

APPROVED  
By the Board of Directors  
(Minutes of the meeting dated “21” August 2023)

**DIVIDEND POLICY  
OF ETALON GROUP PLC**

**2023**

## **1. INTRODUCTION**

- 1.1. This Policy is prepared in accordance with the Cyprus Companies Law, Cap. 113 (as amended) (the “Companies Law”), the Articles of Association of the Company (the “Articles”) and the Company’s other internal documents.
- 1.2. The purpose of this Policy is to establish transparent principles of dividend payment and the procedure by which the amount of such dividends will be calculated.

## **2. GENERAL PROVISIONS**

- 2.1. The dividend shall be calculated on an annual basis.
- 2.2. Dividends shall be paid upon the decision of general meeting but no dividend shall exceed the amount recommended by the directors.
- 2.3. No dividend shall be paid otherwise than out of profits.
- 2.4. The Board has full discretion whether to recommend a dividend. If, in the Board’s judgment a dividend should not be declared, the Board may decline to make such a recommendation.
- 2.5. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

## **3. DIVIDEND AMOUNT CALCULATION FACTORS**

- 3.1. When making decisions relating to the recommendation on the payment of dividends, the Board will consider the following factors:
  - 3.1.1. The need to conduct the calculation of any dividend payments in a transparent manner;
  - 3.1.2. The short-term and long-term interests of the Company and its shareholders;
  - 3.1.3. The profit for the year as recorded in the Company’s audited consolidated financial statements for the previous financial year;
  - 3.1.4. The Group’s need for financial resources for business development and strategy implementation purposes;
  - 3.1.5. The ability of the Company and the Group to meet its obligations as they fall due; and

3.1.6. Any other factors that in the judgment of the Board should have an impact on the payment of dividends.

#### **4. DIVIDEND CALCULATION**

- 4.1. The range of dividend payments shall be 40%-70% of IFRS net profit adjusted for the purchase price allocation ("PPA").
- 4.2. The decision on the dividend payment shall be taken no later than May 31 of the year following the reporting year.
- 4.3. The dividend shall be paid no later than December 31 of the year following the reporting year.

#### **5. MISCELLANEOUS**

- 5.1. This Policy shall become effective upon approval by the Company's Board of Directors.
- 5.2. This Policy may only be amended or cancelled by resolution of the Company's Board of Directors.
- 5.3. In all cases, if there are discrepancies between this Policy and the norms of the applicable law, including those caused by changes in the law not reflected in this Policy, then the norms of the law shall prevail, and this Policy shall be valid in all parts not contradicting the applicable law.