

DIVIDEND POLICY

SIRMA GROUP HOLDING Jsc.

Introduction

Sirma Group Holding Jsc. (the “Company”) intends to pay dividends to its shareholders and will use the guidelines herein to determine and pay such dividend as is approved.

The policy shall accordingly be employed in determining any claim by any shareholder, individual or institution regarding the dividend payable by the Company, subject to any provisions in the Company’s Articles of Association.

Definition

“Dividend(s)” refers to either an interim or final Dividend.

Declaration and Payment of Dividends

1. The dividend policy of the Company is to distribute to its shareholders surplus funds from its distributable profits and/or general reserves, as may be determined by the General Assembly meeting of shareholders, subject to:

- a) The recognition of profit and availability of cash for distribution;
- b) Any banking or other funding requirements by which the Company is bound from time to time;
- c) The operating and investment needs of the Company;
- d) The anticipated future growth and earnings of the Company;
- e) Provisions of the Company’s Articles of Association;
- f) Emerging trends in Dividend payouts in the industry; and
- g) Any relevant applicable laws.

2. The Company shall endeavor to maintain a dividend payout ratio of not less than 50% of net earnings, subject to the above considerations.

3. The Company’s Board of Directors shall be responsible for executing all resolutions on the declaration and payment of dividends.

4. The Company will not declare any Dividends where the law prevents such payment and if there are reasonable grounds for believing that the Company is or would be, after a Dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due.

5. The decision to declare and pay Dividends shall be approved at the shareholders Annual General Meeting (“AGM”), upon the recommendation of the Board of Directors. It shall be a separate agenda item at the AGM.

6. The Board of Directors may in its discretion propose an interim Dividend, should the Articles of Association and the Law allow this, based on profits arrived at as per quarterly or half yearly unaudited financial results or were generated by one-off liquidity event like a major asset sale.

7. The list of persons entitled to receive Dividends at the cut-off date shall be prepared by the Central Depository according to the Company’s instructions and prevailing legislation. The time, place and procedure for payment of Dividends shall be publicly communicated to shareholders in advance of the register cut-off date.

8. Any unclaimed Dividends shall be dealt with in accordance with the Bulgarian Law.

9. No interest shall accrue on unclaimed Dividends held by the Company.

Policy Context

This Dividend Policy Statement is formulated in accordance with the Bulgarian legislation and internationally recognized best practices and principles.

Amendment

This Policy Statement shall be effective from the date of execution for the next three fiscal years and may be amended from time to time by the Board of Directors of the Company and approved by the General Assembly meeting of shareholders.

Disclaimer

The above Policy Statement does not represent a commitment on the future Dividends of the Company but represents a general guidance on the Dividend Policy.

Policy Approval

This policy was approved by the Company's Board of Directors on September 29, 2022.

Dividend Payment Schedule

An exemplary dividend payment schedule is presented in Appendix 1 below. It is subject to the approval of the General Assembly meeting of shareholders for every separate fiscal year and every single case of interim dividend payment.

APPENDIX 1

Dividend payment schedule as proposed by the Board of Directors subject to the respective change in Articles of Association regarding payment of interim dividends and subject to the approval of the respective General Assembly meeting of shareholders:

1. 4Q2022 – interim (half year) dividend payment in the amount of 0.015 BGN per share due to the finalization of the deal for the sale of shares in Sirma AI JSC, paid from the proceeds of the deal against retained and half year earnings;
2. 3Q2023:
 - a. regular dividend payment in the amount of 50% of the 2022 annual earnings or 0.05 BGN per share, whichever is achievable, paid from the operational cashflow against annual and retained earnings;
 - b. regular dividend payment in the amount of 0.025 BGN per share of the 2022 annual earnings, if achievable, to balance the agreed at the 24 June 2022 AGM interim dividend for the finalization of the deal for the sale of shares in Sirma AI JSC in the total amount of 0.04 BGN per share, paid from the operational cashflow against annual and retained earnings;
3. 3Q2024 – regular dividend payment in the amount of 50% of the 2023 annual earnings or 0.05 BGN per share, whichever is achievable, paid from the operational cashflow against annual and retained earnings;
4. 3Q2025 – regular dividend payment in the amount of 50% of the 2024 annual earnings or 0.05 BGN per share, whichever is achievable, paid from the operational cashflow against annual and retained earnings.