

**ANNEX 4****UNDER 12, ITEM 1 OF ORDINANCE 2 OF 09.11.2021 OF FSC  
TO THE INTERIM REPORT ON BUSINESS ACTIVITIES OF SHELLY GROUP PLC****AS OF THE FIRST SIX MONTHS OF 2023****ON CONSOLIDATED BASIS****(reporting period 01.01.2023 – 30.06.2023)**

The Board of Directors of Shelly Group PLC, UIC: 201047670, with registered office and address of management, Sofia, 103 Cherni Vrah Blvd., notifies all current and future investors that the information presented in this document has been prepared in compliance with the requirements of Art.12, para. 1, item 1 of Ordinance No. 2 of the Financial Supervision Commission and represents Annex No. 4 to the above-mentioned legal act. It contains the legally determined information about the activity of the company on consolidated basis for the period from 01.01.2023 to 30.06.2023. It is in the interest of the investors to get acquainted with the provided information before making a decision to invest in the company's securities.

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

The persons responsible for damages caused by incorrect, misleading or incomplete data in this information as of 30.06.2023 are:

Gregor Bieler – Chairman of the BoD;

Nikolay Martinov - Deputy Chairman of the BoD;

Dimitar Dimitrov - Executive Director and Representative;

Wolfgang Kirsch - Executive Director and Representative;

Svetlin Todorov - Member of the BoD and Representative;

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

During the reporting period **there was no change** in the persons exercising control over the company.

There has been a change in the composition of the Board of Directors, with the resolution of the General Meeting of Shareholders of 08.04.2022 changing the number of the Board members from three to five, where Mr. Wolfgang Kirsch and Mr. Gregor Bieler join to the current members.

Pursuant to the resolution of the General Meeting of Shareholders at its first meeting held on 08.04.2022. the Board of Directors elects from among its members the following executive members, Chairman and Deputy-Chairman:

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

The representatives represent the Company together or individually

**As of 30.06.2023 the capital structure of SHELLY GROUP PLC is as follows:**

NAME OF SHAREHOLDER	PERCENTAGE OF THE CAPITAL
Svetlin Todorov	32,48 %
Dimitar Dimitrov	32,48 %
Other individuals and legal entities	35,04 %

As of 30 June, 2023 the Company does not hold any treasury shares.

After the end of the reporting period as a result of capital increase through a procedure of initial public offering of shares of Shelly Group PLC under Art. 112(3) of POSA, in which only employees of the Company and its Bulgarian subsidiaries, the capital structure of the Company has changed as follows:

НАИМЕНОВАНИЕ НА АКЦИОНЕР	ПРОЦЕНТ ОТ КАПИТАЛА
Светлин Тодоров	32,39 %
Димитър Димитров	32,39 %
Други физически и юридически лица	35,22 %

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

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

## **1.3. Concluding or executing significant transactions.**

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

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

- Acquisition of 60% of the share capital of the Slovenian IoT provider GOAP Računalniški inženiring in avtomatizacija procesov d.o.o. Nova Gorica ("GOAP" or "the Target

Company”). The transaction is based on Share Purchase Agreements that were signed with all four GOAP shareholders. The total purchase price for the 1st stage transactions is EUR 2 million.

- Signing of Option Agreement for the acquisition of the remaining 40% of the GOAP share capital belonging to three individual shareholders of GOAP. Under the Option Agreement Shelly Group PLC will have unconditional option to buy (“call option”) and the selling shareholders will have conditional option to sell (“put option”) two packages of shares (the exercise of each of the sellers' options is conditional upon the achievement of certain minimum criteria of KPI, EBITDA and revenue within the period 2023 – 2025). One option is for 16% of GOAPs share capital and the other option is for 24% of GOAPs share capital. The aggregate price for the shares in case of the exercise of the options depends on the extent to which the conditions therefore are met and may range from EUR 699,999.70 (BGN 1,369,080.41) to EUR 3,449,998.60 (BGN 6,747,610.76)
- In the first quarter of 2023 Shelly Group PLC has granted a cash loan to its subsidiary 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)';
- In the second quarter of 2023 SHELLY GROUP PLC has granted an additional cash contribution to its subsidiary 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.

Further, during the reporting period the Company has entered into transactions with other companies outside its business group, that do not classify as “significant” in the meaning of §1, para. 1, item 2 of the Additional Provisions of Ordinance 2 of 09.11.2021 and that are subject to disclosure under section 9 of the Interim 6M 2023 Report on the Business Activities of Shelly Group PLC.

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

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

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

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

By decision of the General Meeting of Shareholders, held on 19.06.2023, Deloitte Audit OOD, UIC: 121145199 has been appointed as the Company’s auditor for 2023.

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

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

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

During the reporting period there is purchase, sale or established pledge of shares in companies by the issuer or its subsidiary.

During the reporting period the Company acquired 60% of the share capital of the Slovenian IoT provider GOAP Računalniški inženiring in avtomatizacija procesov d.o.o. Nova Gorica and signed an Option Agreement for the acquisition of the remaining 40% of the GOAP share capital. *(see item 1.3 here above)*

After the end of the reporting period, the Company has acquired 10 % of the capital of Corner Solutions Ltd by subscribing shares of the capital increase of that company. *(see item 1.3 here above)*

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

In June 2023 the Company increased its capital from BGN 17 999 999 to BGN 18 050 945 as a result of successful initial public offering of shares to the subscription of which there were entitled only employees (including managing directors but not members of the Board of Directors) of the Company and its Bulgarian subsidiaries – Shelly Europe Ltd. *(previously named Allterco Robotics)*, Shelly Trading Ltd. *(previously named Allterco Trading)* and Shelly Properties Ltd. *(previously named Allterco Properties)* based on Art. 112 (3) of POSA. The public offering was performed in compliance with Srt. 1, para 4 (i) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

Other circumstances that the company believes may be important for the investors in deciding to acquire, sell or continue to hold shares were publicly disclosed, incl. in the Interim Report on the Business Activities of the company for the first six months of 2023 on consolidated basis and the Explanatory Notes to the Interim Consolidated Financial Statements for the first six months of 2023.

On behalf of Shelly Group PLC

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Dimitar Dimitrov, CEO