

Allterco Group Trading Update Q3 2022



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 and beyond, enabling a eco-friendly connected world.

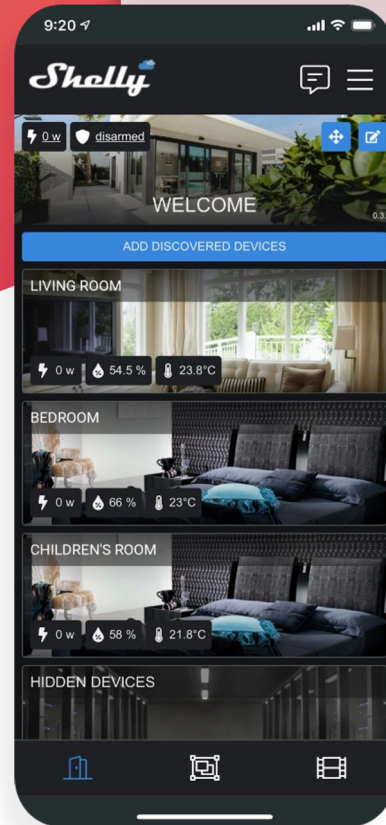


ALLTERCO



Smart Home IoT Solutions

Smart Home has reached the point of readiness for the mass market and is beyond being “just for fun”. Smart Home products help to control and save energy - proven!



Shelly®

Search





Market Size 2022 - 2027

Consistent Global IoT Adoption



Global Impact



Global IoT market
20% CAGR



Professional IoT
66% of Market Share



Attention to
Energy consumption is
driving market adoption



20% DACH new builds
are Built Smart

20% CAGR

The IoT Smart Home Market is estimated to grow with an average CAGR of +20%

Global home IoT is driven by the emergence of the IoT and Wireless Technologies across technologically developed regions



Where we're located

Focused on
Regional Expansion



Regional
HQs

Allterco has customers in all major global regions. For this reason, we have diverse teams in each of the following locations to better suit our customers demands:

- Western Europe
- Eastern Europe
- Asia
- Americas

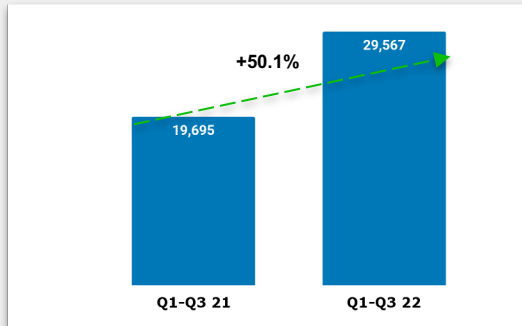


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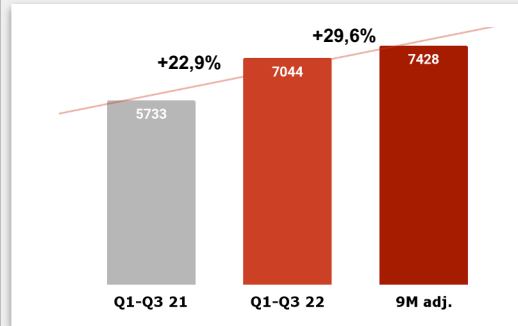
Highlights

Revenue Growth (Products)



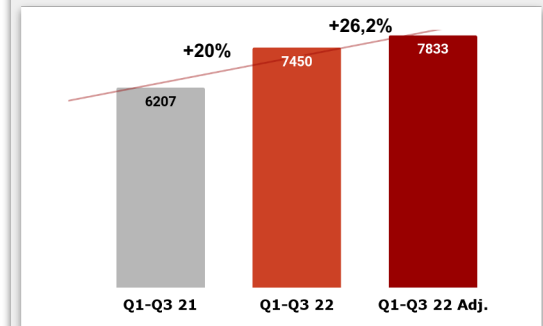
- Strong revenue growth
- Above budget and FC
- Growth rate is growing each quarter as planned

EBIT



- Very positive EBIT development
- **EBIT margin: 23.8%**
- **EBIT margin adj.: 25.1%**
- Adjustment of 385K€ from write off of LINK payment

EBITDA



- EBITDA development in line with EBIT development
- **EBITDA margin: 25.2%**
- **EBITDA margin adj.: 26.5%**

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

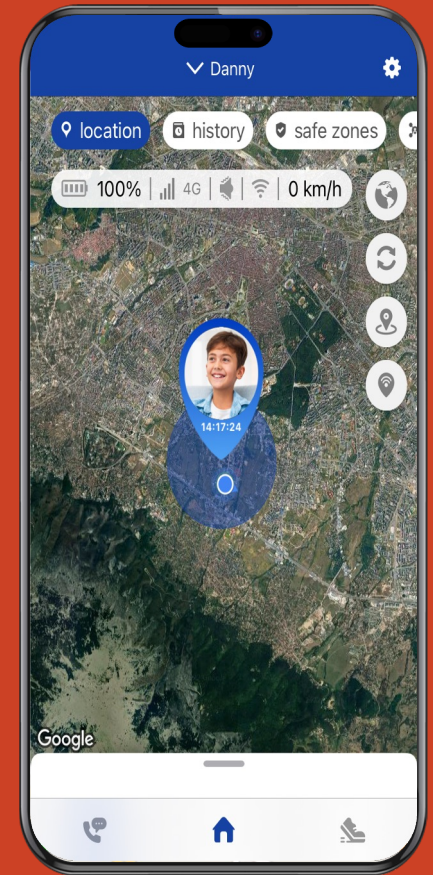
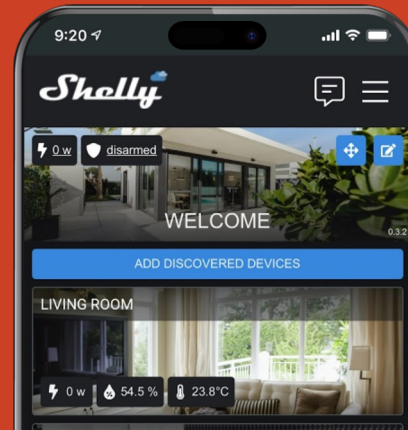
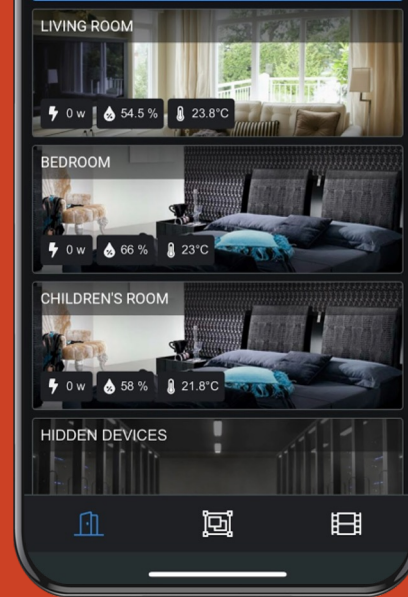
Leading IoT in environmental sustainability

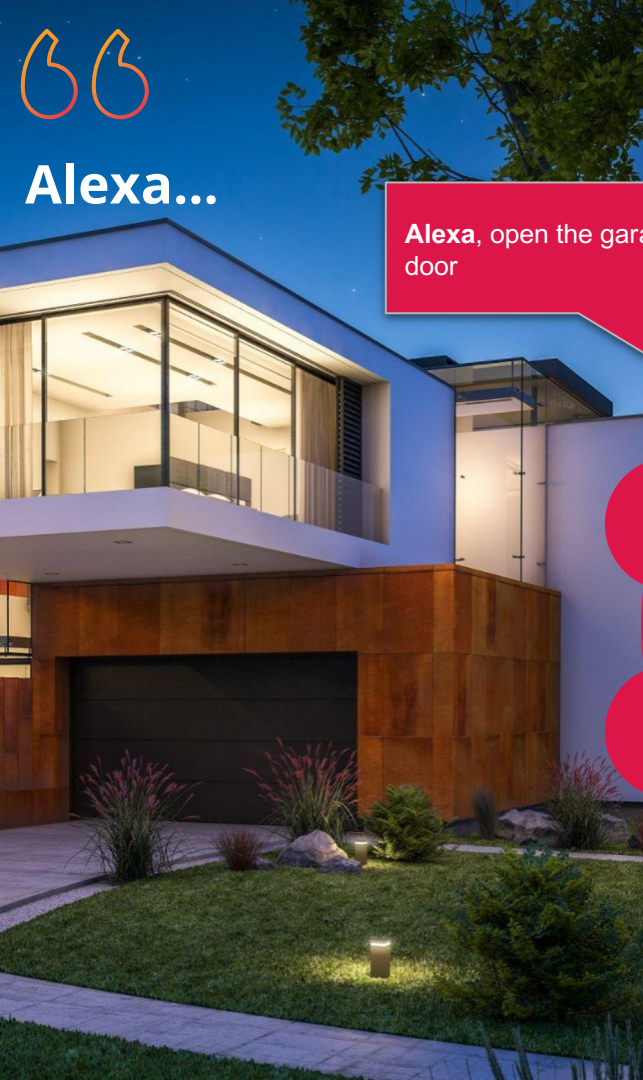


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Product

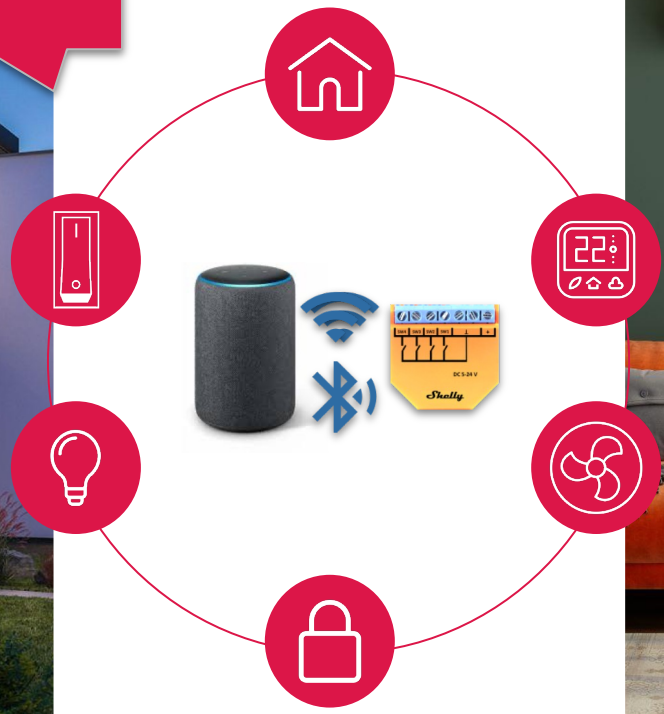
Dimitar Dimitrov
CO - CEO
Research & Development



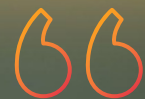
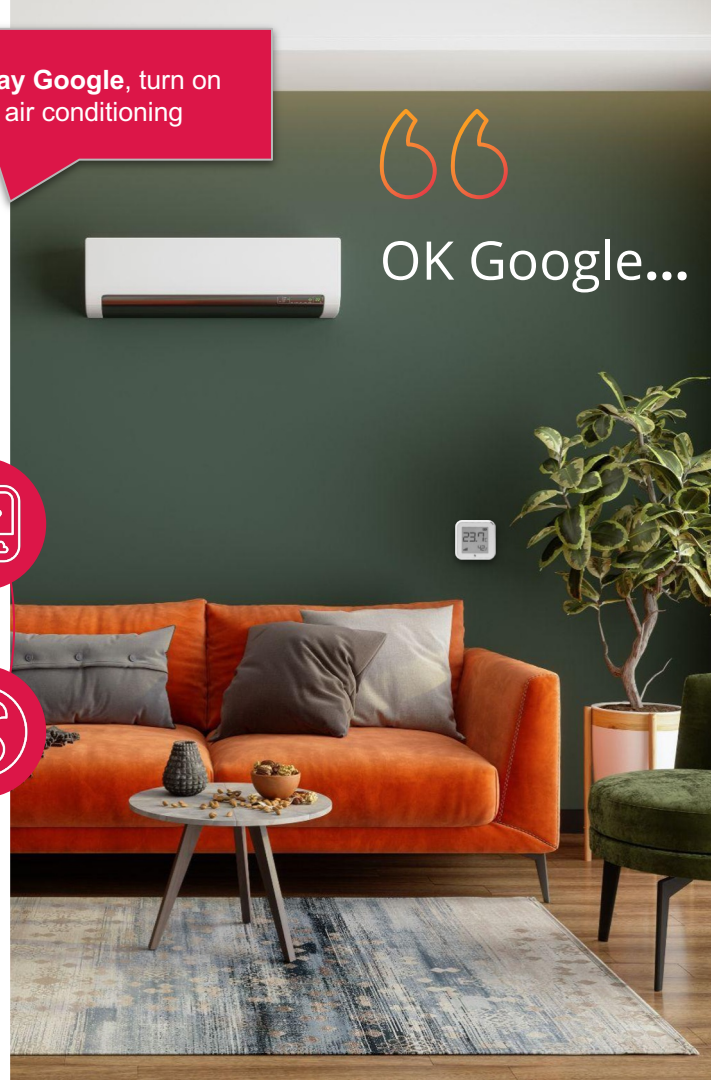


Alexa...

Alexa, open the garage door



Okay Google, turn on the air conditioning



OK Google...

Why is Shelly so special?

- **Richness and uniqueness of features in every device**
- **2-3 years ahead of competition**
- **No comparable product range on the market - worldwide**

Acts as Bluetooth Gateway

WiFi repeater function

Customer orientation –
NPS >60

Endless possibilities per
device & to add other
devices

Scripting
(for specialists)

No hub needed –
low entry barrier

Very high reliability –
failure rate far below 1%

Works with every
platform – more than
100 partners

European cloud service –
GDPR compliant

Huge and growing
community

Best value for money

Works without Cloud

Solution Driven



+7M

Devices sold since launch



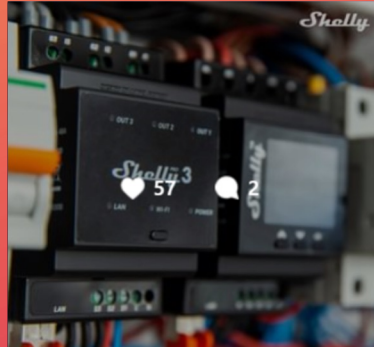
Every 7.7s

A Shelly Device is installed
Fastest growing Smart Home
Brand



+2M Households

Active users in our cloud apps



Customer Engagement



+10

Social Media Interaction tools

+1M Reaches

On Facebook & Instagram

+100K Active

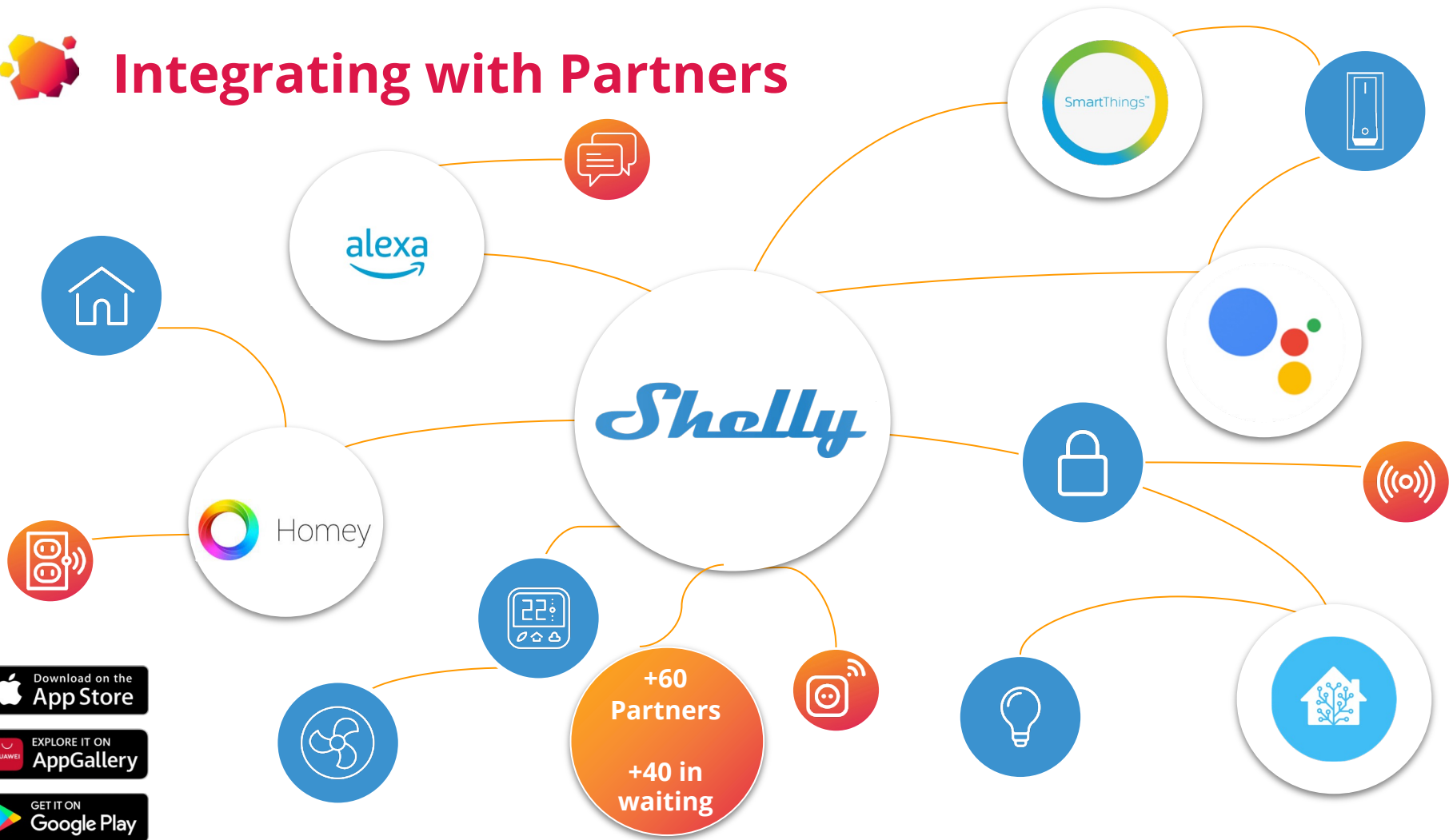
Shelly Support Members

Growing by 30K last 6 months

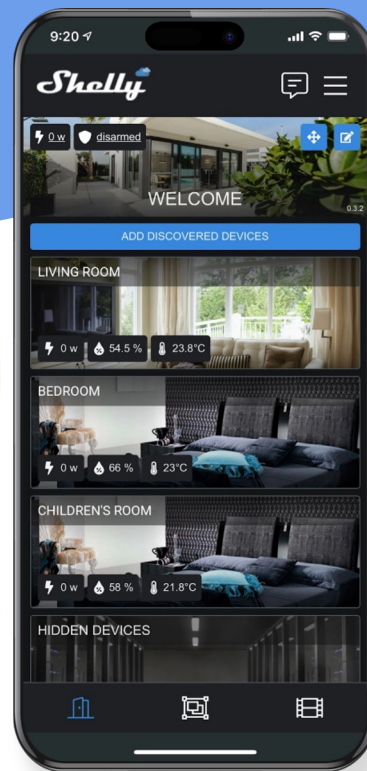




Integrating with Partners



Take control of your energy costs

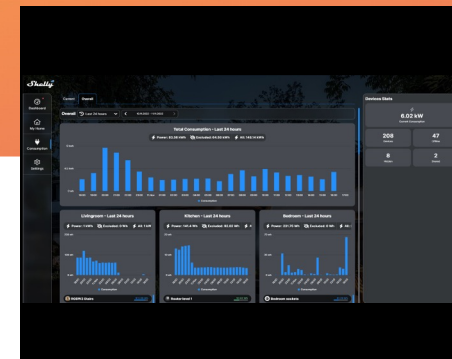


Shelly[®]

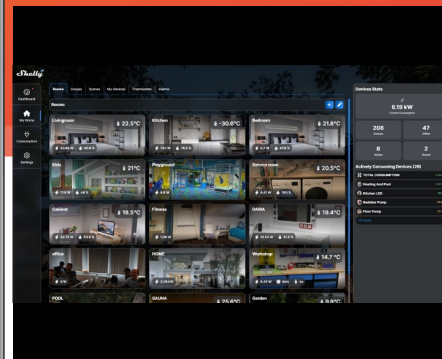
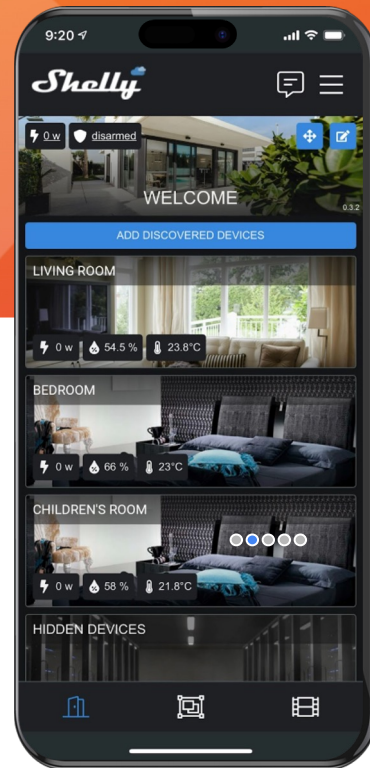
Shelly App Improvements

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

Launch of new App in Q4

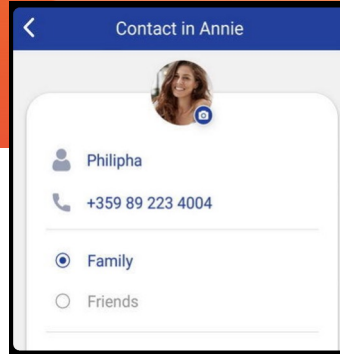
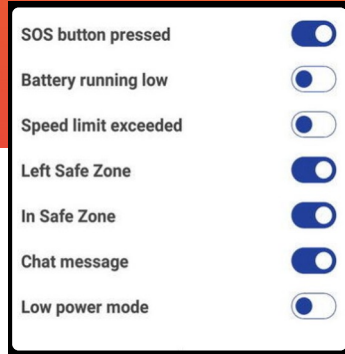
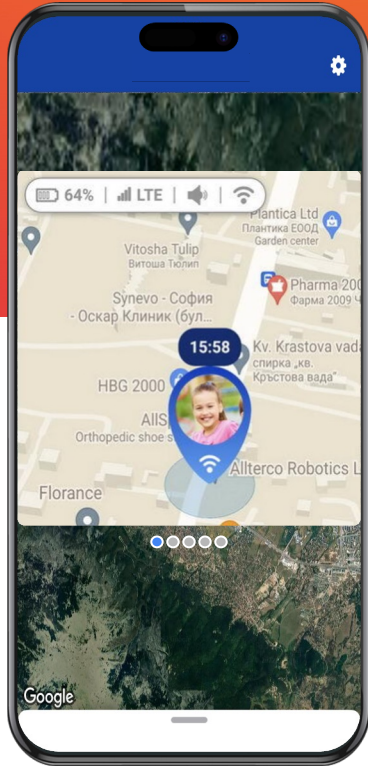


Shelly[®]



**Alpha
Version**

Myki App Improvements



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

Launch of new App in Q4

MyKi



Here's what's to come...



New App IU/UX

Say hello to a new Shelly experience from optimized Scenes to a groundbreaking user experience, all in one App



Shelly Pro Relays

Now with UL certification for USA and Canada



Shelly Plug & Play

Introducing the most updated, connected & capable experience of Shelly Plug & Play Devices. Designed to around your schedule, engineered for excellence

A variety of new Products to be launched at CES 2022



Allterco Group

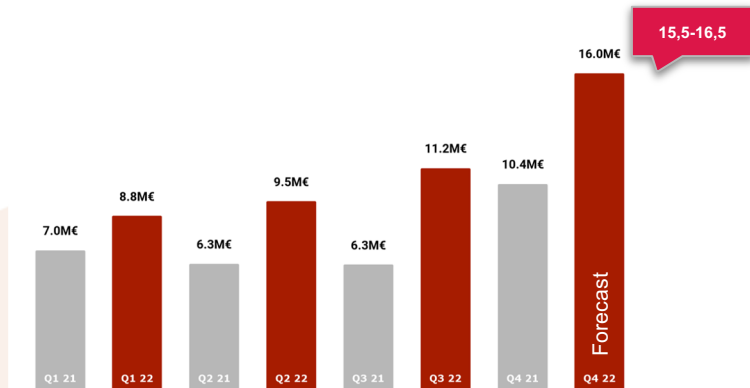
Financial Updates & Strategy

Wolfgang Kirsch
CO-CEO
Strategy & Operations



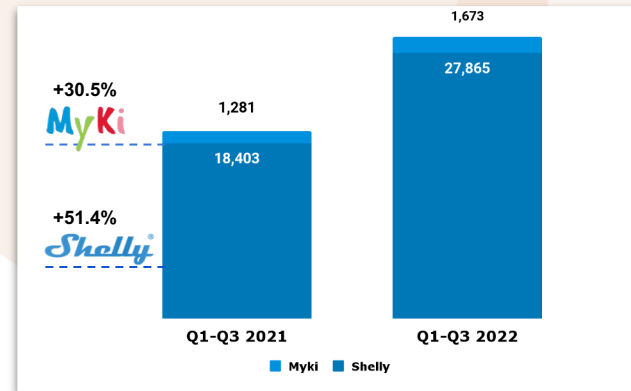
Product Financials - Strong Performance in-line with Targets - 9M 2022

Revenue YoY



- Consistent revenue growth QoQ
- Sales successfully balanced across the Quarters
- Seasonal effects in Q3 2022 balanced through presales & promotional effects

Revenue Split Brands



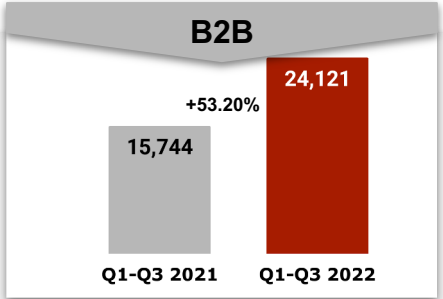
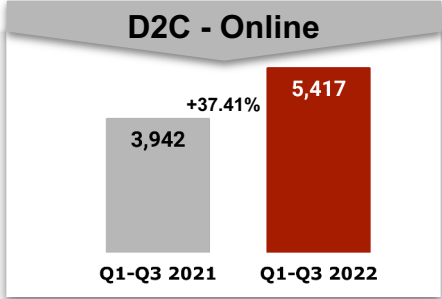
- Product Sales +50%
- Shelly Sales increased period over period +51.4%
- Myki Sales increased Period over Period by 30.5%

Product Financials - Strong Performance In-line with Targets 9M 2022

Total Revenue



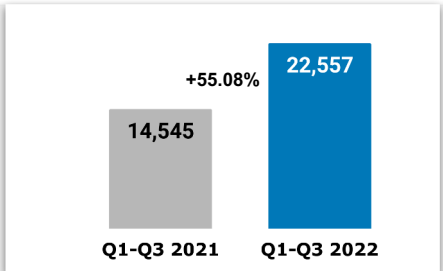
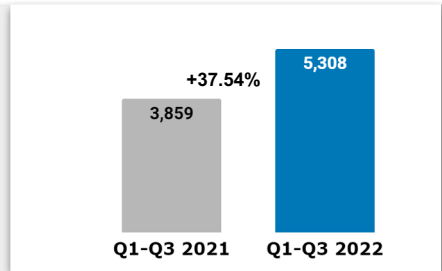
- Both B2B and D2C revenue growing
- B2B growing faster than D2C



Shelly - Revenue



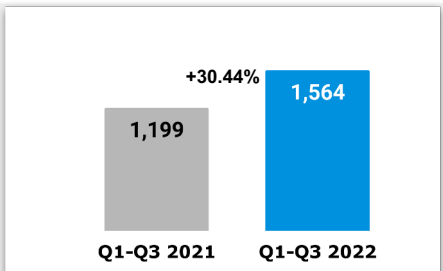
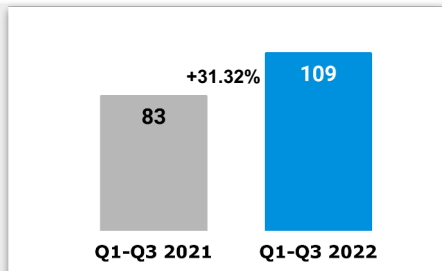
- Acceleration of revenue development as planned



Myki - Revenue

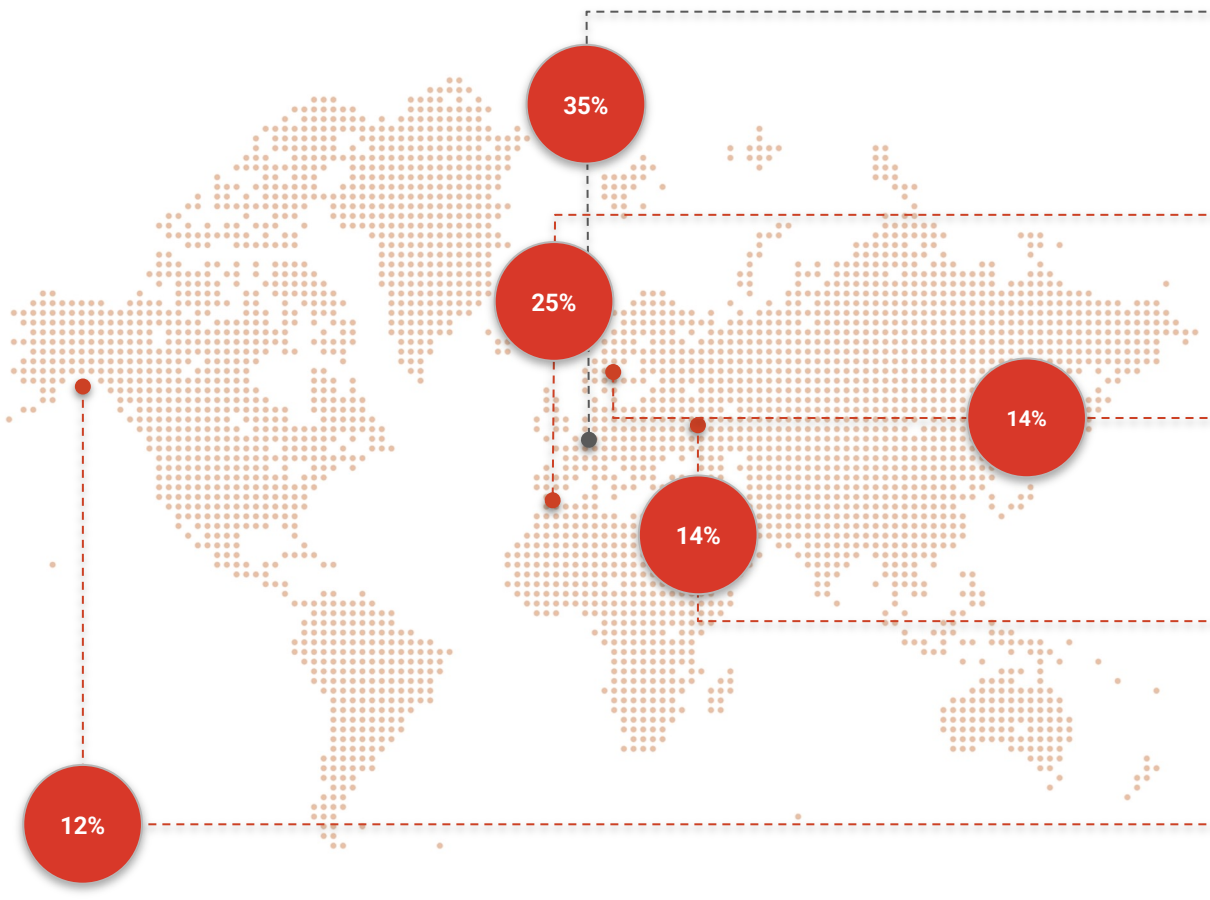


- Myki back on growth track
- Good momentum for Kids watches and tracker

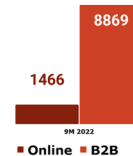




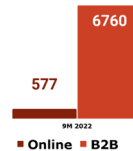
Balanced regional shares 9M



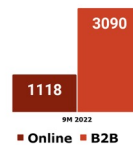
DACH



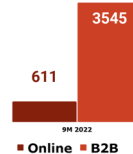
Southern Europe



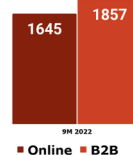
Northern Europe



Rest of Europe

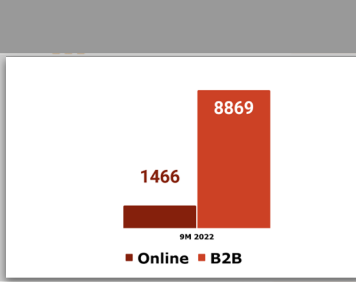
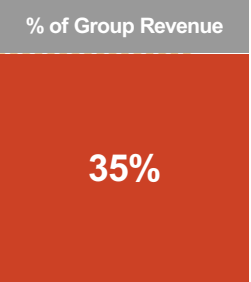


Rest of World



DACH, North- & South Europe, 9M 2022

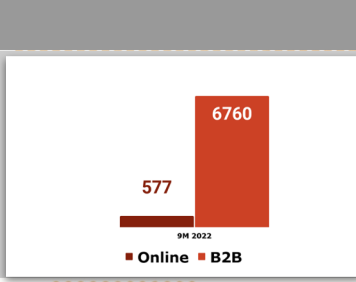
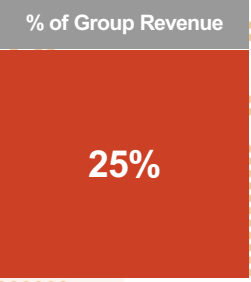
DACH



Markets Development

- Strongest region with very good development

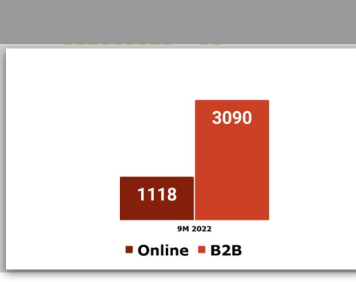
Southern Europe



Markets Development

- Extremely positive development in Iberia and Italy
- Catching up to DACH

Northern Europe

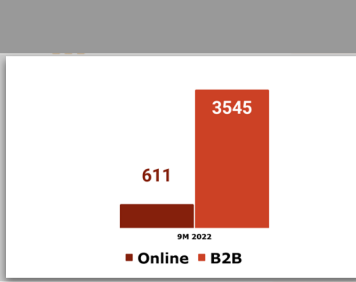
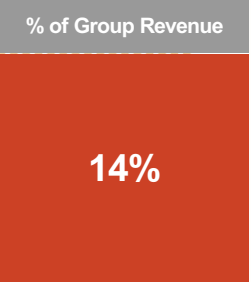


Markets Development

- Local Sales in place
- Showing already first effects

Rest of Europe & Rest of the World, 9M 2022

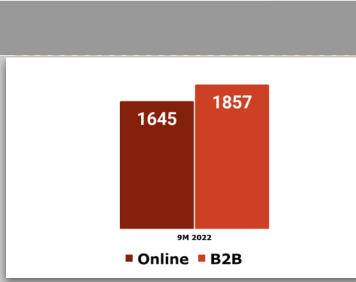
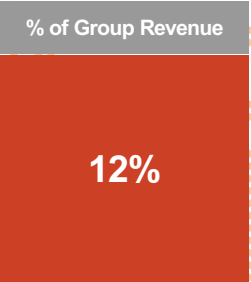
Rest of Europe



Markets Development

- Good level of B2B business
- Strong potential for further growth

Rest of World

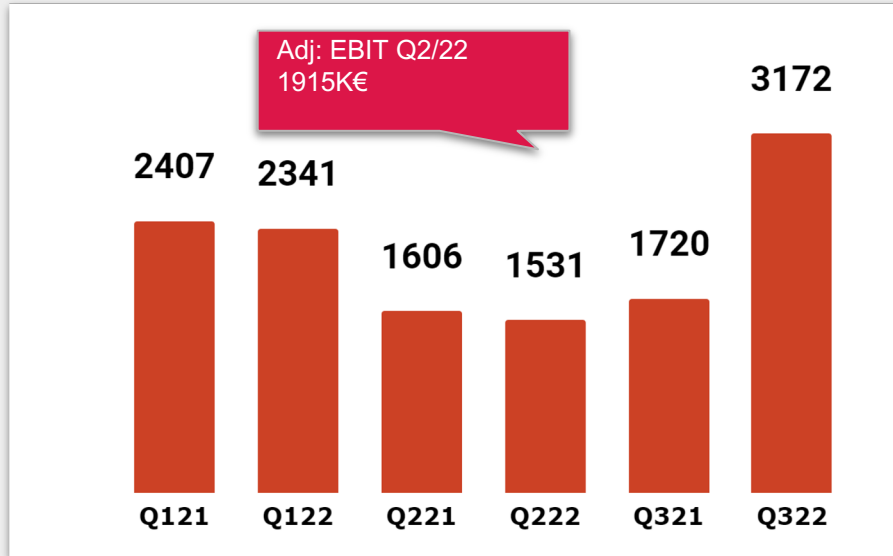


Markets Development

- Good development due to strong B2B sales
- High potential for future growth

EBIT - 9M 2022

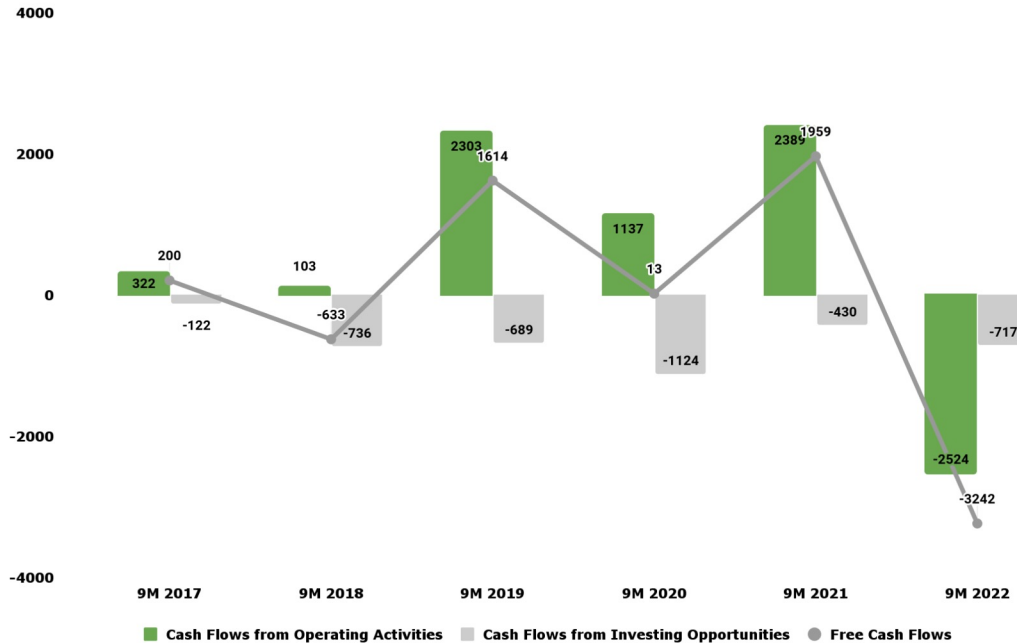
EBIT (KEUR)



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



Free Cash Flow 9M 2022



Free Cash Flow

FCF in-line with Guidance & Growth

Main drivers:

- 5 Mio. € increased stock
- 2.5 Mio. € higher customers receivables and prepayments to suppliers
- 2.1 Mio. € higher salary costs
- 1 Mio. € paid dividend








Guidance 2021 - 2022

All numbers are IOT only

*YoY change from FY2020 to FY2021

The adjustment is for the written
off receivable form Link (385K€)

Guidance in €






Targets	FC 9M 2022	ACT 9M 2022	2022 Guidance	2022 New FC
 Revenue CAGR	28.2M	29.5M	43.5M	45 - 46M
 YoY Growth	43,5%	50.1%	43%	48 - 51%
 Gross Profit %	50.5%	50.0%	50%	50%
 EBIT ADJ*	6.4M	7.4M	9.6M	10 -10.5M
 EBIT Margin ADJ*	22.8%	25.1%	22%	21.7 - 23.3%



Guidance 2022 - 2025

All numbers are IOT only

Guidance in €

Targets	2022 new FC	2023	2024	2025
 Revenue CAGR 42,5%	45 - 46M	62.5M	89M	125M
 YoY Growth	48 - 51%	44% (37%)	42%	40%
 Gross Profit %	50%	49.5%	49.0%	48.5%
 EBIT	10 -10.5M	15.2M	24.6M	38.8M
 EBIT Margin	21.7 - 23.3%	24%	28%	31%

Allterco Group

Outlook



Other success

...to prepare next steps in development



01

Shelly @ School

6 Danish school work with Shelly to educate future electricians



02

Shelly @ School

Several German schools integrate Shelly as well in the education of future electricians



03

Schelly in News

Shelly in 5 German Magazines
Shelly on the front page of the biggest Finish Newspaper



Q4 Outlook



01

Black Friday Campaigns

Early preparation of promotions and processes



02

New Webshop

Already live in the US
Launch in Europe after Black Friday



03

Preparing 2023

Budget of Sales and Costs
Preparing Q1/2023



LEVERAGING CHALLENGES

Undeterred
by Macro Changes



01

Macroeconomic Changes

Prepared for inflationary &
FX impacts



02

Revenue Scaling

Ensuring consistent growth
in unsure times



03

Supply Chain Risks

Managed logistics costs
across entire supply chain



Summary - Q3 2022



- 3rd consecutive Quarter of overachievement
- Investments in future developments - growth Transformation
- Very solid financial situation - equity ratio of 90.4%



- Headcount nearly doubled in last 12 month - from 80 to 152
- New online shop live in the USA - go live in Europe postponed to after Black Friday
- Sales Team in Nordics & France successfully onboarded & generating pipeline



- Qubino Acquisition - Close to signing
- Black Friday promotions prepared
- Sales is “ahead of the wave”

Forward Looking Goals



- **Planned growth from 30 Mio. € (2021) to 125 Mio. € (2025)**
- **Planned EBIT margin of around 30% by 2025**
- **Addressing regions with high potential (France, UK, Nordics)**



- **KPI driven capital allocation across all regions** - Investing for future growth
- **Commercial momentum in Digitalization**, improving customer experience & retention
- **Strong R&D team** - highest flexibility to adapt to supply chain challenges and new trends (Matter)



- **Open for acquisitions where they make sense** - for technical or regional expansion
- **Fastest growing Smart Home brand**
- **Strong partnerships with multinational “enablers”** - Amazon, SmartThings, Google

Investor Relations

Upcoming events



Investor Relations



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

Additional Information

Inside Information

The information opposite is available in spreadsheet format via invest



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

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Allterco Group Q3 2022 Trading Update

