



Sirma

Interim Consolidated Management Report

of "Sirma Group Holding" JSC
for Q4 2024

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1 STATEMENT BY THE BOARD OF DIRECTORS OF “SIRMA GROUP HOLDING” JSC

The present interim consolidated management of “Sirma Group Holding” JSC covers the period, ending on 31 December 2024 and was prepared in accordance with the provisions of Article 39 of the Accountancy Law and Art. 100o, para. 2 and 5 of the the Public Offering of Securities Act (POSA), including also the established events, occurring after the balance sheet date. The structure of this report is in accordance accordance to Article 12 of Ordinance No. 2 of of the Financial Supervision Commission (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 consolidated financial statements as at 31 December 2024;
- there is no actual or potential breach of laws and (or) other regulatory provisions which would have a material impact on the consolidated 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 interim consolidated management report contains estimates and information based on our beliefs and assumptions, using currently available information about them. Any statements contained in this report which 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 report in the Risk Section.

This report includes IT industry statistics and global economic trends which 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 type of data 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 interim consolidated management report we analyze our business activities for the reporting financial period as well as the current situation of Sirma Group. 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 and the expected development of possible risks.

The financial information presented in this report includes our consolidated 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 interim consolidated financial statements have been prepared in accordance with IFRSs. Internal control over financial reporting ensures the reliability of the information presented in the consolidated financial statements. Our Board of Directors has confirmed the effectiveness of our internal financial reporting.

All financial and non-financial data and information for the reporting period is collected and / or reported by the responsible business units.

The reporting period is the financial year ending on 31.12.2024. The report includes Sirma Group Holding JSC and all subsidiary companies of the Group without EngView Systems Latin America and Sirma ISG, which are excluded from consolidation due to lack of relevance.

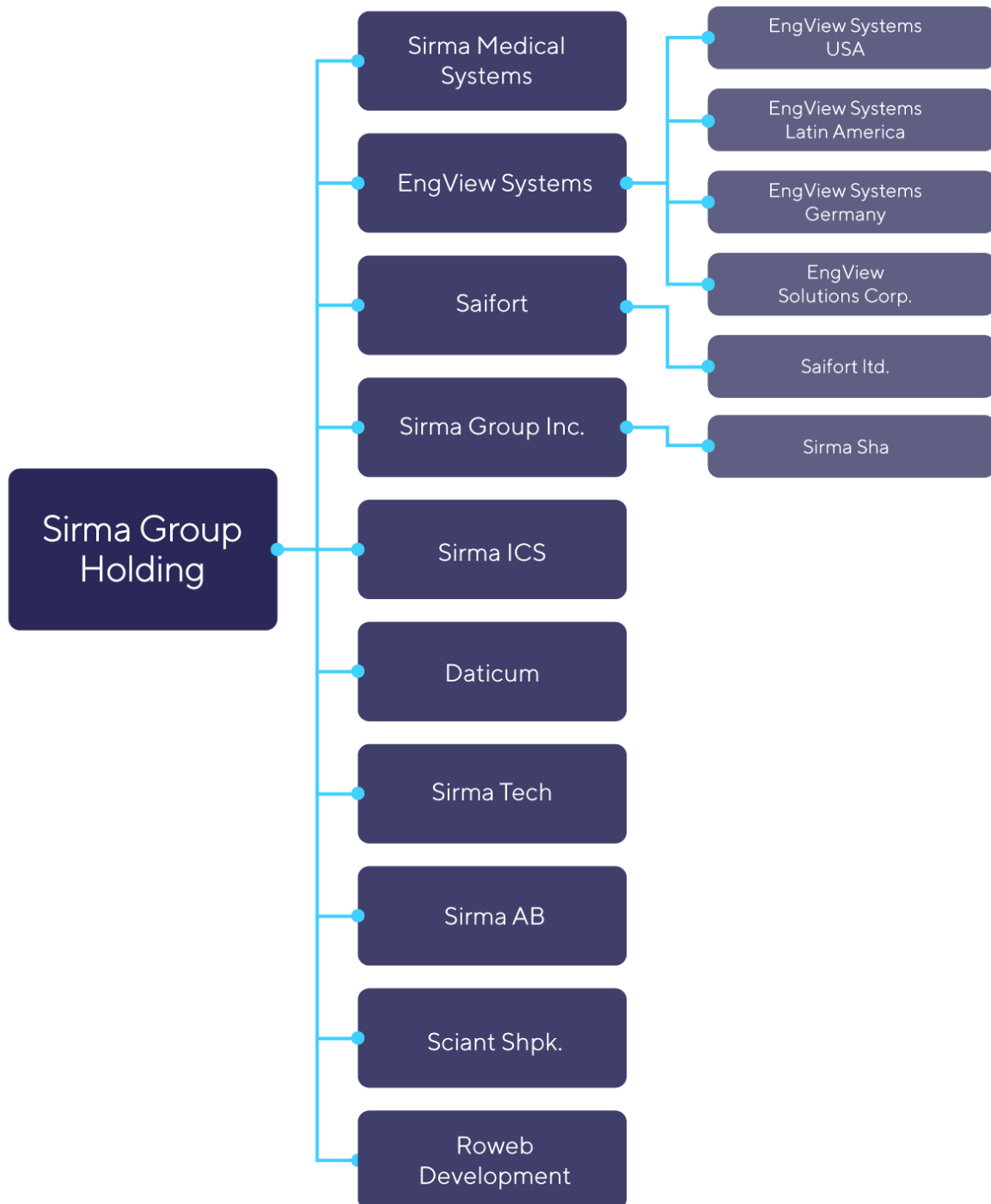


2 ORGANIZATION AND WAY OF PRESENTATION

“Sirma Group Holding” JSC is a holding company that 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.

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



History and development of the company

"Sirma Group Holding" JSC is a holding company registered on 25.04.2008 at the Registry Agency with UIC 200101236, with head office: BULGARIA, Sofia (capital), Sofia municipality, City Sofia 1784, Mladost area, bul. Tsarigradsko Shose, No 135.

The name of the company changed on 23.03.2009 from "SGH" JSC to "Sirma Group Holding" JSC.

The object of the company 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 of companies which the company holds, finance of companies in which the company participates, organization of accounting and compiling financial statements under the law of accounting, the company may perform independent business activities which are not prohibited by law.

Changes in the statement of activity

At the time of its incorporation, the company operated under the following business activities: design, development, marketing, sales, implementation, training and support of software products and complete solutions, including software project management, information and communication technology consultancy services, accounting services, as well as any other activity not prohibited by law.

On 23.03.2009 Sirma Group Holding changed its scope of activity as follows: 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 of 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 under the order of 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:

- is not the subject of consolidation;
- no transfer or pledge to the enterprise;
- No claims have been filed for the opening of insolvency proceedings of the company;
- There are no tenders from third parties to the Company or from the Company to other companies;

CAPITAL

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

History of Share Capital

History of changes in share capital

- The company was incorporated with BGN 50 000 of capital.

On 15.10.2008, after the adoption of three triple expert appraisals of experts, the share capital was increased from BGN 50 000 to BGN 77 252 478 through non-cash contributions and issuance of new 77 202 478 shares. Non-cash contributions are 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 3 and floor 5 of an office building located in the city of Sofia, 135 "Tsarigradsko shose" blvd., owned by "Sirma Group" JSC, a company registered in the Commercial Register at the UIC Registration Agency 040529004, with registered office and management address in the city of Sofia, "Mladost" district, "Tsarigradsko shose" boulevard No. 135, accepted as a shareholder in "SGH" AD by decision of the General Assembly of "SGH" AD 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.

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" AD from BGN 77,252,478 to BGN 73,340,818 was entered by canceling 3,911,660 shares with a nominal value of one lev each. The Company's capital is reduced on the basis of Art. 200, para. 2, in connection with Art. 187e, para. 1, item 2pt TZ.

When the conversion was carried out, entered in the Commercial Register on 23.10.2014, the Company's capital is reduced to BGN 49,837,156 by canceling 23,503,662 shares. This reduction is the result of the calculated fair value of the shares of "Sirma Group Holding" AD by two independent appraisers. The shareholding structure of the Company does not change as a result of the spin-off to the extent that the shareholding structures in the transforming company and in the newly established company are mirrored.

On 30.10.2015, after a successful initial public offering, the capital was increased to BGN 59,360,518 by issuing 9,523,362 shares, new shares with a nominal value of one share of BGN 1 and an issue value of BGN 1.20.

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 STRUCTURE OF SHARE CAPITAL AND MANAGEMENT AUTHORITIES

3.1. Capital structure

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

	31.12.2024 (BGN '000,%)		30.09.2024 (BGN '000,%)			
Share capital	59 361		59 361			
Number of shares (par value of 1 BGN)	59 360 518		59 360 518			
Total number of registered shareholders	1 160		1 151			
Including legal entities	43		43			
Including Individuals	1 117		1 108			
Number of shares held by legal entities	7 214 055		6 867 613			
% of capital of legal entities	12,15%		11,57%			
Number of shares held by individuals	52 146 463		52 492 905			
% of capital held by individuals	87,85%		88,43%			

Shareholders	Number of shares at 31.12.2024	Number of shares at 30.09.2024	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	1 990 209	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	1 689 786	1 689 786	1	1 689 786	2,85%	0,00%
Atanas Kostadinov Kiryakov	1 555 287	1 545 287	1	1 555 287	2,62%	2,70%
Yavor Liudmilov Djonev	1 068 046	1 092 746	1	1 068 046	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	718 335	1	738 822	1,24%	1,28%
UPF Doverie JSC	702 126	802 126	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	13 526 544	13 438 331	1	13 526 544	22,79%	23,45%
Total	59 360 518	59 360 518		59 360 518	100%	100%

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



As of 31.12.2024 the total amount of repurchased own shares by "Sirma Group Holding" JSC is 1 689 786 shares with nominal value amount of BGN 1 689 786 (2,85 % of share capital). The other companies of the Group that own shares of "Sirma Group Holding" JSC are:

- "Saifort" EAD ("SAI" AD) owns 550 shares of the parent company "Sirma Group Holding" JSC. The company has no newly acquired shares during the reporting period.

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

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%

Shareholders	Number of shares at 30.09.2024	% 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%
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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.

3.2 Management authorities

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

The Board of Directors as of 31.12.2024 includes the following members:

Chavdar Velizarov Dimitrov
Tsvetan Borisov Alexiev
Atanas Kostadinov Kiryakov
Georgi Parvanov Marinov
Veselin Anchev Kirov
Yordan Stoyanov Nedev
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 CEO 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 shares of the Company.

Rights of the members of the BD to acquire shares and bonds of the company

The rights of the members of the BD to acquire shares in the company are regulated in the legal framework. The company does not have a bond issue.

Participation of the members of the BD of "Sirma Group Holding" JSC in other companies

The members of the BD of "Sirma Group Holding" JSC have the following other participations in companies, as per the provisions of Art. 247, Par.2, p.4 of the Commercial Code:

Georgi Parvanov Marinov – Chairman of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in 2024.
2. Does not own more than 25% of the capital of other companies in 2024.
3. Procurator/manager/member of a managing/supervisory body in 2024:
 - Executive director and Chairman of the BD of "Engview Systems Sofia" JSC;
 - Executive director and Member of the BD of "Pirina Technologies" JSC;

Chavdar Velizarov Dimitrov – Deputy Chairman of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in 2024.
2. Does not own more than 25% of the capital of other companies in 2024.
3. Procurator/manager/member of a managing/supervisory body in 2024:
 - Member of the BD of „Sirma Medical Systems“ JSC;

Tsvetan Borisov Aleksiev – Executive director and member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years..
2. Does not own more than 25% of the capital of other companies in 2024.
3. Procurator/manager/member of a managing/supervisory body in 2024:
 - Executive director and Chairman of the BD of "Sirma Solutions" EAD;
 - Member of the BD of „Daticum“ JSC;
 - Member of the BD of "Engview Systems" JSC;
 - Member of the BD of „Sirma“ Sha., Albania.
 - Member of the BD of Sirma Group Inc.;

Atanas Kostadinov Kiryakov - Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies.
2. Does not own more than 25% of the capital of other companies in 2024.
3. Procurator/manager/member of a managing/supervisory body in 2024:
 - Executive director and Member of the BD of "Ontotext" JSC;
 - Member of the BD of "Engview Systems Sofia" JSC;



Yordan Stoyanov Nedev – Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in 2024.
2. Owns more than 25% of the capital of:
 - "Susana and Vesko – SV" OOD – 75 %.
3. Procurator/manager/member of a managing/supervisory body in 2024:
 - Member of the BD of MAC „Bushido“;
 - Trustee of the foundation „Alexander“;
 - Member of the BD of SC Hanshi Association;

Veselin Anchev Kirov – Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Does not own more than 25% of the capital of other companies in 2024.
3. Does not participate in managing other legal entities in 2024.

Yavor Ludmilov Djonev – independent Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Owns more than 25% of the capital of other company in 2024:
 - "Djonev Consulting" EOOD – 100%.
3. Representing "Educational Transformation Foundation"

Martin Veselinov Paev – independent Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Owns more than 25% of the capital of the following companies:
 - "Sortis Invest" EOOD
 - "Sortis Group" EOOD
 - "Analog 2009" EOOD
 - "Petlite" EOOD
3. Procurator/manager/member of a managing/supervisory body in 2023:
 - SORTIS INVEST EOOD – Manager
 - SORTIS GROUP EOOD – Manager
 - SORTIS VENTURES EOOD – Manager
 - SORTIS REAL ESTATE EOOD – Manager
 - SORTIS.BG EOOD – Manager
 - SORTIS Hospitality OOD – Manager
 - BPH Bulgaria 2 EOOD – Manager
 - BPH Bulgaria 3 EOOD – Manager

Peyo Vasilev Popov – independent Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Does not own more than 25% of the capital of other companies in 2024.
3. Does not participate in managing other legal entities.



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
Tsvetan Alexiev – member (until 20.03.2024)
Stanislav Tanushev - member (after 20.03.2024)
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 – membe

Accepted internal normative 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 31.12.2024	Number of shares at 30.09.2024	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	1 545 287	1	1 555 287	2,62%	2,70%
Yavor Ludmilov Djonev	1 068 046	1 092 746	1	1 068 046	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%
Total	22 825 609	22 840 309		22 825 609	38,45%	39,58%

During the period the member of the BD Atanas Kostadinov Kiryakov has acquired 10 000 shares and the member of the BD Yavor Ludmilov Djonev has sold 24 700 shares of the capital of the company.

Remuneration under CMC of the members of the Board of Directors of "Sirma Group Holding" JSC:

	31.12.2024 BGN'000	31.12.2023 BGN'000
Short-term employee benefits:		
Salaries including bonuses	1 100	1 296
Social security costs	48	44
Total short-term employee benefits	1 148	1 340
Dividends	655	1 177
Total remunerations	1 148	1 340

Information on the contracts of the members of the administrative, management or supervisory bodies with the company providing severance pay

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 or remuneration committee, including the names of the members of the committee and a mandate summary by 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, the financial statements of "Sirma Group Holding" JSC comply with its Program for the application of internationally recognized standards for good corporate governance and maintains its accounting policy in accordance with International Accounting Standards.



4 FUNCTIONING OF THE GROUP

The economic group of "Sirma Group Holding" JSC includes the parent company and its subsidiaries and associates - all of them operating in the IT sector. The Group functions as a typical holding structure with the organization, coordination and subordination of the companies characteristic of a similar structure.

Group companies have a common strategic framework, corporate values, financial and accounting policies, a vision of good corporate governance and staff policy.

Subsidiaries of "Sirma Group Holding" JSC

Company	Value of the investment at 31.12.2024 (in BGN'000)	Percentage of capital at 31.12.2024	% of voting rights at 31.12.2024	Value of the investment at 31.12.2023 (in BGN'000)	Percentage of capital at 31.12.2023	% of voting rights* at 31.12.2023
„Saifort EAD (SAI EAD)	17 865	100%	100%	17 865	84,56%	100%
Roweb Development	10 517	51,00%	51,00%	-	0,00%	0,00%
Sirma Group Inc.	6 537	100%	100%	3 471	76,30%	76,30%
Sirma Tech (S&G Technology Services)	1 402	100%	100%	-	0,00%	0,00%
Daticum AD	468	59%	59%	-	0,00%	0,00%
"Sirma AB"	338	100%	100%	-	0,00%	0,00%
"Sirma ICS" AD	279	93,00%	93,00%	-	0,00%	0,00%
Sciart Shpk (ReSolutions Shpk)	256	100%	100%	-	0,00%	0,00%
"Sirma Medical Systems" AD	66	66,00%	66,00%	66	66,00%	66,00%
"EngView Systems" AD	50	72,90%	72,90%	50	72,90%	72,90%
"Sirma ISG" OOD	4	71%	71%	-	0,00%	0,00%
„Sirma Solutions" EAD- incorporated	-	0,00%	0,00%	39 686	100%	100%
"Sciart" EAD - incorporated	-	0,00%	0,00%	14 076	100%	100%
„Sirma InsurTech" EAD - incorporated	-	0,00%	0,00%	914	55,00%	55,00%
„Sirma CI" EAD - incorporated	-	0,00%	0,00%	106	80,00%	80,00%

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

Subsidiaries of "EngView Systems"

Company	Value of the investment at 31.12.2024 BGN'000	Percentage of capital at 31.12.2024	Value of the investment at 31.12.2023 BGN'000	Percentage of capital at 31.12.2023	Changes BGN'000
EngView Systems Germany	235	100%	235	100%	-
EngView Systems USA	190	100%	190	100%	-
EngView Systems Latin America, Brazil	7	95%	7	95%	-
EngView Solutions Corp., Canada	-	95%	-	95%	-

Subsidiaries of "Sirma Group Inc."

Company	Value of the investment at 31.12.2024 BGN '000	Percentage of capital at 31.12.2024	Value of the investment at 31.12.2023 BGN '000	Percentage of capital at 31.12.2023	Changes BGN '000
Sirma Sha, Albania	25	55%	25	55%	-



Subsidiaries of "Saifort"("SAI")

Company	Value of the investment at 31.12.2024 BGN '000	Percentage of capital at 31.12.2024	Value of the investment at 31.12.2023 BGN '000	Percentage of capital at 31.12.2023	Changes BGN '000
Saifort Ltd., Israel	-	70%	-	70%	-

Information about participations

Apart from the Company's stated participations in item 4 above, there are no other participations of the Company that 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.

5 SIRMA GROUP IN Q4 2024

5.1 The business

Established in 1992, Sirma has become one of the largest IT companies in the region for 27 years, owning a range of proprietary, innovative technologies, a diverse product portfolio and growing market share in Europe and North America.

Sirma owns software solutions for a wide range of businesses with a focus on the development of cognitive technologies (AI). The Group has diversified market exposure exclusively to the private sector with a stable customer portfolio. Sirma's services and solutions are concentrated in the most promising and high-tech areas - financial technologies, transport and logistics, hospitality and retail, industrial software, healthcare technologies. The group has a large sales and marketing capacity, actively uses cross-selling strategies and modern marketing mechanisms. Sirma has offices in Bulgaria, USA, UK, Canada, Germany, Sweden, Albania, Brazil and regional representatives and/or distributors in over 50 countries.

Sirma is a globally recognized company in areas such as financial technology, transportation and logistics, hospitality, healthcare technology and some classes of industrial technology. One of Sirma's products - EngView Package Designer Suite CAD is part of the packaging design and production solutions of world leaders in the printing industry. The Group is among the regional leaders of the IT market, with 60% of operators in the financial sector as clients. The Group's clients are among the world's largest logistics companies, the largest hotel chains, international banking and European institutions. One of the Group's products in the field of health care - Diabetes:M is in the Top3 global products for the fight against diabetes. Sirma has a strong presence in the US market, executing a huge number of IT consulting projects. One of the companies in the group - Daticum is a first-class regional provider of cloud services with a Class 4 Data Center, licensed for data storage by the BNB and other organizations requiring increased data security. Through one of its companies, the Group is a leader in the delivery of SaaS for insurance intermediaries. Our philosophy for our strategic technologies and solutions is that we embed a sense of human thought – perception, interpretation, prediction and decision making. AI-based technologies have been in Sirma's DNA since its inception. In 2022, Sirma sold a majority stake in one of its subsidiaries, Sirma AI, and in early 2023, its remaining stake in it. Sirma AI (now Ontotext AD) is a company founded by Sirma and working in the field of semantic technologies. The flagship

product of Sirma AI is GraphDB – one of the best graph databases in the world. An undeniably successful company, Sirma AI has reached the level where in order to continue to develop successfully and compete with its strong American competitors (companies such as Neo4J, Microsoft, Amazon, Oracle, IBM) it needs very large investments, such as Sirma can not afford. The company was valued at nearly 30M euros, which is an excellent reference for Sirma's abilities to create and develop successful businesses. In the last 2 years, Sirma's strategy has changed dramatically. The realities of business are such that it is almost impossible to develop a product business without significant investments. That's why Sirma started positioning itself as a service company with deep expertise in several strategic verticals and powerful solutions, often supported by AI technologies. The main revenue, focus, marketing and growth are concentrated in the service-related activity - software development, IT consulting, system integration, cloud services, etc. This activity generates over 90% of the group's business. Sirma also retains an investment part - its product companies such as EngView and Sirma Medical Systems. R&D and product development is done in these companies. The companies and businesses in the investment part of the Group can be subject to investments - internal and external, they can be sold to a strategic buyer, as we have already proven that we can successfully do (the sale of Sirma AI). Growth in the main - service part of the company takes place organically and through acquisitions. Here, the model is clear, understandable for investors, with a fairly clearly established dependence "investment size - growth". The investment part is more risky, but the chances of a "breakout" or a "very successful deal" are also much greater.

Sirma's mid-term goal is to reach \$100+ million in revenue and list on a major global exchange (most likely NASDAQ). Sirma's positioning at the time of listing will be:

- One of the largest Eastern European groups specializing in providing IT services
- R&D companies in several countries in South-Eastern and Eastern Europe, providing access to one of the world's most attractive IT specialist markets
- Companies, representative offices and distributors in over 50 countries around the world
- Specialization, know-how and solutions in several strategic industries



- Regional leader in a number of industries, very good global recognition, significant reference customers
- Revenues of more than 100 million dollars and attractive EBITDA

5.2 Economic trends

Summary

The global economy has shown resilience in the face of numerous challenges in recent years. Forecasts are for continued growth, albeit at a more modest pace. Despite these optimistic forecasts, risks to continued growth remain high and weigh on the downside. Against this economic backdrop, the ICT industry continues to grow at a rapid pace, outpacing GDP growth by double. This growth is largely driven by global ICT giants and the preparation for AI and GenAI.

The economy of Bulgaria in 2024 and forecast for the future years

GDP growth is projected to accelerate from 2.4% in 2024 to around 3% in 2025 and 2026, supported by domestic demand and exports ([Economic Forecast Bulgaria, EC, May, 2024](#)). Increasing incomes are expected to support robust growth in private consumption. Investment financed by the Recovery and Resilience Programme is expected to strengthen gross fixed capital formation, while exports are set to catch up with external demand. Inflation is projected to decline to 2.3% in 2025, before accelerating moderately in 2026 due to persistent services inflation. The fiscal deficit is projected to increase to 2.6% of GDP in 2024 and to reach 2.8% in 2025 and 2026, driven by public sector pension and wage bill spending. Government debt is expected to grow to 24.5% of GDP by 2026.

Following the energy price shock in 2022 and weak external demand in 2023, the Bulgarian economy is poised to grow faster, supported by domestic and external demand, as well as an expansionary fiscal stance. In the first half of 2024, private consumption increased by 4.8% year-on-year on the back of strong wage growth amid a tight labor market and declining consumer price inflation. Bank lending to households strengthened in 2024 amid strong competition for market share. The expansion was mainly financed by higher domestic deposits, while banks also reduced their net foreign assets. The pace of private consumption growth is expected to slow in the second half of this year and over the next two years, amid declining wage growth and higher savings rates. Fixed capital investment performed less well in the first half of 2024, following a solid expansion in 2023, while inventory accumulation recovered after a sharp contraction last year. The implementation of the Resilience and Recovery Program is expected to support stronger investment activity by 2026. Exports have also recovered and are expected to catch up with external demand in the remainder of 2024 and beyond. Overall, GDP growth is projected to accelerate from 2.4% in 2024 to around 3% in 2025 and 2026.

From the beginning of 2024, the Bulgarian economy experienced:

- political instability;

- Excellent working marketing and sales machine
- Promising investment part – product companies and businesses and companies in incubation

- limited external demand;
- strong decline in exports and production;
- reduced investments;
- and continued price pressure.

What held back a more significant reduction in economic growth in 2024 was:

- expansion of domestic consumption;
- supported by a strong labor market;
- increased consumer confidence;
- decline in inflation and
- expansion of credit activity.

Despite an expected recovery in exports in 2024, some of the slowdown from 2023 has carried over into 2024. Strong domestic consumption will persist, although it will not grow at the pace of 2023. After mid-2024, a smooth recovery is expected, strengthening the demand from other European countries and thereby increasing Bulgaria's exports. A recovery of investments is also expected, and they will mainly come along the lines of utilization of European funds, including the Fund for the Recovery and Sustainability of Bulgaria.

Annual inflation ([National Institute of Statistics](#)) fell from 8.7% in June 2023 to 1.2% in September 2024. For the whole of 2023, inflation was reported at 8.6%. The decline in inflation is expected to continue in the coming years. It can be argued that inflation in Bulgaria is under control, as in 2024 it is expected to be 2.5%, with an expected decline to 2.3% in 2025.

The **risks** to the development of the Bulgarian economy in 2024 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;

Development of global economy in 2024 and forecast for the future years

The global economy is resilient, and the process of stabilization is ongoing. The IMF ([World Economic Outlook, October 2024, IMF](#)) forecasts that world GDP growth will be 3.3% in 2024 and will decline slightly to 3.2% in 2025 and 2026.

The global fight against inflation has been successful, and although rates still remain high in some countries, the results are good in most. After peaking in the third quarter of 2022 at 9.4%, headline inflation rates are expected to be 3.5% by the end of 2025. These levels are below the average inflation of 3.6% for the period 2000-2019. In addition, despite coordinated monetary tightening around the world, the global economy remains unexpectedly resilient. GDP growth is expected to remain stable at around 3.2% in 2024 and 2025, in spite of difficulties in some countries. Despite the above optimistic results and forecasts, the resilience of the global economy is being tested multiple times. The shocks to global supply chains since 2020 have had lasting consequences for many countries and regions. This is most visible in the divide between developed and developing economies. While the former have managed to rebuild their economies, the latter are experiencing a sustained contraction.

Despite the apparent containment of average inflation rates, with prices holding steady and even falling for some foods, service price inflation is showing resilience. This is partly a result of wages catching up with the effects of high inflation in previous years. This has also led a number of central banks to hold off on easing their monetary anti-inflationary measures, which is putting public finances under pressure (especially in countries with high debt servicing requirements).

Similar forecasts are made by the OECD ([OECD Economic Outlook, Interim Report December 2024](#)), which expects growth in the top 20 economies to stabilize at around 3.3% in 2024-2026.

Growth prospects vary considerably across regions. GDP growth in the United States is forecast to be 2.8% in 2025, before slowing to 2.4% in 2026. In the euro area, the recovery in real household incomes, tight labour markets and lower interest rates continue to support growth. Euro area GDP growth is forecast at 1.3% in 2025 and 1.5% in 2026. Growth in Japan is expected to increase by 1.5% in 2025, but then decline to 0.6% in 2026. China is expected to continue to slow down, with GDP growth at 4.7% in 2025 and 4.4% in 2026.

According to the December 2024 OECD report, significant risks remain to future economic developments. Geopolitical

tensions pose short-term risks, public debt ratios are high and medium-term growth prospects are very weak.

The forecast highlights the continuing uncertainty. The escalation of ongoing conflicts in the Middle East could disrupt energy markets and negatively impact confidence and growth. Rising trade tensions could hamper trade growth. Adverse surprises related to the growth outlook or the path of disinflation could trigger disruptive corrections in financial markets. Growth could also surprise to the upside. Improvements in consumer confidence, for example if purchasing power recovers more quickly than expected, could boost spending. Early resolution of major geopolitical conflicts could also improve sentiment and lower energy prices.

Increased geopolitical tensions risk disrupting energy 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.

"Policy actions need to safeguard macroeconomic stability – through monetary easing that is carefully calibrated to ensure that inflationary pressures are contained and through fiscal policy that restores fiscal space to leave room to accommodate future spending pressures. To boost productivity and the foundations for growth, we need to improve efforts in education and skills development, lift overly restrictive restrictions on business investment, and successfully address the structural increase in labour shortages," said OECD Secretary-General Matyash Korman.

"Structural reforms are essential to lay the foundations for stronger, sustainable growth," said OECD Chief Economist Alvaro Pereira. "Labour shortages are already a challenge for firms in many countries, and aging populations will only make this worse. Policy actions must ensure that skills evolve with the demands of labor markets and that labor force participation, especially of older workers and women, increases.

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: average probability / high impact ;



- stronger-than-expected contraction of the Chinese economy, deepening deflation and contraction of domestic consumption and sales problems in the Chinese property market that generate liquidity and/or risk of debt defaults: low probability / high impact ;
- deepening of the geopolitical fragmentation that began in 2022: average 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: low probability / high impact ;
- extreme climatic events: high probability / average impact.

After a prolonged period of widespread stagnation that began in 2023, the European economy has started its recovery ([European Commission, Autumn November 2024 Economic Forecast](#)). A change in trend was already noticeable in the first quarter of 2024, and is expected to persist for the rest of the year, albeit at a slower pace. Private consumption (driven by wage and job growth, as well as falling inflation) is expected to be the main driver of this recovery.

The autumn forecast projects real GDP growth in 2024 of 0.9% in the EU and 0.8% in the euro area. For the EU, this is 0.1 percentage points lower than in the spring forecast, while for the euro area it remains unchanged. Growth in the EU is expected to increase to 1.5% in 2025, as consumption picks up and investment recovers from the contraction in 2024. In 2026, economic activity is expected to grow by 1.8%, driven by a continued expansion in demand. Growth in the euro area is expected to follow a similar pattern, reaching 1.3% in 2025 and 1.6% in 2026.

The disinflationary process that began towards the end of 2022 continued into the summer of 2024. Despite a slight increase in October, largely driven by energy prices, headline inflation in the euro area is expected to fall by more than half in 2024, from 5.4% in 2023 to 2.4%, before declining more gradually to 2.1% in 2025 and 1.9% in 2026. In the EU, the disinflationary process is expected to be even sharper in 2024, with headline inflation falling to 2.6% from 6.4% in 2023 and continuing to decline to 2.4% in 2025 and 2.0% in 2026.

The sharp decline in energy prices throughout 2023 contributed significantly to the reduction in inflation. In 2024, inflation continues to decline, but at a slower pace. Inflation in the EU is expected to decline from 6.4% in 2023 to 2.6% in 2024 and 2.4% in 2025.

However, the positive forecasts are 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. Russia's ongoing aggressive war against Ukraine and the intensified conflict in the Middle East fuel geopolitical risks and the continued vulnerability of European energy security. Further increases in protectionist

measures by trading partners 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. Furthermore, delays in implementing the RRF or a more restrictive fiscal stance in 2026 while the MTFSP is being implemented could further slow economic activity. Finally, 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, predominantly focused on businesses (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) and "Business software" (various software products and services aimed at 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, October, 2024](#)). Currently, 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.

The expectations for 2024 are that both segments will not only maintain their growth - 11.7% for "Software" and 5.6% for "IT Services", but that this growth will be sustainable and will accelerate in the coming years.

Geographically, Sirma is focused on the world's leading markets (US, UK, and Europe), which are also the leading geographic centers for demand for ICT products and services.

Sirma is a B2B IT provider. Sirma's client portfolio - Digital Business (Consulting and Integration, Chatbots, IT Security and Software Development), Financial Institutions (Consulting, Integration, IT Security, Chatbots), Insurance (The platform for insurance broker of Sirma ICS and the IT services of Sirma Group Holding JSC), Hospitality (Sirma Group Holding JSC), and Healthcare (Sirma Medical



Systems) show sustainable development and strong growth in 2024, that is expected to continue in the following years.

The global ICT market in 2024 and forecast for the future years

After a better-than-expected 2023, Gartner has revised its forecasts for the development of the ICT market in 2024 ([Gartner, October, 2024](#)) and its expectations for 2025. 2024 is expected to bring an impressive growth of 7.2% at current prices or 8.2% at constant prices. The ICT market is expected to reach USD 5.3 trillion in 2024.

Unlike the previous few years, all ICT segments are expected to grow in 2024. Nevertheless, the different growth rates remain: Data center systems are expected to grow by as much as 34.7%, while communication services by only 2%. After parity with TELCO in absolute spending in 2023, "IT services" becomes the leading segment in the ICT sector in 2024, responsible for USD 1.6 trillion in spending.

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

	2024 2024 Growth		2025 2025 Growth	
	Spending	(%)	Spending	(%)
Data Center Systems	318,008	34.7	367,171	15.5
Devices	735,764	6.2	805,722	9.5
Software	1,087,800	11.7	1,239,779	14.0
IT Services	1,587,913	5.6	1,737,754	9.4
Communication Services	1,530,299	2.0	1,596,890	4.4
Overall IT	5,259,784	7.2	5,747,317	9.3

Source: Gartner (October 2024)

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

Gartner revised its expectations for growth from 10% since the beginning of 2024 of "Data Center Systems" to a full 34.7% growth in its 2024 October forecast. These expectations are related to the preparation for Generative AI of all technology giants. One of the sub-segments of "Data Center Systems" is specialized AI servers. Server sales in 2024 are expected to grow by an impressive 62% in constant prices, and this growth is entirely due to the sale of servers ready to meet the needs of AI and GenAI. Although the growth is significant, Gartner believes that it is just beginning and the needs of AI and GenAI will contribute greatly to increasing sales of "Devices" in the coming years.

Sources of growth

IT investment growth is maintained for all countries worldwide in 2024. India is expected to break away from all countries in the growth of its IT spending, with growth exceeding 12%. The largest IT market in the US is expected to record strong growth again, approaching 8% in 2024, rivaling spending in China. European countries are slightly behind, but are also expected to record steady growth of around 7%. Japan and Latin American countries recorded

the most modest growth of around 5%. However, it should be noted that even this weaker growth of 5% per year would have looked impressive 10 years ago.

The growth of IT spending is related to the IT saturation of the respective economy and the related IT spending per capita. The countries that lead the ranking in terms of growth are those that have realized that their economic development is related to IT.

Expected growth varies significantly between countries, but no country is expected to shrink its ICT spending. Even countries experiencing economic difficulties and hyperinflation (Turkey, Argentina) are also expected to increase their ICT spending in the coming years.

The situation is similar when considering verticals. Again, absolutely every industry is expected to increase its ICT spending. Banking, Financial Services, Telecommunications, Healthcare and various forms of government are expected to lead the growth of ICT spending. This process started in 2023 and is expected to continue in the coming years. These sectors are witnessing near-double-digit growth in 2023 at constant prices, and are expected to remain around and above 10% CAGR 2022-2027 levels.

All segments are expected to grow in 2024, accelerating (around 8%) 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 62% growth in 2024 and an 18.8% 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 2024 is expected to be 12.2% for "Software" and 6.5% 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 22.4% in 2024, while fixed voice services are shrinking by over 5%.

When looking at the components of growth in the leading segment "Software", huge differences can again be observed between the development of its various sub-segments - from -7% to +27%. In this segment, growth of 10% is seen as "lagging". Gartner believes the world is still in the "digital construction" stage, building the digital infrastructure needed to drive sales growth, increase efficiency, and, more recently, increase margins. The leading segments we can expect in the near future to be strengthened by the addition of artificial intelligence (which is currently not yet a major market factor).

It is also interesting to note the massive dominance of cloud software relative to non-cloud solutions. Although the latter have their place in the future as well, the cloud software has recorded (and is expected to continue to record) a much stronger growth, which suggests the full focus of the market on cloud solutions. Almost all sub-segments are already



predominantly "in the cloud", and this share is only expected to increase in the coming years.

The various components of the third (2024) dynamic segment - "IT services" also have very different growth relative to each other. The growth of "Infrastructure as a service" is also difficult to fit on the graph. All IT services related to access to the cloud and the "edge" are expected to have strong growth. IT services in "Design" and "Building" in all their varieties are expected to have significant growth in 2024, as well as in the coming years. These are also the markets where the problem of the shortage of skilled labor is most acute. The lack of talent in enterprises is much more acute than in large IT companies. Accordingly, when enterprises move their operations to the cloud, or implement a new software platform that needs to be managed, the only way out for them is to hire "Managed services". Hence the dramatic growth of "Managed services for the cloud" (Managed services for cloud and edge), - about 13% per year, "Corporate Strategy" - growth of about 12%, "Marketing and customer management" - growth of about 11%, "Risk Management", "Human Resource Management", "Financial Management", "Business Operations" and more, with a growth of about 10%.

As can be seen from the chart, design-related services are expected to see the fastest growth in 2024. Gartner suggests that the incorporation of AI capabilities into "Risk Management", "Business Operations", and "Consulting" is also the reason for this growth in Design-related services.

For a long time, the "Communication Services" segment was the largest in the ICT sector. From 2024 onwards, this will no longer be the case. "IT services" displaced "TELCO" from the first place (USD 1.6 trillion in 2024), and are expected to maintain their leading growth in the coming years.

The "Software" sub-segment market is also expected to eclipse TELCO, but only in 2028.

5.3. Additional information for Q4 2024

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 is not dependent on patents or licenses, industrial, commercial or financial contracts, as well as new production processes.

For all employees of the Group, 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 Group'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 Group's accounts detailed in Section 9 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 Group

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.



5.4. Major news in 2024

The following events and business news took place in 2024:

30.12.2024

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

19.12.2024

Information of purchase of 10,000 shares by Atanas Kiryakov – a member of the Board of directors of "Sirma Group Holding" JSC.

16.12.2024

Information of sale of 5,200 shares by Yavor Djonev – a member of the Board of directors of "Sirma Group Holding" JSC.

12.12.2024

Information of sale of 11,100 shares by Yavor Djonev – a member of the Board of directors of "Sirma Group Holding" JSC.

29.11.2024

Disclosure of the consolidated financial statements of "Sirma Group Holding" JSC as of 30.09.2024.

29.11.2024

Information of purchase of 6000 shares by Iliana Ilieva – a person closely related to a member of the Board of directors of "Sirma Group Holding" JSC.

21.11.2024

"Sirma Group Holding" JSC receives an ESG rating by LSEG.

12.11.2024

A team from Sirma took part at the Webit Summit in Lisbon, with Chief Growth Officer Momchil Zarev holding a presentation on employing AI in banking solutions.

01.11.2024

"Sirma Group Holding" JSC is distinguished with the award of PWC and BSE for its contribution to ESG development.

28.10.2024

Kiril Vasilev – VP of Sirma's "Insurance Broker Solutions" shares plans for future growth.

24.10.2024

Sirma's clients Bulstrad Life Vienna Insurance Group and D Bank receive awards at NEXT DiFi for solutions developed by Sirma.

30.10.2024

Disclosure of the individual financial statements of "Sirma Group Holding" JSC as of 30.09.2024.

23.10.2024

The procedure for the acquisition of a majority stake in the IT company Roweb Development SA, Romania, was finalized.

08.10.2024

The Registry Agency registered the merger by infusion of "Sirma CI" JSC, "Sirma Insurtech" JSC, "Sirma Solutions" JSC, "Sirma Business Consulting" JSC, "Sciant" JSC and "HRM Solutions" JSC with "Sirma Group Holding" JSC according to Art. 262g of Commercial Code.

17.09.2024

Conducting an extraordinary general meeting of "Sirma Group Holding" JSC and publishing the Minutes from the meeting.

17.09.2024

The classes of the fifth season of Sirma Academy begin.

13.09.2024

Disclosure of purchase of shares from "Sirma Group Holding" JSC by member of the Board of Directors Atanas Kiryakov.



12.09.2024

Disclosure of the purchase of shares from "Sirma Group Holding" JSC by the Chairman of the Board of Directors, Georgi Marinov.

10.09.2024

The leading CRM platform Creatio is now available in Bulgarian thanks to the efforts of the daughter company Sirma Insurtech JSC.

27.08.2024

Disclosure of the sale of shares from "Sirma Group Holding" JSC by the Executive Director Tsvetan Alexiev.

22.08.2024

Disclosure of the consolidated financial statements of "Sirma Group Holding" JSC as of 30.06.2024.

22.08.2024

Announcement of the purchase of the minority share of the capital of "S&G Technology Services" LTD by the subsidiary "Sirma Solutions" JSC.

05.08.2024

Publication of the Invitation to the extraordinary general meeting of the shareholders of "Sirma Group Holding" JSC.

26.07.2024

Disclosure of the individual financial statements of "Sirma Group Holding" JSC as of 30.06.2024.

23.07.2024

Disclosure of received approval from the Financial Supervisory Service for the consolidation of subsidiaries in "Sirma Group Holding" JSC.

01.07.2024

Disclosure of sale of own shares by "Sirma Group Holding" JSC.

28.06.2024

Disclosure of Minutes of the General Meeting of Shareholders of "Sirma Group Holding" JSC and Notification of Dividend.

27.06.2024

Holding a regular annual meeting of the shareholders of "Sirma Group Holding" JSC.

21.06.2024

Notice of initiation of the acquisition procedure of the Romanian company RoWeb.

18.06.2024

The subsidiary "Engview Systems Sofia" JSC presented the latest version of its packaging software at the DRUPA 2024 exhibition.

13.06.2024

Notice of launch of consolidation procedure of "Sirma Group Holding" JSC

04.06.2024

Sirma representatives took part in the international fintech exhibition Money 20/20 in Amsterdam.

03.06.2024

Announcement of the complete purchase of the minority share of the ownership of the subsidiary "Sirma Solutions" JSC by "Sirma Group Holding" JSC.

29.05.2024

Disclosure of sale of own shares by "Sirma Group Holding" JSC.

24.05.2024

Publication of the accompanying documents for the General Shareholders' Meeting of "Sirma Group Holding" JSC.

17.05.2024

Announcement of the Invitation to a regular general meeting of the shareholders of "Sirma Group Holding" JSC.

17.05.2024

Disclosure of sale of shares by a person closely related to "Sirma Group Holding" JSC - "Sirma Solutions" JSC.

15.05.2024

Disclosure of interim consolidated reports of "Sirma Group Holding" JSC as of 31.03.2024.



30.04.2024

Disclosure of interim individual reports of "Sirma Group Holding" JSC as of 31.03.2024.

29.04.2024

Announcement by "Sirma Group Holding" JSC of the purchase of the minority share from the subsidiary "Sirma Insurtech" JSC.

26.04.2024

Publication of the audited consolidated reports of "Sirma Group Holding" JSC for the year 2023.

23.04.2024

VP of Sirma's financial vertical, Mr. Tsvetomir Doskov, took part in the Banking Today event.

28.03.2024

The telemedicine system developed by Sirma Medrec-M Clinic launched new features and a new app. It now links doctors to the NHS.

27.03.2024

Disclosure of the purchase of 700.000 shares from "Sirma Group Holding" JSC from the daughter company "Sirma Solutions" JSC.

26.03.2024

The CEO of "Sirma Group Holding" JSC shares in an interview for Forbes the plans of the Group for growth and for structural improvements.

25.03.2024

Disclosure of strategic plan for consolidation of the activity and property within "Sirma Group Holding" JSC.

The main guidelines of the Consolidation Strategy are:

- Objective of the Strategy: By strengthening the vertical specialization of services, achieving organic and inorganic (through acquisitions) sales growth up to EUR one hundred million and listing on a major world stock exchange;
- Time frame: 2023 – 2026;
- Continuation of the process of consolidation of ownership in subsidiaries;
- Maximum consolidation of the number of companies in the Group (with the exception of foreign companies);
- Full transition to a vertical business organization with the following main verticals: - Financial Services; Transport and Logistics; Hospitality; Industrial; Insurance; Healthcare; Retail.
- Adequate restructuring and optimization of management in the Group and full use of all synergies.

19.03.2024

Disclosure of audited individual financial reports of "Sirma Group Holding" JSC for the period ending on 31.12.2023.

01.03.2024

Momchill Zarev and Fabrice Gouttebroze from Sirma took part in Finovate Europe in London.

28.02.2024

Disclosure of interim consolidated financial reports of "Sirma Group Holding" JSC for the period ending on 31.12.2023.

02.02.2024

Sirma demonstrates the double materiality of its activity, which brings sustainability both to the Group, as well as to its clients.

31.01.2024

Sirma Group enters into strategic partnership with UK based fintech Fimble UK.

30.01.2024

Disclosure of interim individual financial reports of "Sirma Group Holding" JSC for the period ending on 31.12.2023.

29.01.2024

Disclosure of finalized financial audit of "Sirma Group Holding" JSC by BDO AFA OOD, which concluded full compliance between initial documents and booked data for the reviewed periods.

25.01.2024

Disclosure of 1 000 000 share buy-back by "Sirma Group Holding" JSC.

15.01.2024

The ranking system for universities developed by Sirma was used for their ranking for 2023.



09.01.2024

Sirma shares how its telemedicine solutions are facilitating the advance of the ESG agenda.

04.01.2024

Sirma shares first results of the constructed in 2023 own photovoltaic system.

5.5. Main legal information in Q4 2024**Transactions with shares for the period 01.01.2024 – 31.12.2024:**

- **Buyback of shares**

By decision of the General Meeting of Shareholders of "Sirma Group Holding" JSC, dated 09.01.2023, on 24.01.2024 "Sirma Group Holding" JSC bought back 1 000 000 of its shares at an average price of BGN 0.74 per share at a total price of BGN 740 000. The shares represent 1.68% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

- **Purchase of shares by subsidiary company**

On 26.03.2024 "Sirma Solutions" EAD – a subsidiary of "Sirma Group Holding" JSC, bought 700 000 shares from the capital of "Sirma Group Holding" JSC, through transactions, made on the Bulgarian Stock Exchange - Sofia AD, at an average price of BGN 0,729917 per share. The shares represent 1.18% of the company's capital.

- **Purchase of a minority block of shares from the capital of a subsidiary**

On 15.04.2024 "Sirma Group Holding" JSC concluded contracts for the purchase of shares with three individuals and one legal entity, owners of the minority package of shares of "Sirma Insurtech" AD. The total number of shares is 178 200, and the total sale value of the shares is BGN 561 950. As a result of the transaction, "Sirma Group Holding" JSC becomes the sole owner of "Sirma Insurtech".

In one of the share purchase agreements with one of the persons, there is a commitment by the Group to transfer to that person an additional number of shares from "Sirma Group Holding" JSC as of 31.01.2026, if the price of the shares of "Sirma Group Holding" JSC is below a certain value.

- **Purchase of a minority block of shares from the capital of a subsidiary**

On 26.04.2024 "Sirma Group Holding" JSC concluded contracts for the purchase of shares with two individuals, owners of the minority package of shares of "Sirma CI" AD. The total number of shares is 26 600, and the total sale value of the shares is BGN 141 918. As a result of the transaction "Sirma Group Holding" JSC become the sole owner of "Sirma CI".

- **Sale of shares by subsidiary company**

On 16.05.2024 "Sirma Solutions" EAD – a subsidiary of "Sirma Group Holding" JSC, sold 732 389 shares from the capital of "Sirma Group Holding" JSC through transactions carried out on the unregulated over-the-counter market (Bulgaria) at an average price per share of BGN 0,80. The purchase represents 1.23% of the capital of "Sirma Group Holding" JSC.

- **Sale of shares by the company**

On 28.05.2024 "Sirma Group Holding" JSC sold 500 988 of its shares at an average price of BGN 0,85 per share for a total value of BGN 425 839,80. The shares represent 0,84% of the company's capital. The sale was made on an unregulated OTC market (Bulgaria).

"Sirma Group Holding" JSC sold 590 183 of its shares at an average price of BGN 0,96 per share for a total value of BGN 566 575,68. The shares represent 0,99% of the company's capital. The sale was carried out on an unregulated OTC market (Bulgaria) and was registered by the Central Depository on 02.07.2024.

- **Purchase by "Sirma Solutions" EAD of shares from the capital of "Sirma Business Consulting" AD**

"Sirma Solutions" EAD – a daughter company of "Sirma Group Holding" JSC bought the minority share of 45,91% of the capital (BGN 2 539 768) of the company "Sirma Business Consulting" AD. On 03.06.2024 "Sirma Solutions" EAD was registered in the Commercial Register as the sole owner of the capital of "Sirma Business Consulting" EAD.

- **Initiation of procedure for consolidation within "Sirma Group Holding" JSC**

At its meeting on 13.06.2024 the Board of Directors of "Sirma Group Holding" JSC adopted a decision to initiate a procedure for the transformation of "SIRMA GROUP HOLDING" JSC under the conditions and in accordance with Chapter XVI of the Commercial Law



and Art. 122 et seq. of the Public Offering of Securities Act, by merging SIRMA CI EAD, SIRMA INSURTECH EAD, SIRMA SOLUTIONS EAD, SIRMA BUSINESS CONSULTING EAD, SCIENT EAD and HRM SOLUTIONS EAD in "SIRMA GROUP HOLDING" JSC.

- **Commitments**

On 20.06.2024, the Company has signed a contract, initiating the procedure for the acquisition of a majority stake in the IT company RoWeb Development SRL, Romania.

The successful finalization of the transaction is related to the fulfillment of certain conditions by both parties, the implementation of which will make Sirma the owner of 51% of the capital of the Romanian company.

- **Purchase from "Sirma Solutions" EAD of shares from the capital of "S&G Technology Services"**

On 21.08.2024 "Sirma Solutions" EAD (subsidiary of "Sirma Group Holding" JSC) bought the minority share of 49% of the capital of the company "S&G Technology Services", London (subsidiary of "Sirma Solutions" EAD) . With this acquisition, Sirma Solutions EAD becomes the 100% owner of S&G Technology Services, London.

- **Merger of subsidiary companies into "Sirma Group Holding" JSC**

Following the decision of the Board of Directors of "Sirma Group Holding" JSC, approval by the Financial Supervisory Commission on 18 July 2024 and the decision of the General Meeting of Shareholders of "Sirma Group Holding" JSC from 17 September 2024, the subsidiaries "Sirma CI JSC, "Sirma Insurtech" JSC, "Sirma Solutions" JSC, "Sirma Business Consulting" JSC, "Scient" JSC and "HRM Solutions" JSC were transformed through merger into the parent company "Sirma Group Holding" JSC. The circumstance was entered in the Registration Agency on 8 October 2024.

The intended effect of these mergers includes (but is not limited to):

- Reduction of administration and related costs;
- Vertical specialization and full focus on the relevant sector or segment;
- Overcoming internal competition between different subsidiaries;
- Greater transparency of activity, revenue, and profit.

As a result of the consolidation, the holding activity of "Sirma Group Holding" JSC is also enriched with operational activity of providing IT products and services to its customers.

Administrative organization and management

The administrative organization and management are carried out by the Board of Directors of "Sirma Group Holding" JSC, which has a two-year mandate and is elected by the General Assembly of the company. The current composition of the Board of Directors was elected at the General Meeting of Shareholders on 27 June 2024.

Business organization and management

In addition to the administrative organization and management, a business organization and management is also introduced, where the directors are responsible for various aspects of the company's business:

The position of CEO (administrative-management position) is performed together with the position of President (business-management position). This facilitates full synchronization between the two management structures. The position is currently held by Mr. Tsvetan Alexiev.

The specialization of the individual directors is as follows:

- CFO (Chief Financial Officer) Mr. Yordan Nedev
- COO (Chief Operating Officer), Mr. Tsvetan Trenchev
- CGO (Chief Growth Officer), Mr. Momchil Zarev



- CCO (Chief Commercial Officer), Mrs. Romyana Stoykova
- CTO (Chief Technology Officer), Mr. Tihomir Totev
- CPaO (Chief Partner Officer), Mr. Rosen Marinov
- CTaO (Chief Talent Officer), Mr. Chavdar Dimitrov
- **Acquisition of a majority stake in Roweb Development SA, Romania**

On 23.10.2024, the procedure for acquiring a majority stake in the IT company Roweb Development SA, Romania, was completed. The transaction has the following parameters:

- Name of the acquired company: Roweb Development SA, Romania;
- Size of acquired share of the company: 51% of the capital of the company Roweb Development SA;
- Year of foundation of the company: 2004;
- Number of employees: over 140;
- Revenue: RON 31 117 thousand (EUR 6 198 thousand) for 2023 (15% growth compared to 2022);
- EBITDA: RON 6 415 thousand (EUR 1 277 thousand) for 2023 (16% growth compared to 2022);
- Specialization: IT services mainly focused on web applications for the financial sector, real estate agents, human resources and tourism.

Roweb Development SA officially becomes part of Sirma Group. This acquisition will increase Sirma Group's revenue from sales in Romania and other target markets, while complementing the Group's IT services portfolio.

Additional information about Roweb Development SA can be found on the company's website: <https://www.roweb.ro/>

Litigation for the period 01.01.2024 – 31.12.2024:

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

Other legal information for the period 01.01.2024 – 31.12.2024:

- Reduction of capital

On 21.12.2023 the Board of Directors of the subsidiary "SAI" AD made a decision to buy the shares of the company from the individual shareholders. As a result of this decision, the sole owner of the company became "Sirma Group Holding" JSC. The decision was entered and announced in the Commercial Register on 12.01.2024. As of that date, SAI is a sole proprietorship and its capital is BGN 13 588 241, divided into 13 588 241 ordinary (only) shares with a nominal value of BGN 1, whose sole owner is Sirma Group Holding JSC.

- The business consolidation strategy

On 21.03.2024 "Sirma Group Holding" JSC announced pending steps towards the implementation of the Strategy for the consolidation of activities and ownership within the Group. The main guidelines of the Consolidation Strategy are:

- Objective of the Strategy: By strengthening the vertical specialization of services, achieving organic and inorganic (through acquisitions) sales growth up to EUR one hundred million and listing on a major world stock exchange;
- Time frame: 2023 – 2026;
- Continuation of the process of consolidation of ownership in subsidiaries;
- Maximum consolidation of the number of companies in the Group (with the exception of foreign companies);
- Full transition to a vertical business organization with the following main verticals: - Financial Services; Transport and Logistics; Hospitality; Industrial; Insurance; Healthcare; Retail.
- Adequate restructuring and optimization of management in the Group and full use of all synergies.

- Notification for the distribution of dividend for 2023

At the General Meeting of Shareholders of "Sirma Group Holding" JSC held on 27 June 2024, following a discussion under item 4 of the previously announced Agenda, the following decision for distribution of dividend for 2023 was taken:



"Distribution of profit from 2023:

- Realized profit after taxes: BGN 1 508 408,05;
- Distribution to the reserve fund (10%): BGN 150 840,81;
- Remaining profit for distribution for 2023: BGN 1 357 567,25;

The company distributes a dividend of BGN 0.02 per share.

The remainder of the amount after distribution of dividend remains as retained earnings."

All shareholders of "Sirma Group Holding" JSC registered in the Central Depository as of the 14th day after the holding of the above-mentioned GMS (11 July, 2024) have the right to receive a dividend, according to Article 115c, paragraph 3 of the POSA.

The dividend will start to be paid out within 60 days from the holding of the above-mentioned GMS according to the requirements of the Central Depository.

Shareholders who have accounts with investment intermediaries will receive their dividend through them.

Shareholders who are not serviced by investment intermediaries, and whose shares are kept in personal accounts of Register "A" with the Central Depository, will receive their dividends through the branch network of a commercial bank.

- **Approval by the Financial Supervision Commission (FSC)**

With decision No. 483 - PD dated 18.07.2024, the Financial Supervision Commission (FSC) approved the Agreement dated 14.06.2024 for transformation by merger of "Sirma CI" EAD, "Sirma Insurtech" EAD, "Sirma Solutions" EAD, "Sirma Business Consulting" EAD, "Sciant" EAD and "HRM Solutions" EAD in "Sirma Group Holding" JS according to Art. 262g of the Trade Law.

- **Change of name of a subsidiaries of "Sirma Group Holding" JSC**

On 02.12.2024, "S&G Technology Services" - a subsidiary of "Sirma Group Holding" JSC in England, changed its name to "Sirma Tech". On 30.12.2024, "SAI" EAD - a subsidiary of "Sirma Group Holding" JSC, changed its name to "Saifort" EAD.

5.6 Information for contracted large transactions in Q4 2024

In Q4 2024, the Group made several large contracts with customer and subcontracts, in connection with the new strategy of the Group:

Purchases:

- Deal 1 for BGN 7 493 thousand
- Deal 2 for BGN 1 833 thousand
- Deal 3 for BGN 1 629 thousand

Sales:

- Deal 1 for BGN 8 314 thousand
- Deal 2 for BGN 2 299 thousand
- Deal 3 for BGN 2 179 thousand

5.7 Information of the used financial instruments in Q4 2024

In Q4 2024 the company has not used any financial instruments.

5.8 R&D activity of the company in Q4 2024

The strategy for growth and development of Sirma Group foresees the concentration of the intellectual property of the Group in the Holding company. This concentration also implies the concentration of the Group's research and development activities at Sirma Group Holding JSC.

5.9 Possible future development of the company

The forecasts for the development of the Information and Communication Technologies sector in 2025 and the following years are a function of the effects caused by the ongoing military actions in Ukraine and the Middle East, the actions of the new US administration, and the state of major European economies.

Although a direct impact of the war in Ukraine and Middle East on the ICT sector is not expected, it will strengthen other risks for the global economy – inflation, volatility of exchange rates, difficult supply chains, geopolitical uncertainty. As for President Trump's new policy, it is still too early to draw solid conclusions about how it will reflect on the global economy and, in particular, on the sectors in which Sirma operates. In addition, the BNB expects the postponement of the implementation of investment projects, the slow rate of



absorption of funds under European programs and the delayed implementation of the National Recovery Plan to be associated risks in 2025. There is also serious uncertainty regarding the stability of Bulgaria's new regular government and its capacity to deal with the economic challenges and Bulgaria's entry into the Eurozone. The annual budget presented by the Ministry of Finance appears to be quite ambitious to implement, especially on its revenue side, at the expense of significantly increased expenditures, although the stated goal is to maintain stable financial indicators, relatively low inflation and indebtedness.

In 2024, the integration of six subsidiaries of the Group into Sirma Group Holding JSC was completed. In 2025, we expect this to lead to better competitiveness and market positioning of the Group, which will contribute to the creation of new business opportunities, providing clients with a wider and more diverse range of services, professional growth and development of our employees, optimization of administrative processes, respectively, better productivity, communication and cooperation between employees and units in the Group.

The Group is in a continuous process of searching for companies in which to invest in order to improve the profitability of the company's shares.

5.10 Contracts under Art.240b of the Commerical Code in Q4 2024

During Q4 2024 the Group has not been notified for contracted transactions with the members of the Board of Directors or parties related to them, which fall outside the line of activity of the company or the terms of which differ substantially from the current market.



6 RESULTS BY COMPANY

DATICUM

- <https://www.daticum.com/>
- **Daticum JSC is a subsidiary of Sirma Group Holding JSC**
- **Capital:** BGN 793 810 divided into 79 381 shares with a nominal value of BGN 10. Sirma Group Holding JSC holds 46 834 shares or 59% of the capital.

Main markets:

Bulgaria, North and South America, Europe

Main clients:

The main clients of the company are the following industries - insurance, ICT, utilities, media and information services, industrial production, wholesale and retail, transport and courier services.

Main competitors:

International companies providing cloud services such as Amazon, Google (Alphabet), Microsoft, IBM and others. At the local level, competitors can be considered "Netera" OOD, "Evolink" AD, "Telepoint" OOD, "3DC" EAD, SuperHosting.BG EOOD

Business model of the company

The Company's core business model is to build infrastructure to provide computing resources for data processing and storage and to provide these resources for a fee to a wide range of customers who prefer not to maintain such infrastructure or have a temporary need for these resources. Resources of the company

The company has the necessary resources and is able to invest in the development of its business without using debt capital.

New products, new business or business models for the period

The company focused on consolidating its market positions and expanding its IaaS and PaaS cloud services. Thanks to our partners, we can now offer a new Remote Backup as a Service, through which we can back up our data center data from client servers and end user devices regardless of their geographic location. Along with the increasing tendency of customers to use leased computing resources on a monthly use basis, there is a similar tendency on the part of the company's suppliers to switch to business models for the provision of licenses and services based on monthly consumption.

HR policy

Preserve current staff. Maintaining and increasing its qualification through training, courses and participation in affiliate programs. Staff costs are rising in line with an increase in business volumes by up to 10-15% per year.

Daticum in Q4 2024

Regional and international factors affecting the company's business

- The ongoing war in Ukraine has an impact on the business risks of local companies and is reflected in the retention of demand for Daticum's services. At this time, customers from Ukraine increased, but this did not sufficiently compensate for the retained costs of local customers.
- Military actions in the Middle East are also expected to adversely affect the economic environment.

- Fears of an impending recession in the global and Bulgarian economy make companies cautious and restrained in seeking and hiring the services provided by Daticum. Business development in Q4 2024 and realization of the investment plan

- Daticum continued to raise the level of revenues above the levels before the announcement of the epidemiological situation and the subsequent negative results for the economy. The demand for cloud services has exceeded our expectations, and thus we are able to compensate for the decline in demand for colocation and hardware rental services.

- Daticum continued to upgrade the storage infrastructure of its cloud platform with new capacities. Important events

- Daticum is developed a new website launched in the second quarter of 2024.

- The two executive directors of Daticum are among the winners of the index Top 100 most influential IT personalities in Bulgaria. "Top 100 most influential IT personalities in Bulgaria" is an annual index of the Career Show, distinguishing individuals who have made a significant contribution to the development of the IT industry in Bulgaria and serve as an example of good practices and high professionalism.

New clients:

- Daticum has signed a deal for several server racks for rent with a company engaged in collecting, organizing, analyzing, presenting and selling data related to sports events.

- Two large French companies with representative offices in Bulgaria chose Daticum to promote their services on the Bulgarian market.

- A large Romanian company chose Daticum as its partner to enter the Bulgarian online gambling market.

Implementation of the business plan in Q4 2024

- The company's revenues in the fourth quarter of 2024 exceed those in the fourth quarter of 2023 by 4%. Perspectives and forecasts for 2025

The wars in the Ukraine and the Middle East and their adverse economic consequences, concerning the prices of fuels, electricity and hardware equipment, are further aggravating the global economic crisis.

At the moment, electricity prices are decreasing.

Nearly 10% growth in core revenues is set for 2025.

Greater growth in usage of our cloud platform is expected at the expense of services such as colocation and hardware rental.



FINANCIAL RESULTS

	31.12.2024	31.12.2023	Change BGN '000	Change %
Revenues	3 473	3 339	134	4,01%
EBITDA	1 499	1 265	234	18,50%
Depreciation	(615)	(380)	(235)	61,84%
Net Result	786	792	(6)	(0,76%)
EBITDA margin	43,16%	37,89%	5,28%	13,93%
Net Profit margin	22,63%	23,72%	(1,09%)	(4,59%)
Sales per share	1,5087	1,4505	0,06	4,01%
EPS	0,3414	0,3440	(0,003)	(0,76%)
ROE	0,4335	0,4356	(0,002)	(0,48%)
Total Assets	3 321	3 531	(210)	(5,95%)
Intangibles	1 140	1 422	(282)	(19,83%)
Book value	673	396	277	69,95%
Equity	1 813	1 818	(5)	(0,28%)
Total Liabilities	1 508	1 713	(205)	(11,97%)
Interest bearing	229	360	(131)	(36,39%)
D/E	0,8318	0,9422	(0,11)	(11,72%)
ROA	0,2367	0,2243	0,012	5,52%

SIRMA SOLUTIONS

- Capital: BGN 28 334 910
- On 08.10.2024, "Sirma Solutions" EAD merged with "Sirma Group Holding" JSC

Business activity of Sirma Solutions in 2024

General

After the relatively weak 2023, Gartner expects the ICT industry to return to its rapid growth in 2024 (the forecast growth for the year is 8%). This time, even the "Devices" segment, which has been stagnant in recent years, is returning to growth.

Market in North America

Although the recession in the USA has been avoided (at least for now), the economic development of the country is slowing down from the beginning of 2024. As a result, the target customer group of "Sirma Solutions" EAD in the USA - startups and small enterprises - are starting to suffer from a lack of funding for their projects. Accordingly, the orders to Sirma also decreased sharply. The company's sales in the United States marked a decline of nearly 50% for the first nine months of 2024 compared to Q4 of 2023. On the other hand, sales in Canada saw a significant upswing, already exceeding BGN 1.86 million, or 5.58% of the company's total

sales. However, the decline in sales in North America could not be avoided.

In 2024, work continued on projects started last year, and several new projects were also launched:

- Complete equipment and system integration with Cisco servers of a large fintech company in North America;
- Delivery and integration of CISCO APP Dynamics, VM Ware contract renewal, and HP Enterprise support contract renewal for an international fintech company;
- Data center equipment and its integration for a large financial company.

European Market

Unlike the US, Europe's economic growth appears to have bottomed out in late 2023 and is seeing a timid recovery in 2024. This also affects the revenues of "Sirma Solutions" EAD from the various European countries. Sales in almost all countries are up, with a decline only in Great Britain and Spain.



In 2024, several new deals were concluded, and work continued on active projects from 2023, such as:

- Complete equipment of two data centers of a large Bulgarian bank with IBM Storage Infrastructure;
- Complete renovation and integration of the user workstations of another large Bulgarian bank with NR equipment;
- Sale and integration of IBM Storage Infrastructure for a data center for a fintech company in the UK;
- Delivery and integration of 700 professional Lenovo mobile workstations for an international fintech company;
- System integration in UBB in Bulgaria;
- IT service contract for a large Bulgarian bank;
- IT service contract for a large Bulgarian insurance company;
- Contract for full provision of the work stations of a bank with operations in Romania and Greece;
- Global contract with a large Bulgarian IT company for replacement and modernization of their IT equipment with Lenovo
- The Bulgarian market remains dominant for the company.

In 2024 "Sirma Solutions" EAD launched a new service, which was prompted by market demand: Hardware as a Service (HaaS). If until now our customers who use Sirma's cloud services only had to purchase their workstations, now even that is no longer necessary. With this service, IT equipment for client companies is provided by Sirma on rent and converted from CAPEX to OPEX. After the first six months of operations, the new service has already placed over 200 hardware units to its customers. We look forward to the future development of this innovative service.

Public sector

The public sector in Bulgaria continues to experience difficulties due to political uncertainty in the country. At the same time, the plan for the development of new business in the public sector of "Sirma Solutions" EAD in 2024 is for a growth of 15%. In fulfillment of this, the company applied for and won the following public tenders:

- Provision and integration of the cloud infrastructure of the NHIF;

- Provision and integration of network equipment for the NRA;

- Provision of cyber security services to Bulgartransgas

Work on projects from 2023 and previous years continues:

- construction of the complete IS for managing the activity of the Financial Mechanism Office (EEA Grants, Brussels),

- the step-by-step construction of the MusIT IS for managing Music Author's activities;

- the development of the system for electronic protocols at the NHIF,

- Migration to Oracle Cloud on Premise of a large company in the aviation industry and development of a training management module (Learning Management System – LMS);

- Creation of an electronic National map of higher education in the Republic of Bulgaria, by upgrading and developing the rating system of higher schools with the Ministry of Education and Science as the contracting authority. The deadline for implementation is until August 2027.

The provision of warranty and out-of-warranty support for all key government IT systems developed by us also continued:

- out-of-warranty maintenance of the BDZ (the Bulgarian State Railways) operating system

- the overall IS of the NSCRLP, supporting the LP registers and playing a key role in the field of electronic health care,

- Updating the kindergarten application system and upgrading the system to also manage the first grade application process.

In 2024, the company was registered under ISO 27701 for the creation, implementation, maintenance, and improvement of privacy management information systems. This certification will make the company more competitive when participating in public tenders for the development of systems that require a high level of security.



FINANCIAL RESULTS

	08.10.2024	31.12.2023	Change BGN '000	Change %
Revenues	34 850	44 246	(9 396)	(21,24%)
EBITDA	555	(244)	799	(327,46%)
Depreciation	(1 445)	(1 866)	421	(22,56%)
Net Result	(223)	(1 908)	1 685	(88,31%)
EBITDA margin	1,59%	(0,55%)	2,14%	(388,78%)
Net Profit margin	(0,64%)	(4,31%)	3,67%	(85,16%)
Sales per share	0,9853	1,2509	(0,27)	(21,24%)
EPS	(0,0063)	(0,0539)	0,048	(88,31%)
ROE	(0,0071)	(0,0566)	0,0496	(87,51%)
Total Assets	39 221	41 740	(2 519)	(6,03%)
Intangibles	3 503	4 530	(1 027)	(22,67%)
Book value	28 038	29 167	(1 129)	(3,871%)
Equity	31 541	33 697	(2 156)	(6,40%)
Total Liabilities	7 680	8 043	(363)	(4,51%)
Interest bearing	84	2 169	(2 085)	(96,13%)
D/E	0,003	0,064	(0,062)	(95,86%)
ROA	(0,0057)	(0,0457)	0,0400	(87,56%)

SIRMA INSURTECH AND HRM SOLUTIONS

- **Share Capital: BGN 396 000**
- **On 08.10.2024 "Sirma Insurtech" EAD merged with "Sirma Group Holding" JSC**

The company has been part of Sirma Group since the beginning of July 2022, with the main goal of concentrating within itself and developing the technological and business knowledge of Sirma Group in the field of insurance.

Conditions for the business development in 2024

Sirma InsurTech operates in the financial non-banking sector, with the main focus on insurance. Insurance companies, as well as Brokers, are in their early stage of digital business transformation, which in recent years was catalyzed as a process mainly by the pandemic Covid situation, but also by the change in the profile and requirements of users of insurance services. In order to continue to exist and to meet the needs of their increasingly demanding customer, otherwise rather clumsy and resistant to change, insurance companies are forced to turn to consulting services and new technological solutions that the IT sector offers, building long term partnership and business.

The company has its almost 20-year rich history in consulting services in the IT sphere, as well as in the implementation and development of software solutions for business management. The main expertise and experience is in the field of insurance as a specific area of non-banking financial services. On the one hand, the company continues to be a trusted partner of its current customers on the way to the digitization of their business processes, and on the other hand, the specific know-how in the field became the basis for creating the first own product (Sirma InSuite), developed on the basis of the Creatio platform. The product aims to help

insurance companies easily integrate a CRM solution with existing insurance systems, which will lead to the automation of part of the business processes and increase efficiency, while at the same time improving the customer experience and increasing their satisfaction. The solution can be implemented in any existing ecosystem at an extremely competitive price, taking into account all the specifics of the business process and relationships between the entities of the particular insurer. A potential customer is any insurance company, regardless of its location, product portfolio or size. The solution can also be used by Brokers or other types of insurance intermediaries. The model of use of the solution is on a subscription, license basis. The initial implementation will be done by the Company's team, and the one-time price for implementation and configuration will be estimated according to the specific client and the scope of the project.

The creation of Sirma InSuite was made possible thanks to the company's partnership with CREATIO. The team includes certified consultants, architects and developers who have the necessary knowledge and skills to implement standard CREATIO solutions for any business other than insurance.

Another business line is the development of custom solutions in the field of insurance. The company has a team that has developed legacy systems for life insurance and pension insurance. Bespoke solutions continue to occupy an extremely large share in insurance companies, due to the specifics of each individual company.



Regional and international factors, reflected on the business of the company

The company has business in Bulgaria and potential for development in Europe, as the solutions it offers for insurance are applicable in any type of company, regardless of the location and the specifics of the environment. The processes that catalyze the digital transformation of insurers are the same in Bulgaria and around the world, and the solution we offer can become part of any existing ecosystem.

At the European level, Sirma InsurTech is the only representative of CREATIO that has specific expertise related to insurance.

Business development in 2024 and realization of the investment plan

In 2024, Sirma InsurTech continued to fulfill its strategic objectives:

- We continued work on the development of the Bulstrad Life system, based on Creatio and Sirma InSuite.
- We have been working hard to complete the remaining modules (related to claims and payout) of the B-Unit system in Bulstrad Life.
- Work continues on the implementation of Creatio in Elmark Group. Real operation is expected to start at the beginning of August.
- We are working on opportunities with Millennium Insurance Serbia. An RFP has been received and documentation has been sent to participate in a tender organized by EY Serbia.

- The services of Eurotrust have been integrated in CREATIO and the certification of the application is pending.
- A maintenance contract was signed with POC Doverie.
- We have participated in a number of conferences and have generated partnerships and leads.
- Agreed partnership with Adacta. The NDA was signed and the first meetings were held.
- Possibility of partnership with Sapiens.
- We held meetings with Vienna Insurance Group in order to expand the client base. Opportunities are open in North Macedonia. Clarification of the scope is pending in the third quarter.

Currently, we have open negotiations with LevIns Bulgaria, Wiener Serbia, NetRisk Group Hungary, Groupama Bulgaria, Unicredit Bulbank, Milenium Osiguranje Serbia, Service Design Network Germany, VIG, PAC Doverie.

The company continues to rely on a stable and sustainable model of selling products with a monthly license fee, rather than relying on large one-off deals that are more difficult to predict.

The company continues to develop the team and its specific expertise in the field of CREATIO solutions. In the second quarter, 5 new employees were certified for Creatio products.

A contract was signed with Wiener Serbia for the sale of the source code of a mobile application.

"HRM Solutions" EAD

- **Share Capital: BGN 150 000**
- **On 08.10.2024 "Sirma Insurtech" EAD merged with "Sirma Group Holding" JSC**

Conditions for the business development in 2024

The company provides an electronic employment file solution. In the market, especially after the pandemic in 2021, there is an increased desire to digitize employer-employee communication. There is a clear legal framework that regulates the order in which this can happen.

The company has been offering the sHRedy product since September 2020. For these 2 years, there has been a very serious interest in the product and it is the most recognizable on the market, mainly because of the very serious work on building the brand.

The solution is aimed at companies with more than 80 employees. The usage model is subscription-based, with a one-time cost for configuration and deployment.

sHRedy is the first product that integrates all the necessary qualified authentication services required by the Ordinance for electronic employment records within itself.

The product is also positioned well with the existing customers to date – Telus, KPMG IT, Soitron, Software Group, Tavex, AmRest, Circles.

Regional and international factors, reflected on the business of the company

The company has business in Bulgaria and this is the main location we are targeting at the moment. There is potential to upgrade with additional functionalities available in other group companies (HRistina) and potential for development in Europe, but there are a number of differences in the legislation and treatment of signing and service in the other EU countries.

Business development in 2024 and realization of the investment plan

In 2024, HRM Solutions continued to fulfill its strategic goals:

- 2 new clients were attracted
- More than 100 demonstrations were conducted with customers, and in the mass case the active party was the customer.
- We have developed new package plans to target smaller companies between 15 and 50 employees



• We purchased a database of companies with over 20 employees. We planned and executed a marketing campaign with two types of targets – medium-sized companies for the package offers and large companies for the standard offer.

At the moment, we have open negotiations with a number of large companies: Experian, Neway, Dynamo Software, Kone Bulgaria, Genius Sport, Ucha.se, HP Enterprise.

It is being implemented in several clients in parallel, and in order to speed up the implementation processes, we have changed the terms of the contract, and the entire value is paid in advance. Our expectation is that this will engage the client's team to a greater extent, resulting in a faster completion of the implementation.

The company continues to rely on a stable and sustainable model of selling products with a monthly license fee.

Partnered with Survey Sparrow to integrate 360-degree staff assessment at sHRedy. So far, interest has been expressed in signing a contract with two more clients in 2024 – Soitron and Tavex. It is planned to sign a contract with Ninety-Nine consulting company.

An annex was signed with Eurotrust, and the licensing model was completely renegotiated. With the new model, we will significantly reduce the fee paid for authentication services for our largest clients – Telus and KPMG. We have successfully completed deployment in Circles and AmRest.

A contract has been signed and the price for infrastructure services has been reduced by over 30%

The new release of the system was successfully implemented and delivered to all clients.

Negotiations have been held with Borika for a partnership - work is underway to integrate their services into sHRedy.

FINANCIAL RESULTS

Sirma Insurtech

	08.10.2024	31.12.2023	Change BGN '000	Change %
Revenues	2 825	3 110	(285)	(9,16%)
EBITDA	(205)	38	(243)	n/a
Depreciation	(71)	(105)	34	(32,38%)
Net Result	(277)	(82)	(195)	237,80%
EBITDA margin	(7,26%)	1,22%	(8,48%)	n/a
Net Profit margin	(9,81%)	(2,64%)	(7,17%)	271,88%
Sales per share	7,1338	7,8535	(0,72)	(9,16%)
EPS	(0,6995)	(0,2071)	(0,492)	237,80%
ROE	0,9719	(1,5769)	2,549	n/a
Total Assets	1 972	2 250	(278)	(12,36%)
Intangibles	1 013	962	51	5,30%
Book value	(1 298)	(910)	(388)	42,64%
Equity	(285)	52	(337)	n/a
Total Liabilities	2 257	2 198	59	2,68%
Interest bearing	4	440	(436)	(99,09%)
D/E	(0,0140)	8,4615	(8,4756)	n/a
ROA	(0,1405)	(0,0364)	(0,1040)	285,43%



HRM Solutions

	08.10.2024	31.12.2023	Change BGN '000	Change %
Revenues	438	446	(8)	(1,79%)
EBITDA	106	72	34	47,22%
Depreciation	(48)	(58)	10	(17,24%)
Net Result	45	8	37	462,50%
EBITDA margin	24,20%	16,14%	8,06%	49,91%
Net Profit margin	10,27%	1,79%	8,48%	472,77%
Sales per share	2,92	2,97	(0,05)	(1,79%)
EPS	0,3000	0,0533	0,25	462,50%
ROE	0,2961	0,0748	0,22	295,97%
Total Assets	1 024	1 120	(96)	(8,57%)
Intangibles	743	791	(48)	(6,07%)
Book value	(591)	(684)	93	(13,60%)
Equity	152	107	45	42,06%
Total Liabilities	872	1 013	(141)	(13,92%)
ROA	0,0439	0,0071	0,037	515,23%

ENGVIEW SYSTEMS

- **EngView Systems JSC is a daughter company of Sirma Group Holding JSC**
- **Capital : BGN 68 587**

Shares: 68 587 ordinary named voting shares, with right to dividend and liquidation share, proportional to the participation in the capital. Sirma Group Holding owns 50 000 shares or 72,9 % of the company capital.

EngView Systems in Q4 2024

Conditions for business development in Q4 2024

EngView Systems operates in two main markets that of software and hardware solutions in the field of Metrology and Quality Management in the production of metal products, as well as software for video measuring machines in partnership with manufacturers, and complete solutions for automation and management of the production process of the packaging industry. The company works with manufacturers of packaging and displays around the world, served by a developed and expanding network of distributors and partners, as well as our own offices in Brazil, Germany and USA.

A large share of packaging production remains in the established offset printing segment. The spread of digital technologies is happening at an ever-increasing pace and more and more companies are investing in digital printing and production machines. New niche markets are being formed, related to personalization, small circulations of cardboard and corrugated packaging, products for advertising purposes and better visualization of selected brands (shelves) or entire structures, exhibition stands, shows, printed and cut from thick materials (Rigid Board). In Europe and the United States, there

is a trend for the entry and production of materials and products from them, which are directly related to nature conservation and are environmentally friendly and easily recycled.

This determines the direction of the predominant investments in the packaging industry - along with those in machines, companies from different niches are looking for solutions to further save time and resources, modernize their production to improve their competitiveness, and follow modern technologies that improve the relationship with the customer and optimize the order channels. Such solutions are Internet and cloud-based solutions for communication with customers and shortening the Order-Delivery cycle (web-to-print, web-to-pack), which become possible precisely in combination with new digital technologies.

After the pandemic, software companies in the industry are looking for partnerships with each other to offer automated and integrated solutions.

In the market of technologies for monitoring and quality management of mass production, there are growing trends



towards digitalization of processes. This is determined by the mass penetration of new modern technologies for measurement and communication, as well as the growing availability of instruments based on such technologies. Confidence in cloud-based technologies and SaaS solutions is also increasing. The advantages of this type of solutions such as quality of service, accessibility for a wide range of users, accelerated exchange and fast access to information, replacement of many analog processes with digital ones, the ability to quickly make accurate informed decisions based on real data and analysis, determines the future trends and market demand for such solutions and related to their work measuring equipment.

Another driving factor is the growing competition among metal manufacturers and their desire to expand their markets. This is possible only if the highest quality criteria are set and the ISO 9000 standards are met. More and more small and medium-sized companies strive to achieve this standard and this causes the demand for products that digitize processes and provide opportunities for successful management of quality.

EngView Systems successfully develops its products in its two main areas for the packaging and video measuring industries. In recent years, the company has invested in the development of new products based on its already implemented solutions and the accumulated knowledge and expertise in individual niches. They meet the latest trends, as well as customer requirements for high-quality software capable of accelerating production, increase sales through optimization and maintenance of additional processes. The company's marketing efforts combine both the traditional way of branding, advertising and product positioning, as well as new trends in digital marketing, online demonstrations, multimedia, participation in panels, membership in associations, etc.

The company continues to develop its core product for the packaging industry, the Packaging Suite. In the first month of the year, the main version 2024 of the CAD product was released, continuing the policy of Continuous Delivery. The year is very important for the division as the Drupa exhibition held after a gap of 8 years. Efforts in product development and marketing were fully focused on the successful presentation of the company at Drupa as the only Bulgarian company with its own stand. The company's presence at Drupa, Dusseldorf was the biggest event of 2024. The team achieved success for which it was preparing hard during the first 5 months of the year. Hundreds of demonstrations were made, some of them held at another software company's booth, offering Drupa for the first time integration between the two software for structural packaging design and subsequent pre-press processes, closing the entire workflow of users in printing houses. Several distribution contracts based on this integration were signed and numerous meetings were held with Hybrid Software Group representatives to cement the partnership of the two companies worldwide.

After Drupa, two new software distribution contracts were signed with the Hybrid Solution – in Dubai and China. There are first pilot customers in both locations. The new partner

successfully presents the integration to its entire network of distributors, creates videos and advertises the solution as competitive on the market. This promotion is expected to bring in customers from the prepress industry who need faster, more efficient and high-quality processes in their production.

Meetings were also held with established partnerships in the third quarter, which in the last quarter should lead to new contracts for the development of functionalities.

Contacts with other software companies in the field of cloud services also led to various partnerships related to integrated solutions in the packaging industry. Talks have begun for integration projects with web to print and ERP solutions for the packaging industry, which should be launched by the end of the year.

Immediately after Drupa, steps were taken to follow up on marketing leads from all EngView companies. By the end of the year, several marketing campaigns are planned to lead to sales in different regions of the world.

The purchase of services on a subscription basis is a very important trend in the global market in the last few years. This is due to the advent of cloud technology and the ability to sell even very complex software products as services rather than licenses. This makes them more affordable both in terms of price and in terms of time to master and start in real business. For this reason, SaaS sales are growing rapidly, and the pressure on suppliers to offer this type of service is growing.

After launching the policy of offering the software on a subscription basis in 2021, during 2022 and in early 2023 customers benefit from this model with smaller but ongoing payments for EngView Suite licenses. More and more customers are starting to use the software without the need to make a large investment or bear a large risk. Since this model relies on a large number of subscribers to reach the turnover of selling the software, the company still maintains its old sales model. However, in the revenue part, purchases of permanent licenses have a larger share, but in the long term this trend should reverse. In the first half of 2024, a greater part of the number of sales was carried out precisely on this principle. In the USA and Brazil, almost all sales revenue is based on this principle, where there is an absolute growth in the number of customers who use the subscription model.

From 2023 EngView invests in online products based on CAD technology. The company hopes that through the realization of online products aimed at different types of users from the packaging industry, this product will also be found that is useful for the mass consumer.

Development of the core CAD API-based technology to offer developments integrated with other products or platforms continues. The first pilot client in Bulgaria has already integrated parts of the main system into its own online store, with the use and payment model being pay per use.



After Drupa, another project for a new packaging website was launched in the Netherlands. In November, two websites with our technology went live. This opens new doors in the development of this business. More clients are being sought while the technology itself is being upgraded at the same time.

New mechanisms, partnerships and representations around the world are also being sought to increase brand recognition, increase sales and search for new niche markets.

Products oriented to Metrology and Quality Control such as ScanFit&Measure and mCaliper, TurnCheck are also being developed.

An MVP is being developed with one of the largest manufacturers of calipers and micrometers in the world based on the mCaliper product.

At the end of the year, the development was released to the first pilot customers in Japan as part of the new solution of this new partner.

Online demonstrations of ScanFit&Measure are being held as well as visits to factories that need measuring systems for quality control. ScanFit&Measure took part in the largest aluminum extrusion exhibition of the year in Düsseldorf. A new machine with software improvements was shown. Sales of this product are increasing, campaigns continue worldwide.

Regional and international factors influencing the business of the company

2024 is off to a shaky start in terms of revenue due to changing sales models. Costs and investments in marketing and sales also affect the overall financial statement. From last year until now, specialized sales campaigns have been carried out for different regions of the world and for different products from EngView's portfolio. An external specialized company is used, which carries out both targeted branding and sales activities.

The company develops all its products in Bulgaria, but has a network of distributors worldwide, as well as its own offices in the USA, Germany, Canada and Brazil. The factors influencing the business are mainly related to the saturation of the market with competitive products or the degree of development of the given market. Still a major share of sales of software for the packaging industry is generated in Europe, but the market is also expanding in the US through marketing efforts, with the number of customers doubling compared to last year.

EngView as one of the leading names in the packaging industry works with strategic partners from Germany Heidelberg for which new versions of their products are developed every year for the printing industry and from the USA - QVI for their video measuring machines. EngView has been working with both companies for years, consolidating its positions by providing quality and modern software for their

customers. The company is investing in a new QVI solution in 2019 and 2020 - Turn Check. New licenses were ordered in 2023, and it is expected that they will increase by the end of the year.

Business development and investments in Q4 2024

In 2024, the company continues to develop its products and prepare for more online services and developments. The preparation of several events at which products and partnerships will be presented and consolidated is intensive. The company is gradually increasing its capacity and resources for innovation developments in the two areas in which it operates.

In the US, the company is very actively working for brand recognition, to win new partnerships and customers and to impose the subscription model that will bring stability and growth from sales in the coming years.

The German company EngView Systems GmbH hired and trained a new person in 2023 to deal with customer support. The company is still young, but it is already successfully establishing its name and making sales. There is already a website in German, we are working with an external company to search for new customers, process leads and conduct specialized campaigns. The company is establishing itself as the company with the most signed maintenance contracts. In Brazil, it is established as the main sales model through the subscription principle. Sales from there show an increase compared to last year, and we hope that this trend will continue in the following periods.

Perspectives and forecast for 2025

An increase in customers is expected in 2025, which will also increase sales volumes. The largest show in the packaging and printing industry, Drupa, was held in June 2024 in Düsseldorf, for which the company was preparing hard. Campaigns are being developed, new distributors are being sought and the presence in both niche markets is being strengthened.



FINANCIAL RESULTS

	31.12.2024	31.12.2023	Change BGN '000	Change %
Revenues	3 824	3 947	(123)	(3,12%)
EBITDA	1 221	934	287	30,73%
Depreciation	(921)	(837)	(84)	10,04%
Net Result	236	83	153	184,34%
EBITDA margin	31,93%	23,66%	8,27%	34,93%
Net Profit margin	6,17%	2,10%	4,07%	193,48%
Sales per share	55,4203	57,2029	(1,78)	(3,12%)
EPS	3,4203	1,2029	2,22	184,34%
ROE	0,0449	0,0166	0,028	171,45%
Total Assets	6 082	5 708	374	6,55%
Intangibles	4 535	4 085	450	11,02%
Book value	718	930	(212)	(22,80%)
Equity	5 253	5 015	238	4,75%
Total Liabilities	829	693	136	19,62%
Interest bearing	101	176	(75)	(42,61%)
D/E	0,0192	0,0351	(0,016)	(45,21%)
ROA	0,0388	0,0145	0,024	166,85%

SIRMA BUSINESS CONSULTING

- **Capital: BGN 2 539 768**
- **On 08.10.2024 “Sirma Insurtech” EAD merged with “Sirma Group Holding” JSC**

Sirma Business Consulting (SirmaBC) is highly specialized in the provision of software products and services in the financial sector. The SirmaBC implements Universal Banking Solutions (UBS) individually or based on the FlexCube (Oracle platform). This is a complete banking solution which has received worldwide recognition as one of the most preferred systems in the banking and financial industries.

The range of services provided by the company covers mainly banking, retail and wholesale banking, regulatory compliance and risk management as well as the whole range of implementation and advisory services. SirmaBC is the third largest holding company and accounts for about 20% of revenue.

SirmaBC was established as a consolidated unit in 2007 and has since become one of the leading technology players in the financial sector. The company has been established not only in the local market, but has continued to seek to increase its presence on international markets, especially in Europe, North and South America, Asia and the Caribbean. SirmaBC has a team of highly specialized professionals with complementary expertise in the financial field. This helps to develop a wide range of products designed to respond to

growing demand and evolving industry trends tailored to the banking and financial industry specification both locally and globally.

Conditions for business development in Q4 2024

Several serious challenges are emerging for the company that delivers solutions and services to financial players:

- Price adjustment of the offered services and products.
- Finding and retaining highly qualified personnel within the Bulgarian market.
- Adaptation of the business model and approaches in project implementation.
- Adaptation of existing solutions in the company's portfolio to meet new regulatory requirements and trends in the direction of 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 lead time for new projects.

SirmaBC will continue to be focused on providing IT and consulting services and products, and the first half of the



year, in addition to active actions to stabilize several ongoing projects, will focus on offering versions of the FlexCube banking system and opening all systems to solutions that give possibility of implementation of "Open banking" API based services. Projects in the direction of "Open Digital Business" and regulatory reporting will be the main focus for the company until the end of 2024.

Regional and international factors, influencing the business of the company

Macro environment

The development of the financial market in Bulgaria in 2024 continues to be influenced by numerous factors, both internal and external to the country. Among them are the economic stagnation in Europe, the political instability in the region and the country, energy uncertainty and unclear deadlines for the country's accession to the Eurozone. Despite the EC's optimism about the results and GDP growth in the country, Bulgaria is hesitating and foresees a reduction to levels of 1.8% for 2024. The main problems are the increased inflation and the reduction in the consumption and production of electricity, as well as the export of electricity.

The ongoing hostilities in Palestine, Israel and Ukraine and the accompanying trade war are affecting the prices of energy resources, metals and commodities.

An increase in interest rates and a devaluation of any of the major currencies creates additional uncertainty in the financial market and opens many questions for companies that provide services and in addition to market risks, interest rate and currency risk will have to be managed.

In the country, appetites, intentions and real actions for the consolidation of the banking and financial market continue, which conditions on the one hand the competition between the many relatively small players and on the other hand provokes an active dialogue for the consolidation of the companies in the market. At the end of March, information appeared in the press about a new acquisition on the market, which envisages the sale of Tokuda Bank.

The last elected regular government in Bulgaria quickly resumed actions to join the Eurozone (but unfortunately the fulfillment of the convergence criteria is unclear). Despite the adopted changes in the legislation, there is a lack of clear communication about the dates of the replacement of the main currency in the country. In conclusion, the financial market in Bulgaria continues to be challenging and requires adaptation and reforms, which slows down investments in innovation and new projects. The main reserves and budgets have been set aside for adaptation to the euro, which has not been confirmed with implementation deadlines.

The trend continues to expand the business volume of companies and support centers with investments and employers from the USA, Canada, Germany and England, which significantly raise the average salary in the industry and additionally pump resources into projects that are focused in other markets.

Industrial vertical

The development of the IT business in Bulgaria at the beginning of 2024 is associated with a number of challenges and opportunities. On the one hand, the sector needs a skilled workforce, modern infrastructure and an appropriate regulatory environment, which continues to lag behind. Still, the presence of a regular government does not give stability and confidence in business for strategic investments and creation of long projects. On the other hand, the IT business continues to use various funding programs, both from European funds and local national initiatives, but this too will be inert in the case of disturbed political trust and stability. The IT sector until the end of 2024 will continue to grow, albeit at a slower pace, and although it will reach a turnover of over BGN 10 billion by the end of the year, it will face a huge challenge of the slowing pace of development in all leading economies.

The lack of stable government management, global conflicts, inflation puts pressure on all companies in the IT industry. One part of which is directly affected and dependent on government contracts and projects and another part, because of the tension of the public climate and uncertainty about the tax and fiscal policy of a future regular government. The problems with this defocusing of working resources are invisible at the national level, but they significantly exhaust the mainly nationally oriented players, in which category SirmaBC also falls.

In the long term, we will have to completely change the final price for customers or seek to enter foreign markets by providing services on an isleme basis or renting out resources.

New clients, projects, products and services in Q4 2024:

- Clients

All the company's clients show and declare that they are partially or strongly affected by the uncertain financial framework, inflationary processes, military activities and the shortage of energy resources, as well as the late or lack of financial measures to overcome them. Despite the difficulties in the real economy, the income of financial players is increasing, but in parallel, the regulations that all participants must apply are also increasing. These legal obligations are a good opportunity to generate new revenue. A significant part of the additional income from customers is expected to be income from the sale of resources on the basis of time worked.

- Projects

Until now in 2024, the company successfully completed a FlexCube 14 implementation project and numerous small orders for the adaptation of reporting systems in view of changes in the legal framework. As well as numerous assignments for changes and adaptation of systems related to the transition to the euro.

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



- Products

The company is actively trying to advertise and distribute the first versions of:

- Open banking API hub, which implements the BISTRA standard for all services in the scope of PSD2;
- Up2Pay - a payment software terminal that resides with a mobile application provider or as a Plug-in for a web site;
- Up2Seal - a portfolio for generating one-time passwords and codes, which also serves as an advanced electronic signature and provides SCA, which is within the meaning of the Payments Regulation.
- RepXpress – regulatory reporting system and own DHW.
- ceGate – a system for collecting customer data and evaluating customers.

- Services

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

- Events

The most important event for the company was the decision made by the shareholders to consolidate and merge Sirma Business Consulting EAD into Sirma Group Holding JSC. Within the first half of the year, the first stage of this transformation was also completed, with all the shares of the

company passing into the possession of Sirma Solutions EAD.

All important events for the company are related to participation in specialized forums and exhibitions at which it attends and presents its improved solutions.

The company actively participates in the regular events of BASSCOM, BFA (Bulgarian Fintech Association), as well as new initiatives organized by AMCHAM Bulgaria and BFA and various working groups in line with European and national initiatives in the sector.

The company goes through regular certification according to 3 ISO standards, preparing for regular audits of security and process continuity.

- Contracts

At the beginning of 2024, SirmaBC finalized the conclusion of several contracts for:

- Adaptation of systems to the euro
- Renewal of electronic channels with customers.
- Changes and adaptation of all systems according to payment standards and the national plan for the transition to the euro and use of ISO 20022.

	08.10.2024	31.12.2023	Change BGN '000	Change %
Revenues	4 883	6 225	(1 342)	(21,56%)
EBITDA	229	596	(367)	(61,58%)
Depreciation	(351)	(411)	60	(14,60%)
Net Result	(119)	161	(280)	n/a
EBITDA margin	4,69%	9,57%	(4,88%)	(51,02%)
Net Profit margin	(2,44%)	2,59%	(5,02%)	n/a
Sales per share	1,9224	2,4508	(0,53)	(21,56%)
EPS	(0,0469)	0,0634	(0,11)	n/a
ROE	(0,0438)	0,0568	(0,10)	n/a
Total Assets	4 562	4 746	(184)	(3,88%)
Intangibles	799	987	(188)	(19,05%)
Book value	1 921	1 850	71	3,84%
Equity	2 720	2 837	(117)	(4,12%)
Total Liabilities	1 842	1 909	(67)	(3,51%)
Interest bearing	-	40	(40)	(100%)
D/E	-	0,0141	(0,014)	(100%)
ROA	(0,0261)	0,0339	(0,060)	n/a



SIRMA GROUP INC.

- <http://panatonsoftware.com/>
- Sirma Group Inc. is a subsidiary of Sirma Solutions

Business development in Q4 2024

Sirma USA continued to develop our business in Healthcare and Automotive retail sales. We have made tremendous progress in applying artificial intelligence and generative large language models technology to practical applications in Medical Information Systems. In an industry first, we developed the ability to describe workflows using plain-spoken language and automatically generate and configure ready-to-execute mini-apps inside Healthcare applications

built on top of our BoCore platform. The systems powered by our real-time Analytics engine also continued to gain ground with automotive dealers, and we were highly recognized by leaders in the field and the annual Digital Dealer conference. Also, this quarter we recruited a Director of Digital Marketing with management experience in both international retail banking and US Healthcare marketing.

FINANCIAL RESULTS

	31.12.2024	31.12.2023	Change BGN '000	Change %
Revenues	3 715	6 779	(3 064)	(45,20%)
EBITDA	(638)	(316)	(322)	101,90%
Depreciation	(7)	(4)	(3)	75,00%
Net Result	(663)	(330)	(333)	100,91%
EBITDA margin	(17,17%)	(4,66%)	(12,51%)	268,42%
Net Profit margin	(17,85%)	(4,87%)	(12,98%)	266,61%
Sales per share	0,1722	0,3142	(0,14)	(45,20%)
EPS	(0,0307)	(0,0153)	(0,02)	100,91%
ROE	(0,0800)	(0,0391)	(0,04)	104,62%
Total Assets	11 996	10 475	1 521	14,52%
Intangibles	2 197	1 675	522	31,16%
Book value	6 091	6 766	(675)	(9,98%)
Equity	8 288	8 441	(153)	(1,81%)
Total Liabilities	3 708	2 034	1 674	82,30%
Interest bearing	29	36	(7)	(19,44%)
D/E	0,0035	0,0043	(0,0008)	(17,96%)
ROA	(0,0553)	(0,0315)	(0,024)	75,44%

Sirma ICS

- <http://sirmaics.com/>
- Sirma ICS is a subsidiary of Sirma Group Holding
- **Capital:** BGN 300 000 divided into 300 000 number of registered nominal shares with a nominal value of 1 BGN per 1 share with voting right, dividend and liquidation share. Sirma Solutions owns 279 000 number of shares or 93% of the capital.

Sirma ICS is part of Sirma Group, with the main goal to concentrate the technological and business knowledge of Sirma Group's in the insurance sphere.

increased number of insured persons as well as an increase in insurance premiums.

Conditions for Business Development in Q4 2024

The company operates in the Insurance sector with target customers insurance brokers and insurance companies. Both segments recorded minimal revenue growth due to an

The company offers a product covering all of the processes in the structure of an insurance broker - Sirma Insurance Enterprise Platform. There is also a developed opportunity for clients to integrate through the Sirma Insurance Enterprise MTPL API and to integrate the policy issuing a policy payment in any system and application. Regarding the



online presence of brokers, we offer Sirma Insurance Enterprise Web Calculator. With this product, end visitors to websites can calculate their price and place an order. The company also creates individual solutions and developments on assignment such as websites, web portals for end customers, administrative portals and mobile applications. In general, the online market in Bulgaria remains underdeveloped due to the sticker restrictions and the mandatory "Civil Liability" license plate.

The company also offers services to other companies, part of Sirma Group, mainly "body rent" of programmers.

Business Development in Q4 2024 and investment plan

In Q4 2024 Sirma ICS continued with the execution of its strategic objectives:

- Improvements in mobile applications.

- Increasing the product range of the software for insurance brokers and optimizing the product and its functionalities.
- The company continues to rely on a stable and sustainable model of selling products with a monthly license fee, instead of relying on large one-off transactions which are more difficult to predict.

Perspectives and forecasts for 2025

We anticipate retaining the monthly fee revenue of Sirma Insurance Enterprise Platform mainly from large new clients that are being negotiated, but individual small brokers may terminate contracts due to cessation of activity. We are striving to attract large brokers to the broker platform.

FINANCIAL RESULTS

	31.12.2024	31.12.2023	Change BGN '000	Change %
Revenues	997	1 057	(60)	(5,68%)
EBITDA	124	203	(79)	(38,92%)
Depreciation	(82)	(96)	14	(14,58%)
Net Result	35	94	(59)	(62,77%)
EBITDA margin	12,44%	19,21%	(6,77%)	(35,24%)
Net Profit margin	3,51%	8,89%	(5,38%)	(60,53%)
Sales per share	3,3233	3,5233	(0,20)	(5,68%)
EPS	0,1167	0,3133	(0,197)	(62,77%)
ROE	0,0346	0,0962	(0,062)	(64,05%)
Total Assets	1 185	1 220	(35)	(2,87%)
Intangibles	818	866	(48)	(5,54%)
Book value	194	111	83	74,77%
Equity	1 012	977	35	3,58%
Total Liabilities	173	243	(70)	(28,81%)
Interest bearing	53	83	(30)	(36,14%)
D/E	0,0524	0,0850	(0,033)	(38,35%)
ROA	0,0295	0,0770	(0,048)	(61,67%)



SIRMA TECH (S&G TECHNOLOGY SERVICES)

- **Sirma Tech (S & G Technology Services) operates in the Financial Segment**

Sirma Tech (S & G Technology Services) operates in the United Kingdom. The company provides technology services in the areas of software integration, data integration and mobile technologies for the financial service sector.

Sirma Tech (S & G Technology Services) has accumulated tremendous expertise on the banking industry and the development of technology solutions for some of the world's largest banks. This enables the company to better understand the challenges faced by customers, identify the areas in which it can provide innovative solutions and integrate seamlessly into its specific solutions within a broader delivery program. S & G Technology Services specializes in providing IT consulting services, software products and services to the software ecosystem of one of the most popular banking systems - the Temenos T24.

FINANCIAL RESULTS

	31.12.2024	31.12.2023	Change BGN '000	Change %
Revenues	2 415	2 064	351	17,01%
EBITDA	(137)	268	(405)	n/a
Net Result	(178)	184	(362)	n/a
EBITDA margin	(5,67%)	12,98%	(18,66%)	n/a
Net Profit margin	(7,37%)	8,91%	(16,29%)	n/a
ROE	(0,5669)	0,2809	(0,848)	n/a
Total Assets	641	918	(277)	(30,17%)
Equity	314	655	(341)	(52,06%)
Total Liabilities	327	263	64	24,33%
ROA	(0,2777)	0,2004	(0,478)	n/a

SIRMA CI

- **Capital: BGN 133 000**
- **On 08.10.2024 "Sirma CI" EAD merged with "Sirma Group Holding" JSC**

Conditions for Business Development in 2024

The war in Ukraine will not end soon, which brings uncertainty for certain sectors. In addition, the war between Israel and Gaza also provides prerequisites for crisis situations and dynamics in the energy market in Europe.

The outcome of new elections in the country will again be an unclear horizon, but it seems that the caretaker government will continue to manage and implement the plan to meet the Schengen indicators and the acceleration of the national recovery and resilience plan.

Regardless of the current situation, we continue the adaptation of the business in the direction of income diversification from additional IT activities.

We continue to adapt the business to the new rules (digital transformation is everyday), for which we believe we are prepared and will take adequate measures based on short-term and long-term goals.

Despite the stagnation on a global scale, Sirma CI will continue its development with the aim of positive balance and diversification in the sector and revenues.

For 2024 our focus remains on the trends defined by Gartner and internal analysis of market demand and our customers.

We will maintain a focus on the need to provide services by our experts and work in collaboration with partners to develop and integrate our products, which leads to diversification and increased revenue.

The top 3 services for Digital Retail, which are at their peak of demand for them:

- Software solutions for user engagement
- Conversational commerce, ie. technological solutions that recognize speech, speech, language processing via AI. These are applied in chatbots
- Algorithmic sales, ie. AI-based software solutions



According to Gartner the top 3 services of Digital Retail, which will be in demand in the next 2-5 years:

- Unified Commerce Ecosystem
- Real-Time Pricing
- Smart Check-Out
- eCommerce software (web and mobile apps)

Of the top 3 services that Gartner defines at their peak, we offer two. The other products and expertise that we have and are described in the Technology stack (item 5) are very up to date. Regarding the services that will be in demand in the next 2-3 years, we are already working on one of them.

We are actively continuing our partnering activities with US companies and plan to launch activities in Northern Europe for entry in the second quarter, maintaining our focus on current markets and customers.

We have provided a marketing budget for PR materials to advertise our new concept in the "retail" vertical.

Fully focused on unified commerce trends, which will unite our implementation solutions for large retailers: e-shop, loyal mobile application program and chatbots.

The development of the new product based on current software designed to increase Conversion Rate for product and service marketers is on schedule and progressing very well. Due for release in the second half of 2024.

Technology stack and Microservices - Sirma Customer Intelligence expertise and products:

- Consultations for digital transformation and innovation
- Business analysis and planning
- Individual web and mobile design (responsive)
- Personalized e-commerce (back-end and front-end development)

FINANCIAL RESULTS

	08.10.2024	31.12.2023	Change BGN '000	Change %
Revenues	1 623	855	768	89,82%
EBITDA	50	30	20	66,67%
Depreciation	(15)	(13)	(2)	15,38%
Net Result	30	14	16	114,29%
EBITDA margin	3,08%	3,51%	(0,43%)	(12,20%)
Net Profit margin	1,85%	1,64%	0,21%	12,89%
Sales per share	5,4100	2,8500	2,56	89,82%
EPS	0,1000	0,0467	0,05	114,29%
ROE	0,1546	0,0854	0,07	81,15%
Total Assets	648	433	215	49,65%
Intangibles	-	30	(30)	(100%)
Book value	194	134	60	44,78%
Equity	194	164	30	18,29%
Total Liabilities	454	269	185	68,77%
Interest bearing	40	61	(21)	(34,43%)
D/E	0,2062	0,3720	(0,166)	(44,57%)
ROA	0,0463	0,0323	0,01	43,19%

- Integration of loyalty program (back-end and front-end development)

- ERP integration / optimization

- Implementation of logistics integrations / optimizations

- Integrations for online payments

- Billing integrations

- Mobile applications - native Android and iOS

- RTS - real-time user behavior analysis system

- Chatbots - based on Melinda

- Others

The war in Ukraine and Israel are a significant factor that makes us accelerate our development in markets outside Bulgaria in order to diversify.

We hope for a regular government to be formed in the middle of the year, bringing stability, restarting infrastructure, capital investment and economic stimulus to rebuild the economy.

New contracts during 2024:

- The contracts we signed in 2023 are already being implemented. They are long-term and include maintenance and development.

- We are negotiating to sign two new long-term contracts with an international customer for two new countries for the license and support of our product

- Our current customers continue to be active with orders for new features to their current solutions, in order to sell more to end customers.



SIRMA MEDICAL SYSTEMS

- **Sirma Medical Systems** is a subsidiary of Sirma Group Holding
- **Capital:** BGN 100 000. **Sirma Group Holding** owns 66% of the capital.

Conditions for business development in 2024

The beginning of 2024 was dominated by the development of artificial intelligence technologies and their possibilities healthcare applications. The digitalization of health care systems is now entering a period of development in which technologies are proving their usefulness in practice. The imposed strict regulatory frameworks are already being actively implemented, which has a positive impact on the quality of digital health services offered, as well as serving as a starting point for future developments. The concept of personalized medicine, where the patient takes an active role in their healthcare, continues to gain traction.

In this environment, the two main products of Sirma Medical Systems are well positioned in the market and have the capacity for medium and long-term development by precisely targeting efforts in the development of new functionalities and marketing activities.

In view of the changing environment, the target markets in which the company will seek implementation in 2024 have been adjusted. For Diabetes:M, the activities in the United Kingdom and Bulgaria remain the priority, and exploratory activities for the implementation of the product in the USA have also begun. For Medrec:M, implementation efforts in Bulgaria are a priority, with an additional focus on the USA. For MPI-2, the priority is the US, UK and Canada, with additional focus on India and South Africa.

Sirma Medical Systems continues to develop its products in its two main areas - for self-monitoring and remote monitoring of diabetic condition and telemedicine. Additional focus is on product development for self-treatment for stutterers.

During this reporting period, the work was completed and the new developments in the Medrec:M platform - a link with the National Health Information System (NHIS) and a mobile application for Medrec:M Clinic - were launched. These new functionalities expand the possibilities for doctors to work with the platform and improve their communication with patients.

A Medrec:M Assist mobile application for family profiles is being tested, which allows older children and elderly people to receive medication alerts, as well as to be able to note whether a medication has been taken.

The development of a new version of the MPI-2 application for stutterers, developed in partnership with professors from the University of California at Santa Barbara, USA, has also

been completed. The new version will allow users to use the app for self-healing, independently, without the intervention of a supervising professional. In the first quarter of this year, video production of over 25 instructional videos was organized as an integral part of the program implementation. The product is expected to be launched in the middle of the second quarter of this year.

During this reporting period, the company became a member of the extended supervisory board of the Bulgarian Cluster for Digital Solutions and Innovations in Healthcare (DHI Cluster), where it is responsible for relations with the members and partners of the cluster. Sirma Medical Systems participates in the European project DIGI4Care, managed by the cluster, as the project is in its early stages and the roles and stages are still to be allocated, with the company's participation planned to be in the prototypes for post-hospital patient monitoring with the Diabetes:M and Medrec:M platforms.

Since the beginning of the year, the company has started a new practice for additional training of customers on the platform for doctors Medrec:M Clinic. Through these trainings, doctors become familiar with the innovations in the platform and receive ideas and guidance on how they can integrate the new functionalities into their work processes.

The implementation of videos with health tips and webinars with the participation of prominent medical specialists from various fields continues, as well as the publication of informative articles on the blogs of the Diabetes:M and Medrec:M products. The practice of sending a monthly newsletter with useful information to app users and Medrec:M webinar audiences also continues.

During this reporting period, the work on the inclusion in the Medrec:M platform and the offering of digital health services of the diabetes clinic of Prof. Dr. Radka Savova was completed. It is planned to launch the newly offered services in the second quarter.

Talks have been held with Roche Bulgaria for a partnership to create a hospital platform for post-hospital monitoring of cancer patients and optimize their treatment with Roche drugs. Talks have been held with Doctors Without Borders for South America and an offer has been sent for the use of the Medrec:M platform in the organization's medical centers.

The process of FDA certification of the Bolus Calculator server module for use in the Diabetes:M platform has started. The first phase has been completed and preparations for clinical trials are currently underway at the Diabetes Clinic at the Mother's Home. The clinical trial is expected to be completed by the end of the year and the FDA certification to be completed in the first half of 2025.



At the same time, the preparation of documents for the CE mark as class IIb is underway.

Business Development Conditions in 2025

In 2025, the global digital health sector continues its upward trend, driven by the integration of artificial intelligence (AI), personalized health solutions, remote patient monitoring and increased regulatory support. Chronic diseases, such as diabetes, remain a strategic focus, and the growing number of specialized technology solutions and mobile applications create an increasingly competitive environment. A key advantage is the ability to provide flexible, secure and integrable platforms that can adapt to the needs of corporate clients, healthcare organizations, pharmaceutical companies and medical device manufacturers.

Tech giants, startups and traditional pharmaceutical players are increasingly turning to strategic partnerships, acquisitions and the development of internal innovation hubs to meet the needs of a growing audience. A number of government initiatives and healthcare systems, especially in developed markets such as the US, UK and Germany, are introducing or upgrading electronic health records, stimulating data standardization and promoting integration between different platforms. This not only facilitates the exchange of information, but also increases the quality of clinical decisions and the personalization of therapies.

In this dynamic, Sirma Medical Systems will strive to strengthen its positions through the Diabetes:M platform, directing its efforts towards corporate clients and brands

looking for White Label solutions. At the same time, for the MPI-2 product (stuttering therapy), the focus will be on massive direct promotion to end users. For Medrec:M, only supporting marketing is planned, without a large-scale expansion of functionalities or activities.

Perspectives and forecasts for 2025

After 2025, upon successful completion of clinical trials and FDA approval for Diabetes:M, Sirma Medical Systems expects significant new opportunities for partnerships and distribution in the US and other international markets. The development of MPI-2 as a leading platform for stuttering therapy will establish the company as a provider of high-quality solutions for end users.

In the long term, after stabilizing and strengthening the positions of Diabetes:M and MPI-2, a resumption of more active activities around Medrec:M is possible, supported by a successfully established image and an expanded partner network.

Sirma Medical Systems' strategy for 2025 emphasizes attracting corporate clients and expanding the product ecosystem for Diabetes:M, as well as a massive marketing campaign for MPI-2 aimed at end users. With a clear framework, an optimally allocated budget, and a focus on high-value partnerships and communication channels, the company aims to strengthen its market share, increase the interest of external investors, and expand opportunities for future sustainable growth.

FINANCIAL RESULTS

	31.12.2024	31.12.2023	Change BGN '000	Change %
Revenues	213	259	(46)	(17,76%)
EBITDA	(151)	(215)	64	(29,77%)
Depreciation	(37)	(38)	1	(2,63%)
Net Result	(191)	(293)	102	(34,81%)
EBITDA margin	(70,89%)	(83,01%)	12,12%	(14,60%)
Net Profit margin	(89,67%)	(113,13%)	23,46%	(20,73%)
Sales per share	0,7100	0,8633	(0,15)	(17,76%)
EPS	(0,6367)	(0,9767)	0,34	(34,81%)
ROE	0,4860	(3,1848)	3,67	n/a
Total Assets	1 440	1 513	(73)	(4,82%)
Intangibles	1 370	1 284	86	6,70%
Book value	(1 763)	(1 192)	(571)	47,90%
Equity	(393)	92	(485)	n/a
Total Liabilities	1 833	1 421	412	28,99%
Interest bearing	-	250	(250)	(100%)
D/E	-	2,72	(2,72)	(100%)
ROA	(0,1326)	(0,1937)	0,0610	(31,51%)



SCIANT

- **Capital: BGN 257 000**
- **On 08.10.2024 "Sciant" EAD merged with "Sirma Group Holding" JSC**

Conditions for business development in 2024

Sciant provides software services in the following industries: Hospitality, Logistics and Transport, Finance and Banking.

The company works with clients from the United States, Singapore, Australia, China and the European Union.

The company provides software services to customers in the industries in which it specializes. The services have added value with the fact that the company's software engineers also have knowledge of the respective industry. Combined with the presence of consultants and business analysts, this leads to attracting customers from a higher segment of the market. The rights to the developed software are owned entirely by the Company's customers.

Sciant also provides services for maintenance of integration adapters through a developed system for semi-automated maintenance. The support is with monthly subscription contracts.

Although rearer, the company also works with Bulgarian companies. For them he performs development, maintenance, optimization of web sites; development of internal platforms for management of various processes; project management.

Regional and international factors affecting the company's business

The company is export oriented and has no business in Bulgaria. The regional factor that influences is the labor market.

The main international factor is the war in Ukraine and Israel. There is no influence of this factor on the company's business. Customers from Hospitality, Logistics and Transport, Finance and Banking continue to increase their orders. The company manages to add new customers and new projects.

In 2024 Sciant continued to fulfill its strategic goals:

- All contracts from the previous year have been renegotiated and extended for 2024. New customers in Western Europe and North America have been attracted from the existing verticals: Hospitality, Logistics and Transport, with a significant increase in Hospitality business. So far, the practice is 20% ahead of the quarterly revenue and gross profit plan.
- The Company continues to rely on a stable and sustainable model of selling software development services and integration adapter support services. New integrations are being built to systems and products of external companies established in the respective industries.
- The construction of our own system for the support of integration adapters - Managed Integration Services (MIS) continues. The contracts are for a monthly subscription, with the growth of revenues on a monthly basis averaging 10%, and the number of hotels served to customers reached 1 770 at the end of the first half of the year.
- In the past quarter, Saint's sales team participated with its own stand at the event in the field of hospitality - ITB in Berlin, which generated significant interest and new opportunities for the hospitality practice.
- The SITL exhibition in Paris, focused on transport and logistics, was also visited, generating new contacts and opportunities for the logistics practice.
- Sciant's sales team attended the Phocuswright conference in Barcelona and the HITEC exhibition in the USA, which should bring new commercial opportunities and partnerships for the hospitality practice.
- The number of personnel is also growing, as at the end of the first quarter the company had nearly 160 employees in Bulgaria and Albania. There is a positive movement in the labor market, with the rate of hiring of new employees increasing.
- Processes have been optimized, where productivity (revenue per unit of production resource) has also improved and is above the plan for the quarter.



FINANCIAL RESULTS

	08.10.2024	31.12.2023	Change BGN '000	Change %
Revenues	14 114	15 490	(1 376)	(8,88%)
EBITDA	(172)	1 286	(1 458)	n/a
Depreciation	(269)	(394)	125	(31,73%)
Net Result	(514)	797	(1 311)	n/a
EBITDA margin	(1,22%)	8,30%	(9,52%)	n/a
Net Profit margin	(3,64%)	5,15%	(8,79%)	n/a
Sales per share	0,3990	0,4379	(0,04)	(8,88%)
EPS	(0,0145)	0,0225	(0,037)	n/a
ROE	(2,4245)	0,5407	(2,965)	n/a
Total Assets	3 919	4 645	(726)	(15,63%)
Book value*	212	1 474	(1 262)	(85,62%)
Equity	212	1 474	(1 262)	(85,62%)
Total Liabilities	3 707	3 171	536	16,90%
Interest bearing	69	648	(579)	(89,35%)
D/E	0,3255	0,4396	(0,1141)	(25,97%)
ROA	(0,1312)	0,1716	(0,3027)	n/a

SAIFORT (SAI)

"Saifort" EAD ("SAI" EAD) is a subsidiary of "Sirma Group Holding" JSC since 2008, with the main goal of concentrating within itself the knowledge and expertise of "Sirma Group Holding" JSC, in the field of artificial intelligence and in the last year, its application in the field of cyber security. The company's activity is oriented towards specialization in the field of corporate cyber security and application of artificial intelligence to achieve the main goals of the same.

The company aims to modernize the cyber-security system of the group of companies owned and/or under the control of "Sirma Group Holding" JSC, as well as to attract external customers in need of a comprehensive solution in the same area.

Conditions for Business Development in 2024

"Saifort" EAD ("SAI" EAD) provides complete "holistic" services in the field of cyber security, company security, auditing according to modern cyber security standards and drafting of policies and procedures in this area.

In 2024, development of the already structured, through the Bulgarian and Israeli subsidiary, business in the field of comprehensive services in the field of cyber security is expected:

- Main target markets - Israel, Middle East, Romania, Greece, Bulgaria, Scandinavian countries.
- Participation in at least three leading events, in the field of cyber security, hospitality and logistics.
- Development of a strategy for entering the market in the USA, through the subsidiary companies of "Sirma Group Holding" JSC.

- Improving the processes of using the "Sirma Cyber Security Management Platform", by implementing artificial intelligence (AI).

- Hiring and training of highly qualified sales experts to operate the strategically planned markets.

- Conducting Penetration Tests and simulated attacks in the system of "Sirma Group Holding" JSC;

The company plans to provide a full package of services in the field of company and cyber security, by providing the following services:

A. "SOC" and "Response" team

The evolution of cyber threats and attacks in recent years has led to uncertainty in cyber ecosystems. Vital to meeting these challenges is building advanced Cyber Security Operations Centers (SOCs) providing an operational risk management framework within organizations to manage, monitor and respond to cyber security threats.

B. "CISO as a Service"

A key challenge facing the sector is the global shortage of skilled cybersecurity workers and the expertise available to help protect data at risk.

C. "Penetration Testing"

Growing demand for security solutions for software-based web and mobile applications is expected to boost the growth of the global security testing market. Additionally, the growing use of cloud-based cybersecurity services is expected to drive demand for vulnerability and security testing services. Moreover, with the increasing digitization in developing countries, it is expected to boost the



trend of IoT-based connected devices. This, in turn, reinforces the need for vulnerability and security testing.

D. Audit, risk assessment and subsequent implementation of cyber security procedures

The continuing dynamic international environment and economic trends, in 2023 and the beginning of 2024, show the growing need for comprehensive services in the field of cyber security and will allow the company, through the built, modern SOC center, to add new clients to the portfolio of your services.

In 2024, "SAI" EAD will follow the implementation of its strategic goals, namely:

A. Development and development of main target markets - Israel, Middle East, Romania, Greece, Bulgaria, Scandinavian countries.

B. Hiring and training of qualified sales and marketing specialists who meet the requirements of the activity for the markets described above.

C. Maintaining and constantly updating the cyber security system of the group of companies owned and/or under the control of Sirma Group Holding JSC

D. Preparation of a set of procedures and policies for compliance with the requirements of the NIS 2 directive of the EU, for the companies of the group and external customers.

E. Attracting new, international clients in need of developing and implementing comprehensive solutions in the field of cyber security.

ROWEB

Roweb Development is part of Sirma Group since 21.10.2024, with its head office in Pitesti (Romania) and branches in Craiova and Bucharest. The company provides software services for complex projects and global clients. Dedicated teams of experienced software professionals implement projects for clients in over 30 countries. Web, desktop and mobile applications, scalable websites with a focus on user experience, personalized online portals and Magento e-Commerce solutions are developed.

Business development conditions in the fourth quarter of 2024

The company operates in the following industries:

- E-commerce: The global e-commerce market is experiencing significant growth, fueled by increased internet penetration and consumer preferences for online shopping. The demand for personalized e-commerce platforms, seamless user experience and mobile-oriented design is growing. Magento e-Commerce solutions are particularly sought after due to their flexibility and scalability.

- Information Technology: The IT sector continues to expand, as businesses seek innovative software solutions to improve operations and customer engagement. Companies are investing in custom software development, cloud services,

Overview of the Activity During 2024

In 2024, the company implemented the following important activities for the realization of its strategic goals:

- Development and deployment of the activity, mainly through the subsidiary company in Israel - "Saifort".

- Confirmation of the activity of the already built, modern and compliant with modern requirements operating center for cyber security "SOC" and attraction of new clients for the activity of the center - "NIMBLE", "PRI GALIL", CRYPTO ASHDOT", with a total of 64 new users of the 24/7 monitoring service.

- Implementation of procedures and practices for cyber security at HR management level, for "Sirma Group Holding" JSC and the companies of the Group.

- Hiring a sales consultant for the region of Hungary, Czech Republic, Slovakia, Austria.

- Continuing the development of the training program for the employees of Sirma Group, on the topic of cyber security, including the preparation and distribution of educational materials and training leaflets on the topic of Internet fraud and cyber security practices.

- Operation of "Sirma Cyber Security Management Platform"

- Preparation of procedures and policies for compliance with the requirements of the NIS 2 directive of the EU.

- Preparation and reorganization of the policies and procedures of "Sirma Group Holding" AD, in order to bring them into line with the requirements of the processes of the upcoming merger of the subsidiaries into the holding.

and cybersecurity solutions. Our experience in delivering complex projects positions us well to meet these demands.

- Telecommunications: The telecommunications industry is evolving with the advancement of 5G technology and increased data consumption. There is a need for reliable software applications to manage networks, improve customer service, and analyze large volumes of data. Our expertise in scalable solutions can meet these demands.

- Financial Services: The financial sector is addressing digital transformation as a means to improve services and comply with regulatory standards. There is a high demand for the development of secure online portals, mobile banking applications, and data analytics tools. Our focus on user experience and security aligns with the needs of the industry.

- Healthcare: The healthcare industry is increasingly adopting digital solutions for patient management and telemedicine. Customized applications for patient portals, appointment scheduling, and electronic health records are essential. Our ability to develop user-centric applications can meet these needs.

- Education: The education sector is leveraging technology for e-learning platforms and virtual classrooms. Developing interactive learning portals, mobile applications, and scalable websites are critical. Our expertise in creating customized online portals can support educational institutions in this transition.



By focusing on these industries, Roweb Development will leverage its strengths to meet changing market demands and continue its global expansion.

Roweb Development is a software services company with extensive experience in delivering complex projects for global clients. Our dedicated teams of experienced software professionals have delivered projects for clients in over 30 countries. Based on the model of a specialized team, we develop web, desktop and mobile applications, scalable websites with a focus on user experience, personalized online portals and Magento e-Commerce solutions.

Perspectives and forecasts for 2025

In 2025, the company will strive to realize the following important strategic goals:

- Expanding market presence: Strengthening Roweb's positions in Romania, the EU and North America by using the expanded portfolio and resources of Sirma Group;
- Expanding the services offered: Integrating new technological solutions and services to meet the growing demand for innovation in the software industry;
- Increasing operational efficiency: Optimizing processes and resources by sharing best practices and technologies between the companies in the Group.

In 2025, we foresee growth in project revenues. Revenue from large traditional customers is expected to grow by up to 10%. Revenue growth from Romanian customers, which account for about 10% of the company's revenue, is also expected.

FINANCIAL RESULTS

22.10.2024 – 31.12.2024

Revenues	2 914
EBITDA	690
Depreciation	(13)
Net Result	614
EBITDA margin	23,68%
Net Profit margin	21,07%
Sales per share	9,7133
EPS	2,0467
ROE	1,3955
Total Assets	5 875
Book value*	18
Equity	422
Total Liabilities	440
Interest bearing	5 435
ROA	0,1045



SIRMA GROUP HOLDING – individual financial results

	31.12.2024*	31.12.2023	Change BGN '000	Change %
Revenues*	34 069	5 228	28 841	551,66%
EBITDA	4 829	2 236	2 593	115,97%
Depreciation	(1 113)	(617)	(496)	80,39%
Net Result	3 426	1 509	1 917	127,04%
EBITDA margin	14,17%	42,77%	(28,60%)	(66,86%)
Net Profit margin	10,06%	28,86%	(18,81%)	(65,16%)
Sales per share	0,5739	0,0881	0,486	551,66%
EPS	0,0577	0,0254	0,03	127,04%
ROE	0,0453	0,0207	0,02	119,45%
Total Assets	107 335	90 077	17 258	19,16%
Intangibles	10 710	4 225	6 485	153,49%
Book value	64 844	68 804	(3 960)	(5,76%)
Equity	75 554	73 029	2 525	3,46%
Total Liabilities	31 781	17 048	14 733	86,42%
Interest bearing	7 085	245	6 840	2791,84%
D/E	0,0938	0,0034	0,090	2695,19%
ROA	0,0319	0,0168	0,015	90,53%

* The revenue and expenses, assets and liabilities also include those of the companies that merged into "Sirma Group Holding" JSC on 08.10.2024. According to the instructions of the Financial Supervision Commission, the income from dividends is included in the income from the main activity of "Sirma Group Holding" JSC.

7 RESULTS BY SEGMENTS

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

In the fourth quarter of 2024, management has defined a new operating segment structure. The comparative information for 2023 has been restated accordingly.

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

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.

The year 2024 was marked by a large-scale restructuring and integration of "Sirma Solutions" JSC into "Sirma Group Holding" JSC. Thus, the leading segment of Sirma "System Integration" by the end of 2024 is organizationally located in "Sirma Group Holding" JSC. The merger of the companies (a total of 5 in addition to "Sirma Solutions" JSC) into the parent company took place at the beginning of the fourth quarter of 2024.

During the quarter, significant efforts were directed towards the re-certification of "Sirma Group Holding" JSC under various ISO standards, which were previously held by "Sirma Solutions" JSC. These certificates are important for the majority of the clients of the "System Integration" segment. Despite the organizational challenges, caused by the restructuring, the System Integration segment successfully completed the year by fulfilling its sales and profit plan.

The market for the segment throughout the year was strong but unstable. In 2024, the ICT industry returned to its rapid growth (the expected growth for the year for the entire sector is 9%). This time, even the "Devices" segment, which has been sluggish in recent years, is returning to growth. This market recovery is also felt in the sales revenues of the "System Integration" segment in 2024. This helped achieve the set sales and return goals for the year.

In 2024, many significant deals were concluded in the segment. Here are the more significant deals that were concluded in the fourth quarter of 2024:

- a deal concluded for the sale and integration of network equipment for one of the major telecom companies in Bulgaria;



- a deal concluded for the sale and integration of cybersecurity equipment in the data centers in 4 countries of a major fintech company;
- a deal concluded for 2 major projects for the sale and integration of cybersecurity equipment in the state administration in Bulgaria;
- a contract concluded for the supply of desktop computers for a major Bulgarian bank.

The Bulgarian market remains dominant for the "System Integration" segment.

The goals set for the "System Integration" segment for 2025 are to achieve a growth of at least 10% in sales revenue while maintaining the return on transactions. The segment also has a goal of attracting new, significant manufacturers of IT equipment as partners. The deals in the pipeline at the end of 2024 and the first days of 2025 are promising.

Segment financial results:

	System Integration	
	31.12.2024	31.12.2023
	BGN'000	BGN'000
Segment revenues	41 197	30 380
Cost of materials and goods sold	(33 250)	(24 111)
Hired services expenses	(2 594)	(2 008)
Employee benefits expense	(2 994)	(2 349)
Depreciation, amortisation of non-financial assets	(883)	(405)
Other expenses	(27)	(92)
Segment operating profit	1 449	1 415

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 fourth quarter of 2024, the segment continues to fulfill its strategic objectives:

- New clients were attracted in Western Europe and North America, with a significant increase in business.
- The company continues to rely on a stable and sustainable model of selling software development services and services for supporting integration adapters in the hospitality industry. New integrations are being built to systems and products of external companies established in the industry.
- The development of its own system for supporting integration adapters in the hospitality industry - Managed Integration Services (MIS) continues. The contracts are on a monthly subscription basis, with revenue growth on a monthly basis averaging 10%, and the number of hotels served by clients reaching 1,850 at the end of the fourth quarter of the year.
- During the past quarter, Sirma Group Holding's sales team visited the WTM conference in London, which should bring new business opportunities and partnerships.

Outlook and forecasts for 2025:

- The segment has ambitions for business growth of 20%, with the goal of more serious positioning in the USA.
- New partnerships and sales channels will be actively sought to generate new business opportunities for the segment.
- 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 Phocuswright, Spain
 - o Phocuswright, USA
 - o WTM, London

Segment financial results:

	Hospitality	
	31.12.2024	31.12.2023
	BGN'000	BGN'000
Segment revenues	13 423	8 990
Cost of materials	(59)	(66)
Hired services expenses	(1 638)	(1 335)
Employee benefits expense	(8 752)	(5 323)
Depreciation, amortisation of non-financial assets	(269)	(292)
Other expenses	(208)	(230)
Segment operating profit	2 497	1 744



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

"IT Services" is the leading segment in the IT industry. The segment is expected to grow by 5.6% in the global IT market in 2024 (Gartner, October 2024). Despite the strong growth, however, the market was volatile during the year. This volatility was particularly pronounced in Bulgaria, where uncertainty surrounding the government generated uncertainty throughout the year. Similar uncertainty was also felt in the USA, where the presidential elections and the party division in society created an unfavorable conjuncture. This uncertainty was transferred from the USA to EUROPE, and was further intensified by the war in Ukraine. The result of this was a worsening economic climate and project delays. Unfortunately, two of the leading new markets of Sirma's IT Services vertical – DACH and the Scandinavian countries were among the most affected.

Revenues from the segment in the fourth quarter of the year reached BGN 10 million. Even after the integration, the segment remains one of the most promising for the Group with over 10% of the revenues on consolidated basis for the Holding in the fourth quarter.

In 2024, many significant deals were concluded in the "IT Services" segment:

IT Services in Europe:

- development of a payment system for gift cards in the Scandinavian countries
- development of a payment system for a large English operator
- work on a large airline reservation system

IT Services in the retail segment:

- development of a loyalty platform in several large malls in the Balkans
- development 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 Patent Office 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, out-of-warranty support and ensuring continuity of the workflow and cybersecurity

IT Services in the USA:

- we continued to serve old customers of Sirma

The Balkan market is dominant for the IT Services segment in the fourth quarter in 2024

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 profit margin achieved in the segment in 2024. The target geographic markets for the segment are: Great Britain, DACH, Belgium, the Scandinavian countries and Romania. The acquisition of Roweb, Romania to "Sirma Group Holding" JSC during the year will certainly help achieve part of the goals for the "IT Services" segment in 2025.

Segment financial results:

	IT Services	
	31.12.2024	31.12.2023
	BGN'000	BGN'000
Segment revenues	10 237	9 930
Cost of materials	(122)	(22)
Hired services expenses	(1 816)	(1 137)
Employee benefits expense	(6 910)	(8 192)
Depreciation, amortisation of non-financial assets	(300)	(335)
Other expenses	(494)	(63)
Segment operating profit	595	181

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 Group'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 Group until the end of 2025.

At the end of 2024, the segment successfully signed numerous framework contracts for work within the next 4 years, as well as 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 Group 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 Group 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.

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 segment's resources to work for hire will slow down the development of the segment'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 segment, 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 segment'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 segment's portfolio.

Segment financial results:

	Financial Industry	
	31.12.2024	31.12.2023
	BGN'000	BGN'000
Segment revenues	15 987	15 740
Cost of materials	(38)	(50)
Hired services expenses	(3 547)	(1 033)
Employee benefits expense	(9 724)	(12 039)
Depreciation, amortisation of non-financial assets	(1 216)	(670)
Other expenses	(200)	(358)
Segment operating profit	1 262	1 590

Segment "Production" operates in two main markets – that of software and hardware solutions in the field of Metrology and Quality Management in the production of metal products, as well as software for video measuring machines in partnership with manufacturers, and comprehensive solutions for automation and management of the production process of the packaging industry. The segment works with manufacturers of packaging and displays worldwide, served by a developed and expanding network of distributors and partners.

The Group's activities in the segment are concentrated in the subsidiary EngView Systems AD.

Geographically, sales in 2024 were directed to Europe and the USA.

An increase in customers in the segment is expected in 2025, which will also increase the volume of sales.



Segment financial results:

	Production	
	31.12.2024	31.12.2023
	BGN'000	BGN'000
Segment revenues	4 419	4 403
Cost of materials	(194)	(253)
Hired services expenses	(576)	(464)
Employee benefits expense	(2 273)	(2 155)
Depreciation, amortisation of non-financial assets	(968)	(884)
Other expenses	(126)	(311)
Segment operating profit	282	336

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

In the last quarter of 2024, the "Other" segment included sales in the following leading segments:

- Software and IT services for insurance companies
- Software and IT services for transport companies
- Software and IT services for 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.

Segment "Others", although composed of several relatively modest sub-segments, contributes to 15,38% 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:

	Others	
	31.12.2024	31.12.2023
	BGN'000	BGN'000
Segment revenues	15 493	11 872
Cost of materials	(608)	(300)
Hired services expenses	(3 167)	(6 244)
Employee benefits expense	(14 864)	(8 943)
Depreciation, amortisation of non-financial assets	(550)	(1 208)
Other expenses	(907)	(1 017)
Segment operating (loss)	(4 603)	(5 840)

8 MAIN MARKETS

Consolidated earnings of Sirma Group Holding for the historical period under review are of different nature and geographic origin. Traditionally, revenues from services and goods have the highest share. At the same time, Europe, North America and the United Kingdom are at the forefront of geographic distribution of earnings. Revenues by region and countries are presented in the following table.

Revenue by regions and countries:

Region	31.12.2024	31.12.2023	Change	Change
	BGN '000	BGN '000	BGN '000	%
Europe	72 522	55 647	16 875	30,33%
North America	15 163	13 418	1 745	13,00%
United Kingdom	10 359	10 585	(226)	(2,14%)
Asia	2 053	1 083	970	89,57%
South America	469	328	141	42,99%
Australia	157	164	(7)	(4,27%)
Africa	33	90	(57)	(63,33%)
Total	100 756	81 315	19 441	23,91%



"Sirma Group Holding" JSC and the companies of the Group realize their production and services without geographical restrictions. However, the Group traditionally generates the highest sales in Europe and North America. Together with the revenue from United Kingdom, they traditionally account for 97,31% of the total amount of consolidated revenues. Nevertheless, due to the extreme diversification of its products and services, which are applied in many completely different sectors and customers, there can be no question of any dependence of the Group on individual customers or on certain services.

In Q4 2024, the Group made sales in 67 countries. In the consolidated revenues, the largest share is the revenues from Bulgaria in the amount of BGN 56 399 thousand or 55,98% of total consolidated revenues, followed by the USA with BGN 11 143 thousand or 11,06% and from United Kingdom with BGN 10 359 thousand or 10,28%.

9 CONSOLIDATED FINANCIAL RESULTS

Consolidated revenues

Consolidated revenues includes:

	31.12.2024	31.12.2023	Change	Change
	BGN '000	BGN '000	BGN '000	%
Revenue from contracts with customers	98 680	80 528	18 152	22,54%
Gain on sale of non-current assets	4	19	(15)	(78,95%)
Other income	2 072	768	1 304	169,79%
Total	100 756	81 315	19 441	23,91%

Consolidated revenues in Q4 2024 increased by 23,91% or BGN 19 441 thousand compared to 2023.

Consolidated revenue by product line includes:

	31.12.2024	31.12.2023	Change	Change
	BGN '000	BGN '000	BGN '000	%
Software services	28 993	27 867	1 126	4,04%
Sale of IT equipment	19 507	19 638	(131)	(0,67%)
Subscriptions	4 464	3 816	648	16,98%
Consulting services	2 115	2 065	50	2,42%
Licenses	2 100	1 900	200	10,53%
Support	1 382	1 210	172	14,21%
Cloud services	2 452	1 180	1 272	107,80%
System integration	370	316	54	17,09%
Others	1 322	1 467	(145)	(9,88%)
Total	62 705	59 459	3 246	5,46%

Consolidated expenses

	31.12.2024	31.12.2023	Change
	BGN '000	BGN '000	(BGN '000,%)
Cost of materials	(1 052)	(1 565)	513
<i>Change in %</i>			(32,78%)
Hired services expenses	(13 338)	(12 221)	(1 117)
<i>Change in %</i>			9,14%
Employee benefits expense	(45 517)	(39 001)	(6 516)
<i>Change in %</i>			16,71%
Depreciation and amortisation of non-financial assets	(4 186)	(3 794)	(392)
<i>Change in %</i>			10,32%
Cost of goods sold and other current assets	(33 219)	(23 237)	(9 982)
<i>Change in %</i>			42,96%
Other expenses	(1 962)	(2 071)	109
<i>Change in %</i>			(5,26%)
Total expenses	(99 274)	(81 889)	(17 385)
<i>Change in %</i>			21,23%



In Q4 2024 consolidated operating expenses increased by BGN 17 385 thousand or by 21,23% compared to 2023. The highest share in the consolidated operating expenses is the consolidated employee benefits expense (45,85%), followed by the expenses for hired services expenses (13,44%).

Consolidated financial income / costs (net)

	31.12.2024	31.12.2023	Change	Change
	BGN '000	BGN '000	BGN '000	%
Financial costs	(693)	(946)	253	(26,74%)
Financial income	672	80	592	740%
Financial income / costs (net)	(21)	(866)	845	(97,58%)

Consolidated financial income increased by BGN 592 thousand or by 740% in Q4 2024, mainly due to the increase in income from foreign exchange operations. Consolidated financial costs decreased by BGN 253 thousand or by 26,7445% in Q4 2024, mainly due to the decrease of expenses from operations with financial assets.

Consolidated assets

Consolidated assets posted an increase of BGN 23 041 thousand or 24,12% in Q4 2024.

Non-current assets

	31.12.2024	31.12.2023	Change	Change
	BGN '000	BGN '000	BGN '000	%
Goodwill	39 478	26 252	13 226	50,38%
Property, plant and equipment	14 450	10 181	4 269	41,93%
Intangible assets	21 810	20 387	1 423	6,98%
Long - term related party receivables	271	295	(24)	(8,14%)
Deferred tax assets	876	1 467	(591)	(40,29%)
Total non-current assets	76 885	58 582	18 303	31,24%

Non-current assets increased by BGN 18 303 thousand or 31,24% in Q4 2024.

Current assets

	31.12.2024	31.12.2023	Change	Change
	BGN '000	BGN '000	BGN '000	%
Inventory	1 665	2 104	(439)	(20,87%)
Trade and other financial receivables	23 365	15 661	7 704	49,19%
Prepayments and other assets	857	1 059	(202)	(19,07%)
Short-term related party receivables	249	99	150	151,52%
Income tax receivables	23	27	(4)	(14,81%)
Financial assets at fair value through profit or loss	312	3 292	(2 980)	(90,52%)
Cash	15 203	14 694	509	3,46%
Total current assets	41 674	36 936	4 738	12,83%

Current assets increased by BGN 4 738 thousand or by 12,83 % in Q4 2024.



Equity

	31.12.2024	31.12.2023	Change
	BGN '000	BGN '000	(BGN '000,%)
Share Capital	59 361	59 361	-
<i>Change</i>			-
Purchased own shares	(1 689)	(1 799)	110
<i>Change</i>			(6,11%)
Reserves	9 446	8 957	489
<i>Change</i>			5,46%
Retained earnings	13 692	8 981	4 711
<i>Change</i>			52,46%
Equity attributable to the owners of the parent	80 810	75 500	5 310
<i>Change</i>			7,03%
Non-controlling interest	3 990	4 126	(136)
<i>Change</i>			(3,30%)
Total	84 800	79 626	5 174
<i>Change</i>			(6,50%)

Equity in Q4 2024 increased by BGN 5 174 thousand or by 6,50 %.

Consolidated liabilities

Consolidated liabilities increased by 17 865 BGN thousand or 112,40% in Q4 2024.

Non-current liabilities

	31.12.2024	31.12.2023	Change	Change
	BGN '000	BGN '000	BGN '000	%
Pension obligations	740	596	144	24,16%
Long-term borrowings	6 009	-	6 009	n/a
Long-term lease liabilities	688	1 283	(595)	(46,38%)
Long-term related party payables	246	328	(82)	(25%)
Deferred tax liabilities	240	280	(40)	(14,29%)
Other long-term liabilities	1 240	-	1 240	n/a
Total non-current liabilities	9 163	2 487	6 676	268,44%

Non-current liabilities decreased by BGN 883 thousand or by 35,50% in Q4 2024.



Long-term and short-term bank loans

Recipient of credit	In Bank	Type of loan	Currency	Total amount of credit (BGN)	Outstanding obligation to 31.12.2024 (BGN)	Date of contract	Interest rate	Maturity date	Pledges
Loans for which the Issuer is a debtor									
Sirma Group Holding JSC	Unicredit BulBank AD	Overdraft	BGN	6 000 000	-	12.12.2024	The applicable variable interest rate for the relevant interest period and a SUPPLEMENT for regular debt to the Interest Rate Index in the amount of 2.0% (two percent). The annual interest rate cannot be lower than 2.12%.	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 the short-term interest rate of UBB /SIP/ for the period of validity of the contract plus 2.9 /two point and nine tenths/ points surcharge per annum, but not less than 2.9% /two point and nine tenths/ per annum.	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	-	10.10.2024	Variable interest rate in the amount of the short-term interest rate of UBB /SIP/ for the period of validity of the contract plus 2.3 /two point and three tenths/ points surcharge per annum, but not less than 2.3% /two point and three tenths/ per annum.	10.10.2026	Pledge of receivables
Loans for which the Issuer is a guarantor									
EngView Systems 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 31.12.2024 (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
EngView Systems	EngView Systems Inc.		Subsidiary	Loan	USD	32	01.02.2024	2	01.02.2029	No pledges
Sirma Group Holding	Sciart Shpk.		Subsidiary	Loan	EUR	84	25.7.2023	3	01.09.2025	No pledges



Other loans and deposits received from Sirma Group Holding and its subsidiaries:

Recipient	Lender	United identification code	Relationship	Type	Currency	Liability as of 31.12.2024 (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

*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).



Current liabilities

	31.12.2024	31.12.2023	Change	Change
	BGN '000	BGN '000	BGN '000	%
Provisions	77	77	-	-
Employee obligations	5 538	5 066	472	9,32%
Short-term borrowings	279	578	(299)	(51,73%)
Short-term lease liabilities	378	589	(211)	(35,82%)
Trade and other payables	14 436	4 682	9 754	208,33%
Contract liabilities	2 361	1 822	539	29,58%
Short-term related party payables	1 471	532	939	176,50%
Income tax liabilities	56	61	(5)	(8,20%)
Total current liabilities	24 596	13 407	11 189	83,46%

Current liabilities increased by BGN 11 189 thousand or 83,46% in Q4 2024.

Cash flows

The Group has no liquidity problems and operates with the available resources while maintaining a low level of indebtedness for the period under review. Traditionally, the largest pay-out in revenue streams is paid by customers, while the role of a negative item is paid by payments to suppliers and payments for staff and social security contributions.

Summary of cash flow

	31.12.2024	31.12.2023	Change	Change
	BGN '000	BGN '000	BGN '000	%
Net cash flow from operating activities	6 077	2 801	3 276	116,96%
Net cash flow from investing activities	(11 109)	8 927	(20 036)	n/a
Net cash flow from financing activities	3 573	(18 032)	21 605	n/a
Net change in cash	(1 459)	(6 304)	4 845	(76,86%)
Cash at the beginning of the year	14 694	21 146	(6 452)	(30,51%)
Cash and cash equivalents acquired in a business combination	1 978	-	1 978	n/a
Exchange gains/(losses) on cash and cash equivalents	(10)	(148)	138	(93,24%)
Cash at the end of the year	15 203	14 694	509	3,46%



Indicators and ratios

№	Indicators (in BGN '000)	31.12.2024	31.12.2023	Change	Change
				(value)	%
1	Revenue from operating activities	100 756	81 315	19 441	23,91%
2	Cost of sales	(97 312)	(79 818)	(17 494)	21,92%
3	Gross profit / loss	3 444	1 497	1 947	130,06%
4	Other operating costs	(1 962)	(2 071)	109	(5,26%)
5	Operating profit / loss	1 482	(574)	2 056	n/a
6	Financial income	672	80	592	740,00%
7	Financial costs	(693)	(946)	253	(26,74%)
8	Profit / loss before tax expense	1 461	(1 440)	2 901	n/a
9	Tax costs	(226)	(22)	(204)	927,27%
10	Net profit / loss	1 235	(1 462)	2 697	n/a
11	Dividend	1 491	3 597	(2 106)	(58,55%)
12	Cash and cash equivalents	15 203	14 694	509	3,46%
13	Inventories	1 665	2 104	(439)	(20,87%)
14	Short-term assets	41 674	36 936	4 738	12,83%
15	Total amount of assets	118 559	95 520	23 039	24,12%
16	Average arithmetic total asset value for 5 quarters	97 551	107 937	(10 386)	(9,62%)
17	Current liabilities	24 596	13 407	11 189	83,46%
18	Debt	7 354	2 450	4 904	200,16%
19	Liabilities (borrowed funds)	33 066	15 894	17 172	108,04%
20	Equity	84 800	79 626	5 174	6,50%
21	Equity averaged 5 quarters	78 250	84 946	(6 696)	(7,88%)
22	Turnover capital	17 771	23 529	(5 758)	(24,47%)
23	Number of shares at the end of the period (in thousands)	59 361	59 361	-	-
24	Profit / loss minority interest	519	383	136	35,51%
25	Interest expenses	(102)	(163)	61	(37,42%)
26	Weighted average price of last trading session	0,9525	0,7150	0,2375	33,22%
27	Last price per share of last trading session	0,95	0,725	0,2200	30,34%



Indicators			Change	Change
	31.12.2024	31.12.2023	(value)	%
EBITDA	5 749	2 517	3 232	128,39%
DEPRECIATION	(4 186)	(3 794)	(392)	10,32%
EBIT	1 563	(1 277)	2 840	n/a
FIN/INVEST NET	(21)	(866)	845	(97,58%)
EBT	1 461	(1 440)	2 901	n/a
ROA	0,0060	(0,0193)	0,0254	n/a
ROA(BSE)	0,0073	(0,0171)	0,0244	n/a
Debt/EBITDA Ratio	1,2793	0,9734	0,3059	31,43%
Quick Ratio	1,6266	2,5980	-0,9714	(37,39%)
ROE	0,0158	(0,0172)	0,03299	n/a
Debt/Equity Ratio (BSE)	0,3899	0,1996	0,1903	95,35%
Profitability ratios				
Gross profit margin	0,0342	0,0184	0,0158	85,67%
Operating profit margin	0,0147	(0,0071)	0,0218	n/a
Net profit margin	0,0123	(0,0180)	0,0302	n/a
Return on Assets	0,0127	(0,0135)	0,0262	n/a
Return on Equity	0,0158	(0,0172)	0,0330	n/a
Coefficients for assets and liquidity				
Assets turnover ratio	1,0397	0,7541	0,2857	37,88%
Assets turnover ratio (BSE)	1,0329	0,7534	0,2795	37,10%
Operating cycle	5,8998	3,4559	2,4438	70,71%
Current ratio	1,6943	2,7550	(1,0606)	(38,50%)
Quick ratio	1,6266	2,5980	(0,9714)	(37,39%)
Cash ratio	0,6181	1,0960	(0,4779)	(43,60%)
Odds per share				
P/S ratio	0,5612	0,5220	0,0392	7,51%
P/E ratio	45,7825	(29,0309)	74,8133	n/a
Revenue per share	1,6973	1,3698	0,3275	23,91%
Earnings per share	0,0208	(0,0246)	0,0454	n/a
Book value of equity per share	1,3182	1,4310	(0,1128)	(7,88%)
Development Ratios				
Revenue growth	0,2391	0,0153	0,2238	1465,71%
Gross profit growth	1,3006	(0,5469)	1,8475	n/a
Assets growth	0,2412	(0,2203)	0,4615	n/a
Leverage Ratios				
Debt/total assets	0,0754	0,0227	0,0527	232,12%
Debt/capital	0,0859	0,0280	0,0579	206,45%
Debt/equity	0,0940	0,0288	0,0651	225,85%
Total assets/equity	1,2467	1,2707	(0,0240)	(1,89%)
Market value of the company	56 096	43 037	13 059	30,34%



Related companies transactions**Transactions with associated parties**

	31.12.2024	31.12.2023
	BGN'000	BGN'000
Sale of services		
- Administrative, accounting services	-	64
- Rents	-	11
- Hosting and Internet	-	17
Sale of shares from the capital of Ontotext AD	-	20 511

Transactions with other related parties

	31.12.2024	31.12.2023
	BGN'000	BGN'000
Sale of services		
- Administrative, accounting services	4	4
- Rents	8	8
- Software services	91	103
Purchases of goods	264	56
Interest on given loans	-	6



10 EMPLOYEES AND ECOLOGY

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 consolidated collection of waste, minimization, recovery and recycling of municipal waste. The Group stopped the use of plastic cups stopped, and they were replaced with porcelain and glass.

Employees

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.

Count of employees in the Group:

31.12.2024

Company	LC	CMC	Total
SIRMA GROUP HOLDING	432	9	441
ROWEB, ROMANIA	99	4	103
ENGVIEW SYSTEMS	32	4	36
SCIANT SHPK., ALBANIA	27	1	28
SIRMA SHA, ALBANIA	16	3	19
SIRMA TECH (S&G), UK	11	1	12
SIRMA ICS	8	1	9
DATICUM	8	2	10
SIRMA MEDICAL SYSTEMS	4	3	7
SIRMA AB	2	0	2
SIRMA GROUP INC., USA	2	1	3
SAIFORT (SAI)	2	3	5
ENGVIEW SYSTEMS GERMANY	1	1	2
Total	644	33	677



31.12.2023

Company	LC	CMC	Total
SIRMA SOLUTIONS	166	7	173
SCIANT	132	4	136
SIRMA BUSINESS CONSULTING	73	5	78
SIRMA INSURTECH	35	1	36
ENGVIEW SYSTEMS	34	4	38
SCIANT SHPK. (RESOLUTIONS), ALBANIA	28	1	29
SIRMA GROUP HOLDING	20	9	29
SIRMA SHA, ALBANIA	15	3	18
S&G, UK	10	1	11
SIRMA ICS	7	1	8
DATICUM	8	2	10
SIRMA MEDICAL SYSTEMS	3	3	6
SIRMA CI	2	3	5
SIRMA AB	2	0	2
SIRMA GROUP INC., USA	2	1	3
SAI	1	3	4
ENGVIEW SYSTEMS GERMANY	1	1	2
Total	539	49	588

11 RISK FACTORS

Risk management objectives and policies

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

The Group's risk management is carried out by the central administration, in close co-operation with the board of directors and focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets.

The Group 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 Group is exposed are described below.

Market risk analysis

The Group 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, but they weaken and annual inflation for the period December 2024 compared to December 2023, as measured by National Statistical Institute with the Harmonized Index of Consumer Prices (HICP) fell to 2,2%.

Foreign currency risk

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

To mitigate the Group's exposure to foreign currency risk, non-BGN cash flows are monitored. Generally, Group'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.

Despite the small amount of financial instruments in foreign currency, the impact of the general economic situation and the dynamics of the international markets could have an impact that would lead to unexpected changes in the exchange rate of the US dollar and this would affect the financial results of the Group in the future.



Interest rate risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing.

In Q4 2024, the Group was not exposed to a significant risk of changes in market interest rates on its bank loans, which are at variable interest rates, as it has repaid its long-term investment loan. All other financial assets and liabilities of the Group have fixed interest rates.

Credit risk

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

Financial assets	31.12.2024	31.12.2023
	BGN'000	BGN'000
Financial assets at fair value through profit or loss:		
Current financial assets	312	3 292
Long-term related party receivables	271	295
Trade and other receivables	23 365	15 661
Related party receivables	249	99
Cash	15 203	14 694
	39 400	34 041

The Group 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 Group's policy is to deal only with creditworthy counterparties. The Group'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.

None of the Group's financial assets are secured by collateral or other credit enhancements in regard to transactions.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. 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.

Liquidity risk

Liquidity risk is the risk arising from the Group not being able to meet its obligations. The Group 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 Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31 December 2024, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:



31 December 2024	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years
	BGN'000	BGN'000	BGN'000	BGN'000
Borrowings	45	279	5616	393
Finance lease obligations	189	189	688	-
Trade and other payables	14 436	-	-	-
Related party payables	1 471	-	246	-
Total	16 141	468	6 550	393

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

31 December 2023	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years
	BGN'000	BGN'000	BGN'000	BGN'000
Borrowings	289	289	-	-
Finance lease obligations	295	294	1 325	12
Trade and other payables	3 682	-	-	-
Related party payables	530	-	328	-
Total	4 796	583	1 653	12

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Financial assets used for managing liquidity risk

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group'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.

12 OTHER INFORMATION AS PER APPENDIX 11 OF ORDINANCE 2 OF THE FSC

12.1 Information about events and indicators with unusual nature for the Group, having a significant effect on the activity and the 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 Group that have a significant impact on its operations and its realized revenues and expenses.

12.2 Information about out of the balance sheet transactions - type 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 group.

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

12.3 Information about the use of funds from the new issue of securities, carried out during the reporting period.

The Group did not use funds from a new issue of securities in the reporting period.



12.4. Analysis of the relationship between the financial results achieved, reported in the financial statement for the reporting period and earlier published projections for these results.

The financial results of the Group correspond to the forecasts made in the Development Strategy of Sirma Group Holding, which is published on the company's website.

12.5 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 group 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.

12.6 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.

12.7 Information about occurring changes for the reporting period in the main principles for the management of the Group.

There were no changes during the reporting period in the Group's main management principles.

12.8 Information about the main characteristics of the financial reporting processing internal control system and risk management system

Under Bulgarian law, the management should prepare an annual 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 consolidated 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 Group's activity.

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

12.9 Information on changes in management and supervisory authorities in the reporting period.

There were no changes during the current period.



12.10 Information about the known to the Group agreements (including also after the closing of the period) as a result of which changes may occur at a future time in the owned percent of shares or bonds by current shareholders or bondholders.

The Group has no information of agreements which may alter the owned percent of shares by current shareholders. The Group has not issued bonds.

12.11 Details of the Director for relations with the investors, including a telephone and address for correspondence.

Stanislav Tanushev

Bul. 135 Tsarigradsko shose, fl. 3

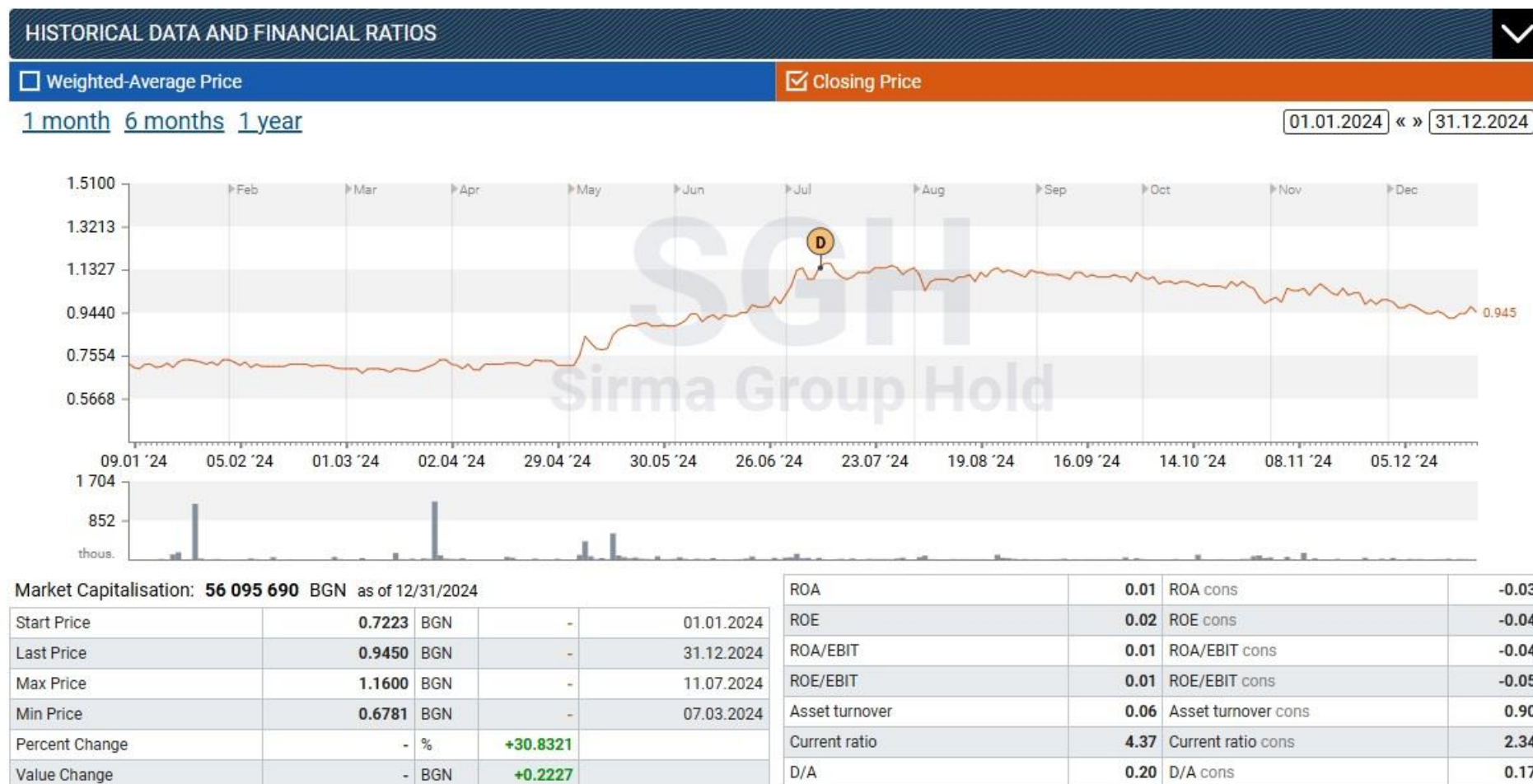
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13 CHANGES IN THE PRICE OF THE SHARES OF THE COMPANY



14 EVENTS AFTER THE END OF THE REPORTING PERIOD

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).

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

Sofia
28.02.2025

Executive Director:

Tsvetan Alexiev

