

**INSIDE INFORMATION ABOUT THE FACTS AND CIRCUMSTANCES OCCURRED IN
SIRMA GROUP HOLDING JSC
DURING THE FOURTH QUARTER OF 2022**

1.1. *Change of persons exercising control over the company.*

On 24 June 2022, the Annual general meeting of shareholders of "Sirma Group Holding" JSC decided:

- a. Removes Petar Borisov Statev as member of the Board of Directors.
- b. Elect as members of the Board of Directors:
 - Veselin Anchev Kirov
 - Yavor Ludmilov Djonev - independent member of the Board of Directors
 - Martin Veselinov Paev - independent member of the Board of Directors
 - Peyo Vasilev Popov - independent member of the Board of Directors

with remuneration and tenure commensurate with the remuneration of the current non-executive members of the Board of Directors and the tenure of the current Board of Directors.

1.2. *Opening insolvency proceedings for the company or its subsidiary and all material steps involved in the proceedings.*

During the period under review, no insolvency proceedings were opened for the company.

1.3. *Conclusion or execution of significant transactions.*

During the period under review, there was no conclusion or execution of significant transactions.

1.4. *A decision on the conclusion, termination and cancellation of a joint venture agreement.*

No decision for concluding, termination and cancellation of a joint venture was taken during the period considered.

1.5. *Change of auditors of the company and reasons for the change.*

During the period there was no change of auditors of the company.

1.6. Formation or termination of a court or arbitration case relating to the debts or claims of the company or its subsidiaries with a claiming price of at least 10 percent of the company's equity.

No court or arbitration case was opened or terminated during the period under review.

1.7. Purchase, sale or pledge of shares in companies from the issuer or its subsidiary.

- Sale of an investment in a subsidiary

On 18 January 2022, "Scaint" AD sold its investment in the subsidiary Sciant Software s.r.o in the Czech Republic for the amount of CZK 142,73.

- Purchase and sell of shares of "Sirma Group Holding" JSC from a subsidiary

By the end of Q3 2022 the subsidiary "Sirma Solutions" has acquired additional 1 500 952 shares from the capital of "Sirma Group Holding" JSC for the amount of BGN 919 524 and sold 2 906 349 shares for the amount of BGN 2 179 762.

- Sell of purchased own share of the Company

On 9 June 2022 „Sirma Group Holding“ JSC sold 499 628 purchased own shares at an average price of BGN 0.75 per share, for a total value of BGN 374 721

- Concentration of ownership of a subsidiary

On 09.06.2022, pursuant to the Strategy of „Sirma Group Holding“ JSC for ownership concentration, the shareholders of the subsidiary „Sirma Solutions“, who are also its employees, transformed their investments from shareholders of „Sirma Solutions“, into shareholders of „Sirma Group Holding“ JSC. At the same time, „Sirma Group Holding“ JSC became the sole owner of „Sirma Solutions“. The transactions for sale/purchase of shares of "Sirma Solutions" and „Sirma Group Holding“ JSC were executed on the over-the-counter market at current market prices. The following two positive effects are achieved through these transactions:

a. Synchronization of the interests of the key employees of the largest company in Sirma Group - „Sirma Solutions“, with those of the parent company, through their transformation from shareholders in „Sirma Solutions“ to shareholders in „Sirma Group Holding“ JSC;

b. „Sirma Group Holding“ JSC becomes the sole owner of its largest company „Sirma Solutions“, which will remain the only member of the Sirma Group to hold shares in the capital of „Sirma AI“ after the possible sale later this year of a majority stake in "Sirma AI" of an investment company.

- **Acquisition of a majority stake in "TBI Info" AD**

On 05.07.2022, pursuant to a decision of the Board of Directors of "Sirma Group Holding" JSC, a majority stake in the shares of the IT company "TBI Info" AD and its subsidiary "HRM Solutions" AD was acquired. A transaction has the following parameters:

- Number of employees: "TBI Info" AD has over 40 employees;
- Revenues: over BGN 3 million for 2021;
- Specialization: IT in the insurance sector and human resources management;
- Size of the acquired share of the company: 55% (fifty-five out of one hundred) of the shares of the company "TBI Info" AD.

With this deal, "TBI Info" AD officially becomes a member of Sirma Group.

- **Finalization of a transaction on the sale of a majority stake in the subsidiary "Sirma AI" AD**

On 01.09.2022, all actions regarding the sale of shares from the capital of "Sirma AI" AD to "New Frontier Technology Invest" SARL were finalized, according to the decision of the General Meeting of Shareholders of the majority owner "Sirma Group Holding" JSC from 24.06.2022 as follows:

- Subsidiary whose shares are subject to sale: "Sirma AI" AD;
- Valuation of the entire company "Sirma AI" AD: EUR 28 500 000;
- Buyer of shares: "New Frontier Technology Invest" SARL ("New Frontier Technology Invest" SARL), entered in the Luxembourg Trade Register under No. B267936;
- Sellers of shares: "Sirma Group Holding" JSC, "Sirma Solutions" AD and "Ontotext" AD;
- Proceeds from the sale: The total sale price for the shares that will be sold by "Sirma Solutions" AD, "Ontotext" AD and "Sirma Group Holding" JSC is in the amount of EUR 19 535 000, with the share of "Sirma Group Holding" JSC of EUR 6 600 714;
- Additional conditions: the buyer has contributed funds to increase the capital of "Sirma AI" AD with a cash contribution of EUR 10 750 000;
- Shareholding distribution after the capital increase: 76.2% of the company's capital belonged to "New Frontier Technology Invest" SARL, with "Sirma Solutions" AD retaining a share of 23.80% of the capital.

As a result of the received cash and the transferred shares, the commitments of all parties to the transaction have been completed.

- **Acquisition of a new commercial enterprise by a member of the Sirma Group**

On 30.09.2022, the subsidiary of "Sirma Group Holding" JSC - "Sirma Business Consulting" AD acquired the trading company "Empiriu" EAD:

- Number of employees: "Empiriu" EAD has 12 employees;
- Revenues: over BGN 1,5 million for 2021;
- Specialization: IT in the field of financial software;
- Markets: financial institutions mainly in Bulgaria.

The Board of Directors of "Sirma Group Holding" JSC and "Sirma Business Consulting" AD consider the potential synergy with the experts from the Holding companies and in particular with those from "Sirma Business Consulting" AD.

- Acquisition of a new company in the Group

On 18.10.2022, the subsidiary of "Sirma Group Holding" JSC - "Sciant" AD acquired its foreign partner - the company "ReSolutions" Shpk, registered in Albania. The transaction was entered in the Albanian Commercial Register on 15.11.2022.

Details of the transaction:

- Target acquisition: 100% of the company's capital;
- Capital of ReSolutions LLC: 100 000 albanian lek;
- Number of employees: ReSolutions has 25 employees;
- Final payment of the acquisition: 31.12.2022;
- Revenues for the period 01.01.2022 - 06.30.2022: 33 022 000 albanian lek (around BGN 560 000);
- Specialization: development and implementation of business software.

The Board of Directors of "Sirma Group Holding" JSC and "Sciant" AD consider the potential synergy with the experts from the Holding companies and in particular with those from "Sciant" AD and Sirma Sha in Albania.

1.8. Other circumstances that the Company considers may be relevant to investors in taking a decision to acquire, sell or continue to hold publicly available securities:

- Dividend payment for 2021

According to the decision of the General Shareholders' Meeting of „Sirma Group Holding“ JSC dated June 24, 2022, the company proceeds with the distribution of a cash dividend in the gross amount of BGN 0.0236 per share for 2021.

ISIN: BG1100032140

Total amount of the dividend: BGN 1 400 000

Right to receive dividend: According to the decision of the General Meeting of Shareholders, all shareholders of „Sirma Group Holding“ JSC as at 8 July 2022 have the right to receive a dividend (14 days after holding the meeting, according to Art. 115c, Para. 3 of the POSA), as they are entered in the Book of Shareholders at the Central Depository AD. Shares with a right to dividend: 59 275 672 (deducted 84 84 bought back shares).

Dividend amount for one share: gross BGN 0.0236 and net for individual shareholders BGN 0.0224.

The bank through which the dividend will be paid is the Sevlievo branch and the Central branches of United Bulgarian Bank AD (UBB AD), as indicated at any time in the List of central branches of UBB AD on the website of UBB AD www.ubb.bg, which can also be accessed at the following link: <https://www.ubb.bg/offices/central-offices>

Start date for dividend payment: August 08, 2022.

End date for dividend payment: February 2, 2023 (six months after the start date).

- **Change of name of a subsidiary of "Sirma Group Holding" JSC**

On 02.09.2022, "TBI Info" AD - a subsidiary of "Sirma Group Holding" JSC, changed its name to "Sirma InsurTech" AD.

- ***Complicated international situation***

The full-scale military invasion of Russia in Ukraine, which began on 24 February 2022, caused a wide international response and affected the countries of Europe in various aspects. The expectation is that the military conflict will have a negative impact and affect all businesses to one degree or another.

The escalation of hostilities between Russia and Ukraine, the imposition of sanctions and restrictions by the European Union, USA, Canada, Britain and other countries on Russia, the Russian Central Bank, credit institutions, companies, individuals and the closure of Russian stock exchanges, cause significant shocks, ubiquitous on financial markets. The Group has no direct exposure to Ukraine or Russia. However, the impact on the general economic situation may necessitate a revision of some assumptions and judgments. At the same time, inflationary pressures continue to increase, with military action and rising quotations on all commodities expected to increase further.

Systematic risks operate outside the Group, but have a key impact on its activities.

These risks are specific to the whole market and cannot be avoided by diversifying the risk, as they are related to the macroeconomic situation, the political situation, regional development and others.

The economic sanctions imposed on Russia by USA and the European Union in connection with the military conflict are likely to have a direct impact on the Group's activities, in relation with the indirect effects of the effect on business and consumer confidence and commodity markets.

"Sirma Group Holding" JSC informs all interested parties that the interim consolidated financial statements of the Group as at 31 December 2022 have not been verified by a registered auditor.

Date: 01.03.2023

Sofia

CEO: 
Tsvetan Alexiev