of new U.S. tariffs. For 2026, the IfW forecasts global growth of 3.1%, with a temporary drag from the Iran conflict's impact on energy markets. The IfW projects global inflation to average 5.5% in 2026, up from 4.7% in 2025, driven by the energy price surge. For 2027, global growth is expected to recover to 3.2% as energy prices normalize.

Eurozone recovery continues, supported by fiscal stimulus

According to the IfW, eurozone GDP grew by 1.5% in 2025, a meaningful acceleration from 0.9% the year before, supported by resilient private consumption and declining inflation. For 2026, the IfW forecasts eurozone growth of 1.0%, with a temporary drag from higher energy prices following the Iran conflict. The European Central Bank (ECB) held its deposit rate steady at 2.0% throughout the period, having concluded its easing cycle in mid-2025. Inflation in the eurozone is forecast to rise to 2.3% in 2026 from 2.1% in 2025, driven by energy price pass-through effects. Expansionary fiscal policy, particularly in Germany through its new infrastructure and defense special funds, provides additional support to eurozone demand in the forecast period. For 2027, growth is expected to recover to 1.4% as energy price pressures ease.

Germany stabilizes; fiscal impulses support gradual recovery

According to the IfW, the German economy stabilized in 2025, with GDP growing by 0.2% after two consecutive years of contraction. Structural challenges in the manufacturing sector persisted, but expansionary fiscal policy, underpinned by the new Sondervermögen (dedicated off-balance-sheet special funds) for infrastructure and defense, is providing meaningful demand stimulus. For 2026, the IfW forecasts German GDP growth of 0.8%, with a temporary setback in the first half of the year from energy price pressures. Private consumption is expected to expand by 0.6%, constrained by higher energy costs in the near term but supported by continued real wage growth. The unemployment rate is forecast to remain at 6.3% in 2026 before gradually declining to 6.0% in 2027. Inflation is forecast to rise to 2.5% in 2026, driven by energy prices, before easing back to 2.1% in 2027. The German fiscal deficit is projected to widen to 3.7% of GDP in 2026 as a result of increased public spending.

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.

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.

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 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.

Market Development – Europe

The number of smart homes in Europe is expected to increase by around 7% year-on-year to around 72 million in 2026, according to market research firm Statista. As a result, market penetration in Europe is expected to rise to around 19% in 2026, up from around 18% in 2025. The European market for smart home solutions is expected to grow by around 10% to around EUR 41 billion in 2026. The largest markets in the 2026 financial year are expected to be the United Kingdom, with around EUR 11 billion, Germany, with around EUR 9 billion, and France with around EUR 4 billion. The Connectivity & Control and Comfort & Lighting segments, which are of particular importance to the Shelly Group, are expected to continue to record the highest growth rates.

Market Development – Germany

According to market research firm Statista, the German market for smart home solutions is expected to grow by around 9% to around EUR 9 billion in 2026. 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 and Comfort & Lighting 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 2029.

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.

Future development of the Shelly Group

Shelly Group has consistently outperformed the market by leveraging innovative solutions and a strong brand presence. In the financial year 2025, the Group achieved its 32nd consecutive quarter of revenue growth, delivered revenue of EUR 149.7 million within its guidance range, and after the end of the reporting period was admitted to the SDAX in April 2026 as the first Bulgarian company in the DAX index family. The Board of Directors strives to continue this development on the basis of profitable above-market growth. Shelly Group's long-term strategy rests 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. A growing installer network, with more than 5,300 registered professional installers at year-end 2025, up from 900 twelve months earlier, drives adoption in the professional segment and generates recurring project business. The existing customer base represents an increasingly powerful upselling lever: repeat buyers accounted for 57 percent of cloud device additions in 2025, with an average of 4.4 devices added per buyer per year.

Margins

The Shelly Group's margin profile benefits from several structural advantages. The shift from air to sea freight, now underway, is expected to reduce costs of goods sold by one to two percentage points over time. Manufacturing capacity at the principal partner facility in China has been scaled to 1.5 million units per month, enabling dedicated production lines per product and reducing unit costs as volumes grow. Devices from the third and fourth generation, which carry improved gross margins, already represent 60 percent of revenue. The premium app, with a gross margin approaching 100 percent, contributes a growing recurring revenue stream. 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, and the strong focus on cost control enables further margin improvement.

Cash generation

The Shelly Group's asset-light business model supports the deployment of cash for growth initiatives with minimal capital expenditure. The normalization of the elevated year-end 2025 receivables balance is already underway: in the first quarter of 2026, cash and cash equivalents increased by approximately 45 percent relative to year-end 2025 to EUR 19.9 million, driven by working capital movements including improvements in trade payables. The maturity profile and structure of trade receivables improved, and the receivables balance is expected to normalize further over the course of the year. Beyond this near-term effect, the continued implementation of the SAP ERP system, increasing economies of scale in procurement, are expected to contribute to a structurally improved working capital position. Strict cost management and the growing contribution of high-margin recurring revenues further support cash flow and competitive pricing.

Shelly Group consolidated forecast 2026

The Board of Directors will remain committed to the Shelly Group's strategy in the 2026 financial year. The objectives for the current financial year 2026 are to continue the strong topline growth, to at least maintain profitability and to further improve free cash flow and the cash conversion cycle. To this end, regional expansion will continue with fully staffed country organizations now in place in eight European markets, and the customer base will be further diversified from DIY enthusiasts to professional users, building on the strong progress already made. New product categories, including cameras, smart circuit breakers and additional smart lock variants, will support growth in the second half of the year, while the cloud and premium app, supported by the newly launched Shelly AI Assistant, will open up additional recurring revenue potential. In addition, the Board of Directors remains open to selective inorganic opportunities should they arise.

For the current financial year 2026, the Board of Directors expects revenue of between EUR 195 million and EUR 205 million and an adjusted EBIT of between EUR 47 million and EUR 52 million. Growth is expected to be more weighted towards the second half of the year, reflecting the planned launch cadence of new product categories and the ramp-up of country organizations established in 2025 and early 2026. In the past financial year 2025, revenue amounted to EUR 149.7 million (guidance: EUR 145 million to EUR 155 million) and adjusted EBIT to EUR 37.8 million (guidance: EUR 36 million to EUR 38 million). After the end of the reporting period, the Company published preliminary revenue for the first quarter of 2026 of approximately EUR 33.4 million, representing growth of approximately 26 percent year-on-year and above the Company's internal expectations. The full-year guidance remains unchanged.

| Shelly Group consolidated forecast 2026 | FY 2026e | FY 2025 |
|---|---------------------|-------------------|
| Revenue | EUR 195–205 million | EUR 149.7 million |
| Adj. EBIT margin | ~25% | 25.3% |

Consolidated Statement of Financial Position

| in EURk | 31 December 2025 | 31 December 2024 |
|---------------------------------|---------------------|---------------------|
| Non-current assets | | |
| Property, plant and equipment | 882 | 1,125 |
| Intangible assets | 9,861 | 6,830 |
| Right-of-use assets | 5,490 | 5,638 |
| Goodwill | 1,860 | 1,860 |
| Investments in associates | 60 | 82 |
| Deferred tax assets | 1,697 | 155 |
| Total non-current assets | 19,852 | 15,689 |
| Current assets | | |
| Inventory | 19,508 | 23,293 |
| Trade receivables | 78,662 | 35,857 |
| Other receivables | 1,540 | 3,517 |
| Cash and cash equivalents | 13,685 | 13,985 |
| Total current assets | 113,395 | 76,653 |
| Total Assets | 133,247 | 92,342 |

| in EURk | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| Non-current liabilities | | |
| Lease liabilities | 4,743 | 5,061 |
| Payables to employees and social security | 163 | – |
| Retirement benefit obligations | 250 | 167 |
| Total non-current liabilities | 5,155 | 5,228 |
| Current liabilities | | |
| Bank loans | 3,371 | 421 |
| Lease liabilities | 820 | 696 |
| Trade payables | 8,673 | 5,021 |
| Payables to employees and social security | 2,077 | 1,210 |
| Other liabilities | 6,123 | 3,749 |
| Total current liabilities | 21,063 | 11,097 |
| Total liabilities | 26,218 | 16,325 |
| Equity | | |
| Share capital | 9,284 | 9,257 |
| Retained earnings | 85,793 | 63,060 |
| Legal reserves | 989 | 986 |
| Premium reserve | 2,763 | 2,763 |
| Share based payments reserve | 7,384 | – |
| Reserves from revaluation of defined benefits plans | (89) | (45) |
| Exchange differences from translation of foreign subsidiaries' financial statements | 931 | 267 |
| Equity attributable to Parent Company's equity holder | 107,054 | 76,288 |
| Non-controlling interest | (25) | (271) |
| Total equity | 107,029 | 76,017 |
| Total equity and liabilities | 133,247 | 92,342 |

Consolidated Statement of Comprehensive Income

| in EURk | 2025 | 2024 |
|---|----------------|----------------|
| Sales revenue | 149,742 | 106,709 |
| Cost of sales | (63,261) | (43,382) |
| Gross profit | 86,480 | 63,327 |
| Other operating income | 3,367 | 3,731 |
| Sales expenses | (20,368) | (19,924) |
| Administrative expenses | (30,347) | (18,506) |
| Other operating expenses | (8,685) | (2,834) |
| Profit from operating activity (EBIT) | 30,447 | 25,795 |
| Finance income | 813 | 10 |
| Finance expense | (2,201) | (72) |
| Share of associated companies' (loss) | (21) | (13) |
| Profit before tax | 29,038 | 25,721 |
| Income tax expense | (3,693) | (3,476) |
| Profit for the year from continuing operations | 25,345 | 22,244 |
| Profit for the year from discontinued operations | - | 635 |
| Net profit | 25,345 | 22,879 |
| Other comprehensive income | | |
| Actuarial (loss) | (49) | (51) |
| Deferred tax on actuarial gain | 4 | 5 |
| Exchange differences from translation of foreign subsidiaries | 654 | (34) |
| Effect from business combination | - | (501) |
| Other comprehensive income for the year after taxes | 609 | (581) |
| Total comprehensive income for the year | 25,955 | 22,298 |
| Net profit attributable to: | | |
| Owners of the Parent Company | 25,089 | 22,974 |
| Non-controlling interest | 256 | (95) |
| Other comprehensive income attributable to: | | |
| Owners of the Parent Company | 620 | (802) |
| Non-controlling interest | (10) | 221 |
| Total comprehensive income attributable to: | | |
| Owners of the Parent Company | 25,709 | 22,172 |
| Non-controlling interest | 246 | 126 |
| Earnings per share (in EUR) | 1.40 | 1.26 |

Consolidated Statement of Cash Flows

| in EURk | 2025 | 2024 |
|---|----------------|----------------|
| Cash flows from operating activities | | |
| Proceeds from customers | 111,388 | 85,366 |
| Payments to suppliers | (84,818) | (67,882) |
| Taxes paid | (2,083) | (1,076) |
| Corporate tax paid | (4,703) | (2,715) |
| Payments to employees and social security institutions | (13,732) | (10,793) |
| Bank fees | 52 | (7) |
| Other payments, net | (486) | (143) |
| Net cash flows from operating activities | 5,618 | 2,749 |
| Cash flows from investing activities | | |
| Payments for acquisition of PP&E and intangible assets | (4,398) | (3,890) |
| Loans returned | - | 280 |
| Proceeds from sale of property, plant and equipment | 50 | - |
| Proceeds from the sale of investments | 685 | 2,965 |
| Purchase of investments | (72) | (1,168) |
| Net cash flows used in investing activities | (3,735) | (1,813) |
| Cash flows from financing activities | | |
| Increase of share capital | 27 | 28 |
| Lease payments | (1,141) | (268) |
| Loans received | 6,162 | 1,073 |
| Loans repaid | (3,460) | (1,132) |
| Cash flows related to interest and commissions | (54) | (8) |
| Dividends paid | (2,353) | (2,347) |
| Other payments, net | (85) | (27) |
| Net cash flows used in financing activities | (905) | (2,681) |
| Net increase/(decrease) in cash and cash equivalents | 977 | (1,745) |
| Net exchange differences | (1,277) | (7) |
| Cash and cash equivalents at the beginning of the year | 13,985 | 15,737 |
| Cash and cash equivalents at the end of the year | 13,685 | 13,985 |

Consolidated Statement of Changes in Equity

| in EURk | Share capital | Retained earnings | Premium reserve | Legal reserves | SBP reserve | Def. ben. reserves | Exch. diff. | Total | NCI | Total equity |
|-------------------------------------|---------------|-------------------|-----------------|----------------|--------------|--------------------|-------------|----------------|--------------|----------------|
| Balance at January 1, 2024 | 9,229 | 42,522 | 2,763 | 1,434 | - | 2 | 487 | 56,436 | (397) | 56,039 |
| Total comprehensive income, net | - | 22,889 | - | (450) | - | (47) | (220) | 22,172 | 126 | 22,298 |
| Net profit | - | 22,974 | - | - | - | - | - | 22,974 | (95) | 22,879 |
| Exchange differences | - | - | - | - | - | - | (30) | (30) | (4) | (34) |
| Actuarial (loss) | - | - | - | - | - | (51) | - | (51) | - | (51) |
| Deferred tax | - | - | - | - | - | 5 | - | 5 | - | 5 |
| Effect from business combination | - | (85) | - | (450) | - | - | (190) | (726) | 224 | (501) |
| Replenishment of reserve | - | (3) | - | 3 | - | - | - | - | - | - |
| Increase of share capital | 28 | - | - | - | - | - | - | 28 | - | 28 |
| Dividends (EUR 0.13 per share) | - | (2,347) | - | - | - | - | - | (2,347) | - | (2,347) |
| Other adjustments | - | (1) | - | (1) | - | - | - | (1) | - | (1) |
| Balance at December 31, 2024 | 9,257 | 63,060 | 2,763 | 986 | - | (45) | 267 | 76,288 | (271) | 76,017 |
| Balance at January 1, 2025 | 9,257 | 63,060 | 2,763 | 986 | - | (45) | 267 | 76,288 | (271) | 76,017 |
| Total comprehensive income, net | - | 25,089 | - | - | - | (44) | 664 | 25,709 | 246 | 25,955 |
| Net profit | - | 25,089 | - | - | - | - | - | 25,089 | 256 | 25,345 |
| Exchange differences | - | - | - | - | - | - | 664 | 664 | (10) | 654 |
| Actuarial (loss) | - | - | - | - | - | (49) | - | (49) | - | (49) |
| Deferred tax | - | - | - | - | - | 4 | - | 4 | - | 4 |
| Transfer to reserves | - | (3) | - | 3 | - | - | - | - | - | - |
| Share based payments | - | - | - | - | 7,384 | - | - | 7,384 | - | 7,384 |
| Capital increase | 27 | - | - | - | - | - | - | 27 | - | 27 |
| Dividend (EUR 0.13 per share) | - | (2,353) | - | - | - | - | - | (2,353) | - | (2,353) |
| Other adjustments | - | - | - | 1 | - | - | - | 1 | - | 1 |
| Balance at December 31, 2025 | 9,284 | 85,793 | 2,763 | 989 | 7,384 | (89) | 931 | 107,054 | (25) | 107,029 |

Note: Rounding differences may occur. SBP = Share based payments; NCI = Non-controlling interest.

Imprint

PUBLISHER

Shelly Group SE
51 Cherni vrah Blvd., Building 3, Floor 2-3
1407 Sofia, Bulgaria
corporate.shelly.com

COPYWRITING AND EDITING

CROSS ALLIANCE communication GmbH
Bahnhofstr. 98,
82166 Graefelfing / Munich, Germany
crossalliance.de

Disclaimer

This report, including any printed or electronic copy of this report, and any document or material distributed at or in connection with this report (together, the "Report"), has been prepared by Shelly Group SE (the "Company"). It does not constitute an offer to sell any securities or an invitation to purchase securities or the solicitation of an offer to buy securities. This report is not an advertisement and not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended.

This report is provided for general information only and does not purport to contain all the information that may be required to evaluate the Company. The information in this report is subject to updating, completion, revision and verification. No reliance may be placed for any purpose whatsoever on the information or opinions contained or expressed in this report or on the accuracy, completeness or fairness of such information and opinions.

To the extent permitted by law and regulation, no undertaking, representation or warranty or other assurance, express or implied, is made or given by or on behalf of the Company, or any of its parent or subsidiary undertakings, or any of its respective directors, officers, partners, employees, agents, affiliates, representatives or advisers, or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this report. None of the Company, its affiliates, advisers or agents or any other party undertakes or is under any duty to update this report or to correct any inaccuracies in such information which may become apparent or to provide any additional information.

Save in the case of fraud, no responsibility or liability is accepted by any such person for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred, however arising, directly or indirectly, from any use of, reliance on, or otherwise in connection with, this report. In addition, no duty of care or otherwise is owed by any such person to recipients of this report or any other person in relation to this report.

This report includes statements that are, or may be deemed to be, forward-looking statements. These statements are based on the current views, expectations and assumptions of the management of the Company and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, competition from other companies, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting the Company, and other factors. The Company does not assume any obligation to update any forward-looking statements.

This report includes statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on analysis by the Company of multiple sources, including certain studies commissioned from third parties (the "Market Reports"). The Market Reports may include, among other things, information obtained from primary interviews and field visits conducted by third parties with industry experts and participants, third parties' secondary market research and internal financial and operational information supplied by, or on behalf of, the Company, as well as information obtained from (i) data providers, (ii) industry associations and country organisations, and (iii) publicly available sources, including information released by the Company's competitors.

To the extent available, the industry, market and competitive position data contained in this report has been obtained from official or third-party sources. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this report.

All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described in this report. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and, to the extent based on historical information, should not be relied upon as an accurate prediction of future performance.

The distribution of this Report in certain jurisdictions is restricted by law. Therefore, it must not be distributed, published or reproduced (in whole or in part) or disclosed by its recipients to any other person for any purpose, other than with the consent of the Company. All trademarks remain the property of their respective owners. By accepting receipt of, attending any delivery of, or electronically accessing, this Report, you agree to be bound by the above limitations and conditions and, in particular, you represent, warrant and undertake to the Company that: (i) you will not forward this Report to any other person or reproduce or publish this document, in whole or in part, for any purpose; and (ii) you have read and agree to comply with the contents of this notice.



Shelly Group SE

51 Cherni vrah Blvd., Building 3,

Floor 2-3

1407 Sofia, Bulgaria

corporate.shelly.com