

"SIRMA GROUP HOLDING" JSC

ADDITIONAL INFORMATION CONCERNING CIRCUMSTANCES FOR 2018

(ACCORDING TO ART. 33, PAR. 1, ITEM 7 OF ORDINANCE № 2 FROM 17. 09. 2003)

This document provides information according to the requirements of Art. 33, par. 1 of Ordinance No. 2 of 17.09.2003 on Prospectuses for Public Offering of Securities and Disclosure of Inside Information by Public Companies and Other Issuers of Securities

1. Information about changes in accounting policies during the reporting period, the reasons for their performance and how they affect the issuer's financial result and equity;

There is no change in the accounting policy of Sirma Group Holding JSC (the company) for the reporting period.

2. Information on changes in the economic group of the issuer if it participates in such a group;

- A purchase of a minority stake in Ontotext

On 12.03.2018, Sirma Group Holding JSC concluded a contract for the purchase of shares by Ontotext JSC with UIC: 20356710 as follows:

- Type of transaction: purchase of all the shares owned by the seller in Ontotext JSC with UIC: 20356710;
- Seller: New Europe Venture Equity LP / Neveq;
- Buyer: Sirma Group Holding JSC;
- Number of shares: 4.187.087 (four million one hundred and eighty seven thousand and eighty seven) of the voting shares of Class A1, each with a par value of 1 / one / BGN of the capital of Ontotext JSC representing 100% of the shares grade A1 and 26.06% of the company's capital;
- Purchase price: EUR 4,200,000 (four million two hundred thousand), payable as follows:
 - EUR 2,000,000 (two million) Euro should be paid by the Buyer within three days of the endorsement of the shares, as stipulated in the present Agreement;
 - EUR 2,200,000 (two million two hundred thousand) Euro should be paid within three days following the entry in the Commercial Register of the buyer's capital increase, but not later than 15.03.2019.
- Collateral Securities: Sirma Group Holding JSC to secure the Contract for the purchase and sale of shares concluded between it and New Europe Venture Equity L.P. from 12.03.2018. In order to secure the payment of all receivables of New Europe Venture Equity L.P. - unconditional or conditional, due or impending, existing to or arising after the date of conclusion of the contract or arising in connection with the termination or nullity of this Agreement, including the deferred payment of part of the Purchase Price to the amount of EUR 2,200,000 (two million two hundred thousand Euro), as well as any interest for delay, compensation for damages, as well as costs and fees for the execution of the pledge and enforced execution, Sirma Group Holding JSC to establish the following first, unconditional and irrevocable pledge in favor of New Europe Venture Equity L.P.:
 - Type of property to be pledged: 8,195,089 existing ordinary registered shares of the capital of Ontotext JSC, owned by the Buyer, each of which has a nominal value of BGN 1, reflected in the Company's Book of Shareholders.
 - Owner / Holder: Sirma Group Holding JSC, UIC 200101236

- Pledge: (i) pledge on the above shares; (ii) a pledge of all dividends, interest or other payments that may be declared as at the date of the Contract or subsequently paid or payable arising out of or in connection with the aforementioned shares; (iii) a pledge on all liquidation shares, reimbursed capital contributions in the event of a write-down of capital and any compensation in case of termination of the Company or cancellation of shares and any other monetary claims arising from the aforementioned shares.
- Conclusion of the additional agreement: The Board of Directors empowers the Executive Director Mr. Tsvetan Alexiev to take the necessary legal and factual actions in connection with the implementation of the decisions taken, representing Sirma Group Holding JSC upon signing the Additional Agreement, by signing all necessary documents in connection with this.

On 4.10.2018 the shares of New Europe Venture Equity LP were endorsed by Sirma Group Holding JSC.

- **Merger of subsidiaries of the Holding**

Pursuant to the Strategy of Sirma Group Holding JSC, on 04.05.2018 two of the subsidiaries of the Holding were merged: Sirma Group Inc. and Sirma USA. The new company from 08.05.2018 will be Sirma Group Inc. and will be based in the USA, Idaho 83702, Boise 202 N, 9th Street Suite 303B.

- **Establishment of a new subsidiary of Sirma Group Holding JSC**

On 26.10.2018, a joint-stock company with the name "SIRMA CI" AD, Sofia, with headquarters in Sofia, district "Mladost" and registered office in Sofia, "Mladost" district, "Tsarigradsko shose" № 135, with a capital of 133 000 / one hundred and thirty three thousand / BGN, which is formed by cash contributions. The Company's share capital is divided into 133 000 ordinary shares, all of them with a nominal value of BGN 1 each and an issue value equal to the nominal value. The subject of activity of Sirma SI is: Design, development, sales, deployment and information technology maintenance, systems and software products, consulting services in the field of information technologies and systems, as well as any other activity not prohibited by law in the event that one of the activities requires permission or license upon receipt of the same.

The shareholders are "Sirma Group Holding" JSC, which owns 80% of the company's capital and two individuals.

- **Increase in the capital of a subsidiary of Sirma Group Holding JSC**

On 29.10.2018, "Sirma Solutions" increased its capital by BGN 3 051 010. All 305 101 shares of the increase were acquired by "Sirma Group Holding" JSC.

- **Renaming a subsidiary of Sirma Group Holding JSC**

As of 30.11.2018, according to a decision of the sole owner – “Sirma Group Holding” JSC, the subsidiary company "Sirma Enterprise Systems" bears the name "Sirma AI".

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

There are no organizational changes within the company, such as transformation, sale of companies in the economic group, letting of property, long-term investments, cessation of activity.

4. Opinion of the Management Authority on the feasibility of making published forecasts for the results of the current financial year, taking into account the results of the current quarter, as well as information on the factors and circumstances that will influence the achievement of the forecast results for at least the next quarter ;

The financial results of the company correspond to the forecasts made in the Development Strategy of Sirma Group Holding, which is published on the company's website.

5. For public companies - data about the persons holding directly and indirectly at least 5 per cent of the votes in the general meeting at the end of the respective quarter and the changes in the votes held by the persons for the period from the end of the previous quarter;

The persons holding directly and indirectly at least 5 per cent of the votes in Sirma Group Holding JSC at the end of 2018 are respectively the following:

Shareholders	Number of shares at 31.12.2018	% Shareholding	% shareholding with deducted repurchased own shares
Veselin Antchev Kirov	4 700 786	7,92%	7,98%
Tsvetan Borisov Alexiev	4 865 753	8,20%	8,26%
Chavdar Velizarov Dimitrov	4 750 786	8,00%	8,07%
Georgi Parvanov Marinov	5 269 748	8,88%	8,95%
Ognyan Plamenov Chernokozhev	3 741 620	6,30%	6,35%

For the period 31.12.2017 - 31.12.2018 there is the following changes in the number of shares held by shareholders with at least 5 per cent of the votes of the General Meeting of Shareholders of Sirma Group Holding JSC:

- Georgi Parvanov Marinov has acquired 12 346 shares of Sirma Group Holding JSC;
- Tsvetan Borisov Aleksiev has acquired 14 377 shares of Sirma Group Holding JSC;

6. For public companies - data about the shares held by the issuer's management and supervisory authorities at the end of the respective quarter as well as the changes occurring for the period since the end of the previous quarter for each individual;

The shares held by the management and supervisory authorities of the company at the end of 2018 are as follows:

Shareholders	Number of shares at 31.12.2018	Number of shares at 31.12.2017	Nominal VALUE (BGN)	Value (BGN)	% Shareholding	% shareholding with deducted repurchased own shares
Atanas Kostadinov Kiryakov	2 887 524	2 859 965	1	2 887 524	4,86%	4,90%
Georgi Parvanov Marinov	5 269 748	5 257 402	1	5 269 748	8,88%	8,95%
Tsvetan Borisov Alexiev	4 865 753	4 851 376	1	4 865 753	8,20%	8,26%
Chavdar Velizarov Dimitrov	4 750 786	4 750 786	1	4 750 786	8,00%	8,07%
Petar Borisov Statev	10 100	10 100	1	10 100	0,02%	0,02%
Yordan Stoyanov Nedev	3 433	3 433	1	3 433	0,01%	0,01%
Total	17 787 344	17 733 062		17 787 344	29,96%	30,21%

During the 2018:

- the member of the Board of Directors Atanas Kostadinov Kiryakov acquired 27 559 shares of Sirma Group Holding JSC;
- the member of the Board of Directors Georgi Parvanov Marinov acquired 12 346 shares of Sirma Group Holding JSC;
- the member of the Board of Directors Tsvetan Borisov Alexiev acquired 14 337 shares of Sirma Group Holding JSC;

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

There are no pending litigation, administrative or arbitration proceedings concerning debts or receivables of at least 10 per cent of the company's equity and taking into account the total value of the debts or receivables of the company in all initiated proceedings exceeding 10 per cent of its own capital.

8. Information about the loans granted by the issuer or its subsidiary, providing guarantees or assuming liabilities in general to one person or its subsidiary, including related parties, indicating the nature of the relationship between the issuer and the person, the amount of unpaid principal, interest rate, repayment deadline, commitment amount, terms and term.

Lender	Recipient of the credit	Relationship with the issuer	Currency	Unsettled principal at 31.12.2018	Interest rate	End date of the contract
Sirma Group Holding	Sirma Solutions	subsidiary	BGN	801	3,75%	31.12.2019
Sirma Group Holding	Sirma AI	subsidiary	BGN	3583	5%, 5,5%	31.12.2019
Sirma Group Holding	Sirma Medical Systems	subsidiary	BGN	516	5,00%	31.12.2019
Sirma Group Holding	Engview Systems Sofia	subsidiary	BGN	60	2,5%	31.12.2019
Sirma Solutions	Sirma Media	a company under common control with key management personnel	BGN	331	10%, 7,5%, 6,5%, 4%	31.12.2019
Sirma Solutions	Sirma ISG	a company under common control with key management personnel	BGN	107	6,50%	31.12.2019

Sofia

30.04.2019

CEO:



Tsvetan Alexiev