

"SIRMA GROUP HOLDING" JSC

ADDITIONAL INFORMATION CONCERNING CIRCUMSTANCES CURRENT AS OF 30.09.2018

(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.

- **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.

- **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.

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 Q3 2018 are respectively the following:

Shareholders	Number of shares at 30.6.2018	% Shareholding
Veselin Antchev Kirov	4 700 786	7,92%
Tsvetan Borisov Alexiev	4 865 753	8,20%
Chavdar Velizarov Dimitrov	4 750 786	8,00%
Georgi Parvanov Marinov	5 269 748	8,88%
Ognyan Plamenov Chernokozhev	3 741 620	6,30%

For the period 30.06.2018 - 30.09.2018 there were no 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.

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 Q3 2018 are as follows:

Shareholders	Number of shares at 30.09.2018	Number of shares at 30.06.2017	Nominal VALUE (BGN)	Value (BGN)	% Shareholding	% shareholding with deducted repurchased own shares
Atanas Kostadinov Kiryakov	2 877 374	2 877 374	1	2 877 374	4,85%	4,89%
Georgi Parvanov Marinov	5 269 748	5 269 748	1	5 269 748	8,88%	8,95%
Tsvetan Borisov Alexiev	4 865 753	4 865 753	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	17 777 194	17 777 194		17 777 194	29,95%	30,19%

For the period 30.06.2018 - 30.09.2018 there were no changes in the shares held by the management and supervisory authorities of the company.

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 30.09.2018	Interest rate	End date of the contract
Sirma Group Holding	Sirma Solutions	subsidiary	BGN	801	3,75%	31.12.2018
Sirma Group Holding	Sirma Enterprise Systems	subsidiary	BGN	3568	5%, 5.5%	31.12.2018
Sirma Group Holding	Sirma Medical Systems	subsidiary	BGN	498	5,00%	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	390	6,50%	31.12.2018

Sofia

07.11.2018

CEO: 

Tsvetan Alexiev