



ALLTERCO

H1 2022 Trading Update

Contents

Highlights

Wolfgang Kirsch

CO-CEO

Strategy & Operations

Product

Dimitar Dimitrov

CO-CEO

Research & Development

Financial Updates & Strategy

Wolfgang Kirsch

CO-CEO

Strategy & Operations

***Scalable growth across Europe in 2022,
enabling a eco-friendly connected world.***



ALLTERCO



Overview - Develop Channels, Markets, & Teams

Vision

Deliver products that make houses and apartments smart and help to monitor and save energy

Strategy

Expansion

Localized Marketing

Channel Development

App Development

Product Diversification

Regional Sales Teams

Product Families

Competitive Features

Financials

Aggressive CAGR

Margin Stability

Recurring Revenue

Overview ESG Approach

Ecological



Developing a sustainable future



Enabling

On target to reduce company energy consumption latest by 70% by 2030



Sustainability

On Track to shift internal Products & Services to sustainable alternatives latest by 2030



100% renewables

In-line with company commitment to have a net zero carbon footprint latest by 2030

Social



Connecting communities across the globe



Communities

Committed to a sustainable environment for the communities we serve



Employees & Neighbors

Engaged as employees & neighbors, actively working together to benefit our community



Outreach

Actively communicating to benefit our community & environment

Governance



Guiding the industry through early adoption



Diverse Leadership

Committed to a diverse leadership & supervisory board



Empowering

Delivering results while empowering employees to make key decisions



Enabling Balance

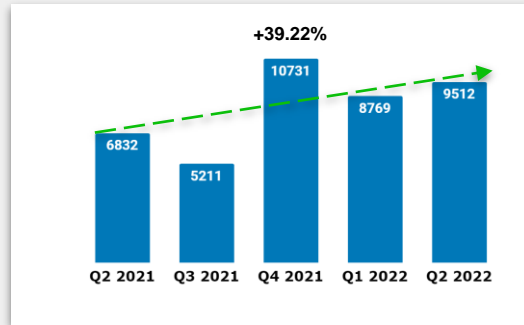
Flexible employee workplaces

Leading IoT in environmental sustainability



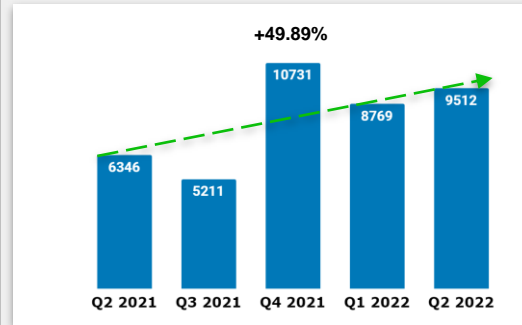
Highlights

Revenue Growth incl. discontinued activities



- Revenue growth Q2 YoY incl. Asia telco business **+39,2% (sold in 2021)**
- Q2/21 revenue from Asia telco business 486.000 Euro (H1 1.104.000 Euro)

Revenue Growth from continuing activities

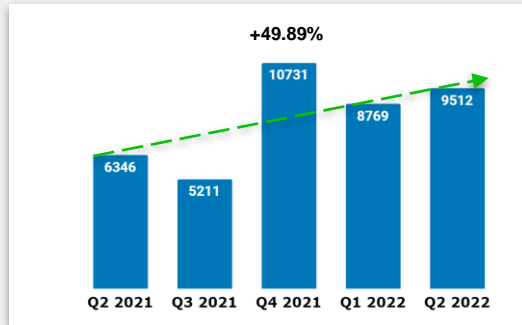


- Revenue growth Q2 YoY excl. Asia telco business **+49.9%**
- Sales mainly driven by Shelly devices
- Q2 target overachieved

- Revenue slightly above Budget & FC
- 1 HY growth YoY **+29.8%** incl. Asia telco business
- 1 HY growth YoY **+36.6%** excl. Asia telco business
- Growth rate is accelerating as planned
- Main targets for 1HY achieved

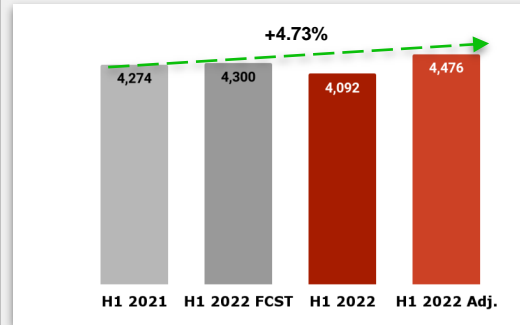
Highlights

Revenue Growth from continuing activities



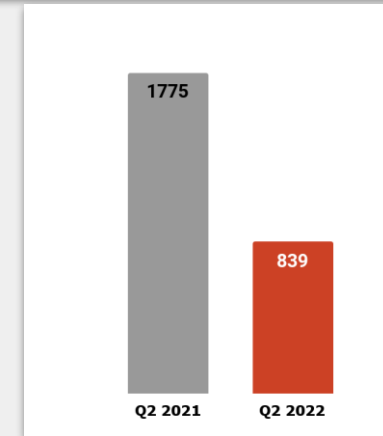
- Revenue above Q2/21 and Q1/22
- Strong growth of power measuring devices

EBITDA



- Adj. EBITDA 4,73% above last year
- 384.000 € special negative effect (Link settlement)
- High (planned) investments in Sales and R&D structures

Free Cash Flow



- FCF In-Line with Budget & FC
- Higher costs (planned)
- Higher inventory (planned)
- Customer payment terms

Allterco Group

Product

Dimitar Dimitrov
CO - CEO
Research & Development



New Products



Range
Extending

Shelly Plus
Shelly Pro





Product & Channels Differentiation

Consumer vs Professional

	Gen 1	Plus	Pro S	Pro
Plug & Play				
Retrofit				
Din Rail				

- **Plug & Play** products in all channels, esp. DIY, CE Retail
- **Shelly & Shelly Plus** for DIY customers
- **Shelly Pro & Shelly Pro S** with **UL / VDE** certifications for professional installers

App Improvements

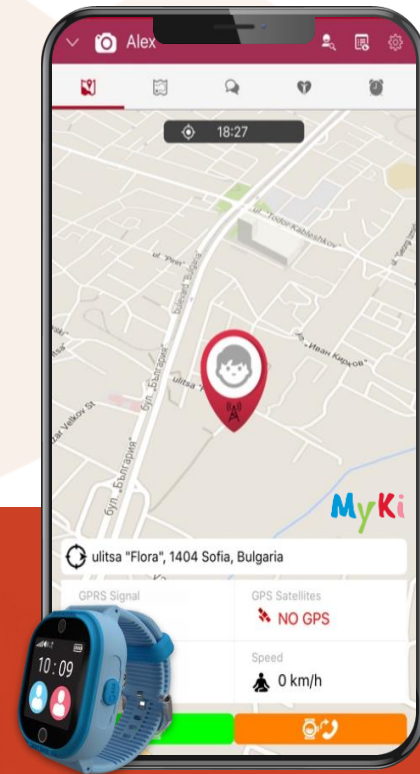
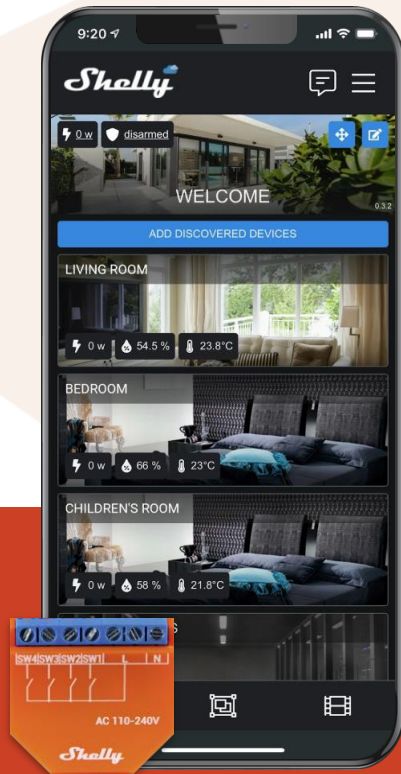
Shelly App

- Significantly improved integration of new products
- Improved UX
- New scenarios & capabilities
- Higher stability
- Improved local device control

Launch of new App in Q4

Myki App

- Completely New Release
- Improved Localization
- Additional Languages
- Better look and feel



Shelly[®]

MyKi

Integrating with Partners



Product Figures

+6M

Devices sold since launch

Every 8.6s

A Shelly Device is installed
Fastest growing Smart Home Brand

+2M Households

Followers on Shelly Support,
Facebook & Instagram followers



Customer Engagement

+10

Social Media Interaction tools

+1M Reaches

On Facebook/Meta & Instagram

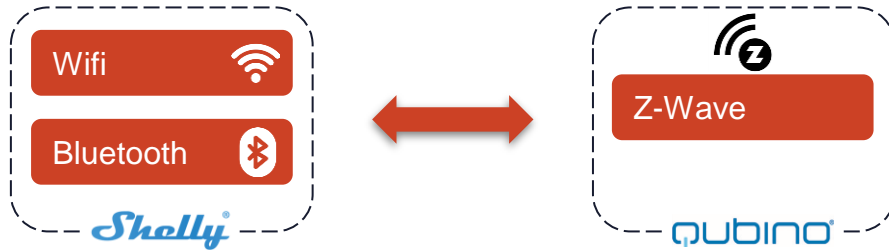
+70K Active

Shelly Support Members



Acquisition

Building Stronger Solutions



Allterco is well positioned for the adoption of Matter, the next iteration of Smart Home Technology

- Extension of customer Base
- Z-Wave technology as alternative for specific use-cases
- Strengthen the R&D capacity
- Significant possibility to reduce Z-Wave cost prices
- Increasing the market potential with new price points
- Additional logistics supply chain

Allterco Group

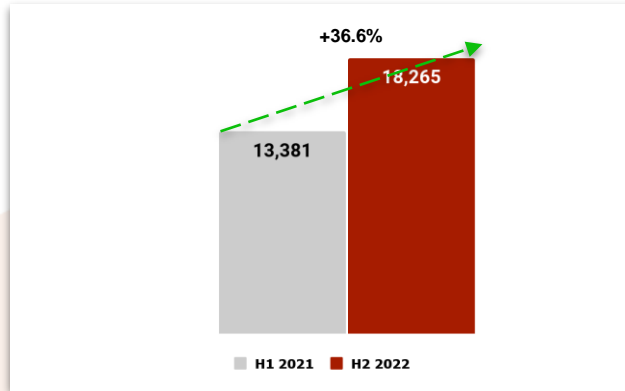
Financial Updates & Strategy

Wolfgang Kirsch
CO-CEO
Strategy & Operations



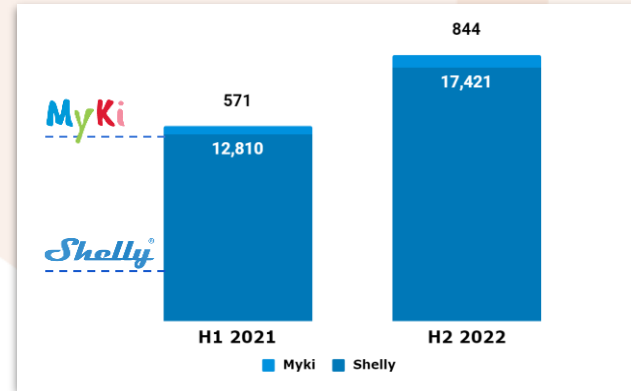
Product Financials - Strong Performance in-line with Targets

Product Revenue YoY



- Revenue in-line with Budget
- **+36.6%** Growth YoY
- Budget for 1st HY achieved
- Higher growth rate vs Q1/22

Revenue Split Brands



- Shelly **+36.0%** Growth YoY (+25.6% Q1)
- Shelly growth rate accelerated vs Q1/22
- Myki **+47.9%** Growth YoY (-1% Q1)
- Myki back to positive development - further acceleration expected

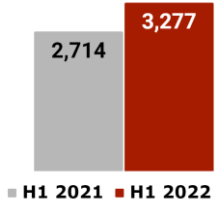
Product Financials - Strong Performance In-line with Targets

Total Revenue

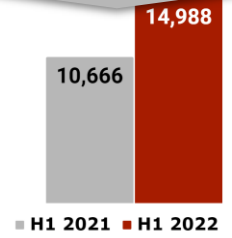


- Revenue in-line with expectations & planning
- YoY growth of **36.6%**
- D2C - **+20.7%**
- B2B - **+40.5%**

D2C - Online



B2B

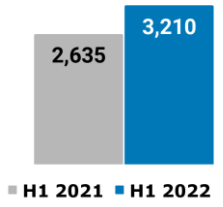


Shelly - Revenue

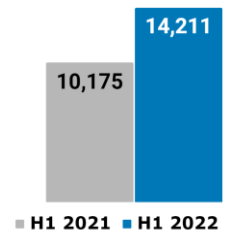


- Shelly as the sales driver in H1
- YoY growth of **+36.0%**
- D2C Online & B2B with positive development

D2C - Online



B2B

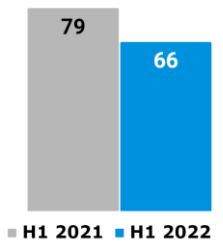


Myki - Revenue

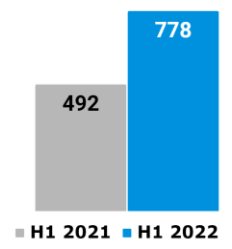


- Myki with **+47.9%** YoY growth above expectations
- Very positive B2B development
- Sales expected to grow continuously

D2C - Online



B2B



DACH remains the leading region



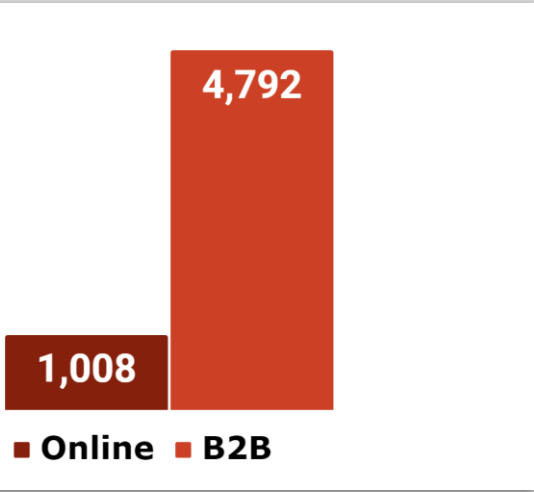
DACH



- Increasing new customer funnel
- 2023 Pipeline Build-Up in progress
- Continued growth expected
- Best Practices in DACH market

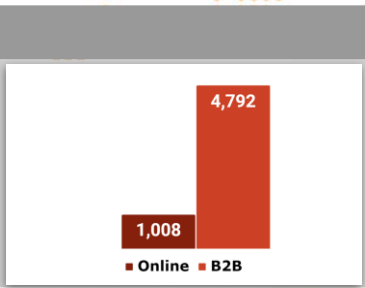
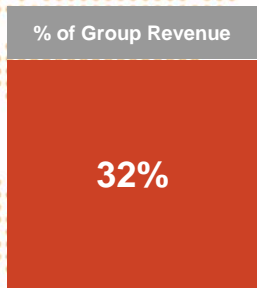
Revenue Progression

- 32% of Group Revenue
- Increased visibility on e-commerce-channels
- Focus on B2B partnerships
- Local sales team in DACH



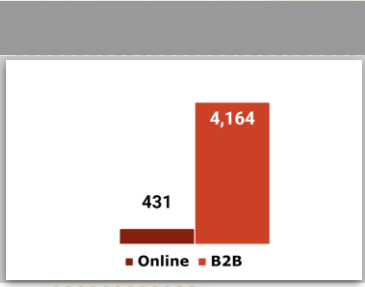
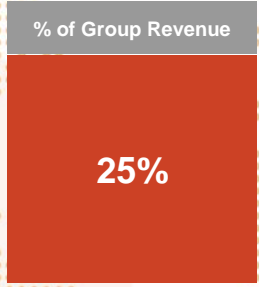
Europe H1 - DACH, South- & North of Europe

DACH



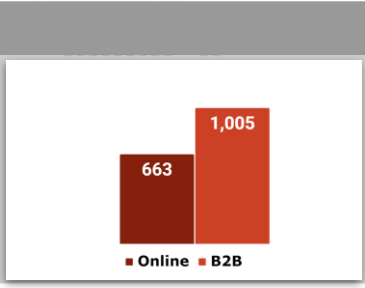
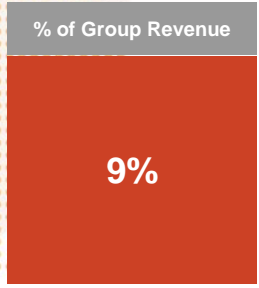
- Markets Development
- Stable growth rate
 - Strong B2B & D2C development
 - Professional channel addressed

Southern Europe



- Markets Development
- Very strong revenue growth
 - Lot of room for future growth
 - D2C-Online still a big potential

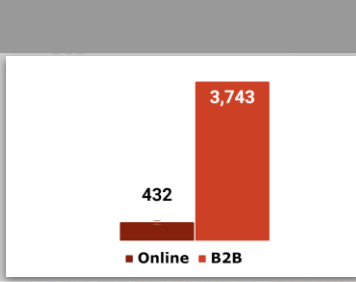
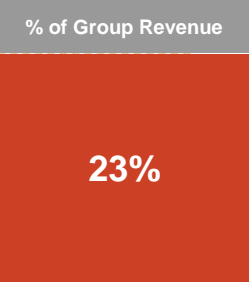
Northern Europe



- Markets Development
- Strong D2C online presence
 - B2B partnerships to be strengthened
 - Local sales team onboarded

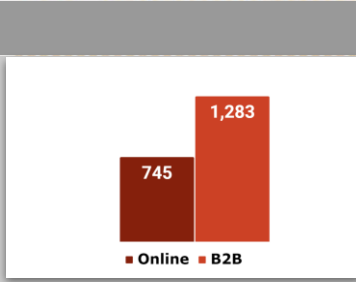
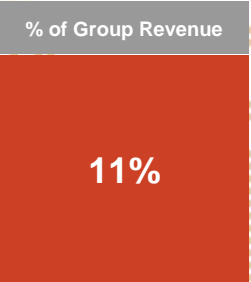
Rest of Europe & Rest of the World H1

Rest of Europe



- Markets Development
- Good sales development
 - Huge potential for growth
 - 100% central handling by Sofia sales team

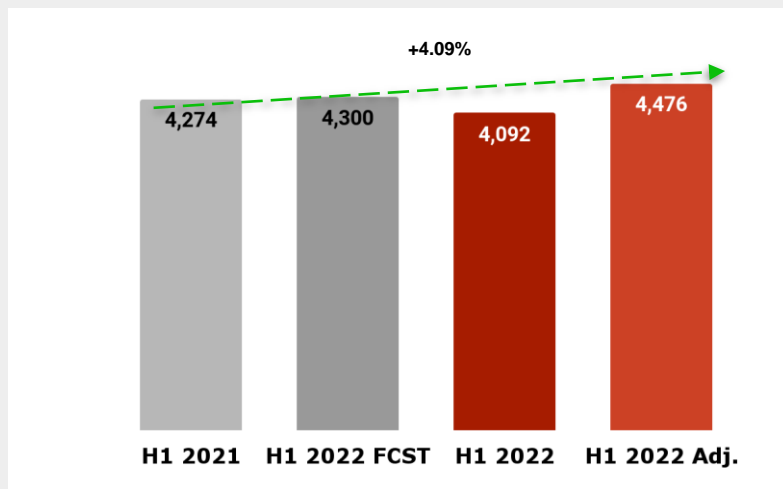
Rest of World



- Markets Development
- Positive development
 - Still a lot of room for growth
 - Investments in Americas business needed and started

EBITDA

EBITDA (KEUR)



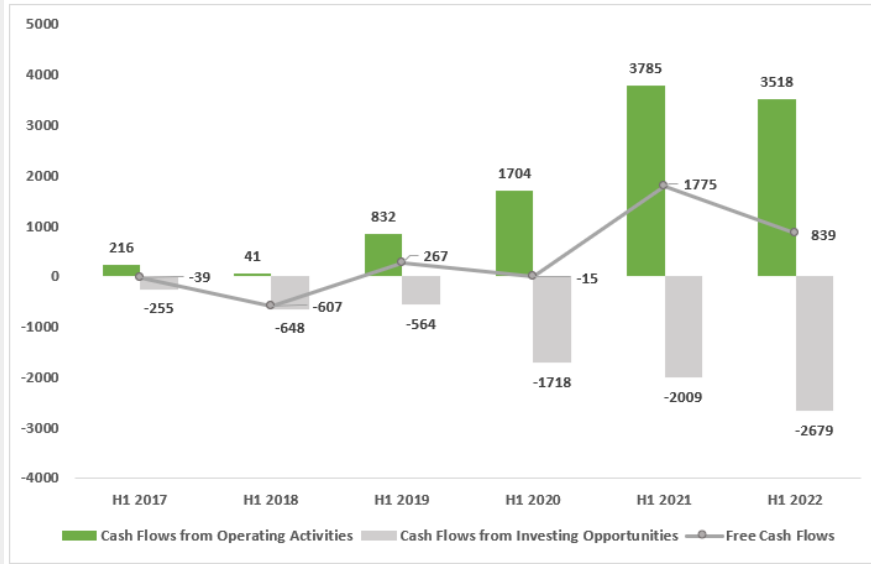
Adj. EBITDA: 4.476 KEUR

Adj. EBITDA Margin: 24.48%

- EBITDA on expected level
- Influenced by
 - Expansion of global teams
 - German team on board
 - R&D capacity increased
 - Investments in future growth
 - New digital tools

Free Cash Flow

FCF (KEUR)



- Good Free Cash Flow performance
- Expected negative impact
 - Planned higher stock level
 - Investments in teams & systems
- B2B customer payment terms
- Further impacts through investments
- Activities for stabilization started
e.g. supply chain optimization



Guidance 2021 - 2022

All numbers are IOT only

Guidance in €






Targets	2021 Baseline	FC H1 2022	ACT H1 2022	2022 Guidance
Revenue CAGR	30.4M	18.0M	18.3M	43.5M
YoY Growth	50.4%	35.5%	36.6%*	43%
Gross Profit %	55.0%	51.0%	48.2%	50%
EBIT ADJ*	9.6M	4.3M	4.2M*	9.6M
EBIT Margin ADJ*	31%	23.2%*	23.0%*	22%



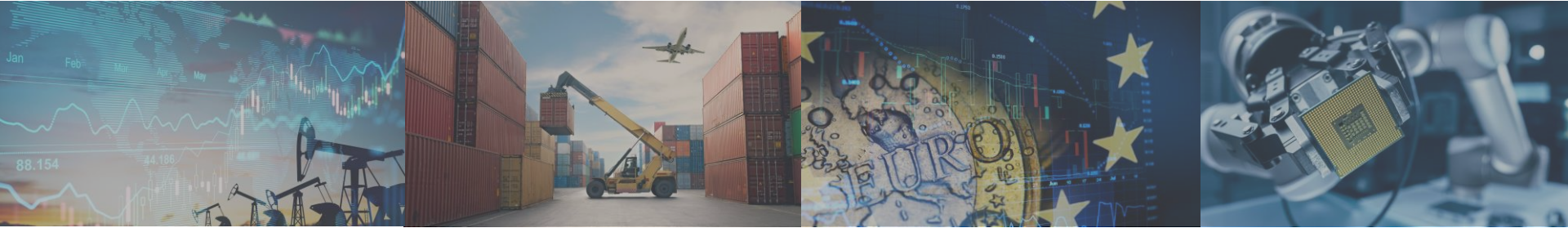
Guidance 2022 - 2025

All numbers are IOT only

Guidance in €

Targets	2022 Guidance	2023	2024	2025
 Revenue CAGR 42,5%	43.5M	62.5M	89M	125M
 YoY Growth	43%	44%	42%	40%
 Gross Profit %	50.0%	49.5%	49.0%	48.5%
 EBIT	9.6M	15.2M	24.6M	38.8M
 EBIT Margin	22%	24%	28%	31%

Market Drivers & Challenges



Challenges

- Negative Consumption Climate
- Increase of Energy Prices
- High Inflation Rate everywhere
- Supply Chain Delays
- Chips Shortage



Drivers & Solutions

- Increased consumption due to increased energy pricing
- Value for money is the best in price sensitive times
- Demand for energy saving products expected to increase as we move into the colder months
- Planned high inventory gives longer reaction time



Value for Money - Key Customer Journey

Potential Challenges



Additional risks in Supply Chain

- Chip Shortage
- Other raw material shortage
- Manufacturing Delays
- Customs & Duties Delays
- Increased Transportation/Fuel Costs



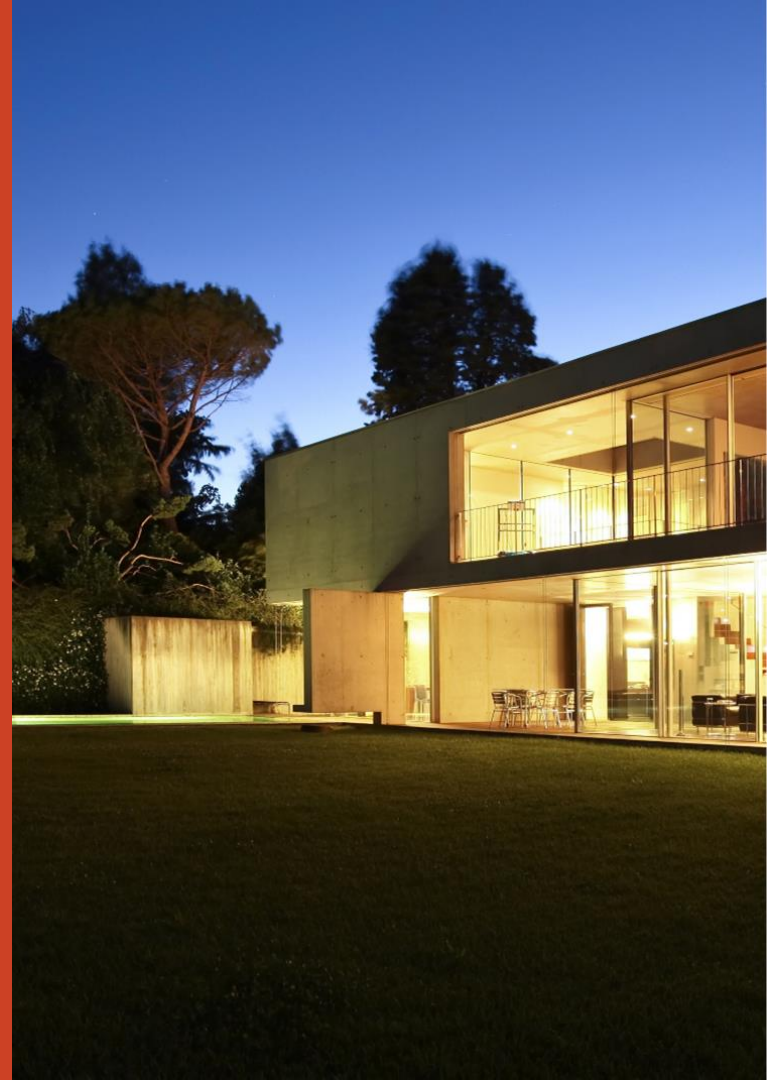
Preparations

- Increased EU inventory Months on Hand
- Flexible BOM thru strong R&D
- Proven production capacity in EU - Bulgaria & Italy
- Strong partnership with Key Manufacturers - Reducing lead times
- Improved Door-to-Door Logistics
- Reduced general logistics cost

Leveraging resources to simplify logistics & Supply chain challenges

Allterco Group

Outlook



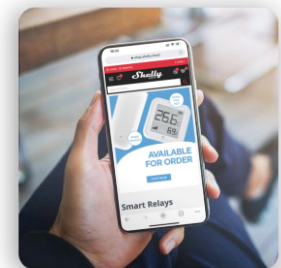
E-commerce Expansion



Shelly



MyKi



- Website launch for DACH to support DACH Sales
- Launch timing in-line with marketing efforts
- Other major countries to follow

Sales Headcount & Time to Productivity - Western Europe

Onboarding
 Fully Operational
 Ramp-Up



Summary

-  Revenue growth across Europe & ROW - we have the right products for this time!
-  Development of internal & external revenue generating tools
-  Revenue & EBIT In-Line with expectations from guidance
-  Next product launches expected in Q3/Q4
-  Increased level of stock to mitigate availability, supply chain, & FX Risk
-  Acceleration of growth planned according to guidance

Investor Relations

Upcoming events



1st Research started with Montega:

<https://allterco.com/en/for-investors/financial-analyses>



Q1 Trading Update



General Meeting of the Shareholders

Update on Strategy & Revenue Guideline



H1 Trading Update



Q3 Trading Update



Q4 Consolidated Financial Report



allterco.com/en/for-investors/financial-results



investors@allterco.com



103 Cherni Vrah Blvd, Bulgaria, Sofia 1407

Supporting Information

Quarterly Revenue

Accounting Notes

Quarterly Report on Activities

Annex 4

Additional Information

Inside Information

The information opposite is available in spreadsheet format via invest

<https://allterco.com/en/for-investors/financial-results/consolidated-2022>

Definitions

Term	Definition
EBIT	Earnings before interest and taxes (EBIT) is an indicator of a company's profitability. EBIT can be calculated as revenue minus expenses excluding tax and interest.
EBITDA	EBITDA, or earnings before interest, taxes, depreciation, and amortization, is a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.
FCF	Free cash flow (FCF) represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets.
IoT	Objects with computing devices in them that are able to connect to each other and exchange data using the internet
YOY	Year-over-year (YOY)—sometimes referred to as year-on-year—is a frequently used financial comparison for looking at two or more measurable events on an annualized basis.
PY	The previous Financial Year.
Organic Growth	Organic growth is the growth a company achieves by increasing output and enhancing sales internally.

Term	Definition
Inorganic Growth	Inorganic growth arises from mergers or takeovers rather than an increase in the company's own business activity.
CAGR	The compound annual growth rate (CAGR) is the rate of return (RoR) that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each period of the investment's life span.
Quarterly	A fiscal quarter is a three-month period in which a company reports its financial results.
Opex	An operating expense is an expense a business incurs through its normal business operations.
Capex	Capital expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.
ROCE	Return on capital employed (ROCE) is a long-term profitability ratio that measures how effectively a company uses its capital.
EBITDA Margin	The EBITDA margin is a measure of a company's operating profit as a percentage of its revenue.

Appendix - Notice to Reporting

The following presentation, including any printed or electronic copy of these slides, the talks given by the presenters, the information communicated during any delivery of the presentation and any question and answer session and any document or material distributed at or in connection with the presentation (together, the "Presentation"), has been prepared by Allterco JSCo (the "Company"), is not an offer to sell any securities or an invitation to purchase securities or the solicitation of an offer to buy securities. This Presentation 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 June 14, 2017, as amended.

The Presentation 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 the Presentation 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 the Presentation 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 the subsidiary undertakings of any such parent 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 the Presentation.

None of the Company, its affiliates and advisers, agents and/or any other party undertakes or is under any duty to update the Presentation or to correct any inaccuracies in any such information which may become apparent or to provide you with 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, as a result of the reliance on, or otherwise in connection with, the Presentation. In addition, no duty of care or otherwise is owed by any such person to recipients of the Presentation or any other person in relation to the Presentation.

The Presentation 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 and 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 obligations to update any forward-looking statements. The Presentation 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 and be based on, amongst 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 organizations; and (iii) publicly available information from other sources, such as information publicly released by the Company's competitors. To the extent available, the industry, market and competitive position data contained in the Presentation has come from official or third-party sources. Third-party industry publications, studies and surveys generally state that the data contained in them have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. 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. In addition, certain of the industry, market and competitive position data contained in the Presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the markets in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in the Presentation. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described in the Presentation. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and, to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance.

The distribution of this Presentation 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, the Presentation, 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 the Presentation 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.

Allterco Group

Leadership Q&A



Wolfgang Kirsch
CO - CEO
Strategy & Operations



Dimitar Dimitrov
CO - CEO
Research & Development



Allterco Group

Investor Relations



Denitsa Stefanova
Investor Relations Officer
investors@allterco.com





ALLTERCO

H1 2022 Trading Update