

# **"SIRMA GROUP HOLDING" JSC**

## **ADDITIONAL INFORMATION CONCERNING CIRCUMSTANCES CURRENT AS OF 31.03.2018**

**(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 contract for the purchase of a minority stake in Ontotext**

On March 12, 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 El PI / Assignee of the Nevec venture capital fund;
- 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 1,000,000 (EUR 1 million) shall be paid by the Buyer for the end of the Shares, as agreed in the contract;

EUR 1,000,000 (one million) euro should be paid by Buyer by 30.06.2018;

EUR 2,200,000 (two million two hundred thousand) euros should be paid within three days after entering the Buyer's capital increase in the Commercial Register, but not later than 15 March 2019;

- Secured Transactions:

BETWEEN 1:

Type of assets to be pledged: 1,968,131 book-entry shares of Sirma Group Holding owned by Tsvetan Borisov Alexiev, each with a nominal value of BGN 1 denominated in the Central Depository.

BETWEEN 2:

Type of assets to be settled: 1,968,130 dematerialized shares of Sirma Group Holding, owned by Atanas Kostadinov Kiriakov, each with a nominal value of BGN 1 (one lev), reflected in the Central Depository.

BETWEEN 3:

Type of property to be settled: 1,968,130 dematerialized shares of Sirma Group Holding, owned by Georgi Parvanov Marinov, each with a nominal value of BGN 1 (one lev), reflected in the Central Depository.

- Date of transfer of the shares: The transfer of the Shares from the Seller to the Purchaser will take place on the business day following the day on which the following conditions are met:
  - Buyer must certify that the bets (described above) are duly established in favor of the Seller;
  - The parties provide all corporate decisions, powers of attorney, certificates, declarations and other supporting documentation that is necessary in connection with the transfer of the Shares from the Seller to the Purchaser;
- Changes in the management bodies of Ontotext JSC: Zlatolina Mukova and Konstantin Petrov leave the Board of Directors of Ontotext JSC.
- Method of financing the first tranche of the purchase: investment bank credit.

Currently, the deal is not closed due to the expiration of the fund and waiting for the record of its continuation.

#### - **Decision on the purchase of own shares by Sirma Enterprise Systems**

On 12.03.2018 The General Meeting of Shareholders of Sirma Enterprise Systems adopts a decision Sirma Enterprise Systems to buy back own shares, owned by shareholders in the company. The board of directors will execute the redemption under the following conditions:

- The maximum number of redemption shares is 2024 (two thousand and twenty-four) ordinary shares;
- Price - 49,60 BGN per share and maximum price 49,60 BGN per share.
- The buyout deadline is 30.04.2018.
- Way of redemption - with a purchase contract

Pursuant to Article 6, paragraph 1 of the Statute of Sirma Enterprise Systems provides that the shareholder offers his shares to the Company for redemption upon termination of the employment relationship between the shareholder holding Class A shares and the Company.

Redemption will take place under the following conditions:

- The maximum number of shares to be redeemed is 11 068 (eleven thousand and sixty-eight) of the nominal, Class A shares;
- Price: 1/3 of the nominal value of the shares or 3.33 BGN per share.
- Way of redemption - with a purchase contract.

- **Creation of Sirma Software Inc. and separation of intangible assets to create the SENPAI cognitive platform in it.**

On March 13, 2018, a new subsidiary of Sirma USA Inc., a part of Sirma Group Holding JSC - Sirma Software Inc., was set up as follows:

- Name: Sirma Software Inc., Delaware;
- Address: Coastal Highway 16192, City of Lewes, County of Sussex, Delaware 19958, USA;
- Capital: USD 11,711,476;
- Shares: 11,711,476 ordinary shares with a nominal price of USD 1.00;
- Owner of the capital: 100% Sirma USA Inc.;
- Management: a one-tier management system with a board of directors;
- Chairman of the Board of Directors - Tsvetan Alexiev;
- Executive Director - Deyan Nenov.

The Company was created for the purpose of separating Sirma Group Holding's assets from Sirma USA in the newly established company, according to the Group's Strategy.

On March 14, 2018, with a share transfer agreement concluded between Sirma USA Inc. on the one hand and Sirma Solutions JSC and Sirma Group Inc. on the other, all 11,711,476 ordinary shares with a nominal price of USD 1.00 from the capital of Sirma Software Inc. was transferred to Sirma Solutions JSC and Sirma Group Inc. in 97.5% of the capital (11,418,689 shares) of Sirma Solutions JSC and 2.5% of the capital (292,787 shares) of " Sirma Group Inc. ".

The deal is part of a series of actions to separate Sirma Group Holding's core assets from Sirma USA at Sirma Software Inc., in line with the Group's Strategy.

### **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 Company has no published estimates for the current financial year as well as information on the factors and circumstances that will affect the achievement of the forecast results for at least the next quarter.

**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 Q1 2018 are respectively the following:

Shareholders	Number of shares at 31.03.2018	% Shareholding	% shareholding with deducted repurchased own shares
Veselin Antchev Kirov	4 700 786	7,92%	7,98%
Tsvetan Borisov Alexiev	4 851 376	8,17%	8,24%
Chavdar Velizarov Dimitrov	4 750 786	8,00%	8,07%
Georgi Parvanov Marinov	5 257 402	8,86%	8,93%
Ognyan Plamenov Chernokozhev	3 731 620	6,29%	6,34%

For the period 01.01.2018 - 31.03.2018 there has been no change 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.

**6. For public companies - data about the shares held by the issuer's management and supervisory bodies 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 bodies of the company at the end of Q1 2018 are as follows:

Shareholders	Number of shares at 31.03.2018	Number of shares at 31.12.2017	Nominal VALUE (BGN)	Value (BGN)	% Shareholding	% shareholding with deducted repurchased own shares
Atanas Kostadinov Kiryakov	2864965	2859965	1	2 864 965	4,83%	4,87%
Georgi Parvanov Marinov	5257402	5257402	1	5 257 402	8,86%	8,93%
Tsvetan Borisov Alexiev	4851376	4851376	1	4 851 376	8,17%	8,24%
Chavdar Velizarov Dimitrov	4750786	4750786	1	4 750 786	8,00%	8,07%
Petar Borisov Statev	10100	10100	1	10 100	0,02%	0,02%
Yordan Stoyanov Nedev	3433	3433	1	3 433	0,01%	0,01%
<b>Total</b>	<b>17738062</b>	<b>17733062</b>		<b>17 738 062</b>	<b>29,88%</b>	<b>30,12%</b>

During Q1 2018 :

- Atanas Kostadinov Kiryakov acquired 5000 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 31.03.2018	Interest rate	End date of the contract
Sirma Group Holding	Sirma Solutions	subsidiary	BGN	800	3,75%	31.12.2018
Sirma Group Holding	Sirma Enterprise Systems	subsidiary	BGN	3273	5%, 5.5%	31.12.2018
Sirma Group Holding	Sirma Medical Systems	subsidiary	BGN	485	5,00%	31.12.2018
Sirma Group Inc.	Sirma USA	a company under common control with key management personnel	USD	15		31.12.2018
Sirma Solutions	Sirma Media	a company under common control with key management personnel	BGN	331	10%, 7.5%, 6.5%, 4%	31.12.2018
Sirma Solutions	Sirma ISG	a company under common control with key management personnel	BGN	107	6,50%	31.12.2018
Sirma Solutions	Sirma Mobile	a company under common control with key management personnel	BGN	310	6,50%	31.12.2018

Sofia

28.05.2018

CEO:



Tsvetan Alexiev