



# **Interim Separate Management Report**

of "Sirma Group Holding" JSC  
for Q1 2025

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# 1/ STATEMENT BY THE BOARD OF DIRECTORS OF "SIRMA GROUP HOLDING" JSC

The present interim separate report of the management of "Sirma Group Holding" JSC covers the period, ending on 31 March 2025 and was prepared in accordance with the provisions of Article 39 of the Accountancy Law and Art. 100o, para. 2 and 5 of the Law on the Public Offering of Securities (POSA), including also the established events, occurring after the balance sheet date. The structure of this report is in accordance Article 12 of Ordinance No. 2 of FSC.

The board of directors of the holding confirms that:

- there were no irregularities in which managers or employees were involved, which may be material to the consolidated financial statements;
- all material transactions are duly accounted for and reflected in the interim financial statements as at 31 March 2025;
- there is no actual or potential breach of laws and (or) other regulatory provisions that would have a material impact on the individual financial statements or could serve as a basis for reporting contingent loss;
- there are no legal or other restrictions on the flow of funds;
- there are no known trends, requests, commitments, events or occasional circumstances for which there is reason to expect that they may affect the company as a whole.

This management report contains estimates and information based on our beliefs and assumptions, using currently available information about them. Any statements contained in this report that are not historical facts are predictions. We have based these statements on the future of our current expectations, assumptions and predictions about future conditions and events. As a result, our predictions and information are exposed to uncertainties and risks, many of which are beyond our control. If one or more of these uncertainties or risks materialize or if the underlying management assumptions prove to be incorrect, our actual results may differ materially from those described in the report. We describe these risks and uncertainties in the Risk Section of the report.

The words "purpose", "predict", "accept", "believe", "in the future", "we could", "rely", "we are confident", "appreciate", "expect", "we intend", "we can", "can", "prospect", "plan", "project", "predict", "would" and other similar expressions are intended to identify these forward-looking statements. Such estimates are, for example, those made in the Business Results section of our quantitative and qualitative disclosures about market risk in accordance with International Financial Reporting Standards (IFRS), namely IFRS 7 and related statements in our Notes to the financial statements, our prospects for development, and other forecast information that appears in other parts of

this report. Unless required by law, we do not commit and we have no obligation to update or revise predictive statements as a result of new information we have received about the conditions that existed at the time of this report, future events, or otherwise unless we are obliged to do so under the law.

This report includes IT industry statistics and global economic trends that come from information published by sources including International Data Corporation (IDC), a market information and information technology consultant, telecoms and consumer technology markets; Gartner, the European Central Bank (ECB); and the International Monetary Fund (IMF). This data type is only the forecasts of IDC, the ECB, the IMF and other data sources for the global economy and industry. SIRMA does not guarantee any statistical information provided by sources such as IDC, Gartner, ECB, IMF, or other similar sources cited in this report. In addition, although we believe that information from these sources is generally reliable, this type of data is inaccurate. We warn readers not to create unnecessary dependence on this data.

In our Individual Management Report, we analyze our business activities for the reporting financial period as well as the current situation of "Sirma Group Holding" JSC. Starting from a description of our business, economic environment and strategy, we present our financial system and explain in detail our results and operations as well as our financial position and net assets. We also report on the various aspects of financial sustainability of "Sirma Group Holding" JSC and the expected development of possible risks.

The financial information presented in the "Sirma Group Holding" JSC report includes our separate financial statements, our report to the Board of Directors and some financial aspects derived from our management accountability. The non-financial data presented in the report includes aspects of intellectual, human and social rights and relationships derived from our materiality assessment.

Our annual separate financial statements have been prepared in accordance with IFRSs. Internal control over financial reporting ensures the reliability of the information presented in the separate financial statements. Our Board of Directors has confirmed the effectiveness of our internal financial reporting.

The reporting period is the financial period ending on 31 March 2025. The report includes the activity of "Sirma Group Holding" JSC.



## 2/ ORGANIZATION AND WAY OF PRESENTATION

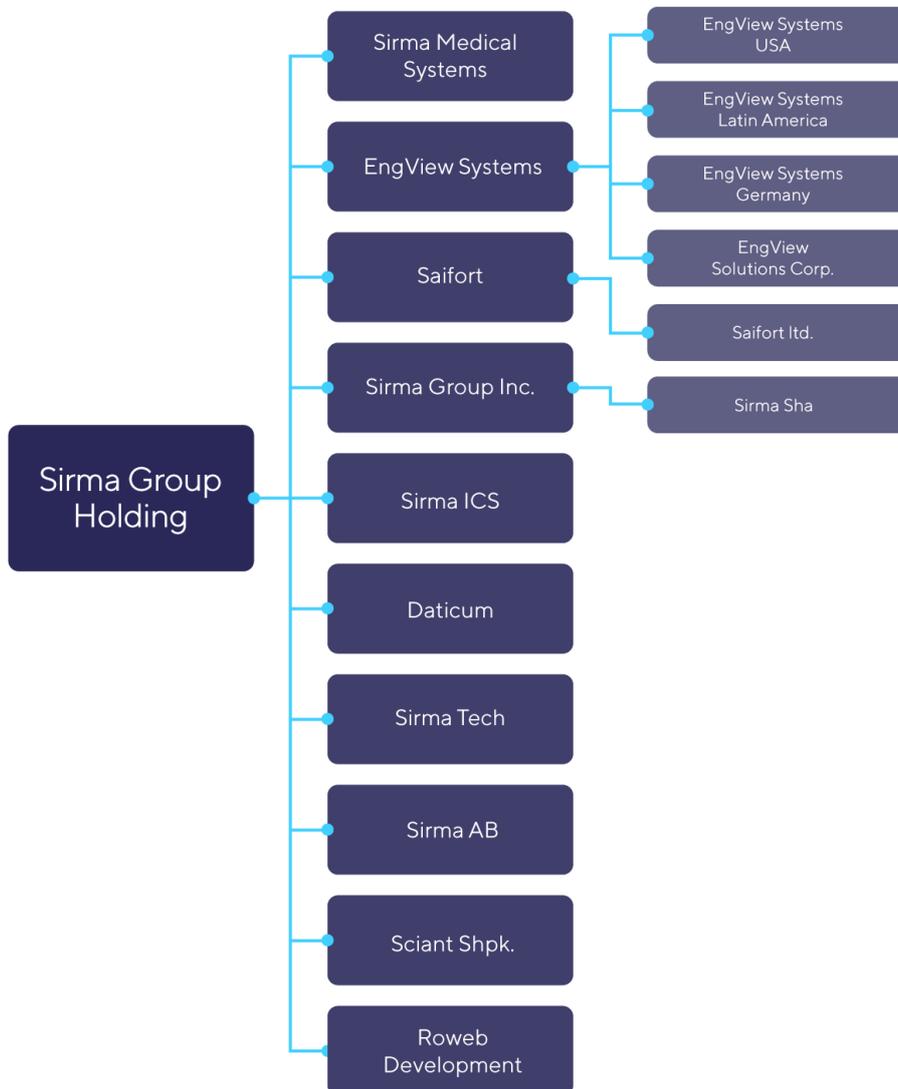
"Sirma Group Holding" JSC is a holding company which invests in technological businesses, manages them strategically and operationally, provides its subsidiaries with management, administrative, marketing and financial services.

Over the years, Sirma has created over 20 companies, investing in them a tremendous financial and human

capital. Our strategy is to create businesses, incubate them and develop them.

Generating robust growth, cost-effectiveness and consistent business results are among the company's top priorities.

### 2.1. Group structure



## HISTORY AND DEVELOPMENT OF THE COMPANY

"Sirma Group Holding" JSC is a holding company is registered on 25.04.2008 with the Registry Agency with UIC 200101236, with Seat and registered office: BULGARIA, Sofia (capital), Sofia municipality, city. Sofia, 1784, Mladost area, bul. Tsarigradsko Shosse, No 135. The name of the company changed on 23.03.2009. from "SGH" JSC to "Sirma Group Holding" JSC.

The object of activity, according to Article 4 of the Company's Articles of Association, is: acquisitions,

management, evaluation and sale of participation in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, cession of licenses to use patents in companies which the company holds, finance companies in which the company participates, organize accounting and compiling financial statements under the law of accounting. company may perform other business activities which is not prohibited by law.

### Object of activity

The Company's object of activity is acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, surrender of licenses for use of patents to companies in which the holding company

participates, financing of the companies in which the holding company participates, organization of the accounting and preparation of financial statements as per the Law for Accounting. The company may also carry out its own commercial activity, which is not prohibited by law.

From the establishment of the company until the date of this document, "Sirma Group Holding" JSC:

- does not have a transfer or pledge to the enterprise;
- does not have claims, which have been filed for the opening of insolvency proceedings of the company;
- does not have pending tenders from third parties to the Company or from the Company to other companies;

## CAPITAL

The share capital of the company amounts to BGN 59 360 518, divided into 59 360 518 dematerialized shares with nominal value of BGN 1.

- On 30.10.2015, after a successful initial public offering, the capital was increased to BGN 59 360 518 by issuing 9 523 362 new shares with nominal value per share BGN 1 and issue value BGN 1,20

Non-monetary contributions - description:

1. Software representing 29 (twenty nine) software modules.

**Value: BGN 61 555 838**

2. 81 960 number of ordinary registered shares of "Sirma Group" JSC, the company registered in the Commercial Register to the Registry Agency with UIC 040529004.

**Value: BGN 11 734 980**

3. Real Estate - Floor 3 of an office building "IT - Center Office Express" in Sofia, bul. "Tsarigradsko Shosse " N 135 with an area 796, 50 square meters, pursuant to Deed of buying and selling real estate N 126, Volume I, reg. N 4551, case N 116 from 23.04.200. and 5 floor of an office building "IT - center office Express" in Sofia bul. " Tsarigradsko Shosse " N 135 with area 281.81 square meters, according to Deed of sale of real estate N 86, Volume 4, Reg. N 10237, Case N 592 of 23.12.2004

**Value: BGN 3 911 660**

**Total Value: BGN 77 202 478**

Non-cash contributions are detailed in Article 7, paragraph 3 of the Articles of Association of the Company.



## HISTORY OF SHAREHOLDER CAPITAL

- Through an initial public offering, according to a resolution of the GMS dated 04.12.2014, an increase of the capital of "Sirma Group Holding" JSC was registered on 30.10.2015, increasing the capital to BGN 59 360 518 BGN.
- During the transformation entered in the Commercial Register on 23.10.2014, the Company's capital is reduced to 49 837 156 through the cancellation of 23 503 662 shares. This decrease is a result of the estimated fair value of the shares of "Sirma Group Holding" JSC by three independent valuers. The shareholding structure of the Company does not change as a result of the separation until the shareholding structures in the transforming and newly established companies are mirrored.
- On 22.10.2010, as a result of the decision of the regular annual general meeting of the Company's shareholders, a reduction of the capital of "Sirma Group Holding" JSC from 77,252,478 BGN to 73,340,818 BGN was recorded through the cancellation of 3,911,660 shares with a par value of one each. The Company's capital was reduced on the basis of Art. 200, para. 2, in conjunction with Art. 187f, par. 1, item 2n in Bulgarian commercial law.

- On 15.10.2008 after the adoption of three triple expert appraisals, the share capital is increased from 50 000 BGN to 77 252 478 BGN through non-cash contributions by issuing new 77 202 478 shares as follows:

- 1) 29 software modules worth 61 555 838 BGN;
- 2) Non-monetary contribution representing real estate amounting to 3 911 660 BGN:
  - Office building - offices, floor 3th and floor 5th of an office building, located in Sofia, 135 Tsarigradsko shose Blvd., owned by "Sirma Group" JSC, a company registered in the Commercial Register at the Registry Agency UIC 040529004, with headquarters and address of management in Sofia, Mladost district, 135 Tsarigradsko shose Blvd., accepted as shareholder in "SGH" JSC by decision of the General Meeting of "SGH" JSC from 10.07.2008
- 3) Non-cash contribution representing shares of 11 734 980 BGN:
  - A total of 81,690 shares of the total amount of 11,734,980 BGN (143.6526 BGN per share) of the capital of "Sirma Group" JSC, registered in the Commercial Register at the Registry Agency UIC, 040529004.

## Information on the terms of any vesting rights and / or liabilities for statutory but unissued capital

"Sirma Group Holding" JSC does not have information about the terms of any acquisition and / or liabilities for statutory but unissued capital.

# 3/ PORTFOLIO OF "SIRMA GROUP HOLDING" JSC

## Subsidiaries of "Sirma Group Holding" JSC

Company	Value of the investment at 31.03.2025 (in BGN'000)	Percentage of capital at 31.03.2025	Value of the investment at 31.12.2024 (in BGN'000)	Percentage of capital at 31.12.2024
„Saifort" EAD (SAI EAD)	17 865	100%	17 865	100%
Roweb Development	11 210	51,00%	11 210	51,00%
Sirma Group Inc.	6 537	100%	6 537	100%
Sirma Tech (S&G Technology Services)	1 402	100%	1 402	100%
"Daticum" AD	468	59%	468	59%
"Sirma AB"	379	100%	338	100%
"Sirma ICS" AD	279	93,00%	279	93,00%
Sciant Shpk (ReSolutions Shpk)	256	100%	256	100%
"Sirma Medical Systems" AD	66	66,00%	66	66,00%
"EngView Systems" AD	50	72,90%	50	72,90%
"Sirma ISG" OOD	4	71%	4	71%

## INFORMATION ON PARTICIPATION

Apart from the above mentioned participations of the Company, there are no other participations which are likely to have a significant effect on the valuation of its own assets and liabilities, financial position or profits or losses.

The company has no branches.



## 4/ STRUCTURE OF SHAREHOLDERS CAPITAL AND MANAGEMENT AUTHORITIES

### 4.1. Distribution of share capital

As of 31.12.2024 the distribution of the share capital of "Sirma Group Holding" JSC is as follows:

	31.03.2025	31.12.2024
Share capital (thousand shares)	59 361	59 361
Number of shares (par value of BGN 1.00)	59 360 518	59 360 518
Total number of registered shareholders	1 169	1 160
Including legal entities	42	43
Individuals	1 127	1 117
Number of shares held by legal entities	6 968 710	7 214 055
% Of participation of entities	11,74%	12,15%
Number of shares held by individuals	52 391 808	52 146 463
% Participation of individuals	88,26%	87,85%

Shareholders	Number of shares at 31.03.2025	Number of shares at 31.12.2024	Nominal value (BGN)	Value (BGN)	% Shareholding	% of voting rights*
Georgi Parvanov Marinov	5 461 898	5 461 898	1	5 461 898	9,20%	9,47%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	1	5 025 153	8,47%	8,71%
Chavdar Velizarov Dimitrov	4 817 386	4 817 386	1	4 817 386	8,12%	8,35%
Veselin Antchev Kirov	4 767 386	4 767 386	1	4 767 386	8,03%	8,27%
Ognyan Plamenov Chernokozhev	3 741 620	3 741 620	1	3 741 620	6,30%	6,49%
Krasimir Nevelinov Bozhkov	2 534 161	2 534 161	1	2 534 161	4,27%	4,39%
Vladimir Ivanov Alexiev	2 177 583	2 177 583	1	2 177 583	3,67%	3,78%
Rosen Vasilev Varbanov	2 156 687	2 156 687	1	2 156 687	3,63%	3,74%
Emiliana Ilieva Ilieva	1 996 209	1 996 209	1	1 996 209	3,36%	3,46%
Rosen Ivanov Marinov	1 907 900	1 907 900	1	1 907 900	3,21%	3,31%
Deyan Nikolov Nenov	1 814 748	1 814 748	1	1 814 748	3,06%	3,15%
Purchased own shares	1 689 236	1 689 236	1	1 689 236	2,85%	-
Atanas Kostadinov Kiryakov	1 555 287	1 555 287	1	1 555 287	2,62%	2,70%
Yavor Liudmilov Djonev	1 066 046	1 068 046	1	1 066 046	1,80%	1,85%
Mandjukov Ltd.	860 000	860 000	1	860 000	1,45%	1,49%
Peter Nikolaev Konyarov	803 538	803 538	1	803 538	1,35%	1,39%
UPF DSK Rodina	747 036	747 036	1	747 036	1,26%	1,30%
DF Advance Invest	738 822	738 822	1	738 822	1,24%	1,28%
UPF Doverie JSC	702 126	702 126	1	702 126	1,18%	1,22%
Asen Krumov Nelchinov	650 449	650 449	1	650 449	1,10%	1,13%
Momchil Nikolov Zarev	618 153	618 153	1	618 153	1,04%	1,07%
Others	13 529 094	13 527 094	1	13 529 094	22,79%	23,46%
<b>Total</b>	<b>59 360 518</b>	<b>59 360 518</b>		<b>59 360 518</b>	<b>100%</b>	<b>100%</b>

\*Percentage of voting rights represents participation in the capital of the company net of the purchased own shares.

As of 31.03.2025 „Sirma Group Holding“ JSC holds 1 689 236 (31.12.2024 - 1 689 236) repurchased own shares at the total amount of BGN 1 689 236 (2,85% of share capital).



**Shareholders holding more than 5% of the company's capital are:**

Shareholders	Number of shares at 31.03.2025	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 461 898	9,20%	9,47%
Tsvetan Borisov Alexiev	5 025 153	8,47%	8,71%
Chavdar Velizarov Dimitrov	4 817 386	8,12%	8,35%
Veselin Antchev Kirov	4 767 386	8,03%	8,27%
Ognyan Plamenov Chernokozhev	3 741 620	6,30%	6,49%

Shareholders	Number of shares at 31.12.2024	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 461 898	9,20%	9,47%
Tsvetan Borisov Alexiev	5 025 153	8,47%	8,71%
Chavdar Velizarov Dimitrov	4 817 386	8,12%	8,35%
Veselin Antchev Kirov	4 767 386	8,03%	8,27%
Ognyan Plamenov Chernokozhev	3 741 620	6,30%	6,49%

Insofar as it is known to the Company, indicate whether the company is directly or indirectly owned or controlled and by whom and how the nature of that control and the measures introduced are introduced to avoid abusing such control.

"Sirma Group Holding" JSC is owned by its shareholders exercising full control over the company. Operational control is delegated to the Board of Directors and, respectively, the Executive Director. The company has implemented a number of internal documents aimed at regulating the work and preventing abuses. Such are the "Instruction on the Obligations and Responsibilities of Insiders with Insider Information", "Code of Conduct for Financial and Accounting Posts", "Rules of Procedure of the Board of Directors", "Good Corporate Governance Program".

Description of any arrangements known to the Company, the operation of which may at any subsequent date result in a change in the control of the Company

The Company is not aware of any arrangements the effect of which could lead to a change in the control of "Sirma Group Holding" JSC in the future.

## 4.2. Management authorities

"Sirma Group Holding" JSC has a one-tier management system - Board of Directors.

The Board of Directors as of 31.03.2025 includes the following members:

Chavdar Velizarov Dimitrov  
Tsvetan Borisov Alexiev  
Atanas Kostadinov Kiryakov  
Georgi Parvanov Marinov  
Yordan Stoyanov Nedev  
Veselin Anchev Kirov  
Yavor Ludmilov Djonev - independent member  
Martin Veselinov Paev - independent member  
Peyo Vasilev Popov - independent member

Determination of the mandate of the Board of Directors: 2 years from the date of entry.

The current mandate of the Board of Directors: 05.07.2026

The company is represented by the Executive Director of "Sirma Group Holding" JSC Tsvetan Borisov Alexiev.



## Competencies of the management

The competences of the management are in line with those listed in the Commercial Law, the Statute and the POSA.

## Stock options of the company

As of the date of this report, no options are available to the members of the Board of Directors on its shares.

## Rights of the members of the Board of Directors to acquire shares and bonds of the company

The rights of the members of the Board of Directors of the company to acquire shares from the company are regulated in the applicable legal framework. The company has no bonds issued.

## Committees in The Company

"Sirma Group Holding" JSC creates the following internal committees, which are assigned to manage the respective activities at the operational level, as well as to propose decisions to the Board of Directors of the company:

1. **The Investment, Risk and Sustainability Committee, composed of:**

*Yordan Nedev – chairman  
Stanislav Tanushev – member  
Georgi Marinov – member*

2. **Remuneration Committee, composed of:**

*Georgi Marinov – chairman  
Martin Paev – member  
Yordan Nedev – member*

3. **Information Disclosure Committee, composed of:**

*Tsvetan Alexiev – chairman  
Stanislav Tanushev – member  
Chavdar Dimitrov – member  
Atanas Kiryakov - member*

4. **Audit Committee, composed of:**

*Angel Petrov Kraychev - chairman  
Alexander Todorov Kolev - member  
Veselin Anchev Kirov – member*

## Adopted internal documents

The Company adopts the necessary internal documents related to the company's working and management processes and fulfillment of its obligations as a public company:



System of Corporate Governance	Description	Adoption	Latest review	Application
Dividend Policy	Policy for the distribution of dividends of the public company		29.09.2022	SGH
Rules for the operation of the Board of Directors	Instructions and clarifications on the duties and responsibilities of the members of the Board of Directors		2015	All subsidiaries
Remuneration Policy	Remuneration policy for the members of the Board of Directors	2015	03.08.2021	SGH
Instruction for the obligations and responsibilities of insiders	Instructions and clarifications on duties and responsibilities when accessing and working with inside information.	2015	2021	All subsidiaries
Program for good corporate governance	A system of rules that protects the interests of shareholders and other stakeholders	2015	2021	All subsidiaries
Accounting Policy	Policy which governs the accounting and control in the companies	2015	30.06.2023	All subsidiaries
Code of conduct for the financial and accounting positions	A code that guarantees the transparent and reliable preparation of financial accounting documents		2015	All subsidiaries
Anti-corruption Policy	Policy against all corruption practices and related phenomena		2015	All subsidiaries
Rules for the protection of whistleblowers	Internal Rules for Submitting Signals and Protection of Persons Submitting Signals or Publicly Disclosing Information for Violations – "Whistleblowers"		04.05.2023	All subsidiaries
Ethical code of conduct for employees	The Code establishes the norms for ethical behavior of employees at Sirma Group Holding		2020	All subsidiaries
Data protection Policy	Privacy and data protection policy for the clients of Sirma		2021	All subsidiaries
Sustainability Policy	Policy for the sustainable function and development of the companies in Sirma	2021	30.09.2023	All subsidiaries
Human rights policy	Policy, which determines attitude to human rights in Sirma	2023	25.03.2024	All subsidiaries
CSR in procurement policy	A policy that integrates CSR into Sirma's procurement practice	2023	25.03.2024	All subsidiaries

All documents are publicly available on the company's website:

<https://investors.sirma.com/investors/corporate-governance.html>

The participation of members of the Board of Directors in the capital of the Company is as follows:

Shareholders	Number of shares at 31.03.2025	Number of shares at 31.12.2024	Nominal VALUE (BGN)	Value (BGN)	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 461 898	5 461 898	1	5 461 898	9,20%	9,47%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	1	5 025 153	8,47%	8,71%
Chavdar Velizarov Dimitrov	4 817 386	4 817 386	1	4 817 386	8,12%	8,35%
Veselin Anchev Kirov	4 767 386	4 767 386	1	4 767 386	8,03%	8,27%
Atanas Kostadinov Kiryakov	1 555 287	1 555 287	1	1 555 287	2,62%	2,70%
Yavor Ludmilov Djonev	1 066 046	1 068 046	1	1 066 046	1,80%	1,85%
Martin Veselinov Paev	126 920	126 920	1	126 920	0,21%	0,22%
Yordan Stoyanov Nedev	3 433	3 433	1	3 433	0,01%	0,01%
Peyo Vasilev Popov	100	100	1	100	0,0002%	0,0002%
<b>Total</b>	<b>22 823 609</b>	<b>22 825 609</b>		<b>22 823 609</b>	<b>38,45%</b>	<b>39,58%</b>

During the period the member of the BD Yavor Ludmilov Djonev has sold 2 000 shares of the capital of the company.



## Remuneration of the members of the Board of Directors of "Sirma Group Holding" JSC

Pursuant to Article 25, paragraph 5 of the Articles of Association of the Company, each member of the Board of Directors has received a permanent gross remuneration under management contracts in the amount of 116 thousand BGN (31.03.2024 – 87 thousand BGN).

## INFORMATION ON THE CONTRACTS OF THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES WITH THE COMPANY PROVIDING BENEFITS FOR THE DISCONTINUATION OF EMPLOYMENT

In the contracts of the members of the board of directors, both with the Company itself and with subsidiaries of the Company, where such contracts are available to them, no

benefits have been provided upon termination of their contracts.

## INFORMATION ON THE COMPANY'S AUDIT COMMITTEE, INCLUDING THE NAME OF THE MEMBERS OF THE COMMITTEE AND A MANDATE SUMMARY ON WHICH THE COMMITTEE FUNCTIONS

At the Annual General Meeting of the Shareholders of the Company held on 24.06.2022 was decided to relieve the member of the Audit Committee Emiliyat Ivanov Petrov from his position and elected Veselin Anchev Kirov as a member of the Audit Committee. The mandate of the Audit Committee was continued with 3 (three) years at the current remuneration. The Audit Committee consisting of:

*Angel Petrov Kraychev - chairman*  
*Alexander Todorov Kolev - member*  
*Veselin Anchev Kirov – member*

## STATEMENT ON WHETHER THE COMPANY COMPLIES OR DOES NOT TO THE REGIME FOR CORPORATE GOVERNANCE

In view of the fact that "Sirma Group Holding" JSC is entered in the register under Art. 30, para. 1, item 3 of FSCA, kept by FSC, the Company has implemented a program prepared in accordance with internationally recognized standards for good corporate governance. In accordance with the provision of Art. 100n, para. 4, item 3 of POSA

"Sirma Group Holding" JSC is obliged to comply its financial statements with the requirements within the program for the application of internationally recognized standards for good corporate governance and maintains its accounting policy in accordance with International Accounting Standards.

# 5/ "SIRMA GROUP HOLDING" JSC IN Q1 2025

### Summary

The global economy has shown resilience in the face of numerous challenges in recent years. Forecasts prior to April 2025 tariff news, were for continued growth, albeit at a more modest pace. Post April 2025 all forecasts downsize their future expectations and point to increased risks and volatility. Although the ICT industry is still expected to grow, forecasts suggest a much slower expansion.

### Forecast for the economy of Bulgaria in 2025 and for the future years

In its April 2025 [World Economic Outlook](#) (WEO), the International Monetary Fund (IMF) lowered Bulgaria's GDP

growth forecast for 2025 to 2.5%, down by 0.4 p.p. compared to the 2024 WEO. Looking forward, economic growth is expected to pick up momentum to 2.7% in 2026.

The IMF expects annual average consumer price inflation to accelerate from 2.6% in 2024 up to 3.7% in 2025 and decrease subsequently to 2.7% in 2026. The current account gap is expected to be 1.5% of GDP in 2025 and 1% in 2026.

The fund also sees a stable unemployment rate of 4.1% over the forecast horizon. At the same time, Europe's economic growth is revised downward to 1.4% in 2025 (-0.6 p.p.), with 1.6% growth anticipated in 2026. The outlook for Advanced



Europe suggests 1% growth in 2025, while Emerging Europe growth is forecasted at 2.1%.

The overall near-term outlook stipulates lower growth across countries and reflects in large part the direct effects of the new trade measures and their indirect effects through trade linkage spillovers, heightened uncertainty, and deteriorating sentiment. The IMF noted that the outlook is dominated by intensifying downside risks. Global trade policy uncertainty could reduce near- and long-term growth prospects, while the eroded policy buffers may weaken resilience to future shocks. On the other hand, a de-escalation from current tariff rates and new agreements providing clarity and stability in trade policies could lift global growth potential.

The **risks** to the development of the Bulgarian economy in 2025 are:

- Escalation of the war in Ukraine: low probability / strong impact;
- Postponing the implementation of investment projects and keeping the insignificant investments in the economy from the last 3 years: strong probability / strong impact;
- Continued political instability: strong probability / strong impact;
- Inflation and rising interest rates on loans: low probability / average impact;
- Recession in some of the major trading partners (Germany) and reduction of Bulgaria's exports to them: medium probability / strong impact;
- Increase in the prices of energy carriers: low probability / strong impact;
- Slow rate of utilization of funds under European program: strong probability / strong impact;
- Delayed implementation of the National Recovery Plan: strong probability / strong impact;

#### Forecast for development of global economy in 2025 and for the future years

Global growth was steady but unimpressive through 2024 after an extraordinary string of shocks in the years prior, and it was predicted to stay that way in January 2025 by most forecasts. But as governments all around the world rearranged their policy agendas, the scene has shifted sharply. Early in 2025, the US announced and enacted a number of new tariff measures, and its trading partners responded. On April 2, the US imposed nearly universal duties, raising effective tariff rates to levels not seen in a century. This on its own is a major negative shock to growth. The unpredictability with which these measures have been unfolding also has a negative impact on economic activity and the outlook and, at the same time, makes it more difficult than usual to make assumptions that would serve as the foundation for an internally consistent and timely economic forecasts.

Global economic activity is anticipated to be significantly impacted by the rapid escalation of trade hostilities and exceptionally high levels of policy uncertainty ([World Economic Outlook, April 14, 2025, IMF](#)). In 2025 and 2026, global growth is expected to fall to 2.8 percent and 3 percent, respectively, from 3.3 percent for both years as was forecast as recently as January 2025 by the IMF in its WEO Update. This represents a cumulative downgrade of 0.8 percentage points and is significantly lower than the historical (2000–19) average of 3.7 percent.

According to the IMF forecast, growth in advanced economies is projected to be 1.4 percent in 2025. Growth in the United States is expected to slow to 1.8 percent, a pace that is 0.9 percentage point lower relative to the projection in the January 2025 WEO Update. The reasons for this are greater policy uncertainty, trade tensions, and softer demand momentum. Growth in the euro area at 0.8 percent is expected to slow by 0.2 percentage point. In emerging market and developing economies, growth is expected to slow down to 3.7 percent in 2025 and 3.9 percent in 2026, with significant downgrades for countries affected most by recent trade measures,

Intensifying downside risks dominate the outlook. Increasing the intensity of the trade war and raising trade policy uncertainty could further slow GDP growth in the short and long run, and weaken the policy buffers, thus making countries less resilient to future shocks.

Increased geopolitical tensions risk disrupting energy markets, currency markets and supply chains, potentially leading to higher inflation and a slowdown in economic activity. More broadly, these tensions have created headwinds for trade in both advanced and emerging markets, heightening uncertainty about the future course of global trade. A more fragmented, protectionist trading environment and inward-looking policies would negatively impact competition, raise prices, and hinder productivity and growth, while weighing on the potential of emerging market economies to catch up.

The lingering effects of the recent cost-of-living crisis, coupled with depleted policy space and dim medium-term growth prospects, could reignite social unrest. The resilience shown by many large emerging market economies may be tested as servicing high debt levels becomes more challenging in unfavorable global financial conditions. More limited international development assistance may increase the pressure on low-income countries, pushing them deeper into debt or necessitating significant fiscal adjustments, with immediate consequences for growth and living standards.

On the upside, a deescalation from current tariff rates and new agreements providing clarity and stability in trade policies could lift global growth.

Risks to the world's economic development still remain. Such risks are:

- risk of a greater than expected effect from monetary restrictions: low probability / medium impact



- escalation of Russia's war in Ukraine: low probability / high impact;
- potential sustainability of inflation and the related need to maintain high interest rates for a longer period: high probability / high impact ;
- production, trade and supply chain disruptions: high probability / high impact;
- stronger-than-expected contraction of the Chinese economy, deepening deflation and contraction of domestic consumption, sales problems in the Chinese property market that generate liquidity and/or risk of debt defaults mixed with export challenges: high probability / high impact ;
- deepening of the geopolitical fragmentation that began in 2022: high probability / high impact ;
- escalation of the war between Israel and Hamas to a regional conflict and/or limitation of traffic of fuel and foods through the Middle East: average probability / high impact ;
- extreme climatic events: high probability / average impact.

In early April 2025 the International Monetary Fund cut its economic growth forecast for the euro zone for this year and next, citing the increase in U.S. tariffs and uncertainty surrounding their implementation. The IMF cut its forecast for the 20 countries sharing the euro currency to 0.8% growth in 2025 and 1.2% growth in 2026, both forecasts 0.2 point lower than the forecast from the start of the year.

Furthermore, trade tensions and uncertainty could pose a greater risk to growth longer term. Economic growth is threatened by the existing risks to the development of the EU. The EU's economic outlook remains highly uncertain, with risks largely pointing to the downside. US/China trade war can deviate dumping-priced exports from China to Europe thus fueling inflation. Russia's ongoing aggressive war against Ukraine and the conflict in the Middle East fuel geopolitical risks and the continued vulnerability of European energy security. Further increases in protectionist measures by trading partners (like US tariffs) could weigh on global trade, with a negative impact on the highly open EU economy. Low productivity growth could make it difficult for firms to sustain wage growth, leading them to either reduce their workforce or pass on rising costs to consumers. Finally, extreme weather events (like the recent floods in Spain) illustrate once again the dramatic consequences that the increasing frequency and scale of natural disasters can have not only for the people affected and their habitats, but also for the economy.

### The Industry of Sirma

Sirma Group companies specialize in the information technology (IT) industry with a predominant focus on business customers (B2B). Industrial data is usually combined with data on the "communications segment" because this segment is completely dependent on

information technology. Accordingly, the industry acquired the name "Information and Communication Technologies" or ICT for short. Out of all the variety of ICT segments, the companies in the group mainly work in the segments "IT services" (system integration, infrastructure as a service, software as a service, software support, consulting, managed services) and "Business software" (various software products and services, targeting different business verticals, and custom software development).

The two main segments ('IT Services' and 'Software') in which the Group operates have been the fastest and most sustainably growing in the past ([Gartner, January, 2025](#)). In the last years, both segments are seen as the solution to all problems arising from global economic uncertainty and, accordingly, as "immunized from crises". The mass digitization that is unfolding relies precisely on "Software", for the various technological solutions and "IT services" through which these solutions are implemented. This has led to growth in both segments even during the turbulent past years, as well as expectations for continued growth in 2024 and beyond.

Geographically, Sirma is focused on the world's leading markets (USA, UK, and Europe), which are also the leading geographical centers for consumption of ICT products and services.

### The global ICT market in 2025 and future forecast

After a better-than-expected 2024, Gartner has revised its forecasts for the development of the ICT market in 2024 ([Gartner, January, 2025](#)) and its expectations for 2025 (**Forecast does not price-in effects from the April 2025 tariffs**). 2025 is expected to bring an impressive growth of 8.2% at current prices or 9.8% at constant prices. The ICT market is expected to reach USD 5.6 trillion in 2025.

All ICT segments are expected to grow in 2025. Nevertheless, the different growth rates remain: Data center systems are expected to grow by as much as 21.9%, while communication services by only 2.2%. After parity with TELCO in absolute spending in 2023, "IT services" remains the leading segment in the ICT sector in 2025, responsible for USD 1.7 trillion in spending.

Table 1. Worldwide IT Spending Forecast (Millions of U.S. Dollars)

	2024 Spending	2024 Growth (%)	2025 Spending	2025 Growth (%)
Data Center Systems	329,132	39.4	405,505	23.2
Devices	734,162	6.0	810,234	10.4
Software	1,091,569	12.0	1,246,842	14.2
IT Services	1,588,121	5.6	1,731,467	9.0
Communications Services	1,371,787	2.3	1,423,746	3.8
<b>Overall IT</b>	<b>5,114,771</b>	<b>7.7</b>	<b>5,617,795</b>	<b>9.8</b>

Source: Gartner (January 2025)



The bulk of this significant growth in the sector, is due to large ICT giants, and not so much to medium and small ICT companies.

#### Leading Segments – Overview (pre-April 2025 tariffs)

All segments are expected to grow in 2025, accelerating (around 10%) from the previous year's estimate of around 6%). For the first time, the Servers sub-segment is outperforming the standard growth expectations, posting an impressive 29% growth in 2025 and an 23.6% CAGR through 2028. Spending of around USD 100 billion is expected for servers tailored to meet the needs of AI. This investment is only expected to accelerate, reaching USD 200 billion by 2028. AI readiness is also driving other sub-segments of Devices, including consumer devices such as Mobile Phones and PCs.

The "Software" and "IT services" segments maintain their traditionally sustainable growth. The expected average growth for 2025 is expected to be 14.2% for "Software" and 9% for "IT Services", with the CAGR 2023-2028 being approximately the same. Something striking is the huge difference in growth (which is also negative for some sub-segments) between the fastest growing and the slowest growing sub-segments: Infrastructure as a Service (IaaS) continues to be unable to fit into the chart due to its impressive growth of 23.5% in 2025, while fixed voice services are shrinking by over 8%.

#### Effects of April 2025 Tariffs on ICT Spending

On March 31, IDC published a downside scenario in which global IT spending would grow by 5%, rather than the 10% growth previously projected. This scenario was modelled before the latest tariff announcements in April but already reflected the potential impact of a broadening economic slowdown. While the details of final tariffs don't align exactly with that downside scenario, IDC currently ([post April 2025](#)), expect their baseline forecast will move towards the lower end of that 5-10% range over the next months.

The wave of new tariffs introduced by the US administration will drive up technology prices, disrupt supply chains, and weaken global IT spending in 2025. Not only will these tariffs have a direct inflationary effect on technology prices in the US, but growing concerns about a broader economic slowdown will lead to weaker investment by businesses and consumers around the world, even prior to any slowdowns appearing in earnings or economic data. This impact will unfold quickly in 2025, despite the strong countervailing force of growing demand for AI and related technologies.

As a result, IDC are developing a new downside scenario that reflects the possibility of a broadening global trade war, which will likely include additional tariffs and retaliatory measures by many countries. These may include protective actions against countries other than the US. IDC's new baseline forecast in April reflects what is currently known, which is that these new tariffs will have a significant negative impact on the ICT industry in 2025.

This situation remains highly fluid and dynamic. Tariffs set to be implemented on April 9 may yet be adjusted or

postponed, and the response in other countries could include stimulus measures to protect short-term economic stability in China and elsewhere. This is a moving target, but the risk of a global recession is higher than one week ago, with some economists now pegging it at 40%, and this uncertainty will have an immediate effect on business and consumer confidence.

New tariffs will have an inflationary impact on technology prices in the US, as well as causing significant disruption to supply chains. While this impact will be most immediate in devices, then other compute, storage, and network hardware as well as datacenter construction, even sectors such as software and services will be affected if tariffs are longer lived. There's also an indirect negative impact of tariffs on software and services, where the provider delivering the software and/or services will incur increased costs for the infrastructure to develop and deliver the product, meaning that many software and services vendors will need to include increased costs in their own pricing assumptions.

Some devices and hardware vendors may seek to mitigate the impact, but US customers will swiftly feel the effect of higher prices. Lean inventories and rapid manufacturing cycles mean that price hikes will materialize quickly. The broad, unfocused nature of these new tariffs leaves manufacturers little room to adjust.

It's important to note that our surveys of IT buyers had remained relatively resilient through March. While there is significant concern over the uncertainty caused by tariff policies, a majority of firms in March were trying to protect their key investment priorities around AI, analytics, security, and IT optimization. IT is more important to the business than ever before.

Price sensitivity is rising, however, which history shows is a major cause of competitive disruption. The IT market will continue to be more resilient than during previous economic cycles, and more resilient than many other sectors of the economy. Service providers will try to maintain their aggressive investment in deployments of AI infrastructure, and they have the ability to optimize asset use to much greater extent than even the largest of their enterprise customers. For businesses, IT has largely transitioned from a capex to an opex model in which a larger share of technology spending is essential to business operations and is increasingly tied to business conditions.

Despite all of this, the reality of a slowing economy and rising unemployment will have a direct impact on IT spending. Consumer spending is likely to be hit hard. Businesses will first look to cut spending on devices and on-premise infrastructure, seeking rapid cost benefits to protect the bottom line. Any job cuts will have a direct impact on some types of IT spending.

IT services spending is vulnerable to a slowdown in new contract signoffs, which will be driven by a broader economic slowdown in the next 6-12 months. Combined with other economic headwinds, including government spending cuts in the US, this adds up to a much weaker outlook for short-term investment in new technology projects.



## PARTICIPATION IN MANAGEMENT AND IMPLEMENTATION OF CONTROL ON THE SUBSIDIAR COMPANIES

In Q1 2025, as in previous periods, Sirma Group Holding's senior management was actively involved in the management of its subsidiaries. The high expertise and accumulated experience of Sirma Group Holding's managers helped companies to formulate their development goals and strategies as well as their business and financial plans. As a

result, the company achieved outstanding successes over the past period. At the same time, taking part in the management of the Group's companies, they monitored the Group's overall objectives, strategies for its development and financial discipline.

## MARKETING

In operational terms, the annual marketing strategy and budget of the "Sirma Group Holding" JSC for 2025 ensured the planning, development and successful implementation of the following activities:

1. Creating, developing and maintaining a general knowledge of the Sirma brand through a range of activities that help for successful branding and corporate communications - public relations, investor relations, public institutions, company employees, general public. They included internet marketing, online meetings, helping managers and managers with marketing materials for their investment tours, press interviews, TV, radio, participation in specialized and high profile business events.

2. Building a strong employer brand and affirming the company as an attractive place to work, career development and realization of own innovative ideas for creating new software products and solutions, working with the most advanced technologies, entering new market niches. A favorable environment has been created and the innovation process in companies is regularly promoted. Social media is actively used for informal communication with employees, engaging in important causes, informing about upcoming

events, company and product news. The team building conducted at the end of the year was traditionally one of the most anticipated events that enabled people from different companies, cities and offices to communicate in an informal environment.

3. Increased presence of the brand in social media and communication management through digital channels. As part of marketing through social channels, a content marketing program has been developed. It aims at:

- enhanced performance across the global network through digital tools - a substantial increase in traffic to "Sirma Group Holding" JSC sites and subsidiaries; improved detection in the most popular search engines - SEO & SEM activities;
- raising awareness of external and internal audiences about corporate initiatives and key business events;
- informing the audience about new products and services created by our companies, the development of existing products and services, company achievements;

## FINANCIAL ACTIVITY -

### ASPECTS AND MANAGEMENT OF FINANCIAL RESOURCES OF HOLDING AND GROUP

Over the past period the management of the financial activities of "Sirma Group Holding" JSC was carried out in the following:

#### I. Goals

As a **strategic goal** of financial management, "Sirma Group Holding" JSC has accepted the increase in the wealth of the owners, which can only be achieved by maximizing the market value of the company based on the share price.

As a **tactical objective** of the financial management, "Sirma Group Holding" JSC opted the maximization of revenues and profit.

As an **operational objective** of financial management, "Sirma Group Holding" JSC has determined the maintenance of the solvency of the company and the Group companies as an opportunity to service all emerging uncontested payments.

#### II. Execution of functions

1. Executed functions of Sirma Group Holding's management::

a) Financial planning - plans of "Sirma Group Holding" JSC and of all companies of the Group for a one-year and mid-term period were prepared.

b) Co-ordination of the financial activity - "Sirma Group Holding" JSC coordinated the activities of all the companies in the Group for the fulfillment of the general objectives of the financial activity management and for the implementation of unified policies in this activity;

c) Control - The financial team of the "Sirma Group Holding" JSC throughout the year carried out regular and periodical control over the financial activity of the companies in the group.

2. As regards the financial activities of "Sirma Group Holding" JSC and the subsidiaries, the Holding had the following functions:



a) financing - related to the provision of financial resources and the structuring of capital needed for the proper functioning of the enterprise.

This function is related to the company Balance liability. There are the sources of capital available to the enterprise for the conduct of its business.

b) investment - covers the insured capital in different assets in order to realize the strategic objective of the company. This feature is related to the Balance asset.

### III. Completed tasks

1. Ensure sufficient financial resources in accordance with the strategy and tasks for the development of "Sirma Group Holding" JSC and the subsidiaries during the respective period.

## - ACCOUNTING SERVICES

In Q1 2025 "Sirma Group Holding" JSC performed the accounting services of its subsidiaries. In addition to regular accounting services, management is presented with various BI reports built as know-how of the Group. The FAD of "Sirma Group Holding" JSC achieved monthly reporting of results at individual and group level. The department also

## - LEGAL SERVICES

The legal department of "Sirma Group Holding" JSC carries out legal services to the companies of the Group, which includes the preparation of corporate documents; assistance with the preparation and implementation of the GMS; preparation of any commercial documents and contracts; settlement of commercial disputes; conducting court cases.

## - MANAGEMENT OF RISKS

The management of the risks of "Sirma Group Holding" JSC is the responsibility of the Board of Directors. In his activities, he is assisted by the Investment and Risk Committee. The holding also supports its subsidiaries for risk management.

Risk management is, inherently, the ability to anticipate threats to the company's activities, individual projects and minimize their adverse effects. The process is iterative. It starts with identifying the possible risks, goes through risk analysis and planning their management, then begins a process of monitoring and a regular return to the analysis process.

In "Sirma Group Holding" JSC a sophisticated risk management system has been set up.

**Risk management in the "Sirma Group Holding" includes:**

- Risk identification - This is a lengthy process that detects potential threats. In order to identify the expected and predictable risks, different methods are used: questionnaires (interview questionnaires), interviews, brainstorming, document analysis, a list of expected and predictable risks (checklist analysis), based on a previous experience

2. Ensuring the most efficient allocation and utilization of the volume of financial resources formed in the main directions of the Group's activity.

3. Optimization of the monetary turnover - synchronization by size and time of the receipts and payments for the normal service of the undisputed payments.

4. Ensure maximum profit at a given level of risk.

5. Ensure the financial equilibrium of "Sirma Group Holding" JSC and the subsidiaries in the process of their development.

In fulfilling the task of financial equilibrium, we have complied with the golden balance rule, which requires long-term assets to be funded by long-term capital sources, and short-term assets from short-term sources of capital.

6. Providing opportunities for quick capital reinvestment when changing the external and internal conditions for carrying out the business activity.

managed to manage the companies' relationships with the fiscal and social security systems. The timely introduction of taxes, timely information submission and the preparation of information under the Law for Public Offering of Securities to the Financial Supervision Commission and the BSE have been performed in the period.

- Qualitative and quantitative risk analysis - Once the potential risks have been identified, a qualitative and quantitative analysis of each of them is required. The likelihood of occurrence and impact through predefined scales is estimated, for example Probability: very small, small, medium, large or very large; Impact: catastrophic, critical, permissible, insignificant.

A risk table is prepared with the data. Risks are grouped into categories, their likelihood of occurrence and their impact, as well as case scenarios that are implemented in case the risk occurs. The resulting list is sorted by impact and probability. A threshold is set, the risks over which it will be managed. The risk table is reviewed and reassessed on a regular basis, as there is a chance that risks may be dropped, new ones added or ratings changed.

- Planning actions to overcome the risk
- The next step in risk management is planning. This is the process of documenting the measures that will be applied to managing each of the identified key risks. 3 management strategies are used:

- a) risk avoidance - a strategy that reduces the likelihood of risk occurring;
- b) minimizing the risk-taking effect - a strategy that reduces the consequences of the risk;



c) Emergency action plans - a strategy where the organization accepts the risk and is ready to deal with it if it comes to fruition;

As a result of the risk planning, a Risk Mitigation Monitoring and Management Plan is established. It may be a separate document or a set of information cards for each individual risk to be stored and managed in a database.

- Risk monitoring and control - This is the latest activity in risk management. This process has several main tasks:
- confirm the occurrence of a risk
- ensure that activities to prevent or deal with risks are implemented
- Identify what risk has caused the relevant problems

- document information to be used in a subsequent risk analysis;
- Risk Monitoring and Control – This is the final activity in risk management. This process has several main tasks:
  - to confirm the occurrence of a risk
  - to ensure that activities to prevent or address risks are implemented
  - to determine which risk has caused the relevant problems
  - to document information to be used in subsequent risk analysis

## IMPACT OF EXCLUSIVE FACTORS

The information in this report is not affected by the presence of exceptional factors.

## SUMMARY INFORMATION RELATING TO THE STATE OF WHICH THE COMPANY DEPENDS ON PATENTS OR LICENSES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS OR FROM NEW PROCESSING PROCESSES

"Sirma Group Holding" JSC is not dependent on patents or licenses, industrial, commercial or financial contracts, as well as new production processes.

For all employees of the Company, it has the appropriate licenses for operating systems and application software for PCs and servers required for the normal workflow.

## INFORMATION, CONCERNING SIGNIFICANT FACTORS, INCLUDING NON-ORDINARY OR RARE EVENTS OR NEW DEVELOPMENTS, THAT EXPRESSLY RENDER THE INCOME OF THE COMPANY'S ACTIVITY

There are no significant factors, including unusual or rare events or new developments that materially affect the Company's revenue and future investments.

## SIGNIFICANT CHANGES IN NET SALES OR REVENUES DISCLOSED IN THE ACCOUNTS

Significant changes in net sales or earnings reported in the Company's accounts detailed in Section 6 of this Report are observed during the period considered.

## INFORMATION ON GOVERNANCE, ECONOMIC, FISCAL, MONETARY POLICY OR POLITICAL COURSE OR FACTORS THAT SIGNIFICANTLY HAVE BEEN CONCERNED OR MAY CONTRIBUTE TO SIGNIFICANT, DIRECT, OR CONSEQUENTIAL ACTIVITY OF THE COMPANY

During the period under review, there were no factors of government, economic, fiscal, monetary or political factors that had a significant impact on the company's operations.

The main factors that may affect the Company's operations and how it manages the risk are described in the Risk Factors of this document.



## EVENTS AND BUSINESS NEWS IN Q1 2025

The following events and business news took place in Q1 2025:

### **27.03.2025**

Disclosure of the audited individual financial reports of Sirma Group Holding JSC for 2024.

### **27.03.2025**

Sirma Group Holding JSC becomes an authorized reseller of Apple for business clients.

### **01.03.2025**

Disclosure of the interim consolidated financial reports of Sirma Group Holding JSC for the period ending on 31.03.2024.

### **28.02.2025**

Publication of an Invitation for an extraordinary General meeting of shareholders of Sirma Group Holding JSC on 08.04.2025

### **24.02.2025**

Sirma Group Holding JSC becomes innovative partner of IMB for Watsonx implementations.

### **17.02.2025**

Interview with VP Bogomil Iliev for the development of the one-stop-shop using AI.

### **12.02.2025**

Sirma and Borika launch partnership for digitalization of employment records.

### **07.02.2025**

CGO Momchil Zarev gave an interview for Bloomberg with a recap of the 2024 activity.

### **30.01.2025**

Disclosure of interim individual financial reports of Sirma Group Holding JSC for the period ending on 31.12.2024

### **16.01.2025**

Disclosure of the acquisition of a separate part of the commercial enterprise Duo Soft EOOD.

### **10.01.2025**

Publishing of the Protocol of extraordinary General meeting of shareholders of Sirma Group Holding JSC.

### **10.01.2025**

Extraordinary General meeting of shareholders of Sirma Group Holding JSC.

### **03.01.2025**

Disclosure of sale 10,400 shares by Yavor Djonev – member of the Board of directors of Sirma Group Holding JSC.

## MAIN LEGAL INFORMATION IN Q1 2025

### Transactions with shares for the period 01.01.2025 - 31.03.2025:

There are no transactions with shares for the period.

### Litigation for the period 01.01.2025 - 31.03.2025:

There are no lawsuits filed against the company for the period.

### Other legal information for the period 01.01.2025 - 31.03.2025:

#### - **Acquisition of a separate part of the enterprise "Duo Soft" EOOD**

On 15 January 2025, a contract was signed by "Sirma Group Holding" JSC for the acquisition of a separate part of the commercial enterprise with the company "Duo Soft" EOOD, UIC 130235197, entitled "Software developments in the field of academic recognition" as an independent set of rights, obligations and factual relationships created during the implementation of its previous commercial activity according to the accounting balance sheet at the time of the transfer of the separate part, for a price of BGN 287 000 (two hundred eighty-seven thousand).



## 6/ RESULTS BY SEGMENTS

Management determines the operating segments based on the main products and services offered by the Company.

The operating segments of the Company are as follows: System Integration, Hospitality, IT Services, Financial Industry and Others.

The summarized financial information for them for the reporting period is as follows:

	<b>System Integration</b>	<b>Hospitality</b>	<b>IT Services</b>	<b>Financial Industry</b>	<b>Others</b>	<b>Total</b>
	<b>31.12.2024</b>	<b>31.12.2024</b>	<b>31.12.2024</b>	<b>31.12.2024</b>	<b>31.12.2024</b>	<b>31.12.2024</b>
	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>
Revenue from:						
- external customers	14 475	2 540	3 435	2 506	3 127	26 083
<b>Segment revenues</b>	<b>14 475</b>	<b>2 540</b>	<b>3 435</b>	<b>2 506</b>	<b>3 127</b>	<b>26 083</b>
Cost of materials and cost of goods sold	(12 623)	-	-	(1)	(241)	(12 865)
Hired services expenses	(660)	(920)	(522)	(419)	(584)	(3 105)
Employee benefits expense	(365)	(1 659)	(2 403)	(1 834)	(2 174)	(8 434)
Depreciation and amortisation of non-financial assets	(11)	(142)	(181)	(136)	(175)	(646)
Other expenses	(1)	(7)	(10)	(3)	(198)	(219)
<b>Segment operating profit</b>	<b>815</b>	<b>(188)</b>	<b>319</b>	<b>113</b>	<b>(245)</b>	<b>814</b>

**Segment „System Integration“** offers its clients system integration, cloud services and cybersecurity services. The target market is mainly Bulgarian financial institutions, insurance companies, healthcare organizations, multinational companies with operations in Bulgaria and state and municipal administrations.

During the first quarter of 2025, "Sirma Group Holding" JSC was successfully certified under all necessary ISO standards. These certificates are important for the majority of clients of the segment.

"System Integration" is part of the "IT Services" sector. The tariffs announced by the US in April 2025 and the retaliatory tariffs from the affected countries will slow the forecasted growth, increase the risks facing the industry and increase uncertainty during the year.

An additional risk that the segment is facing in 2025 is the disruption of hardware supply chains caused by the escalating trade war. This could lead to delays in deliveries and project implementation.

Revenues from the segment in the first quarter of the year reached almost BGN 14.5 million. The segment remains the leading one for the Group with almost half (55,5%) of the revenues for the quarter on an separate basis for the Holding. The profit achieved from the segment for the quarter amounted to BGN 815 thousand with a margin of 5,6%.

In the first quarter of 2025, significant deals were concluded, while the implementation of projects started at the end of 2024 continued in parallel. Here are the more significant deals from the first quarter of 2025:

- a project for the sale and integration of network equipment for one of the major telecom companies in Bulgaria;
- a project for the integration of cybersecurity equipment in data centers in 4 countries of a major fintech company;
- 2 major projects for the sale and integration of cybersecurity equipment in the state administration in Bulgaria;
- delivery of desktop computers for a major Bulgarian bank;
- a contract for the official representation of Apple for their business clients in Bulgaria was concluded.



The Bulgarian market remains dominant for the "System Integration" vertical with a share of 90%.

The goals set for the System Integration vertical for the first quarter of 2025 were exceeded, revenue by 25%.

In the following quarters of 2025, the vertical will face serious challenges related to the escalating trade war. Nevertheless, the team is prepared and confident in the implementation of the annual business plan.

Segment financial results:

	<b>System Integration</b>
	<b>31.03.2025</b>
	<b>BGN'000</b>
<b>Segment revenues</b>	<b>14 475</b>
Cost of materials and cost of goods sold	(12 623)
Hired services expenses	(660)
Employee benefits expense	(365)
Depreciation and amortisation of non-financial assets	(11)
Other expenses	(1)
<b>Segment operating profit</b>	<b>815</b>

**Segment „Hospitality“** offers IT solutions, consulting, system integration and data analysis to its clients in the hospitality industry. The segment's target clients are hotel groups, tour operators, travel agencies and technology providers for the hospitality industry.

In the first quarter of 2025, the segment continues to fulfill its strategic objectives:

- The main focus remains on developing a robust and sustainable sales model for software development and integration support services for the hospitality industry.
- The growth strategy is aimed at companies operating in the online reservation system sector, aiming to create new systems or develop existing ones for various providers of such services.
- Strategically, our efforts are focused on Western Europe, while exploring new sales opportunities in North America, with a plan to enter the Middle East market.
- The current economic conditions led to the suspension of some projects in the first quarter, which adversely affected the expected revenues and gross profit. However, there is a belief that the situation will improve in the second quarter, leading to a positive momentum by the end of the year.
- The development of Managed Integration Services (MIS), designed to support integrations within the hospitality industry, continues. This service operates on a subscription model, with reported monthly revenue growth averaging 3%, and the number of hotels served to clients reaching over 2 000 by the end of Q1 2025.
- Last quarter, the segment presented our services at the ITB conference in Berlin, where we had a dedicated booth. After eight years in the sector, the practice continues to maintain very good relationships with its clients and successfully present Sirma's vision for the future and development of the industry, which in turn leads to the expectation of new business opportunities and partnerships in the field.
- The number of employed people remained unchanged at the end of Q1. However, in Q2 it may experience some talent outflow due to market changes. Our focus has always been on retaining existing talent and developing new people internally in the teams, as finding suitable new employees is a challenge.

Outlook and forecasts for 2025:

- In response to the economic slowdown and budget constraints, the company intends to adopt a more cautious approach to hiring new staff, prioritizing maintaining the existing team and encouraging organic growth on projects to respond to industry trends
- The segment foresees sustainable growth, with a primary focus on positioning the company in the United States, which would lead to new partnerships and sales.
- Participation in the following events related to the segment for 2025 is planned:
  - o ITB, Berlin (the company will have a stand at the specific event)
  - o HITEC, USA (the company will have a stand at the specific event)
  - o WTM, London



Segment financial results:

	<b>Hospitality</b>
	<b>31.03.2025</b>
	<b>BGN'000</b>
<b>Segment revenues</b>	<b>2 540</b>
Hired services expenses	(920)
Employee benefits expense	(1 659)
Depreciation and amortisation of non-financial assets	(142)
Other expenses	(7)
<b>Segment operating profit</b>	<b>(188)</b>

**Segment "IT Services"** is focused on cross-industry services, cross-selling and services for the public sector.

"IT Services" remains the leading segment in the ICT industry globally. It was expected (forecasts before April 2025) that the segment will grow by 9% in the global IT market in 2025 ([Gartner, January, 2025](#)). The tariffs announced by the US in April 2025 and the retaliatory tariffs from the affected countries will slow the forecasted growth, increase the risks facing the industry and increase uncertainty during the year.

This volatility was particularly highlighted in the US, where the President took a number of contradictory economic measures. It is expected to continue in the next quarter, thus increasing the risk of recession. This uncertainty has spilled over from the US to Europe, further exacerbated by the war in Ukraine. The result has been a deteriorating economic climate, heightened risks and project delays.

In addition to economic uncertainty, the IT Services vertical is also vulnerable to currency risk, which stems from the dramatic decline in the US dollar against the euro in early 2025 (4%) and the vertical's relatively high sales levels in the US (19% in the first quarter). Revenue from the segment in the first quarter of 2025 reached BGN 2.5 million. The segment accounting for 9.6% of the Holding's separate revenue in the first quarter. Although with the smallest revenues of Sirma's leading verticals, IT Services provides the profit margin of 4,5%, contributing BGN 113 thousand to the Holding's profit on separate basis for the first quarter of 2025.

In the first quarter of 2025, no contracts were concluded with new clients in the IT Services vertical. In early 2025, IT service contracts were re-signed with all old clients, and work on their projects continues accordingly. The most significant projects being worked on are:

IT Services in Europe:

- Support and improvement of a payment system for gift cards in the Scandinavian countries
- Support and improvement of a payment system for a large English operator
- Support and improvement of a large airline reservation system

IT Services in the retail segment:

- Support and improvement of a loyalty platform in several large malls in the Balkans
- Support and improvement of an intelligent bot for a large e-commerce client

IT Services for the public sector

- Adaptation, upgrade and modification of the existing information system of the National Center for the Development of the Bulgarian Economy and Trade to bring it into line with the requirements and the plan for the introduction of the euro in Bulgaria
- Modernization of the information system of the Bulgarian Patent Office, after-warranty support and ensuring continuity of the workflow and cybersecurity
- After-warranty maintenance of the Air Traffic License Manager

IT Services in the USA:

- we serve old clients of Sirma

In parallel with the work on projects that have started in the past years, the IT Services team is participating in four public tenders in Bulgaria. The results of the rankings in these tenders are expected in the second quarter of 2025.

Geographically, sales in the first quarter of 2025 were focused on Europe and the USA with strong sales in the Balkans.

The goals set for the IT Services segment for 2025 are to achieve an organic growth of 10% in sales revenue while maintaining the significant margin achieved in 2024. The target geographic markets are: UK, DACH, Belgium, the Scandinavian countries and Romania.



Segment financial results:

	<b>IT Services</b>
	<b>31.03.2025</b>
	<b>BGN'000</b>
<b>Segment revenues</b>	<b>2 506</b>
Cost of materials	(1)
Hired services expenses	(419)
Employee benefits expense	(1 834)
Depreciation and amortisation of non-financial assets	(136)
Other expenses	(3)
<b>Segment operating profit</b>	<b>113</b>

**Segment "Financial Industry"** offers support to financial institutions on their path to digitalization and implementation of artificial intelligence in their operations. The vertical's target customers are small and medium-sized banks and fintech companies. The activity of the Financial Industry segment is divided into 5 subsegments – Financial Services, Financial Consulting, Oracle, Temenos and IT Solutions.

The segment continues to face serious challenges:

- Adjustment in the prices of the offered services and products.
- Finding and retaining highly qualified personnel within the Bulgarian market.
- Adaptation of the business model and approaches in implementation and creation of solutions with licenses paid for per month and per user.
- Adaptation of existing solutions in the company's portfolio to meet new regulatory requirements and trends towards robotization of digital operations and processes. The advent of artificial intelligence and machine learning technologies to optimize service delivery times for end customers will lead to new demand, but also time for the implementation of new projects.

Sirma Group Holding will continue to be focused on providing IT and consulting services and products, in addition to active actions to stabilize several current projects, it will emphasize offering the latest versions of the FlexCube banking system and opening all systems to solutions that enable the implementation of "Open banking" API-based services. Projects in the direction of "Open Digital Business", management and storage of business data and regulatory reporting will be the main focus for the company until the end of 2025.

At the beginning of 2025, the segment successfully signed numerous small orders for the adaptation of reporting systems in view of changes in the legal framework. Assignments for changes and adaptation of systems related to the transition to the euro are still relevant, although the delay in the global implementation deadlines is being postponed with each subsequent government.

The implementation of several projects for the implementation of payment and other satellite solutions continues, which cover: "RepXpress", "ceGate" and "UBX Suite", DIGI Bank.

The company has a clear plan and estimate for the development and increase in the value of the products in 2025, as well as actively advertises and distributes the new versions of:

- Open banking API hub, which implements the BISTRA standard for all services within the scope of PSD2 and open banking.
- RepXpress - a regulatory reporting system and its own DHW.
- ceGate - a system for collecting customer data and assessing customers.

The company positions a package of consulting services for analysis and documentation regarding the selection and choice of digital solutions. The methodology used is based on Assist Knowledge Development and the British Association for Business Analysis.

Realized revenues for the first quarter of 2025 are better than in the first quarter of 2024 and the segment reports an excess over planned revenues. Although revenue realization is in an improving gradation, there is still uncertainty and delay in generating "new" projects and income. There is a positive trend in the assignment and winning of new projects for the segment.

Regarding the prospects and goals for the segment for 2025, despite some positive signals of improving the economic climate and easing strict trade and social restrictive measures, the stagnation and inertia of financial players does not suggest a quick recovery and revival of the market from the levels of 2018-2019. This will require more efforts in finding fresh projects and solutions without a focus in a specific area, despite the clear preferences of Sirma Group Holding to develop and work on data analysis projects and comprehensive solutions for banking and transactional business.

The uncertain environment and redirection of part of the company's resources to work for hire will slow down the development of the company's own products. Only the vision of reducing risks and guaranteeing the set revenue levels is an argument in maintaining a team of experts to work on shared projects with clients.



In the planned new revenues for the company, the share of revenues related to adaptation and changes in the systems of clients, which will have to respond to the legal changes for Bulgaria's accession to the Eurozone, is increasing.

Retention of all employees and clients will be key to the successful implementation of all the company's plans, which must go hand in hand with a clear policy and communication for increasing the prices of the solutions and services provided for all areas in the company's portfolio.

Segment financial results:

	<b>Financial Industry</b>
	<b>31.03.2025</b>
	<b>BGN'000</b>
<b>Segment revenues</b>	<b>3 435</b>
Hired services expenses	(522)
Employee benefits expense	(2 403)
Depreciation and amortisation of non-financial assets	(181)
Other expenses	(10)
<b>Segment operating profit</b>	<b>319</b>

**Segment "Others"** offers IT solutions, consulting and IT services to its clients in the fields of transport and logistics, insurance and healthcare.

The Company discloses information on the leading segments of specialization that contribute around and above 10% of the sales revenues for the respective period. This methodology assumes that segments with more modest sales are grouped into the "Other" segment.

In the first quarter of 2025, the "Other" segment included sales in the following leading segments:

- Software and IT services for insurance companies
- Software and IT services for transport and logistics companies
- Software and IT services for health services

The geographical focus of sales of the "Others" segment is diverse - from an almost complete focus on Bulgaria (insurance companies), through the USA (medicine) to global penetration of IT services for transport and logistics.

The "Others" segment, although composed of several relatively modest sub-segments, contributes a quarter of the revenues at an individual level for "Sirma Group Holding" JSC. The rich palette of clients in this segment contributes to the diversification and sustainability of sales in the Holding, as well as creates prerequisites for further development of some of the segments into independent significant segments in the future.

Segment financial results:

	<b>Others</b>
	<b>31.03.2025</b>
	<b>BGN'000</b>
<b>Segment revenues</b>	<b>3 127</b>
Cost of materials	(241)
Hired services expenses	(584)
Employee benefits expense	(2 174)
Depreciation and amortisation of non-financial assets	(175)
Other expenses	(198)
<b>Segment operating profit</b>	<b>(245)</b>



# 7/ INDIVIDUAL FINANCIAL RESULTS

## 7.1. REVENUES

	31.03.2025 BGN '000	31.03.2024 BGN '000	Change (BGN '000)	Change (%)
Revenues from sales	25 921	932	24 989	2 681,22%
Dividend income	-	800	(800)	(100%)
Rental income from investment properties	77	168	(91)	(54,17%)
Interest income	-	3	(3)	(100%)
Gain on sale of non-current assets	1	-	1	n/a
Financing income	14	-	14	n/a
Other revenues	70	-	70	n/a
<b>Total</b>	<b>26 083</b>	<b>1 903</b>	<b>24 180</b>	<b>1 270,63%</b>

In Q1 2025 the revenues of "Sirma Group Holding" JSC increased by BGN 24 180 thousand or by 1 270,63% compared to Q1 2024.

Revenues during the comparative period didn't include revenues from the activities of the companies that, as of 8 October 2024, incorporated into "Sirma Group Holding" JSC.

Revenues in the period include interest and sale of investments, since the business of acquiring businesses and parts of them, as well as the provision of loans and the receipt of deposits is the main activity of the holding company.

Revenues by product line includes:

	31.03.2025 BGN '000	31.03.2024 BGN '000	Change (BGN '000)	Change (%)
Sale of IT equipment	13 956	-	13 956	n/a
Software services	9 283	-	9 283	n/a
Subscriptions	1 824	-	1 824	n/a
Consulting services	377	2	375	18 750%
Support	330	-	330	n/a
Administrative and accounting services	75	902	(827)	(91,69%)
Hosting	51	-	51	n/a
Cloud services	9	-	9	n/a
Others	16	28	(12)	(42,86%)
<b>Total</b>	<b>25 921</b>	<b>932</b>	<b>24 989</b>	<b>2 681,22%</b>

### 7.1.1. Recurring revenue

Recurring revenues are stable, predictable and constant over time.

For the first quarter of 2025, the Company reports recurring revenues as follows:

	Amount (BGN '000)	Percentage of revenue
Support and Service	1 307	5%
IT Systems Development and Management	3 022	12%
Subscriptions and Licenses	140	1%
Long-Term Contract Services	2 484	10%
<b>Total Recurring Revenue</b>	<b>6 953</b>	<b>27%</b>
Other Revenue	19 130	73%
<b>Total Revenue</b>	<b>26 083</b>	<b>100%</b>



## Maintenance and service

Maintenance and service cover activities related to ensuring the normal and continuous operation of software and hardware systems by eliminating problems that arise, applying updates, technical assistance and general operational support. Normally, these are long-term or indefinite contractual relationships with well-valued commitments for both parties.

## Building and managing IT systems / Managed services

Managed services are a long-term assignment model, in which the company takes on the overall responsibility for managing, monitoring and optimizing IT services or systems, in order to increase efficiency, security and operational reliability. Due to the nature of insight into the client's problems, these commitments are long-term and easily predictable in terms of value over time.

## Subscriptions and licenses

Subscriptions are a form of commercial relationship in which the client pays a predetermined periodic amount (monthly, quarterly, annually, etc.) for access to products or services for the relevant period. Although formally customers have the option to cancel a product or service, statistically this happens in less than 10% of cases, on an annual basis.

## Services under long-term contracts

These are services provided on the basis of contractual relationships, which include a clause for automatic continuation of the contract after the initial term, unless one of the parties expresses a desire to terminate. In general, these are contracts for expert development of key software systems at the client's premises, where the replacement of the supplier is an atypical and last resort and is practiced only in exceptional circumstances. This model provides a stable revenue stream and predictability in the reporting periods.

## 7.2. EXPENSES

	31.03.2025 BGN '000	31.03.2024 BGN '000	Change (BGN '000,%)
Cost of materials	(113)	(28)	(85)
Change in %			303,57%
Hired services expenses	(3 105)	(218)	(2 887)
Change in %			1 324,31%
Employee benefits expense	(8 434)	(518)	(7 916)
Change in %			1 528,19%
Depreciation and amortisation of non-financial assets	(646)	(164)	(482)
Change in %			293,90%
Cost of goods sold and other current assets	(12 752)	-	(12 752)
Change in %			n/a
Other expenses	(219)	(9)	(210)
Change in %			2 333,33%
<b>Total expenses</b>	<b>(25 269)</b>	<b>(937)</b>	<b>(24 332)</b>
Change in %			2 596,80%

In Q1 2025 the expenses of "Sirma Group Holding" JSC increased by BGN 24 332 thousand or by 2 596,80% as compared to Q1 2024. Expenses during the comparative period didn't include expenses from the activities of the companies that, as of 8 October 2024, incorporated into "Sirma Group Holding" JSC.

## 7.3. FINANCIAL COSTS

	31.03.2025 BGN '000	31.03.2024 BGN '000	Change (BGN '000)	Change (%)
Financial costs	(277)	(13)	(264)	2 030,77%
Financial income	1	-	1	n/a
<b>Financial income / costs (net)</b>	<b>(276)</b>	<b>(13)</b>	<b>(263)</b>	<b>2 023,08%</b>



## 7.4. ASSETS

The total assets of „Sirma Group Holding“ JSC at the end of the Q1 2025 were with BGN 3 272 thousand (3,03%) less than their value at the end of 2024.

	31.03.2025 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change %
Property, plant and equipment	9 074	8 447	627	7,42%
Intangible assets	11 207	10 710	497	4,64%
Goodwill	24 763	24 464	299	1,22%
Investments in subsidiaries	33 083	33 042	41	0,12%
Investment property	4 181	4 193	(12)	(0,29%)
Long-term related party receivables	354	354	-	-
Deferred tax assets	1 046	1 046	-	-
<b>Total non-current assets</b>	<b>83 708</b>	<b>82 256</b>	<b>1 452</b>	<b>1,77%</b>
	31.03.2025 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change (%)
Inventory	569	1 563	-	(63,60%)
Trade receivables	13 981	9 941	4 040	40,64%
Prepayments and other assets	782	834	(52)	(6,24%)
Related party receivables	3 326	3 603	(277)	(7,69%)
Cash	2 512	9 953	(7 441)	(74,76%)
<b>Total current assets</b>	<b>21 170</b>	<b>25 894</b>	<b>(4 724)</b>	<b>(18,24%)</b>

## 7.5. EQUITY

	31.03.2025 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change %
Share Capital	59 361	59 361	-	-
Purchased own shares	(1 689)	(1 689)	-	-
Share premium reserve	6 016	6 016	-	-
Other reserves	1 609	1 609	-	-
Retained earnings	10 088	6 831	3 257	47,68%
Current financial result	538	3 257	(2 719)	(83,48%)
<b>Total equity</b>	<b>75 923</b>	<b>75 385</b>	<b>538</b>	<b>0,71%</b>

In Q1 2025, Equity increased by BGN 538 thousand compared to the end of 2024.

## 7.6. LIABILITIES

The amount of the liabilities of "Sirma Group Holding" JSC at the end of Q1 2025 were with BGN 3 810 thousand (11,63%) more than their value at the end of 2024.

	31.03.2025 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change %
Pension employee obligations	627	627	-	-
Long-term borrowings	5 674	6 009	(335)	(5,57%)
Long-term lease liabilities	665	515	150	29,13%
Long-term related party payables	3 949	3 699	250	6,76%
<b>Total Non-current liabilities</b>	<b>10 915</b>	<b>10 850</b>	<b>65</b>	<b>0,60%</b>
	31.03.2025 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change %
Provisions	77	77	-	-
Employee obligations	3 801	4 415	(614)	(13,91%)
Short-term borrowings	1 366	239	1 127	471,55%
Short-term lease liabilities	423	322	101	31,37%
Trade and other payables	9 974	14 178	(4 204)	(29,65%)
Contract liabilities	2 041	2 240	(199)	(8,88%)
Short-term related party payables	358	444	(86)	(19,37%)
<b>Total Current liabilities</b>	<b>18 040</b>	<b>21 915</b>	<b>(3 875)</b>	<b>(17,68%)</b>



## Long-term and short-term bank loans

Recipient of credit	In Bank	Type of loan	Currency	Total amount of credit (BGN)	Outstanding obligation to 31.03.2025 (BGN)	Date of contract	Interest rate	Maturity date	Pledges
<b>Loans for which the Issuer is a debtor</b>									
Sirma Group Holding JSC	Unicredit BulBank AD	Overdraft	BGN	6 000 000	-	12.12.2024	The applicable variable interest rate index and additional interest rate for regular debt for the relevant interest period.	12.12.2027	Pledge of receivables
Sirma Group Holding JSC	United Bulgarian Bank AD	Bank credit	BGN	9 400 000	6 233 333,87	09.10.2024	Variable interest rate in the amount of UBB's short-term interest rate /SIP/ for the contract period plus an annual premium.	09.10.2032	Pledge of receivables, pledge of commercial enterprises, pledge of property
Sirma Group Holding JSC	United Bulgarian Bank AD	Overdraft	BGN	8 000 000	805 597,45	10.10.2024	Variable interest rate in the amount of UBB's short-term interest rate /SIP/ for the contract period plus an annual premium.	10.10.2026	Pledge of receivables
<b>Loans for which the Issuer is a guarantor</b>									
EngView Ssystems JSC	Unicredit BulBank AD	Overdraft	BGN	1 000 000	-	15.12.2020	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	15.12.2026	Pledge of receivables



**Other loans and deposits provided by "Sirma Group Holding" JSC and its subsidiaries:**

Lender	Recipient	United identification code	Relationship	Type	Currency	Liability as of 31.03.2025 (BGN '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
Saifort	Sirma Medical Systems	204054855	Company under common control	Loan	BGN	1 735	20.12.2022	2.80	31.12.2026	No pledges
Saifort	Sirma Group Holding	200101236	Parent company	Deposit	BGN	3 699	18.07.2023	0.1	31.12.2026	No pledges
Saifort	Saifort Israel		Company under common control	Loan	ILS	22	21.02.2024	2.5	31.12.2026	No pledges
Sirma Group Holding	Pirina Technolgies	175149906	Company under common control	Loan	BGN	295	10.01.2022	2	31.12.2026	No pledges
Sirma Group Holding	*Individual S.S.		Non related party	Loan	BGN	150	27.06.2017, 20.09.2017	3	31.12.2025	No pledges
Sirma Group Holding	*Individual S.S.		Non related party	Loan	BGN	133	31.05.2022	2	31.12.2025	No pledges
EngView Systems	EngView Systems GmbH		Subsidiary	Loan	EUR	116	05.12.2022	3	31.12.2025	No pledges
Sirma Group Holding	Sciart Shpk.		Subsidiary	Loan	EUR	84	25.7.2023	3	01.09.2025	No pledges
Sirma ICS	Sirma Group Holding	200101236	Parent company	Deposit	BGN	250	04.2.2025	0.10	04.02.2027	No pledges

**Other loans and deposits received from „Sirma Group Holding“ JSC and its subsidiaries:**

Recipient	Lender	United identification code	Relationship	Type	Currency	Liability as of 31.03.2025 (BGN '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
Sirma Medical Systems	Saifort	200356710	Company under common control	Loan	BGN	1 735	20.12.2022	2.80	31.12.2025	No pledges
Sirma Group Inc	Worklogic Canada		Non related company	Loan	USD	85	31.07.2017	0,01	31.12.2024	No pledges
Sirma Group Holding	Saifort	200356710	Subsidiary	Deposit	BGN	3 699	18.07.2023	0.1	31.12.2025	No pledges
Sciart Shpk.	Sirma Group Holding	200356710	Company under common control	Loan	BGN	84	25.07.2023	3	01.09.2025	No pledges
Sirma Group Holding	Sirma ICS	203940550	Subsidiary	Deposit	BGN	250	04.2.2025	0.10	04.02.2027	No pledges

\*The Issuer has disclosed only the initials of the individuals to whom it has granted loans, in compliance with the provisions of the Personal Data Protection Act and the General Regulation on Data Protection (Regulation (EU) 2016/679, GDPR).



## 7.7. CASH FLOW

	31.03.2024 BGN '000	31.03.2023 BGN '000	Change (BGN '000)	Change %
Net cash flow from operating activities	(7 202)	(121)	(7 081)	5 852,07%
Net cash flow from investing activities	(1 056)	(43)	(1 013)	2 355,81%
Net cash flow from financing activities	915	(17)	932	n/a
Net change in cash	(7 343)	(181)	(7 162)	3 956,91%
Exchange gains/(losses) on cash	(98)	-	(98)	n/a
Cash at the beginning of the year	9 953	1 131	8 822	780,02%
Cash at the end of the year	2 512	950	1 562	164,42%

The Company has no liquidity problems and operates with the available resources.

## 7.8. INDICATORS AND COEFFICIENTS

Over the past financial period, the company has realized the following financial results:

(The indices and the coefficients have been calculated according to the instructions of BSE)

Indicators BGN '000	31.03.2025	31.03.2024/ 31.12.2024	Change	
			(Abs.)	(%)
Revenue from operating activities	26 083	1 903	24 180	1 270,63%
Cost of sales	(25 050)	( 928)	(24 122)	2 599,35%
Gross profit	1 033	975	58	5,95%
Other operating costs	( 219)	( 9)	( 210)	2 333,33%
Operating profit	814	966	( 152)	(15,73%)
Financial costs	1	-	1	n/a
Financial income	( 277)	( 13)	( 264)	2 030,77%
Profit before tax expense	538	953	( 415)	(43,55%)
Net profit	538	953	( 415)	(43,55%)
Dividend	-	(1 154)	1 154	(100%)
Cash	2 512	9 953	(7 441)	(74,76%)
Short-term assets	21 170	25 894	(4 724)	(18,24%)
Total amount of assets	104 878	108 150	(3 272)	(3,03%)
Average arithmetic total asset value for 5 quarters	97 180	94 220	2 960	3,14%
Current liabilities	18 040	21 915	(3 875)	(17,68%)
Debt	8 128	7 085	1 043	14,72%
Liabilities (borrowed funds)	28 955	32 765	(3 810)	(11,63%)
Equity	75 923	75 385	538	0,71%
Equity averaged for 5 quarters	74 245	73 667	578	0,79%
Turnover capital	3 130	3 979	( 849)	(21,34%)
Number of shares at the end of the period (in thousands)	59 361	59 361	-	-
Interest expenses	( 39)	( 6)	( 33)	550,00%
Weighted average share price of last trading session	1,10	0,745	0,355	47,65%
Last share price of last trading session	1,09	0,75	0,34	45,33%



Indicators	31.03.2025	31.03.2024/ 31.12.2024	Change	
			(Abs.)	(%)
EBITDA	1 223	1 123	100	8,90%
DEPRECIATION	( 646)	( 164)	( 482)	293,90%
EBIT	577	959	( 382)	(39,83%)
FIN/INVEST NET	( 276)	( 13)	( 263)	2 023,08%
EBT	538	953	( 415)	(43,55%)
ROA	0,0051	0,0088	(0,00368)	(41,79%)
ROA(BSE)	0,0055	0,0101	(0,00458)	(45,27%)
Debt/EBITDA Ratio	6,6460	6,3090	0,33696	5,34%
Quick Ratio	1,1735	1,1816	(0,0081)	(0,68%)
ROE (BSE)	0,0072	0,0129	(0,0057)	(43,99%)
ROE	0,0072	0,0129	(0,0057)	(43,99%)
EBITDA	0,3814	0,4346	(0,0533)	(12,25%)
<b>Profitability ratios</b>				
Gross profit margin	0,0396	0,5123	(0,4727)	(92,27%)
Operating profit margin	0,0312	0,5076	(0,4764)	(93,85%)
Net profit margin	0,0206	0,5008	(0,4802)	(95,88%)
<b>Coefficients for assets and liquidity</b>				
Assets turnover ratio	0,2684	0,0202	0,2482	1 228,92%
Assets turnover ratio (BSE)	0,2684	0,0202	0,2482	1 228,87%
Operating cycle	8,3332	0,4783	7,8550	1 642,40%
Current ratio	1,1735	1,1816	(0,0081)	(0,68%)
Quick ratio	1,1735	1,1816	(0,0081)	(0,68%)
Cash ratio	0,1392	0,4542	(0,3149)	(69,34%)
<b>Odds per share</b>				
P/S ratio	2,5034	23,2391	(20,7356)	(89,23%)
P/E ratio	121,3701	46,4050	74,9651	161,55%
P/B ratio	0,8600	0,5866	0,2734	46,60%
Revenue per share	0,4394	0,0321	0,4073	1 270,63%
Earnings per share	0,0091	0,0161	(0,0070)	(43,55%)
Book value of equity per share	1,2507	1,2410	0,0097	0,79%
<b>Development Ratios</b>				
Revenue growth	12,7063	(0,1620)	12,8683	n/a
Gross profit growth	0,0595	(0,3187)	0,3781	n/a
Assets growth	(0,0303)	0,2006	(0,2309)	n/a
<b>Leverage Ratios</b>				
Debt/total assets	0,0836	0,0752	0,0084	11,23%
Debt/capital	0,0987	0,0877	0,0109	12,46%
Debt/equity	0,1095	0,0962	0,0133	13,83%
Total assets/equity	1,3089	1,2790	0,0299	2,34%
Market value of the company	64 703	44 521	20 183	45,33%



## 7.9 RELATED PARTY TRANSACTIONS

The Company's related parties include its owners, subsidiaries and associates, key management personnel and others described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

### Transactions with subsidiaries

	31.03.2025	31.03.2024
	BGN'000	BGN'000
Purchases of goods and services		
Purchases of services:		
- Software services	(450)	(30)
- Internet	(11)	(3)
- Consulting services	(8)	-
- Subscriptions	(25)	-
- Hosting	(21)	-
- Intermediary services	(29)	-
Purchases of LTFA	-	(3)
Sales of goods and services		
Sales of services		
- Administrative, accounting services	88	901
- Rent	39	132
- Consulting services	-	6
- Software services	830	-
- Technical Support	-	2
- Subscriptions	6	-
Sales of goods:		
- Consumables	5	22
- Computer components	156	-
Dividends received	-	800
- Received deposits	250	750
- Loans given	-	(300)
- Refunded loans given	-	312
- Interest on received loans	(2)	(4)
- Interest on loans given	-	3

### Transactions with other related parties

	31.03.2025	31.03.2024
	BGN'000	BGN'000
Sale of services		
- Administrative, accounting services	-	1
- Rent	-	2

### Transactions with key management personnel

Key management of the Company includes members of the board of directors. Key management personnel remuneration includes the following expenses:

	31.03.2025	31.03.2024
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries including bonuses	(116)	(87)
Social security costs	(2)	(1)
Total remunerations	<u>(118)</u>	<u>(88)</u>



## 8/ PERSONNEL AND ECOLOGY

### 8.1 ECOLOGY

Sirma Group Holding maintains and observes its commitments in compliance with the national legislation in the field of environmental protection. The company applies measures for separate collection of waste, minimization, recovery and recycling of municipal waste. In 2017, the use of plastic cups stopped, and they were replaced with porcelain and glass cups.

### 8.2 PERSONNEL

The Company believes that its employees play a key role in the development of its business and the overall corporate goals and therefore pays special attention to the development of a common human resources management

strategy and policies. Sirma Group Holding's policies in this regard are aimed at stimulating the responsibility and motivation of the staff to fulfill the assigned tasks and objectives.

The company and the companies in the group apply certain selection criteria and consider that they have an ambitious team of professionals capable of pursuing the strategic and operational objectives. Sirma Group Holding invests in various training programs for its employees and provides its employees with opportunities for professional development.

The structure of the personnel of Sirma Group Holding has the following dynamics:

"Sirma Group Holding" JSC	31.03.2025	31.03.2024
	Number of employees	Number of employees
Labour contract	429	20
Contract for management and control	9	9
<b>Total</b>	<b>438</b>	<b>29</b>

### DESCRIPTION OF ALL AGREEMENTS FOR THE PARTICIPATION OF THE EMPLOYEES IN THE CAPITAL OF THE COMPANY.

There are no arrangements for the participation of employees in the capital of the Company.

## 9/ RISK FACTORS

### Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated at its headquarters, in close co-operation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The most significant financial risks to which the Company is exposed are described below.

#### 9.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

As the economic consequences of the war in Ukraine unfolded, strong inflationary pressures arose and annual inflation for the period March 2025 compared to March 2024, as measured by National Statistical Institute with the Harmonized Index of Consumer Prices (HICP) is 4%.



### 9.1.1 Foreign currency risk

Most of the Company's transactions are carried out in Bulgarian leva (BGN). Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US-Dollars.

To mitigate the Company's exposure to foreign currency risk, non-BGN cash flows are monitored. Generally, Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken, as is usually the case in the Company.

### 9.1.2 Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates.

At 31 March 2025, the Company is not exposed to a significant risk of changes in market interest rates on the company's investment loan since the interest rate has no change during the year. All other financial assets and liabilities of the Company have fixed interest rates

## 9.2 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties. The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

The Company has not provided its financial assets as collateral for transactions other than collateral for received bank loans.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a small number of customers in single industry and geographical area. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.

## 9.3 Liquidity risk

Liquidity risk is the risk arising from the Company not being able to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash to meet its liquidity requirements for 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

### Financial assets used for managing liquidity risk

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables do not significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.



## 10/ INFORMATION ABOUT EVENTS AND INDICATORS WITH INCREASED NATURE OF THE COMPANY, HAVING A SIGNIFICANT EFFECT ON THEIR ACTIVITY AND THEIR INCOME AND EXPENDITURE; EVALUATION OF THEIR IMPACT ON RESULTS IN THE CURRENT PERIOD.

There are no events and indicators with an unusual nature for the company that have a significant impact on its operations and its realized revenues and expenses; assessing their impact on results during the current period.

## 11/ INFORMATION ABOUT OUT OF THE BALANCE SHEET TRANSACTIONS - NATURE AND BUSINESS PURPOSE, FINANCIAL IMPACT OF THE TRANSACTION ON ACTIVITY IF THE RISKS AND BENEFITS OF THESE TRANSACTIONS ARE ESSENTIAL FOR THE COMPANY AND THE DISCLOSURE OF THIS INFORMATION IS ESSENTIAL FOR ASSESSING THE FINANCIAL POSITION OF THE COMPANY.

There are no deals out of the balance sheet of the Company.

## 12/ ANALYSIS AND FINANCIAL EVALUATION OF THE FINANCIAL RESOURCES MANAGEMENT POLICY WITH THE POSITION OF OPPORTUNITIES FOR THE SERVICE OF THE OBLIGATIONS, THE EVENTUAL THREATS AND MEASURES WHICH THE COMPANY WAS PREVENTED OR PROVIDED TO TAKE FOR THE PURPOSE OF REMOVING THEM.

The management of financial resources is subject to the requirement of maximizing efficiency while respecting payment deadlines agreed with both suppliers and customers. This means a predominant use of own funds, resulting in lower financial costs and interest costs. On the other hand, there is a significant reserve of undrawn loans that can serve both current and investment costs, which maintain high liquidity of payments.

The entity's ability to service obligations is expressed in terms of liquidity ratios in the description of the liquidity risk in this report. As evidenced by the values of the liquidity indicators, Sirma Group Holding JSC has no problems in meeting its obligations, both in the medium and long term. The company has regular proceeds from sale, while also using bank overdrafts, which allows it to service its obligations by successfully managing its financial resources and to properly and timely service its obligations.



## 13/ ASSESSMENT OF THE POSSIBILITIES FOR THE IMPLEMENTATION OF INVESTMENT INTENTIONS WITH THE SIGNIFICANCE OF THE AMOUNT OF EXPENDITURE AND THE EFFECTIVENESS OF THE POSSIBLE CHANGES IN THE STRUCTURE OF FINANCING THAT ACTIVITY.

The management estimates that it is possible to realize the investment intentions declared with the prospectus for initial public offering.

## 14/ INFORMATION ABOUT OCCURRING CHANGES IN THE REPORTING PERIOD IN THE MAIN PRINCIPLES FOR THE MANAGEMENT OF THE COMPANY AND ITS ECONOMIC GROUP.

There were no changes during the reporting period in the company's main management principles and its economic group.

## 15/ INFORMATION ABOUT THE MAIN CHARACTERISTICS OF THE FINANCIAL REPORTING PROCESSING INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM IN THE COMPANY.

Under Bulgarian law, the management should prepare an interim report on the operations and a financial statement for each quarter to give a true and fair view of the Company's financial position as of the end of the year, financial performance and cash flows in accordance with the applicable accounting framework. Management's responsibility also includes the implementation of an internal control system to prevent, detect and correct mistakes and false statements as a result of the accounting system's actions. In this respect, the management observes the following basic principles in its activities:

- adherence to a particular management and accounting policy disclosed in the financial statements;
- carrying out all operations in compliance with the laws and regulations; coverage of all events and operations in a timely manner, with the exact amount of the amounts in the appropriate accounting articles.
- accounts and the relevant reporting period so as to allow the financial statements to be prepared in accordance with the specific accounting framework;

- observance of the precautionary principle in the valuation of assets, liabilities, income and expenses;
- detection and termination of frauds and errors;
- completeness and regularity of accounting information;
- preparation of reliable financial information;
- adherence to international financial reporting standards and adherence to the going concern principle.

The interim separate financial statements have been prepared in accordance with the going concern principle, taking into account the possible effects of the emerging geopolitical situation and other risks accompanying the company's activity.

During the reporting period, there have been no changes in the basic principles of management of Sirma Group Holding JSC.



## 16/ INFORMATION ON CHANGES IN MANAGEMENT AND SUPERVISORY AUTHORITIES DURING THE PERIOD.

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No changes during the period considered.

## 17/ INFORMATION ABOUT THE USE OF THE FUNDS FROM A NEW ISSUED SHARES AND SECURITIES IN THE REPORTING PERIOD.

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No funds from a new issued shares and securities were used during the reporting period.

## 18/ DETAILS OF THE DIRECTOR FOR CONNECTIONS WITH THE INVESTOR, INCLUDING A TELEPHONE AND ADDRESS FOR CORRESPONDENCE.

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# 19/ CHANGES IN THE PRICE OF THE SHARES OF THE COMPANY

HISTORICAL DATA AND FINANCIAL RATIOS ▼

Closing price in BGN  Closing price in EUR

[1 month](#) [6 months](#) [1 year](#) 01.01.2025 « » 31.03.2025



Market Capitalisation: **64 702 965** BGN as of 31.03.2025

Start Price	0.9650	BGN	01.01.2025
Last Price	1.0900	BGN	31.03.2025
Max Price	1.1200	BGN	21.03.2025
Min Price	0.9400	BGN	27.01.2025
Percent Change	+12.9534	%	-
Value Change	+0.1250	BGN	-

ROA	0.03	ROA cons	0.01
ROE	0.04	ROE cons	0.01
ROA/EBIT	0.04	ROA/EBIT cons	0.02
ROE/EBIT	0.05	ROE/EBIT cons	0.02
Asset turnover	0.35	Asset turnover cons	1.04
Current ratio	1.18	Current ratio cons	1.69
D/A	0.30	D/A cons	0.28



## 20/ EVENTS AFTER THE END OF THE REPORTING PERIOD

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### Buyback of shares by the company

At the Extraordinary General Meeting of Shareholders of "Sirma Group Holding" JSC held on 08.04.2025, a decision was adopted for the company to repurchase its own shares.

The Board of Directors must carry out the repurchase under the following conditions:

- The maximum number of shares subject to repurchase is 5 300 000.
- Minimum price 0.85 BGN per share and maximum price 4 BGN per share. Maximum total price for repurchase of shares - no more than 21 200 000 (twenty-one million and two hundred thousand) BGN. In the event of a change in the official currency in the Republic of Bulgaria, the price of a share will be calculated in the new official currency determined in accordance with the applicable legislation, applying the legally prescribed exchange rate.
- The redemption period is until 31.12.2028.
- Method of repurchase - through an investment intermediary.

The General Meeting of Shareholders authorizes the Board of Directors to take all necessary legal and factual actions to implement the buyback.

### Sale of own shares by the company

On 09.04.2025, in implementation of its bonus policy, Sirma Group Holding JSC sold 400 000 of its shares at an average price of BGN 1.00 per share for a total value of BGN 400 000. The shares represent 0,67% of the company's capital. The sale was made on an unregulated over-the-counter market (Bulgaria).

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

Sofia  
30.04.2025

CEO:



Tsvetan Alexiev

