

INFORMATION DOCUMENT

**About public offering of shares from the capital increase of
Shelly Group PLC, ISIN BG1100003166,**

Addressed to – employees of Shelly Group PLC and its subsidiaries

*in accordance with the requirements of
Article 1(4)(i) and Article 1(5)(h) of Regulation (EU) 2017/1129*

Type of the offered securities:	Ordinary, dematerialized, registered, freely transferable shares
Number of offered securities:	Up to 50,981
Nominal value per unit:	BGN 1.00 (one) per share
Total nominal value:	Up to BGN 50 981
Issue price:	BGN 1.00 per share
Total issue price:	From BGN 1,00 (minimum subscription) Up to BGN 50,981 (maximum subscription)
ISIN of the issue:	BG1100003166
Investment intermediary of the issue	Karoll AD

This Information Document has been prepared pursuant to a resolution of the General Meeting of Shareholders of Shelly Group PLC of 19 June 2023 for a public offering of securities from the capital increase in which only a certain category of investors are entitled to participate, namely, employees of Shelly Group PLC and its subsidiaries.

This Information Document has been prepared in accordance with the requirements of **Article 1(4)(i)** of Regulation (EU) 2017/1129 for the purpose of making a public offering addressed to Employees. On the basis of this Information Document, the Shares offered by this Placing and subscribed for by Employees will subsequently be admitted to trading on the regulated markets on which the Company's Shares are listed pursuant to **Article 1(5)(h)** of Regulation (EU) 2017/1129. The document contains the basic information on the number and type of securities, as well as the reasons and conditions of the offer, and the relevant abbreviated information

necessary for eligible persons to understand the rights and the main risks associated with the offered shares. It is in the interest of Eligible Persons, who are potential investors, to read the Information Document in detail.

This Information Document is not Prospectus in the meaning of the Regulation (EC) 2017/1129, and is not subject to approval by any regulatory authority neither in Bulgaria, nor in Germany, where the shares of the Company are admitted to trading.

Investors should determine the appropriateness of the investment in the Offered Shares at their own discretion by making an independent review and evaluation of the Issuer's financial position and operations, and any other evaluation they deem appropriate, before making a final decision to subscribe the Offered Shares.

Investment in shares is a risky endeavor, which is associated with taking certain risks and which could result in loss of invested funds. There is no certainty with respect to the future development of such investments and there is no guarantee of profitability.

The information stated in this Information Document is the only information with regards to this offering for whose accuracy and completeness the Issuer assumes responsibility. The contents of this Document should not be considered legal, financial, business or tax advice. To obtain such advice, each potential investor should consult their own legal, financial or tax advisor.

Investors who are interested in the Information Document may examine the original documents and receive a free copy at their e-mail address and get additional information from the Issuer and from the authorized investment intermediary:

	SHELLY GROUP PLC	Authorized Investment Intermediary: Karoll AD
		
Address:	1407 Sofia city, 103 Cherni Vrah Blvd.	1164 Sofia city, 1 Zlatovrah Street
Contact person:	Denitsa Stefanova	Angel Rabadzhiyski
Telephone:	+359 2 957 1247	+359 2 400 8 251
Internet:	www.allterco.com	http://www.karollbroker.bg
e-mail:	investors@allterco.com	broker@karoll.bg

27 June 2023

DEFINITIONS AND ABBREVIATIONS

For the purposes of this Information Document, unless otherwise explicitly agreed, the following terms have the corresponding meaning stated below:

Shelly Group, Issuer, the Company, the Holding, the Parent Company – Shelly Group PLC

BSE – Bulgarian Stock Exchange AD

FSE – Frankfurt Stock Exchange

the Group – Shelly Group PLC and Allterco Robotics EOOD, Allterco Trading EOOD, Allterco Properties EOOD, Shelly Inc., Allterco Europe GmbH, GOAP Računalniški inženiring in avtomatizacija procesov d.o.o., Nova Gorica

Investors – a special category of investors, namely – persons employed by 31.12.2022. under an employment or management contract with Shelly Group PLC and/or any of its subsidiaries, registered in the Republic of Bulgaria (Allterco Robotics EOOD, Allterco Trading EOOD, Allterco Properties EOOD), with the exception of the members of the Board of Directors of the Company ("Employees") who continue to have the status of Employees as of the initial date for subscription of shares of the capital increase;

PITA – Personal Income Tax Act

POSA – Public Offering of Securities Act

MFIA – Markets in Financial Instruments Act

II – Investment Intermediary

FSC – Financial Supervision Commission

Offering – the initial public offering of the issue of 50,981 Shares, in which only Employees are eligible to participate, subject to the conditions set out in this Document and the resolution of the General Meeting of Shareholders dated 19 June 2023.

Regulation (EU) 2017/1129 – Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC

Employees – persons employed under an employment or management contract with Shelly Group PLC and/or any of its subsidiary companies registered in the territory of the Republic of Bulgaria, except to the members of the Board of Directors of the Company, as of 31 December 2022 (the "Employees"), who continue to hold such capacity as of the start date for subscription of shares from the capital increase. In the event that, on the said date, this circumstance has ceased for any of the eligible persons due to the termination of the relevant legal relationship between him and Shelly Group PLC and/or its subsidiary, regardless of the reason, such person shall not be entitled to participate in the capital increase.

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Table of contents

Definitions and abbreviations	4
1. Risk factors	7
1.1. Price risk	7
1.2. Liquidity risk	7
1.3. Risk of dilution of the share value	7
1.4. Risk of a change in the taxation of investment in securities	8
1.5. Risk related to limited information	8
1.6. Inflation risk	8
1.7. Currency risk	8
1.8. No guarantee for payment of annual dividends	8
2. Responsible persons, third party information, experts' reports and competent authority approval	9
2.1. Responsible persons	9
2.2. Experts' reports	9
2.3. Third party information	9
2.4. Statements and approvals	9
3. Essential information	10
3.1. Interest of natural and legal persons involved in the offering	10
3.2. Reasons for the offering and use of proceed	10
4. Information concerning the securities to be offered and admitted to trading	12
4.1. Description of the securities	12
4.2. Restrictions on the transferability of the securities	12
4.3. Tax treatment	13
4.4. Offeror. Persons asking for admission to trading.	14
4.5. Rights attached to the securities	14
4.6. Tender offerings	19
5. Terms and conditions of the offering	21
5.1. Terms and conditions of the offering, expected timetable and action required to apply for the offering	21
5.1.1. Conditions of the offering	21
5.1.2. Offer period	23

5.1.3. Possibilities for reducing the subscription and refunding of overpaid amounts	26
5.1.4. Minimum and maximum subscription amount	27
5.1.5. Methods and time limits for payment and delivery of the securities	27
5.1.6. Announcing the results of the offering	28
5.1.7. Pre-emptive right	28
5.1.8. Size of the issue	28
5.1.9. Conditions for cancellation of the offering	28
5.1.10. Withdrawal of the application for subscription of securities	29
5.2. Plan for distribution and allocation	29
5.3. Price	30
5.3.1. Procedure for announcement of the price	30
5.3.2. Pre-emptive right	30
5.4. Placing and underwriting of the Issuance	30
6. Admission to trading and dealing arrangements	31
6.1. Admission to trading	31
6.2. Regulated markets	31
6.3. Simultaneous public or private placing of the same or a different class of securities	31
7. Dilution	32
8. Additional information	33

1. RISK FACTORS

The risk factors presented herein are limited to securities-specific risks, whereas the most material factors, based on probability of occurrence and magnitude of negative impact, are presented first in each category.

1.1. PRICE RISK

The issue price of the shares and their market value at the time of the Offering is not an indicator of their market price after the Offering is closed. The risk for potential investors is expressed in the possibility to incur losses resulting from changes in the share prices. These changes could be influenced by a series of factors, including share demand and supply on the stock exchange, news and events announcements, actual or anticipated financial performance of the Issuer and its competitors, changes in the market conditions in the industry, the political situation, legislative amendments and changes in the investment climate etc.

Potential investors should bear in mind that there is a risk of sudden changes in the prices of the Company's shares (volatility) resulting from Company-related factors, as well as from external events beyond its control, respectively there is a risk of losses for the investors as a result of such sudden changes.

Sales of significant volumes of Company's shares or expectations that such sales may take place could have an unfavourable impact on the price of Company's shares.

1.2. LIQUIDITY RISK

The liquidity risk is expressed as the existence of difficulties related to buying or selling certain securities at short notice and at minimal cost. There are no guarantees regarding the future formation and maintaining of a liquid secondary market for the Issuer's shares. Potential investors in the Issuer's shares should bear in mind that the liquidity of the Issuer's securities also depends on the liquidity of the market itself. The Bulgarian Stock Exchange is relatively smaller and less liquid than the securities markets in most countries with a developed market economy. The low liquidity results in price volatility and a possibility for speculative changes from relatively small transactions.

1.3. RISK OF DILUTION OF THE SHARE VALUE

Investors should bear in mind that the Company might increase its capital in the future, in the event funding is required. Under Bulgarian legislation, the increase of the capital of a public company may take place only by issuing rights to existing shareholders to subscribe for shares from the capital increase, commensurate with their share in the capital prior to the increase (save for the special hypothesis of offering in favor of managers and employees pursuant to Article 112 (3) of POSA, on which specific ground the current capital increase is performed). Dilution of shareholder participation may occur in cases when for one reason or another, the existing shareholders do not exercise their right to proportional subscription of newly issued shares.

There is also a risk of reduction of the value of the assets per Company share if in case of a future capital increase, the number of issued Company shares increases more rapidly than the size of its assets.

1.4. RISK OF A CHANGE IN THE TAXATION OF INVESTMENT IN SECURITIES

As at the date of this Document, the capital earnings from securities trading on a regulated market in Bulgaria are exempt from taxation. A potential increase of the tax burden may have a negative impact on the realized returns on the investment in the shares.

1.5. RISK RELATED TO LIMITED INFORMATION

Investors should bear in mind the limited coverage of the activities and trading in the shares of the Company by independent analysts. Negative or insufficient analyses may have an unfavorable effect on the share price or the volume of their trade.

1.6. INFLATION RISK

Inflation risk is the likelihood that inflation will lead to a depreciation of BGN denominated assets and thus affect the real return on investment in securities. Although in the long term returns on shares have significantly outpaced inflation in Bulgaria and other advanced market economies, there is no guarantee for investors that their investment in the Issuer's shares will be a real protection against inflation.

1.7. CURRENCY RISK

This issue is denominated in Bulgarian leva. Investors assuming a currency risk when purchasing this issue, would reduce or increase the effective return on their investment because of changes in the BGN or EUR exchange rate against the currency, in which their funds are denominated. On the other hand, decline in returns would result in a drop in investor interests and respectively, to a decline in share prices. The currency board mechanism functioning in Bulgaria largely limits the existence of currency risk, by determining the movement of the Bulgarian lev against the other international currencies depending on the behavior of the euro.

1.8. NO GUARANTEE FOR PAYMENT OF ANNUAL DIVIDENDS

Distribution of dividends depends on the achievement of a positive financial result and a resolution of the General Meeting of Shareholders of the Issuer. There is no guarantee that the Company will be in a state to and/or will pay dividends.

2. RESPONSIBLE PERSONS, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

2.1. RESPONSIBLE PERSONS

The members of the Board of Directors of Shelly Group PLC (see Table 1 below), who are jointly liable for damages caused as a result of any false, misleading or incomplete data in this Information Document, are responsible for the preparation of this Document

Table 1: Members of the Board of Directors (BoD) of Shelly Group PLC

Name	Position
Dimitar Stoyanov Dimitrov	Chief Executive Officer
Svetlin Iliev Todorov	member of the BoD
Nikolay Angelov Martinov	Independent member of the BoD and Deputy Chairman
Wolfgang Kirsch	Independent member of the BoD and Chief Executive Officer
Gregor Bieler	Independent member and Chairman of the BoD

The members of the Board of Directors of Shelly Group PLC declare that, to the best of their knowledge, the information contained in this Document, is true and complete and corresponds to the facts and makes no omissions that are likely to affect its import.

In addition, the Issuer's Chief Executive Officer declares, by signing this document, that said document complies with the requirements of the law.

2.2. EXPERTS' REPORTS

Statements or reports written by a given individual in their capacity as an expert have not been included in this Information Document.

2.3. THIRD PARTY INFORMATION

Third party information has not been used in this Information Document.

2.4. STATEMENTS AND APPROVALS

This Information Document has been approved by the Financial Supervision Commission as competent authority under Regulation (EU) 2017/1129. This Information document is not prospectus neither a part of prospectus under Regulation (EU) 2017/1129.

3. ESSENTIAL INFORMATION

3.1. INTEREST OF PERSONS INVOLVED IN THE OFFERING

Only a specified group of investors are entitled to subscribe for shares in the capital increase for the purposes of which this Document has been prepared and namely – persons employed under an employment or management contract with Shelly Group PLC and/or any of its subsidiary companies registered in the territory of the Republic of Bulgaria – Allterco Robotics EOOD, Allterco Trading EOOD and Allterco Properties EOOD, as of 31 December 2022 (the "Employees"), who continue to hold such capacity as of the start date for subscription of shares from the capital increase. In the event that, on the said date, this circumstance has ceased for any of the eligible persons due to the termination of the relevant legal relationship between him and Shelly Group PLC and/or its subsidiary, regardless of the reason, such person shall not be entitled to participate in the capital increase.

The range of eligible persons thus defined **does not include** members of the Board of Directors of Shelly Group PLC.

According to Art. 112, par. 3 in conjunction with para. 2 of the POSA, the preemptive rights of the current shareholders to participate in the capital increase are excluded.

The Employees of Shelly Group PLC and its subsidiaries registered in the Republic of Bulgaria are interested in the successful implementation of the Offering, insofar as this Offering provides them with preferential terms for the acquisition of shares in the capital Shelly Group PLC. On the other hand, current shareholders and future investors also have an interest in the successful implementation of the increase, insofar as the purpose of this increase is to stimulate long-term employee commitment to the development and performance of the Company and its Group companies, in line with the interests of investors.

The remuneration of the investment intermediary, to whom the servicing of this offering is assigned, will not depend on the size of the subscription within the offering, if the offering is successful, but will be determined as a fixed amount.

There are no other interests relevant to this offering, including remuneration or other benefits due to any person (consultant, board member or employee of the Issuer, etc.) depending on the outcome of the offering.

3.2. REASONS FOR THE OFFERING

The purpose of the proposed increase is to incentivise the commitment of the employees of the individual group companies by providing them the opportunity to acquire listed for trading securities from the parent company, which consolidates the performance of the individual group companies to which each individual employee contributes. The personal commitment of each employee to his/her performance by sharing the performance of the company to which he or she belongs and the group to which this company belongs, is expected to promote his/her long-term interest in the performance of his/her work within the group, aligning that interest with the

interests of the shareholders to which the employees of the group companies will join after the proposed capital increase. The Employee involvement in the ownership is especially important for small and medium-sized enterprises such as Shelly Group PLC, where individual employees play a significant role in the success of the latter.

The targeted incentive and promotion of employee engagement across the Group is achieved through the grant of shares in Shelly Group PLC consolidating the performance of the Group companies. Shelly Group PLC is a public listed company within the meaning of Article 110 of the Public Offering of Securities Act, discloses regular public information on its development and performance, its shares are traded on a regulated market, which provides a transparent market mechanism for determining their value.

The proceeds from the issue will be used in the operational activity of the Company and will not be used for direct or indirect acquisition of assets other than in the ordinary course of business of the Company, for financing of announced acquisitions of other businesses or for discharge, reduction or retirement of debt.

4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING

4.1. DESCRIPTION OF THE SECURITIES

Type and class of the offered securities, currency and size of the issue

The subject of the public offering is 50,981 ordinary, dematerialized, registered, freely transferable shares, each of them with a par value of BGN 1 from the capital increase of the Company, the same class as the already issued shares in the Company capital and they will grant their holders rights identical to the rights of the other shares issued by Shelly Group PLC.

The currency of the issue is Bulgarian leva.

The ISIN of the Shelly Group PLC share issue is BG1100003166. The shareholders register of Shelly Group PLC is kept by the Central Depository AD, Unified Identification Code (UIC) 121142712, seat and registered office in the Republic of Bulgaria, Sofia city, 6 Tri Ushi Street.

Resolutions and approvals with respect to the offered securities

The shares that are the subject of the Offering, are offered and will be issued on the basis of a resolution of the General Meeting of the Shareholders of Shelly Group PLC of 19 June 2023 to increase the Company's capital from BGN 17,999,999 to BGN 18,050,980 through public offering of 50 981 dematerialized ordinary registered voting shares, giving a right to dividends and a liquidation quota commensurate with their par value, each of a par value of BGN 1, as well as a resolution of the Board of Directors of Shelly Group PLC of 27.06.2023, determining the remaining parameters of the offering, including the terms and procedures .

4.2. RESTRICTIONS ON THE TRANSFERRABILITY OF THE SECURITIES

The shares subject to the Offering, as well as shares already issued by Shelly Group PLC, will be freely transferrable, subject to the normative provisions in force. Transfer of dematerialized securities, such as the shares subject to the Offering, will be considered completed as of the time of registration with the Central Depository AD.

Restrictions on the free transferability of the shares, held by a specific shareholder, may be imposed pursuant to the Registered Pledges Act (by establishing a registered pledge on the shares), the Financial Collateral Arrangements Act (when providing shares as financial collateral) and the Civil Procedures Code (in case of precautionary attachment on the shares in the course of levying of distraint on shares in interim or enforcement proceedings). Share transfer will be carried out in accordance with the applicable requirements, including those established in the POSA, MFIA, the instruments for the implementation, the rules of the BSE, FSE and Central Depository AD.

4.3. TAX TREATMENT

Investors should be advised that the tax legislation of the member state of the investor and the member state of incorporation of the Issuer could influence the returns on the securities.

In the Republic of Bulgaria, earnings on the offered securities are subject to taxation under the conditions and in an amount depending on the basis for realizing the profits (capital gain, dividend, liquidation quota) and the features of the recipient of the profits (an individual or a legal entity, local or foreign entity). The description below presents only the main aspects of the taxation as at the date of this Document, which shall apply to the individuals to whom the current Offering is addressed, without constituting advice on the tax obligations that could arise for an Investor. The basis and the amount of the obligations may vary depending on a series of factors, whereas each Investor should obtain individual tax advice in view of the specific characteristics of the case.

Local and Foreign Individuals

A resident is an individual, having a permanent address in Bulgaria (unless the center of its vital interests is not in the country) or residing in Bulgaria more than 183 days in each 12-month period (the period of stay in Bulgaria solely for the purposes of training or medical treatment shall not be taken into consideration) or was sent abroad by the Bulgarian state, Bulgarian state authorities, organizations or enterprises and whose family members, or center of vital interests is in Bulgaria.

Foreign individuals are all individuals who do not meet the criteria to be recognized as resident.

Taxation of income from dividends and liquidation quotas

Income from dividends and liquidation quotas distributed by the Company in favor of local individuals

Pursuant to Article 38 (1) of PITA, a final tax shall be levied on income from dividends and liquidation quotas from participation in local legal entities, such as the Company, distributed in favor of local individuals. The tax rate is 5% and is calculated on the gross sum, determined in the resolution on distribution of dividends (on the gross amounts comprising hidden distribution of profits, in case of a dividend in the form of hidden distribution of profit), respectively on the positive difference between the value of the liquidation quota and the documented price of acquisition of their stake in the company, whereas the tax shall be withheld by the income payer.

Income from dividends and liquidation quotas distributed by the Company in favor of foreign individuals

Pursuant to Article 38 (1) of PITA, a final tax shall be levied on the income from dividends and liquidation shares from participation in local legal entities, such as the Company, distributed in favor of foreign individuals. The tax rate shall be 5% and shall be calculated on the gross amount determined in the resolution for distribution of dividends (on the gross amounts comprising hidden distribution of profits, in case of a divided in the form of hidden distribution of profit), respectively on the positive difference between the value of the liquidation quota and the

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documented price of acquisition of their stake in the company, whereas the tax shall be withheld by the income payer.

Income of local individuals from disposal of shares and rights issued by the Company

Income from disposal of Company shares on a regulated financial instruments market (currently the Company shares are admitted to trading on two regulated financial instruments market – the BSE and FSE) or under the conditions and procedure for tender offering under POSA, shall not be subject to taxation at the source pursuant to Article 13 (1) item 3 of PITA.

Income earned from disposal of Company shares outside of a regulated market shall be subject to taxation on an annual basis, whereas the taxable income from sale or exchange of shares, stakes, compensation instruments, investment vouchers and other financial assets, as well as from foreign currency trade, is the sum of the profit made during the year, determined for each specific transaction, reduced by the sum of the loss incurred over the year, determined for each specific transaction. A tax rate of 10% of the total annual tax base, determined by including also the specified income, shall apply.

Income of foreign individuals from disposal of shares and rights issued by the Company

Pursuant to Article 37 (1) item 12 of PITA, income of foreign individuals from sale, exchange or other transfer of shares, issued by the Company, for consideration, shall be subject to taxation by withholding a tax of 10% at the source. An exception from this rule has been established for income earned from disposal of Company shares on a regulated financial instruments market (currently, the Company shares are accepted in the regulated financial instruments market organized by the BSE) or under the conditions and procedure for tender offering under POSA, in favor of foreign individuals established for tax purposes in a European Union member state or in another member state of the European Economic Area.

Treaties for the avoidance of double taxation

In the event where the Republic of Bulgaria and the respective foreign country, whose local person has earned an income in Bulgaria, have entered into a treaty for avoidance of double taxation, its provisions shall have priority over Bulgarian tax legislation. The procedure for application of these treaties is contained in Chapter XVI, Section III of the Tax Insurance Procedures Code.

4.4. OFFEROR: A PERSON WHO SEEKS ADMISSION OF THE SECURITIES TO TRADING

The Capital Increase Shares are being offered by the Company as their issuer, under the terms of an initial public offering. There is no offeror, other than the Issuer, or other person seeking admission of the securities to trading

4.5. RIGHTS ATTACHED TO THE SECURITIES

The offered shares are from the same class and accordingly, will give the same rights as the shares currently comprising the capital of the Company, as stipulated in the Statute of Shelly Group PLC, the Commerce Act and POSA, namely, ordinary, registered dematerialized shares, each of which gives the following basic rights: right to one vote in the general meeting of the shareholders of the Company, right to dividends, and right to a liquidation quota. To the extent that the Issuer has not issued securities of another type or class, including preferred stock, bonds or other, each of the shares in the capital, including the shares that are the subject of the Offering, shall give its holder rights, identical to the rights attached to any other share in the Company capital, whereas these rights shall not be restricted or depend on the exercise of rights provided under other securities.

Right to dividends

Each share gives its holder the right to a dividend commensurate with its par value.

The dividend shall be distributed by a resolution of the General Meeting of Shareholders, whereas the Statute of the Company provide for the possibility to distribute annual and six-month dividends. The offered shares, as ordinary shares, do not give a right to a guaranteed dividend, respectively, the Company is not obliged to make dividend payments, there is no defined periodicity of dividend payment and respectively, the obligations for due, but undistributed, dividends shall not accumulate. Whether a dividend shall be distributed or not, as well as the specific amount of the distributed dividend, depends on the results of the Company (there must be available funds, which may be distributed to the shareholders, namely the net value of Company assets, reduced by the dividends subject to payment, shall be at least equal to the registered capital of the Company, reserve fund and other funds, which the Company must establish, if such, whereas for payment of an interim dividend, there is also a profit requirement for the respective six-month period) and on the assessment of the General Meeting of Shareholders, which must resolve on distribution of the dividend.

The resolution to distribute dividend may be taken by the regular annual general meeting of shareholders, which has adopted the audited annual financial statement (for payment of annual dividend), or the extraordinary general meeting of shareholders, which has adopted the six-month report, in compliance with the requirements of the Commerce Act, while for distribution of an interim dividend – also the special requirements of Article 115c (2) of POSA apply. Persons recorded in the registers of Central Depository AD as having a dividend right shall be entitled to receive a dividend on the 14th day after the date of the General Meeting that adopted the annual, accordingly the six-month, financial statement and passed a resolution to distribute the profit.

The Company must ensure payment to the shareholders of the dividend voted at the General Meeting of Shareholders within a period of 60 days after it was held. Persons entitled to a dividend may exercise this right before the expiration of the general 5-year statute of limitations thereafter the right shall be extinguished and non-received dividends shall be retained by the Company.

Costs related to payment of the dividends shall be covered by the Company.

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The Company's Statute does not provide for restrictions related to payment of a dividend. No special provisions have been provided with respect to foreign persons entitled to a dividend.

Voting right

Each share shall give its holder one vote in the General Meeting of the Shareholders of the Company.

The voting right shall be exercised by the persons listed in the registers of the Central Depository AD as entitled to a voting right 14 days prior to the date of the general meeting. Central Depository AD shall provide to the Company a list of the persons as at the above-specified date and of the foreign persons under Article 136 (1) of POSA, holding on their behalf the securities of other persons.

The voting right may be exercised personally (accordingly, through the legal representatives of the shareholder) or through a proxy. A shareholder shall be entitled to authorize any individual or legal entity to participate and vote in the general meeting on their behalf, including a member of the Company's board of directors, if the shareholder has explicitly indicated the manner of voting on each of the agenda items of the relevant general meeting. The authorization must be made in writing, including by electronic means in the form of an electronic document, digitally signed, made for the specific general meeting, explicitly and containing the requisites listed in Article 116 (1) POSA. The conditions and procedure for voting via proxy, including the manner of receiving of powers of attorney via electronic means and notifications for withdrawal of such, shall be laid down in rules of the board of directors and published on the Company website (www.allterco.com) for each specific meeting. The Company must provide a template for the written power of attorney on paper and electronically, if applicable, with the materials for the General Meeting of Shareholders or upon request after it is convened.

Under the Statute of the Company, the board of directors may allow absentee voting prior to the date of the general meeting by mail and also exercising of the voting right via electronic means, according to rules established by it, whereas this possibility must be indicated in the invitation for convening of the specific general meeting.

In certain cases provided for by the law, the exercise of the voting right may be restricted, for example: a shareholder may not participate in the voting on resolutions allowing transactions in the hypotheses of Article 114 (1) of POSA, if the shareholder qualifies as an interested party under Article 114 (7) of POSA in relation to the respective transaction; in case of surpassing a threshold of voting rights resulting in an obligation to carry out a tender offer, the persons whose voting rights are taken into consideration when determining the participation, by which the threshold was surpassed, as provided for in Article 149 (5) of POSA, shall not be entitled to exercise their voting right until the tender offer is released, respectively until the participation is reduced below the threshold (or until the control over the related party, through the share rights of which the threshold was surpassed, is lost); a shareholder may not vote on matters concerning the bringing of actions against that shareholder or in relation to that shareholder's liability towards the Company.

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Pre-emptive rights for registering securities

In the event the Company has increased its capital, the shareholders shall be entitled to acquire a portion of the new shares, proportionate to their share in the capital prior to the increase, with a right issued for each existing share; the ratio between issued rights and new shares shall be defined in the respective decision to increase the capital. The capital increase requirement with issuance of rights shall not apply in case of a capital increase that only members of the Board of Directors of the Company are entitled to (under the conditions that the remuneration policy adopted by the Company stipulates a plan for providing variable remuneration in the form of Company shares), and/or its workers or employees, and such capital increase may only be done by up to 1 percent within a calendar year, and 3 percent in successive capital increases, except in case a successful increase of the capital is achieved with the issuance of rights, wherein the registered capital has been increased by at least 10 percent; and the shares issued in this manner may at no time exceed 5 percent of the Company capital. Furthermore, by way of exception, the capital of the Company may also be increased in the hypothesis set forth in article 195 of the Commercial Act, under the condition that the new shares are acquired by certain individuals, and this shall only be allowed for the purposes of merger, tender offer for exchange of shares, or ensuring the rights of warrant or convertible bonds holders.

The preemptive acquisition right shall also apply regarding securities which grant the right to acquire shares of the same class as the shares held by the respective shareholder, by way of converting them, or exercising the rights to them (convertible bonds, warrants).

Right to a share in the profits

The Statute of the Company do not provide for the right to a share of the profits, other than the dividend right described above in item 4.5 hereof.

Right to a liquidation quota

Each share gives its holder the right to a liquidation quota commensurate with its par value. This is a conditional right – it arises and may be exercised only if (and to the extent that) in case of Company dissolution, after satisfaction of the claims of all creditors, there are residual assets for distribution among the shareholders and it is up to the size of these assets. The right belongs to the shareholders registered as such upon termination of the Company and it shall be extinguished upon expiration of the general 5-year limitation period.

Conditions for buyback

As ordinary shares, the shares subject of the Offering, do not provide buyback privileges.

The acquisition of more than 3 percent of own voting shares in case of capital reduction through buyback within one calendar year shall be possible only under the conditions and the procedure for tender offering under Article 149b of POSA.

It is not necessary to make a tender offering, if the acquisition of own shares is up to 3 percent within one calendar year, whereas under the Statute, share buyback shall be carried out by a

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resolution of the General Meeting of Shareholders by a majority of the capital represented. The resolution shall determine the minimum and maximum number of shares subject to buyback; the conditions and the procedure, according to which the board of directors shall carry out the buyback within a period that is not longer than 18 months as of the date of the resolution; the minimum and maximum value of one share for buyback, as well as the investment intermediary through which the buyback shall be carried out.

Conditions for conversion

No conditions for conversion of the shares subject of the Offering have been provisioned.

Other rights

Management rights

In addition to the voting right, as defined above in item 4.5 hereof, each shareholder shall be entitled to participate in the governance of the Company, including to elect and to be elected in its management bodies.

Control rights

The control rights of the shareholder include the shareholder's right to information. The right of information expresses the ability of shareholders to review all written material related to the agenda of the convened general meeting, to receive these materials upon request free of charge, and to receive the minutes and annexes to them from past general meetings. The right of information also includes the right of the shareholder to receive comprehensive answers from the members of the board of directors of the Company on questions raised during the General Meeting of Shareholders. At any time, shareholders have the right to request and receive information on the financial and economic state of the Company from the Investor Relations Director.

Protective rights

Each shareholder may bring an action against the Company before the district court at its seat to revoke a resolution of the general meeting, when it contravenes mandatory provisions of the law or of the Statute (Article 74 of the Commerce Act).

Each shareholder may bring an action before the district court at the seat of the Company to protect their membership right and individual membership rights, when these have been violated by bodies of the Company (Article 71 of the Commerce Act).

Each shareholder may request appointment of registered auditors by the Registry Agency, if such have not been elected by the general meeting of shareholders by the end of the calendar year (Article 249 of the Commerce Act).

Shareholders holding at least 5% of the Company capital are entitled to the following rights under POSA:

- In case of failure of the Company management bodies to act, which endangers its interest, to bring Company actions against third parties before court;
- To bring an action before the district court at the Company seat for compensation for damages caused to the company from actions or omissions by the members of the management and control bodies (currently – of the board of directors) and of Company procurators (no such have been appointed at this time);
- To requests the general meeting or the district court to appoint controllers to review complete bookkeeping records of the company and to prepare a report on their findings;
- To make requests to the district court to convene a general meeting or to authorize their representative to convene a general meeting with an agenda determined by them;
- To request the inclusion of items and to put forward resolutions on items already included in the agenda for the general meeting under Article 223a of the Commerce Act (does not apply to inclusion of items or putting forward resolutions on matters within the scope of Article 114 (1) of POSA);
- In the event of a joint venture agreement, to bring an action before the district court at the Company seat for compensation for damages caused to the Company because of actions or omissions by the persons managing the joint venture;
- Pursuant to the Commerce Act, shareholders holding at least 5% (five percent) of the Company capital over the course of more than three months, may make a request to the board of directors to convene the General Meeting of Shareholders whereas if this request is not satisfied within a one-month period or if the general meeting is not held within a period of 3 months as of the request, the district court shall convene a general meeting or shall authorize the shareholders who requested the convening or their representative to convene the meeting (as indicated, POSA provides for eased conditions for convening, insofar as the request may be made directly before the district court).

4.6. TENDER OFFERINGS

Company shares may be the object of a mandatory and of a voluntary tender offering. Pursuant to the applicable national legislation, an obligation to make a tender offering shall occur in case of direct acquisition, acquisition through related parties (within the meaning of Article 148h of POSA) and/or acquisition/holding under Article 149 (2) of POSA (persons who have entered into an agreement for a common management policy through joint exercising of voting rights or holding of voting shares by one person at the expense of another) of more than (1) 1/3 of the votes in the general meeting of the Company (in the event that there is no person or persons holding directly or through related parties more than 50 percent of the votes in the general meeting); (2) ½ of the votes in the general meeting of the Company, or (3) 2/3 of the votes in the general meeting of the Company, unless subsequently within the time limit for making the tender offering, the liable person transfers the necessary number of shares so as to hold directly or through related parties votes under the thus surpassed threshold. The obligation shall be fulfilled within 14 days

as of the acquisition (execution of the agreement or acquisition of the shares on the person's behalf), accordingly, within a one-month period as of entry in the commercial register of the transformation or reduction of the capital, when the threshold has been surpassed as a result of transformation or as a result of share cancellation. Moreover, an individual holding more than 1/3 but not more than 2/3 of the votes in the general meeting of the Company in one of the listed hypotheses, may not acquire within the course of one year a quantity of voting shares exceeding 3 percent of the total number of Company shares, unless this results from a tender offering made under Article 149b of POSA, unless the threshold is exceeded in case of capital increase with rights. At the same time, POSA provided for certain cases where the obligation to make a tender offering does not occur, despite of surpassing the threshold (mainly in relation to a prior tender offering or surpassing of the threshold as a result of a tender offering, and in case of surpassing of the threshold of 2/3 of the votes as a result of capital increase with a rights issue, if prior to the capital increase the individual held more than 50 percent of the votes in the general meeting).

Company shares may be subject to a voluntary tender offering, made by a person that has acquired directly, through related parties or indirectly in the cases under Article 149 (2) of POSA more than 90 percent of the votes in the general meeting of the Company (Article 149a of POSA) or a person holding at least 5 percent of the votes in the general meeting of the Company and wishing to acquire (directly, through related parties or indirectly) more than 1/3 of the votes in the general meeting of the Company (Article 149b of POSA).

The national legislation on tender offerings applicable to the Issuer does not contain provisions, which might impede these tender offerings. Nevertheless, it should be considered that there are specific statutory requirements concerning the principles for tender offering, the contents of the offerings and price setting, whereby tender offerings are subject to review by the Financial Supervision Commission and accordingly, their publishing may be delayed in case of inconsistency with the legal requirements or infringement of shareholder interests.

Company shares may be subject to compulsory repurchasing pursuant to Article 157a of POSA (within three months after a tender offering made to all shareholders took place, by a person who acquired at least 95 percent of the votes in the general meeting of the Company). Accordingly, pursuant to Article 157b of POSA, each minority shareholder shall be entitled to request from the person who acquired at least 95% of the Company voting shares as a result of a tender offering, to buy their shares within a period of three months of the closing of the tender offering.

Until now, the Company has not been the object of tender offerings.

5. TERMS AND CONDITIONS OF THE OFFERING

5.1. TERMS AND CONDITIONS OF THE OFFERING, EXPECTED TIMETABLE AND ACTION REQUIRED TO APPLY FOR THE OFFERING

5.1.1. CONDITIONS OF THE OFFERING

Offered shares

Subject of this offering are 50,981 new shares from the capital increase of Shelly Group PLC. The offered shares are of the same class as the existing Shelly Group PLC shares, namely – ordinary, registered dematerialized voting shares, each of a par value of BGN 1 (one).

The shares will be offered at an issue price of BGN 1.00

The maximum amount of the new issue shall be 50,981 shares. The Offering will be considered successful, if at least 1 (one) share (the minimum size of the issue) is subscribed and paid. The capital will be increased by the subscribed shares, if the minimum size of the issue is subscribed.

Offering addressee

The Offering is addressed to a specified group of investors – Employees – persons employed under an employment or management contract with Shelly Group PLC and/or any of its subsidiary companies registered in the territory of the Republic of Bulgaria, except to the members of the Board of Directors of the Company, as of 31 December 2022, who continue to hold such capacity as of the start date for subscription of shares from the capital increase. In the event that, on the said date, this circumstance has ceased for any of the eligible persons due to the termination of the relevant legal relationship between him and Shelly Group PLC and/or its subsidiary, regardless of the reason, such person shall not be entitled to participate in the capital increase.

The persons entitled to subscribe for shares from this capital increase, as well as the maximum number of shares that each of them is entitled to subscribe for, shall be determined by the Board of Directors of Shelly Group PLC by means of a special list, pursuant to an express delegation by the General Meeting of Shareholders of 19 June 2023, and each Investor shall be personally notified of the number of shares that he is entitled to subscribe for in accordance with the list – on the day of publication of this Document, as well as upon request during the term of the Offering.

Issuance of rights

The Offering is addressed only to Employees of Shelly Group PLC and its subsidiaries, pursuant to Art. 112, para. 3 of the Public Offering of Securities Act, in which case, in order to ensure that the capital increase can be subscribed by the employees, objectively no rights are issued to the existing shareholders under § 1, item 3 of the Public Offering of Securities Act, as expressly provided for in the law.

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Subscription of shares

Shares of the current capital increase can subscribe any person – Employee – employed under an employment or management contract with Shelly Group PLC and/or any of its subsidiary companies registered in the territory of the Republic of Bulgaria, except to the members of the Board of Directors of the Company, as of 31 December 2022, who continue to hold such capacity as of the start date for subscription of shares from the capital increase. In the event that, on the said date, this circumstance has ceased for any of the eligible persons due to the termination of the relevant legal relationship between him and Shelly Group PLC and/or its subsidiary, regardless of the reason, such person shall not be entitled to participate in the capital increase.

Any eligible person may acquire a corresponding number of the offered shares, as determined by the Board of Directors of Shelly Group PLC in a special list, by submitting, within the terms specified in section 5.1.2 below, an application for subscription of shares and paying the issue value of the subscribed shares. The application shall be submitted directly to the authorized investment intermediary or through the investment intermediary of the relevant investor.

The payment of the issue value of the subscribed shares shall be made at the latest by the subscription closing date to the collection account specified in paragraph 5.1.2 of this Document.

Authorized investment intermediary

Karoll AD, UIC 831445091, seat and registered office: 1303 Sofia city, Vazrazhdane area, 57 Hristo Botev Blvd.

Territories on which the offering will be carried out. Applicable national requirements.

The shares from the Company's capital increase will be subject to an initial public offering, which will be carried out on the territory of the Republic of Bulgaria, taking into account that the Offering is addressed only to Employees of Shelly Group PLC and its subsidiaries registered in the Republic of Bulgaria

The Offering is carried out without a prospectus and on the basis of this Information Document as per the requirements of Regulation (EU) 2017/1129 whereas the requirements of the Bulgarian legislation shall apply, which are applicable for public offering of shares in case of capital increase by a Bulgarian public company such as the Issuer.

5.1.2. OFFER PERIOD

Start of the public offering

The initial date of the public offering that is date following the day of publishing of this Information Document on the Issuer's website (<http://www.allterco.com>) and on the website of the authorized investment intermediary Karoll AD (<https://karollbroker.bg>). On the day of publishing of this Information Document the Company will inform all eligible persons – Employees – about the number of shares which each may subscribe.

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Issue of rights, terms and conditions for transfer of the right for subscription of shares of the Offering

The right of the Employees to subscribe for shares is a personal right that is granted to specific Employees in a specific amount, in view of the corporate management's assessment of their contribution to the Company's activities and its economic group. In this sense, the right to subscribe for shares from this capital increase is non-transferable, both to third parties and between Employees.

Subscription of shares – start and end date, terms and conditions for subscription

The start date for subscription of shares shall be the date, following the day on which this Information Document is published on the Issuer's website (<http://www.allterco.com>) and on the website of the authorized investment intermediary Karoll AD (<https://karollbroker.bg>)

The eligible persons – Employees – may submit a request to subscribe for shares with deadline for subscription of shares, in accordance with the *Timetable of the Offering* hereunder. Rights for subscription of shares unexercised within this period shall lapse and shall not be allocated among the other Employees. The rights to subscribe for shares of this capital increase not exercised within such time shall not be subject to payment in cash or other compensation.

Any eligible person – Employee – may exercise them by making a request to subscribe shares, up to the expiration of the period set for subscription of shares.

Locations for subscription of the new shares – through the authorized investment intermediary Karoll AD, every business day from 09.00 to 17.00 h. at the following addresses:

City	Address	Telephone number
Sofia	1 Zlatovrah Street	02 / 400 8 200
Sofia	57 Hristo Botev Blvd.	02 / 400 8 200
Burgas	75 Slavyanska Street, floor 1, office 2	0895 / 559 237
Varna	20 Preslav Street	052 / 617 919

It shall not be allowed to subscribe shares before the start and end date of the period for subscription of shares.

The periods for transfer of rights and subscription of shares may be extended once by the Company for up to 60 days, by making appropriate amendments to this Document and publishing the same on the website of the Issuer's website (<http://www.allterco.com>) and on the website of the authorized investment intermediary Karoll AD (<https://karollbroker.bg>).

Subscription of new shares shall be carried out by making applications in writing to the investment intermediaries – members of Central Depository AD, with whom client accounts are kept for the rights held by the applicants (in case of registration of rights in a personal account, they should be transferred to the investment intermediary before being exercised). The Issuer shall apply for the issuing of certification documents through the investment intermediary Karoll AD for rights, registered in personal accounts. Certification documents shall be provided to their holders through Karoll AD. Each holder of rights registered in a personal account, may receive a

certification document personally, by presenting a valid identity document or through a proxy explicitly authorized by a notary certified power of attorney in the office of Karoll AD at 57 Hristo Botev Blvd. before expiration of the period for transfer of rights. Investment intermediaries, with whom applications for subscription of new shares have been filed, must inform the authorized investment intermediary Karoll AD of the incoming orders, whereas the relevant intermediary must send at the end of each business day of the subscription period, a summary request (in a form) containing data on all employees who have subscribed for new shares through the investment intermediary for that day. The summary request shall be sent to backoffice@karoll.bg, with a copy to broker@karoll.bg. At the end of the business day on the closing date for subscription of new shares, the relevant investment intermediary shall send to "Karoll" AD, at the e-mail addresses indicated in the preceding sentence, scans of the signed applications of the individual employees who have applied for subscription of new shares through that investment intermediary, as well as summary information on the applications submitted by employees through the relevant investment intermediary for the entire period for subscription of new shares, signed with a qualified electronic signature by the persons representing them.

When accepting orders for subscription of new shares, the respective investment intermediaries shall comply with their obligations provided for in the applicable legislation and, when transmitting the aggregated information on the applications submitted to them, declare to Karoll AD that (i) they have established the identity of the investor subscribing shares and of their representative/proxy (if applicable), as well as the validity and authenticity of the identity documents presented by the latter and (ii) the client has fulfilled its obligation to pay the full issue price of the subscribed shares.

Karoll AD carries out a subsequent verification of the right of the persons who have ordered the subscriptions for shares in the capital increase, in accordance with a list drawn by the Board of Directors of Shelly Group PLC and provided by the Company to Karoll AD, containing the names of the Employees entitled to subscribe for shares in the capital increase and the individually determined number of shares each of them is entitled to subscribe for

The application shall be made in a standard form and shall contain the normative requisites, including:

- Full name and unique client number of the investor and of his proxy at the investment intermediary, if such numbers have not been assigned – full name according to the identity document, the Personal Number (other personal identification number), residence and address, accordingly company name, UIC (BULSTAT, other identification code, register of entry), seat and registered office of the investor and of their representative or proxy;
- issuer (Shelly Group PLC) and ISIN (BG1100003166) of the shares;
- number of exercised rights;
- number of subscribed shares that are the subject of the application;
- bank account of the investor (for refund of the paid amounts in case of unsuccessful completion of the subscription): IBAN, BIC code, bank;
- date, time and place of submission of the application;
- signature of the person submitting the application, of their legal representative or proxy.

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In order to facilitate investors, a sample of the subscription application shall be published for the period of the Offering in the relevant section of the website of the authorized investment intermediary Karoll AD (<https://karollbroker.bg>).

The application shall be submitted in person or through a proxy, authorized under an explicit notarized power of attorney. When filing the application, the following documents must be presented, in addition to the other documents required pursuant to the applicable legislation on measures against money laundering:

- Copy of the identity document of the relevant investor, certified with a “True Copy” stamp, date and signature;
- Original copy of a notarized explicit power of attorney and a copy of the identity document of the proxy (if the application is submitted via proxy) certified with a “True Copy” stamp, date and signature;

The relevant documents, declarations and etc., required pursuant to the applicable normative instruments regulating the activities of investment intermediaries, implementation of anti-money laundering measures and so on, shall be signed and enclosed with the application. The subscribed shares shall be paid at latest by the end date of the period for share subscription, to the Issuer’s bank account indicated in item 5.1.5.

Subscription of shares shall be considered valid only if made by a rights holder – Employee – up to the maximum possible number of shares, designated for him/her, in accordance with the list prepared by the Board of Directors of Shelly Group PLC, and if the entire issue price of the subscribed shares has been paid within the period and in accordance with the terms and conditions specified in item 5.1.5 below. In case of partial payment of the issue price, the number of shares, for which it was paid in full, shall be considered subscribed. The submission of applications by persons who are not entitled to participate in this capital increase, according to the list prepared by the Board of Directors of Shelly Group PLC, will not be processed.

Reduction and extension of the period of the offering

The periods indicated in 5.1.2 hereof shall not be subject to reduction.

If all offered shares are subscribed prior to the end date, the Company shall declare the offering to be successful, shall undertake steps to record the capital increase in the commercial register and to register the new share issue at the FSC and Central Depository AD.

The Issuer may extend the subscription period once for up to 60 days, making the respective amendments in Document and announcing them on the webpage of the Issuer’s website (<http://www.allterco.com>) and on the website of the authorized investment intermediary Karoll AD (<https://karollbroker.bg>). In this case, the last day of the extended period is considered the end date for subscription. The Issuer shall promptly announce the extension on the Issuer’s website (<http://www.allterco.com>) and on the website of the authorized investment intermediary Karoll AD (<https://karollbroker.bg>).

Date of issue of the new shares

The capital increase shall take effect as of the date, on which it is registered in the commercial register. The new shares shall be issued upon registration of the capital increase in Central Depository AD.

Timetable of the Offering

Confirmation of the Information Document	27.06.2023
Start date for subscription of new shares	28.06.2023
Last day for subscription of shares and for their payment	29.06.2023
Registration of the capital increase in the commercial register	(on or around) 07.07.2023
Registration of the new share issue at Central Depository AD	(on or around) 14.07.2023
Recording the new share issue in the register kept by the FSC	(on or around) 21.07.2023
Start date of the trading of new shares on Bulgarian Stock Exchange AD	(on or around) 04.09.2023
Start date of the trading of new shares on Frankfurt Stock Exchange	(on or around) 04.09.2023

The time limits above stated as “on or around” are provisional and are based on the following assumptions: (1) the periods of the offering will not change; (2) the time limits indicated in the timetable shall be observed without any delay and (3) the procedures before the relevant institutions shall run in the shortest possible time as per their practice. The exact date could be before or after the indicated date.

5.1.3. POSSIBILITIES FOR REDUCING THE SUBSCRIPTION

The number of offered shares shall not be subject to any changes.

If all shares from this issue are subscribed prior to the end date of the Offering, the Issuer shall undertake the necessary actions to register the capital increase in the commercial register and the new issue at the Central Depository AD and in the FSC register.

If by the end date of the subscription at least 1 (one) share of the offered shares is subscribed, the offering shall be considered successful and completed for the relevant number of subscribed and paid shares and accordingly, the procedure described in the preceding paragraph shall be followed.

The manner of implementation of the offer – to specific eligible persons, each of whom is entitled to subscribe for up to a certain number of shares, excludes the possibility of subscribing for more than the offered shares and of competition between applications.

In the event that no Shares are subscribed for by the Subscription Deadline, the Offering will be deemed unsuccessful.

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5.1.4. MINIMUM AND MAXIMUM SUBSCRIPTION AMOUNT

Each eligible person may subscribe for at least 1 (one) share and at most such number of shares as is equal to the number allotted to him in accordance with an intentional named list drawn up by the Board of Directors of Shelly Group PLC.

The procedure of Offering – to specific eligible persons, each of whom is entitled to subscribe for up to a certain number of shares, excludes the possibility of subscribing for more than the offered shares and of competition between applications, respectively the maximum subscription amount is 50,981 shares.

5.1.5. METHODS AND TIME LIMITS FOR PAYMENT AND DELIVERY OF THE SECURITIES

Payment of the issue price of the subscribed shares shall be made to a special escrow account, opened in the name of Shelly Group PLC,

IBAN: BG91STSA93000029999097

BIC: STSABGSF

Commercial bank: DSK AD

The escrow account must be credited with the contribution against the subscribed shares latest by the end of the last day for subscription of shares. The proof of payment shall be the payment order or the deposit slip. The payment order or the deposit slip must contain the name of the individual/company name, its Personal Number/UIC (for Bulgarian entities), accordingly relevant identification details of foreign investors, the reasons for the payment – subscription of shares from the capital increase of Shelly Group PLC, as well as the number of shares, for which subscription has been requested.

The funds raised in the special account cannot be used prior to the completion of the subscription and recording of the capital increase in the commercial register.

If, by the expiration of the end date for the subscription at least 1 (one) shares, subject to this offering, are subscribed and paid, the Offering shall be considered successful and the Issuer shall undertake the relevant steps to record the capital increase in the commercial register and to register the new share issue at Central Depository AD. The new shares shall be issued upon registration of the share issue from the capital increase at Central Depository AD, which shall register the respective number of shares to accounts (new or existing) of the persons who have subscribed the shares of the capital increase. The investors may request documents certifying the shares acquired by them, which shall be issued by Central Depository AD through the relevant investment intermediary based on a request of the shareholder and pursuant to the Rules of Procedure of Central Depository AD.

5.1.6. ANNOUNCING THE RESULTS OF THE OFFERING

Within a period of three business days after completion of the Offering (see item 5.1.3 above), Shelly Group PLC shall publish the relevant information on the websites of the Issuer's website (<http://www.allterco.com>) and on the website of the authorized investment intermediary Karoll AD (<https://karollbroker.bg>).

5.1.7. PRE-EMPTIVE RIGHT

In relation to the Offering, the right of the existing shareholders to acquire the relevant portion of the new shares on a pre-emptive basis pursuant to Article 112, para. 1 Public Offering of Securities Act. Shares subject to the Offering are only to be subscribed for by the Investors to whom this Offering is addressed up to the amount determined for the relevant Investor whereas the right to subscribe for Shares under the Offering is non-transferable.

5.1.8. SIZE OF THE ISSUE

The subject of the offering is 50,981 shares from the capital increase of Shelly Group PLC with a single nominal value of BGN 1 (one) and an issue price of BGN 1.00 (one) each.

The size of the offered issue shall not be subject to changes. The conditions for subscription of shares from this capital increase exclude the possibility to subscribe for more shares than offered. In the event that less than the Offer Shares are subscribed for, the Placing will be successful and accordingly the issue of New Shares will be issued if not less than one (1) Share is subscribed for and paid for. Accordingly, the maximum size of the new issue is 50,981 shares (maximum nominal capital increase of BGN 50,981) and its minimum size is one (1) share (minimum nominal capital increase of BGN 1).

In the event of a successful Offering (where at least 1 share is subscribed for) resulting in the capital increase not being entered in the Commercial Register, the Issuer will notify this circumstance in accordance with clause 5.1.6, specifying in the notice the terms and conditions for the return of the sums raised within one month of the notice.

5.1.9. CONDITIONS FOR CANCELLATION OF THE OFFERING

The Company does not intend to terminate or suspend the offering. Nevertheless, the Company assumes that upon occurrence of negative events that could affect the success of the offering, including events of a force majeure nature (e.g. a financial market crash, natural disasters, terrorist acts etc.), the offering may be suspended or terminated based on a resolution of the Board of Directors of the Company. If this is the case, the Issuer must immediately announce the termination of the offering, informing the FSC and publishing announcements on its website, on the website of the authorized intermediary and on www.x3news.com information agency.

Offering, accordingly trading of the shares after they are issued, may be terminated or suspended, as follows:

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- The FSC may suspend the public offering or admission to trading on a regulated market for no more than 10 consecutive business days in each individual case, if there are sufficient reasons to believe that the provisions of the law or its implementing instruments have been infringed, and it may prohibit carrying out of the public offering if there are sufficient reasons to believe that the provisions of the law or its implementing instruments are infringed or will be infringed;
- In case infringements of POSA, its implementing acts, decisions of the FSC or of the Deputy Chair of the FSC, in charge of Investment Activity Supervision, are found and in cases where the supervisory activities of the FSC have been impeded or investor interests are jeopardized, the FSC may suspend the sale or carrying out of transactions with certain securities for a period of up to 10 consecutive days;
- In case of establishing infringements of MFIA, its implementing instruments, of the applicable instruments of the European Union or of other internal acts of the trading venues approved by the Commission, of the decisions of the FSC or of the Deputy Chairperson, as well as if the supervisory activities of the FSC are impeded or investor interests are jeopardized, the FSC may suspend trading with certain financial instruments or to remove financial instruments from trading on a regulated market or from another trading system;
- The BSE/FSE may suspend trading of financial instruments or remove financial instruments from trading if they are not in compliance with the requirements set forth in the rules of the regulated market, if this will not result in material damage to investor interests and the due functioning of the market;
- In order to prevent and stop administrative offences under the Measures against Market Abuse with Financial Instruments Act, of the applicable EU instruments, for prevention and removal of their resulting damages, and in case the supervisory activities of the FSC or of the deputy chairperson are impeded or if investor interests are jeopardized, the FSC may discontinue trading of certain financial instruments.

5.1.10. WITHDRAWAL OF THE APPLICATION FOR SUBSCRIPTION OF SECURITIES

An investor may not withdraw their application.

5.2. PLAN FOR DISTRIBUTION AND ALLOCATION

Shares, the subject of the Offering, are offered and may be subscribed for only by the Investors, the offerees of this Offering, up to the amount determined for the respective Investor. Investors shall be notified that the respective investment intermediary, keeping the account for the securities held, has received the shares subscribed and paid by them. The Issuer's obligation is only to announce the result of the offering and to undertake the necessary steps for registration of the issue and its admission to trading, whereas relations with the individual investors shall be maintained by their respective investment intermediaries.

The Issuer shall apply for admission of the new share issue that is the subject of this offering for trading on the regulated market organized by BSE and FSE after the capital increase is recorded

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in the commercial register and after registration of the new shares at Central Depository AD and entry of the issue in the FSC register. Trading will be possible after the new shares have been admitted for trading and a date, as of which they will be traded, has been set.

5.3. PRICE

The shares shall be offered at an issue price of BGN 1.00 per share.

The issue value has been determined in accordance with the specific objectives of the particular capital increase, namely to further incentivize the Employees of Shelly Group PLC and its subsidiaries through the provision of preferential terms to the employees of the Group to acquire shares in Shelly Group PLC. The opportunity to participate in the capital must be available to Employees, while requiring an investment of their funds that ties them not only to the Company's objectives, but also to the objectives of investors. In this regard, an issue value of 1 lev per share will ensure, on the one hand, the interest of the Employees to participate in the increase and, on the other hand, to invest their own funds, albeit at the minimum amount required by law (the issue value of the new shares is equal to the nominal value).

Investors are charged with the costs of fees and commissions of the investment intermediaries through which they submit applications for subscription of shares, purchase of rights, fees to the BSE/FSE, "Central Depository" JSC and payment institutions related to the subscription of the offered shares, including fees for opening and maintaining securities accounts. In the event that applications for subscription of Shares are submitted directly to Carol plc, the IP handling the increase, investors will not owe any commission to the servicing intermediary.

5.3.1. PROCEDURE FOR ANNOUNCEMENT OF THE PRICE

The offering price announced herein shall not be subject to any changes, accordingly, there is no obligation to make announcements in this respect, except in this Information Document.

5.3.2. PRE-EMPTIVE RIGHT

The right of the current shareholders to subscribe with priority for the offered shares is limited on the basis of Art. 112, para. 3 of the Public Offering of Securities Act. Shares subject to the Offering shall only be subscribed for by the Investors to whom this Offering is addressed, up to the amount determined for the relevant Investor, whereas the right to subscribe for Shares under the Offering is non-transferable.

5.4. PLACING AND UNDERWRITING OF THE ISSUANCE

Karoll AD is the authorized investment intermediary for the offering of the share issue – that is the subject of this Document, and it undertakes to assist in preparing the offering of the shares from the capital increase and to participate in their placing, including to consult the Company in relation to the necessary actions, the time limits and terms and conditions of the offering, to review the prepared Information Document and give opinions on it, including in relation to

subsequent changes in the Information Document; to assist the Company in preparing the relevant marketing materials and in conducting a road-show and meeting with potential investors in connection of the offering of the shares from the capital increase; to present the offered shares before target investors and to make maximum efforts for their placing among these investors; to service the public offering and the share subscription and to coordinate the payment of the issue price of the subscribed shares and to assist for their issuing and admission to trading and to take all necessary steps in this respect, by preparing and submitting the necessary documents, communicating, corresponding, requiring and obtaining documents related to the activities for servicing of the Company capital increase and carrying out the respective registrations connected to or resulting from the latter. The office addresses of the authorized investment intermediary are indicated in item 5.1.2 hereof.

The offered shares are not and will not be the object of an underwriting agreement.

The depository institution for Shelly Group PLC shares is the Central Depository AD, registered office: Sofia city, 6 Tri Ushi Street, floor 4.

The bank where the escrow account for payment of the issue price of the subscribed shares that are the subject of this Information Document is BANK DSK AD.

6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

6.1. ADMISSION TO TRADING

If the Offering is completed successfully, after registration the Company's capital increase in the commercial register, an application for registration of the new shares in Central Depository AD shall be filed and subsequently – for recording of the new issue in the register kept by the FSC.

Once the above-described registration is carried out, the Company will file an application to BSE and FSE to admit the newly issued shares for trading on a regulated market. Execution of transaction may begin as of the date set by the Board of Directors of BSE and FSE.

6.2. REGULATED MARKETS

As at the date of this Information Document, Shelly Group PLC shares that are of the same class as the offered shares, are traded on the BSE Premium Market and FSE Prime Standard. Upon admission to trading the shares subject of the Offering will be trade in the same market segments.

6.3. SIMULTANEOUS PUBLIC OR PRIVATE PLACING OF THE SAME OR A DIFFERENT CLASS OF SECURITIES

There is no other public or private subscription of shares from the same or another class or for other securities organized at the same time as the issuing of the offered shares and for which admission to trading on the BSE will be requested.

The shares of this issue are offered simultaneously on the territories of the Republic of Bulgaria,.

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7. DILUTION

In the event of an increase in the total number of shares into which the capital of a company has been allocated, the percentage of the company's capital held by the shareholders, respectively their voting rights in the General Meeting of Shareholders, shall be reduced if they do not subscribe for their shares due to them from the increase. As at the date of the Information Document, the number of shares issued by the Company is 17,999,999. The newly issued shares as a result of the Placing are 50,981 shares at the maximum issue size, and 1 share at the minimum issue size. The total number of shares issued by the Company in the event of a successful Placing will be 18,050,980 at the maximum issue size and 18,000,000 at the minimum issue size. To calculate the immediate dilution of the shareholding of the shareholders and their voting rights who do not participate in the capital increase of the Company, the proportion of the number of newly issued shares in the total number of shares after the increase is calculated. As such, any Shareholder who has not participated by subscribing for new Shares (existing Shareholders are not eligible to participate in the Placing unless they are Employees) will have their participation diluted as shown in Table 2 here below:

Table 2: Dilution of participation in case of a maximum and minimum size of the issue

Indicator	Minimum size of the issue	Maximum size of the issue
Number of issued shares as at the date of this Information Document	17,999,999	
Number of subscribed shares in the Offering	1	50,981
Total number of issued shares as a result of the offering	18,000,000	18,050,980
Dilution of the participation in the capital, %	5.55%	0.28%

The terms of this Offering provide for an issue price per newly issued Share (the "Price") of BGN 1.00, which is lower than the book value per Share prior to the Offering.

	Prior to the increase (as of 31.03.2023)	
	Consolidated basis	Individual basis
Number of shares issued as of the Document date	17,999,999	
Issuance value per 1 share in BGN	1,00	
Shareholders' equity (BGN thousand)	85 135	27 934
Shareholders' equity referring to the shareholders' equity holders of the Parent Company (in BGN thousand)	85 381	27 934
Balance value of share in BGN	4.74	1.55

Source: Unaudited interim consolidated and individual financial statements of the Issuer as of 31.03.2023

This Offering is reserved for a certain group of investors, namely – Employees of Shelly Group PLC and its subsidiaries registered in the territory of the Republic of Bulgaria, with the exception of members of the Board of Directors of Shelly Group PLC, accordingly there will be a dilution of the share capital of existing shareholders as a result of such reservation.

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8. ADDITIONAL INFORMATION

This Information Document does not contain statements, reports or other expert opinions of third parties.

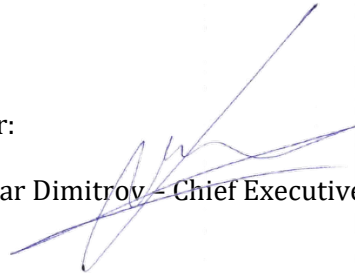
This Information Document does not contain other information, audited or reviewed by statutory auditors.

In connection with the Issuer has engaged the services of a legal consultant, Spasov & Bratanov Law Firm, BULSTAT 130087001, for the preparation of this document, the conduct of the Offering, the announcement of the results and the registration of the Capital Increase and the new issue of Shares.

THE UNDERSIGNED, IN HIS CAPACITY AS CHIEF EXECUTIVE OFFICER OF THE ISSUER, DECLARES BY HIS SIGNATURE THAT THE INFORMATION DOCUMENT COMPLIES WITH THE REQUIREMENTS OF THE LAW.

For the Issuer:

Dimitar Dimitrov - Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Dimitar Dimitrov', written over a faint rectangular stamp.