



Dividend Distribution Policy



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Objectives and scope

The Management Board of Eleving Group [the “Management Board”] [the “Company”] recognizes the need to lay down a broad framework for considering decisions by the Management Board of the Company, with regard to distribution of dividend [including any interim dividend] to its equity shareholders and / or retaining or reinvesting of its profits [the “Dividend Distribution Policy” or the “Policy”].

This Policy sets out the circumstances and different factors for consideration by the Management Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the equity shareholders. This Policy is a ‘Guide’ to the decision of the Management Board for recommending dividend, which may be made after taking into consideration all the relevant circumstances enumerated hereunder and such other factors as may be decided as relevant by the Management Board.

While recommendation of dividend distributions shall be guided by this Policy, in extraordinary circumstances, the Management Board shall have complete liberty to recommend dividend in deviation to

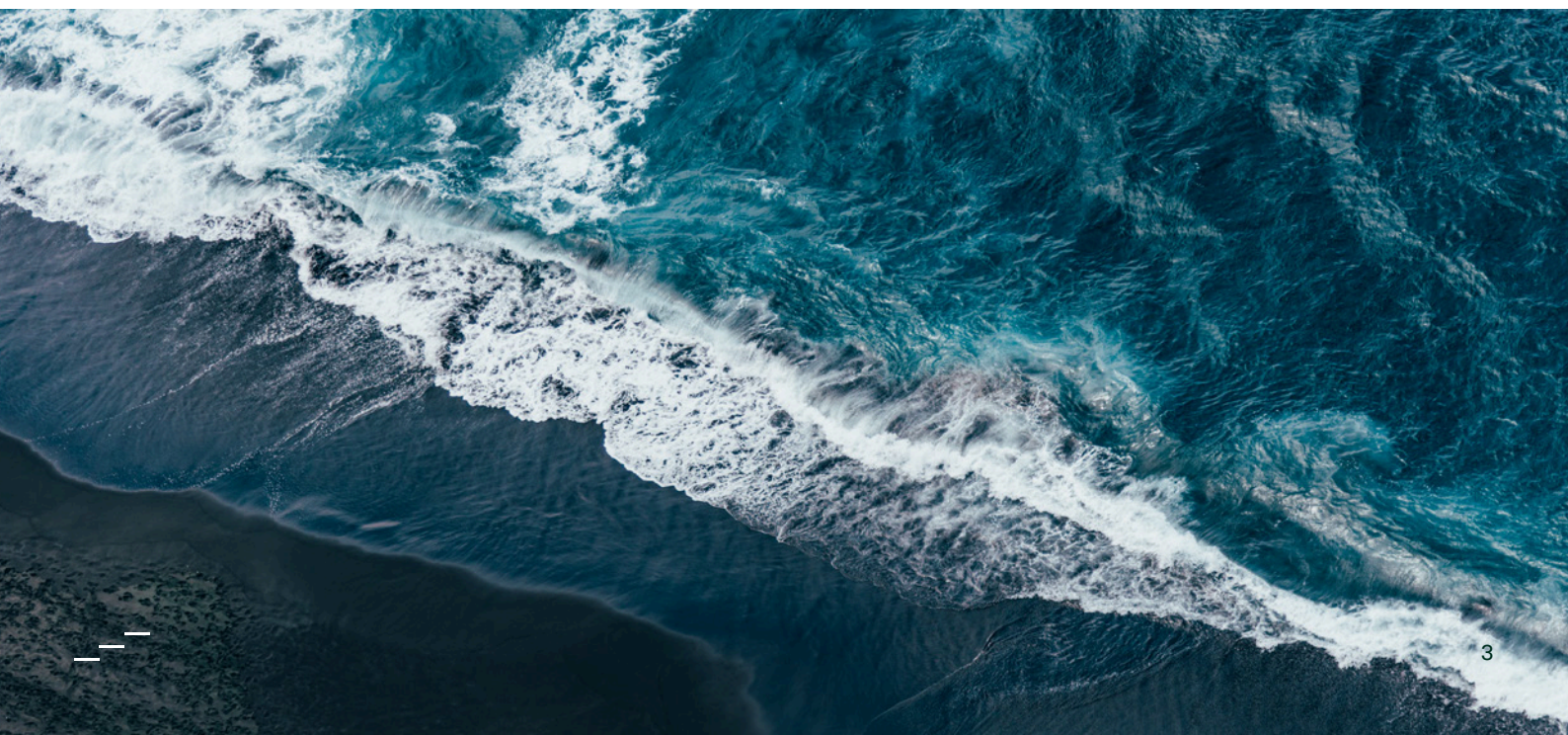
this Policy, if so deemed necessary in the best interests of the Company and its stakeholders.

This Policy reflects the intent of the Company to reward its equity shareholders by sharing a portion of its profits after adjusting for accumulated losses, if any, and also retaining sufficient funds for future growth of the Company. The Company intends to pay, subject to the circumstances and factors enlisted hereon, dividend, which shall be consistent with the performance of the Company over the years.

Subject to the considerations as provided in this Policy, the Management Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company.

This Policy shall not apply to the determination and declaring dividend on preference shares, if any.

This Policy establishes the principles of how the Management Board makes recommendations to the shareholders’ meeting regarding the distribution of profit.



General provisions relating to profit allocation and dividend payments

Annual Dividends

The shareholders' share of profits is determined based on their respective interests in the Company's share capital. In a Luxembourg public limited liability company [societe anonyme], resolutions concerning the distribution of dividends for a given financial year and the amount thereof, are adopted by the annual general meeting of shareholders related to such financial year.

The annual general meeting of shareholders decides on the allocation of the annual profit, if any. In accordance with the requirements of the laws of Luxembourg, every year at least 5% of the net profit of the Company must be set aside in order to build up the legal reserve. This allocation ceases to be compulsory when the legal reserve amounts to one-tenth of the issued share capital but shall again be compulsory if the reserve falls below such threshold of one-tenth. The remaining balance of the net profit will be at the disposal of the general meeting of shareholders. The general meeting of shareholders will also allocate profits to reserves other than the legal reserve, if such allocation is foreseen in the Articles of Association as resolved at such general meeting.

The annual general meeting of shareholders shall determine how the remainder of the annual net profits shall be disposed of and it may decide to declare and pay dividends from time to time, as in its discretion it believes best suits the corporate purpose and policy and within the limits of the Luxembourg law of August 10, 1915 concerning commercial companies, as amended from time to time [the "1915 Law"]. Dividends, when payable, will be declared and paid in any currency selected by the Company's Management Board and will be paid at the time and place fixed by the Management Board within the limits of the decision of the general meeting of shareholders.

Interim Dividends

Furthermore, interim dividends, which is an advance payment on the next coming annual dividends, may be declared and distributed, at any time, by the Management Board, provided that the Articles of Association allow the Management Board to do so. In addition, the payment of interim dividends is subject to the following conditions:

- (i) interim accounts shall be drawn-up showing that the funds available for distribution are sufficient;
- (ii) the amount to be distributed may not exceed total profits made since the end of the last financial year for which the annual accounts have been approved, plus any profits carried forward and sums drawn from reserves available for this purpose, less losses carried forward and any sums to be placed to reserve pursuant to the requirements of the law or the Articles of Association;
- (iii) the decision of the Management Board to distribute an interim dividend may not be taken more than two (2) months after the date at which the interim accounts referred to in (i) above have been made up;
- (iv) the approved statutory auditor in its report to the Management Board shall verify if the above conditions for a distribution of interim dividends have been satisfied.

The decision of the Management Board to declare and distribute interim dividends shall be approved and ratified by the next general meeting of shareholders.

Where the payments on account of interim dividends exceed the amount of the dividend subsequently decided by the general meeting, they shall, to the extent of the overpayment, be deemed to have been paid on account of the next dividend.

No dividend distribution may be decided by the annual general meeting of shareholders when, on the closing date of the last financial year, the net assets as set out in the annual accounts are, or following such distribution would become, lower than the amount of the subscribed share capital plus the legal reserve or any other reserves that may not be distributed by virtue of the articles of association of the Company or the 1915 Law.

Dividend distributions that have not been claimed within five years as from the date that they have become available shall lapse in favor of the Company in accordance with the prevailing interpretation of article 2277 of the Luxembourg Civil Code. There are no specific dividend restrictions or procedures for non-resident shareholders.

Policy principles

Eleving Group intends to pay two types of dividends, on a semi-annual basis: annual dividends [further referred to as “Annual Dividends”] and interim dividends [further referred to as “Interim Dividends”, together with the Annual Dividends, the “Dividends”].

Both Annual Dividends and Interim dividends are [i] decided upon in accordance with the procedure described in this Policy, the articles of association of the Company and the 1915 Law and [ii] paid out in accordance with the procedure described in Section 5 of this Policy.

The Dividends are decided upon in a predictable manner and paid out regularly to facilitate a balance between the long-term developmental goals of the Company, the interests of the shareholders for regular and predictable income, and the financial stability of the Company.

Dividends payout ratio would be based on equity ratio at the moment of the declaration of dividends distribution [taking into account the result post dividend payment], based on the Target Dividend Payout Ratio would be identified based on the table below.

Equity Ratio [post dividends]	Target Dividend Payout Ratio ¹ %
up to 15%	30%
15% - 20%	40%
20% - 25%	50%
Above 25%	50% + Discretionary

$$\text{Ratio} = [\text{Equity}^2 - \text{Subordinated Bonds}^3] / \text{Assets}^4$$

¹ Dividend Payout Ratio = proposed dividends amount / total net profit of the Company of the relevant period, on a consolidated basis.

² Shares and all warrants, options or other rights to acquire shares [but excluding any debt security that is convertible into, or exchangeable for, shares] taken either from the consolidated annual statements or interim financial statements of the Company.

³ Any debt security that is convertible into, or exchangeable for, shares in the Company.

⁴ Total Assets as per the consolidated annual statements or interim financial statements of the Company.



The portion of the profit to be distributed as Dividends may vary [decrease or increase] if the Management Board can substantiate the proposition.

The Management Board shall explain the considerations regarding the distribution of dividends to shareholders and other stakeholders.

Interim Dividends shall be determined based on the consolidated profit of the Company as reflected in its unaudited interim financial statements, whereas Annual Dividends shall be determined based on the consolidated profit of the Company as reflected in its audited consolidated annual financial statements.

Annual Dividends shall be adjusted to account for any Interim Dividends previously paid during the relevant year based on unaudited consolidated interim financial statements of the Company.

Dividends are only calculated and paid out for shares that have been fully paid for. The remaining portion of the profit after dividend pay-out is retained as undistributed profit.

Restriction on declaration and payment of dividends

Certain circumstances may affect the recommendation by the Management Board on the distribution of Company's profits and the shareholders may not expect Dividends to be declared by the Company such as, including but not limited to the following:

- [i] to preserve funds that are required for the growth of the Company;
- [ii] due to operation of laws applicable to the Company;
- [iii] due to losses [if any] incurred by the Company in any particular year;
- [iv] due to any restrictions or covenants contained in any agreement as may be entered with lenders or bondholders of the Company;
- [v] due to any other appropriate circumstances;
- [vi] due to the state of the economy, the Management Board would endeavour to retain larger part of profits to absorb future shocks in case of uncertain or recessionary economic conditions and in situations where the policy decisions of the government or governmental authorities have a bearing upon or affect the business of the Company;
- [vii] the Management Board will keep in mind the restrictions imposed by applicable laws and regulations with regard to declaration and distribution of Dividends;
- [viii] Luxembourg tax policies on the dividend policy of the Company and the applicable rate of tax directly influencing the amount of profits available for distribution to shareholders;
- [ix] in the event of unfavourable market conditions, the Management Board may

recommend resorting to a conservative dividend distribution in order to conserve cash outflows and reduce the cost of capital through alternative sources;

- [x] the extent of stability and magnitude of the Company's earnings, as well as the availability of any accumulated earnings, will directly affect the recommendation by the Management Board to distribute Dividends;
- [xi] if the Company does not have sufficient cash resources to make dividend payment, the Management Board may recommend reducing the amount of dividend distribution.

The Management Board may propose setting aside out of the profits of the Company such sums which may need to be applied for any reasonable purpose, including provisions intended for meeting contingencies or to be invested in such activities of the Company as the Management Board may, from time to time, consider fit. The Management Board may also propose carrying forward any profits which it may think prudent not to distribute with a view to operating needs of the Company.

The portion of profits not distributed among shareholders but retained and used in business of the Company constitutes retained earnings. Whenever retaining a part of the profits, the Company seeks to strike the right balance between the quantity of dividends paid and the amount of profits retained in the business. Retained earnings may be utilised for the internal purposes of financing projects of the Company, maintaining an adequate liquidity ratio, and funding of fixed and working capital.

Procedure for distribution of dividends

Annual Dividends

The Management Board shall draft a proposal for the shareholders' meeting regarding the allocation of profits of the audited financial statements related to the relevant year closed, in particular the pay-out procedure and the amount of dividends, considering:

- (i) the articles of association of the Company and applicable laws;
- (ii) long-term developmental goals of the Company;
- (iii) the financial situation of the Company;
- (iv) legal obligations and liabilities [if any] of the Company, such as the contractual obligations of company financing terms;
- (v) the adequacy of capital structure;
- (vi) other principles laid out in this Policy.

The Supervisory Board reviews the Management Board's recommendations pertaining to the amount and payment procedure of the Annual Dividends and provides an opinion thereon to the annual general meeting of shareholders.

The annual general meeting of shareholders decides on the amount and payment procedure of Annual Dividends.

Annual Dividends are distributed after the approval of the Company's financial statements by the annual general meeting of shareholders.

Interim Dividends

Interim Dividends are determined at least once a year based on the initiative of the Management Board after unaudited interim financial statements of the Company have been prepared and provided that the conditions set forth in the articles of association of the Company and the 1915 Law regarding the distribution of Interim Dividends are satisfied.

The decision of the Management Board to declare and distribute interim dividends shall be approved and ratified by the next general meeting of shareholders.



Dividend pay-out procedure

Annual Dividends shall be paid within a month after the annual general meeting of shareholders has approved the audited financial statements of the Company.

Interim Dividends shall be paid out at least once a year and within a month following the decision of the Management Board to proceed with a distribution of Interim Dividends.

In accordance with the law of 6 April 2013 on dematerialised securities, as amended, Dividend payments, shall be made by the Company only into the hands of the single settlement organisation appointed by the Company, and that payment shall release the Company from any and all obligations for such payment. The payment of any Dividend in cash by the Company shall be made in Euro.

The first Dividend payment according to this Policy for the entirety of the 2024 fiscal year will be made in 2025, following the approval of the audited financial statements for 2024 at the annual general meeting of shareholders.

Taxes

Dividends paid out by the Company shall be taxed in accordance with the laws of the Grand-Duchy of Luxembourg and/or the laws of the country of residence of the recipient of dividends.

Disclosure of information

This Policy and all changes therein are published and available on the website of the Company.

Effective date

This Policy shall enter into force and become effective on its Release date.

Review and amendment

The Management Board may review and amend or modify this Policy in whole or in part, at any time.

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