

SHELLY GROUP SE
INTERIM CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2026



All amounts are in thousand euro unless otherwise stated

ASSETS	Note	March 31, 2026	December 31, 2025
Non-current assets			
Property, plant and equipment	3.01	1 910	882
Intangible assets	3.02	10 347	9 861
Right-of-use assets	3.03	5 388	5 490
Goodwill	3.04	1 860	1 860
Investments in associates	3.05	59	61
Deferred tax assets	3.06	1 697	1 697
Total non-current assets		21 261	19 851
Current assets			
Inventory	3.07	22 639	19 508
Trade receivables	3.08	72 100	78 662
Other receivables	3.09	4 168	1 540
Cash and cash equivalents	3.10	19 757	13 685
Total current assets		118 664	113 395
TOTAL ASSETS		139 925	133 246

Date: May 11, 2026

Prepared by:
/Sylvia Ivanova Tomova/

SILVIYA
IVANOVA
TOMOVA

Digitally signed by
SILVIYA IVANOVA
TOMOVA
Date: 2026.05.11
17:48:01 +03'00'

Dimitar
Stoyanov
Executive Director: Dimitrov
/Dimitar Stoyanov Dimitrov/

Digitally signed by
Dimitar Stoyanov
Dimitrov
Date: 2026.05.11
18:07:54 +03'00'

The consolidated statement of financial position shall be read together with the accompanying notes on pages 7 – 66. The notes are an integral part of these consolidated financial statements.

All amounts are in thousand euro unless otherwise stated

LIABILITIES	Note	March 31, 2026	December 31, 2025
Non-current liabilities			
Lease liabilities	3.12	4 729	4 743
Payables to employees and social security	3.15	163	163
Retirement benefit obligations	3.13	250	250
Total non-current liabilities		5 142	5 156
Current liabilities			
Bank loans	3.11	3 302	3 371
Lease liabilities	3.12	774	819
Trade payables	3.14	9 799	8 673
Payables to employees and social security	3.15	1 705	2 077
Other liabilities	3.16	4 428	6 122
Total current liabilities		20 008	21 062
TOTAL LIABILITIES		25 150	26 218
EQUITY			
Share capital	3.17	9 261	9 284
Retained earnings	3.18	93 277	85 793
Legal reserves	3.19	989	989
Premium reserve	3.20	2 762	2 762
Share based payments reserve	3.21	7 384	7 384
Reserves from revaluation of defined benefits plans		(90)	(90)
Exchange differences from translation of foreign subsidiaries' financial statements		1 155	931
Equity attributable to Parent Company's equity holder		114 738	107 053
Non-controlling interest		37	(25)
TOTAL EQUITY		114 775	107 028
TOTAL EQUITY AND LIABILITIES		139 925	133 246

Date: May 11, 2026

Prepared by:
/Sylvia Ivanova Tomova/

Dimitar Stoyanov
Executive Director: Dimitrov/
/Dimitar Stoyanov Dimitrov/

SILVIYA
IVANOVA
TOMOVA
Digitally signed by SILVIYA IVANOVA TOMOVA
Date: 2026.05.11 17:48:33 +03'00'

Digitally signed by
Dimitar Stoyanov
Dimitrov
Date: 2026.05.11 18:08:11
+03'00'

The consolidated statement of financial position shall be read together with the accompanying notes on pages 7 – 66. The notes are an integral part of these consolidated financial statements.

	Note	For the period ended March 31, 2026	For the period ended March 31, 2025 (reclassified)
Sales revenue	4.01	33 320	26 464
Cost of sales	4.01	(12 957)	(12 219)
Gross profit		20 363	14 245
Other operating income	4.02	636	551
Sales expenses	4.03	(3 669)	(1 836)
Administrative expenses	4.04	(8 033)	(5 313)
Other operating expenses	4.05	(667)	(1 029)
Profit from operating activity		8 630	6 618
Finance income	4.06	46	21
Finance expense	4.07	(122)	(98)
Share of associated companies' (loss)	3.05	(2)	(4)
Profit before tax		8 552	6 537
Income tax expense	4.08	(1 041)	(909)
Net profit		7 511	5 628
Other comprehensive income:			
Items, that will not be reclassified to profit or loss			
Exchange differences from translation of foreign subsidiaries' financial statements		235	162
Other comprehensive income for the period after taxes		235	162
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7 746	5 790
Net profit attributable to:			
Owners of the Parent Company		7 460	5 650
Non-controlling interest		51	(22)
Other comprehensive income attributable to:			
Owners of the Parent Company		224	162
Non-controlling interest		11	(3)
Total comprehensive income attributable to:			
Owners of the Parent Company		7 684	5 812
Non-controlling interest		62	(25)
Earnings per share	4.09	0.41	0.31

Date: May 11, 2026

Prepared by:
/Sylvia Ivanova Tomova/

SILVIYA
IVANOVA
TOMOVA
Digitally signed by
SILVIYA IVANOVA
TOMOVA
Date: 2026.05.11
17:48:46 +03'00'

Dimitar
Stoyanov
Executive Director: Dimitrov
/Dimitar Stoyanov Dimitrov/

Digitally signed by Dimitar
Stoyanov Dimitrov
Date: 2026.05.11 18:08:33
+03'00'

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2026

All amounts are in thousand euro unless otherwise stated

SHELLY GROUP SE
UIC 201047670

	Share capital	Retained earnings	Premium reserve	Legal reserves	Share based payments reserve	Reserves from revaluation of defined benefits plans	Exchange differences from translation of foreign subsidiaries' financial statements	Total	Non-controlling interests	Total equity
Balance at January 1, 2025	9 257	63 060	2 762	986	-	(45)	267	76 287	(271)	76 016
Total comprehensive income, net, incl.	-	25 089	-	-	-	(45)	664	25 708	246	25 954
Net profit	-	25 089	-	-	-	-	-	25 089	256	25 345
Other comprehensive income	-	-	-	-	-	(45)	664	619	(10)	609
Exchange differences from translation of foreign subsidiaries' financial statements	-	-	-	-	-	-	664	664	(10)	654
Actuarial (loss)	-	-	-	-	-	(49)	-	(49)	-	(49)
Deferred tax	-	-	-	-	-	4	-	4	-	4
Share based payment	-	-	-	-	7 384	-	-	7 384	-	7 384
Replenishment of reserve	-	(3)	-	3	-	-	-	-	-	-
Increase of share capital	27	-	-	-	-	-	-	27	-	27
Dividends	-	(2 353)	-	-	-	-	-	(2 353)	-	(2 353)
Balance at December 31, 2025	9 284	85 793	2 762	989	7 384	(90)	931	107 053	(25)	107 028
Balance at January 1, 2026	9 284	85 793	2 762	989	7 384	(90)	931	107 053	(25)	107 028
Total comprehensive income for the period incl.	-	7 460	-	-	-	-	224	7 684	62	7 746
Net profit	-	7 460	-	-	-	-	-	7 460	51	7 511
Other comprehensive income	-	-	-	-	-	-	224	224	11	235
Exchange differences from translation of foreign subsidiaries' financial statements	-	-	-	-	-	-	224	224	11	235
Currency effect of revaluation of capital	(23)	23	-	-	-	-	-	-	-	-
Other adjustments	-	1	-	-	-	-	-	1	-	1
Balance at March 31, 2026	9 261	93 277	2 762	989	7 384	(90)	1 155	114 738	37	114 775

Date: May 11, 2026

Prepared by:
/Sylvia Ivanova Tomova/

**SILVIYA
IVANOVA
TOMOVA**
Digitally signed
by SILVIYA
IVANOVA
TOMOVA
Date: 2026.05.11
17:48:59 +03'00'

**Dimitar Stoyanov
Dimitrov**
Digitally signed by Dimitar
Stoyanov Dimitrov
Date: 2026.05.11 18:08:50
+03'00'

Executive Director:
/Dimitar Stoyanov Dimitrov/

The consolidated statement of changes in equity shall be read together with the accompanying notes on pages 7-66. The notes are an integral part of these consolidated financial statements.

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2026**

All amounts are in thousand euro unless otherwise stated

**SHELLY GROUP SE
UIC 201047670**

	Note	For the period ended March 31, 2026	For the period ended March 31, 2025
<u>Cash flows from operating activities</u>			
Proceeds from customers		33 806	23 193
Payments to suppliers		(15 404)	(18 643)
Taxes (paid)/received		(5 463)	2 405
Payments to employees and social security institutions		(4 535)	(2 775)
Bank (fees)/interest		15	(43)
Other payments, net		(154)	(9)
<u>Net cash flows from operating activities</u>		<u>8 265</u>	<u>4 128</u>
<u>Cash flows from investing activities</u>			
Payments for acquisition of property, plant and equipment and intangible assets		(1 889)	(689)
Proceeds from the sale of investments		-	160
Purchase of investments		(15)	(15)
<u>Net cash flows used in investing activities</u>		<u>(1 904)</u>	<u>(544)</u>
<u>Cash flows from financing activities</u>			
Lease payments		(229)	(216)
Loans received		2 320	21
Loans repaid		(2 399)	(431)
Cash flows related to interest and commissions		(30)	(2)
<u>Net cash flows used in financing activities</u>		<u>(338)</u>	<u>(628)</u>
<u>Net increase/(decrease) in cash and cash equivalents for the period</u>		<u>6 023</u>	<u>2 956</u>
<i>Net exchange differences</i>		49	(214)
Cash and cash equivalents at the beginning of the year		13 685	13 985
<u>Cash and cash equivalents at the end of the period</u>	3.10	<u>19 757</u>	<u>16 727</u>

Date: May 11, 2026

Prepared by:
/Sylvia Ivanova Tomova/

**SILVIYA
IVANOVA
TOMOVA**
Digitally signed
by SILVIYA
IVANOVA
TOMOVA
Date: 2026.05.11
17:49:14 +03'00'

Dimitar
Stoyanov
Executive Director: Dimitrov
/Dimitar Stoyanov Dimitrov/

Digitally signed by Dimitar
Stoyanov Dimitrov
Date: 2026.05.11 18:09:07
+03'00'

The consolidated statement of cash flows shall be read together with the accompanying notes on pages 7-66. The notes are an integral part of these consolidated financial statements.

All amounts are in thousand euro unless otherwise stated

CONTENTS

1.	Information on the Group.....	9
2.	Basis for preparation of the financial statements and material accounting policy information.....	11
2.1.	Basis for preparation	11
2.2.1.	Standards effective for the current reporting period.....	12
2.2.2.	Amendments to the existing IFRS accounting standards issued by the IASB and adopted by the EU, but not yet effective	12
2.2.3.	New standards and amendments to the existing IFRS accounting standards, issued by the IASB, but not yet adopted by the EU	12
2.3.	Going concern	13
2.4.	Functional and reporting currency	14
2.5.	Comparative data	14
2.6.	Transactions and balances.....	15
2.7.	Accounting estimates and judgements	16
2.8.	Subsidiaries and associated companies	16
2.9.	Discontinued operations	17
2.10.	Non-controlling interest	17
2.11.	Consolidation	18
2.12.	Definition and assessment of the items of the consolidated financial statements	18
2.12.1.	Revenue.....	18
2.12.2.	Expenses.....	20
2.12.3.	Property, plant and equipment.....	20
2.12.4.	Intangible assets	22
2.12.5.	Goodwill.....	23
2.12.6.	Investments in associated companies	23
2.12.7.	Inventories.....	24
2.12.8.	Financial instruments	24
2.12.9.	Cash and cash equivalents.....	29
2.12.10.	Lease	30
2.12.11.	Provisions.....	31
2.12.12.	Payables to employees	31
2.12.13.	Share capital and reserves	33
2.12.14.	Income tax expense	34
2.12.15.	Earnings per share	35
2.12.16.	Significant judgements in applying the Group's accounting policy.....	35
2.12.17.	Fair values	38
3.	Notes to the consolidated statement of financial position	39

All amounts are in thousand euro unless otherwise stated

3.01. Property, plant and equipment	39
3.02. Intangible assets	40
3.03. Right-of-use assets	40
3.04. Goodwill.....	41
3.05. Investments in associates	41
3.06. Deferred tax assets	42
3.07. Inventory	43
3.08. Trade receivables	43
3.09. Other receivables.....	44
3.10. Cash and cash equivalents.....	44
3.11. Bank loans.....	45
3.12. Lease liabilities.....	45
3.13. Retirement benefits obligation	45
3.14. Trade payables	46
3.15. Payables to employees and social security obligations	46
3.16. Other liabilities.....	47
3.17. Share capital.....	47
3.18. Retained earnings.....	47
3.19. Legal reserves	48
3.20. Share premium reserve.....	48
4. Notes to the consolidated statement of comprehensive income	48
4.01. Sales revenue and cost of sales.....	48
4.02. Other operating revenue	49
4.03. Sales expenses.....	49
4.04. Administrative expenses	49
4.05. Other operating expenses	49
4.06. Financial income	50
4.07. Financial expenses	50
4.08. Income tax expense	50
4.09. Earnings per share, net	50
5. Contingent liabilities and commitments.....	51
6. Related party transactions	52
7. Financial instruments by categories	54
8. Financial risk management.....	55
9. Fair values	62
10. Events after the end of the reporting period	63

All amounts are in thousand euro unless otherwise stated

1. Information on the Group

1.1. Legal status

Shelly Group SE (The Parent Company), Sofia, is entered in the Commercial Register of the Registry Agency with UIC (Unified Identification Code): 201047670 and LEI code 8945007IDGKD0KZ4HD95. The Parent Company is with seat and registered office in Bulgaria, 1407 Sofia, 51 Cherni Vrah Blvd., building 3, floor 2 and 3. The initial registered fixed capital is 2 806 thousand euro. At the end of 2015, the capital was increased to 6 902 thousand euro through cash and non-cash contributions. At the end of 2016, the capital was increased to 7 669 thousand euro after the successful Initial Public Offering on the Bulgarian Stock Exchange. In 2020, the capital was increased to 9 203 thousand euro as a result of a procedure for Secondary Public Offering of a new issue of shares.

In July 2023, the capital was increased to 9 229 thousand euro. The increase was addressed to employees of Shelly Group SE and its subsidiaries.

In June 2024, the capital was increased to 9 257 thousand euro. The increase was addressed to employees of Shelly Group SE and its subsidiaries.

In July 2025, the capital was increased to 9 284 thousand euro. The increase was addressed to employees of Shelly Group SE and its subsidiaries.

Since December 2016 the shares of Shelly Group SE are traded on the Bulgarian Stock Exchange and since November 22, 2021 the Parent company's shares are traded on the Frankfurt Stock Exchange in addition as of April 10, 2026 shares are included in the SDAX index of the Frankfurt Stock Exchange.

1.2. Ownership and management

The Shelly Group SE (the Group) includes Shelly Group SE and its subsidiaries as listed on the next page, in which the Parent Company has controlling interest directly. Shelly Group SE is a public company in Bulgaria under the Public Offering of Securities Act.

The distribution of the share capital of Shelly Group SE as of March 31, 2026, was as follows:

Name	Number of shares:	% of the capital
Dimitar Dimitrov	5 237 564	28.84%
Svetlin Todorov	5 045 620	27.79%
<i>Persons holding less than 5% of the capital</i>		
Other physical persons and legal entities	7 874 876	43.37%
Total	18 158 060	100.00%

All amounts are in thousand euro unless otherwise stated

As of December 31, 2025, shareholders of the Company are as follows:

Name	Number of shares:	% of the capital
Dimitar Dimitrov	5 237 564	28.84%
Svetlin Todorov	5 045 620	27.79%
<i>Persons holding less than 5% of the capital</i>		
Other physical persons and legal entities	7 874 876	43.37%
Total	18 158 060	100.00%

The Parent Company is managed by Board of Directors (BoD) and is represented by Svetlin Todorov, Dimitar Dimitrov and Wolfgang Kirsch jointly and separately. The composition of the Board of Directors as at March 31, 2026 is as follows:

- Christoph Vilanek – 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;

1.3. Scope of activities

The main scope of activity of Shelly Group SE includes the acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies; acquisition, management and sale of bonds; acquisition, evaluation and sale of patents, assignment of licenses for the use of patents to companies in which the Parent Company participates; financing of companies in which the Parent Company participates. The Group includes companies engaged in the development, production and trading in smart (IoT) devices.

1.4. Group structure

As of 31.03.2026 and 31.12.2025, the Group includes Shelly Group SE and the following subsidiaries, in the country and abroad, which it controls.

Company name	31 March 2026	31 December 2025
	Percentage of participation	Percentage of participation
<i>In Bulgaria</i>		
<i>Shelly Trading EOOD</i>	100%	100%
<i>Shelly Europe EOOD</i>	100%	100%

All amounts are in thousand euro unless otherwise stated

Company name	31 March 2026	31 December 2025
	Percentage of participation	Percentage of participation
Abroad		
Shelly USA, USA	100%	100%
Shelly DACH GMBH, Germany	100%	100%
Shelly Tech d.o.o., Slovenia	76%	76%
Shelly Asia Ltd, China	80%	80%
Shelly Poland SP. Z O O., Poland	100%	100%

On February 22, 2024, Shelly Group SE exercised its call option to acquire an additional 16% share of the capital of its subsidiary Slovenian IoT company Shelly Tech.

The remaining 24% of the company's shares held by three partners are subject to an additional Call/Put option that can be exercised in 2026 according to the agreed terms.

In 2024, the subsidiary Shelly Trading EOOD opened a representative office in the Netherlands.

On May 31, 2024, the Parent company exercised its call option to acquire 50% in the associated company Shelly Asia ltd., (formerly known as Allterco Asia ltd.), and thus the ownership share reached 80%.

On April 24, 2025 with a decision of the Board of Directors of Shelly Group SE Shelly Poland SP. Z O O was established, a subsidiary in Poland, with a share capital of 374 thousand euro (PLN 1 600 000).

2. Basis for preparation of the financial statements and material accounting policy information

2.1. Basis for preparation

The Group keeps its current accounting records and prepares its financial statements in accordance with the requirements of the Bulgarian commercial and accounting legislation.

These consolidated financial statements have been prepared in accordance with the requirements of the International Accounting Standards (IAS), published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

As of March 31, 2026, IASs comprises the IFRS Accounting Standards as adopted by EU and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), approved by the IASB, and the International Accounting Standards and Interpretations of the Standing Interpretations Committee (SIC), approved by the International Accounting Standards Committee (IASC), effective from January 1, 2026, and adopted by the EU.

All amounts are in thousand euro unless otherwise stated

2.2. Initial application of new and amended IFRS Accounting Standards

2.2.1. Standards effective for the current reporting period

The Group's management has complied with all standards and interpretations that are applicable to its activity and have been officially adopted by the EU as of the date of preparation of these consolidated financial statements.

The management has reviewed the changes in the existing accounting standards effective from January 1, 2026 and believes that they do not require changes in terms of the accounting policy applied in the current year.

At the date of preparation of these consolidated financial statements, the following new standards, issued by IASB and adopted by the EU are effective:

- **Amendments to IFRS 9 and IFRS 7** - Amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026);
- **Amendments to IFRS 9 and IFRS 7** - Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 1 January 2026);
- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7** - Annual Improvements to IFRS Accounting Standards - Volume 11 - effective for annual periods beginning on or after 1 January 2026;

The adoption of the new amendments to the existing IFRS accounting standard has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

2.2.2. Amendments to the existing IFRS accounting standards issued by the IASB and adopted by the EU, but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following amendments to IFRS accounting standards that have been issued by IASB and adopted by EU but are not yet effective:

- **IFRS 18 - Presentation and Disclosures in Financial Statements** (effective for annual periods beginning on or after 1 January 2027).

2.2.3. New standards and amendments to the existing IFRS accounting standards, issued by the IASB, but not yet adopted by the EU

At present, IFRS Accounting Standards as adopted by the EU do not significantly differ from regulations adopted by the IASB except for the following new standards and amendments to the existing standards, which were not endorsed for use in EU as at the date of publication of these consolidated financial statements (the effective dates stated below is for IFRS Accounting Standards as issued by IASB):

All amounts are in thousand euro unless otherwise stated

- **IFRS 19 with further amendments - Subsidiaries without Public Accountability: Disclosures** (effective for annual periods beginning on or after 1 January 2027);
- **Amendments to IAS 21** - Translation to a Hyperinflationary Presentation Currency (effective for annual periods beginning on or after 1 January 2027);
- **IFRS 14 Regulatory Deferral Accounts** (effective for annual periods beginning on or after January 1, 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard;
- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted). Endorsement process postponed indefinitely until the research project on the equity method has been concluded.

The Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the consolidated financial statements of the Group in the period of initial application, except for IFRS 18 which is expected to have material impact on the presentation and disclosure of information in the financial statements. The Group is in process of analysing the specific impact of IFRS 18 on its consolidated financial statements, however, the new standard will not affect the recognition of financial results, it will affect only their presentation and disclosure.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

According to the Group's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to **IAS 39 Financial Instruments** - Recognition and Measurement would not significantly impact the consolidated financial statements, if applied as at the reporting date.

2.3. Going concern

The consolidated financial statements of the Group have been prepared on the going concern principle, as it is expected that the Group shall continue its operating activity in near future.

A military conflict between Russia and Ukraine continued during the reporting period, but since the Group does not have transactions and accounts with customers from these two countries, management believes that this event is not expected to directly or indirectly affect the Group's results and financial position in the future.

All amounts are in thousand euro unless otherwise stated

The military conflict in the Middle East, even after its escalation in early March 2026, is also not expected to directly impact the Group's results and financial position, as a negligible portion of the subsidiaries' revenues are from customers in the region. In addition, the Group's management has taken actions to maintain sustainable supply chains in view of the increased geopolitical uncertainty. [Management has no plans or intentions to sell the business or cease operations, which could materially change the measurement or classification of assets and liabilities reported in the consolidated financial statements.

The assessment of assets and liabilities and the measurement of income and expenses is made in compliance with the historical cost principle. This principle is modified in specific cases by the revaluation of certain assets and/or liabilities to their fair value, as indicated in the relevant notes below.

2.4. Functional and reporting currency

According to the Law on the Introduction of the Euro in the Republic of Bulgaria, as of January 1, 2026, the official currency and legal tender in the Republic of Bulgaria is the euro. The fixed exchange rate is 1.95583 leva for 1 euro. In this regard, from the beginning of 2026, the functional currency and the presentation currency of the Group's financial statements is the euro (EUR). These interim consolidated financial statements are prepared in thousands of euros, unless otherwise indicated in the relevant place. Earnings per share are presented in euros.

The data in the elements of the consolidated financial statements and the notes thereto are presented in thousands of euro, unless explicitly stated otherwise.

The companies of the Group keep their accounting records in the functional currency of the country in which they operate. The effects of exchange differences relating to the settlement of foreign currency transactions or the reporting of transactions in a foreign currency at rates that are different from those at which they were originally recognised shall be included in the consolidated statement of comprehensive income at the time they arise, treated as “other operating income and expenses” except those related to investments and loans denominated in foreign currency, which are presented as “finance income” and “finance expenses”.

Non-monetary assets and liabilities originally denominated in a foreign currency are accounted for in a functional currency using the historical exchange rate at the date of the transaction and subsequently not revalued at a closing rate.

2.5. Comparative data

According to the Bulgarian accounting legislation and IAS, the financial year ends on December 31 and enterprises are required to present annual financial statements as of the same date, together with comparative data as of that date for the previous year.

All amounts are in thousand euro unless otherwise stated

If necessary, the data presented for the previous year are adjusted for better comparability with the data from the current period.

As of January 1, 2026, the official currency and legal tender in the Republic of Bulgaria is the euro. All comparative data for previous periods have been translated at the official fixed exchange rate of 1.95583 leva per 1 euro. Differences resulting from rounding or exchange rate translation are reflected in this interim report in accordance with the requirements of the Law on the Introduction of the Euro in the Republic of Bulgaria. The Group has not realized a significant effect from the translation into euro of the opening balances as of January 1, 2026 in connection with a change in the functional (reporting) currency.

These interim consolidated financial statements for the period ended March 31, 2026 are prepared in euros, following the transition to the euro, which is the functional currency of the Group, effective January 1, 2026. All amounts are presented in thousands of euros, including comparative information for 2025, unless otherwise stated.

The comparative data for 2025 has been reclassified in the designated explanatory notes to ensure comparability with the current period presentation. The reclassification has no effect on the net financial result, total comprehensive income, or the Group's equity.

2.6. Transactions and balances

A transaction in foreign currency is recognized initially in the functional currency by applying the foreign currency exchange rate (spot) between the functional currency and the foreign currency at the time of the transaction or operation.

At each date of financial statement preparation:

- (a) monetary positions, receivables and payables denominated in foreign currency are recalculated into the functional currency using the reference exchange rate of euro to the foreign currency published by the BNB on their web page on the last business day of the respective month;
- (b) non-monetary items held at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction, if an exchange rate other than that of the transaction (average monthly, daily or other) is applied; and
- (c) non-monetary items held at fair value in a foreign currency are recalculated using the exchange rates at the date when the fair value was determined.

Foreign currency exchange differences are recognized in accordance with IAS 21 the Effects of Changes in Foreign Exchange Rates.

The items of the consolidated statement of financial position and consolidated statement of comprehensive income of foreign companies of the Group, using a functional currency other than euro, are retranslated into euro to be included in the consolidated statement of the Group as follows:

All amounts are in thousand euro unless otherwise stated

- All monetary and non-monetary assets and liabilities (including comparative information) are recalculated at the reference exchange rate of euro to the foreign currency published by BNB on their web page at the date of the relevant statement of financial position; Monetary positions in foreign currency as of December 31, 2025 and March 31, 2026 are retranslated in these financial statements at the closing exchange of the BNB. As of December 31, 2025 – 1.1757 USD for 1 EUR; 0.8292 GBP for 1 EUR, 8.2216 CNY for 1 EUR, 4.5723 PLN for 1 EUR and 1.95583 BGN for 1 EUR, and as of March 31, 2026 – 1.1498 USD for 1 EUR; 0.8683 GBP for 1 EUR; 7.9341 CNY for 1 EUR and 4.289 PLN for 1 EUR.
- The income and expense items of each comprehensive income statement are recalculated at the accounting date at the weighted average exchange rate for the accounting period;
- All exchange rate differences obtained are recognized in the statement of comprehensive income.
- The cumulative amount of these exchange rate differences is presented in a separate component of equity until the foreign operation is disposed.
- Share capital and other components of equity are translated using the historical rate, i.e. the exchange rate at the date of issue of share capital, or at the date of the associated transaction for other components of equity.

2.7. Accounting estimates and judgements

The application of the IAS requires the Group's management to apply certain accounting assumptions and judgments when preparing the annual consolidated financial statements and when determining the value of some of the assets, liabilities, income, expenses and contingent assets and liabilities.

All assessments are based on the management's best judgment as of the date of preparation of these consolidated financial statements. Actual results could differ from those presented in these consolidated financial statements.

In preparing these consolidated financial statements, the management used judgments related to the following items:

- Right-of-use assets – period of use of the assets and discount factor (Note 3.03)
- Short-term receivables – need for impairment (Note 3.08)
- Retirement benefits obligations (Note 3.13)
- Deferred tax assets (Note 3.06)
- Warranty service provision (Note 3.16)

2.8. Subsidiaries and associated companies

Subsidiaries are the entities over which Shelly Group SE exercises control as defined in IFRS 10 Consolidated Financial Statements.

The parent-company (the investor) controls the investee company if it has:

- Rights over the ownership of the subsidiary;

All amounts are in thousand euro unless otherwise stated

- Rights over the variable returns from its participation in the subsidiary;
- Ability to use its powers over the entity in order to influence the size of return on investment.

Subsidiaries are considered controlled starting from the date on which control is acquired by the Group and they cease to be consolidated on the date when it is assumed that the control has been lost.

Associated company is a company in which the Group has significant influence on decisions regarding operating and financial policies, but without being able to fully control those policies.

2.9. Discontinued operations

In case of sale or other form of loss (transfer) of control over a subsidiary:

- The assets and liabilities (including if there is associated goodwill) of the subsidiary are written off at book value on the date of loss of control.
- The non-controlling interest in this subsidiary is written off at book value in the consolidated statement of financial position as of the date of loss of control, incl. any components of other comprehensive income related thereto.
- The consideration received from the transaction, event or operation that led to the loss of control is recognized at fair value;
- Any resulting difference is recognized as “gain or loss on disposal (sale) of a subsidiary” in the consolidated statement of comprehensive income belonging to the parent company. Profits or losses from the sale (release) of a given subsidiary (enterprise) from the Group also include the book value of the goodwill, deductible for the sold (released) company (enterprise).

2.10. Non-controlling interest

The non-controlling interest is valued at the proportionate share of identifiable net assets at the date of acquisition.

Changes in the Group’s ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group’s interests and non-controlling interests is adjusted to reflect changes in their relative interests in subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Parent Company.

All amounts are in thousand euro unless otherwise stated

2.11. Consolidation

The consolidated financial statements of the Group include the financial statements of the parent company and the subsidiaries. All assets, liabilities, capital, income, expenses and cash flows of the group companies are presented as such as they belong to just one entity.

Subsidiaries are those entities that are controlled by the Parent Company. Control occurs when the parent company exercises its rights on variable return arising from its participation in the subsidiary's capital and has the ability to influence this return from investment through its power. The consolidated financial statements have been prepared following the same accounting policies with respect to similar transactions and business facts of all companies in the Group. All mutual interests, as well as significant internal transactions, balances and unrealized gains in the Group are eliminated and the financial statements are prepared using the full consolidation method. The financial results of operations of the subsidiaries are included in the consolidated financial statements from the date of acquisition of control over them and cease to be consolidated from the date on which such control is lost. When a subsidiary is acquired as a result of an internal group restructuring, its net assets and financial result are included from the beginning of the earliest accounting period presented in the financial statements.

2.12. Definition and assessment of the items of the consolidated financial statements

2.12.1. Revenue

The Group recognises revenue from the following major sources:

Sale of electronic devices

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group sells electronic devices both to the wholesale market and directly to customers through its own website and through direct sales. Sales-related warranties associated with the products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets (see Note 3.16).

For sales of electronic equipment to the wholesale market, revenue is recognised by the Group when control of the goods has transferred, being at the moment when the goods are shipped. Following shipment dispatch, the wholesaler has full discretion over the manner of distribution and price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, and the Group expects to receive payment in the agreed term.

All amounts are in thousand euro unless otherwise stated

The Group recognizes revenue from sales through an online store at the time the goods are shipped to the address requested by the customer. The payment received from the customer is initially recognized as a contractual obligation until the goods are shipped to the customer.

Under the Group's standard contract terms, customers have a right of return within 14 days. In case of returned goods, the Group adjusts the recognized revenue by reducing it by the value of the returned goods. At the same time, the Group has an obligation to receive back the returned goods, if the customer decides to exercise its right to return the goods and accordingly reduces the cost of goods sold and increases its stock.

The Group uses historical experience to determine the expected value of returned goods in each calendar year. The method assumes that the Group does not expect, with a high probability, to receive returns of goods in amounts significantly exceeding the volume of returned goods in previous years, expressed as a percentage of revenue.

During the year there are no changes in the Group's revenue recognition policy related to sales of electronic devices.

Revenue from services

The Group reports revenue from services, complying with the commitments under the contract. Revenue from services is reported upon final completion of the services recognized as performed.

The Group offers its customers a subscription to cloud services. The subscription can be paid in monthly instalments or once for a calendar year. In the event that a customer pays an annual subscription, the entire amount is initially recognized as a contractual liability, and each month 1/12 of the amount paid is recognized as revenue.

Other income/revenue

Other income and revenue are recognized when the right to receive them is established.

The Group companies apply IFRS 15 and the management carefully examines its trade practices for possible changes at the time of revenue recognition. No change in the performance obligations and the price allocation in the contracts and revenue recognition is needed for the reporting year.

Finance income and expenses

Finance income and expenses are recognised in profit or loss for all instruments measured at amortised cost using the effective interest method. The effective interest rate method is a method for calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. An effective interest rate is one at which the estimated future cash payments or receipts during the life of the financial instrument or, in certain cases, for a shorter period, are accurately discounted to the net

All amounts are in thousand euro unless otherwise stated

carrying amount of the financial asset or liability. In calculating the effective interest rate, the Company measures cash flows taking into account all the contractual terms of the financial instrument but excluding potential future credit impairment losses. The calculation includes fees, transaction costs, premiums or discounts paid or received between the parties to the contract, which are an integral part of the effective interest rate. Finance expenses comprise interest expenses and other direct costs on loans, as well as bank commissions and currency exchange rate losses.

2.12.2. Expenses

Expenses at the Group companies are recognised when incurred. Expenses are recognised when there is a decrease in future economic benefits associated with a decrease in an asset or an increase in a liability that can be measured reliably. Recognition of expenses for the current period is made when the corresponding income is accrued. An expense is recognised immediately in the consolidated statement of comprehensive income, when the expense does not generate a future economic benefit or when, and to the extent that, future economic benefit does not qualify or no longer qualifies for recognition of an asset in the consolidated statement of financial position. Expenses are accounted for on the accrual basis and comparability with reported income. They are measured at the fair value of the liability paid or to be paid.

Expenses for future periods shall be deferred for recognition as current expenses in the period in which the obligations under the contracts to which they refer, would be performed.

2.12.3. Property, plant and equipment

Property, plant and equipment (non-current tangible assets) are presented in the financial statements at acquisition cost (cost price) less accumulated depreciation and impairment losses.

Initial recognition

Upon initial acquisition, property, plant and equipment are evaluated at acquisition cost (cost price), which includes the purchase price, including customs charges and any directly attributable costs of bringing the asset to working condition. The direct costs are as follows: costs of site preparation, costs of initial delivering and handling, installation costs, costs for personnel remuneration fees related to the project, non-refundable taxes, etc.

When acquiring property, plant and equipment on a deferred payment basis, the purchase price is equivalent to the present value of the liability, discounted on the basis of the interest rate on the borrowed resources of the Group with a similar maturity and purpose. The difference between the cash price equivalent and the total payment is recognized as interest over the course of the loan, unless it is capitalized in accordance with IAS 23.

Measurement after recognition

All amounts are in thousand euro unless otherwise stated

The approach chosen by the Group for the subsequent measurement of property, plant and equipment is the acquisition cost model - less any subsequent depreciation and any accumulated impairment losses.

For all other classes of non-current tangible assets, the Group applies the acquisition cost model.

Depreciation Methods

The Group uses the straight-line method of depreciation of non-current tangible assets. Depreciation of assets begins when they are available for use. The useful life by groups of assets is determined in accordance with: physical wear and tear, specifics of the equipment, future intentions for use and actual obsolescence.

The useful life by classes of assets is as follows:

Vehicles	4 years
Buildings	25 years
Computer equipment	2-5 years
Office equipment	5-6.67 years
Other non-current tangible assets	6.67 years

The determined useful life of non-current tangible assets is reviewed at the end of each year and, if significant deviations are found against future expectations for the useful life of the assets, it is adjusted prospectively.

Derecognition of non-current tangible assets

The carrying amount of an item of property, plant and equipment is written off: when it is sold, when no other economic benefits are expected from its use, or when it is disposed.

Gains or losses arising on the derecognition of an item of property, plant and equipment are included in the statement of comprehensive income when the asset is written off. Gains and losses on disposals of non-current assets are determined when the proceeds from sale (disposal) are reduced by the book value of the asset and the costs related to the sale. They are stated net, to "Other operating income" in the statement of comprehensive income.

The amount of consideration to be included in the gain or loss arising from the derecognition of an item of property, plant and equipment is determined in accordance with the requirements for determining the transaction price in paragraphs 47–72 of IFRS 15. Subsequent changes to the estimated amount of the consideration included in the gain or loss shall be accounted for in accordance with the requirements for changes in the transaction price in IFRS 15.

All amounts are in thousand euro unless otherwise stated

2.12.4. Intangible assets

Intangible assets are presented in the consolidated financial statements at acquisition price (cost price) less accumulated depreciation and impairment losses.

The Group applies a straight-line method of depreciation of intangible assets with a useful life of 2 years for the software products, 6.67 years for the prototypes and software development, 3 years for an ISO certificate.

The book value of the intangible assets is reviewed for impairment when there are events or changes in circumstances that indicate that the book value amount could exceed their recoverable amount. Then the impairment is included as an expense in the consolidated statement of comprehensive income.

Initial recognition

Externally generated intangible assets on their acquisition are measured at acquisition price, which includes purchase price, import duties, non-refundable taxes and expenses of preparing the asset for its intended use. The direct expenses are: costs of employee benefits (as defined in IAS 19) and professional fees arising directly from bringing the asset to its working condition; costs for testing whether the asset is functioning properly, expenses for fees of persons related to the project, non-refundable taxes, etc.

Intangible assets are recognized if they meet the definition of intangible assets set out in IAS 38 Intangible Assets, namely:

- Meet the definition of an intangible asset;
- Upon their acquisition they can be reliably measured;
- Economic benefits are expected from the use of the asset, as evidenced by the availability or plan to obtain sufficient resources to enable the Group to obtain the expected economic benefits; the ability to effectively perform its functional role in accordance with the intention of the Group regarding its use or there is a clearly defined and specified technical feasibility.

Subsequent costs

Expenses related to the maintenance of initially established standard efficiency, incurred after the commissioning of intangible non-current assets, are recognized as current at the time when they are incurred.

The carrying amount of the respective intangible asset is adjusted by the expenses that lead to increase of the expected future economic benefits from the use of an intangible asset above the initially determined standard efficiency.

All amounts are in thousand euro unless otherwise stated

2.12.5. Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Initially, it is measured in the consolidated financial statements as the excess of the sum of the consideration transferred over the amount of the net assets of the acquired company and subsequently it is presented at acquisition cost less impairment losses. Goodwill is not amortized.

The goodwill originating as a result of the acquisition of a subsidiary is presented in the consolidated statement of financial position as a part of non-current assets and the goodwill originating as a result of acquisition of joint-ventures or associated companies is included in the total value of investment and is reported as “investments in associated companies”.

The goodwill associated with the acquisition of associated companies is tested for impairment as part of the total value of the investment. Separately recognized goodwill on the acquisition of subsidiaries is tested mandatorily for impairment at least once annually. Impairment losses on goodwill are not reversed subsequently. Gains or losses on sale (disposal) of a subsidiary of the Group also include the book value of the goodwill, associated with the sold (disposed) company.

Any goodwill amount recognized in the financial statements is attributable to a certain cash generating object at the time a business combination is completed, and this object is applied when tests for impairment are conducted. For determining the cash-generating objects, are considered only objects that are expected to generate future economic benefits and that are subject to the business combination, which generated the goodwill.

Losses from impairment of goodwill are presented in the consolidated statement of comprehensive income (in profit or loss for the year) as part of item “Impairment expenses”.

2.12.6. Investments in associated companies

These investments are reported in the consolidated financial statements of the Group by the equity method. By this method, the share of the Group in the comprehensive income of an associated company is consolidated on one line, so that the value of the investment corresponds to its share in the net assets as of December 31 for the respective year or at the end of the respective reporting period. The Group recognizes its share in losses in associated companies up to the amount of its investment, including internal loans granted, unless it has undertaken an obligation to pay such liabilities on behalf of the associated company.

As of March 31, 2026, the Group reports a share in the loss of associated companies amounting to 2 thousand euro. The value of the investment indicated in the consolidated statement of financial position has

All amounts are in thousand euro unless otherwise stated

been decreased by the same amount.

2.12.7. Inventories

Inventories are accounted at the lower of the two following values: price for acquisition (cost) and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completing the production cycle and the estimated costs necessary to make the sale. In the event that inventories have already been depreciated to net realizable value and in a subsequent accounting period it turns out that the conditions that led to their impairment are no longer present, their new net realizable value is assumed. The amount of the refund can only be up to the amount of the book value of the inventory before the impairment. The amount of the reversal of the inventory value is reported as a reduction in the cost of materials for the period in which the reversal occurs.

The costs incurred to bring an inventory to its present condition and location are included in the cost of acquisition (cost) as follows:

- Materials - the purchase price and all related costs of delivery;
- Goods - the purchase price and all related costs of delivery, customs duties, transport costs, non-recoverable taxes and other costs incurred in order to bring the goods in ready for use state.

In the use (sale) of inventory, the weighted average method is used.

2.12.8. Financial instruments

A financial instrument is any contract that simultaneously gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity. Financial assets and liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual terms of the relevant financial instrument that gave rise to this asset or liability.

a) Financial assets

Initial recognition and measurement

Upon initial recognition, financial assets are classified as financial assets that are subsequently measured at amortized cost, at fair value in other comprehensive income (OCI) and as financial assets at fair value in profit or loss. Financial assets are classified upon their initial acquisition according to the characteristics of the contractual cash flows of the financial asset and the Group's business management model. The Group initially measures the financial asset at fair value plus transaction costs, in the case of financial assets that are not measured at fair value through profit or loss.

Trade receivables that do not have a significant financing component, and for which the Group has applied a practically expedient measure, are stated at the transaction price determined according to IFRS 15. The Group reclassifies financial assets only when its business model changes.

All amounts are in thousand euro unless otherwise stated

In order to be classified and measured at amortized cost or at fair value in OCI, the financial asset should generate cash flows that represent “solely payments of principal and interest” (SPPI) on the outstanding principal amount. This measurement is called the “SPPI test” and is performed at the relevant instrument level.

The Group’s business model for managing financial assets refers to how the Company manages its financial assets to generate cash flows. The business model determines whether cash flows will arise from the collection of contractual cash flows, the sale of financial assets, or both.

Purchases or sales of financial assets, the terms of which require the delivery of the assets within a certain period of time, usually established by a regulatory provision or current practice in the relevant market (regular purchases), are recognized on the date of trading (transaction), i.e. on the date on which the Group has committed to buy or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value in other comprehensive income with “recycling” of cumulative profit or loss (debt instruments);
- Financial assets designated as financial assets at fair value in other comprehensive income with no “recycling” of cumulative profit or loss at their derecognition (equity instruments) (measurement alternative);
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model aimed at obtaining the contractual cash flows, and
- The terms of the contract for the financial asset give rise to cash flows on specific dates that represent solely payments of principal and interest on the outstanding principal amount.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group’s financial assets at amortized cost include trade and other receivables, term deposits and cash at bank accounts.

All amounts are in thousand euro unless otherwise stated

Financial assets designated as financial assets at fair value in other comprehensive income (equity instruments)

Upon initial recognition, the Group may elect to classify irrevocably as equity instruments designated as measured at fair value in other comprehensive income when they meet the equity requirements under IAS 32 Financial Instruments: Presentation and when they are not held for trading. The classification is determined on an individual instrument basis. These investments in equity instruments are held for medium to long-term purpose and accordingly, the Group elected to designate them as equity instruments at fair value through other comprehensive income as it believes that recognising short-term fluctuations in these investments fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long term purposes.

Gains and losses on these financial assets are never "recycled" in profit or loss.

Dividends are recognized as income in the statement of comprehensive income when the right to payment is established, except when the Group derives benefits from these receipts as a refund of part of the acquisition price of the financial asset, in which case the gains are reported in other comprehensive income. Equity instruments designated as measured at fair value in other comprehensive income are not in the scope of IFRS 9 expected credit loss model.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the rights to receive cash flows from the asset have been transferred or the Group has assumed the obligation to pay the received cash flows in full, without significant delay, to a third party through a transfer agreement; where either (a) the Group has transferred substantially all the risks and rewards of ownership of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the asset but has not retained control.

When the Group has transferred its rights to receive cash flows from the asset or entered into a transfer agreement, it evaluates whether and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, nor has it transferred control over it, it still recognizes the transferred asset to the extent of its continuing involvement in it.

In this case, the Group also recognizes the related obligation. The transferred asset and related liability are valued on a basis that reflects the rights and obligations that the Group has retained. A continuing involvement being a security of the transferred asset is valued at the lower of the original book value of the

All amounts are in thousand euro unless otherwise stated

asset and the maximum amount of consideration that the Group may be required to pay. The Group applies the same derecognition policies for impaired financial assets.

Impairment of financial assets

Additional disclosures related to impairment of financial assets, are included in the following notes as well:

- Significant judgements in applying the Group's accounting policy. Key estimates and assumptions with high uncertainty. (Note 2.12.16);
- Trade and other receivables (Notes 3.08 and 3.09).

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments that are not measured at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due under the terms of the contract and any cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are an integral part of the terms of the contract.

ECL are recognized in three stages. For exposures for which there has been no significant increase in credit risk since initial recognition. Allowances for ECL are recognized for credit losses that arise as a result of default events that are possible occur within the next 12 months (12-month ECL). For exposures for which there has been a significant increase in credit risk since initial recognition, an allowance for expected credit loss is required in respect of credit losses expected over the remaining term of the exposure, regardless of when the default occurs (ECL over the lifetime of the instrument). A significant increase in credit risk is observed in the case of material financial difficulties of the debtor, probability of declaring bankruptcy and liquidation, financial restructuring or inability to repay the debt (overdue for more than 30 days) are taken as an indicator for impairment of the asset.

Regarding cash and cash equivalents, the Group applies the credit ratings of the banks and publicly available information on default rates for banks in order to prepare an impairment assessment. The Group uses historical experience in order to determine loss given default. As significant increase in credit risk has not been identified, the Group applies 12-month ECL.

The Group considers a financial instrument in default when contractual payments are overdue for 90 days. However, in certain cases, it may consider a financial asset to be in default when internal or external information provides an indication that it is unlikely that the Group will receive the outstanding contractual amounts in full before taking into account any credit improvements. All financial assets measured at amortized cost are subject to collective impairment, except for those in default (phase 3).

Financial liabilities

All amounts are in thousand euro unless otherwise stated

Initial recognition and measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, incl. derivatives or as financial liabilities at amortized value, incl. loans and other borrowings and trade and other payable as appropriate. Initially, all financial liabilities are recognized at fair value, and in the case of loans and borrowed funds and liabilities, net of direct transaction costs.

The Group's financial liabilities include trade and other payables, bank loans and lease liabilities.

Subsequent measurement

Financial liabilities are measured according to their classification as specified below:

Financial liabilities at amortized cost

The Group's financial liabilities at amortized cost are reported at amortized cost after applying the effective interest method.

Derecognition

A financial liability is derecognized when the obligation is discharged, cancelled or expires. When an existing financial liability is exchanged with another from the same creditor under substantially different terms, or the terms of an existing liability are substantially changed, this exchange or modification is treated as extinguishment of the original financial liability and recognition of a new financial liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

The main financial instruments included in the consolidated statement of financial position of the Group are presented below.

Trade and other receivables

Trade receivables are amounts owed by customers for goods sold and services performed in the ordinary course of business. They are usually due for short-term settlement and are therefore classified as current. Trade receivables are initially recognized at the amount of the unconditional consideration due, unless they contain significant financing components.

The Group holds trade receivables for the purpose of collecting contractual cash flows and therefore measures them at amortized cost using the effective interest method. No discounting is applied when the effect is immaterial.

Future cash flows determined for a group of financial assets that are collectively measured for impairment are determined on the basis of historical information regarding financial assets with credit risk

All amounts are in thousand euro unless otherwise stated

characteristics similar to the characteristics of the group of financial assets.

Assets that are subject to individual impairment are not included in an impairment group.

The Group applies a simplified approach in recognizing impairment of trade and other receivables and recognizes loss allowance for lifetime expected credit losses. In estimating expected credit losses on trade receivables, the Company uses a provision matrix.

When estimating expected credit losses on trade receivables, the Group uses its historical experience of credit losses on trade receivables to estimate the expected credit losses for the entire life of the financial assets.

Borrowings

Borrowings are recognized initially at fair value, which is formed by the cash proceeds received, less the inherent transaction costs. After their initial recognition, interest-bearing loans are measured at amortized cost, where any difference between the initial cost and the maturity value is recognized in profit or loss over the period of the loan by applying the effective interest method.

Finance costs, including direct borrowing costs, are included in profit or loss using the effective interest method, except for transaction costs on bank overdrafts, which are recognized in profit or loss on a straight-line basis for the period, for which the overdraft was agreed upon.

Loans are classified as current when they are to be settled within twelve months from the end of the reporting period.

Payables to suppliers, other current liabilities and advances received

Trade and other payables arise as a result of goods or services received. Current liabilities are not amortized.

Trade payables are recognized initially at fair value and subsequently at amortized cost using the effective interest method.

2.12.9. Cash and cash equivalents

Cash includes cash on hand and current accounts, and cash equivalents include short-term bank deposits with an original maturity of less than 3 months. The consolidated statement of cash flows is presented using the direct method.

Cash and cash equivalents are subsequently presented at amortised cost, excluding the accumulated allowance for expected credit losses.

All amounts are in thousand euro unless otherwise stated

2.12.10. Lease

On the effective date of the contract, the Group assesses whether the contract is or contains a lease. In particular, whether the contract transfers the right to control the use of the identified asset for a certain period of time.

The Group as a lessee

The Group applies a unified approach to the recognition and assessment of all leases, except for short-term leases (i.e., leases with a lease term of up to 12 months) and leases of low-value assets. The Group recognises lease liabilities for the payment of lease instalments and right-of-use assets, representing the right to use the assets.

Right-of-use assets

The Group recognizes right-of-use assets from the inception date of the lease (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at acquisition cost less accumulated depreciation and impairment losses and adjusted for any revaluation of lease liabilities.

The acquisition cost of right-of-use assets includes the amount of recognized lease liabilities, the initial direct costs incurred and the lease payments made on or before the inception date of the lease, an estimate of the costs to be incurred by the lessee in dismantling and relocating the asset, the restoration of the site on which it is located or the restoration of the asset to the condition required under the terms of the lease, less any incentives received under the lease. The right-of-use assets are depreciated on a straight-line basis over the lease term.

If at the end of the lease term the ownership of the leased asset is transferred to the Group, or the acquisition cost reflects the exercise of a purchase option, depreciation is calculated using the expected useful life of the asset.

Lease liabilities

From the inception date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any eligible lease incentives, variable lease payments depending on an index or an interest rate, and amounts that are expected to be paid under guarantees for residual value.

Lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option, as well as penalties for terminating the lease, if the lease term reflects the Group's exercising an option to terminate the lease.

Variable lease payments, not depending on an index or an interest rate, are recognised as expense in the period in which the event or condition triggering the payment occurs.

All amounts are in thousand euro unless otherwise stated

In calculating the present value of lease payments, the Group uses an intrinsic interest rate at the inception date of the lease because the interest rate implicit in the lease cannot be determined reliably. After the inception date, the amount of lease liabilities is increased by the interest and reduced by the lease payments made.

In addition, the carrying amount of lease liabilities is revalued, if there is a modification, a change in the lease term, a change in lease payments (for example, changes in future payments resulting from a change in the index or interest rate used to determine those lease payments) or a change in the measurement of the option to purchase the underlying asset.

Short-term leases and low-value assets leases

The Group applies recognition exemption for short-term leases to its short-term building leases (for example, leases with lease term of 12 months or less from the inception date and not containing a purchase option). The Group also applies the recognition exemption of low-value assets leases to leases of office equipment which is considered low-value. Lease payments on short-term leases and low-value assets leases are carried as an expense on the straight-line basis over the lease term.

2.12.11. Provisions

Provisions are recognised when the Group has a current (constructive or legal) liability as a result of a past event, and it is probable that the repayment/settlement of this liability will involve an outflow of resources. Provisions are estimated based on management's best estimate as at the date of preparation of the financial statements of the costs necessary to settle the respective liability. The estimate is discounted when the maturity is long-term. When part of the resources to be used to settle the liability is expected to be recovered by a third party, the Group recognises a receivable in case it is highly probable to be received, its value can be reliably measured as well as an income (credit) under the same item in the consolidated statement of financial position, where the provision itself is presented.

The Group charges warranty service provisions. Liabilities for warranty service provisions are accrued based on management's best judgment of the potential amount of costs that the Group will incur upon the occurrence of a warranty event, based on the accumulated experience of goods/products sold.

2.12.12. Payables to employees

Current payables to employees

Current payables to employees include liabilities for work already performed and the relevant social security contributions required by law.

Defined benefit plans

All amounts are in thousand euro unless otherwise stated

The Government of Bulgaria is responsible for providing pensions under defined benefit plans. The liabilities under the Group commitment to transfer accrued amounts to defined benefit plans are recognised in the statement of comprehensive income when they are incurred.

Paid annual leave

The Group recognises as a liability the undiscounted amount of the estimated costs of paid annual leave, in accordance with the Labor Code and its internal rules, expected to be paid to employees in exchange for their labor for the past reporting period.

Retirement benefit plans

In accordance with the requirements of the Labor Code, upon termination of the employment contract of an employee who has acquired the right to a pension, the Group pays the employee a compensation in the amount of two gross salaries, if the accumulated service at the Group is less than ten years, or six gross salaries, in case of accumulated service time at the Group of over ten consecutive years.

Based on their characteristics, these schemes are retirement benefit plans.

The measurement of long-term employee benefits is carried out using the projected unit credit method and the estimate at the date of the statement of financial position is made by licensed actuaries. The amount recognised in the statement of financial position is the present value of the liabilities. The revaluations of the retirement benefit plan liability (actuarial gain or loss), arising from experience and changes in actuarial financial and demographic assumptions, are recognised in equity through other comprehensive income as a reserve for retirement liabilities. The amounts released from this reserve are transferred through other comprehensive income into retained earnings.

Share-based payments

Equity-settled share-based payment transactions

For transactions measured by reference to the fair value of the equity instruments granted, the Group measures the fair value of the equity instruments granted at the measurement date, based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted. Fair value excludes the effects of non-market vesting conditions.

Equity-settled share-based payment transactions with employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

Share-based payment expense is recognized over the service period on a straight-line basis during the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. A corresponding increase in equity is recognized in a share-based payment reserve against the recognized expense.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments

All amounts are in thousand euro unless otherwise stated

expected to vest based on non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss so that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

The related deferred tax, where applicable, is recognized in accordance with IAS 12, and the tax effect is recognized in equity within the same component in which the share-based payment transaction is recognized.

2.12.13. Share capital and reserves

The Group has adopted the capital maintenance financial concept. Maintaining the share capital is assessed in nominal monetary units. Profit for the reporting period is considered acquired only if the cash /financial/ amount of equity at the end of the period exceeds the cash amount at the beginning of the period, after deducting the distributions between the owners or the capital invested by them during the period.

Shelly Group SE is a joint-stock company and is obliged to register in the Commercial Register a certain amount of share capital to serve as collateral for the claims of creditors of the Parent Company. The shareholders are responsible for the Parent Company's liabilities up to the amount of their shareholding in the capital and can claim the return of this shareholding only in bankruptcy or liquidation proceedings. The Parent Company reports its share capital at the nominal value of the shares registered in court.

Equity is the residual value of the Group company's assets after deducting all of their liabilities. It includes:

Share capital is presented in the consolidated statement of financial position at nominal value per share according to the number of shares issued of the Parent company which as of 01.01.2026 has nominal value 0.51 euro per share in connection with conversion of capital in euro, which is its new functional and presentation currency. As a result of the translation, the Parent company reports an effect of 23 thousand euro in increase in retained earnings, in accordance with the provisions of the "Law on the introduction of the euro in Republic of Bulgaria".

Financial result is the difference between the revenue and the related costs charged.

Equity is reported less the distributed dividends of the owned shares during the period in which they will be distributed (by decision of the General Meeting).

According to the requirements of the Commerce Act and the Articles of Association of the Parent Company Shelly Group SE, the Group is obliged to allocate reserves at the expense of:

- at least one tenth of the profit, which is allocated until the funds reach 10 percent of the share capital;
- the funds received above the nominal value of the shares upon their issuance (premium reserve).

Redeemed shares are presented in the consolidated statement of financial position at cost (acquisition price), with their gross purchase price reduced by the Group's equity capital. Profit or loss from the sale of

All amounts are in thousand euro unless otherwise stated

redeemed shares are presented directly in the Group's equity, under the "Redeemed shares".

In past periods, the Group reported share-based payments to employees in Bulgarian subsidiaries. Share-based payments to employees related to services rendered are settled through equity instruments. Transferred capital instruments are measured at their fair value on the date of transfer. Share-based payment expense is recognised in the period in which the services are received.

Reserve from recalculation of the currency of the presented foreign activity - arises from the net effects of the translation of the accounts of subsidiaries abroad from their functional currencies into euro, for consolidation purposes.

Share-based payment reserve – The Group recognizes a share-based payment reserve in connection with equity instruments granted in accordance with IFRS 2 "Share-based Payment". The fair value of the granted instruments is determined at the grant date and is recognized as an expense over the vesting period, with a corresponding increase in equity – share-based payment reserve. Upon exercise of the instruments, the amounts accumulated in the reserve are transferred to share capital and/or share premium. If unexercised rights expire or are forfeited, the recognized amounts are not reversed but remain within equity.

Reserves from revaluation of defined benefits plans – The Group recognizes a liability related to the termination of labour contract of employees who have reached retirement age. Remeasurements of this liability, arising from experience adjustments and changes in actuarial financial and demographic assumptions, are recognized in other comprehensive income within equity as a retirement benefit reserve.

2.12.14. Income tax expense

Income tax expense is the amount of current income tax and the tax effect on temporary tax differences. Current taxes on the profit of Bulgarian companies are determined in accordance with the requirements of the Bulgarian tax legislation. The nominal tax rate in Bulgaria for 2026 and 2025 is 10%.

Subsidiaries abroad are charged according to the requirements of the relevant tax laws by country, at the following nominal tax rates:

Country	Nominal tax rates per year	
	2026	2025
Germany	30%	30%
USA	15-35%	15-35 %
China	25%	25%
Slovenia	22%	22%
Poland	19%	19%

Deferred income tax is calculated using the balance sheet liability method. Deferred tax liabilities are calculated and recognised for all taxable temporary differences, while deferred tax assets are recognised only if likely to be reversed and if the Group will be able to generate sufficient profit in the future from which they can be deducted.

All amounts are in thousand euro unless otherwise stated

The effect of recognising deferred tax assets and/or liabilities is reported where the effect of the event that gave rise to them is presented.

For events affecting profit or loss and other comprehensive income, the effect of deferred tax assets and liabilities is recognised in the consolidated statement of comprehensive income.

For events that are initially recognised in equity (revaluation reserve) deferred tax assets and liabilities are recognised in the consolidated statement of comprehensive income.

Deferred tax assets and/or liabilities are presented offset the consolidated statement of financial position as they are subject to a uniform taxation regime in the country.

As of March 31, 2026, the Group recognises income tax expenses only for Bulgarian companies and at a 10% tax rate, for the German entity at 30% tax rate, for the Chinese entity at 25% tax rate, for the Slovenian entity at 22% tax rate and for the Polish entity at 19% tax rate.

2.12.15. Earnings per share

Earnings per share are calculated by dividing the net profit or loss for the period attributable to shareholders by the weighted average number of ordinary shares held for the period.

The weighted average number of shares is the number of ordinary shares held at the beginning of the period, adjusted by the number of ordinary shares repurchased and newly issued during the period, multiplied by the time average factor. This factor represents the number of days particular shares were held compared to the total number of days during the period.

Diluted earnings per share are not calculated because there are no potentially diluted shares issued.

2.12.16. Significant judgements in applying the Group's accounting policy

Key estimates and assumptions with high uncertainty

When applying the accounting policy, the Group's management makes certain estimates that have a significant effect on these financial statements. Such estimates, by definition, rarely equal actual results.

Given their nature, these estimates are subject to ongoing review and updating and summarize historical experience and other factors, including expectations of future events that management believes are reasonable under current circumstances.

Estimates and assumptions that carry a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are set out below.

All amounts are in thousand euro unless otherwise stated

In performing this assessment, the current macroeconomic environment and the development of the geopolitical situation throughout 2026 and as of the date of preparation of these consolidated financial statements were taken in account, with a specific focus on the following factors:

The military conflict in Ukraine: The Group continues to monitor the indirect effects of the conflict, including energy market volatility, inflationary pressures, and supply chain disruptions. As of the date of preparation of these consolidated financial statements, the Group companies have no direct exposure or significant assets in the affected regions that would jeopardize its liquidity.

The conflict in the Middle East: Management acknowledges the potential risks of destabilization of global trade routes and the subsequent effect on transport costs. The analysis performed indicates that, as of the current date, these events do not have a material impact on the Group's operational capacity to service its obligations.

Defined benefit plans

The employee defined benefit obligation is determined by actuarial valuation. This estimate requires assumptions on the discount rate, future wage growth, staff turnover and mortality rates. Due to the long-term nature of defined benefit plans, these assumptions are subject to significant uncertainty. The Group prepared an actuarial valuation of defined benefits and reported them in the consolidated financial statements at the end of 2026. As of 31.03.2026 the Group has not calculated new actuarial valuation(note 3.13).

Useful lives of property, plant and equipment and intangible assets

Financial reporting of property, plant and equipment and intangible assets includes the use of estimates of their expected useful lives and carrying amounts, based on the Group management's judgments.

Impairment of receivables

Management estimates the volume and timing of expected future cash flows related to receivables based on experience versus current circumstances. Due to the inherent uncertainty of this estimate, actual results may differ. Group's management compares prior year estimates with actual results.

The Group uses a simplified approach in reporting trade and other receivables and recognises an impairment loss as expected credit losses over the entire term. They represent the expected shortfall in contractual cash flows, given the possibility of default at any point in the life of the financial instrument. The Group uses its experience, external indicators and information to calculate expected credit losses in the long-term.

Impairment of property, plant and equipment

At the date of preparation of the financial statements, the Group's management organizes an impairment review of property, plant and equipment.

All amounts are in thousand euro unless otherwise stated

As of March 31, 2026, such review was carried out, as result of which management considered that no impairment indicators were available. No impairment loss on property, plant and equipment is reported in the consolidated financial statements.

Impairment of inventories

At the date of preparation of the financial statements, the Group's management reviews and analyses existing inventories. A review and analysis of all available inventories is made in terms of basic indicators – uniformity, commercial appearance, expiry date, etc., and expert prices are determined.

The proposed expert prices are consistent with the prices reached under concluded contracts for realization on the domestic and foreign markets, the dynamics of supply and demand of inventories, the latest price levels and trends in transactions with similar inventories. For the calculation of the net realisable value of individual types of inventories, the estimated direct costs associated with sales are excluded from determined expert selling prices. When assessing the inventories for which sales contracts are concluded, the net realisable value is determined based on the contract price less the cost of sales. Inventories not related to sales contracts are valued according to assumptions about the possibilities for their future disposal.

As of March 31, 2026, the Group has not recognized an impairment of inventory.

The impairment of inventories is calculated as the difference between their carrying amount, as recognized in the consolidated statement of financial position prior to review and analysis, and their net realisable value, determined on basis of expert prices as set out above.

Income taxes

The companies in the Group are tax entities under the jurisdiction of the tax administration in the country in which they operate. A significant estimate needs to be made to determine the tax provision. There are numerous examples for which the tax finally determined is unspecified in the normal course of business. Group companies recognise liabilities for expected tax payables based on the judgement of the management of the relevant company and the Group. When the final tax result of such events is different from the amounts originally recognized, those differences will affect current income tax and deferred tax provisions in the tax revisions period.

Leases

Determining the lease term for contracts with renewal and termination options – the Group as a lessee

The Group defines the lease term as the irrevocable term of the lease, together with any periods covered by an option to extend it if it is reasonably certain that the option will be exercised, or any periods covered by a termination option if it is reasonably certain that the option will not be exercised (note 3.12).

All amounts are in thousand euro unless otherwise stated

2.12.17. Fair values

Some of the Group's accounting policies and disclosures require a fair value measurement of financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable data as far as possible.

Fair values are categorized at different levels in the fair value hierarchy based on the inputs to the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for similar assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that, directly (i.e., as prices) or indirectly (i.e., derived from prices), are available for observation for the asset or liability.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input data).

If the inputs used to measure the fair value of an asset or liability can be categorized at different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety at that level of the fair value hierarchy whose input information is relevant to the overall assessment.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurs. In 2025 and as of 31.03.2026 there have been no transfers between the levels of the fair value hierarchy.

More information on the assumptions made in measuring fair values is included in the relevant notes.

All amounts are in thousand euro unless otherwise stated

3. Notes to the consolidated statement of financial position

3.01. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Vehicles	Computers	Office equipment	Other	Assets under construction	Total
01.01.2025									
Cost	-	161	559	308	427	167	600	42	2 264
Depreciation	-	(161)	(450)	(83)	(273)	(87)	(80)	(7)	(1 141)
Book value	-	-	109	225	155	80	520	35	1 124
Additions (cost)	-	-	9	(133)	102	5	106	2	91
Purchase	-	-	9	-	102	5	104	2	222
Transfer	-	-	-	(133)	-	-	2	-	(131)
Disposals (book value)	-	(161)	(1)	13	-	-	-	(35)	(184)
Sale	-	-	-	(38)	-	-	-	-	(38)
Written-off	-	(161)	(1)	-	-	-	-	-	(162)
Transfer	-	-	-	51	-	-	-	(35)	16
Depreciation for the year	-	-	(53)	(63)	(98)	(14)	(88)	0	(316)
Change in depreciation	-	161	1	7	(1)	-	-	-	168
	-	-	-	-	(1)	-	-	-	(1)
Depreciation of assets written off	-	161	1	7	-	-	-	-	169
Book value at the end of the year	-	-	65	49	158	71	538	2	883
31.12.2025									
Cost	-	-	567	188	529	172	706	9	2 171
Depreciation	-	-	(502)	(139)	(372)	(101)	(168)	(7)	(1 289)
Book value	-	-	65	49	157	71	538	2	882
01.01.2026									
Cost	-	-	567	188	529	172	706	9	2 171
Depreciation	-	-	(502)	(139)	(372)	(101)	(168)	(7)	(1 289)
Book value	-	-	65	49	157	71	538	2	882
Additions (cost)	-	-	909	-	7	2	3	176	1 097
Purchase	-	-	909	-	7	2	3	176	1 097
Disposals (book value)	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	(12)	(7)	(21)	(6)	(25)	-	(71)
Change in depreciation	-	-	-	-	2	-	-	-	2
Other changes	-	-	-	-	2	-	2	-	2
Book value at the end of the year	-	-	962	42	145	67	516	178	1 910
31.12.2026									
Cost	-	-	1 476	188	536	174	709	185	3 268
Depreciation	-	-	(514)	(146)	(391)	(107)	(193)	(7)	(1 358)
Book value	-	-	962	42	145	67	516	178	1 910

In 2026, vehicles amounting to the value of 133 thousand euro, together with the accumulated depreciation, were transferred and classified as right-of-use assets (see Note 3.03).

In the first quarter of 2026, the Group purchased a line for production of shell devices in the amount of EUR 909 thousand. Part of the value of this investment is subject to financing under the "Competitiveness and Innovation in Enterprises" program 2021-2027.

All amounts are in thousand euro unless otherwise stated

3.02. Intangible assets

	Software	ISO Certificates and intellectual property rights	Patents, licenses, trademarks, prototypes and development	Other	Assets under construction	Total
01.01.2025						
Cost	210	41	4 861	1 660	1 552	8 324
Amortization	(170)	(18)	(1 124)	(182)	-	(1 494)
Book value	39	23	3 737	1 479	1 552	6 830
Additions (cost)	397	0	1 862	-	4 255	6 514
Self-constructed	-	-	-	-	4 220	4 220
Transfer	397	-	1 862	-	35	2 294
Disposals (book value)	-	-	(653)	-	(2 330)	(2 983)
Book value written off	-	-	(653)	-	(35)	(688)
Transfer	-	-	-	-	(2 295)	(2 295)
Amortization for the year	(8)	(11)	(681)	(239)	0	(1 835)
Change in amortization	-	-	439	-	-	439
Amortization of assets written off	-	-	439	-	-	439
Book value at the end of the year	429	12	4 704	1 239	3 477	9 861
31.12.2025						
Cost	607	41	6 070	1 660	3 477	11 855
Amortization	(178)	(29)	(1 366)	(421)	-	(1 994)
Book value	429	12	4 704	1 239	3 477	9 861
01.01.2026						
Cost	607	41	6 070	1 660	3 477	11 855
Amortization	(178)	(29)	(1 366)	(421)	-	(1 994)
Book value	429	12	4 704	1 239	3 477	9 861
Additions (cost)	-	-	-	-	794	794
Self-constructed	-	-	-	-	794	794
Disposals (book value)	-	-	-	-	-	-
Amortization for the year	(31)	(3)	(215)	(59)	-	(308)
Change in amortization	-	-	-	-	-	-
Amortization of assets written off	-	-	-	-	-	-
Book value at the end of the year	398	9	4 489	1 180	4 271	10 347
31.12.2026						
Cost	607	41	6 070	1 660	4 271	12 649
Amortization	(209)	(32)	(1 581)	(480)	-	(2 302)
Book value	398	9	4 489	1 180	4 271	10 347

3.03. Right-of-use assets

2026			2025		
Vehicles	Buildings	Total	Vehicles	Buildings	Total

All amounts are in thousand euro unless otherwise stated

At the beginning of the year						
Cost	506	6,369	6,875	180	5 860	6 040
Depreciation	(232)	(1 153)	(1 385)	(124)	(279)	(403)
Book value	274	5,216	5,490	56	5 581	5 637
Additions (cost)	-	108	108	358	533	891
Operating lease		108	108	225	533	758
Transfer	-	-	-	133	0	133
Disposals (book value)	(2)	6	4	(32)	(24)	(56)
Written off	(2)	-	(2)	-	(10)	(10)
Other changes	-	6	6	(32)	(14)	(46)
Depreciation for the year	(22)	(192)	(214)	(58)	(737)	(795)
Change in depreciation	-	-	-	(50)	(137)	(187)
Written off	-	-	-	-	(137)	(137)
Transfer	-	-	-	(50)	-	(50)
Book value at the end of the year	250	5 138	5 388	274	5 216	5 490
Cost	504	6 483	6 987	506	6 369	6 875
Depreciation	(254)	(1 345)	(1 599)	(232)	(1 153)	(1 385)
Book value	250	5 138	5 388	274	5 216	5 490

The Group has concluded lease contracts for the lease of office premises and vehicles.

3.04. Goodwill

Name	March 31, 2026	December 31, 2025
Shelly Tech d.o.o, Slovenia	1 732	1 732
Shelly Asia Ltd., China	128	128
Balance at the end of the period	1 860	1 860

The Group has not recognized any goodwill impairment as of March 31, 2026 and December 31, 2025, respectively.

3.05. Investments in associates

As of March 31, 2026 SHELLY GROUP SE holds an associate interest consisting of 8 010 preferred shares, representing 8.495% of the share capital of Ground Solutions Group AD, UIC: 206606897. The interest was acquired as a result of a transformation through a merger of Corner Solutions EOOD into Ground Solutions Group AD, carried out in 2024.

Movement of investments in associates is as follows:

	March 31, 2026	December 31, 2025
Balance as of January 01	61	82
Share in net (loss) for the period	(2)	(21)
Balance as of the end of the period	59	61

All amounts are in thousand euro unless otherwise stated

3.06. Deferred tax assets

	March 31, 2026	December 31, 2025 (reclassified)
Deferred tax assets		
Deferred tax on share-based payments	738	738
Deferred tax on accrued expenses	553	553
Deferred tax on unused paid leave	59	59
Deferred tax related to the application of IFRS 16	5	5
Deferred tax on impairment of receivables	178	178
Deferred tax on warranty provision	92	92
Deferred tax on unused benefits of individuals	53	53
Deferred tax on long-term employee benefits	19	19
Total assets	1 697	1 697
Deferred tax liabilities		
Deferred tax related to the application of IFRS 16	-	-
Total liabilities	-	-
Total deferred tax assets, net	1 697	1 697

All amounts are in thousand euro unless otherwise stated

3.07. Inventory

	March 31, 2026	December 31, 2025
Goods	18 599	15,603
Goods in transit	269	648
Materials stored abroad	1 573	1,470
Materials stored in Bulgaria	2 198	1,787
Total	22 639	19 508

As of March 31, 2026, the consolidated statement of financial position includes:

- Materials stored abroad representing components for production, purchased on behalf of the Group, by its main suppliers of production services amounting to 1 573 thousand euro. The components are available in the warehouses of the suppliers, and the Group holds the title on the components;
- Goods in transit that are not available in the Group's warehouses, but which it owns under purchase agreements.

It is the policy of the Group companies to strive to maintain optimal stock levels equal to the estimated sales for several months ahead. The Group's management believes that the trend for the foreseeable future is for stock levels to increase as a result of growing sales as well as an increasing assortment of devices.

As of 31.12.2026 and 31.12.2025, the Group has no accrued impairment of goods and inventories.

3.08. Trade receivables

	March 31, 2026	December 31, 2025
Receivables from clients	66 274	67 625
Impairment of receivables from clients, net	(762)	(762)
Advances to suppliers	7 604	12 815
Impairment of advances to suppliers	(1 016)	(1 016)
Total	72 100	78 662

The movement in impairment of trade receivables during the period is as follows:

	2026	2025
Impairment at the beginning of the year	1 778	172
Written off and reversed impairment	-	(143)
Impairment charged	-	733
Impairment charged on advances to suppliers	-	1,016
Impairment at the end of the period, net	1 778	1,778

All amounts are in thousand euro unless otherwise stated

3.09. Other receivables

	March 31, 2026	December 31, 2025
TAX RECEIVABLES, including:	3 237	593
VAT recoverable	2 943	299
Corporate tax advance payments	294	294
OTHER RECEIVABLES, including:	931	947
Deposits in commercial entities and guarantees	180	128
Petty cash	73	41
Prepaid expenses	589	613
Other receivables	89	165
Total	4 168	1 540

The prepaid expenses include:

	March 31, 2026	December 31, 2025
Information services	134	175
Insurance	101	94
Subscriptions	179	116
Exhibitions	108	222
Other	67	6
Total	589	613

3.10. Cash and cash equivalents

	March 31, 2026	December 31, 2025
Cash on hand	13	11
Cash in current bank accounts	19 119	12 350
Restricted cash	273	268
Cash equivalents	205	961
Cash in transit	147	95
Total	19 757	13 685

Restricted cash represents funds related to deposits and bank guarantees provided by subsidiaries within the Group.

	March 31, 2026	December 31, 2025
By currency		
EUR	16 961	8 788
BGN	-	1 316
USD	896	1 785
Other	1 900	1 796
Total	19 757	13 685

The Group's cash is in bank accounts with banks with a stable long-term rating.

All amounts are in thousand euro unless otherwise stated

The Management has assessed the expected credit losses on Cash and cash equivalents. The estimated credit losses are insignificant and are not recognized in the consolidated financial statements of the Group as of March 31, 2026.

3.11. Bank loans

Bank loans are as follows:

	March 31, 2026	December 31, 2025
UBB AD, incl.:	2 873	2 955
– up to one year	2 873	2 955
– over one year		
Other short-term financing Shelly USA	80	77
Other short-term financing Shelly Tech	80	80
Other short-term financing Shelly DACH	17	16
Other short-term financing Shelly Asia	252	243
Total bank loans – non-current portion:	-	-
Total bank loans – current portion:	3 302	3 371

The subsidiaries Shelly USA and Shelly DACH use financing under company credit card. The Slovenian company Shelly Tech d.o.o. uses factoring services. The subsidiary Shelly Asia uses a short-term bank loan with maturity 09.06.2026 for working capital purposes. The subsidiary Shelly Europe EOOD has an agreed bank financing in the form of an overdraft, with a limit of 10 million euro and a credit line with a total limit of 13 million euro. As of 31.03.2026 the utilized amounts under the limits are 2 873 thousand euro. Details of the parameters of the provided financing are presented in Note 5.

3.12. Lease liabilities

	March 31, 2026	December 31, 2025
Lease liabilities		
- up to 1 year	774	819
- more than 1 year	4 729	4 743
Total	5 503	5 562

The liabilities under lease contracts presented in the consolidated statement of financial position include the Group's liabilities under lease contracts for offices and vehicles, which are recognized in accordance with the requirements of IFRS 16 Leases.

3.13. Retirement benefits obligation

As of December 31, 2026, the Group reports obligations for a defined benefit plan upon retirement of 250 thousand euro. The amount of the obligation is determined on the basis of an actuarial assessment based

All amounts are in thousand euro unless otherwise stated

on assumptions about mortality, disability, probability of leaving, salary growth, etc. As of 31.03.2026 no new actuarial assessment was created.

The movements of the present value of the defined benefits plan upon retirement:

	March 31, 2026	December 31, 2025
Liabilities at the beginning of the year	250	167
Liabilities paid during the year	-	-
Current service expense	-	29
Interest expenses	-	5
Actuarial loss recognized in other comprehensive income	-	49
Liabilities at the end of the period	250	250

In the case of early retirement due to disability, the staff shall be entitled to a benefit of up to two months' salaries, increased by 100% for a minimum period of five years and provided that no such benefits have been received during the last five years of service.

The demographic statistical assumptions used in the actuarial estimate as of 31.12.2025 are based on the following:

- turnover rate of the Group's staff over the past few years;
- mortality of the population of Bulgaria in the period 2022 – 2024 according to the data of the National Statistical Institute;
- statistics of the National Center for Health Information on disability of the population and premature retirement.

3.14. Trade payables

	March 31, 2026	December 31, 2025
Suppliers	9 764	8 657
Customer advances	35	16
Total	9 799	8 673

3.15. Payables to employees and social security obligations

	March 31, 2026	December 31, 2025
Liabilities under employment relationships	573	931
Liabilities for management bonuses	407	407
Liabilities for unused paid leave	560	606
Liabilities to insurance companies	328	296
Total	1 868	2 240

The liabilities of EUR 407 thousand related to the management bonus are subject to approval by the

All amounts are in thousand euro unless otherwise stated

General Meeting of Shareholders.

3.16. Other liabilities

	March 31, 2026	December 31, 2025
Tax payables, including	2 962	4 648
Corporate tax	2 246	1 328
Value Added Tax	282	2 328
Income tax	87	60
Payables to customs	287	871
Other taxes	60	61
Other liabilities, including	1 466	1 474
Liabilities for participations	74	89
Warranty service provisions	923	923
Guarantees/Rental deposits	8	8
Deferred income	452	440
Other	9	14
Total other liabilities	4 428	6 122

Deferred income relates to one-year paid subscriptions for the use of the Shelly APP premium service.

3.17. Share capital

SHELLY GROUP SE is registered in 2010. The registered capital of the Parent Company as of March 31, 2026, amounts to 9 261 thousand euro and is distributed in 18 158 060 ordinary registered shares with value of 0.51 euro each. The conversion of the share capital into euros was made according to the rules set out in the law on the introduction of the euro in the Republic of Bulgaria for the purposes and presentation in this report. As of the date of preparation of the report, the conversion has not yet been reflected in the Commercial Register, the deadline for this is 31.12.2026. As of 31.03.2026 and as of 31.12.2025, the registered share capital is fully paid up. The shareholders of the Parent Company as of 31.12.2025 and 31.03.2026 are disclosed in note 1.2.

3.18. Retained earnings

	March 31, 2026	December 31, 2025
Balance at the beginning of the year	85 793	63 060
Net profit for the year	7 460	25 089
Profit distribution for dividends	-	(2 353)
Transfer to reserves	-	(3)
	23	-
Other changes	1	-
Balance at the end of the year	93 277	85 793

All amounts are in thousand euro unless otherwise stated

3.19. Legal reserves

	March 31, 2026	December 31, 2025
Balance at the beginning of the year	989	986
Additional legal reserve	-	3
Balance at the end of the period	989	989

3.20. Share premium reserve

As of March 31, 2026 and December 31, 2025 the reserves from issue of shares amount to 2 762 thousand euro. They are formed by the excess of proceeds from new shares issued in 2020 above their nominal value in the amount of 3 067 thousand euro, reduced by the costs related to the capital increase amounting to 152 thousand euro, and by 153 thousand euro, that were transferred to Legal reserves by decision of the General Meeting of the Shareholders held on June 28, 2021.

3.21. Share based payments reserve

Further information regarding the accounting for share-based payments is disclosed in Note 6.

	March 31, 2026	December 31, 2025
Balance at the beginning of the year	7 384	-
Share based payments to management	-	7 384
Balance at the end of the period	7 384	7 384

4. Notes to the consolidated statement of comprehensive income

4.01. Sales revenue and cost of sales

	For the period ended March 31, 2026			For the period ended March 31, 2025 (reclassified)		
	Devices	Services	Total	Devices	Services and rent	Total
REVENUE	32 965	355	33 320	26 364	100	26 464
Book value of goods sold	(12 642)	-	(12 642)	(11 905)	-	(11 905)
Other direct costs	(315)	-	(315)	(314)	-	(314)
COST OF SALES	12 957	-	12 957	12 219	-	12 219
GROSS PROFIT	20 008	355	20 363	14 145	100	14 245

All amounts are in thousand euro unless otherwise stated

4.02. Other operating revenue

	Period ended March 31, 2026	Period ended March 31, 2025 (reclassified)
Insurance benefits	18	11
Financing/electricity compensations	-	10
Gains on FX operations and exchange rate gains, net	571	481
Other operating income	47	49
Total	636	551

4.03. Sales expenses

	Period ended March 31, 2026	Period ended March 31, 2025 (reclassified)
Transport of goods to customers	(481)	(248)
Certification of products	(67)	(10)
Exhibitions	(463)	(352)
Marketing and advertising	(2 466)	(1 145)
Representative costs	(90)	(49)
Other	(102)	(32)
Total	(3 669)	(1 836)

4.04. Administrative expenses

	Period ended March 31, 2026	Period ended March 31, 2025
Materials	(70)	(38)
Hired services	(2 964)	(1 596)
Depreciation/amortization expenses	(378)	(327)
Employees expenses	(4 316)	(3 222)
Other administrative expenses	(305)	(130)
Total	(8 033)	(5 313)

4.05. Other operating expenses

	Period ended March 31, 2026	Period ended March 31, 2025 (reclassified)
Bank services	(100)	(74)
Interest, fines and penalties	(5)	-
Foreign exchange rate expenses and losses	(546)	(902)
Other	(16)	(53)
Total	(667)	(1 029)

All amounts are in thousand euro unless otherwise stated

4.06. Financial income

	Period ended March 31, 2026	Period ended March 31, 2025 (reclassified)
Foreign exchange gains	29	17
Interest income	17	4
Total	46	21

4.07. Financial expenses

	Period ended March 31, 2026	Period ended March 31, 2025 (reclassified)
Lease interest	(39)	(40)
Loans interest	(44)	(9)
Foreign exchange losses	(39)	(43)
Banking financial services	-	(6)
Total	(122)	(98)

4.08. Income tax expense

	Period ended March 31, 2026	Period ended March 31, 2025
Current tax expense	(1 041)	(909)
Tax effect from temporary differences	-	-
Tax expense	(1 041)	(909)

4.09. Earnings per share, net

	Period ended March 31, 2026	Period ended March 31, 2025
Net profit for the reporting period in thousand euro	7 511	5 628
Weighted-average number of shares	18 137 779	18 095 384
Basic earnings per share in euro	0.41	0.31

With the introduction of the euro as the official currency in the Republic of Bulgaria from 01.01.2026, the nominal value of one share becomes 0.51 euro. In the first quarter of 2026, there was no change in the number of issued shares of the Parent company's capital. In June 2025, the Shelly Group SE increased its registered capital by issuing 52,501 ordinary, dematerialized, registered shares with voting rights with a nominal value of 0.51 euros (1 lev) each.

All amounts are in thousand euro unless otherwise stated

5. Contingent liabilities and commitments

Contract	Annex	Creditor	Debtor	Joint debtor / Guarantor	Amount / Limit	Financial conditions	Maturity	Collateral provided by the borrower
Overdraft November 28, 2024 – Agreement pursuant to Art. 114, para. 10 of POSA	Annex 2 from 13.10.2025	UBB AD	Shelly Europe EOD	-	10 226 thousand euro	Short-term interest rate of UBB increased by 2.5% management fee; processing fee	October 30, 2026	Pledge of receivables on accounts of Shelly Europe EOD in the bank
Credit line October 13, 2025	-	UBB AD	Shelly Europe EOD	-	12 782 thousand euro	Short-term interest rate of UBB increased by 2.5% management fee; processing fee	August 30, 2026	Pledge of receivables from clients, pledge of goods in stock of Shelly Europe EOD
Credit limit for bank guarantee April 4, 2024	-	Eurobank Bulgaria EOD	Shelly Europe EOD	-	500 thousand euro	PRIME business clients increased by 1.5%; management fee; commission for issuing bank guarantee	April 3, 2027	Deposit of funds on accounts of Shelly Europe EOD for the period of the guarantee
Bank loan June 9, 2025		Bank of China	Shelly Asia Ltd.		240 thousand euro (CNY 2 000 thousand)	Interest rate 3.15%	June 9, 2026	No collateral

As of March 31, 2026, the total amount utilized under the overdraft and the credit facility amounted to 2 873 thousand euro.

As of March 31, 2026 the amount utilized under the bank guarantee of Eurobank Bulgaria EOD is 214 thousand euro and relates to a signed office lease agreement for a period of 10 years.

All amounts are in thousand euro unless otherwise stated

As of December 31, 2025 contingent liabilities include:

Contract	Annex	Creditor	Debtor	Joint debtor / Guarantor	Amount / Limit	Financial conditions	Maturity	Collateral provided by the borrower
Overdraft November 28, 2024 – Agreement pursuant to Art. 114, para. 10 of POSA	Annex 2 from 13.10.2025	UBB AD	Shelly Europe EOOD	-	10 226 thousand euro	Short-term interest rate of UBB increased by 2.5% management fee; processing fee	October 30, 2026	Pledge of receivables on accounts of Shelly Europe EOOD in the bank
Credit line October 13, 2025	-	UBB AD	Shelly Europe EOOD	-	12 782 thousand euro	Short-term interest rate of UBB increased by 2.25% management fee; processing fee	August 30, 2026	Pledge of receivables from clients, pledge of goods in stock of Shelly Europe EOOD
Credit limit for bank guarantee April 4, 2024	-	Eurobank Bulgaria EOOD	Shelly Europe EOOD	-	500 thousand euro	PRIME business clients increased by 1.5%; management fee; commission for issuing bank guarantee	April 4, 2026	Deposit of funds on accounts of Shelly Europe EOOD for the period of the guarantee
Bank loan June 9, 2025		Bank of China	Shelly Asia Ltd.		240 thousand euro (CNY 2 000 thousand)	Interest rate 3.15%	June 9, 2026	No collateral

On October 13, 2025 the subsidiary Shelly Europe EOOD signed an annex with UBB AD for to increase the limit of its existing bank overdraft from 5 113 thousand euro (BGN 10,000 thousand) to 10 226 thousand euro (BGN 20,000 thousand). On the same date, a new revolving credit facility agreement for 12 782 thousand euro (BGN 25,000 thousand) was signed with UBB AD. As of December 31, 2025, the total amount utilized under the overdraft and the credit facility amounted to 2 955 thousand euro. As of December 31, 2025 the amount utilized under the bank guarantee of Eurobank Bulgaria EOOD is 209 thousand euro and relates to a signed office lease agreement for a period of 10 years.

6. Related party transactions

During the reporting period Shelly Group SE has no transactions concluded with interested parties within the meaning of the POSA.

Shelly Group SE has no transactions which are beyond of its ordinary business activity or significantly deviate from market conditions with its subsidiaries and associated companies. Transactions with subsidiaries within its ordinary business activity are excluded from consolidation.

All amounts are in thousand euro unless otherwise stated

Key management personnel

Until the period of 31.03.2026 for the members of the Board of Directors is accrued and paid gross permanent remuneration (including employer's social security contributions) at the total amount of 200 thousand euro (2025: 201 thousand euro). The remuneration paid was in accordance with the Remuneration policy.

As of March 31, 2026 the members of the Board of Directors are:

- Christoph Vilanek - 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

Share-based payments

As of the end of 2025, respectively as of 31.03.2026, the company recognizes a share-based payment obligation to its executive directors as a result of the scheme adopted in 2022 for granting remuneration in the form of share options to the executive members of the Board of Directors. Based on the objectives set in the scheme and the Company's assessment of the extent to which these objectives have been achieved, the executive members are entitled to receive options to acquire 712,200 shares (out of a possible maximum total number of 890,250 shares). The occurrence of the conditions for exercising options is subject to assessment by the General Meeting of Shareholders of SHELLY GROUP ED, and the decision of the General Meeting determines the number of shares that the executive directors of the Company are entitled to receive upon exercise of the relevant options.

Annual cash bonus

According to a decision of the General Meeting of Shareholders dated 02.06.2025, an amendment to the remuneration policy for the executive members of the Board of Directors for 2025 was approved, who are entitled to receive a variable cash remuneration (annual bonus), the amount of which depends on the achieved financial results for the financial year 2025. The final amount of the bonus should be approved by the general meeting of shareholders upon adoption of the audited consolidated financial statements of the Company for 2025. As of 31 December 2025, the company has made a total accrual for an annual bonus in the amount of EUR 407 thousand for the two executive members of its Board of Directors.

All amounts are in thousand euro unless otherwise stated

7. Financial instruments by categories

The structure of the financial assets and liabilities by categories is as follows:

March 31, 2026			
Financial assets according to the Statement of financial position	Financial assets at amortized cost - Cash	Financial assets at amortized cost	Total
Cash and cash equivalents	19 757	-	19 757
Trade receivables	-	65 512	65 512
Deposits in commercial companies and guarantees	-	180	180
TOTAL FINANCIAL ASSETS	19 757	65 692	85 449

March 31, 2026		
Financial liabilities according to the Statement of financial position	Financial liabilities at amortized cost	Total
Lease liabilities	5 503	5 503
Bank loans	3 302	3 302
Trade liabilities	9 764	9 764
Liabilities for participations	74	74
Guarantees	8	8
TOTAL FINANCIAL LIABILITIES	18 651	18 651

December 31, 2025			
Financial assets according to the Statement of financial position	Financial assets at amortized cost - Cash	Financial assets at amortized cost	Total
Cash and cash equivalents	13 685	-	13 685
Trade receivables		66 863	66 863
Deposits in commercial companies and guarantees		128	128
TOTAL FINANCIAL ASSETS	13 685	66 991	80 676

December 31, 2025		
Financial liabilities according to the Statement of financial position	Financial liabilities at amortized cost	Total
Lease liabilities	5 562	5 562
Bank loans	3 371	3 371
Trade liabilities	8 656	8 656
Liabilities for participations	89	89
Guarantees	8	8
TOTAL FINANCIAL LIABILITIES	17 686	17 686

The fair value of the bank loans that the Group is using, is determined based on market interest rate applicable for similar instruments with similar term.

All amounts are in thousand euro unless otherwise stated

8. Financial risk management

In the course of their usual business activity, the companies of the Group may be exposed to various financial risks, the most important of which are: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The overall risk management is focused on forecasting changes in financial markets in order to minimize the potential negative effects that could affect the financial results. Financial risks are currently identified, measured and monitored using various control mechanisms to adequately assess market conditions and their effects by the companies of the Group to avoid unjustified concentration of any specific risk.

Risk management is carried out on an ongoing basis under the direct supervision of the management and the Group's financial experts in accordance with the policy set by the Board of Directors of the Parent Company who developed the basic principles of general financial risk management. Based on these principles, the specific procedures for managing separate specific financial risks have been defined.

The following describes the different types of risks to which the companies within the Group are exposed, as well as the approach taken in managing these risks.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices.

a. Currency risk

The companies within the Group carry out their transactions on the domestic market, in the European Union and in third countries (Asia and USA). The companies within the Group carry out their main deliveries in euros and US dollars. To control the currency risk, a system has been introduced for planning supplies from countries in and outside the European Union, as well as procedures for monitoring movements in exchange rates of foreign currencies and control of incoming payments.

The tables below summarize the currency risk exposure:

	In EUR	In USD	In other foreign currency	In BGN	Total
March 31, 2026					
Cash and cash equivalents	16 961	896	1 900	-	19 757
Trade receivables	54 973	10 302	237	-	65 512
Deposits in commercial companies	145	14	21	-	180
TOTAL ASSETS	72 079	11 212	2 158	-	85 449

All amounts are in thousand euro unless otherwise stated

Lease liabilities	5 322	-	181	-	5 503
Bank loans	2 970	80	252	-	3 302
Trade payables	8 076	1 579	109	-	9 764
Liabilities for participations	74	-	-	-	74
Guarantees	8	-	-	-	8
TOTAL LIABILITIES	16 450	1 659	542	-	18 651

	In EUR	In USD	In other foreign currency	In BGN	Total
December 31, 2025					
Cash and cash equivalents	8 788	1 785	1 796	1 316	13 685
Trade receivables	42 904	1 603	95	22 261	66 863
Deposits in commercial companies	33	33	36	26	128
TOTAL ASSETS	51 725	3 421	1 927	23 603	80 676
Lease liabilities	5 119	0	195	248	5 562
Bank loans	96	77	243	2 955	3 371
Trade payables	4 971	694	91	2 900	8 656
Liabilities for participations	0	0	0	89	89
Guarantees	0	0	0	8	8
TOTAL LIABILITIES	10 186	771	529	6 200	17 686

Currency sensitivity analysis

There is a currency risk exposure mainly in USD. As of March 31, 2026 84% of the Group's assets are in EUR, 13% in USD. After the acquisition in the Chinese subsidiary Shelly Asia Ltd, the Group is exposed to currency risk of changes in Chinese yuan. After establishment of the Polish subsidiary Shelly Poland SP. Z O O, the Group is exposed to currency risk of changes in Polish zloty.

In the table below, a sensitivity analysis is presented to the possible changes in the exchange rate EUR/USD, EUR/PLN and EUR/CNY and the profit before taxes (through changes in the book values of monetary assets and liabilities), provided that all other variables are assumed to be constant.

	Increase/ Decrease in exchange rate BGN/ foreign currency %	Effect on the profit before tax EUR/USD	Effect on the profit before tax EUR/CNY	Effect on the profit before tax EUR/PLN
31.12.2025	+/-1.00%	34	16	4
31.03.2026	+/-1.00%	112	17	2

b. Price risk

All amounts are in thousand euro unless otherwise stated

The companies within the Group are exposed to a specific price risk regarding the prices of the goods and services offered. Minimizing the price risk for negative price changes is achieved by periodically reviewing contractual relationships and revising and updating prices in relation to market changes. In view of the increasing sales revenue in the US, but given the still low share of the US business in the Group's total sales revenue, the Parent Company expects the current tariff disputes to have only a negligible effect on the sales performance and revenue.

Risk of the interest-bearing cash flows

The companies within the Group do not have a significant concentration of interest-bearing assets, except for loans granted and cash on current accounts with banks, therefore the revenue and operating cash flows are not largely dependent on changes in market interest rates.

At the same time, the cash outflows of the companies within the Group are exposed to interest rate risk from utilizing a bank loans and lease, agreed with a variable interest rate.

Cash on current accounts with banks bear interest at interest rates according to the tariffs of the respective banks.

The exposure of the companies within the Group is currently monitored and analyzed to changes in market interest rates. Different refinancing scenarios, renewal of existing interest-bearing positions and alternative financing are considered.

	Interest-free	With floating interest %	With fixed interest %	Total
March 31, 2026				
Cash and cash equivalents	-	-	19 757	19 757
Trade receivables	65 512	-	-	65 512
Deposits in commercial companies	180	-	-	180
TOTAL ASSETS	65 692	-	19 757	85 449
Lease liabilities	-	-	5 503	5 503
Bank loans	-	-	3 302	3 302
Trade payables	9 764	-	-	9 764
Liabilities for participations	74	-	-	74
Guarantees	8	-	-	8
TOTAL LIABILITIES	9 846	-	8 805	18 651

All amounts are in thousand euro unless otherwise stated

December 31, 2025	Interest-free	With floating interest %	With fixed interest %	Total
Cash and cash equivalents	-	-	13 685	13 685
Trade receivables	66 863	-	-	66 863
Deposits in commercial companies	128	-	-	128
TOTAL ASSETS	66 991	-	13 685	80 676
Lease liabilities	-	-	5 562	5 562
Bank loans	-	-	3 371	3 371
Trade payables	8 656	-	-	8 656
Liabilities for participations	89	-	-	89
Guarantees	8	-	-	8
TOTAL LIABILITIES	8 753	0	8 933	17 686

Credit risk

The financial assets of the companies within the Group are concentrated in two groups: cash (cash on hand and at bank accounts) and receivables from clients.

Credit risk is mainly the risk that the customers of the companies within the Group will not be able to pay in full and within the usual deadlines the amounts owed by them. Trade receivables are presented in the consolidated statement of financial position at amortized cost. An impairment has been charged for doubtful and uncollectible loans, as there have been events identifying uncollectible losses based on past experience.

The companies within the Group do not have significant concentration of credit risk. Their policy is to negotiate a credit period longer than 60 days only with customers who have a long history and commercial cooperation with them. Payments from customers for sales are mainly made by bank transfer.

Significant part of Group's revenue is generated by large companies with good credit rating.

The collection and concentration of receivables is monitored on an ongoing basis, according to the established policy of the companies within the Group. For this purpose, the open positions by clients, as well as the received receipts, are periodically reviewed by the financial and accounting department and the management, and an analysis of the unpaid amounts is performed.

In addition, the Group has an insurance on the receivables from 44 of its largest customers.

As of March 31, 2026 cash and the payment operations of the companies within the Group are spread over several banks which limits the risk for cash and cash equivalents.

Management has defined its policy for assessing credit losses. For trade receivables, the simplified method is applied, with percentages determined based on past experience.

As of December 31, 2025, the Group recognized an impairment of receivables amounting to 762 thousand euro is recognised. As of December 31, 2025, the Group has collected impaired receivables in the amount of 143 thousand euro. Additionally, as of the end of 2025 the Group recognized impairment of advances at the amount of 1 016 thousand euro.

All amounts are in thousand euro unless otherwise stated

Group's credit risk exposure arising from its financial assets as of March 31, 2026 and December 31, 2025 is presented below:

	March 31, 2026	December 31, 2025
Cash and cash equivalents	19 757	13 685
Trade receivables	65 512	66 863
Total	85 269	80 548

The impairment staging of the financial assets as of March 31, 2026 and December 31, 2025:

	March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Financial assets				
Cash and cash equivalents	19 757	-	-	19 757
Trade receivables	65 538	-	736	66 274
Total	85 295	-	736	86 031
Booked provisions (ECL) for financial assets	(26)	-	(736)	(762)
Financial assets, net of booked provisions	85 269	-	-	85 269

	December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Financial assets				
Cash and cash equivalents	13 685	-	-	13 685
Trade receivables	66 889	-	736	67 625
Total	80 574	-	736	81 310
Booked provisions (ECL) for financial assets	(26)	-	(736)	(762)
Financial assets, net of booked provisions	80 548	-	-	80 548

The changes in the gross carrying amount of the financial assets are presented below:

Gross carrying amount of the financial instruments	Stage 1 - expected credit loss for 12 months period	Stage 2 - expected credit loss for the period of the financial asset life	Stage 3 - expected credit loss for the period of the financial asset life	TOTAL
Gross carrying amount as of December 31, 2025	80 574	-	736	81 310
Changes during the period:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3				
Transfer from Stage 2 to Stage 3				
New financial assets	115 456	-	-	115 456
Maturity of financial assets	(110 735)	-	-	(110 735)
Gross carrying amount as of March 31, 2026	85 295	-	736	86 031

All amounts are in thousand euro unless otherwise stated

<i>Gross carrying amount of the financial instruments</i>	<i>Stage 1 - expected credit loss for 12 months period</i>	<i>Stage 2 - expected credit loss for the period of the financial asset life</i>	<i>Stage 3 - expected credit loss for the period of the financial asset life</i>	<i>TOTAL</i>
Gross carrying amount as of December 31, 2024	45 531	-	146	45 677
Changes during the year:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	733	733
Transfer from Stage 2 to Stage 3	-	-	-	-
New financial assets	513 302	-	(143)	513 159
Maturity of financial assets	(478 259)	-	-	(478 259)
Gross carrying amount as of December 31, 2025	80 574	-	736	81 310

The changes in booked ECL provision for financial assets are presented below:

	<i>Stage 1 - expected credit loss for 12 months period</i>	<i>Stage 2 - expected credit loss for the period of the financial asset life</i>	<i>Stage 3 - expected credit loss for the period of the financial asset life</i>	<i>TOTAL</i>
ECL provision as of December 31, 2025	(26)	-	(736)	(762)
Changes during the period:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
New financial assets				
Maturity of financial assets				
ECL provision as of March 31, 2026	(26)	-	(736)	(762)

	<i>Stage 1 - expected credit loss for 12 months period</i>	<i>Stage 2 - expected credit loss for the period of the financial asset life</i>	<i>Stage 3 - expected credit loss for the period of the financial asset life</i>	<i>TOTAL</i>
ECL provision as of December 31, 2024	(26)	-	(146)	(172)
Changes during the year:				
Transfer from Stage 1 to Stage 2	-	-	(733)	(733)
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
New financial assets	-	-	143	143
Maturity of (written off) financial assets	-	-	-	-
ECL provision as of December 31, 2025	(26)	-	(736)	(762)

All amounts are in thousand euro unless otherwise stated

Liquidity risk

Liquidity risk is the risk that the Group experiences difficulties meeting its obligations with respect to financial liabilities settled with cash or another financial asset.

The companies within the Group carry out a conservative liquidity management policy, through which they constantly maintain an optimal liquid stock of cash. Borrowed credit resources are also used.

In order to control the liquidity risk, the companies within the Group monitor the timely payment of the incurred liabilities according to agreed terms of payment.

The Companies within the Group monitor and control the actual and projected cash flows for periods ahead and maintain a balance between the maturity limits of the assets and liabilities of the Company. Currently, the maturity and timely execution of payments is monitored by the finance and accounting departments, maintaining daily information on available cash and upcoming payments.

March 31, 2026	Up to 1 m.	1-3 m.	3-6 m.	6-12 m.	1-2 y.	2-5 y.	over 5 y.	Without maturity	Total
Cash and cash equivalents	-	-	-	-	-	-	-	19 757	19 757
Trade receivables	8 849	36 525	20 127	11	-	-	-	-	65 512
Deposits in commercial companies and guarantees	-	-	-	-	-	-	-	180	180
TOTAL ASSETS	8 849	36 525	20 127	11	-	-	-	19 937	85 449
Lease liabilities	79	159	233	423	771	2 031	2 295	-	5 991
Bank loans	177	-	2 927	252	-	-	-	-	3 356
Trade payables	6 009	2 419	1 336	-	-	-	-	-	9 764
Liabilities for participations	5	10	15	44	-	-	-	-	74
Guarantees	-	-	-	-	-	-	-	8	8
TOTAL LIABILITIES	6 270	2 588	4 511	719	771	2 031	2 295	8	19 193

December 31, 2025	Up to 1 m.	1-3 m.	3-6 m.	6-12 m.	1-2 y.	2-5 y.	over 5 y.	Without maturity	Total
Cash and cash equivalents	-	-	-	-	-	-	-	13 685	13 685
Trade receivables	14 521	21 427	30 915	-	-	-	-	-	66 863
Deposits in commercial companies and guarantees	-	-	-	-	-	-	-	128	128
TOTAL ASSETS	14 521	21 427	30 915	-	-	-	-	13 813	80 676
Lease liabilities	81	162	242	460	796	1 995	2 447	-	6 183
Bank loans	173	-	3 016	243	-	-	-	-	3 432
Trade payables	4 725	103	3 828	-	-	-	-	-	8 656
Contributory obligations	5	10	15	59	-	-	-	-	89
Guarantees	-	-	-	-	-	-	-	8	8
TOTAL LIABILITIES	4 984	275	7 101	762	796	1 995	2 447	8	18 368

All amounts are in thousand euro unless otherwise stated

Capital risk management

With the capital management the Parent Company aims to create and maintain opportunities for it to continue to operate as a going concern and to ensure the appropriate return on investment of shareholders, and to maintain optimal capital structure, to reduce capital expenses.

Shelly Group SE currently monitors the capital structure based on the debt ratio. This ratio is calculated between the net debt capital and the total amount of capital. Net debt capital is defined as the difference between all borrowings (current and non-current) as stated in the consolidated statement of financial position and the cash and cash equivalents. The total amount of capital is equal to the equity and net debt capital.

The table below presents the debt ratios based on the capital structure:

	March 31, 2026	December 31, 2025
Total debt capital, incl.	25 150	26 218
-Bank loans	3 302	3 371
-Lease liabilities	5 503	5 562
Less: cash and cash equivalents	(19 757)	(13 685)
Net debt capital	5 393	12 533
Total equity	114 775	107 028
Total capital	120 168	119 561
Debt ratio	4.49%	10.48%

In first quarter of 2026, the Group reported an improvement in the debt ratio mainly due to an increase in cash as of 31.03.2026. As of the date of approval of these interim consolidated financial statements, the Group's trade and other payables are being serviced in accordance with the agreed, respectively, statutory payment terms.

9. Fair values

For the purposes of disclosing fair value, the Group defines different classes of assets and liabilities depending on their nature, characteristics and risk and the respective level of the fair value hierarchy specified in note 2.12.17. Fair Values.

The Group's management has considered that the book values of cash and cash equivalents, trade and other receivables approximate their fair values due to the short-term nature of these financial instruments.

The attached table shows the book values and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. Fair value information is not included if the book value is reasonably close to the fair value.

The table below presents the hierarchy of the fair value of the Group's assets and liabilities in accordance with IFRS 13:

All amounts are in thousand euro unless otherwise stated

March 31, 2026	Book value	Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents	19 757	-	19 757	-
TOTAL ASSETS	19 757	-	19 757	-
Financial liabilities				
Lease liabilities	5 503	-	5 075	-
Bank loans	3 302	-	3 302	-
TOTAL LIABILITIES	8 805	-	8 377	-
December 31, 2025	Book value	Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents	13 685	-	13 685	-
TOTAL ASSETS	13 685	-	13 685	-
Financial liabilities				
Lease liabilities	5 562	-	5 102	-
Bank loans	3 371	-	3 371	-
TOTAL LIABILITIES	8 933	-	8 473	-

The fair value of the financial liabilities included in Level 2 in the table above was determined in accordance with the generally accepted valuation model based on discounted cash flows, the interest rate on the loan was used as a discount factor.

The fair value of trade receivables, short-term financial assets, trade payables and other liabilities approximates their carrying amount as these assets/liabilities are short-term in nature and there are not subject to effects, that lead to different fair value.

10. Events after the end of the reporting period

No adjusting events or significant non-adjusting events have occurred between the date of these interim consolidated financial statements and the date of their approval for issue.

REPORT ON BUSINESS ACTIVITIES

first quarter of 2026

consolidated basis



Pursuant to Art. 100o, Para 4 of the Public Offering of Securities Act and Art. Art. 12 of Ordinance No. 2 dated 09.11.2021 on the for initial and subsequent disclosure of information in public offerings of securities and admission of securities to trading on a regulated market

These Notes to the Interim Report on the Business Activities of SHELLY GROUP on consolidated basis present information about the company, relevant to the end of first quarter of 2026 for the period 01.01.2026 – 31.03.2026 (the “reporting period”).

1. INFORMATION ABOUT THE GROUP

SHELLY GROUP SE is a public listed joint stock company, in process of conversion into an SE, established in 2010 in the city of Sofia and entered in the Commercial Register at the Registry Agency on 11.02.2010 under UIC (unified identification code): 201047670 and LEI code (identification code of the legal entity) 8945007IDGKD0KZ4HD95 and is established for an unlimited period. Its name is written in Latin: SHELLY GROUP SE (former company name ALLTERCO JSCo).

By resolution of the General Meeting of Shareholders held on 14.10.2024, Shelly Group PLC was converted into a European Company (SE) pursuant to Chapter Nineteen of the Bulgarian Commercial Act and Article 37 of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE).

The company has its registered office and address of management: Republic of Bulgaria, Sofia County, Sofia Municipality, Sofia 1407, 51 Cherni Vrah Blvd, office building 3, floor 2 and 3. The address for correspondence is the same; Tel: +359 2 957 12 47. The website of the Company is <http://www.corporate.shelly.com/>.

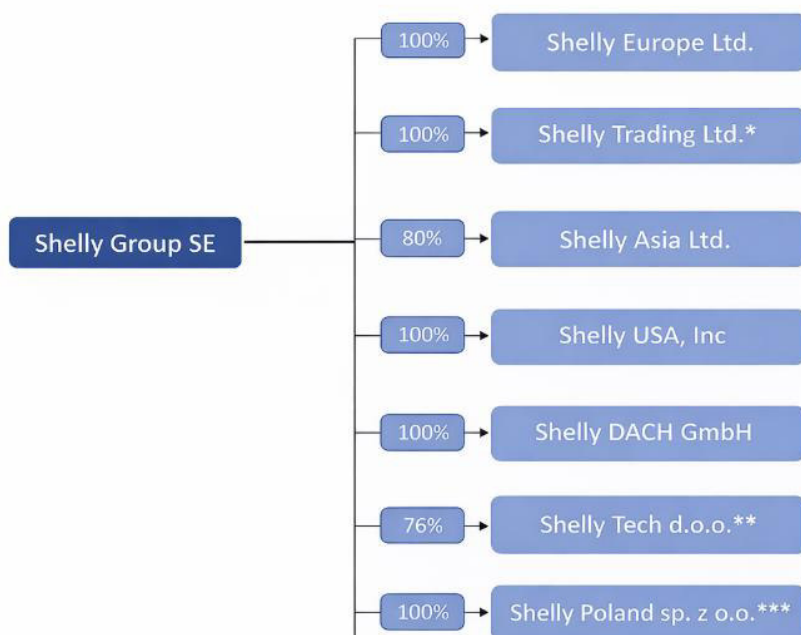
The Company is publicly listed within the meaning of the Public Offering of Securities Act and is registered as a public company in the register kept by the FSC with Decision 774 - PD of November 14, 2016 as a result of successfully completed initial public offering of shares from the Company’s capital increase.

Since November 22, 2021 the shares of SHELLY GROUP SE are traded on two regulated markets in EU – Bulgarian Stock Exchange and Frankfurt Stock Exchange, and as of April 10, 2026, they have been included in the SDAX index of the Frankfurt Stock Exchange.

The company operates according to Bulgarian legislation.

The economic group consists of the parent company SHELLY GROUP SE and its subsidiaries as shown below:

1.1. Structure of the economic group at the end of the first quarter for 2026



* The subsidiary Shelly Trading Ltd. has registered a branch in the United Kingdom and a representative office in the Netherlands.

** The remaining 24% of the shares of the Slovenian company held by three individual partners are subject to a Call/Put option exercisable in 2026 in accordance with the terms of the Option Agreement signed and disclosed in January 2023.

***On April 24, 2025, following a decision of the Board of Directors of Shelly Group ED, a subsidiary company, Shelly Poland SP. Z O O, was established in Poland with a capital of 374 thousand euro (PLN 1,600,000).

SHELLY GROUP SE has participation of 8 010 preference shares representing 8.495% of the capital of Ground Solutions Group AD, UIC: 206606897, acquired as a result of merger of Corner Solutions Ltd. into Ground Solutions Group AD.

The scope of business of the SHELLY GROUP SE, according to Art. 4 of its Articles of Association is: Acquisition, management, evaluation and sale of share participations in Bulgarian and foreign companies; acquisition, management and sale of bonds; acquisition, evaluation, sale and assignment of licenses for the use of patents and other intellectual and industrial property rights; financing of companies in which SHELLY GROUP SE participates; purchase of goods and other items for resale in their original, manufactured or processed form; sale of goods of own production; foreign trade transactions; commission, forwarding, warehousing and leasing transactions; transport transactions in the country and abroad; transactions of commercial representation and intermediation of local and foreign individuals and legal entities; consulting and marketing transactions; providing management and administration services to local and foreign legal entities; as well as any other commercial transactions not prohibited by law.

The core business of the company and its group during the reporting period of 2026 remains the development, production and sales of IoT devices. As of today, majority of the income for the Group comes from sales of products under the brand of „Shelly“.

1.2. Management

By decision on 02.06.2025, the General Meeting of Shareholders extended the mandate of the members of the Board of Directors, effective from 05.01.2026, and the latter, by its decision of the same date, distributed their functions as follows:

- Christoph Vilanek - 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.

1.3. Capital structure

SHELLY GROUP SE is registered in 2010. The registered capital of the Parent Company as of March 31, 2026, amounts to 9 261 thousand euro and is distributed in 18 158 060 ordinary registered shares with value of 0.51 euro each. The conversion of the share capital into euros was made according to the rules

set out in the law on the introduction of the euro in the Republic of Bulgaria for the purposes and presentation in this report. As of the date of preparation of the report, the conversion has not yet been reflected in the Commercial Register, the deadline for this is 31.12.2026.

As of 31.03.2026 and as of 31.12.2025, the registered share capital is fully paid up.

As of 31.03.2026 the capital structure of SHELLY GROUP SE is as follows:

NAME OF SHAREHOLDER	CAPITAL PERCENTAGE
Dimitar Dimitrov	28,84 %
Svetlin Todorov	27,79 %
Other individuals and legal entities	43,37 %

At the end of the reporting period, the Company held no treasury shares.

1.4. Development and research activities

The company has not carried out activities in the area of research and development and does not plan such in the near future. Two of the subsidiaries of SHELLY GROUP SE has carried out such activity during the reporting period, namely: Shelly Europe Ltd. And Shelly Tech.

2. IMPORTANT EVENTS FOR SHELLY GROUP SE

Detailed information about the important events that occurred during the reporting period for SHELLY GROUP SE, as well as other information that could be important for investors is regularly disclosed by the company in accordance with regulatory requirements. In compliance with the requirement of Art.43a et seq. of Ordinance No. 2 of FSC, in conjunction with Art. 100t, Para 3 of the POSA, the Company discloses the regulated information to the public through selected information media. All information provided to the media in fully unedited text is available at: <http://www.x3news.com/>. The required information is submitted to the FSC - through the unified system for submission of information electronically, developed and maintained by the FSC - e-Register. The information is also available on the Company's website at: <https://corporate.shelly.com/publications/inside-information/>

The announced important events that occurred during the reporting period did not have a significant impact on the financial results of the company on an individual basis.

3. FINANCIAL POSITION AND DEVELOPMENT OF THE BUSINESS ACTIVITIES DURING THE REPORTING PERIOD

3.1. Revenue and result of operations

At the end of the first quarter of 2026 the Group reported revenue from sales of devices in the amount of 32 965 thousand euro compared to 26 364 thousand euro for the same period previous year, which is growth of 25.0%. Revenue from services is in the amount of 355 thousand euro compared to 100 thousand euro for the previous year, which is growth of 255.0%.

For the current period, financial income amounted to 46 thousand euro, compared to 21 thousand euro reported in the same period of the previous year, which is growth of 119.0%.

At the end of the first quarter of 2026 the Group reports net profit in the amount of 7 511 thousand euro, which is increase of 33.5% compared to the same period of the previous year.

REVENUE	3 months of 2025 EUR thousand	y/y change %	3 months of 2026 EUR thousand
Revenue from sale of devices	26 364	25.0%	32 965
Revenue from services	100	255.0%	355
Other operating revenue	551	15.4%	636
Total operating revenue	27 015	25.69%	33 956
Profit/(Loss) share in associates	(4)	(50.0%)	(2)
Financial income	21	119.0%	46
Total financial revenue	17	158.8%	44

3.2. Operating expenses

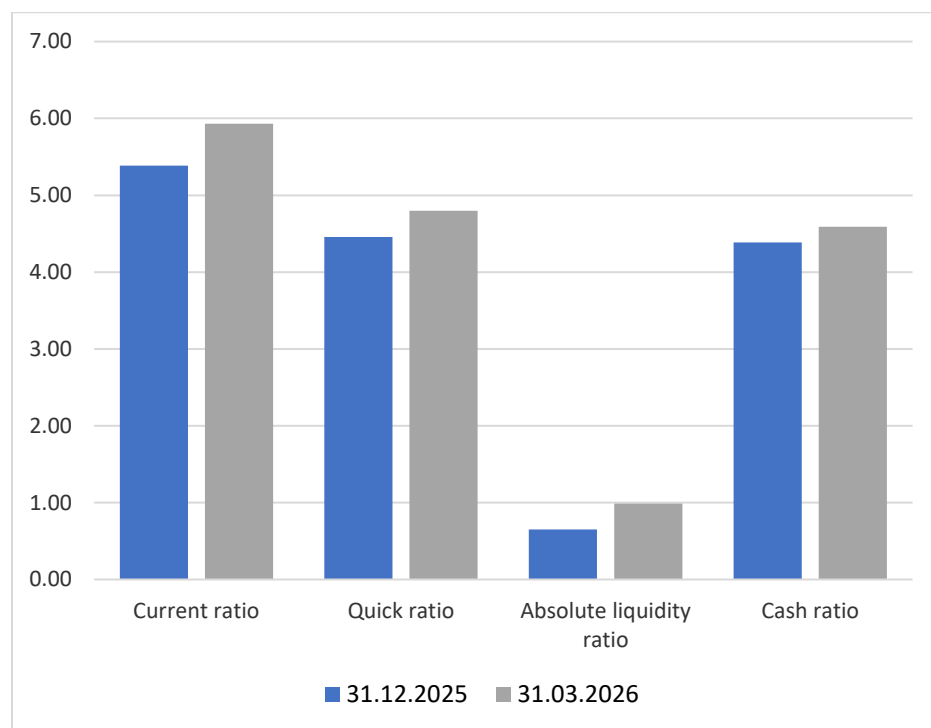
At the end of the reporting period the total operating expenses of the Group increased by 50.9% compared to the same reporting period of the previous year. This is mainly due to the increase in marketing and sales expenses of 99.8%, hired services with increase of 85.7% and salaries and contributions with 34.0%.

The biggest share of the reported operating expenses for the reporting period belongs to the expenses for salaries and contributions with 34.6% share in total expenses, followed by marketing and sales expenses with 29.4% share.

EXPENSES	3 months of 2025 EUR thousand	y/y change %	3 months of 2026 EUR thousand
Expenses for materials	(38)	84.2%	(70)
Hired services expenses	(1 596)	85.7%	(2 964)
Depreciation/Amortization	(327)	15.6%	(378)
Salaries and contributions	(3 222)	34.0%	(4 316)
Other expenses	(130)	134.6%	(305)
Total Administrative expenses	(5 313)	51.2%	(8 033)
Marketing and sales expenses	(1 836)	99.8%	(3 669)
Other operating expenses	(1 029)	(35.2%)	(667)
Financial expenses	(98)	24.5%	(122)
Total Operating Expenses	(8 276)	50.9%	(12 491)

3.3. Financial indicators

Liquidity Ratios



LIQUIDITY RATIOS	31-12-25	31-03-26
Current ratio	5.38	5.93
Quick ratio	4.46	4.80
Absolute liquidity ratio	0.65	0.99
Cash ratio	4.38	4.59

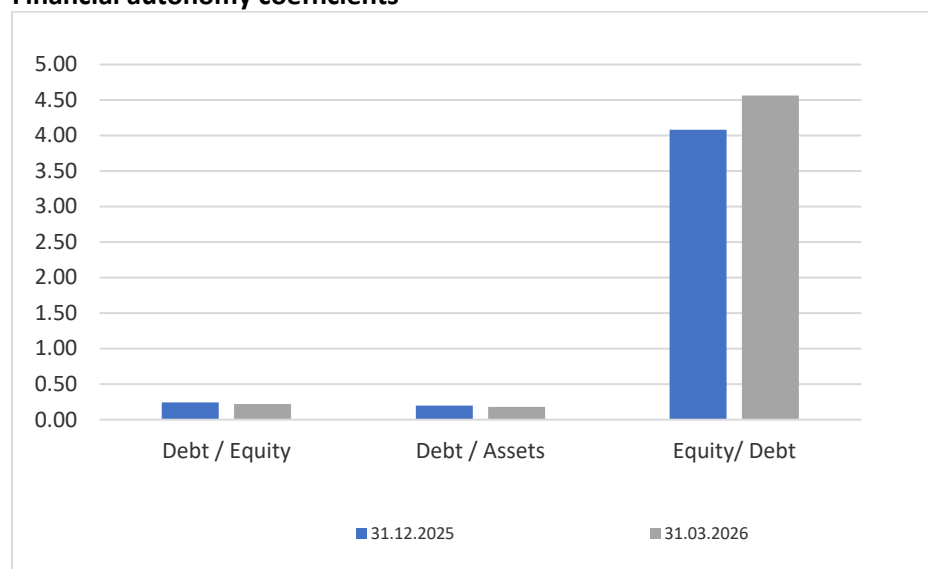
The current liquidity ratio at the end of the reporting period increased due to the following: the current assets increased by 4.6% compared to the end of 2025, while the current liabilities decreased by 5.0%.

The quick liquidity ratio at the end of the reporting period increased due to the following: the current assets increased by 4.6% compared to the end of 2025, while the current liabilities decreased by 5.0%.

The absolute liquidity ratio at the end of the reporting period increased due to the following: the current cash increased by 44.4% compared to the end of 2025, while current liabilities decreased by 5.0%.

The cash ratio at the end of the reporting period increased due to the following: The current liabilities decreased by 5.0% compared to the end of 2025, while cash increased by 44.4% and the commercial receivables decreased by 8.3%.

Financial autonomy coefficients



DEBT RATIOS	31-12-25	31-03-26
Debt / Equity	0.24	0.22
Debt / Assets	0.20	0.18
Equity/ Debt	4.08	4.56

The debt/equity ratio at the end of the reporting period decreased due to the following: the total liabilities of the Group decreased by 4.1%, while equity increased by 7.2% for the period.

The debt/assets ratio at the end of the reporting period decreased due to the following: the total liabilities of the Group decreased by 4.1%, while total assets increased by 5.0% for the period.

The change in equity/ debt ratio at the end of the reporting period is due to the following: the total liabilities of the Group decreased by 4.1% compared to the end of 2025, while equity increased by 7.2%

4. DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES

The risks associated with the core business of the Company can generally be divided into systemic (general) and non-systemic (related specifically to its business and the industry in which it operates). Relevant for the Company are also the similar categories of risks inherent in the company business and the industry in which its subsidiaries operate, insofar as they are the main source of the Company's income. Separately, investors in the Company's financial instruments are also exposed to risks related to the investments in securities themselves (derivative and underlying).

4.1. SYSTEMIC RISKS

Systemic risks are related to the market and the macro environment in which the Company operates, which is why they cannot be managed and controlled by the Company's management team. Systemic risks are: political risk, macroeconomic risk, inflation risk, currency risk, interest rate risk, tax risk and unemployment risk.

Type of risk	Description						
POLITICAL RISK	Political risk is the likelihood of a change of Government, or of a sudden change in its policy, of occurrence of internal political turmoil and adverse changes in European and/or national legislation, as a result of which the environment in which local businesses operate will change negatively, and investors will incur losses. Political risks for Bulgaria internationally are related to the commitments undertaken to implement serious structural reforms in the country in its capacity as an equal member of the EU, increasing social stability, limiting inefficient spending, on the one hand, as well as the strong destabilization of the countries of The Middle East, military interventions and conflicts in the region of the former Soviet Union, the refugee waves generated by these factors, and the potential instability of other key countries in the immediate proximity of the Balkan. Since the beginning of 2025, a significant political factor has been the foreign policy led by the United States towards NATO, the EU, and Europe. Other factors that also affect this risk are the possible legislative changes and in particular those concerning the economic and investment climate in the country.						
GENERAL MACROECONOMIC RISK	According to the National Statistical Institute, in March 2026 the overall business climate indicator decreased by 3.8 point compared to February (from 17.4% to 13.6%) as a result of the unfavorable business climate in industry, retail and the services sector.¹ Experts predict economic growth to average 0.9% in 2026, 1.3% in 2027, and 1.4% in 2028. This represents a downward revision, especially for 2026, and reflects the global effects of the war on commodity markets, real incomes, and confidence.²						
INTEREST RATE RISK	Interest rate risk is related to possible negative changes in interest rates established by the financial institutions of the Republic of Bulgaria. According to the decision of the Governing Council of the Bulgarian National Bank (BNB) announced on November 27, 2025, as of January 1, 2026, the announcement of the base interest rate (BIR) under Art. 35 of the Bulgarian National Bank Act (repealed) is suspended and as of the same date, the "Methodology for Determining the Base Interest Rate" adopted by Decision No. 149/16.12.2004, in force from February 1, 2005, amended by Decisions No. 118/26.11.2015 and No. 37/16.03.2017 of the Governing Council of the BNB, in force from July 1, 2017, is repealed. According to the BNB, as of 01.01.2026, another reference index should be applied in accordance with the requirements of Art. 2, items 6 and 7 of Directive 2011/7/EU of the Parliament: <table> <tr> <th colspan="2">Main refinancing operations</th></tr> <tr> <th>Date</th><th>Percentage</th></tr> <tr> <td>11.06.2025</td><td>2.15</td></tr> </table> *Source: ECB³ At the meeting on 19 March 2026 the Governing council decided to keep unchanged ECB's three key interest rates.⁴	Main refinancing operations		Date	Percentage	11.06.2025	2.15
Main refinancing operations							
Date	Percentage						
11.06.2025	2.15						

¹ <https://www.nsi.bg/press-release/nablyudenie-na-biznes-tendenciite-v-promishlenostta-stroitelstvoto-targoviyata-na-drebno-i-uslugite-8974>

² https://www.bnb.bg/bnbweb/groups/public/documents/ecb_publication/publications_ecb_mb_202602_bg.pdf

³ https://www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.bg.html

⁴ https://www.bnb.bg/bnbweb/groups/public/documents/ecb_publication/publications_ecb_mb_202602_bg.pdf

INFLATION RISK	Inflation risk is a general price increase in which money depreciates and households and firms are likely to suffer a loss. The consumer price index is the official measure of inflation in the Republic of Bulgaria. It assesses the overall relative change in the prices of goods and services used by households for personal (non-productive) consumption and is calculated by applying the structure of final monetary consumption expenditure of Bulgarian households. According to the NSI In March 2026, the monthly inflation rate, measured by CPI, was 0.9% and the annual inflation rate in March 2026, compared to March 2025, was 4.1%. The inflation rate since the beginning of the year (March 2026 compared to December 2025) was 1.9%. The annual average inflation rate for the period April 2025 - March 2026 compared to the period April 2024 - March 2025 was 4.5%.⁵ The Harmonized Index of Consumer Prices is a comparable measure of inflation for EU countries. It is one of the criteria for price stability and for Bulgaria's accession to the euro area. The HICP, like the CPI, measures the overall relative change in the price level of goods and services. According to the NSI in March 2026, the monthly inflation rate, measured by HICP, was 1.0% and the annual inflation rate in March 2026 compared to March 2025 was 2.8%. The inflation rate since the beginning of the year (March 2026 compared to December 2025) was 1.9%. The annual average inflation rate for the period April 2025 - March 2026 compared to the period April 2024 - March 2025 was 3.2%.⁶ The ECB staff macroeconomic projections for the euro area as of March 2026 exceptionally include information up to 11 March, a later cut-off date than usual. Under the baseline scenario, headline inflation is expected to average 2.6% in 2026, 2.0% in 2027 and 2.1% in 2028. Annual inflation in the euro area, as measured by the Harmonised Index of Consumer Prices (HICP), rose to 1.9% in February, from 1.7% in January. Energy prices were 3.1% lower than in the previous February, after being 4.0% lower in January 2026. Food price inflation fell slightly to 2.5%. In contrast, inflation excluding energy and food rose to 2.4% in February, from 2.2% in January. The increase reflected an increase in goods inflation to 0.7% from 0.4% and in services inflation to 3.4% from 3.2%.⁷
CURRENCY RISK	On 1st of January the euro officially entered in circulation in Bulgaria, bringing the number of European Union (EU) Member States using the single European currency to 21. This follows on from the formal decision made in July, which also announced the official conversion rate of 1.95583 Bulgarian lev per 1 euro.⁸ This does not eliminate the risk of adverse movements in the exchange rate of the euro against other major currencies (US dollar, British pound, Swiss franc) on international financial markets for the Bulgarian currency, but at present the company does not believe that such a risk would be material to its operations. The company may be affected by currency risk depending on the type of currency of cash receipts and the type of currency of the company's potential loans. The SHELLY GROUP SE companies operate in Bulgaria as well as in EU countries and first countries, mainly in the USA, Latin America and Australia and China. At present, the main revenues from the Group's IoT business are in EUR, and the costs of delivery of goods in

⁵ <https://www.nsi.bg/en/press-release/inflation-and-consumer-price-indices-8989>

⁶ <https://www.nsi.bg/en/press-release/inflation-and-consumer-price-indices-8989>

⁷ https://www.bnb.bg/bnbweb/groups/public/documents/ecb_publication/publications_ecb_mb_202602_bg.pdf

⁸ <https://www.ecb.europa.eu/press/pr/date/2026/html/ecb.pr260101~c830245e42.en.html>

	this segment are mainly in US dollars and are largely tied to the Chinese yuan, which is why the appreciation of the US dollar or Chinese yuan would have an adverse effect on the business performance. In terms of US dollar exposure, it is not expected the sales revenue in USD to have a significant share of total Group revenue. At the same time the share of revenue in Chinese yuan is expected to increase at a faster pace. To limit the effects of the currency risk, the companies of the Group have introduced a system for planning the deliveries from countries inside and outside the EU, as well as procedures for ongoing monitoring of the movements in the exchange rates of the foreign currencies and control over the forthcoming payments. Currently, the Group companies do not use derivative instruments for hedging the currency risk but, if necessary, the management is ready to enter into such transactions.
Credit risk of the state	Credit risk is the probability of deterioration of Bulgaria's international credit ratings, caused by the government's inability to repay its liabilities regularly. Low credit ratings of the country can lead to higher interest rates, more difficult financing conditions, both for the state and for individual economic entities, including the Company. Credit ratings are prepared by specialized credit rating agencies and serve to determine and measure a country's credit risk. A credit rating is an assessment of the quality and security of an issuer's bond debt, formed based on an analysis of its financial condition. Rating services are performed by specialized rating agencies and represent an assessment of the creditworthiness and ability to service the borrowed funds used by a borrower when they fall due. With extraordinary rating actions, the international rating agencies Fitch Ratings and S&P Global Ratings upgraded Bulgaria's long-term foreign currency credit rating to 'BBB+' with a stable outlook, which is the highest grade of mid-range investment ratings. The formal decision of the Council of the European Union about Bulgaria's accession to the euro area as of 1 January 2026 is the key factor behind the country's rating upgrade.⁹ With a rating action on 27 March 2026 the international credit agency Fitch Ratings affirmed Bulgaria's long-term foreign currency rating 'BBB+' with a stable outlook. Euro Adoption Concluded: Bulgaria became the 21st member of the eurozone on 1 January 2026. We expect the euro adoption to further enhance Bulgaria's integration with core eurozone countries and boost its institutional capacity. The ECB's credible monetary policy framework and access to liquidity facilities for banks significantly reduce external and financial vulnerabilities. Government Resignation: Institutional Constraints: Prime Minister Zhelyazkov's cabinet resigned in mid-December 2025, after only 11 months in office, amid large-scale anti-government protests. The next snap vote, the eighth since 2021, is scheduled for 19 April. Election dynamics will be affected by the resignation and entry into active politics of President Rumen Radev at end-January 2026. However, the movement's fiscal and economic agenda is unclear. Institutional constraints and unstable coalition governments have delayed progress on structural reforms and Bulgaria is lagging on absorption of Recovery and Resilience Facility grants and regular EU cohesion funds.Solid Economic Growth: Real GDP growth moderated to 3.1% in 2025 from 3.4% in 2024, well above the eurozone average (1.4%) and peer median (2.3%). Growth was supported by buoyant domestic demand, which reflected strong real wage and household credit growth, and high investment activity. Exports contracted due

⁹ [News](#)

	to one-offs affecting exports of raw materials, while imports rose sharply on strong domestic demand and deliveries of military equipment (1% of GDP). Fitch expects real GDP growth to moderate to 2.9% in 2027, above the forecast peer median (2.4%), as private consumption slows, while investment and imports rise on planned deliveries of military equipment (1.6% of GDP). Fiscal Deficits: Fitch estimates that fiscal deficit was 3% of GDP in 2025, unchanged from 2024 and marginally below the peer median (3.2%). Following the large protests in late 2025, the government withdrew the 2026 budget act and adopted a provisional budget, under which all policies and benefits remained effective as in 2025. Proposed social contributions and dividend tax hikes that were intended to offset higher social expenditure were not implemented and Fitch expects the budget deficit to be 3.2% in 2026. We expect the budget deficit to widen to 4.3% in 2027, well above the projected peer median of 2.9%, reflecting planned deliveries of military equipment. 10
	On 10.07.2025 S&P Global Ratings has affirmed Bulgaria's long-term and short-term BBB+ ratings with a stable outlook. We think Bulgaria's near-term growth outlook remains steady. We forecast the economy will grow by 2.4% in real terms in 2025, and average 2.8% through 2028. Private domestic consumption will be the key driver of growth, supported by high real wage growth due to a tight labor market. An increase in the absorption of allocated EU funds, which is currently very low at 20%, will lead to higher public investments but also result in an increase in imports. At the same time, external demand faces pressure from general economic uncertainty stemming from geopolitical tensions. We think Bulgaria's full Schengen membership as of Jan. 1, 2025, and euro area accession as of Jan. 1, 2026, could support trade and international tourism in the medium-to-long term since administrative obstacles will be reduced. In the near term, we think that deficiencies in Bulgaria's physical infrastructure prevent the country from reaching its full potential. Also, Bulgaria continues to face longer-term challenges related to weak demographic trends. Left unchecked, the declining labor force could further drag on growth, in our view. We expect weaker external demand and import-heavy public investments will increase the current account deficit, averaging 2.5% of GDP through 2028. However, Bulgaria's robust service balance--which stands at about 7.0% of GDP and is bolstered by a thriving tourism sector and growing computer and IT service exports--will help mitigate some of the deficit. While Bulgaria's external position remains strong, we believe the post-pandemic trend of external deleveraging could reverse due to a weaker external environment and a possible shift toward increased external debt financing as eurozone capital markets become more accessible. Also, we note that intercompany loans represent about one fifth of the stock of Bulgaria's inbound foreign direct investment. Since we view the refinancing risk for these loans as low, we do not include them in our estimate of Bulgaria's external debt figures. In our external assessment, we now consider Bulgaria to be using an actively traded currency (in line with other eurozone members) and assess the country's external position based on our estimates of its international investment position post-eurozone accession.¹¹

¹⁰ <https://www.fitchratings.com/research/sovereigns/fitch-affirms-bulgaria-at-bbb-outlook-stable-27-03-2026>

¹¹ [Research Update: Bulgaria Upgraded To 'BBB+' On C | S&P Global Ratings \(spglobal.com\)](#)

Unemployment risk	As a major factor affecting consumer purchasing power, an increase in unemployment would reduce demand for IoT products. On the other hand, demand for staff from businesses remains very active, so such a risk seems negligible in the year ahead. Eurostat estimates the seasonally adjusted unemployment rate in the euro area at 6.2% in February 2026, up from 6.1% in January 2026 and down from 6.3% in February 2025. In February 2026, the EU unemployment rate is 5.9%, which is stable compared to January 2026 and down from 6.0% compared to February 2025.¹² The registered unemployment rate in Bulgaria during March was 5.3%. Compared to February, there was a decrease of 0.1 percentage points, and on an annual basis – a decrease of 0.2 percentage points. At the end of the month, the registered unemployed were 151,123 people, which represents a decrease of 3.3% compared to the same period of the previous year.¹³
Risk associated with the legal system	Although Bulgaria has introduced several significant legislative changes since joining the EU and most of the Bulgarian legislation has been harmonized with EU legislation, the legal system in the country is still in the process of reform. Judicial and administrative practices remain problematic, and it is difficult to effectively resolve property disputes, breaches of laws and contracts and other. Deficiencies in the legal infrastructure can result in uncertainties arising from the implementation of corporate actions, the implementation of supervision and other issues.
TAX RISK	It is essential for the financial performance of the companies to maintain the current tax regime. There is no guarantee that the tax legislation, which is directly relevant to the core business of the Company, will not be changed in a direction that would lead to significant unforeseen expenses and, accordingly, would adversely affect its profit. The taxation system in Bulgaria is still developing, because of which a contradictory tax practice may arise.

4.2. NON-SYSTEMIC RISKS

Risks related to the industry in which the Group operates

Such risks are: risk of shortage of key personnel, risk of strong competition, risk related to personal data security and hacker attacks, risk of technology change.

Risk of shortage of key personnel

One of the biggest challenges for technology companies, such as the companies of the Group, as well as given the specific scope of their business in the field of telecommunications and engineering and software development, is the shortage of skilled personnel. Insufficient availability of suitable staff in the subsidiaries could adversely affect the future development of the Group due to delays in the development of new products/services and the maintenance of existing ones. On the other hand, the high competition in this sector raises the cost of labor. Thus, the financial position and market share of the Group companies could suffer.

¹² [Unemployment statistics - Statistics Explained - Eurostat](#)

¹³ <https://www.az.government.bg/bg/news/view/nad-16-000-dushi-sa-zapochnali-rabota-s-podkrepat-na-agencijata-po-zaetostta-prez-mart-4216/>

Risk of strong competition

The Group companies operate mainly in the segment of the Internet of Things (IoT). This segment is one of the most modern and promising sectors of the industry, which attracts the interest of many technology giants and start-up companies. The loss or inability to gain market share and the fall in final product prices due to increased competition may have a negative effect on revenue, profit and profit margins. Maintaining a competitive position requires investment in the creation of devices with new utilities, improvement of existing solutions and expansion of market share and it cannot be taken for granted that new developments will be established among the competing ones on the market.

In respect of the increasing sales revenues in the US, but still low share of the US business in the Group's sales revenues, the Company expects tariffs between USA and Europe to have only a minor effect on the sales and revenue situation.

Risk related to personal data security and hacker attacks

The technology industry is characterized by digital transmission of information that could be strictly confidential, containing personal data of users of products, financial information of companies, information about new products and other. The protection of such information is a critical factor for the normal operation of companies in the industry, including of the Group. The sales of the devices and the use by the users of the accompanying mobile applications and cloud services provided by the Group are related to the exchange and storage of personal data. Potential breaches in information security can lead to: i) Loss of customers and/or partners and their migration to competing companies; (ii) Imposing sanctions and lawsuits related to breaches of applicable data protection and privacy laws; (iii) Lost or delayed orders and sales; iv) Adverse effects on reputation, business, financial position, profits and cash flows.

Risk of regulatory and specific technical requirements

The supply of IoT devices is related to *regulation regarding the certification of products* for sale in the respective country. In the European Union, products are required to bear the 'CE' marking, which indicates that the product has been evaluated and meets the requirements of safety, health and environmental protection. In the US, the equivalent is 'UL' certification. For certification purposes, accredited laboratories are assigned compliance tests, which involve significant costs. In addition, specifics in the requirements of local regulators and contractors (especially mobile operators) may require additional tests and certification to be performed, which increases the cost of entering a particular market or particular distribution channel.

Sales of the Group companies' products cover an increasing number of markets, which often have local regulation regarding the certification of similar products in the respective country. Meeting the requirements of local regulation is related to time and resources and may delay the Company in entering new markets or require additional costs in order to meet different standards.

The change in regulatory requirements for devices may involve additional costs for making them compliant with the new requirements, including costs for withdrawing products from the market to making them compliant with these requirements. The Group companies and their local partners regularly monitor planned changes in the legislation and take timely measures to ensure the compliance of products with them.

Risk of technology change

SHELLY GROUP SE and its subsidiaries operate in an extremely dynamic segment, in which technologies have a significant impact and are a source of competitive advantage. To that effect, there is a risk of delayed adaptation to new technologies due to lack of knowledge, experience or sufficient funding, which may have a negative impact on the Company. The slow adaptation to the new realities may lead to a loss of competitive positions and market shares, which in turn will lead to a deterioration of the Group's performance.

Risks related to the Group's business

Such risks are: operational risk, risk related to business partners, risks arising from new projects and liquidity risk.

Operational risk

Operational risk can be defined as the risk of loss as a result of inadequate or non-functioning internal management procedures. Such risks may be caused by the following circumstances:

- Adoption of wrong operational decisions by the management staff related to the management of current projects;
- Insufficient amount of skilled personnel needed for the development and implementation of new projects;
- Leaving key employees and inability to replace them with new ones;
- Risk of excessive increase in management and administration costs, leading to a decrease in the overall profitability of the Company;
- Technical damages leading to prolonged interruption of the provided services may lead to termination of contracts with clients.

The effects of such circumstances would be a decrease in the Company's revenues and deterioration of its business performance.

Risk associated with business partners

Production activities in the IoT segment is outsourced, mainly to China, concentrated in several manufacturers. Potential risks associated with key subcontractors are related to the accurate and timely execution of deliveries or termination of business relationships. Although management believes that there is a wide range of alternative suppliers, the possible transfer of production to new partners and diversification of subcontractors may lead to delivery delays and additional costs, which may affect the ability of the Group companies to perform agreed orders from customers and adversely affect the Group's reputation and financial performance.

Risks arising from new projects

The main business activity of SHELLY GROUP SE is related to investments in subsidiaries. There is a risk that some of the subsidiaries will not be able to meet their goals, which will lead to lower or negative return on investment.

The development of new products and services by the subsidiaries of SHELLY GROUP SE is related to the investment in human resources, software, hardware, materials, goods and services. Should new products and services fail to be marketed, such investments would be unjustified. This in turn would have a negative

impact on the costs and assets of the Company, as well as on the performance of its business activities. In order to manage the risk arising from new projects, the Group companies perform a market analysis, prepare a financial analysis containing different scenarios, and in some cases discuss with potential customers the concept of the new service/product.

Liquidity risk

The expression of the liquidity risk in relation to the Group is associated with the possibility of lack of timely and/or sufficient available funds to meet all current liabilities. This risk may appear both in case of significant delay of the payments by the debtors of the Company, as well as in case of insufficiently effective management of the cash flows from the operation of the Company.

Some of the Group companies use bank financing in the form of an investment loan, overdraft or revolving credit line, which can be used in case of liquidity problems.

The company pursues a conservative liquidity management policy, through which it constantly maintains an optimal liquidity cash reserve and good ability to finance its business activities. In order to control the risk, the Company monitors the timely payment of incurred liabilities. The company monitors and controls the actual and projected cash flows for periods ahead and maintains a balance between the maturity limits of the assets and liabilities.

5. TRANSACTIONS WITH RELATED OR INTERESTED PARTIES

For the reporting period the Company has not entered into transactions with interested parties in the meaning according to POSA.

The Company has not entered into any transactions with other Group companies that fall beyond its scope of regular business or that significantly deviate from the market conditions. Transactions in the ordinary course of business with subsidiaries are disclosed in the Individual Financial Statements of the Company as of 31.03.2026, and they are excluded for consolidation purposes.

For transactions with group companies, see also note 6 of the individual financial statements as of 31.03.2026.

Key managerial personnel

During the first quarter of 2026 the accrued gross remuneration to the members of the Board of Directors (including employer's social security contributions) is in the amount of 200 thousand euro (as of 31.03.2025: 201 thousand euro). The remuneration paid was in accordance with the disclosed Remuneration policy.

The members of the Board of Directors as of 31.03.2026 are:

- Christoph Vilanek - 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

Share-based compensation

At the end of 2025, respectively 31.03.2026 the Company recognizes a share-based payment obligation to its executive directors as a result of the share option scheme adopted in 2022 for the granting of remuneration in the form of share options to the executive members of the Board of Directors. Based on

the objectives set out in the scheme and the Company's assessment of the extent to which these objectives have been achieved, the executive members are entitled to receive options to acquire 712,200 shares (out of a possible maximum total number of 890,250 shares). The occurrence of the conditions for the exercise of options is subject to assessment by the General Meeting of Shareholders of SHELLY GROUP ED, with the decision of the General Meeting determining the number of shares that the executive directors of the Company are entitled to receive upon exercise of the relevant options.

Annual cash bonus

According to a decision of the General Meeting of Shareholders dated 02.06.2025, an amendment to the remuneration policy for the executive members of the Board of Directors for 2025 was approved, who are entitled to receive a variable cash remuneration (annual bonus), the amount of which depends on the financial results achieved for the 2025 financial year. The final amount of the bonus should be approved by the general meeting of shareholders upon adoption of the audited consolidated financial statements of the Company for 2025.

As of 31 December 2025, the company has made a total accrual for an annual bonus in the amount of 407 thousand euros for the two executive members of its Board of Directors.

6. INFORMATION ON NEWLY INCURRED SIGNIFICANT RECEIVABLES AND/OR LIABILITIES FROM THE BEGINNING OF THE YEAR TO THE END OF THE REPORTING QUARTER

No material new receivables and/or payables arose during the period, except the ones described in the notes of the consolidated financial statement as of 31.03.2026.

7. INFORMATION ON THE TRADING IN THE SHARES OF SHELLY GROUP SE DURING THE REPORTING PERIOD

Historical data on trade

Date	Volume	Turnover	Highest price	Lowest price	Opening price	Closing price
31.03.2026	120136	6244460.10	61,200	43,100	59,200	50,600
27.02.2026	29826	1899904.40	69,000	59,000	68,000	59,200
30.01.2026	34466	2399581.35	124,782	60,200	116,567	68,000

Source: Investor.bg

Information on the trading of SHELLY GROUP SE shares during the reporting period on the Frankfurt Stock Exchange is available at <https://www.boerse-frankfurt.de/equity/allterco-jsco/price-history/historical-prices-and-volumes>

8. EVENTS AFTER THE END OF THE REPORTING PERIOD

No adjusting events or significant non-adjusting events have occurred between the date of these interim consolidated financial statements and the date of their approval for issue.

9. OTHER INFORMATION AT THE DISCRETION OF THE COMPANY

All information considered relevant by the Company is set out in this Report, the interim financial statements and the notes thereto.

Date: May 11, 2026

For SHELLY GROUP SE: Dimitar
Stoyanov
Dimitrov
Dimitar Dimitrov
CEO

Digitally signed by Dimitar
Stoyanov Dimitrov
Date: 2026.05.11 18:19:59
+03'00'

REPORTS annual and six months reports on consolidated basis under Art. 11, item 2 and Art. 12, item 1, point 3 of Ordinance № 2 for public companies, other issuers of securities, joint stock companies with special investment purpose and persons under §1e of the Public Offering of Securities Act
--

	Reporting period
Start date:	1/1/2026
End date:	3/31/2026
Date of the report:	5/11/2026
	Information about the Company
Name	Shelly Group PLC
Legal type	Public Listed Company
UIC	201047670
Represented by	Dimitar Dimitrov, Svetlin Todorov and Wolfgang Kirsch
Type of representation	Jointly and separately
Address of registration	51 Cherni Vrah Blvd., Sofia 1407
Address for correspondence	51 Cherni Vrah Blvd., Sofia 1407
Telephone	+359 2 9571247
Fax	
E-mail:	investors@shelly.com
web	www.shelly.com
Media	http://www.x3news.com/
Financial statements prepared by	Iliyana Krushkova
Title	CFO
Version	1.0

** Last updated April 2026*

STATEMENT OF FINANCIAL POSITION
on consolidated basis

SHELLY GROUP PLC
UIC 201047670
31.03.2026

(in thousand EUR)

ASSETS	Code of the Row	Current Period	Previous Period	EQUITY, MINORITY INTEREST AND LIABILITIES	Code of the Row	Current Period	Previous Period
a	6	1	2	a	6	1	2
A. NON-CURRENT ASSETS				A. EQUITY			
I. Machinery, properties, plant and equipment				I. Capital			
1. Land	1-0011			Subscribed and paid-in capital, including	1-0411	9,261	9,284
2. Buildings and constructions	1-0012	5,138	5,215	ordinary shares	1-0411-1	9,261	9,284
3. Machinery and equipment	1-0013	1,174	295	preferred shares	1-0411-2		
4. Facilities	1-0014			Treasury ordinary shares	1-0417		
5. Vehicles	1-0015	292	322	Treasury preferred shares	1-0417-1		
6. Fixtures and fittings	1-0017-1			Unpaid capital	1-0416		
7. Work in progress	1-0018						
8. Other	1-0017	694	540	Total for Group I:	1-0410	9,261	9,284
Total for Group I:	1-0010	7,298	6,372	II. Reserves			
II. Investment properties	1-0041			1. Share premium reserve	1-0421	2,762	2,762
III. Biologic assets	1-0016			2. Revaluation reserve	1-0422	1,065	841
IV. Intangible assets				3. Other reserves, including.:	1-0423	8,373	8,373
1. Rights	1-0021	9	12	general reserve	1-0424	989	989
2. Software	1-0022	398	429	special reserve	1-0425		
3. Own development products	1-0023	4,489	4,703	other	1-0426	7,384	7,384
4. Other	1-0024	5,451	4,717	Total for Group II:	1-0420	12,200	11,976
Total for Group IV:	1-0020	10,347	9,861	III. Financial result			
V. Goodwill				1. Retained earnings, including:	1-0451	85,817	60,704
1. Positive goodwill	1-0051	1,860	1,860	undistributed profit	1-0452	85,817	60,704
2. Negative goodwill	1-0052			uncovered losses	1-0453		
Total for Group V:	1-0050	1,860	1,860	one-off effect of changes in accounting policy	1-0451-1		
VI. Financial assets				2. Current period profit	1-0454	7,460	25,089
1. Investments in:	1-0031	59	61	3. Current period loss	1-0455		
subsidiaries	1-0032			Total for Group III:	1-0450	93,277	85,793
joint ventures	1-0033						
associated companies	1-0034	59	61	TOTAL FOR SECTION "A" (I+II+III):	1-0400	114,738	107,053
other	1-0035						
2. Held to maturity	1-0042	0	0	B. MINORITY SHARE	1-0400-1	37	-25
state securities	1-0042-1						
bonds, including:	1-0042-2			C. NON-CURRENT LIABILITIES			
municipal	1-0042-3			I. Trade and other liabilities			
other investments held to maturity	1-0042-4			1. Liabilities to related companies	1-0511		
3. Other	1-0042-5			2. Liabilities to banks and non-bank financial institutions	1-0512		
Total for Group VI:	1-0040	59	61	3. Obligations under the Law on settlement of NPLs	1-0512-1		
VII. Trade and other receivables				4. Trade loans liabilities	1-0514		
1. Receivables from related companies	1-0044			5. Debenture loans liabilities	1-0515		
2. Trade receivables	1-0045			6. Other	1-0517	4,729	4,743
3. Finance leasing receivables	1-0046-1			Total for Group I:	1-0510	4,729	4,743
4. Other	1-0046						
Total for Group VII:	1-0040-1	0	0	II. Other non-current liabilities	1-0510-1	413	413
VIII. Prepaid expenses	1-0060			III. Advances	1-0520		
Deferred tax assets	1-0060-1	1,697	1,697	IV. Deferred tax liabilities	1-0516		
TOTAL FOR SECTION "A" (I+II+III+IV+V+VI+VII+VIII+IX):	1-0100	21,261	19,851	V. Financing	1-0520-1		
				TOTAL FOR SECTION "C" (I+II+III+IV+V):	1-0500	5,142	5,156

a	б	1	2	a	б	1	2
B. CURRENT ASSETS				D. CURRENT LIABILITIES			
I. Inventories				I. Trade and other liabilities			
1. Materials	1-0071	1,573	1,470	2. Liabilities to banks and non-banks financial institutions	1-0612	3,302	3,371
2. Production	1-0072			1. Current portion of non-current liabilities	1-0510-2	774	819
3. Goods	1-0073	18,868	16,251	3. Current liabilities, including.:	1-0630	14,466	15,398
4. Work in progress	1-0076			liabilities to related parties	1-0611		
5. Biologic assets	1-0074			liabilities related to trade loans	1-0614		
6. Other	1-0077	2,198	1,787	liabilities to suppliers	1-0613	9,764	8,657
Total for Group I:	1-0070	22,639	19,508	advances received	1-0613-1	35	16
				liabilities to personnel	1-0615	1,377	1,781
II. Trade and other receivables				liabilities for social security	1-0616	328	296
1. Receivables from related companies	1-0081			tax liabilities	1-0617	2,962	4,648
2. Trade receivables	1-0082	65,512	66,863	4. Other	1-0618	91	111
3. Provided advicesu	1-0086-1	6,588	11,799	5. Provisions	1-0619	923	923
4. Receivables related to trade loans	1-0083			Total for Group I:	1-0610	19,556	20,622
5. Receivables from litigation an writs	1-0084						
6. Taxes receivable	1-0085	3,237	593	II. Other current liabilities	1-0610-1		
7. Receivables from employees	1-0086-2	73	41				
8. Other	1-0086	269	293	III. Prepaid revenue	1-0700	452	440
Total for Group II:	1-0080	75,679	79,589				
				IV. Financing	1-0700-1		
III. Financial Assets							
1. Financial assets held for trading, including	1-0093	0	0	TOTAL FRO SECTION "D" (I+II+III+IV):	1-0750	20,008	21,062
debt securities	1-0093-1						
derivatives	1-0093-2						
other	1-0093-3						
2. Financial assets held for sale	1-0093-4						
3. Other	1-0095						
Total for Group II:	1-0090	0	0				
IV. Cash and cash equivalents							
1. Cash on hand	1-0151	13	11				
2. Cash held with banks	1-0153	19,119	12,350				
3. Restricted cash	1-0155	273	268				
4. Cash equivalents	1-0157	352	1,056				
Total for Group IV:	1-0150	19,757	13,685				
V. Prepaid expenses	1-0160	589	613				
TOTAL FOR SECTION "B"(I+II+III+IV+V)	1-0200	118,664	113,395				
TOTAL ASSETS (A + B):	1-0300	139,925	133,246	EQUITY, MINORITY INTEREST AND LIABILITIES (A+B+C+D):	1-0800	139,925	133,246

Date of the report: 11/5/2026 r.

Financial statements prepared by Iliyana Krushkova

Representatives
.....
.....
.....
.....

STATEMENT OF COMPROHENSIVE INCOME
(on consolidated basis)

SHELLY GROUP PLC
UIC 201047670
31.03.2026

(in thousand EUR)

EXPENSES	Code of the Row	Current Period	Previous Period	REVENUE	Code of the Row	Current Period	Previous Period
a	6	1	2	a	6	1	2
A. Operating expenses				A. Operating revenue			
I. Expenses by economic elements				I. Revenue from sale of:			
1. Materials	2-1120	70	38	1. Production	2-1551		
2. External services	2-1130	6,633	3,432	2. Goods	2-1552	32,965	26,364
3. Depreciation and amortization	2-1160	378	327	3. Services	2-1560	355	100
4. Remuneration	2-1140	3,792	2,880	4. Other	2-1556	636	551
5. Social security	2-1150	524	342	Total for Group I:	2-1610	33,956	27,015
6. Cost of good sold (excluding production)	2-1010	12,957	12,219				
7. Change in production and work-in- process inventories	2-1030			II. Income from Financing	2-1620		
8. Other, including:	2-1170	972	1,159	including government financing	2-1621		
impairment of assets	2-1171						
provisions	2-1172	0	0	III. Financial income			
Total for Group I:	2-1100	25,326	20,397	1. Interest income	2-1710	17	4
				2. Dividend income	2-1721		
II. Financial expenses				3. Gains from operations with financial instruments	2-1730		
1. Interest expense	2-1210	83	49	4. Gains from foreign exchange rate differences	2-1740	29	17
2. Losses from operations with financial instruments	2-1220			5. Other	2-1745	0	0
3. Losses from foreign exchange rate differences	2-1230	39	43	Total for Group III:	2-1700	46	21
4. Other	2-1240	0	6				
Total for Group II:	2-1200	122	98				
B. Total operating expenses (I + II)	2-1300	25,448	20,495	B. Total operating income (I + II + III):	2-1600	34,002	27,036
C. Operating Profit	2-1310	8,554	6,541	C. Operating loss	2-1810	0	0
III. Profit share from associated companies and joint ventures	2-1250-1	-2	-4	IV. Share in the loss of associated companies and joint ventures	2-1810-1	0	0
IV. Extraordinary expenses	2-1250			D. Extraordinary income	2-1750		
D. Total Expenses (B+ III +IV)	2-1350	25,450	20,499	E. Total income (B + IV + V)	2-1800	34,002	27,036
E. Profit before taxes	2-1400	8,552	6,537	F. Loss before taxes	2-1850	0	0
V. Tax expenses	2-1450	1,041	909				
1. Current profit tax expense	2-1451	1,041	909				
2. Deferred tax expenses	2-1452	0	0				
3. Other	2-1453						
F. Profit after tax (E - V)	2-0454	7,511	5,628	G. Loss after taxes (F + V)	2-0455	0	0
including minority share	2-0454-1	51	0	including minority share	2-0455-1	0	22
G. Net profit for the period	2-0454-2	7,460	5,650	E. Net loss for the period	2-0455-2	0	0
TOTAL (D+ V + F):	2-1500	34,002	27,036	TOTAL (E + G):	2-1900	34,002	27,036

Note: The statement of comprehensive income is prepared on cumulative basis within the calendar year

Date of the report: 11/5/2026 г.

Financial statements prepared by Iliyana Krushkova

Representatives

.....
.....
.....
.....

DIRECT METHOD CASH FLOW STATEMENT
(on consolidated basis)

SHELLY GROUP PLC
UIC 201047670
31.03.2026

(in thousand EUR)

CASH FLOWS	Code of the Row	Current Period	Previous Period
a	6	1	2
A. Cash Flows from Operating Activities			
1. Receipts from clients	3-2201	33,806	23,193
2. Payments to suppliers	3-2201-1	-15,404	-18,643
3. Payments / receipts related to financial assets held for trading	3-2202		
4. Remuneration payments	3-2203	-4,535	-2,775
5. 5. Taxes paid / refunded (excluding corporate profit tax)	3-2206	-5,463	2,405
6. Corporate profit taxes paid	3-2206-1	0	0
7. Interest income received	3-2204	15	
8. Bank fees and interest on short term loans paid	3-2204-1	0	-43
9. Exchange rate differences	3-2205	49	-214
10. Other receipts / payments from operating activities	3-2208	-154	-9
Net Cash Flow From Operating Activities (A):	3-2200	8,314	3,914
B. Cash Flow from Investment Activities			
1. Purchase of fixed assets	3-2301	-1,889	-689
2. Receipts from sale of fixed assets	3-2301-1	0	0
3. Loans extended	3-2302		
4. Repaid loans, including financial leasing	3-2302-1	0	0
5. Interest received on extended loans	3-2302-2		
6. Purchase of investments	3-2302-3	-15	-15
7. Receipts from the sale of investments	3-2302-4	0	160
8. Dividend from investments received	3-2303		
9. Exchange rate differences	3-2305		
10. Other receipts / payments from investment activities	3-2306		
Net Cash Flow From Investment Activities (B):	3-2300	-1,904	-544
C. Cash Flows from Financing Activities			
1. Receipts from issued new securities	3-2401	0	0
2. Payments for repurchase of securities	3-2401-1		
3. Receipts from loans	3-2403	2,320	21
4. Repaid loans	3-2403-1	-2,399	-431
5. Financial leasing obligations paid	3-2405	-229	-216
6. Interest, fees and commissions on investment loans paid	3-2404	-30	-2
7 . Dividends paid	3-2404-1	0	0
8. Other receipts / payments from financial activities	3-2407	0	0
Net Cash Flows From Investment Activities (C):	3-2400	-338	-628
D. Changes in the cash position during the period (A+B+C):	3-2500	6,072	2,742
E. Cash at the beginning of the period	3-2600	13,685	13,985
F. Cash at the end of the period, including:	3-2700	19,757	16,727
cash on hand and in bank accounts	3-2700-1	19,484	16,459
restricted cash	3-2700-2	273	268

Note:

In the box "Cash at the beginning of the period" the value of the cash at the beginning of the respective year should be entered

Date of the report: 11/5/2026 г.

Financial statements prepared by Iliyana Krushkova

Representatives

.....
.....
.....
.....

STATEMENT IN CHANGES OF EQUITY
(on consolidated basis)

SHELLY GROUP PLC
UIC 201047670
31.03.2026

(in thousand EUR)

INDICATORS	Code of the Row	Registered capital	Reserves					Accumulated profit/loss		Reserves from translation	Total Equity	Minority Interest
			Share premium reserve	Revaluation n reserve	Other reserves			Profit	Loss			
					general	special	other					
a		1	2	3	4	5	6	7	8	9	10	11
Code of the row - b		1-0410	1-0410	1-0422	1-0424	1-0425	1-0426	1-0452	1-0453	4-0426-1	1-0400	1-0400-1
Opening balance at the beginning of the period	4-01	9,284	2,762	841	989	0	7,384	85,793	0		107,053	-25
Changes in the opening balances	4-15	0	0	0	0	0	0	0	0	0	0	0
Changes in the accounting policy	4-15-1										0	
Fundamental mistakes	4-15-2										0	
Adjusted opening balance	4-01-1	9,284	2,762	841	989	0	7,384	85,793	0	0	107,053	-25
Net profit/loss for the period	4-05							7,460	0		7,460	51
1. Distribution of profit for:	4-06	0	0	0	0	0	0	0	0	0	0	0
dividend	4-07										0	
other	4-07-1										0	
2. Covering losses	4-08										0	
3. Revaluation of tangible and intangible assets, including:	4-09	0	0	0	0	0	0	0	0	0	0	0
increase	4-10										0	
decrease	4-11										0	
4. Revaluation of financial assets and instruments, including:	4-12	-23	0	0	0	0	0	23	0	0	0	0
increase	4-13							23			23	
decrease	4-14	23									23	
5. Effect from deferred taxes	4-16-1										0	
6. Other movements	4-16							1			1	
Balance at the end of the period	4-17	9,261	2,762	841	989	0	7,384	93,277	0	0	114,514	26
7. Changes from translation of annual financial statements of foreign companies	4-18			224							224	11
8. Changes from recalculation of financial statements in case of hyperinflation	4-19										0	
Equity at the end of the period	4-20	9,261	2,762	1,065	989	0	7,384	93,277	0	0	114,738	37

Note: The line "Balance at the beginning of the reporting period" indicates the balance at the end of the previous year

Date of the report: 11/5/2026 г.

Financial statements prepared by Iliyana Krushkova

Representatives

.....
.....
.....
.....

NONCURRENT ASSETS BREAKDOWN
on consolidated basis
Shelly Group PLC
UIC 201047670
31.03.2026

(in thousand EUR

INDICATORS	Code of the Row	Acquisition cost				Revaluation		Revalued amount (4+5-6)	Depreciation/ Amortization				Revaluation		Revalued depreciation/ amortization at the end of the period (11+12-13)	Book Value (7-14)
		in the beginning of the period	acquired during the period	disposed during the period	at the end of the period (1+2-3)	increase	decrease		in the beginning of the period	acquired during the period	disposed during the period	at the end of the period (8+9-10)	increase	decrease		
a	6	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. Properties, plant and equipment																
1. Land	5-1001				0			0				0			0	0
2. Building and constructions	5-1002	6,369	108		6477	6		6483	1,153	192		1345			1345	5138
3. Machinery and equipment	5-1003	1,268	918		2186	2		2188	975	39		1014			1014	1174
4. Shelly Group PLC	5-1004	694			694		2	692	371	29		400			400	292
5. Vehicles	5-1005				0			0				0			0	0
6. Fixtures and fittings	5-1007-1				0			0				0			0	0
7. Work in progress	5-1007-2				0			0				0			0	0
8. Other	5-1007	715	179		894			894	175	25		200			200	694
Total for I:	5-1015	9046	1205	0	10251	8	2	10257	2674	285	0	2959	0	0	2959	7298
II. Investment properties	5-1037				0			0				0			0	0
III. Biologic assets	5-1006				0			0				0			0	0
IV. Intangible assets					0			0				0			0	0
1. Rights	5-1017	41			41			41	29	3		32			32	9
2. Software	5-1018	607			607			607	178	31		209			209	398
3. Own development products	5-1019	6,070			6070			6070	1,366	215		1581			1581	4489
4. Work in progress	5-1020	5,137	794		5931			5931	421	59		480			480	5451
Total for IV:	5-1030	11855	794	0	12649	0	0	12649	1994	308	0	2302	0	0	2302	10347
V. Financial assets																
1. Investments in:	5-1032	61	0	0	61	0	2	59	0	0	0	0	0	0	0	59
subsidiaries	5-1033				0			0				0			0	0
joint ventures	5-1034				0			0				0			0	0
associated companies	5-1035	61			61		2	59				0			0	59
other	5-1036				0			0				0			0	0
2. Held to maturity	5-1038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
state securities	5-1038-1				0			0				0			0	0
bonds, including:	5-1038-2				0			0				0			0	0
municipal	5-1038-3				0			0				0			0	0
other investments held to maturity	5-1038-4				0			0				0			0	0
3. Other	5-1038-5				0			0				0			0	0
Total for V:	5-1045	61	0	0	61	0	2	59	0	0	0	0	0	0	0	59
VI. Goodwill	5-1050	1,860			1860			1860				0			0	1860
Total (I+ II+ III+ IV+V+VI)	5-1060	22822	1999	0	24821	8	4	24825	4668	593	0	5261	0	0	5261	19564

Date of the report: 11/5/2026 r.

Financial statements prepared by Iliyana Krushkova

Representatives

.....
.....
.....
.....

BREAKDOWN OF RECEIVABLES, PAYABLES AND PROVISIONS

Shelly Group PLC
UIC 201047670
31.03.2026

A. RECEIVABLES *(in thousand EUR)*

INDICATORS	Code of the Row	Amount	Level of Classification	
			up to 1 year	over 1 year
a	6	1	2	3
I. Capital not paid in	6-2010			0
II. Noncurrent receivables				
1. Receivables from related companies, including:	6-2021	0	0	0
- loans extended	6-2022			0
- sale of goods and services	6-2241			0
- other	6-2023			0
2. Trade loan receivables	6-2024			0
3. Other non current receivables, including:	6-2026	0	0	0
- financial leasing	6-2027			0
- other	6-2029		0	0
Total for II:	6-2020	0	0	0
III. Tax assets				0
Deferred tax asset	6-2030	1,697	1,697	0
IV. Current trade and other receivables				
1. Receivables from related companies, including:	6-2031	0	0	0
- loans extended	6-2032			0
- sale of goods and services	6-2033			0
- other	6-2034			0
2. Receivables from clients and suppliers	6-2035	65,512	65,512	0
3. Advances extended	6-2036	6,588	6,588	0
4. Trade loans receivables	6-2037			0
5. Receivables under litigation	6-2039			0
6. Receivables from finished litigations	6-2040			0
7. Tax receivables, including:	6-2041	3,237	3,237	0
- corporate profit tax	6-2043	294	294	0
- VAT	6-2044	2,943	2,943	0
- recoverable deferred tax	6-2045			0
- other taxes	6-2046			0
8. Other receivables, including:	6-2047	342	342	0
- missing inventories	6-2048			0
- from social security institutions	6-2049			0
- returns	6-2050			0
- other taxes	6-2051	342	342	0
Total for IV:	6-2060	75,679	75,679	0
TOTAL RECEIVABLES (I+II+III+IV):	6-2070	77,376	77,376	0

B. LIABILITIES

(in thousand EUR)

INDICATORS	Code of the Row	Amount	Term of payment		Value of collateral
			up to 1 year	over 1 year	
a	6	1	2	3	4
I. Non current trade and other liabilities					
1. Liabilities to related companies, including:	6-2111	0	0	0	0
- loans	6-2112			0	
- supply of goods and services	6-2113			0	
- other	6-2244			0	
2. Liabilities to banks and other financial institutions, including:	6-2114	0	0	0	0
- banks, including:	6-2115			0	
- overdue	6-2116			0	
- other financial institutions, including:	6-2114-1	0		0	
- overdue	6-2114-2			0	
3. ZUNK Liabilities	6-2123-1			0	
4. Overdue trade loans	6-2118			0	
5. Bonds	6-2120			0	
6. Other non current liabilities, including:	6-2123	5,142		5142	
- finance leasing	6-2124			0	
Total for I:	6-2130	5142	0	5142	0
II. Tax liabilities					
Deferred tax liabilities	6-2122			0	
III. Current trade and other liabilities					
1. Liabilities to related companies, including:	6-2141	0	0	0	0
- supplied goods and services	6-2142			0	
- dividends	6-2143			0	
- Other	6-2143-1			0	
2. Liabilities to banks and other financial institutions, including:	6-2144	3302	3302	0	0
- banks, including:	6-2145	3,302	3,302	0	
- overdue	6-2146			0	
- other financial institutions, including:	6-2144-1			0	
- overdue	6-2144-2			0	
3. Current portion of non current liabilities	6-2161-1	774	774	0	0
- ZUNK liabilities	6-2161-2			0	
- bonds	6-2161-3			0	
- long term loans from banks and other financial institutions	6-2161-4			0	
- other	6-2161-5	774	774	0	
4. Current liabilities	6-2148	14466	14466	0	0
Trade loan liabilities	6-2147			0	
Payables to suppliers and clients	6-2149	9,764	9,764	0	
Advances received	6-2150	35	35	0	
Payables to employees	6-2151	1,377	1,377	0	
Tax liabilities, including:	6-2152	2962	2962	0	0
- corporate profit tax	6-2154	2,246	2,246	0	
- VAT	6-2155	282	282	0	
- other	6-2156	434	434	0	
Liabilities to social security institutions	6-2157	328	328	0	
5. Other non current liabilities	6-2161	91	91	0	
Total for III:	6-2170	18633	18633	0	0
TOTAL LIABILITIES (I+II+III):	6-2180	23775	18633	5142	0

C. PROVISIONS

(in thousand EUR)

INDICATORS	Code of the Row	In the beginning of the period	Increase	Decrease	At the end of the period
a	6	1	2	3	4
1. Provisions for legal liabilities	6-2210				0
2. Provisions for construction liabilities	6-2220				0
3. Other provisions	6-2230	923			923
Total (1+2+3):	6-2240	923	0	0	923

Date of the report: 11/5/2026 г.

Financial statements prepared by Iliyana Krushkova

Representatives
.....
.....
.....
.....

FINANCIAL INVESTMENTS BREAKDOWN

SHELLY GROUP PLC
UIC 201047670
31.03.2026

(in thousand EUR)

INDICATORS	Code of the Row	Type and number of financial instruments			Value of financial assets			
		ordinary	preferred	convertible	book value	revaluation		revalued (4+5-6)
						increase	decrease	
a	6	1	2	3	4	5	6	7
I. Non current financial assets								
1. Shares	7-3031				59			59
2. Bonds, including:	7-3035							0
municipal bonds	7-3035-1							0
3. Treasury bonds	7-3036							0
4. Other	7-3039							0
Total for I:	7-3040	0	0	0	59	0	0	59
II. Current financial assets								
1. Shares	7-3001							0
2. Treasury shares	7-3005							0
3. Bonds	7-3006							0
4. Own bonds	7-3007							0
5. Treasury bonds	7-3008							0
6. Derivatives and other financial instruments	7-3010-1							0
7. Other	7-3010							0
Total for II:	7-3020	0	0	0	0	0	0	0

Date of the report: 11/5/2026 г.

Financial statements prepared by Iliyana Krushkova

Representatives

.....
.....
.....
.....

ADDITIONAL INFORMATION

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

as of the first quarter of 2026

on consolidated basis

(reporting period 01.01.2026 r. – 31.03.2026)

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

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

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

There are **no changes** in the economic group of Shelly Group SE during the reporting period.

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

During the reporting period in 2026 there have been

- ✓ no organizational changes within the issuer as set out in 2. here above
- ✓ no transformation;
- ✓ no in-kind contributions have been made by the issuer;
- ✓ no property of the company has been leased;
- ✓ no suspended activities;
- ✓ no long-term investments as set out in 2. here above.

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

The Company has published only information on the following financial targets for development in 2026 on a consolidated basis, namely: For the 2026 financial year, the Board of the Directors expects consolidated revenue from the sales of devices and related services to range from EUR 195 million to EUR 205 million and earnings before interest and taxes (EBIT) between EUR 47 million and EUR 52 million.

At the end of the first quarter of 2026 the Group reported revenue from sales of devices in the amount of 32 965 thousand euro compared to 26 364 thousand euro for the same period previous year, which is growth of 25.0%. Revenue from services is in the amount of 355 thousand euro compared to 100 thousand euro for the previous year, which is growth of 255.0%.

For the current period, financial income amounted to 46 thousand euro, compared to 21 thousand euro reported in the same period of the previous year, which is growth of 119.0%.

At the end of the first quarter of 2026 the Group reports net profit in the amount of 7 511 thousand euro, which is increase of 33.5% compared to the same period of the previous year.

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

Shareholders holding at least 5 percent of the votes in the GMS of Shelly Group SE as of 31.03.2026

NAME OF SHAREHOLDER	CAPITAL PERCENTAGE
Dimitar Dimitrov	28.84 %
Svetlin Todorov	27.79 %
Other individuals and legal entities	43.47 %

As of the end of the reporting period the Company does not hold any treasury shares.

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

Members of the Board of Directors

NAME OF BOARD MEMBER	CAPITAL PERCENTAGE
Dimitar Dimitrov	28.84 %
Svetlin Todorov	27.79 %
Nikolay Martinov *	0 %
Wolfgang Kirsch**	0 %
Christoph Vilanek	0 %

* Nikolay Martinov **has no direct** interest in the capital of the Issuer. The companies Unicom Consult EOOD, in which he is the sole owner of the capital and manager, Impetus Capital OOD and Impetus Partners OOD, in which he is a partner respectively with 50% and 43,75 % of the capital and manager, as well as ImVenture I KDA and ImVenture II KDA, in which he is a representative of the legal entity - "Impetus Capital" OOD, have respectively: "Unicom Consult "EOOD – 74 750 shares (0.41%), Impetus Capital OOD 162,000 shares (0.89%), Impetus Partners OOD 405,000 shares (2.24%) ImVenture I KDA 123,288 shares (0.68%), ImVenture II KDA - 68,493. shares (0.38%) in the capital of Shelly Group SE and a total number of shares 833 531 (4.59%) of the voting rights in its General Meeting.

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

*** Christoph Vilanek holds approx. 0.08% of the voting rights in the General Meeting of the Shareholders of the Issuer;

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

During the reporting period there are **no** pending court, administrative or arbitration proceedings concerning liabilities or receivables amounting to at least 10 percent of the issuer's equity; nor such

individual cases with the total value of the issuer's liabilities or receivables under all initiated proceedings exceeds.

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

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

In 2022 Shelly Group SE has granted to its subsidiary Shelly USA Inc. an additional cash contribution of USD 1 million, for a term of 1 year as of the payment date, at an annual interest rate of 1%. As of the date of this Report, the additional cash contribution has not been repaid, and by a resolution of the Board of Directors of SHELLY GROUP SE dated 20 March 2024, its term has been extended by a further 1 year from the date of the resolution on the same terms. By decisions of the Board of Directors of Shelly Group SE dated March 20, 2024, and January 8, 2025, its term was extended until August 1, 2025, under the same conditions. The accrued interest income for the period ending March 31, 2026, under this transaction amounts to EUR 1 thousand.

In 2024 Shelly Group SE granted to its subsidiary Shelly USA Inc. an additional cash contribution of USD 400,000 (BGN 763,000) for a period of 1 year from the date of grant and bearing interest at the rate of 1% per annum. Currently, the additional cash contribution has not been repaid and has been extended by a resolution of the Board of Directors of SHELLY GROUP SE dated 08 January 2025 for a further period of 1 year from the date of the resolution on the same terms and conditions. The accrued interest income for the period ending March 31, 2026, on this transaction amounts to EUR 1 thousand.

In 2023 Shelly Group SE has granted a cash loan to its subsidiary Shelly Tech d.o.o in the amount of BGN 978 thousand (EUR 500 thousand) under the following conditions: repayment term 31.12.2029, interest rate – according to the statistical data published by the Bulgarian National Bank on Interest rates and volumes on non-overdraft balances for the non-financial corporations' sector (in EUR over 5 years). The accrued interest income for the period ending March 31, 2026, on this transaction amounts to EUR 5 thousand.

In 2023 Shelly Group SE has granted an additional cash contribution to its subsidiary Shelly Tech avtomatizacija stavb, d.o.o, 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. By decision of the Board of Directors dated May 10, 2024, the term of the additional cash contribution was extended for another year under the same conditions. The interest income accrued for the period ending March 31, 2026, under this transaction amounts to EUR 1 thousand.

In 2024 Shelly Group SE has granted an additional cash contribution of BGN 1 173 (EUR 600 000) to its Slovenian subsidiary Shelly Tech d.o.o. (formerly GOAP Računalniški inženiring in avtomatizacija proces d.o.o. Nova Gorica) under the following conditions: The additional cash contribution is provided for a period of 1 year at an annual interest rate of 1%. By decision of the Board of Directors during the

reporting period, the term of the additional cash contribution was extended for another year under the same conditions. The accrued interest income for the period ending March 31, 2026, under this transaction amounts to EUR 2 thousand.

In 2024, the Board of Directors of Shelly Group SE approved and the subsidiary Shelly Europe Ltd. has concluded with UNITED BULGARIAN BANK AD, UIC 000694959 an overdraft agreement with a credit limit of up to BGN 10 000 000.00 /ten million BGN/, with a final repayment term of 29. 10.2027 and at an annual interest rate on the regular principal amount - UBB short-term interest rate /SLR/ plus 2.5 /two point five tenths/ per annum, but not less than 2.5% /two point five tenths/ per annum. The overdraft is secured by a registered pledge of subsidiary's receivables from clients and a financial collateral agreement. During the reporting period the Board of Directors of Shelly Group SE approved and the subsidiary Shelly Europe Ltd. has signed an annex for increase of the overdraft limit to 20 000 000 BGN. The additional overdraft limit is secured in addition with pledge of goods on stock. Annual rate and period remain unchanged.

In second quarter of 2025, the Board of Directors of Shelly Group SE has resolved to provide its US subsidiary Shelly USA Inc. with financing in the form of an additional cash contribution of USD 700 thousand for a period of one year at an annual interest rate of 1%. This cash contribution is provided in addition to the amounts of USD 1 million and USD 400 thousand already provided in 2022 and 2024, respectively, extended with another one year as of the date to the resolution. The accrued interest income for the period ending March 31, 2026, on this transaction amounts to EUR 1 thousand.

During the reporting period, the Board of Directors of Shelly Group SE approved and the subsidiary Shelly Europe Ltd. concluded with UNITED BULGARIAN BANK AD, UIC 000694959, a credit line agreement with a limit of up to BGN 25,000,000.00, with a final repayment date of July 30, 2028, and an annual interest rate on the regular principal amount equal to the short-term interest rate of UBB (KLP) plus a 2.25% annual surcharge, but not less than 2.25% per annum. The credit line is secured by a special pledge on the receivables of the subsidiary, a financial collateral agreement and a registered pledge on products on stock.

In the third quarter of 2025, the Board of Directors of SHELLY GROUP ED approved and the company provided its Polish subsidiary Shelly Poland s.p. zoo financing in the form of a short-term loan in the amount of EUR 400,000 (BGN 782,000) for a period of one year at an annual interest rate equal to the interest rate at which Shelly Group's subsidiaries use short-term bank financing, namely a variable annual interest rate equal to the short-term interest rate of UBB AD plus 2.5 (two point five) percentage points per annum, but not less than 2.5% per annum, which for the current interest period is 2.51 %. The amount has been fully utilized by the end of 2025. Interest income accrued for the period ending March 31, 2026, amounts to EUR 2 thousand.

For the purpose of fulfilling the obligation of the subsidiary "Shelly Europe" EOOD under the Office Lease Agreement to provide a bank guarantee in favor of the lessor "Office X" AD, during the fourth quarter of 2024, the subsidiary entered into an agreement with "Eurobank Bulgaria" EAD a loan agreement in the form of a credit line for the issuance of bank guarantees and letters of credit with "EUROBANK BULGARIA" AD for the amount of EUR 500 000 thousand with a term of 36 months. In connection with the introduction of the euro in the first quarter of 2026, the interest rate on the credit

line has been updated, such that the interest rate is based on the one-month EURIBOR and unchanged contractual margin of 1.50%. To date, the amount of EUR 214 291.84 thousand has been drawn down under the credit line, which is covered by the aforementioned bank guarantee. The credit line is secured by a financial collateral agreement in the amount of the drawn-down sum.

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

Dimitar
Stoyanov
Dimitrov

Digitally signed by Dimitar
Stoyanov Dimitrov
Date: 2026.05.11 18:21:33
+03'00'

.....
Dimitar Dimitrov
CEO, SHELLY GROUP SE

ANNEX 4**UNDER 12, ITEM 1 OF ORDINANCE 2 OF 09.11.2021 OF FSC
TO THE QUARTERLY REPORT ON BUSINESS ACTIVITIES OF SHELLY GROUP SE
AS OF THE FIRST QUARTER OF 2026
ON CONSOLIDATED BASIS****(reporting period 01.01.2026 – 31.03.2026)**

Shelly Group SE, UIC: 201047670 (“Shelly Group” / “the Company”), 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 thereto. It contains the legally determined information about the activity of the company on consolidated basis for the period from 01.01.2026 to 31.03.2026 (“reporting period”). 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.

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. Currently the members of the Board of Directors and their functions are as follows:

- Christoph Vilanek - 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 separately. As of January 5, 2026, the term of office of the members of the Board of Directors has been extended, pursuant to a decision of the General Meeting of Shareholders dated June 2, 2025.

As of 31.03.2026 the capital structure of SHELLY GROUP is as follows:

NAME OF SHAREHOLDER	PERCENTAGE OF THE CAPITAL
Dimitar Dimitrov*	28.84 %
Svetlin Todorov*	27.79 %
Other individuals and legal entities	43.47 %

As of the end of the reporting period the Company does not hold any treasury shares.

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.

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 resolution of the General Meeting of Shareholders of 02.06.2025 Deloitte Audit Ltd, UIC: 121145199 is appointed as the Company's auditor for 2025. The auditor for 2026 will be elected by the Annual General Meeting of Shareholders in June 2026.

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 reported period, the issuer **did not** acquire any equity interests in commercial companies.

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.

Other circumstances that the company believes may be important for the investors when deciding to acquire, sell or continue to hold shares were publicly disclosed, incl. in the consolidated Report on the Business Activities of the Company and the Explanatory Notes to the consolidated Financial Report for the reporting period.

On behalf of Shelly Group SE

Dimitar
Stoyanov
Dimitrov
.....

Dimitar Dimitrov, CEO

Digitally signed by Dimitar
Stoyanov Dimitrov
Date: 2026.05.11 18:54:41
+03'00'

PRESENTATION OF THE INSIDE INFORMATION

UNDER ART 7 OF REGULATION (EU) No 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 16 APRIL 2014 ON MARKET ABUSE (Market Abuse Regulation)

About the circumstances occurred during the period 01.01.2026 – 31.03.2026

Date	NOTIFICATION
13.01.2026	The Company has disclosed the following information to the FSC and the Public: Herewith Shelly Group SE (Ticker: SLYG / ISIN: BG1100003166) ("Shelly Group" / "the Company"), announce that according to preliminary data has achieved an increase in consolidated sales revenues from the sale of devices and related services of around 40% to EUR 149.7 million (c. BGN 292.8 million) in the financial year 2025 compared to the previous year. Thus, the result lies well in the middle of the consolidated sales revenues forecast range of EUR 145 million to EUR 155 million (BGN 284 million to BGN 303 million). The EBIT forecast for the financial year 2025 is confirmed. The revenue target of c. EUR 200 million for 2026 remains unchanged. The Company will officially disclose unaudited consolidated financials for FY 2025 on 23 February 2026 after the close of trading. Note: EUR/BGN exchange rate fixed at EUR 1 = BGN 1.95583.
14.04.2026	The Company has disclosed the following information to the FSC and the Public: Herewith Shelly Group SE (Ticker: SLYG / ISIN: BG1100003166) ("Shelly Group" / "the Company"), reports reported a year-on-year increase in revenue from Shelly devices and related services of approximately 26% to around EUR 33.4 million in the first quarter of 2026 (preliminary figures). Revenue performance in the first quarter was above the Company's internal expectations. The Company's liquidity position developed positively in the first quarter of 2026. Cash and cash equivalents increased by approximately 45% compared to year-end 2025 to EUR 19.9 million, reflecting changes in working capital that were primarily driven by developments in accounts payable. The structure and maturities of trade receivables improved. The volume of trade receivables is expected to normalize over the remainder of the year. The Company will publish its unaudited consolidated financial results for the first quarter of 2026 on 11 May 2026 after the close of trading. For further information, please visit corporate.shelly.com

Detailed information about the important events that occurred during the reporting period for Shelly Group PLC, as well as other information that could be important for investors is regularly disclosed by the company in accordance with regulatory requirements. In compliance with the requirement of Art.43a et seq. of Ordinance No. 2 of FSC, in conjunction with Art. 100t, Para 3 of the POSA. The Company discloses the regulated information to the public through selected information media. All information provided to the media in fully unedited text is available at: <http://www.x3news.com/>. The required information is submitted to the FSC - through the unified system for submission of information electronically, developed and maintained by the FSC - e-Register. The information is also available on the Company's website at: <https://corporate.shelly.com/>

In relation to the trading of the Company's shares on the Frankfurt Stock Exchange and the requirements of this regulated market, the Company discloses inside information via the electronic reporting system established and maintained by Deutsche Börse AG - the Exchange Reporting System (ERS). The inside information transmitted via the ERS is published on the Deutsche Börse investor portal (<https://www.boerse-frankfurt.de/>) and <https://www.dgap.de/>. Publication is made via an authorized intermediary EQS Group.

Dimitar Stoyanov
Dimitrov

Digitally signed by Dimitar
Stoyanov Dimitrov
Date: 2026.05.11 18:54:08
+03'00'

.....

Dimitar Dimitrov, CEO
Shelly Group SE