



SIRMA GROUP HOLDING AD

"SIRMA GROUP HOLDING" JSC

Registration document

PART I OF THE PROSPECTUS FOR PUBLIC OFFERING OF SHARES

TYPE OF OFFERED SECURITIES: ORDINARY, DEMATERIALIZED, REGISTERED, FREELY TRANSFERABLE

NUMBER OF SECURITIES OFFERED: UP TO 18,491,858 SHARES

WITH A UNIT NOMINAL VALUE OF 1 BGN. AND A UNIT ISSUE VALUE OF 1.20 BGN. UP TO 1.65 BGN. EACH

ISIN ISSUE CODE BG1100032140

THIS REGISTRATION DOCUMENT CONTAINS ALL INFORMATION ABOUT "SIRMA GROUP HOLDING" AD NECESSARY FOR MAKING AN INVESTMENT DECISION, INCLUDING THE MAIN RISKS ASSOCIATED WITH THE ISSUER AND ITS ACTIVITIES. IT IS IN THE INTEREST OF INVESTORS TO FAMILIARIZE THEMSELVES WITH THE REGISTRATION DOCUMENT AND THE DOCUMENT FOR THE OFFERED SECURITIES BEFORE MAKING AN INVESTMENT DECISION. THE REGISTRATION DOCUMENT TOGETHER WITH THE DOCUMENT ON THE OFFERED SECURITIES AND THE SUMMARY THEREOF CONSTITUTE A PROSPECTUS FOR A PUBLIC OFFERING OF SHARES. THE PROSPECTUS CONTAINS ALL THE INFORMATION THAT IS NECESSARY TO THE INVESTOR, IN ACCORDANCE WITH THE SPECIFIC FEATURES OF THE ISSUER AND THE SECURITIES THAT ARE OFFERED THROUGH A PUBLIC OFFER.

INVESTORS FOR AN ACCURATE ASSESSMENT OF THE ECONOMIC AND FINANCIAL CONDITION, ASSETS AND LIABILITIES, FINANCIAL RESULTS, THE PROSPECTS FOR DEVELOPMENT OF THE ISSUER, AS WELL AS THE RIGHTS ATTACHED TO THE SECURITIES.

SHARES WILL BE OFFERED IN BULGARIA IN A PUBLIC OFFERING UNDER THESE TERMS AND CONDITIONS, PURSUANT TO THE FINANCIAL SUPERVISION COMMISSION, BUT LIMITED MARKETING ACTIVITIES MAY BE UNDERTAKEN, ADDRESSED TO CERTAIN QUALIFIED INVESTORS. NO PUBLIC OFFER WILL BE MADE IN JURISDICTIONS OUTSIDE BULGARIA,

ANY RESTRICTED MARKETING ACTIVITIES UNDER THE FOREGOING SENTENCE WILL BE IN COMPLIANCE WITH THE LOCAL LAWS OF EACH SUCH STATE (INCLUDING REGULATION S UNDER THE U.S. SECURITIES ACT) AND WILL NOT CONSTITUTE A PUBLIC OFFERING IN THE APPLICABLE STATE.

INVESTORS SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THE PROSPECTUS. "SIRMA GROUP HOLDING" AD HAS NOT AUTHORIZED ANY PERSON TO PROVIDE DIFFERENT INFORMATION.

INVESTING IN SECURITIES IS ASSOCIATED WITH CERTAIN RISKS. RISK FACTORS RELATED TO THE ISSUER AND ITS ACTIVITIES ARE PRESENTED IN THIS REGISTRATION DOCUMENT, T.4 RISK FACTORS.

THE FINANCIAL SUPERVISION COMMISSION /FSC/ HAS APPROVED THIS REGISTRATION DOCUMENT FOR THE OFFERED SECURITIES WITH DECISION No. 601 – E/ 21.07.2015, BUT IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PRESENTED THEREIN.

THE MEMBERS OF THE BOARD OF DIRECTORS OF "SIRMA GROUP HOLDING" AD ARE JOINTLY LIABLE FOR THE DAMAGES CAUSED BY INFIELDS, MISREPRESENTATIVE OR INCOMPLETE DATA IN THE REGISTRATION DOCUMENT. IP "ELANA TRADING" AD, IN ITS CAPACITY AS AN INVESTMENT INTERMEDIARY AUTHORIZED TO PREPARE THE PROSPECTUS SHALL BE JOINTLY LIABLE FOR ANY DAMAGES CAUSED BY FALSE, MISLEADING OR INCOMPLETE DATA IN THE REGISTRATION DOCUMENT. THE COMPILER OF THE FINANCIAL STATEMENTS OF "SIRMA GROUP HOLDING" AD IS JOINTLY LIABLE WITH THE PERSONS UNDER THE PREVIOUS PROVISIONS FOR DAMAGES CAUSED BY INCORRECT, MISLEADING OR INCOMPLETE DATA IN THE FINANCIAL STATEMENTS OF "SIRMA GROUP HOLDING" AD. THE REGISTERED AUDITOR IS LIABLE FOR DAMAGES, CAUSED BY THE ISSUER'S FINANCIAL STATEMENTS AUDITED BY HIM.

DATE: 31.05.2015

Investors who have shown interest in the securities registration document can familiarize themselves with the original of the document, as well as receive a free copy and additional information on it from:

ABOUT THE ISSUER:

SOFIA, BLVD. "TARIGRADSKOE SHOSSE" 135

ET. 3

CONTACT PERSON: STEFAN KIRYAKOV

PHONE: (02) 976 83 10

FOR THE AUTHORIZED INVESTMENT INTERMEDIARY:

SOFIA, STR. "LACHEZAR STANCHEV" No. 5,

SOPHARMA BUSINESS TOWERS, TOWER B, FL. 12

CONTACT PERSON: IVAN ILIEV

PHONE: (02) 810 00 97

The above-mentioned documents can also be obtained from the Bulgarian Stock Exchange - Sofia AD, after the Company's securities are admitted to trading on a regulated market.

The contents of this document should not be considered legal, financial, business or tax advice. To obtain such advice, each potential investor should consult their own legal, financial or tax advisor. If you have any doubts about the contents of this document, you should consult a broker, bank manager, lawyer, accountant or other financial advisor. I need to

Keep in mind that the price of shares can decrease as well as increase.

The distribution of this document and the offering of the Shares in certain jurisdictions may be restricted.

by the law.

In this regard, neither this document, nor any advertising or other material in connection with the offering, may be distributed or published in any jurisdiction except in circumstances that will result in compliance with applicable law. Persons into whose possession this document comes must inform themselves of and comply with such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of such jurisdiction. For information regarding restrictions related to the Offering and the distribution of this document, see "Terms of the Offering".

ABBREVIATIONS USED

"**The Issuer**", "**The Company**" - "Sirma Group Holding" AD, Sofia, UIC 200101236

"**The Investment Broker**" - "Elana Trading" AD

"**FSC**" - Financial Supervision Commission

"**BSE**" - Bulgarian Stock Exchange AD

"**POSA**" - Public Offering of Securities Act

"**SME**" - Small and Medium Enterprises

"**CD**" **AD** - Central Depository AD

"**BNB**" - Bulgarian National Bank

"**IFRS**" - International Financial Reporting Standards

"**Prospectus**" – a prospectus for admission to trading of shares

"**GDP**" - Gross Domestic Product

"**EU**" - European Union

"**SME**" - Small and Medium Enterprises

"**NSI**" - National Statistical Institute

"**ICT**" - Information and Telecommunication Technologies

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1. RESPONSIBLE PERSONS

1.1. NAME OF THE PERSONS RESPONSIBLE FOR PREPARING THE REGISTRATION DOCUMENT.

"Sirma Group Holding" AD, referred to as the Group, the Company or the Issuer for short, is a joint-stock company with single-tier management system.

Members of the Board of Directors (BoD) of Sirma Group Holding AD:

- Georgi Parvanov Marinov – Chairman of the Board of Directors;
- Chavdar Velizarov Dimitrov – Deputy Chairman of the Board of Directors;
- Tsvetan Borisov Aleksiev - Member of the Board of Directors and Executive Director;
- Atanas Kostadinov Kiryakov - member of the Board of Directors;
- Yordan Stoyanov Nedev – member of the Board of Directors;
- Petar Borisov Stattev – member of the Board of Directors;
- Sasha Konstantinova Bezukhanova – member of the Board of Directors;
- Tsvetomir Angelov Doskov - member of the Board of Directors.

At present, no legal entity has been elected as a member of the Board of Directors of the Company.

As of the date of preparation of this prospectus, the Board of Directors of Sirma Group Holding AD has not authorized a procurator or another sales representative.

Authorized investment intermediary: "Elana Trading" AD, with registered office and management address: city of Sofia, Sredets district, ul. "Kuzman Shapkarev" No. 4. Represented by the Chairman of the Board of Directors Radoslava Maslarska and the Executive Director Momchil Tikov.

The compilers of the company's financial statements for the period covered by the historical financial information are: Radoslava Minkova (not an employee of the Issuer as of the date of this document) for 2012, 2013 and for the first two quarters of 2014 and Nikolay Yatsino for the annual audited reports for 2014 and for the first quarter of 2015.

Details of the company's auditor are attached in item. 2.1. of this registration document.

The preparation of the Registration Document, as well as the remaining parts of the prospectus for public offering of shares, has been assigned to the Investment Company "Elana Trading" AD, and the employees who prepared the economic and legal information in the Registration Document are Miroslav Stoyanov, Director of Investment Banking and Ivan Iliev, Investment Banking Expert. The same with their signature on the last page of this document

declare that in preparing it they have taken all reasonable care to ensure that the case is such that the information contained in the Registration Document, to the best of their knowledge, corresponds to the facts and does not contain any omission likely to affect its meaning.

The representation of the Investment Firm "Elana Trading" AD is carried out by any two of the following three individuals: Kamen Kolchev, Radoslava Maslarska and Momchil Tikov. As representatives of the Investment Firm "Elana Trading" AD, Radoslava Maslarska and Momchil Tikov, with their signatures on the last page of the Registration Document, declare that the case is such that the information contained in the Registration Document, to the best of their knowledge, corresponds to the facts and does not contain an omission that is likely to affect its meaning.

With their signatures on the attached declarations under Art. 81, para. 5 in connection with Art. 81, para. 3 of the POSA, the members of the Board of Directors of Sirma Group Holding AD declare that the information contained in the Registration Document is true and complete. The Executive Director of Sirma Group Holding AD, with his signature on the last page, declares that the Registration Document complies with the requirements of the law and, to the best of his knowledge, it corresponds to the facts and does not contain any omission likely to affect the meaning of the information in it.

The compilers of the annual and interim financial statements for the period covered by the historical financial information are listed above. They are jointly and severally liable with the members of the Board of Directors of Sirma Group Holding AD and the Investment Firm Elana Trading AD through their employees Miroslav Stoyanov and Ivan Iliev, for damages caused by false, misleading or incomplete data in the financial statements of Sirma Group Holding AD. The registered auditor "Bisicom - 61" Ltd. for 2012, 2013 and 2014 is responsible for the damages caused by

the historical financial information included in the Registration Document as a result of an incorrectly expressed audit opinion on the Issuer's audited financial statements and the audit opinion on the issuer's pro forma information.

1.2. DECLARATIONS BY THE PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT.

Declarations from the members of the Board of Directors of Sirma Group Holding AD and Elana Trading AD, from the registered auditor, from the preparer of the financial statements and from the employees of Elana Trading AD who prepared the prospectus are attached as an integral part to the prospectus.

2. STATUTORY AUDITORS

2.1. THE NAMES AND ADDRESSES OF THE ISSUER'S AUDITORS FOR THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION.

The Company's auditor as of the date of the prospectus and for the financial information covered by the historical period under review after 2012 is "Bisicom - 61" OOD, UIC 121012512, address: city of Sofia, Izgrev district, gh.k. "Dianabad", "Krum Kyulavkov" No. 15A, fl. 7, office 13. "Bisicom - 61" Ltd. has audited the annual financial report for 2012, 2013 and 2014 according to the Accounting Act and IFRS. "Bisicom - 61" Ltd. is a member of IDES and is a specialized auditing firm entered in the register of IDES under No. 019.

2.2. IF THE AUDITORS HAVE RESIGNED, WERE REMOVED OR WERE NOT REAPPOINTED DURING THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION, THE DETAILS SHOULD BE SPECIFIED.

For the period covered by the historical financial information, there were no auditors who resigned, were removed or were not reappointed.

3. SELECTED FINANCIAL INFORMATION

3.1. SELECTED HISTORICAL FINANCIAL INFORMATION

The selected financial data for the Company presented below are based on the audited annual individual and consolidated financial statements as of 31.12.2012, 31.12.2013 and as of 31.12.2014, as well as the unaudited individual and consolidated interim financial statements as of 31.03.2015. They have been prepared in accordance with International Financial Reporting Standards and are attached as an integral part to this capital increase prospectus. Item 20 below will present detailed financial information about the Company.

Table No. 1. Consolidated financial information from financial statements for the period 2012–31.03.2015.

Indicators (in thousands of leva)	2012**	2013	2014	31.3.2014	31.3.2015
Revenue from main activity Total	17 636	22 768	27 865	5 443	7 044
expenses (excluding financial)	(15,365)	(19,409)	(22,674)	(5,197)	(6,640)
Financial income/(expenses) Net profit/	(672)	(431)	5 494	(37)	(19)
loss from operations Net profit/loss from	1 881	2 950	10 686	209	385
operations per share in BGN	0.03	0.04	0.21	0.003	0.01
Total assets Total	86 521	92 496	94 154	104 024	101 273
liabilities (short-term and long-term)	4 836	6 163	11 825	9 404	13 730
Equity	81 685	86 333	82 329	94 620	87 543
Capital stock	73 341	73 341	49 837	73 341	49 837
Dividend *	-	100	-	-	-
Dividend per share in BGN	-	0.001	-	-	-

Table No. 1.1. Individual financial information from financial statements for the period 2012–31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Revenue from main activity	1 068	1 248	1 755	394	314
Total expenses (excluding financial) Financial income/	(1,034)	(1,038)	(1,445)	(327)	(272)
(expenses) Net profit/loss from operations	(12)	217	277	(1)	(14)
	19	406	529	66	28
Net profit/loss from operations per share in BGN	0.0003	0.0055	0.0106	0.0009	0.0006
Amount of assets	79 104	80 101	58 112	80 095	58 176
Total liabilities (short-term and long-term)	1 670	2 261	3 347	2 188	3 383
Equity	77 434	77 840	54 765	77 907	54 793
Capital stock	73 341	73 341	49 837	73 341	49 837
Dividend *	-	100	-	-	-
Dividend per share in BGN	-	0.001	-	-	-

* - The regular annual general meeting of the Issuer's shareholders, held in 2014, decided to distribute a dividend of BGN 100 thousand from the profit for 2013. The amount has not been paid as of the date of this document.

** - The 2012 data have been adjusted through the annual audited consolidated financial statements for 2013.

Source: Sirma Group Holding AD

4. RISK FACTORS

INVESTING IN SECURITIES IS ASSOCIATED WITH VARIOUS RISKS. POTENTIAL INVESTORS SHOULD CAREFULLY READ AND CONSIDER THE INFORMATION PRESENTED BELOW, AS WELL AS ALL INFORMATION IN THE PROSPECTUS, BEFORE MAKING A DECISION TO ACQUIRE SHARES IN THE COMPANY.

THE WORDS "EXPECTS", "BELIEVES", "INTENDS" AND OTHER SIMILAR WORDS USED IN THE PROSPECTUS INDICATE STATEMENTS THAT ARE FORWARD-LOOKING IN NATURE AND/OR RELATE TO FUTURE UNCERTAIN EVENTS AND CONDITIONS THAT MAY HAVE AN IMPACT ON THE COMPANY'S FUTURE BUSINESS AND FINANCIAL PLANS, THE RESULTS OF ITS OPERATIONS AND ITS FINANCIAL POSITION. WE WARN POTENTIAL INVESTORS THAT THE ABOVE STATEMENTS ARE NOT A GUARANTEE OF THE FUTURE RESULTS OF THE COMPANY'S OPERATIONS AND ARE THEMSELVES SUBJECT TO RISKS AND UNCERTAINTIES. ACTUAL FUTURE RESULTS OF THE COMPANY'S OPERATIONS MAY DIFFER MATERIALLY FROM THE FORECASTS AND EXPECTATIONS AS A RESULT OF A NUMBER OF FACTORS, INCLUDING THE RISK FACTORS SET FORTH BELOW. (THE CONSISTENCY IN THE PRESENTATION OF RISK FACTORS REFLECTS THE VIEW OF THE BOARD OF DIRECTORS REGARDING THEIR SPECIFIC SIGNIFICANCE AT THE CURRENT MOMENT FOR THE COMPANY'S BUSINESS.)

THE RISKS TO WHICH INVESTORS IN SECURITIES MAY BE EXPOSED CAN BE DIVISIONAL ACCORDING TO DIFFERENT CRITERIA DEPENDING ON THEIR NATURE, MANIFESTATION, CHARACTERISTICS OF THE COMPANY, CHANGES IN THE COMPANY'S CAPITAL AND THE POSSIBILITY OF THE RISK BEING ELIMINATED OR NOT. THEY CAN BE DIVISIONED INTO TWO GROUPS: SYSTEMATIC AND NON-SYSTEMATIC RISKS.

4.1 SYSTEMATIC RISKS

General risks arise from possible changes in the overall economic system and, more specifically, changes in financial market conditions. They cannot be diversified, as all economic entities in the country are exposed to them.

Twenty-five years after the end of the planned economy, a policy of economic reforms and stabilization is being pursued in Bulgaria, aimed at the imposition and functioning of the principles of the free market economy. As a result, business entities in Bulgaria have a limited history of operating in free market conditions. In this regard, Bulgarian companies, compared to companies from Western countries

are characterized by a lack of experience in market economy conditions and limited capital resources with which to develop their activities. Bulgaria also has limited infrastructure to support a market system.

In Bulgaria, like in most transition countries, there is a trade deficit and a current account deficit. Our country is an importer of crude oil and energy resources. In this regard, increases in the prices of oil and energy resources reduce the competitiveness of the Bulgarian economy and, in addition, its dependence on the import of oil and energy resources further exposes the economy to currency risk from adverse changes in the exchange rate of the US dollar against the lev. Capital revenues from privatization are expected to gradually decline with the completion of the privatization program.

4.1.1. ECONOMIC GROWTH

The interaction between economic growth and the country's external indebtedness has a direct impact on the formation and change of market conditions and the investment climate. Official statistics show real GDP and GDP per capita growth in recent years, which is also consistent with

of the government's development program.

According to information published by the NSI, after the introduction of the currency board system in 1997, Bulgaria is achieving macroeconomic stability and good economic development indicators. The average GDP growth for the period 1998 - 2004 was 4.4%. In 2007, an increase in GDP growth was observed on an annual basis - from 6.1% to 6.2%, with the highest growth being registered in the last quarter of the year - at the rate of 6.9%.

The global economic crisis that has erupted has had a negative impact on the above trend. GDP growth has slowed significantly over the past few years. In the fourth quarter of 2014, according to Eurostat data, Bulgaria's GDP grew minimally by 0.3% compared to 0.4% growth for the EU-28.

The slowed economic growth, not only in Bulgaria, but also in the other countries where the Issuer sells its production, means reduced activity on the part of economic entities everywhere and a reduced level of investments in general and in software solutions in particular. In this regard, lower economic growth adversely affects the Issuer's activities and would prevent the implementation of future plans according to the preset parameters.

4.1.2. POLITICAL RISK

This is the risk arising from political processes in the country - the risk of political destabilization, changes in the principles of governance, legislation and economic policy. Political risk is directly related to the likelihood of adverse changes in the government's long-term policy, resulting in a risk of negative changes in the business climate.

The political situation in Bulgaria has been influenced by the early parliamentary elections in October, 2014. A record number of parties passed the minimum threshold of 4% to enter parliament. The stability of a formed coalition government depends on the actions of the parties represented in it.

Possible political destabilization and adverse changes in governance principles, or in legislation and economic policy would worsen the environment in which the Issuer operates and realizes its results. This, in turn, would reduce the possibility of a normal business existence and would negatively affect its future results.

4.1.3. CREDIT RISK

The country's credit risk is related to the state's ability to repay its obligations regularly. In this regard, Bulgaria is constantly improving its positions on international debt markets, which facilitates access for the state and economic agents to financing from external sources. The most important effect of improving the credit rating is a decrease in risk premiums on loans, which leads to more favorable interest rates (other things being equal). For this reason, a potential increase in the country's credit rating would have a favorable impact on the Company's activities and more specifically on its financing. On the other hand, a downgrade of Bulgaria's credit rating would have a negative impact on the Company's cost of financing, unless its loan agreements are fixed interest rate. The determination and measurement of this risk is carried out by specialized international credit agencies.

As of the date of this document, the credit rating of R. Bulgaria is as follows:

- Standard & Poors (last modified 12.12.2014) – Long-term BB+, short-term B, stable outlook in both foreign and local currencies;
- Moody's (last modified 22.07.2011) - Long-term Baa2 with a stable outlook for foreign and local currency;
- Fitch Ratings (last changed 19.12.2014) - in foreign currency long-term BBB- with stable outlook, short-term F3 with a stable outlook and in local currency long-term BBB with a stable outlook perspective.

Bulgaria continues to finance its needs under relatively good credit conditions, considering the downgraded long-term ratings. The European Central Bank's policy of quantitative easing implies maintaining historically low interest rates in Europe, which would stimulate the attraction of credit resources from all economic entities, including the Issuer.

4.1.4. CURRENCY RISK

The essence of this risk lies in the possibility of a sharp depreciation of the local currency, thus affecting the revenues of business entities in the country by changes in the exchange rate of the lev against other currencies. The fixing of the exchange rate of the Bulgarian lev (BGN) to the single European currency (EUR) limits fluctuations in the exchange rate of the lev against the main foreign currencies within the framework of fluctuations between the respective currencies against the euro.

The Issuer's revenues would be affected by an unfavorable change in the single European currency against the other major international currencies, and only in the part of the revenues realized by the Issuer in euros and Bulgarian levs. At the same time, a lower euro exchange rate would reduce the value of the Issuer's services/products measured in other currencies, which would generally increase the demand for the Group's products.

4.1.5. INTEREST RATE RISK

Interest rate risk is related to the increase in interest rates, respectively interest expenses, which is directly reflected in the realized profit of economic entities. To reduce the risk, the state is undertaking various financial methods for debt management. Although interest rate risk is part of the risk associated with the macro environment, given the high volatility in interest rates levels, measures can be taken to limit the impact of the expected increase in the use of methods for hedging interest rate risk.

Interest rates in Bulgaria, and around the world, are at historically low levels in order to stimulate investment and consumption. Their possible promotion would be linked to achieving these goals. This increase would have an adverse effect on the Company in terms of increased interest expenses, but also a favorable effect due to increased economic activity among its customers.

4.1.6. INFLATION RISK

This is the risk of a rise in the general price level. Bulgarian governments in recent years have adhered to a strict fiscal policy under a Currency Board arrangement. The tendency is for a similar policy to be maintained in the coming years, especially with a view to achieving the goals of Bulgaria's accession to the Eurozone in the shortest possible time. The currency board system controls the money supply, but external factors (e.g., rising oil prices) exert upward pressure on price levels. Our country's accession to the European Union in 2007 also has an impact on the gradual alignment of domestic prices with those of the other member countries. The March 2015 ECB staff macroeconomic projections for the euro area foresee annual HICP inflation of 0.0% in 2015, 1.5% in 2016 and 1.8% in 2017. Compared with the Eurosystem staff macroeconomic projections of December 2014, the inflation forecast for 2015 has been revised downwards, mainly due to lower oil prices. In contrast, the inflation forecast for 2016 has been adjusted slightly upwards, also reflecting the expected impact of our latest monetary policy measures. The inflation rate for 2014 in Bulgaria is negative -1.4. Strict fiscal policy combined with weakened economic growth leads to reduced consumption, which in turn leads to a lack of conditions for increasing inflation. Under these conditions, the Issuer's products and services and, accordingly, its revenues in real terms would not suffer from the general level of inflation.

4.1.7. RISK OF ADVERSE CHANGES IN TAX AND OTHER LAWS

Taxes paid by Bulgarian business entities include withholding taxes, local taxes and fees, corporate profit tax, value added tax, excise duties, export and import duties, and property taxes. The taxation system in Bulgaria is still developing, which may result in contradictory tax practices at both the state and local levels.

Investors should also note that the value of an investment in shares may be adversely affected by changes in current tax legislation, including its interpretation and application. In addition, tax legislation is not the only one that may undergo change, with this change negatively affecting the Issuer's activities. Although most of Bulgarian legislation has already been harmonized with EU legislation, the implementation of the law has been criticized by Bulgaria's European partners. Judicial and administrative practice remains problematic: Bulgarian courts may not be able to effectively resolve disputes related to property rights, violations of legal and contractual obligations, and others, resulting in the systematic regulatory risk being relatively high.

Adverse changes in tax and other laws could lead to a deterioration in the general conditions in which the Issuer operates, which could lead to a deterioration in its future results. In particular, the increase in corporate income tax and other taxes and fees would reduce the final available result for new investments and/or for distributing dividends to its shareholders.

4.1.8. RISK OF FORCE MAJEURE

Force majeure events such as natural disasters, sabotage, outbreak of war and terrorist acts, as well as others, may lead to an unpredictable change in investor attitude and interest in relation to the market of any shares, as well as in particular the shares of "Sirma Group Holding" AD. Some force majeure events may not be covered by insurance.

Force majeure events could seriously affect the Issuer's results by reducing its ability to conduct normal business activities and resulting in an increase in expenses.

4.2. UNSYSTEMIC RISKS

Unsystematic risks are associated with the general investment risk specific to the firm itself and the industry. Unsystematic risks can be divided into two types: industry risk, concerning the uncertainty in the development of the industry as a whole, and company-wide risk, arising from the specifics of the particular company.

4.2.1. INDUSTRY RISK

The activities of the Company and the Group companies are exposed to various risks, including: 1) risks typical of the information and communication technologies (ICT) industry; and 2) risks specific to the Company itself. Despite the relatively high stability of the IT industry, which was minimally affected by the financial crisis, the Company's revenues and profits may be adversely affected by numerous factors: the situation on the financial market and on the information and communication technology market; the Company's ability to ensure effective management, assessment of various risks and the economic feasibility of individual transactions, the economic climate in the country, and others.

4.2.2. SPECIFIC COMPANY RISK

Corporate risk is related to the nature of the Company's activities, and for every company it is important the return on invested funds and resources should correspond to the risk associated with the investment.

The main corporate risk for Sirma Group Holding AD is related to the possibility of a decrease in the solvent demand for the services and products offered by the Company, as well as a change in the conditions for providing this type of services. Corporate risk may impact the growth of contracts for software development and provision services. Uncertainty can be measured by the variability of income received over time. This means that the more variable and

The more volatile a company's revenues are, the greater the uncertainty that the company will realize a positive financial result, i.e. the risk for investors and creditors will be higher.

4.2.3. OPERATIONAL RISK

Operational risks are related to the management of the company and can be expressed in the following:

- making wrong decisions about the ongoing management of the company's investments and liquidity the management team;
- the inability of the management team to launch the implementation of planned projects or lack of suitable personnel for this;
- departure of key employees and inability to hire new ones;
- risk of excessive increase in management and administration costs, leading to a reduction in the overall profitability of the company.

Persons who would invest in the Company's securities should expect the investment to be affected by the main risks associated with the Issuer's activities.

The actual occurrence of these risks during the period of holding the securities may lead to a decrease in the Issuer's revenues and a deterioration in its operating results.

Various mechanisms will be used to optimize and manage risk, which include the following main ones:

- reasonable investment policy;
- optimizing the structure, quality and return of the Company's assets;
- protection from unfavorable and unfriendly external factors and attacks, etc.

4.2.4. CREDIT RISK

This is the potential inability of a company to meet its obligations on borrowed funds on time. Credit risk on loans received is related to the untimely, partial or full repayment of failure of the borrower to fulfill its obligations to pay interest and principal under the signed contract.

In the future, the Company may attract borrowed funds in case of need for the implementation of specific projects and/or the acquisition of companies from the Group's service sector.

Both in current and future borrowing relationships, the Company will reduce credit risk by actively managing available cash and aligning future cash flows with the obligations to pay interest and principal on loans received.

4.2.5. INTEREST RATE RISK

Interest rate risk refers to the possible adverse impact of changes in market interest rates on the profit of Sirma Group Holding AD. The Company's policy is aimed at minimizing interest rate risk in long-term financing. The Company will be exposed to the risk of changes in market interest rates on bank loans, which have a variable interest rate compared to signed financial leases and loans with a fixed interest rate.

In the event of a possible increase in the interest rate on the borrowed funds, a decrease in the level of the realized net result will be observed. This risk can be managed through an interest rate swap. This instrument gives the Company the option to agree with a given bank/financial institution to pay a specific interest rate level (for example, its level when signing a loan agreement) for the entire life of the loan. The bank/financial institution, in turn, will pay the difference between this specific interest rate level and any possible increase in the floating interest rate on the agreed loan, which will be to the detriment of the Company. This type of insurance against a negative increase in the floating interest rate is called an interest rate swap, and it is offered for a certain fee, depending on the market conditions in the specific period.

The interest rate risk from an increase in the value of the floating component can also be hedged by trading a futures contract on the relevant component traded on CME Globex. The price of the futures contract represents the difference between 100 and the value of, for example, the 3-month Euribor. This means that the price of the futures contract is fully correlated with the value of the 3-month Euribor and is therefore a suitable instrument for hedging the interest rate risk of this project.

4.2.6. LIQUIDITY RISK

Liquidity risk refers to the risk that the Issuer will not have sufficient funds to meet its obligations.

The Company's policy regarding liquidity risk management is expressed in strict monitoring of incoming and outgoing cash flows, as well as their organization. As of the date of this document, the individual receivables represent a sufficiently small portion of the Company's total receivables to cause a serious liquidity problem in the event of a delay in receiving the relevant payment from the client. This allows, with proper planning of the expenditure of available resources, to avoid a problem related to the inability to meeting current obligations.

4.2.7. CURRENCY RISK

Currency risk is associated with receiving financial resources or revenues denominated in a currency other than that of the expenses incurred at a volatile exchange rate between the two currencies, which creates a prerequisite for generating losses.

Approximately 47% of the Issuer's revenues as of December 31, 2014 are from operations outside Bulgaria. Therefore changes in the exchange rate between the lev and another currency may have a significant impact on reported revenues. Balance sheet items with variable interest rates are also subject to the influence of changes in interest rates. Revenues in European currencies and US dollars are relatively balanced, with a slight predominance of dollar payments from operations outside Bulgaria. Nevertheless, changes in the exchange rate between the lev and another currency may have an adverse effect on the business, financial position, profits and cash flows and/or cause an adverse deviation from the Group's forecasted revenues and operating profit.

The Issuer continuously monitors currency exposures and undertakes a unified group strategy for currency risk management, using derivative financial instruments, as appropriate.

4.2.8. RISK RELATED TO INTENSE COMPETITION

The Group's operations are under pressure from intense competition, both from local players and international corporations.

Corporations with a global reach are becoming increasingly powerful, because they have a quick access to innovative technological solutions, as well as to cheaper sources of funds, which makes it possible to finance large contracts more efficiently. It is uncertain whether the increase in competition will not have a significant negative impact on the Group's operations, financial condition, results and future development prospects.

4.2.9. RISK RELATED TO CHANGES IN TECHNOLOGY AND THE DEVELOPMENT OF NEW PRODUCTS

The ICT sector is characterized by rapid development of new solutions and technologies that shorten product life cycles. Therefore, the Issuer's future success will largely depend on its ability to incorporate the latest technological solutions into its products and services. In order to maintain a competitive advantage in the market, it is necessary to conduct research and development work and invest in new products. Furthermore, it cannot be taken for granted that new solutions that are or will be created or developed by the Group's companies will meet technological requirements and will be positively received by potential users.

4.2.10. RISK OF INCREASING LABOR COSTS

Remuneration costs typically contribute to 65-66% of project implementation costs. Given the large relative share of personnel costs in the cost price, the increase in salaries may erode the margins achieved on the projects and therefore may have an adverse impact on the Group's results.

In order to manage the risk of labor cost increases, the Issuer is taking a number of measures that may help reduce the potential negative effects of rising wages. Among other things, the Group (I) seeks to increase the use of the labor markets of other geographical areas, (II) constantly monitors the level of wages in the market, and (III) seeks to maintain an appropriate employment structure within certain levels of competence.

4.2.11. RISKS RELATED TO HUMAN RESOURCES

The Group's success depends on the appropriate alignment of its workforce planning strategy and its location in line with the overall strategy. Changes in the number of personnel may lead to a discrepancy between the Group's expenses and revenues. Failure to effectively manage personnel may hinder the Company's ability to conduct its business effectively and successfully and may have an adverse effect on its business, financial condition, earnings and cash flows.

The Group's highly qualified personnel is the foundation of its lasting success. Competition for highly qualified and specialized personnel and leaders, both men and women, is intense in the ICT industry. Ambitious growth targets in some regions and specific technological solutions set by management

of the Issuer, require an additional number of highly qualified specialists. It is necessary to identify, attract, develop, motivate, adequately compensate, and retain such specialists, both men and women, as well as to create conditions for retaining current ones. Otherwise, the Issuer would not be able to manage its operations effectively, which could have an adverse effect on its reputation and results.

4.2.12. RISK OF UNAUTHORIZED DISCLOSURE OF CONFIDENTIAL INFORMATION

Strictly confidential information related to topics such as the Issuer's strategy, new technologies, mergers and acquisitions, unpublished financial results or personal data may be prematurely disclosed intentionally or unintentionally. This could have an adverse effect on its market position. In addition, this could have an adverse effect on its business, financial condition, profits and cash flows.

The Group adopts a wide range of actions to prevent unauthorized disclosure of classified confidential information, including procedural and organizational measures. These measures include mandatory security training for all workers and employees, standards for safe internal and external communication, ensuring technical security in the hardware and communication channels of the Company and the group companies, as well as mandatory encryption of personal data.

4.2.13. HACKER ATTACKS

The cloud offerings of companies from the Issuer's group could be subject to a hacker attack, as a result of which they may become inaccessible or unable to function properly.

The software used in the Issuer's cloud portfolio of companies is complex in nature and any defects in functionality, system stability, or data center operation may lead to the following:

- Lost or delayed orders and sales;
- Breach of warranty or other breach of contract or any claim for non-performance;
- Refunding advances to customers;
- Loss of customers and/or partners;
- Violation of data protection and privacy laws and regulations;
- Formation of customer preferences towards cloud services provided by competitors.

The costs incurred to correct any defects or errors may be significant and could have an adverse effect on reputation, business, financial condition, profits and cash flows of companies in the Group. Due to the large amount of data they collect and manage, hardware failures, software defects, or system errors are possible, which could lead to data loss or corrupt the information being collected, leading to incompleteness or inaccuracies considered significant by clients of Group companies.

4.2.14. INTELLECTUAL PROPERTY PROTECTION

The preservation and protection of the Group's intellectual property is crucial to its success. The Issuer uses a variety of means to identify and control potential risks and protect the Group's intellectual property. These measures include applying for patents, trademarks and registering other trademarks and copyrights to prevent copyright and trademark infringement. Despite these efforts, the Group may not be able to prevent third parties from using or selling without authorization what it considers to be its proprietary technology. All of these measures provide only limited protection and her rights could be challenged or otherwise affected. Any intellectual property may be vulnerable to disclosure or misuse by employees, partners or third parties. Third parties may independently develop technologies that are substantially equivalent to or superior to the Issuer's technologies. In addition, a third party may reengineer or otherwise obtain and use technology and information that the Group considers its own. In this regard, the Company may not be able to protect its proprietary rights against unauthorized copying or use by a third party, which could have an adverse effect on its competitive and financial position and lead to a decline in sales. In addition, the laws and courts of some countries may not offer an effective means of protecting intellectual property rights.

4.2.15. RISK OF CONCLUSION OF TRANSACTIONS WITH RELATED PARTIES AT PRICES DIFFERENT FROM MARKET PRICES

The issuer is part of an economic group. The risk of carrying out transactions with Group companies whose terms differ from the market ones at the time of the transaction is eliminated to the extent that the Issuer strives to maintain a transparent policy regarding its relations and treatment of related companies. To the extent that transactions exist within the economic group, they are concluded under standard market conditions at the time and do not benefit any of the parties.

4.2.16. RISK OF FAILURE TO COMPLETE THE PUBLIC OFFERING

The direction of development that the Issuer has chosen during the current financial year includes the successful implementation of an increase in the Issuer's capital, the subject of this document, and the implementation of the projects described in p. 3.4. Justification of the offering and use of proceeds from the Offer Document. The possible failure of this process would negatively impact the Issuer's prospects, while at the same time delaying the implementation of the planned investments. The same will be implemented at a slower pace with our own funds.

4.2.17. RISK OF IMPAIRMENT OF THE COMPANY'S ASSETS

The risk of asset impairment is associated with the possibility of a decrease in the carrying amount of the Company's assets. Any impairment of tangible and/or intangible assets would result in the need to record an impairment loss. This, in turn, may worsen the Issuer's future financial results and lead to the realization of a final negative financial result for a given annual period. This in turn leads to a risk of inability to distribute a dividend to existing shareholders at this future point in time, as well as a possible decrease in the market price of the Issuer's share due to the deteriorated financial performance.

4.2.18. RISK OF INACCURATE VALUATION OF THE COMPANY'S ASSETS

The main part of the assets of the Issuer, as well as of the other companies in its group, are intangible due to the nature of the holding's activities. Their carrying amount reflects the costs incurred for their acquisition, including development, as well as the Issuer's assessment of the development potential (expected economic benefits) that they bring. In the era of information technology and its extremely rapid development, a given product (intangible asset) can be extremely successful, even if its book value is significantly lower than its real value. At the same time, and in a very short time, a new technology can make a product redundant and unnecessary, with its real value being much lower than its book value. The dynamic nature of information technologies leads to a risk of inaccurate valuation of the assets of all companies operating in this sector of the economy. The actual value of what they own may differ significantly both upwards and downwards from their book value as of the date of a given report.

4.2.19. RISK FROM COMPETITIVE ACTIVITIES

The risk of competitive activity is expressed in the possibility that a key employee of the Issuer or his/her related party company or another company in cases of separation or division to start carrying out a competitive activity regarding the services and/or products offered by the Issuer's group. Such activity could harm the Issuer's results due to loss of customers, market share or sales. It should be noted that in the over 20-year history of the group, there have been only two episodic cases of competitive activity by former employees of the Issuer, which in themselves did not negatively affect the Issuer's results. The policy for remuneration and involvement of key employees in the management and shareholder structure of the relevant company, which the Issuer exercises, is a tool for reducing this risk. However, it should be borne in mind that the Issuer's employees and managers are not prevented by legal or contractual provisions that would prohibit them from engaging in such activity.

5. ISSUER INFORMATION

5.1. HISTORY AND DEVELOPMENT OF THE ISSUER

"Sirma Group Holding" AD (named as of the date of entry "SGH" AD) was entered in the Commercial Register at the Registry Agency on 25.04.2008 with a Unified Identification Code (UIC): 200101236 and has its registered office and management address: Sofia (capital) district, Stolichna municipality, town. Sofia 1784, Mladost District, Blvd. Tsarigradsko Shosse No. 135. The name of the company was changed on 23.03.2009 from "SGH" AD to "Sirma Group Holding" AD, with the English equivalent "Sirma Group Holding" JSC. The company is not limited in duration.

The correspondence address of "Sirma Group Holding" AD is: town of Sofia 1784, Mladost District, Blvd. Tsarigradsko Shosse No. 135.

The subject of activity, according to Art. 4 of the Company's Articles of Association, is: acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, assignment of licenses for the use of patents to companies in which the holding company participates, financing of companies in which the holding company participates, organizing accounting and preparing financial statements in accordance with the Accountancy Act. The company may also carry out its own commercial activities that are not prohibited by law.

From the establishment of the company until the date of this Registration Document "Sirma Group Holding" AD:

- is not subject to consolidation;
- no transfer or pledge of the enterprise has been made;
- there are no claims filed to initiate bankruptcy proceedings against the company;
- no tender offers have been made by third parties to the issuer or by the issuer to other companies;
- has carried out research and development activities.

Changes in share capital:

- In the transformation carried out and entered in the Commercial Register on 23.10.2014, the Issuer's capital was reduced to BGN 49,837,156 through the cancellation of 23,503,662 shares. This decrease is a result of the calculated fair value of the shares of Sirma Group Holding AD by two independent appraisers. The shareholder structure of the Company does not change as a result of the separation as long as the shareholder structures in the transforming and newly established company are mirrored.
- On 22.10.2010, as a result of the decision of the regular annual general meeting of the Issuer's shareholders, a reduction in the capital of "Sirma Group Holding" AD from BGN 77,252,478 to BGN 73,340,818 was registered through the cancellation of 3,911,660 shares with a nominal value of one lev each (the co-ownership of "Sirma Group Holding" AD - the parent company and the subsidiary "Sirma Solutions" was eliminated).

AD). The capital of the Company has been reduced pursuant to Art. 200, para. 2, in connection with Art. 187e, para. 1, item 2 of the Commercial Code.

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

1) 29 software modules worth 61,555,838 BGN;

Software Module for processing card transactions, worth – 3,800,300 leva, based on our own implementation of the ISO 8583 standard (Standard of the International Organization for Standardization). It can work both independently and be embedded in other systems. The ISO 8583 standard is extremely widely used for processing transactions initiated by POS (card) devices, ATMs, and other payment devices. Variants of it are used in the Visa and MasterCard networks, as well as in the majority of ATM networks.

• Software Module for the exchange of electronic messages in the financial industry worth 4,200,400 leva, based on the standard for the exchange of XML messages (eXtended Markup Language, a unified format for the transfer of information) in the financial sector

ISO20022 (International Standard for Message Exchange between Electronic Systems in the Provision of Financial Services).

Software Module - Validator of XML messages (eXtended Markup Language, a unified format for information transfer) worth 892,539 leva. A module that serves as an entry point for exchanging XML messages. In addition to standard validation against XML schemas or DTD documents (Document Type Definition, XML integrity validation templates messages), it allows the use of specific complex rules

Software Module - Cryptographic module for applications in the field of finance worth 1,870,600 leva. A module that follows the American National Standards Institute (ANSI) standard X9.63, which defines procedures for generating and exchanging keys generated using the elliptic curve method. The module includes its own implementation of algorithms for generating keys based on given elliptic curve parameters, as well as procedures for reliable exchange of these keys. The technologies implemented in the development are fully compatible with the standards ANSI X9.63-2001 Public Key Cryptography for Financial Services Industry, Key Agreement and Key Transport with Elliptic Curve Cryptography" and ANSI X9.42 Diffie-Hellman Key Agreement.

Software Module - Sirma Location Based Services (services based on user location) worth 4,560,830 leva. An application that provides the ability to determine a user's location based on their mobile phone data for available cells of the mobile operator. Information from the phone is used about the cells with the strongest signal in the area, as well as a database of the geographical position of the cells. The main part of the application is an algorithm for determining the position relative to one or several accessible cells.

CherryDialer Software Module worth 2,790,450 leva. CherryDialer is a client-server application that aims to save companies the cost of international telephone services. This is achieved through the difference in the prices of outgoing and incoming international calls. When a call is requested, the server platform analyzes any possible fees and decides how to organize the call. The CherryDialer client part is installed on the employee's phone, and the server part is integrated with the company's telephone exchange.

Software Module – text search solution - Tools for working with Lucene indexes worth 2,436,700 leva. Apache Lucene is an extremely popular open source text search platform. It is implemented in Java (programming language). Software Module – Cuba Libre worth 2,940,800 leva. CubaLibre is a platform for indexing and searching text data. It is implemented in C++ (programming language). It consists of an indexing application, a text search application, and an application for analyzing and rearranging the created indexes.

Upon return of the search results an evaluate is also made for the degree of correspondence of the result with the searched text. Indexing can also work with a word form dictionary (morphological dictionary) for better results. What is specific to CubaLibre is that it is designed for indexing and searching relatively small volumes of data, but the indexes created are small in size and the performance is extremely good.

Software Module – Makelt worth 4,300,000 leva. A product focused on integrating text data from multiple sources (email, personal computer files, forums, newsgroups, task tracking systems, databases, etc.) and the ability to search this data in a unified way.

Software Module – Jhippo worth 2,130,780 leva. Jhippo is a platform for developing Internet applications based on the JSP (JavaServer Pages, a technology for generating dynamic web pages) standard. The platform covers the full needs of a typical small or medium-sized application - from access to a relational database to presentation in a browser.

Ontology Middleware Module (OMM) worth 2,134,900 leva. OMM is a component for managing formally represented knowledge in the organization. It enables the representation and management of knowledge represented in RDF and RDFS (Resource Description Framework Schema, W3C standards for representing data and describing knowledge and facts in ontologies, i.e. semantic conceptual models) and in structurally compatible RDF languages, such as OWL (Web Ontology Language, a W3C standard including a group of languages for describing classes of objects and the relationships between them). BOR Software Module worth 980,340 leva. BOR is a representative of a specific type of expert system (popularly known as a reasoner or inference engine) that uses mathematical logic to automatically derive new facts and statements that logically follow from a predefined knowledge base and facts, similar to the conclusions made by the human mind. BOR implements inference algorithms for a family of Description Logics formally named SHOQ(D) – a language for defining semantic data without the use of nominals (nouns). The inference procedures used by BOR are based on the tableaux algorithm. JAPEC Software Module worth 1,045,090. JAPEC is a JAPE-to-Java compiler

(automatic translation from one machine language to another), offered as a processing resource for the purposes of GATE 3.1 (an open source text analysis platform) and later versions. JAPE is a language that allows you to model annotation transformations using finite state machines based on regular expressions. JAPEC is available as a processing resource in GATE (Ontotext JAPEC Transducer), designed to replace the standard JAPE Transducer and provide optimized performance by representing and compiling JAPE grammars (rules for grammatical analysis of text) into Java code (a programming language). JAPEC constructs a graph of the converter and uses standard algorithms to construct and minimize the state machine, thus optimizing its performance. The optimized converter is used to create a specific pattern matching algorithm based on the specific grammar.

Software Module OT – HashGazetteer worth 540,610 leva. Hash Gazetteer is a list lookup tool that can be used in GATE (an open source text analysis platform). Gazetteer is a search tool implemented in Java (programming language) that detects occurrences of strings (a series of characters, usually names) specified in a predefined list, in large volumes, in a given text. Hash Gazetteer works on the basis of hash tables (an indexing method), not FSM (Finite-State Machine, a list of only possible final states). The module allows to create efficient text analysis solutions using GATE, where it is necessary to efficiently detect millions of strings in huge quantities of data.

OntoMap Software Module worth 1,510,880 leva. OntoMap is a semantic platform designed to enable comparison and evaluation of general-purpose ontologies as well as their associated lexical resources (i.e. dictionaries). OntoMap is based on a proprietary formalism for knowledge representation, and consists of a reasoner (see BOR Software Module above) and a standalone GUI (Graphic User Interface) application for evaluating and comparing ontologies and lexical semantics.

Software Module OT - SWS Repository worth 896,420 leva. SWS Repository as a component combines the functionalities of a local repository and a registry accessible via p2p (peer-to-peer, many-to-many communication). While this repository component allows for the storage and management of WSMO (Web Service Modeling Ontology, a model for managing various aspects of semantic web services) descriptions within an organization, the registry is responsible for their publication and distribution. The registry provides functionality that can be used both to define publicly available descriptions of semantic services so that they are discoverable (and then composed and executed), and to exchange them with other registries in the p2p network.

Software Module OT - WSMO4RDF worth 450,130 leva. WSMO4RDF is the first data processing component (Data Service) developed within the ORDI SG Framework (software module for managing underlying data or knowledge models). It allows translation of WSMO descriptions (Web Service Modeling Ontology, a model for managing various aspects of semantic web services), or object models created in wsmo4j (software module for interaction between semantic web services and semantic business processes, see "Software Module OT – wsmo4j" below), to the ORDI SG tripleset model (a module of the ORDI SG Framework) and provides an abstract repository with a high-level interface. The repository, in turn, allows storing, retrieving, and modifying WSMO objects, instead of working at the ORDI SG triplet level. • Ontology Mapping Store Software Module worth 710,930 leva. An ontology mapping store (OMapStore) that allows storing and retrieving correspondences between ontologies. A mapping is a formal specification of correspondences between two ontologies, i.e. of equivalent classes and relationships. One of the main goals of ontology mapping is to enable interoperability between programs that use data represented in different ontologies. This can be achieved through various mediation strategies between ontologies, for example through instance transformation (private cases), query rewriting, and others. Ontology mappings are represented by id (unique identifier), name, source ontology and target ontology, description, version.

OMapStore is designed to support mappings represented according to an ontology mapping language API. This API (Application Program Interface, a software component for communication between 2 or more separate systems) has the following functionality: (i) structures for representing mapping expressions in memory; (ii) parsing and serialization of mapping expressions to strings.

Software Module OT - wsmo4j worth 115,600 leva. Wsmo4j is an API (Application Program Interface, a software component for communication between 2 or more separate systems) and reference implementation (implementation) for creating semantic web services and semantic business process applications, based on the Web Service Modeling Ontology (WSMO, a model for managing various aspects of semantic web services) and the business process modeling ontology developed under the SUPER project. Wsmo4j allows the creation of semantic web services applications based on WSMO. • Software Module OT - Identity Resolution Framework (IdRF) worth 1,106,743 leva. IdRF provides a general solution to the problem of identity determination: the process of identifying or linking descriptions of objects in computer systems, such as the problem of finding records that represent the same company in two databases that need to be merged. IdRF is designed so that it can be adapted for various applications, regardless of the specific application area and regardless of the type of objects that need to be identified.

X-Package Designer Software Module worth 9,870,340 leva. X-Package Designer is CAD/CAM software for designing cardboard and corrugated packaging. The full set of functional modules covers the entire process of creating structural packaging – from the idea, design and creation of the single package and its actual mockup to the placement of the single drawing on the sheet, the production of a die and all additional tools for the production of the finished packaging. • X-Measure Software Module worth 4,460,450 leva. X-Measure is a standalone and compact system for measuring plane profiles by scanning real parts and automatically comparing them with a corresponding CAD model (Computer-Aided Design, computer-aided object creation). It is an easy-to-use tool that works with satisfactory accuracy. One or more parts of one type can be scanned and measurements are taken at once. The convenient and intuitive user interface enables a wide range of specialists to work with the system after half a day of training. The methods used for processing the scanned image and BestFit procedures are the basis for the ability to perform measurements by placing the parts anywhere on the scanner and pressing a button on the screen. Special developed functionality for typical tasks in the measurement of extruded profiles.

X-Package Synergy Software Module worth 3,790,980 leva. Software for creating parametric packaging libraries. X-Package Synergy is a system for variational and parametric drawing of cardboard and corrugated packaging. It uses unique artificial intelligence technology to calculate geometric-construction problems. The process of the creation of parametric packaging goes through two stages – designing individual parametric components (packaging parts, such as lids, latches, etc.) to be used repeatedly; and assembling the components into complete parametric designs using drag & drop technology. Ready-made standard packages created with X-Package Synergy can be used repeatedly. Users only need to change the value of a given parameter to automatically recalculate the entire box based on the new value entered. Software Module X-Package Project Organizer worth 1,827,696 leva. PDM (Product Data Management) system for organizing the workflow in the organization. Fully integrated with X-Package Designer system, maintaining a database with all files, documents, orders and communication related to customer orders. Every Project Organizer user in the organization's network has access to update information on current or already archived client projects, edit files, or generate reports.

Software Module Tools for working with the Bulgarian language – ProofX worth 870,120 leva. Proofing tools (spell checking) modules for MS Office (Microsoft software product). It consists of 1) ProofBasic. One of the first software modules on the Bulgarian market that covers a large part of the MS Office requirements for working with natural languages; 2) ProofPlus - in addition to the functionalities offered by the ProofBasic module, ProofPlus also contains: a spelling dictionary of the Bulgarian language, a specialized module for hyphenation, adhering to the rules of the Bulgarian Academy of Sciences, integration of the thesaurus, translation dictionaries and morphological dictionary with Internet Explorer, etc.; 3) ProofExpert. In addition to the functionalities offered by the ProofBasic and ProofPlus modules, ProofExpert also contains: the first computer-based check of grammatical correctness in Bulgarian texts, two modules that can be used to avoid the most common problems with illegible Cyrillic in Bulgarian texts, as well as to convert text from Cyrillic to Latin and vice versa, and a module for inserting optional (soft) hyphens in Bulgarian documents; and 4) ProofX module. In addition to the functionalities offered by the ProofBasic, ProofPlus and ProofExpert modules, ProofX also contains: compatibility with the new Microsoft Office suite, the integrated Wordnet language base - in English and Bulgarian, etc.

Software Module Semantic repository of educational resources worth 570,870 leva. Software that creates, develops and maintains a semantic repository of educational resources and provides basic LMS (Learning Management System) functionalities for use by students and the teachers.

Software Module Software for interactive whiteboards worth 329,650 leva. Software that allows teachers and students to work with educational content directly from the whiteboard, with the intelligent software providing complete freedom of action (including keyboard input via a special module), in a way that the user always one is sitting in front of his computer.

Software Module - educational animated musical worth 221,710 leva. Demo series completed. Original author's script, music, drawings and animation. Ability to present a certain number of language units, separated by topics. Each episode is 1 topic. It also allows for auditory dictation. Opportunity to master phrases in a game situation /empathy, especially important in foreign language learning/. Opportunity to act out entire episodes by the children themselves /role-playing and behavioral habits, as well as discussions about character qualities/, etc.

Software Module - Electronic Picture Dictionaries worth 198,180 leva. It consists of a large number of software modules offering a different combination of languages. 2) Non-monetary contribution representing real estate worth 3,911,660

leva:

Office building - offices, 3rd floor and 1st floor. 5 of an office building located in the city. Sofia, Blvd. "Tsarigradsko Shose" 135, owned by "Sirma Group" AD, a company registered in the Commercial Register with the Registry Agency UIC 040529004, with its registered office and management address in the town of Sofia, Mladost district, Blvd. "Tsarigradsko Shose" No. 135, accepted as a shareholder in "SGH" AD by decision of the General Meeting of "SGH" AD dated 10.07.2008.

3) Non-cash contribution representing shares worth BGN 11,734,980:

Contribution of 81,690 shares with a total value of BGN 11,734,980 (BGN 143.6526 per share) from the capital of Sirma Group AD, a company registered in the Commercial Register with the Registry Agency, UIC, 040529004.

DETAILED INFORMATION ON NON-MONEY CONTRIBUTIONS IS AVAILABLE IN THE COMPANY'S ARTICLES OF ASSOCIATION.

- Upon establishment of the Issuer, the paid-in capital amounted to BGN 12.5 thousand, and the registered share capital amounted to BGN 50 thousand. The same was increased to its full value on 09.09.2008.

Changes in the scope of activity:

- On 23.03.2009. The Issuer changes its business scope as follows: Acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, granting licenses for the use of patents to companies in which the holding company participates, financing of companies in which the holding company participates, organizing accounting and compiling financial statements in accordance with the Accounting Act. The company may also carry out its own commercial activities that are not prohibited by law. On 04.07.2012 the subject of activity was changed to the current one.
- Upon its establishment, the Issuer operated under the following scope of activity of the Issuer: design, development, marketing, sale, implementation, training and support of software products and complete solutions, including software project management, consulting services in the field of information and communication technologies; accounting services, as well as any other activity not prohibited by law.

5.2. INVESTMENTS

5.2.1. DESCRIPTION OF THE ISSUER'S MAIN INVESTMENTS FOR EACH FINANCIAL YEAR FOR THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION AS OF THE DATE OF THE REGISTRATION DOCUMENT;

The Issuer's economic group is composed of various companies, each of which has its own investment activity. Due to this specificity and in order to more fully explain the investments made, information is presented below by group companies, including at the time of the investment (due to the numerous positions in the tables below, only investments over BGN 100 thousand are shown). In view of the requirement to present the Issuer's investments by the date of the Registration Document, they have been added to the tables of the relevant companies if such investments were made after the date of the latter report.

SIRMA GROUP HOLDING AD

REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

**Table No. 2. Investments of the Issuer**

Indicator in thousands of BGN	opening balance 2012	2012	written off 2013	written off 31.12.2014	written off	final balance as of 31.12.2014	final balance as of 31.5.2015	
Own buildings Software rights modules	-	-	-	126.3	-	17.1	143.4	143.4
	-	102.5	-	134.7	-	-	237.2	237.2
Non-current fixed assets held for sale Pirina Technologies AD Sirma	20 374.9	-	-	(20 374.9)	-	-	-	-
ITT EAD Sirma Media AD	332.3	-	-	-	-	374.5	(706.8)	(0.0)
Ontotext AD Sirma	-	-	-	-	-	6 895.0	-	6 895.0
Solutions AD EngView	2 241.4	14.5	-	-	-	(2 255.9)	(0.0)	-
Systems Sofia	-	-	-	-	-	8 671.9	-	8 671.9
Panaton USA USD/GMG	40 631.6	-	-	(1,865.2)	-	(3 739.9)	35 026.5	35 026.5
Systems Inc.-USA Ontotext AD Investment	50.0	50.0	-	50.0	-	50.0	-	200.0
properties TOTAL	364.0	-	-	1 865.2	-	-	(1 865.2)	-
	7 422.2	-	-	-	-	-	(7 422.2)	-
	5 184.3	-	-	600.2	-	361.3	-	6 145.8
	76 600.6	167.0	-	2 776.4	(22,240.0)	16,369.9	(15 989.9)	57 684.0
								57 669.8

Source: Sirma Group Holding AD

Note: In the consolidated statements, investment properties that are leased to group companies are reclassified as buildings.

Table No. 3. Investments of Sirma Solutions AD

Indicator in thousands of BGN	Home		2013		2014		Final balance to 31.12.2014	Closing balance as of 31.5.2015		
	balance 2011	2012	Write-offs / Impairments /	2013	Write-offs / Impairments /	2014				
		Introduced	Alienated	Introduced	Alienated	Introduced	Disposals			
Vehicles Computer equipment	101.6	-	-	-	59.9	-	129.9	-	291.4	291.4
Products from development	736.0	49.9	(1.1)	145.5	-	14.0	-	944.3	951.0	
activities Software products Rights to software modules for the	124.0	386.0	(123.5)	50.2	-	3,787.0	-	4,223.6	4,223.6	
activity Non-current fixed assets held for sale Sirma ITT	51.4	1,171.9	-	257.3	-	-	-	1,480.6	1,480.6	
EAD Sirma Business Consulting AD	11,607.4	6,568.6	-	-	-	-	(16,632.6)	1,543.3	1,646.0	
Daticum AD	7,480.1	-	(7,480.1)	-	-	9,815.6	-	9,815.6	9,815.6	
	400.0	911.6	-	-	-	-	(1,311.6)	-	-	
	1,324.8	-	(107.7)	-	-	39.1	-	1,256.2	1,256.2	
	1,451.2	-	(57.6)	-	-	-	-	1,393.7	1,393.7	
SIRMA USA	14,797.4	-	-	930.2	-	-	-	15,727.6	15,730.4	
Panaton USA	1.3	-	-	1.5	-	-	-	2.8	-	
S&G Technology Services Ltd Flash Media AD	-	-	-	-	-	116.9	-	116.9	116.9	
Sirma Mobile AD	-	-	-	6.0	-	6.0	-	6.0	6.0	
TOTAL	-	-	-	-	-	20.0	-	20.0	20.0	
	38,075.1	9,088.0	(7,770.1)	1,450.5	-	13,928.5	(17,944.2)	36,821.8	36,931.3	

Source: Sirma Group Holding AD

Table No. 4. Investments of Ontotext AD

Indicator in thousands of BGN	Home	2012		2013		2014		Extreme balance to 31.12.2014	Closing balance as of 31.5.2015
	balance 2011	Introduced	Write-offs / Impairments / Disposals		Write-offs / Impairments / Disposals		Write-offs / Impairments / Disposals		
			Introduced	Disposals	Introduced	Disposals			
Computer equipment OWLIM ver. 4 KIM software	270.0	54.5	-	103.4	-	155.2	44.4	627.6	563.7
module ORDI software module	3 800.0	-	-	-	-	-	(3,800.0)	-	-
OWLIM software ver.5/ Graph DB software Semantic Data and Services	-	-	-	051.5	-	-	(1,051.5)	-	-
Management Platform software LLD software	-	-	-	-	-	2 876.3	-	2 876.3	2 876.3
WSMO Studio	176.8	-	-	-	-	-	(176.8)	-	-
SofM-OntoMap SofM-OT SWS Repository SofM-Ontology mapping Store SofM-SWWS Studio	1 543.1	-	-	-	-	-	(1 543.1)	-	-
Soft Product ORIS Online	915.5	-	-	-	-	-	(915.5)	-	-
Recruitment Intelligence Systems Findable License	726.1	-	-	-	-	-	(726.1)	-	-
Content Extraction Software SGH Findable	297.7	-	-	-	-	-	(297.7)	-	-
SofM-OntoMap SofM-OT SWS Repository SofM-Ontology mapping	-	815.0	-	-	-	234.6	-	1 049.6	-
Store Software Module KIM TOTAL	-	-	-	64.6	-	284.5	-	349.1	349.1
assets held for sale TOTAL	147.0	-	-	-	-	-	(147.0)	-	-
	-	-	-	-	-	382.0	-	382.0	382.0
	-	-	-	-	-	306.0	-	306.0	306.0
	-	-	-	-	-	2 855.0	-	2 855.0	2 855.0
	7 876.2	869.5	-	4 391.8	-	12 238.1	(11 785.6)	13 590.0	12 476.5

Source: Sirma Group Holding AD

Table No. 5. Investments of Datikum AD

Indicator in thousands of BGN	Home	2012		2013		2014		Final balance to 31.12.2014	Closing balance as of 31.5.2015
	balance 01.01.2012	Introduced	Write-offs / Impairments / Alienated		Write-offs / Impairments / Alienated		Write-offs / Impairments / Disposals		
			Introduced	Disposals	Introduced	Disposals			
Machinery and equipment	1 476.0	1.9	-	10.1	-	-	-	1 487.9	1 487.9
Computer equipment Repairs to leased premises Non-current fixed assets held for sale TOTAL	411.0	33.4	(32.3)	263.7	-	23.3	-	699.0	770.4
	548.9	-	-	4.0	-	2.5	-	555.4	555.4
	-	498.5	-	-	-	600.0	-	1 098.5	1 098.5
	2 435.9	533.7	(32.3)	277.8	-	625.7	-	3 840.9	3 912.2

Source: Sirma Group Holding AD

Table No. 6. Investments of EngView Systems Sofia AD

Indicator in thousands of BGN	Home	2012		2013		2014		Extreme balance 31.12.2014	Extreme balance 31.05.2015
	balance 01.01.2012	Introduced	Write-offs / Impairments / Disposals		Write-offs / Impairments / Disposals		Write-offs / Impairments / Disposals		
			Introduced	Disposals	Introduced	Disposals			
Machinery and equipment	118.8	-	-	-	-	-	-	118.8	118.8

Source: Sirma Group Holding AD

Table No. 7. Investments of Sirma ITT AD

Indicator in thousands of BGN	opening balance 2012	2012		2013		2014		31.12.2014	Extreme balance 31.05.2015
		Write-offs / Impairments /		Write-offs / Impairments /		Write-offs / Impairments /			
		Introduced	Disposals	Introduced	Disposals	Introduced	Disposals		
Computer equipment	169.0	1.6	-	43.9	-	248.7	-	463.2	463.2
Software products Rights to software modules for the activity Licenses	0.5	-	-	-	-	181.4	-	181.9	181.9
TOTAL	-	990.2	-	1 054.7	-	-	-	2 044.9	2 044.9
	-	-	-	-	-	160.2	-	160.2	160.2
	169.5	991.8	-	1 098.5	-	590.3	-	2 850.2	2 850.2

Source: Sirma Group Holding AD

Table No. 8. Investments of Sirma Business Consulting AD

Indicator thousand BGN	opening balance 2012	2012		2013		2014		extremely balance as of 31.12.2014	Closing balance 31.05.2015
		Write-offs / Impairments /		Write-offs / Impairments /		Write-offs / Impairments /			
		Introduced	Disposals	Introduced	Disposals	Introduced	Disposals		
Computer equipment	106.4	27.7	-	0.8	-	40.6	-	175.5	175.5
Development products	608.5	-	-	707.3	-	699.1	-	2 014.9	2 014.9
Rights to software modules	1 958.3	-	-	-	-	-	-	1 958.3	1 958.3
TOTAL	2 673.2	27.7	-	708.1	-	739.7	-	4 148.6	4 148.7

Source: Sirma Group Holding AD

All investments in the group companies have been made in connection with and to improve their commercial activities. Some of the investments initiated as investments to service the main activity over the years have been reclassified as "held for sale".

5.2.2. DESCRIPTION OF THE ISSUER'S MAIN INVESTMENTS IN PROCESS OF IMPLEMENTATION

Both in the investments made and in those that are in the process of implementation, each company in the Issuer's group has its own investment activity. In this regard and for greater completeness of the information displayed, the information below is presented for each of the companies implementing investments, as well as information about the investment itself.

Table No. 9. Investments of the Issuer

Investment in thousands of BGN	opening balance	2012	2012	2013	2013	2014	2014	Balance to 31.12.2014	Extreme balance 31.05.2015
	2012	introduced	written off	introduced	written off	introduced	written off		
SGH	SGH								
building a management system for employer cost allocation	-	-	-	134.7	(134.7)	-	-	0.0	
return of DA for revision capitalized	-	-	-	20 374.9	-	-	(20 374.9)	-	
own costs - software services	-	-	-	-	-	166.1	(166.1)	0.0	(6.0)
TOTAL	-	-	-	20 509.6	(134.7)	166.1	(20 541.0)	0.0	(6.0)

Source: Sirma Group Holding AD

An internal cost management system has been developed for the companies in the economic group of Sirma Group Holding AD with the aim of more effective management and control of cash flows.

Table No. 10. Investments of Sirma Solutions AD

Investment in thousands of BGN	2012		2013		2014		2015			
	Home balance	Accumulated expenses	Introduced in exploitation yes	Accumulated expenses	Introduced in exploitation yes	Accumulated expenses	Introduced in exploitation yes	Extreme balance 31.12.2014	Accumulated expenses	Extreme balance 31.05.2015
SS/SRVC-ISG-Insurance (Common)	-	73.0	-	621.5	-	14.0	-	708.5	-	708.5
SS/PROD-Mobile Banking Platform SS/PROD-Mobile	-	490.9	-	496.3	-	(987.2)	-	-	-	-
Group Management Platform SS/PROD-Mobile and Web-Based Payment	-	558.0	-	570.0	-	79.4	(1 207.0)	0.3	-	0.3
System SS/SRVC-BPConfig.Management SS/PROD-LOYAX-Loyax SSPAN/	-	829.6	-	842.1	-	(1 671.6)	-	0.0	-	0.0
SRVC-Inofile SS/PROD-Recognition	-	571.5	-	(571.5)	-	-	-	-	-	-
TOTAL	-	-	-	50.2	(50.2)	5 835.0	(3 787.0)	2 048.0	-	2 048.0
	-	-	-	-	-	331.0	-	331.0	-	331.0
	-	-	-	-	-	-	-	-	333.0	333.0
	-	2 522.9	-	2 008.5	(50.2)	3 600.5	(4 994.0)	3 087.8	333.0	3 087.8

Source: Sirma Group Holding AD

SS/SRVC-ISG-Insurance (Common)

Sirma Solutions AD invests in additional developments on the software platform for insurance brokers and agents, which allows for more efficient management of client insurance and real-time comparison time of offers for a certain insurance with the relevant specific parameters from different insurance companies.

SS/PROD-EDOM-eDom

Sirma Solutions AD is developing an electronic condominium management system for the needs of the Bulgarian market.

SS/PROD-Mobile Banking Platform

Development of a client mobile application for online banking and a corresponding server platform for connecting to banking systems (core banking system) to execute the relevant requests and transactions.

SS/PROD-Mobile Group Management Platform

Development of a Tiimz product for human resource management and mobile group organization, based on a mobile application for iOS and Android. The software platform also allows for control of the consumption of office phones, as well as location by the dispatcher.

SS/PROD-Mobile and web-based payment system

Sirma Solutions AD invests in the development of a software solution, which is an intermediate level of interaction between web and mobile interfaces and the relevant banking systems. The solution is easily branded and facilitates the development of more complex banking interfaces for end users.

SS/SRVC-BPConfig.Management

A software module has been developed for managing and configuring business processes with the possibility of implementation in ERP systems of other suppliers.

SS/PROD-LOYAX-Loyax

Sirma Solutions AD is investing in the development of an innovative loyalty platform LOYAX, which can be fully customized to meet the needs of every business. LOYAX allows each business to create and configure specific loyalty programs that meet their needs and

the marketing goals of the business, with the corresponding standard or specific communication channels - e-mail, SMS, notifications on social networks (e.g. Facebook), push notifications for mobile applications and others. The platform is extremely open to integrations with external systems through standardized software interfaces (SOAP), which allows easy and effective integration into existing IT infrastructures of small businesses.

or large customers.

SSMOB/PROD- NewsOnTheWeb

The mobile development division of Sirma Solutions AD is developing a mobile client application based on semantic technologies, which makes it easier for users to review news from various global news sources, with the content automatically personalized according to the personal interests (historical data) of each user and world news of particular importance with great popularity.

at this moment.

SSMOB/PROD-mTimeCard

The mobile development division of Sirma Solutions AD is investing in the development of an online time tracking platform for the US market. The product allows for quick and easy reporting of hours worked by each employee, with the start and end of the work shift being marked by a mobile application (iOS, Android), and the employee's physical location can also be validated. The system also offers output of accounting data (reporting, export) to standard accounting systems for the American market for payroll.

SSMOB/PROD-SCHO-SCHOOLCall

Sirma Solutions AD is developing an online platform for schools that allows easy notification of important events or messages to parents via e-mail and SMS from teachers or the school administration - both individually and by classes (parallels) or grades.

SS/PROD-Recognition

SS/PROD-Recognition is a software module for semantic recognition in static images and video, such as: automatic annotation of physical objects (people, animals, objects, buildings, etc.), tracking their movement in video recordings and analysis. The technology is applicable in robotics, computer vision, security and military industries, medicine, and more.

Table No. 11. Investments of Ontotext AD

Investment in thousands of BGN	2012		2013		31.12.2014		2015			
	2012 initial balance	Accrued costs	Introduced in exploit tion	Accrued costs	Introduced in exploit tion	Accrued costs	Introduced in exploit tion	Extreme balance to 31.12.2014	Accrued costs	Extreme balance 31.05.2015
LLD	182.0	18.2	-	3.1	-	-	(203.5)	(0.2)	-	-
LS-HC-Solution	268.0	15.7	-	29.8	-	84.0	-	397.5	57.2	454.7
KIM	2 917.0	255.7	-	-	(3 172.3)	-	-	0.5	-	0.5
Soft OWLIM ver.5/Graph DB Semantic	1 892.0	960.3	-	997.4	(1 051.5)	1 237.1	(513.8)	3 521.5	137.0	3 658.5
Data and Services Management Platform	2 617.0	120.0	-	108.8	-	1 083.6	(2 771.5)	1 157.8	223.8	1 381.6
Media-Publ-Solution	-	77.5	-	505.5	-	774.1	-	1 357.2	-	1 357.2
SemJobs	-	32.4	-	202.2	-	-	(234.6)	-	-	-
CLS-P-S4	-	-	-	-	-	-	-	-	8.4	8.4
TOTAL 7 876.0 Source: Sirma Group Holding AD		1 479.9		1 846.8	(4 223.8)	3 178.7	(3 723.5)	6 434.2	426.3	6 860.7

Linked Life Data (LLD)

Linked Life Data (<http://linkedlifedata.com/>) is a cloud-based data-as-a-service that offers unified access to 28 public biomedical databases. This service is a specific type of data warehouse that allows the execution of complex data analysis queries based on information from multiple sources. LLD is unique in that they integrate data for the same objects

and concepts available in various databases, thus dramatically reducing the effort and time required to answer questions such as "give me all human genes that are located on the Y-chromosome for which molecular interactions are known". Another exemplary task for LLD is to retrieve a data set regarding "all approved drugs and their trade names". Users of this service are various departments of pharmaceutical and biotechnology companies, health insurance funds, scientists in the field of Life Sciences (biology, pharmacy, medicine) and others. The LLD service is offered in two versions:

- LLD Public – a completely free public service designed to familiarize yourself with the data and create pilot projects;
- LLD Enterprise – a paid cloud service that offers guaranteed availability and performance, suitable for real business applications.

Ontotext Life Sciences (LS-HC-Solution)

Ontotext Life Sciences and Health Care Solution (LSHC) is a data and information management solution in the following fields: medicine, biology, pharmacy, healthcare and biotechnology. LSHC reduces the time to discover information through a unique combination of semantic text analysis algorithms and databases in these areas. The solution includes databases (LLD) and processes that support fast and efficient integration of private databases, as well as public databases available as "Linked Open Data" using GraphDB and a set of components from the Ontotext Platform. The solution allows analysis of biomedical texts, recognizing mentions of more than 100 types of different objects (proteins, anatomical terms, chemical compounds, disease, symptoms, drugs, etc.) As a result of this analysis, the texts are classified and enriched with links (tags) to databases, which allows for extremely efficient semantic search. LSHK can be used to analyze reports from

clinical trials of drugs, epicrisis reports, requests for coverage of medical insurance costs.

S4 – Self Service Semantic Suite

Ontotext S4 is a suite of cloud services that enable the use of multiple Ontotext products and technologies for data management and text analysis. Through C4, these technologies are available without the typical business software burdens associated with purchasing licenses and hardware, installation, setup, and system administration. For testing purposes, the services are completely free (within certain quotas), and

customers then pay according to usage activity, thus matching their costs to their current needs. Among the key technologies of Ontotext offered through S4 are GraphDB, FactForge, LLD, components for news and biomedical text analysis.

Namerimi

A web content analysis platform in Bulgarian that allows for regular crawling, analysis, and indexing of more than 100 million web pages. In addition to the standard indexing that other Internet search engines do, Namerimi also includes linguistic analysis of the text, using dictionaries, grammars, and other language resources. Thus, Namerimi provides more adequate and complete information during web searches. Namerimi's applications include projects with media outlets such as svejo.net (Xenium) and OffNews, where this technology allows for better analysis of user interests and offering related content.

KIM

KIM is an Ontotext platform for Knowledge and Information Management. Among the main features of KIM is the ability to semantically annotate text - a process in which text is analyzed using large volumes of structured data. The result of the process is two-way: (i) the text is linked to the databases through semantic tags and (ii) the databases are enriched with new objects and

facts discovered during the analysis of the text. Semantic annotations allow for the creation of a hybrid index in the OWLIM semantic database, which in turn enables unique search capabilities that combine faceted search with structured queries and logical inference. After updating Ontotext's technology portfolio in 2014, the next generation of technologies underlying KIM became part of the Ontotext Platform and Ontotext Media and Publishing.

OWLIM ver.5/Graph DB

GraphDB is a semantic graph database management system (DBMS) compatible with the following Semantic Web standards defined by the W3C consortium: RDF, RDFS, OWL, SPARQL. GraphDB represents the next generation of DBMS, a successor to the OWLIM product, which develops the algorithms and technologies used in OWLIM to the next level of efficiency and reliability. Among the most important new features of GDB is a next-generation cluster architecture with a high degree of efficiency and reliability, which supports installations distributed across multiple geographical locations (e.g., the UK, the US and Japan). Another important new feature of GDB is the adapters for connecting to indexing engines and NoSQL DBMSs, which allow for efficient maintenance of synchronized indexes for faceted search. The GDB also includes the so-called

Workbench – an environment for setting up, monitoring, and analyzing data. GDB uses improved algorithms for initial loading of large volumes of data, as well as for transaction processing; as a result, GDB's performance in many cases exceeds that of OWLIM by more than 3 times.

Semantic Data and Services Management Platform

The Ontotext platform brings together a multitude of modules, components, ontologies and database schemas that allow for: (1) Automatic content enrichment. In this process, textual content of documents or databases is analyzed and linked to structured data that is loaded into a semantic database, GraphDB. Content analysis modules use a set of text algorithms and enable efficient development, testing, and tuning of text analysis algorithms and cascade processes. (2) Integration of data from multiple sources. The platform supports the development of automated data processing processes, including: transforming data into RDF format; semantic linking of data from different sources; resolving ambiguity in such links; automated extraction of large volumes of information from websites. (3) Manual classification and coding of documents and data. The platform supports: creating the so-called "gold standards" that are used in the process of automatic text analysis; review and correction of document annotations, including those that link text to specific objects and concepts in databases.

Media-Publ-Solution

Ontotext Media & Publishing (OMP) is a software solution aimed at media, newspaper and magazine publishers, scientific and educational publishing houses, online learning platforms, news and information agencies and other organizations whose main activity includes the production, publication and distribution of content, including: news, articles, analyses, magazines, books and educational materials. OMP uses semantic technologies to assist such organizations in the development, reuse, classification, distribution, and publication of content, based on analysis of the meaning of the text. OMP helps reduce the time to create new content and new information products. The modules for content recommendations help recommend additional relevant content within websites based on analysis of reader behavior and interests. The content analysis modules offer real-time text analysis using the efficient semantic database GraphDB, which stores rich descriptions of the subject area, dictionaries, thesauri, classifications, as well as metadata that describe the content.

SemJobs

The software platform is an additional development based on the core technologies of Ontotext AD with added value to job candidates and HR agencies by crawling a huge volume of Internet pages and identifying job advertisements and their basic parameters in a common database, which can be used to search for a match between the expertise sought and the availability of such expertise in a candidate, as well as adjusting other parameters such as salaries, place of residence, etc.

Table No. 12. Investments of Datikum AD

Investment in thousands of BGN	Home balance	2012		2013		2014		Extreme balance to 31.12.2014	Extreme balance 31.05.2015
		Accrued costs	Introduced in exploitation yes	Accrued costs	Introduced in exploitation yes	Accrued costs	Introduced in exploitation yes		
DAT/Cloud Platform	-	498.5	(498.5)	-	-	600.0	(600.0)	-	-

Source: Sirma Group Holding AD

DAT/Cloud Platform

"Daticum" AD invests in the implementation and development of an integrated system for offering its clients cloud servers, private virtual cloud solutions (Virtual Private Clouds), as well as specialized services for building private cloud solutions (Private Clouds and Hybrid Clouds) and desktop virtualization solutions (VDI). The solution is based on the "Infrastructure as a Service" (IaaS) concept, allowing its customers to isolate investments in specific hardware and the corresponding specific technical support at the expense of predictable and flexible operating costs according to the required consumption capacity and greater security of constant operation of IT business systems (SLA 99.995%).

Table No. 13. Investments of Sirma ISG AD

Investment in thousands of BGN	2012		2013		31.12.2014		31.12.2014		2015	
	initial balance 2012	introduced in accumulated expenses	Extreme balance 31.05.2015							
Insurance software	-	15.0	-	153.8	-	92.2	-	281.0	47.0	328.0

Source: Sirma Group Holding AD

Insurance software

Sirma ISG AD is developing its own software platform to service the business processes of insurance brokers and agents, allowing them to manage their client base much more effectively, to simultaneously compare the current offers of different insurance companies and identify in real time the best offers according to the desired insurance. This includes developing mobile applications (mobile broker), which allows for easier work outside the office.

Table No. 14. Investments of Pirina Technologies AD

Indicator	Home balance 01.01.2012	2012		2013		2014		Extreme balance as of 31.05.2015
		Introduced	Write-offs / Impairments / Disposals	Introduced	Write-offs / Impairments / Disposals	Introduced	Write-offs / Impairments / Disposals	
Industrial property rights	137.2	-	(30.1)	-	-	-	(107.0)	-

Source: Sirma Group Holding AD

As of the date of this document, Pirina Technologies is not part of the Issuer's group and for this reason the previous table does not provide information as of the date of the document.

Plotter development

Pirina Technologies AD invests in the hardware development of three generations of cutting plotters for the needs of manufacturers of products and prototypes in single or small series, such as architectural offices, design and marketing agencies in packaging development and others. The machine has several types of cutting heads for different materials and types of cuts (maximum material thickness 10mm) offering versatility, low capital investment and maintenance costs.

Plotter control user interface

"Pirina Technologies" AD is developing a software user interface for the cutting plotter operator. The implementation is based on intuitive functionality for controlling the machine via a color touch screen.

Controller management software

Part of the development of a cutting plotter by Pirina Technologies AD includes a software module for managing the hardware components of the cutting machine, the communication interfaces (USB) and servicing the user interface of the control panel with a color screen built into the machine.

Table No. 15. Investments of Sirma ITT EAD

Investment in thousands of BGN	initial	2012		2013		2014		2015		Extreme balance 31.05.2015
	balance 2012	accumulated expenses	introduced in exploitation	accumulated expenses	introduced in exploitation	accumulated expenses	introduced in exploitation	extremely balance	Accumulated expenses	
STT/Semantic Enterprise Integration	-	207	-	-	(207)	-	-	-	-	-
STT/EMF - Enterprise Management Framework	-	-	-	847	(847)	1 707	-	1 707	280	1 987
TOTAL	-	207	-	847	(1,055)	1 707	-	1 707	280	1 987

Source: Sirma Group Holding AD

STT/Semantic Enterprise Integration

SEIP (Semantic Enterprise Integration Platform) is a comprehensive, reliable and flexible web-based platform for generating business applications - a combination of content management and semantic integration. It provides semantic enterprise integration and common content management functionalities that can be configured for a specific business context using business-based models and language.

STT/EMF - Enterprise Management Framework

Enterprise Management Framework is a module of the Semantic Enterprise Integration Platform (SEIP), in which Sirma ITT EAD develops additional functionalities that are applicable both as a standalone module and as part of SEIP.

Table No. 16. Investments of Sirma Business Consulting AD

Investment in thousands of BGN	Initial balance 2012	2012		2013		2014		31.12.2014 extremely balance	2015	
		accumulated expenses	introduced in exploitation	accumulated expenses	introduced in exploitation	accumulated expenses	introduced in exploitation		Accumulated expenses	Extreme balance 31.05.2015
SBC - EPCh (electronic product channels)	-			707.3	(707.3)			-		
SBC/UBX ECB S75	-					683.0	(612.0)	71.0	93.0	164.0
SBC/UBX Notifications	-					87.0	(87.0)	-		
TOTAL	-	-	-	707.3	(707.3)	770.0	(699.0)	71.0	93.0	164.0

Source: Sirma Group Holding AD

SBC - EPCh (electronic product channels)

The EPCh platform (Electronic Channel Products) of Sirma Business Consulting AD includes software products for electronic (Internet) banking (WeBank), banking via mobile phone (Bank on mobile) and services for automatic notification of the bank's end customers (notifications) of important events and transactions via SMS and/or e-mail (GetBank). The platform is independent of the bank's chosen core banking system and can be easily integrated with already implemented solutions, including an integration module for real-time transaction authorization in the BORICA system.

Table No. 17. Investments of EngView Systems Sofia AD

Investment in thousands of BGN	opening balance 2012	2012		2013		2014		31.12.2014 extremely balance	2015	
		accumulated expenses	introduced in exploitation	accumulated expenses	introduced in exploitation	accumulated expenses	introduced in exploitation		Accumulated expenses	Extreme balance 31.05.2015
EV/EngView Package Designer Suite	-							-	108.0	108.0

Source: Sirma Group Holding AD

EngView Systems has made an investment of BGN 108,000 in the first quarter of 2015 in the development of EV/EngView Package Designer Suite - a software package for integrated CAD/CAM (Computer-Aided Design / Computer-Aided Manufacturing) for 2D (two-dimensional) design of folding packages from various materials and various software functionalities for converting models from/to various file formats supported by software solutions, printing and cutting machines from other manufacturers. The software is structured as a package of computer programs that cover different parts of the production process - from developing a visual concept, through the development of specific two-dimensional (2D) and three-dimensional (3D) models, preparing printed blanks, making samples and painting.

All the above investments under this item. 5.2.2., which are in the process of implementation, have received internal financing with funds from the companies in the Issuer's group. Some of these companies have a registration address outside of Bulgaria. In this sense and in a regional sense, all of the above-mentioned investments were made on the territory of Bulgaria, with the exception of:

- Investment in the USA worth BGN 930 thousand through "Sirma USA" in 2013;
- Investment in the USA worth 1,865 thousand BGN through "Panaton Software" Inc. in 2013;
- Investment in the United Kingdom worth 117 thousand BGN through S&G Technology Services Limited in 2014.

The investment in "Panaton Software" Inc. in 2013 concerns 10% of the company's capital, with the remaining 90% owned by "Sirma Solutions" AD. The value of the Issuer's investment in "Panaton Software" Inc. is BGN 1,865 thousand, while the carrying amount of the remaining 90% is BGN 2 thousand according to the individual financial statements of "Sirma Solutions" AD as of the end of 2013, as the same has not been revalued for the period of its accounting. In 2014. The Group decides to consolidate its participation in "Panaton Software" Inc. as "Sirma Group"

Holding AD sells its 10% stake in its capital to Sirma Solutions AD at the purchase price of this investment, namely BGN 1,865 thousand. In this way, Sirma Solutions AD becomes the sole owner of the capital of Panaton Software Inc., which itself is denominated in dollars. Due to the appreciation of the US currency, this investment at the end of 2014 was reflected in the amount of BGN 1,902 thousand, with the investment only receiving a currency revaluation. As of the date of this document, Panaton Software Inc. has been transformed by merger into Sirma USA.

5.2.3. INFORMATION REGARDING THE ISSUER'S MAIN FUTURE INVESTMENTS FOR WHICH ITS MANAGEMENT BODIES HAVE ALREADY MADE FIRM COMMITMENTS

The Issuer's management bodies have made firm commitments for future investments in the following direction:

Total investment value: 582,777 leva. Assets targeted for purchase are the following:

1. Cloud service provision system 1 pc. – 339,350 BGN
2. Video surveillance and video data storage system 1 pc. – 5,626 BGN
3. Information cabinets 5 pcs. – 9,500 BGN.
4. UPS power supply devices 1 pc. – 146,567 BGN.
5. Telephone exchange 1 pc. – 1,067 BGN.
6. Work desks 20 pcs. – 17,400 BGN.
7. Director's desks 4 pcs. – 5,400 BGN.
8. Metal case 1 pc. – 1,344 BGN
9. Laser multi-functional device 1 pc. – 1,100 BGN.
10. Presentation laptop 2 pcs. – 1,940 BGN
11. Workstations (laptops) 20 pcs. – 37,740 BGN.
12. Projector and screen 1 pc. – 1,300 BGN.
13. Conference table 1 pc. – 1,843 BGN
14. Office supplies and toner cartridges – 12,600 BGN.

The purpose of the investment is to create 20 new jobs and provide cloud services.

6. BUSINESS OVERVIEW

6.1. MAIN ACTIVITIES

6.1.1. DESCRIPTION AND KEY FACTORS RELATING TO THE NATURE OF THE ISSUER'S OPERATIONS AND ITS MAIN ACTIVITIES

The Sirma Group Holding AD group is the largest Bulgarian group of ICT companies. Since 1992, the Issuer's companies have been transforming innovative ideas and know-how into successful knowledge businesses. The company is a holding company that invests in technology businesses, manages them strategically and operationally, and provides its subsidiaries with administrative, marketing, and financial services. These services can be considered in the following areas:

- Strategic management;
- Financial management and administrative services; and •
- General operations management, including intellectual property management, human resources resources, marketing and brand management.

The main activities developed by the companies of the Sirma Group Holding AD group are as follows:

- Sirma Solutions AD, the largest company within the Group, is among the leaders in the Bulgarian and international markets in the field of information technology, IT consulting services and system integration. Founded in 1992, the company implements complex projects in the local and international markets for clients from various business sectors, striving to increase their productivity and efficiency by implementing next-generation software solutions. Sirma Solutions AD has strong technical expertise in many areas of modern technologies, as well as a proven project management methodology and deep knowledge of business processes in a number of key verticals. The main activity of Sirma Solutions AD consists of design, development, marketing, sales, implementation, training and support of software products and complete solutions, including software project management, consulting services in the field of information and communication technologies. Sirma Solutions AD specializes in several areas, namely - mobile and telecom technologies, e-government, complex business systems and the construction of cloud infrastructures. The company also has its own product – an innovative loyalty program management platform LOYAX. Sirma Solutions AD invests in research projects in high-tech areas such as image recognition and automatic annotation, robotics, and mobile technologies. The company has repeatedly ranked first in the annual ranking "Top 100 Leading ICT Companies on the Bulgarian Market" by ComputerWorld. In addition, it is a leading partner and maintains close cooperation with world leaders such as Oracle, Microsoft, IBM, Hewlett Packard, Siemens, Atos and others.

- Ontotext AD is a leading developer and provider of semantic technologies, including GraphDB (NoSQL graph database - database management systems that support non-relational models) and text analysis technology for the purpose of automatic extraction of structured information and automatic tagging of information content. GraphDB is also a web server for Web 3.0 ("Semantic Web", a conditional name for the next generation of the Internet web), which allows publishing open linked data (Linked Open Data) in the format of RDF graphs (Resource Description Framework, a W3C standard for presenting structured information and metadata on the web). The innovative software algorithms and technologies developed by the company allow for the construction of solutions for a wide range of applications related to the analysis and management of large volumes of information. Typical application areas are intelligent search in large volumes of documents (e.g. clinical trials of drugs), media content management (news, analyses, etc.), publishing data in the field of cultural heritage (e.g. complete information about the British Museum collection), integration of disparate databases and automatic data extraction from the web (e.g. automated creation and updating of a database with job advertisements in the UK). Ontotext AD's products are distinguished from those of competitors using traditional technologies and methods by their ability to effectively process heterogeneous information with evolving data models. Ontotext AD's technologies significantly reduce the efforts to develop such applications and make projects economically viable, reducing the costs of organizations and increasing their competitiveness through faster, more complete and

analytical access to diverse information. Among the landmark projects of Ontotext AD are the official BBC websites for the 2012 Summer Olympics in London and the 2010 FIFA World Cup, where the company's technology was selected in competition with proposals from Oracle and IBM. Another product, the OpenPolicy regulatory document management system, has been deployed in the US Department of Defense (DoD) and the US Department of Health and Human Services (HHS).

- EngView Systems Sofia AD is a company specialized in developing CAD/CAM (Computer-Aided Design/Computer-Aided Manufacturing, computer-aided object creation and production machine control) systems for the needs of the packaging industry and software solutions in the field of video measurements. The company has an extensive network of partners and distributors on a global scale, ensuring effective distribution of products in international markets. The company has customers in over 40 countries around the world and has a subsidiary in Brazil. EngView Systems Sofia AD is known for its creativity and innovation, and is the winner of the European Information Technology Award for outstanding contribution to the generation and transformation of innovative ideas and R&D projects into products with high market potential. CAD/CAM

The product of EngView Systems Sofia AD is recognized as the second most popular worldwide after the corresponding solutions of AutoDesk Inc. USA.

- Sirma Business Consulting AD is a specialized consulting company that provides IT and business solutions for banks and financial institutions. The company develops its own software products and provides a full range of services to support and perform banking and financial operations, including: core banking systems, retail banking, electronic channel management, risk management systems, regulatory reporting. Sirma Business Consulting AD is an authorized implementer of the Oracle FLEXCUBE core banking software and performs complex projects for the implementation of the Oracle FLEXCUBE core banking system for banks in Bulgaria, the Balkans, Europe and America. The company's own products are: GetBank electronic channel management system; WeBank - electronic banking for desktop browsers; Bank on mobile – a banking platform for electronic services on mobile phones; UBRex – Reporting system to the European Central Bank and control of input information for the production of data or analyses and reports. In addition, the company has experience in implementing ERP (Enterprise Resource Planning, planning resources and processes in commercial enterprises) systems, developing ORACLE and BI (Business Intelligence, analyzing business data) solutions and building Data Warehouses (storage facilities for large data sets) for banks and financial institutions.
- Sirma ITT AD is developing a platform for semantic integration, content, collaboration and enterprise management - The Sirma Platform for Semantic Enterprise Integration, Content, Collaboration and Management. The Sirma platform is designed for large enterprises and can be offered as a cloud service. It is built from open source components with a Service-oriented Architecture. Semantic technologies and graph databases are unique, supporting a flexible network model of data, objects, and concepts with the ability to automatically recognize text in documents. "Sirma ITT" AD implements applications on the platform for the needs of various departments of enterprises or to solve specific business problems. The behavior of applications is determined by dynamic data models, nomenclatures, business processes, structured documents, and tasks. A key advantage of the platform is the ability for world/data models and application behavior to evolve along with the development of the enterprise itself, evolutionary and significantly more efficiently than with traditional systems and technologies. Major clients of "Sirma ITT" AD are Quality Vision International Inc. (a global market leader for video measurement equipment), the National Gallery of Art USA (along with seven other leading museums in North America and Europe) and the Sofia Municipality in Bulgaria.

- "Daticum" AD is a joint-stock company founded in 2008 as part of the group of companies of "Sirma Group Holding" AD. The data center operated by the company meets international standards for top-class centers. "Daticum" AD provides business services and solutions that ensure constant, highly reliable access to the data processed and stored in the center. By using the services of Daticum AD, clients drastically reduce their costs for building and maintaining IT infrastructure. The team of "Daticum" AD meets the specific needs of each client, while at the same time ensuring a high level of security. The data center is approved by the BNB for storage of

banking information and payment systems, has been approved by the Communications Regulation Commission for the deployment of systems issuing universal electronic signatures, digital certificates and working with personal data. The company offers the full range of managed services - colocation and provision of rented hardware servers and equipment, their full service, including connectivity, power supply, hardware and, if necessary, software maintenance, building Disaster Recovery systems (infrastructure guaranteeing maximum operational capacity in the event of a failure of computer and network components, or connectivity, as a result of various incident events), building and maintaining private cloud systems. For several years, Daticum AD has been successfully providing public cloud services to the Bulgarian and international markets through its own infrastructure.

- Sirma ISG AD develops web-based solutions and services in the field of insurance. The company is a leading developer of insurance software in Bulgaria. The company's core business includes designing, developing, implementing and maintaining integrated solutions and services for insurance brokers and insurance companies. The products of Sirma ISG AD are based on innovative technologies and are recognized by users as intuitive and easy to use. The company covers software solutions, hardware security and internet connectivity, consulting on infrastructure and business logic in the field of insurance, as well as various types of training in the field. The company also offers warranty and post-warranty service and support, based on high international standards and its own methodology and expertise.

- "GMG Systems" Inc. is a joint venture of "Sirma Group Holding" AD, founded in 2003. The company is specialized in design, production and installation of a full range of automated parking equipment. The product range includes paid parking systems, ticket dispensers, vehicle barriers, video surveillance and recording systems, parking meters for paying for street parking, etc. Some of the product functionalities are: video image processing, real-time audio playback, web-based user interface and remote management, integration of various types of parking facilities, card access systems, etc.

The Issuer's participation in "GMG Systems" Inc. is in the process of being sold in stages until February 2017. (described in pt. 7.1. below).

- S&G Technology Services Ltd. is one of the newest companies in the portfolio of Sirma Group Holding AD headquartered and primarily operating in the UK. The company provides consulting and technology solutions to optimize the software systems used by banking institutions. The company has significant expertise in the banking sector. S&G Technology Services Ltd. develops specific solutions related to banking sector-specific regulatory frameworks, mobile payments, software security, etc. In addition to significant expertise in the banking sector, S&G Technology Services Ltd. also stands out for its flexibility, innovation and development of specific IT solutions with long-term optimization of business processes.

6.1.2 INDICATION OF ANY SIGNIFICANT NEW PRODUCTS AND/OR SERVICES

The companies in the Sirma Group Holding AD group have historically accumulated extensive expertise, both in the implementation of various technological projects related to software and hardware developments, and in business knowledge in numerous industries in which the companies have implemented client projects or invested in developments. As of the current period under review, the following are being developed in the Issuer's economic group: significant new products and services in the respective companies:

Since 2013, Sirma Solutions AD has been investing in the development of an innovative loyalty program management platform LOYAX, which allows every business to build its own loyalty programs according to its specific business needs. The platform provides easy and effective creation and management of various loyalty programs, including bonus programs, vouchers, gift cards, lotteries, etc. In addition to the various types of programs, Loyax allows the creation and management of complex marketing campaigns, allowing businesses to reach their customers simultaneously through various individual communication channels - mobile phones, tablets, and personal computers. The system also provides businesses with valuable information about their customers, including demographic profile, analysis of the type and value of purchases, place of shopping, and more. The main market for such products is the USA and Central and Western Europe,

where the company aims to expand its commercial capacity.

In the current year, Ontotext AD continues its long-term investment in its own product GraphDBTM (GDB) – a semantic graph databasemanagement system (DBMS) compatible with the following Semantic Web standards, defined by the World Wide Web Consortium (W3C): RDF (Resource Description Framework, W3C standard for presenting structured information and metadata on the web), RDFS (Resource Description Framework Schema, W3C standards for representing data and describing knowledge and facts in ontologies, i.e. semantic conceptual models), OWL (Web Ontology Language, W3C standard including a group of languages for describing classes of objects and the relationships between them), SPARQL (programming language for queries to semantic databases). GraphDBTM represents the next generation in DBMS, the successor to the OWLIM product, which develops the algorithms and technologies used in OWLIM to the next level of efficiency and reliability (Cluster Architecture). Among the most important new features of the GDB is a next-generation architecture with a high degree of efficiency and reliability, which supports installations distributed across multiple geographical locations (for example, simultaneously in the UK, the US and Japan). In parallel, Ontotext AD continues to develop its value-added platforms for relevant industries worldwide: Ontotext Life Sciences & Health Care Solution (OT/LS-HC-Solution) for data management in medicine, biology, pharmacy and biotechnology, and Ontotext Media & Publishing (OT/Media-Publ-Solution) – a software solution that uses semantic technologies to assist media, publishers and scientific organizations in the development, reuse, classification, distribution and publication of content, based on analysis of the meaning of the text.

Companies from the Sirma Group Holding AD group are also developing various other new technologies and products in the fields of medicine, robotics, automatic image recognition, artificial intelligence and others, which are still at a conceptual level and have yet to be developed.

6.2. MAIN MARKETS

DESCRIPTION OF THE MAIN MARKETS FOR THE PERIOD 2012-31.03.2015.

The consolidated revenues of Sirma Group Holding AD for the historical period under review have a different nature and geographical origin. Traditionally, revenues from services and goods have the highest share. At the same time, Europe and North America occupy the top positions in the geographical distribution of realized revenues. The types of revenue of Sirma Group Holding AD depending on the product sold and its place of sale are presented in the following tables.

Table No. 18. Types of consolidated revenues of the Issuer for the period 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014 31.3.2015	
	core				
Revenue from production Revenue	348	313	143	87	26
from goods Revenue from	1 844	3 414	6 004	789	1 647
services Revenue from	15 256	17 681	20 922	4 552	5 349
financing Other revenue Total revenue	-	104	515	9	12
	188	1 256	281	6	10
	17 636	22 768	27 865	5 443	7 044

Source: Sirma Group Holding AD

Table No. 18.1. Types of individual income of the Issuer for the period 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Goods			285	89	-
Software Services Rentals	34	70	169	2	-
	216	203	258	56	67
Administrative services Other revenues	637	880	884	242	223
Revenue from financing	126	35	100	5	24
Total revenues	55	60	59	-	-
	1 068	1 248	1 755	394	314

Source: Sirma Group Holding AD

The Issuer's income at an individual level has an origin related mainly to servicing the other companies in the group.

Table No. 19. Place of realization of the Issuer's consolidated revenues for the period 2012-31.03.2015.

Indicators (in thousands of leva)	2012 core	2013	2014	31.3.2014	31.3.2015
Australia Asia	6	15	64	40	3
	46	169	199	72	-
Africa	28	7	36	10	-
Europe	13 559	16 311	20 626	4 224	6 239
Latin America North America	136	186	152	15	-
Total revenue	3 861	6 080	6 787	1 082	802
	17 636	22 768	27 864	5 443	7 044

Source: Sirma Group Holding AD

At an individual level, the Issuer's revenues are related solely to the territory of the Republic of Bulgaria.

6.3. INFLUENCE OF EXCEPTIONAL FACTORS

The information under items 6.1. and 6.2. above is not affected by the presence of exceptional factors.

6.4. SUMMARY INFORMATION RELATING TO THE EXTENT TO WHICH THE ISSUER DEPENDS ON PATENTS OR LICENSES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS OR FROM NEW PRODUCTION PROCESSES

The company "Sirma Group Holding" AD, in the essence of its activity, is not dependent on patents or licenses, industrial, commercial or financial contracts, as well as on new production processes.

The economic group of Sirma Group Holding AD currently has no activities dependent on foreign patents. In their product development, the companies "Ontotext" AD and "Sirma ITT" AD have integrated and further developed software components that are based on open source software, but they are under licensing regimes (LGPL - "GNU General Public License" of the Free Software Foundation, USA; BSD License - Berkeley Software Distribution Public License, USA; Apache License – Apache Software Foundation Public License, USA) that do not restrict commercial use or otherwise limit their freedom to dispose of their complete software solutions, including transfer copyrights to them.

For the workplaces of all employees in the Issuer's economic group, all companies have the relevant licenses for operating systems and application software for personal computers and servers, necessary for the usual work process in each specific company.

6.5. THE BASIS FOR ANY STATEMENTS MADE BY THE ISSUER IN RELATION TO ITS COMPETITIVE POSITION.

Sirma Group Holding AD was founded in 2008 as a natural continuation of the growth achieved by the Group, aiming to unite various companies/projects under the common banner of Sirma into one common holding. In this regard, the history of the Group began in 1992 in Sofia, when a small group of young Bulgarian specialists in the field of information technology decided to found their own company with the main focus of activity being the development of complex software systems based on artificial intelligence. 23 years later, the group holds stable positions in the local and international markets, with its products and services used by both private and public institutions in the country and abroad. Management's current views on the group's competitive position includes:

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> • Strong traditions in searching for and developing new ideas – generated in over 20 successful businesses • Very small percentage of failed businesses initiatives • Stable upward development of the companies in the group • Excellent technical teams in companies • Presence in international markets, sales in over 40 countries worldwide • Good brand image in the local market • Image of a good employer • Companies that are among the world's technological leaders in their field • Management structure in the group companies that allows for large expansion without much need for restructuring 	<ul style="list-style-type: none"> • Refocusing of mainly service companies in product or building vertical expertise, allowing the sale of services to much higher prices than typical outsourcing projects • Increasing sales and marketing teams in companies, especially in key target markets, which will lead to an increase in sales volume • Attracting financial resources to the holding, which will allow investment in developed existing and new businesses • Development of new channels for attracting IT specialists – R&D offices outside Bulgaria and in more Bulgarian regional centers, qualification courses • Sale of existing companies and generation of fresh cash resources • Building an office in the USA – mirroring the holding's office in Bulgaria, which has a business team development, marketing and provides administrative services of the American representations of the group companies
WEAKNESSES	THREATS
<ul style="list-style-type: none"> • Small group by global standards – in terms of revenue, personnel, profits • Weak ability to abandon failures investments on time • Many companies still rely more on revenues from outsourcing or custom software development. Price pressure from companies from countries like India, Ukraine, China is increasing • Many of the companies in the group have several business lines, which on the one hand minimizes risk, but on the other hand - defocuses the activity and makes it more difficult to attract investments or sell the companies • Difficulty in attracting external capital slows down the development of the group companies • Insufficiently developed marketing and sales in almost all companies • Limited labor market in Bulgaria, lack of sufficient number of qualified personnel, high salaries of IT specialists 	<ul style="list-style-type: none"> • Political risks – very often foreign investors refuse to invest in Bulgarian companies due to political risk • Risk of further deterioration of the business climate in Bulgaria • Increasing tension on the labor market, increasing the emigration of IT specialists outside Bulgaria • Risk of destabilization of the financial system • Risk of high-tech collapse sector in the US • Increased competition from Asia – so far the IT sector has been under threat only from India, Recently, other Asian countries are also starting to gain momentum – China, Vietnam, Pakistan.

- Weak local presence in foreign markets, few and poorly developed offices in the countries, where the main markets are.
- Lack of financial resources in the holding for investments in developed and new high-tech businesses

7. ORGANIZATIONAL STRUCTURE

7.1. IF THE ISSUER IS PART OF A GROUP — BRIEF DESCRIPTION OF THE GROUP AND POSITION OF THE ISSUER WITHIN THE GROUP

Within the meaning of § 1, item 7 of REGULATION No. 2 of 17.09.2003 on prospectuses for public offering and admission to trading on a regulated market of securities and on the disclosure of information by public companies and other issuers of securities (Title supplement - State Gazette, issue 82 of 2007), "economic group" consists of a parent company and its subsidiaries.

The economic group of Sirma Group Holding AD includes the following subsidiaries:

- "Sirma Solutions" AD, city Sofia, UIC: 040529004, with registered office and management address: city of Sofia. Sofia 1784, Mladost District, Blvd. "Tsarigradsko Shose" No. 135, in which the Issuer owns 2,329,131 shares with a nominal value of BGN 10 each, which represents 81.44% of the capital of BGN 31,085,890, with the following activities: design, development, marketing, sales, implementation, training and support of software products and complete solutions, including software project management, consulting services in the field of information and communication technologies, accounting services and any other activity not prohibited by law.
- "Ontotext" JSC, Sofia, UIC: 200356710, with registered office and management address: city of Sofia. Sofia 1784, Mladost District, Blvd. "Tsarigradsko Shose" No. 135, in which the Issuer owns 8,558,125 shares with a par value of 1 BGN each, which represents 56.21% of the capital of 15,225,771 BGN, with the following activities: conducting scientific research, developing technologies related to representation (KR) and computational linguistics (CL/NLP), providing knowledge management software (KM), semantic web (Semantic Web) and web services (Web Services) and any other activity permitted by law.
- "EngView Systems Sofia" AD, city Sofia, UIC: 201277917, with registered office and management address: city of Sofia. Sofia 1784, Mladost District, Blvd. "Tsarigradsko Shose" No. 135, in which the Issuer owns 50,000 shares with a par value of 1 BGN each, which represents 72.90% of the capital of 68,587 BGN, with the subject of activity: development, implementation and maintenance of software and hardware products and systems.
- "Sirma ITT" AD, city Sofia, UIC: 200421236, with registered office and management address: city of Sofia. Sofia 1784, Mladost District, Blvd. "Tsarigradsko Shose" No. 135, in which the Issuer owns 125,120 shares with a nominal value of BGN 10 each, which represents 90.00% of the issued share capital of BGN 1,390,220 and 100% of the shares in circulation ("Sirma ITT" EAD owns 13,902 shares), with the following activities: development, implementation and maintenance of software products and systems, purchase of goods and goods for sale in original, processed or processed form, foreign economic and foreign trade activities, marketing, management, leasing activities, commercial representation and agency of Bulgarian and foreign individuals and legal entities, transport activities - transportation of goods and passengers in the country and abroad, domestic and international tourism, hotel and restaurant business / in compliance with the established permit regime/, advertising, impresario, information and program activities, performance and organization of services permitted by law in Bulgarian and foreign individuals and legal entities, real estate transactions and rental relationships, construction, repair, and design activities.

The economic group of Sirma Group Holding AD includes the following subsidiaries of Sirma Solutions AD:

- "Sirma Business Consulting" AD, city Sofia, UIC: 175445129, with registered office and management address: city of Sofia. Sofia 1784, Mladost District, Blvd. "Tsarigradsko Shose" No. 135, in which "Sirma Solutions" AD owns 1,373,548 shares with a nominal value of 1 leva each, which represents 55.23% of the capital of 2,539,768 leva, with the following activities: carrying out trade in the Republic of Bulgaria and abroad, delivery and implementation of integrated software solutions, system integration of information systems, construction of connections and interfaces, design, development and maintenance of information systems, electronic registers and technical solutions, exchange of protocols, data and their transformation, design, development, implementation and maintenance of systems for creating reports, reports and information necessary for the management, construction and maintenance of data centers and a service center for Oracle and Flex Cube with provision of redundancy and provision of redundancy of workers

systems, outsourcing of IT activities, IT consulting services and training, design, analysis, consulting, program development and project management for Oracle and Flex Cube based products and systems, banking systems consulting and training, all based on Oracle with I-flex, as well as any other activity not prohibited by law.

- "Daticum" JSC, Sofia, UIC: 200558943, with registered office and management address: city of Sofia. Sofia 1784, Mladost District, Blvd. "Tsarigradsko Shose" No. 135, in which "Sirma Solutions" AD owns 1,392,740 shares with a nominal value of 1 BGN each, which represents 60.50% of the capital of 2,302,049 BGN, with the following activities:
 - operating a data center. providing colocation, hosting, virtualization and server system consolidation, hardware rental, communication and network services,
 - construction and operation of backup data centers, archiving and information storage services. Providing services for the construction and maintenance of hardware and software systems,
 - construction of data centers, system integration, construction of test environments and any other activity not prohibited by law.

- "Sirma ISG" Ltd., city Sofia, UIC: 201580558, with registered office and management address: city of Sofia. Sofia 1784, Mladost District, Blvd. "Tsarigradsko Shose" No. 135, in which "Sirma Solutions" AD owns 2,550 shares with a nominal value of 1 leva each, which represents 51.00% of the capital of 5,000 leva, with the following activities: development of information technologies in the field of finance and insurance, insurance management systems and related systems for managing and working with documents, qualified information, financial information and transaction management, system integration, construction of test and production environments, consultations in the field of insurance information systems, communication services, as well as carrying out any other activity not prohibited by law, after obtaining the necessary permits, in cases where such are provided for by the current legislation of the Republic of Bulgaria.

- "Sirma USA", reg. number: 4757972, with headquarters and management address: USA, State of Delaware, 16192 Coastal Highway, city. Lewis, in which Sirma Solutions AD owns 100.00% of the capital of 15,727,608 BGN, with the following activities: management of copyrights on software, management and marketing of software services and development and implementation of software products, provision of software services, etc., receiving company of the merged company on 16.01.2015: "Panaton Software" Inc., with its registered office and management address at 83707 Idaho St., USA. North 9th Street, number 202, in which Sirma Solutions AD owns 100.00% of the capital of 3,000 BGN, with the following activities: management of copyrights on software, management and marketing of software services and development and implementation of software products, provision of software services, etc. On 16.01.2015, pursuant to a concluded merger agreement, a transformation was entered into the company "Sirma USA" Inc. as of 01.01.2015 through the merger of "Panaton Software" Inc. - USA. As a result of the transformation operation, all assets of Panaton Software Inc. are transferred to "Sirma USA" Inc., and "Panaton Software" Inc. is terminated without liquidation. The exchange ratio is 1 new share of "Sirma USA" Inc. for 1 old share of "Panaton Software" Inc. The Issuer's management has carefully analyzed the structure of the two companies before the operation and, respectively, the structure and capital after the operation, as well as all effects thereof. As a result of this analysis, a decision was made to treat and account for the transaction as a "business restructuring" and not as a business combination within the meaning of IFRS 3. The merger was accounted for using the "pooling of interests" method, whereby the items in the financial statements of the two combining entities are presented as if they had been combined from the beginning of the earliest period presented in the financial statements. In order to eliminate, they have been checked the consequences of all business transactions between the receiving and merging companies, including settlements between them, regardless of whether they occurred before or after the date of the restructuring, in which no elimination was required. All differences from the merger operation are reported in the equity component "retained earnings". In this regard, no recalculations are required as a result of the transformation, since both companies are 100% owned by Sirma Solutions AD and the share exchange ratio is 1 new share for 1 old share.

- S&G Technology Services Limited, registered under the laws of England and Wales, with its registered office and registered office at 38-42 Newport Street, Wiltshire, England, company registration number 8165885, in which Sirma Solutions AD holds 51 shares, each with a nominal value of GBP 1, representing 51% of the capital of GBP 100.

- "Flash Media" JSC, Sofia, UIC: 202444956, with registered office and management address: city of Sofia. Sofia 1784, Mladost District, Blvd. "Tsarigradsko Shose" No. 135, in which "Sirma Solutions" AD owns 25,000 shares with a nominal value of 1 BGN each, which represents 50.00% of the registered capital of 50,000 BGN and the actually paid-in capital of 12,500 BGN, with the following activities: Creation, production and distribution of audio-visual media services and products, construction and development of online media, creation, production, co-production and distribution of packages with own (author's) polythematic program content by means of: creation of an Internet platform accessible to the user audience in 2D and 3D broadcast and positioning format, creation of mobile applications for all types of smartphones and tablets, online broadcast and positioning of program content in 3D format, production and online distribution of radio channels, distribution, broadcasting and promotion of packages with external program content - cinematographic works and other audio-visual products and services, creation, production and sale of musical works and others

artistic digital audiovisual products, production and management of artists and any other activity permitted by law. Flash Media AD is a subsidiary of the Issuer, but at the discretion of

Its management also does not participate in the consolidation due to lack of control over the company's activities.

The following subsidiary of EngView Systems Sofia AD is included in the economic group of Sirma Group Holding AD:

- "ENGVIEW SYSTEMS LATIN AMERICA - SISTEMA E SERVICOS LTDA", with registered office and management address: São Bernardo do Campo, State of São Paulo, ul. João Azabedo Marquez 215, office 13, in which EngView Systems Sofia AD owns 9,500 shares with a par value of R\$ 1 (one Brazilian real), which represents 95.00% of the capital of R\$ 10,000 BRL. Scope of activity: (a) trade, import and export of information products and services; (b) offering and providing information services, as well as intermediary activities, carrying out similar activities and services related to the company's scope of activity, as well as (c) participation in other national or foreign companies.

- Engview Systems USA Inc., with registered office and management address: 1175 North Street, Rochester, New York, 14621, USA, in which Engview Systems Sofia AD owns 10 shares with an issue value of 500 USD, which represents 100% of the capital of 5000 USD. Scope of activity: trade, import and export of information products and services; offering and providing information services, as well as intermediary activities, carrying out similar activities and services related to the company's scope of activity, as well as participation in other national

or foreign companies.

The following subsidiary of Ontotext AD is included in the economic group of Sirma Group Holding AD:

- "Ontotext USA" - corporate number: 4888154, with headquarters and management address: USA, State of Delaware, 16192 Coastal Highway, city. Lewis, in which Ontotext AD owns 100% of the capital in the amount of \$20,100. The company is registered to do business in the state of New York at: 116 W 23rd Street, Suite 500, New York, NY 10011.

The following associated companies are included in the economic group of Sirma Group Holding AD:

- "GMG Systems" Inc., with headquarters and management address: city of USA, 14439 Catalina Street, San Leandro, California 94577, in which Sirma Group Holding AD owns 961,540 shares with a par value of USD 0.001 each, which represents 34.82% of the capital of \$2,762. On 04.03.2015, an agreement was concluded between "Sirma Group Holding" AD and "GMG Systems" Inc., for the repurchase of 961,540 shares of the capital of "GMG Systems" Inc., owned by "Sirma Group Holding" AD. According to this contract, Sirma Group Holding AD transfers for a period of two years, starting from 05.03.2015. 961,540 shares, divided into monthly tranches of 38,462 shares. The price at which the shares are purchased is 350,000 USD and is payable in equal monthly installments.
- "E-dom Management" Ltd., town. Sofia, UIC: 201657264, with registered office and management address: city of Sofia. Sofia 1000, Sredets district, ul. "6th September" No. 18, entrance. A, floor. 3, in which Sirma Group Holding AD owns

700 shares with a nominal value of 10 BGN each, which represents 35.00% of the capital of 20,000 BGN, with the following activities: design, development, implementation, marketing, sales, training in the use of software products, including comprehensive solutions for real estate management, software project management, consulting services in the field of information technology, accounting services, as well as carrying out any other activity not prohibited by law, after obtaining the necessary permits, in cases where such are provided for by the current legislation of the Republic of Bulgaria.

- Sirma Mobile AD, Sofia, UIC: 200558943, with registered office and management address: city of Sofia. Sofia 1784, Mladost District, Blvd. "Tsarigradsko Shose" No. 135, in which "Sirma Solutions" AD owns 20,000 number of shares with a par value of 1 BGN each, which represents 40.00% of the registered capital of 50,000 BGN and the actual paid-in capital of 12,500 BGN, with the following business activities: design, development, sale and implementation of mobile technologies and software, management of mobile technologies, consulting services in the field of communication technologies, as well as any other activity that is not prohibited by law, in case a permit or license is required for any of the activities after obtaining the same.

The following were established under the Articles of Association:

- Consortium "Gravis-Sirma" was established by a Consortium Establishment Agreement dated 30.03.2012, concluded between "Sirma Solutions" AD and "Gravis Bulgaria" AD, UIC 121467570, with equal shareholding, for participation in an open procedure for awarding a public procurement contract "Completion of the unified information system for combating crime as a national integrated database", announced by the Prosecutor's Office of the Republic of Bulgaria;
- Company under the Civil Code "Sirma-Interconsult" was established by a Consortium Establishment Agreement dated 23.12.2011 between "Sirma Solutions" AD and "Interconsult Bulgaria" OOD, UIC 121026857, with equal shareholding, for participation in the procurement announced by the Ministry of Transport, Information Technologies and Communications with the subject "Development of electronic administrative services", upcoming liquidation and deregistration;
- Company under the Civil Procedure Act "Sirma", UIC 175549302, established by a Consortium Establishment Agreement dated 15.09.2008 between "Sirma Solutions" AD and "Sirma ITT" EAD, with equal shareholding and for participation in an open procedure for awarding a public procurement contract with the subject: "Development of a national system for comprehensive management of excise duties by the customs administration" - upcoming liquidation and deregistration.
- Company under the Civil Procedure Act "Sirma PI", UIC 176845090, established by an agreement for the establishment of a Consortium dated 24.03.2015 between "Sirma Solutions" AD and the "LAW AND INTERNET" Foundation, with equal shareholding and for participation and implementation of an open procedure for the award of a public procurement contract with the subject: Carrying out a complete reengineering of the administrative activity of the National Council for Prices and Reimbursement of Medicinal Products (NCPRLP) with the aim of transitioning to carrying out the administrative activity of processing information entirely in electronic form. Delivery of AIS, creation and implementation of means for accessing the registers of the National Center for Civil Aviation, incl. PLS", assigned in implementation of the project "National Council on Prices and Reimbursement of Medicinal Products - "effective and modern administration at the service of citizens and businesses".

Share buybacks:

- On 30.06.2014, Sirma ITT AD bought back from Sirma Solutions AD 13,902 (thirteen thousand nine hundred and two) registered shares with voting rights (which represents 10% of all shares) for the purpose of subsequent sale to key employees of Sirma ITT AD. For this purpose, by Decision of the sole owner of the capital dated 15.09.2014, the repurchased shares were converted into a new class A. An application has been submitted to the Tax Registry (entry number 20150213134102) for the deletion of the sole owner of the capital, but was refused due to the requirement to submit with the application a statute adopted by a regularly convened and held general meeting of shareholders, and not a statute adopted by the currently registered sole owner of the capital, whose deletion is sought. On 10.03.2015, 4634 shares were subscribed to key employees, on 15.04.2015, the first general meeting of shareholders was held and its decisions are to be entered in the Commercial Register at the Registry Agency. Currently

The company's own shares total 9,268. As of the date of this document, Sirma ITT AD has been changed in the Commercial Register, namely from a sole proprietorship to a joint-stock company.

- By decision of the General Meeting of Shareholders dated 31.07.2014, pursuant to Art. 187b, para. 1, 2 and 3 and in connection with Art. 187a, para. 1, item 8 and Art. 187a, para. 4 of the Commercial Code, Sirma Solutions AD buys back 248,687 registered shares owned by the shareholder Sirma Group Holding AD, constituting 8% of the capital of Sirma Solutions AD. The decision was entered in the Register of Legal Entities with an application with entry no. Number 20141124160732. The deadline for concluding a purchase contract is until 31.07.2014. Purpose of the buyback – the shares will be sold to key employees. For this purpose, by decision of the General Meeting of Shareholders dated 09.03.2015, part of the treasury shares were converted and two new classes of shares were created - class A and class B. The amended Articles of Association were announced in the Commercial Register on 17.03.2015. On 31.05.2015, 13,806 Class A shares were subscribed to the company's employees;
- With amendments to the Articles of Association, announced in the Commercial Register on 10.09.2014, an option fund, as follows:
 - o Holders of ordinary shares of capital of Ontotext AD, incl. "Sirma Group Holding" AD, agree to create an option fund of 1,210,215 (one million two hundred and ten thousand two hundred and fifteen) shares for a period until 31.03.2019, whereby they undertake to sell the shares included in the option fund to the option holders at a price per share equal to 1.17 BGN. The options from the option fund will be sold to key employees of the company, key employees of subsidiaries and consultants of the company and its subsidiaries at the price fixed in the previous sentence in accordance with a decision of the Board of Directors of Ontotext AD to determine the persons entitled to acquire options, taken by simple majority, but with the participation of at least one member of the Board of Directors nominated by the shareholders, who voted "FOR" the decision. The Board of Directors is authorized, for a period of 3 (three) years, as of the announcement of this amendment to the Articles of Association in the Commercial Register, to manage the option fund, to determine the price of 1 (one) option for the acquisition of one share, which cannot be higher than three euro cents, to determine the persons entitled to acquire options and to sell options from the option fund for the acquisition of shares from the capital of the Company. The sale of ordinary shares, pursuant to the Option issuance scheme, will be carried out proportionally by all Shareholders holding Ordinary Shares included in the option fund. Expected decrease in the participation of Sirma Group Holding AD in the capital of Ontotext AD – 8% or by 684,650 shares.
 - o The options are vested under the following conditions:
 - ÿ Term for exercising the option – at any time (American type) until 31.03.2019. (March thirty-first, two thousand and nineteen) and before the initial public offering of shares of the company's capital ("Ontotext" AD) on a regulated securities market, but no later than three months after the employee leaves the company or the consultant's contract is terminated, regardless of the reason and initiative for termination of any contractual relationship with an option holder, except in cases where the consultant's contract or an employee is terminated due to grossly intentional failure to comply with material obligations under the contract, fraud or crime, in which case the employee's or consultant's unexercised options are null and void upon termination of the contract.
 - ÿ Maximum number of shares that can be acquired (size of the Option Fund) - 1,210,215 (one million two hundred and ten thousand two hundred and fifteen) shares.
 - ÿ Method of acquisition – purchase of shares.
 - ÿ Sale mechanism – proportional participation of all shareholders, owners of common shares from the option fund.
 - ÿ Price for acquiring 1 share – 1.17 BGN. (one lev and seventeen cents)
 - o Based on the decision of the Board of Directors, which determines the individuals entitled to receive an option, as well as the number of shares subject to the option, the executive director of the company enters into an Option Agreement on behalf of all shareholders of the class of common shares participating in the option fund.
 - o The provisions of the articles of association bind any person who holds ordinary shares of the company's capital from the moment of their acquisition. The persons, owners of shares included in the option fund, agree until 31.03.2019 not to alienate, pledge or in any way

otherwise encumber these shares, except in cases where options have been issued for them and are exercise the rights under these issued options.

In addition to the above-mentioned companies, Sirma Solutions AD has the following investments:

- "Abil Interactive Solutions" AD, city. Sofia, UIC: 131001172, with headquarters in the city of Sofia 1463, Lozenets district, ul. Krum Popov 75, fl. 5, in which Sirma Solutions AD owns 19,000 shares with a nominal value of 1 BGN each, which represents 38% of the registered capital of 50,000 BGN, with the following activities: information, programming, consulting and other services; intellectual property transactions;

commission, transportation and forwarding transactions; commercial representation, mediation and agency of Bulgarian and foreign persons in the country and abroad; any other activity not prohibited by law.

The Company is not classified as an associated company of the Issuer's group because as of the date of this Registration Document it has ceased its activities;

- "Electronic Payment System Bulgaria / SEP Bulgaria" AD, city Sofia, UIC: 131107204, with headquarters in the city of Sofia 1164, Lozenets district, residential area "Lozenets", ul. "Zlatovrukh" No. 1, in which "Sirma Solutions" AD owns 650,000 shares with a nominal value of 1 BGN each, which represents 7.5% of the registered capital of 10,000,000 BGN, with the following activities: provision of certification services, development and maintenance of software products for automating banking activities, development and operation of banking information systems, development and maintenance of electronic payment terminals, as well as any other activity not prohibited by law. As of the date of the prospectus, the company has negligible business.

operations.

7.2. LIST OF THE ISSUER'S SIGNIFICANT SUBSIDIARIES, INCLUDING NAME, COUNTRY OF REGISTRATION OR OPERATION, PROPORTIONAL SHAREHOLDING

Sirma Group Holding AD owns the following significant subsidiaries:

- "Sirma Solutions" AD, city Sofia, Bulgaria, in which the Issuer owns 81.44% of the capital of 31,085 890 BGN
- "Ontotext" JSC, Sofia, Bulgaria, in which the Issuer owns 56.21% of the capital of BGN 15,225,771.
- "Sirma ITT" AD, city Sofia, Bulgaria, in which the Issuer owns 125,120 shares with a par value of BGN 10 each, which represents 90.00% of the issued share capital of BGN 1,390,220 and 96.45% of the shares in circulation.

8. REAL ESTATE, FACTORIES, EQUIPMENT

8.1. INFORMATION REGARDING EXISTING OR PLANNED SIGNIFICANT TANGIBLE FIXED ASSETS, INCLUDING LEASEHOLD PROPERTIES AND ANY LARGE BURDEN ON THEM.

The Company does not own significant tangible fixed assets, including leased properties and any large encumbrances on them. Description of the real estate owned by the Group, together with the encumbrances on them:

- OFFICE No. 8, located in the city of Sofia, Sofia City Council, Mladost District, on the 2nd office floor, in the building on Blvd. "Tsarigradsko Shose - 7th kilometer" No. 135, with a built-up area of 176.74 sq. m. - Contractual mortgage dated 20.12.2013, Notarial deed 119, volume X, reg. number 26272, case 1690 of 2013 for securing a loan from Allianz Bank Bulgaria AD in the amount of 123,000 euros;
- OFFICE No. 19, located in the city of Sofia, Sofia City Council, Mladost District, on the 2nd office floor, in the building on Blvd. "Tsarigradsko Shose - 7th kilometer" No. 135, with a built-up area of the office 99.21 sq. m. - Contractual mortgage dated 10.10.2013, Notarial deed 80, volume 20, registration number 38867, for securing an investment loan from Unicredit Bulbank AD in the amount of 300,000 euros;
- OFFICE No. 20, located in the city of Sofia, Sofia City Council, Mladost District, on the 2nd office floor, in the building on Blvd. "Tsarigradsko Shose - 7th kilometer" No. 135, with a built-up area of the office 144.39 sq. m. - Contractual mortgage dated 10.10.2013, Notarial deed 80, volume 20, registration number 38867, for securing an investment loan from Unicredit Bulbank AD in the amount of 100,000 euros;
- OFFICE No. 21, located in the city of Sofia, Sofia City Council, Mladost District, on the 2nd office floor, in the building on Blvd. "Tsarigradsko Shose - 7th kilometer" No. 135, with a built-up area of the office 81.35 sq. m. - Contractual mortgage dated 10.10.2013, Notarial deed 80, volume 20, registration number 38867, for securing an investment loan from Unicredit Bulbank AD in the amount of 300,000 euros;
- Floor 3 of the office building "IT-center Office Express" in the city Sofia, Blvd. "Tsarigradsko Shose" No. 135 with a built-up area of 796.50 sq. m. - Contractual mortgage dated 13.06.2014, Notarial deed 84, volume I-1, reg. number 2002, case 63 of 2014 for securing an overdraft loan from Unicredit Bulbank AD in the amount of EUR 850,000;
- Floor 5 of the office building "IT-center Office Express" in the city Sofia, Blvd. "Tsarigradsko Shose" No. 135 with a built-up area of 281.81 sq. m. - Contractual mortgage dated 23/09/2014, Notarial deed 37, volume 18, reg. number 36189, for securing an overdraft loan from Allianz Bank Bulgaria AD in the amount of 350,000 euros;

For the historical period under review, the Company's non-current assets are systematized in the following table:

Table No. 20. Non-current tangible and intangible assets of the Issuer at consolidated level, 2012-31.03.2015

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014 31.3.2015	
	core				
Intangible assets Property, plant and equipment Investments in subsidiaries	36 605	31 692	30 023	32 119	37 065
Investments in associates Long-term financial assets	2 116	3 198	4 801	3 751	4 584
Deferred tax assets Capitalized own costs / products under construction / Goodwill Total non-current assets	-	-	7	7	17
	8 710	8 263	429	429	379
	-	-	442	-	25
	263	214	27	396	254
	-	27 031	11 527	26 346	12 814
	11 587	13 744	19 398	13 744	19 398
	59 281	84 142	66 654	76 792	74 536

Source: Sirma Group Holding AD

The only significant tangible non-current assets can be defined as: the office building owned by the Company - offices, floor 3; floor 5 and parts of floors 2 and 4 of an office building located in the city of Sofia, Blvd. "Tsarigradsko Shose" 135 and servers and infrastructure equipment owned by "Daticum" AD.

SIRMA GROUP HOLDING AD

REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

Table No. 20.1. Non-current tangible and intangible assets of the Issuer at individual level, 2012-31.03.2015

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Intangible assets Property, plant and equipment	102	222	189	20 593	180
Investments in subsidiaries	7	139	161	156	158
Investments in associates	43 270	43 270	50 651	43 270	50 651
Investment properties	7 794	7 794	365	7 794	350
Costs of acquisition of fixed assets Total	4 735	5 229	5 470	5 201	5 439
non-current assets	-	20 375	-	-	-
	55 908	77 029	56 836	77 014	56 778

Source: Sirma Group Holding AD

The most significant part of non-current assets at the individual level is understandably occupied by investments in subsidiaries and associated companies.

As of the date of this document, the Issuer has committed to invest in the following for the "Business Incubator":

Total investment value: 582,777 leva. Assets targeted for purchase are the following:

1. Cloud service provision system 1 pc. – 339,350 BGN
2. Video surveillance and video data storage system 1 pc. – 5,626 BGN
3. Information cabinets 5 pcs. – 9,500 BGN.
4. UPS power supply devices 1 pc. – 146,567 BGN.
5. Telephone exchange 1 pc. – 1,067 BGN.
6. Work desks 20 pcs. – 17,400 BGN.
7. Director's desks 4 pcs. – 5,400 BGN.
8. Metal box 1 pc. – 1,344 BGN
9. Laser multi-functional device 1 pc. – 1,100 BGN.
10. Presentation laptop 2 pcs. – 1,940 BGN.
11. Workstations (laptops) 20 pcs. – 37,740 BGN.
12. Projector and screen 1 pc. – 1,300 BGN.
13. Conference table 1 pc. – 1,843 BGN
14. Office supplies and toner cartridges – 12,600 BGN.

The purpose of the investment is to create 20 new jobs and provide cloud services.

As of the same date, the Issuer did not plan to purchase any other significant tangible fixed assets.

8.2. DESCRIPTION OF ANY ENVIRONMENTAL ISSUES THAT MAY AFFECT THE USE OF DURABLE MATERIALS ASSETS FROM THE ISSUER.

There are no environmental issues that may affect the use of the Issuer's fixed assets.

9. OPERATIONAL FINANCIAL REVIEW

9.1. FINANCIAL CONDITION

For the analysis of the financial position of Sirma Group Holding AD, the audited individual and consolidated statements for the financial years 2012, 2013 and 2014 and the interim unaudited individual and consolidated statements as of 31.03.2015.

Since the end of the last reported financial period (31.03.2015), and for any published financial information, there has been no significant change in the Issuer's trading position. The change that occurred as of July 31, 2014 is related to the transformation described in this document (i.e. 20.9. below). The adjustments to the financial statements in connection with this change are presented in detail in item 20.2. Pro forma financial information, together with the opinion of the auditor who reviewed it.

Revenue

"Sirma Group Holding" AD maintains a continuous positive trend in its development and positive financial results, including one on an interim basis comparing the first quarters of 2014 and 2015.

Table No. 21. Dynamics of the Issuer's consolidated revenues, 2012-31.03.2015.

Indicators (in thousands of leva)	2012 core	2013	2014	31.3.2014	31.3.2015
Sales revenue	17 636	21 563	27 048	5,428	7 022
		Change % 22.27% 25.44%		n/a	29.37%
Financing income	-	104	515		12
		Change % n/a 395.19%		9 n/a	33.33%
Other income	-	1 101	303		10
		Change % n/a -72.48%		6 n/a	66.67%

Source: Sirma Group Holding AD

Consolidated revenues grew at a stable high rate throughout the period under review, significantly outpacing the upward trend in the Issuer's business sector. The increase in revenue is due to the geographical expansion of markets, the attraction of new customers and the increase in volumes from existing ones. The largest share is revenue from services, which also contributes the most to revenue growth.

The issuer sells its products and services without geographical restrictions. However, traditionally the Company generates its highest sales in Europe and North America. They account for about 97-98% of the total revenue. Nevertheless, due to the exceptional diversification of its products and services,

which are applied in many completely different sectors and clients, there can be no question of any dependence of the Issuer on any given clients or on any given services.

Table No. 21.1. Dynamics of the Issuer's individual income, 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Sales revenue	1 013	1 188	1 639	394	314
		Change % 18.76% 17.28% 37.96%		n/a	-20.30%
Financing income	55	60	59	-	-
		Change % n/a 9.09% -1.67%		n/a	n/a
Other income	-	-	57	-	-
		Change % n/a n/a n/a		n/a	n/a

Source: Sirma Group Holding AD

At an individual level, the Issuer also achieved constant revenue growth related to the expansion of its activities and the size of the group of companies.

Costs

During the period under review, consolidated and individual expenses gradually increased in line with the growing revenues from the Company's operations. Traditionally, the highest share in total costs is accounted for by personnel costs, which are the main asset of every company in the IT sector. Costs for external services and those for depreciation and impairment are traditionally in the next places in terms of share in total costs.

Table No. 22. Dynamics of the Issuer's consolidated expenses, 2012-31.03.2015.

Indicators (in thousands of leva)	2012 core	2013	2014	31.3.2014	31.3.2015
Material costs	(480)	(610)	(481)	(111)	(92)
	Change % 14.01% 27.14% -21.18%			n/a -17.12%	
External service costs	(1,401)	(4,449)	(3,866)	(491)	(727)
	Change % -26.34% 217.55% -13.10%			n/a 48.07%	
Personnel costs	(9,760)	(11,805)	(14,890)	(3,276)	(3,881)
	Change % 15.07% 20.96%		26.13%	n/a	18.47%
Depreciation and impairment charges on non-financial assets	(3,762)	(5,285)	(5,809)	(1,107)	(1,113)
	Change % 232.04% 40.47%		9.92%	n/a	0.54%
Cost of goods sold and other current assets	(1,775)	(2,276)	(5,073)	(720)	(2,001)
	-0.56% 28.22% 122.90%			n/a 177.92%	
Changes in inventories of finished goods and work in progress	56	1 144	(995)	-	-
	Change % -12.50% 1942.24% -187.00%			n/a	n/a
Capitalized own costs	3 086	4 701	9 587	694	1 287
	Change % -883.25% 52.35% 103.92%			n/a	85.45%
Other expenses	(1 329)	(829)	(1 147)	(186)	(113)
	-37.63%		38.38%	n/a	-39.25%

Source: Sirma Group Holding AD

Table No. 22.1. Dynamics of the Issuer's individual expenses, 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Material costs	(41)	(20)	(18)	(6)	(4)
	Change % 192.86% -51.22% -10.00%			n/a -33.33%	
External service costs	(183)	(374)	(397)	(37)	(50)
	Change % 88.66% 104.37%		6.15%	n/a	35.14%
Personnel costs	(661)	(591)	(655)	(151)	(180)
	Change % -1.93% -10.59%		10.83%	n/a	19.21%
Depreciation and impairment charges on non-financial assets	(105)	(127)	(168)	(39)	(43)
	Change % 0.00%		20.95%	n/a	10.26%
Cost of goods sold and other current assets	-	-	(281)	(87)	-
	Change %			n/a	n/a
Expenses for acquisition of fixed assets	-	135	166	-	6
	Change %			n/a	n/a
Other expenses	(44)	(61)	(92)	a(12)	(1)
	4.76%	38.64%	50.82%	n/a	-91.67%

Source: Sirma Group Holding AD

Financial income and expenses

For the period under review, consolidated financial income and expenses are typically formed by exchange rate differences and interest expenses. In 2013, a specific transaction with financial assets was reported as financial income, and the carrying amount of the assets as financial expenses. This transaction concerns the sale of 6% of the capital of Sirma Solutions AD to an American individual. The same is accounted for as recorded in the expense section the book value of the shares sold in the amount of BGN 1,865 thousand. The balance of up to BGN 2,124 thousand represents interest paid on loans received, exchange rate differences and bank fees. The income from this transaction of BGN 1,865 thousand was recorded as financial income in the same year. In addition to financial revenues, accrued loss from the sale of shares - 337 thousand BGN, as well as ordinary financial income of 165 thousand BGN. Information on the dynamics of financial income and expenses is shown in the following table. ., Again in 2013. The issuer purchased 10% of the capital of "Panaton Software" Inc. from an American individual for BGN 1,865 thousand, the amount not being reflected as a financial expense, but towards an increase in investments in subsidiaries and associates. As long as the remaining part of the capital of "Panaton Software" Inc. is owned by "Sirma Solutions" AD, the Issuer decides to transfer the shares purchased in 2013. 10% of its capital and consolidated the participation in this company in the subsidiary Sirma Solutions AD. The transaction was carried out in 2014 at the value of the investment made of BGN 1,865 thousand, and the same is not reflected in the financial income and expenses for this year, since in the application of IAS, the income and expenses for financial assets are netted.

Table No. 23. Dynamics of the Issuer's consolidated financial income and expenses, 2012-31.03.2015.

Indicators (in thousands of leva)	2012 core	2013	2014	31.3.2014	31.3.2015
Financial costs	(706)	(2,124)	(427)	(59)	(50)
	Change % 67.70% 200.85% -79.90%			n/a -15.25%	
Financial income	34	1 693	206	22	31
	Change % -101.79% 4879.41% -87.83%			n/a 40.91%	
Other financial items	-	-	5,715	-	-
	Change % -100.00%			n/a n/a	
Financial income/expenses net	(672)	(431)	5,494	(37)	(19)

Source: Sirma Group Holding AD

At the individual level, the above-mentioned accounting of purchase costs as a financial expense and the corresponding sale as revenue can again be observed. The usual financial income and expenses at this level are related to bank fees and interest paid and received on loans granted and taken out.

Table No. 23.1. The dynamics of the Issuer's individual financial income and expenses, 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Financial costs	(82)	(1 958)	(113)	(24)	(29)
	9.33% 2287.80% -94.23%			n/a 20.83%	
Financial income	70	2 175	390	23	15
	Change % -45.74% 3007.14% -82.07%			n/a -34.78%	
Financial income/expenses net	(12)	217	277	(1)	(14)

Source: Sirma Group Holding AD

In 2014, Sirma Solutions AD sells 90% of the shares of Sirma ITT EAD to an American person for BGN 6,895,020.00. The carrying amount of the investment of Sirma Solutions AD was BGN 1,172,552, resulting in a difference of BGN 5,722,468. The same transaction ("operations with financial assets"), after deducting the costs of its implementation, is the reason for the presence of the item Other financial income in the table above. The transaction was carried out with deferred payment and through endorsement of the shares of Sirma ITT EAD. Due to a new business opportunity related to specific projects for the Government of the Republic of Bulgaria, the National Gallery of the United States and the world's second largest American quality control and measurement company in

production, the nature of which is related to the software platform offered by Sirma ITT EAD, the Issuer decided to change its corporate strategy and initiated the buyback of Sirma ITT EAD. The reason for this action is the possibility for Sirma ITT EAD to implement the mentioned projects (two of which are still being implemented as of the date of this document). The transaction itself takes place with the endorsement of the shares of Sirma ITT EAD in the name of Sirma Group Holding AD, with the holding becoming the owner of the transferred shares. The action is reflected in the direction of increasing investments in subsidiaries, and the value of the transaction is equal to the sale price of the company to the American person.

The result of the double transfer of Sirma ITT EAD is the realization of a one-time profit. The same was not taken into account when determining the price of a share from the public offering and due to its specific nature The Issuer does not intend for this profit to participate in making an investment decision by those wishing to purchase shares from the capital increase of Sirma Group Holding AD.

Financial result

The Issuer's financial result has shown constant growth for the period under review in line with the growth achieved in revenues. This trend can be seen in both the consolidated and individual results, with the only exception being the individual result for the first quarter of 2015, which marked a decline compared to the same period in 2014.

Table No. 24. The dynamics of the Issuer's consolidated financial result, 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Profit / (Loss) before taxes	2 004	3 192	10 686	209	385
	Change % 230.15%	59.28%	234.78%	n/a	84.21%
Income tax expense / Income tax revenue	(123)	(242)	(907)	-	-
	Change % 66.22%	274.79%		n/a	n/a
Profit / (Loss) for the year from continuing operations	1 881	2 950	9 778	209	385
	252.91%	56.83%	231.47%	n/a	84.21%

Source: Sirma Group Holding AD

Table No. 24.1. The dynamics of the Issuer's individual financial result, 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Profit / (Loss) before taxes	22	427	587	66	28
	Change % 257.14%	1840.91%	37.47%	n/a	-57.58%
Income tax revenue (3) (21) (58)	Change % n/a	600.00%	176.19%	-	-
				n/a	n/a
Profit / (Loss) for the year from continuing operations	19	406	529	66	28
	Change % 235.71%	2036.84%	30.30%	n/a	-57.58%

Source: Sirma Group Holding AD

Assets

Both revenues and consolidated assets increased during the period under review. Traditionally, the largest share of them, over 30%, is occupied by intangible assets, which is dictated by the Issuer's activities and its ownership of a significant number of software modules. Goodwill and investments in associated companies regularly occupy the next places in terms of share of total assets, and in particular non-current ones. In 2013, due to a change in the company's strategy, it was decided that assets and disposal groups classified as held for sale would be further developed and for this reason capitalized own costs /products under construction/ were transferred to the balance sheet item. From your

On the other hand, the transformation through separation is the reason for the decrease in the total value of assets on a quarterly basis in 2015 compared to the previous one.

Table No. 25. Dynamics of the Issuer's consolidated assets, 2012-31.03.2015.

Indicators (in thousands of leva)	2012 core	2013	2014	31.3.2014	31.3.2015
Intangible assets	36 605	31 692	30 023	32 119	37 065
	Change % 32.83% -13.42%		-5.27%	n/a 15.40%	
Property, plant and equipment	2 116	3 198	4 801	3 751	4 584
	Change % -19.14% 51.14%		50.12%	n/a 22.21%	
Investments in subsidiaries	-	-	7	7	17
	Change % n/a n/a		n/a	n/a 142.86%	
Investments in associates	8 710	8 263	429	429	379
	Change % 4.54%		-5.13% -94.81%	n/a -11.66%	
Long-term financial assets	-	-	442	-	25
	Change % n/a n/a		n/a	n/a n/a	
Deferred tax assets	263	214	27	396 254	
	Change % -1.50% -18.47% -87.41%			n/a -35.86%	
Capitalized own costs /products under construction/	-	27 031	11 527	26 346	12 814
	Change % n/a n/a		-57.36%	n/a -51.36%	
Commercial reputation	11 587	13,744	19 398	13 744	19 398
	Change % 0.00% 18.62%		41.14%	n/a 41.14%	
Total non-current assets	59 281	84 142	66 654	76 792 74 536	
	Change % 17.71% 41.94% -20.78%			n/a -2.94%	
Inventory	598	1 143	463	1 208	439
	Change % -51.46% 91.18% -59.50%			n/a -63.66%	
Trade receivables	1 664	4 430	7 377	7 023 5 776	
	Change % -42.90% 103.01%		66.54%	n/a -17.76%	
Receivables from related parties	2 182	-	1,060	21 499	
	Change % 1335.53%		n/a	n/a 2276.19%	
Tax receivables	-	-	44	46 74	
	Change % n/a n/a		n/a	n/a 60.87%	
Other receivables	208	321	153	360 736	
	Change % -46.67% 54.38% -52.35%			n/a 104.44%	
Prepaid expenses	-	-	135	135 146	
	Change % n/a n/a		n/a	n/a 8.15%	
Cash and cash equivalents	1,714	2 460	3,003	2 669 3 802	
	Change % 36.36% 43.51%		22.09%	n/a 42.45%	
Total current assets	6 366	8 354	12 235	11 462	11 472
	Change % 7.08% 31.22%		46.46%	n/a 0.09%	
Assets and disposal groups classified as held for sale	20 874	-	15,265	15 770	15 265
	Change % -25.06% -100.00%		n/a	n/a -3.20%	
Total assets	86 521	92 496	94 154	104 024	101 273

Source: Sirma Group Holding AD

The observed growth in assets on a consolidated basis is adjusted on an individual basis by the transformation carried out at the end of 2014, when part of the investments and owned software modules were transferred to the newly established company. This is also the reason for the significant decline in the amount of the asset in the first quarter of 2015 compared to the same period of the previous year.

Table No. 25.1. Dynamics of the Issuer's individual assets, 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Intangible assets	102	222	189	20 593	180
Change %	n/a	117.65%	-14.86%	n/a	-99.13%
Property, plant and equipment	7	139	161	156	158
Change %	250.00%	1885.71%	15.83%	n/a	1.28%
Investments in subsidiaries	43 270	43 270	50 644	43 270	50 644
Change %	0.03%	0.00%	17.04%	n/a	17.04%
Investments in associates	7 794	7 794	365	7 794	350
Change %	0.00%	0.00%	-95.32%	n/a	-95.51%
Investment properties	4 735	5 229	5 470	5 201	5 439
Change %	-2.15%	10.43%	4.61%	n/a	4.58%
Investments in mixed enterprises	-	-	7	-	7
Change %	n/a	n/a	n/a	n/a	n/a
Expenses for acquisition of fixed assets	-	20 375	-	-	-
Change %	n/a	n/a	-100.00%	77	n/a
Total non-current assets	55,908	029 56 836		77 014 56 778	
Change %	0.03%	37.78%	-26.21%	n/a	-26.28%
Inventory	-	-	-	129	2
Change %	n/a	n/a	2 n/	n/a	-98.45%
Trade receivables	1 301	1,394	a 337	1 298	136
Change %	-3.91%	7.15%	-75.82%	n/a	-89.52%
Receivables from related parties	1 471	1 482	850	1 638	1 125
Change %	6.52%	0.75%	-42.65%	n/a	-31.32%
Tax receivables	2	41	-	-	-
Change %	0.00%	1950.00%	-100.00%	n/a	n/a
Other receivables	2	49	-	-	25
Change %	0.00%	2350.00%	-100.00%	n/a	n/a
Prepaid expenses	9	5	24	5	7
Change %	350.00%	-44.44%	380.00%	n/a	40.00%
Cash and cash equivalents	36	101	63	11 103	
Change %	71.43%	180.56%	-37.62%	n/a	836.36%
Total current assets	2 821	3 072	1 276	3 081	1 398
Change %	2.10%	8.90%	-58.46%	n/a	-54.63%
Assets and disposal groups classified as held for sale	20 375	-	-	-	-
Change %	0.00%	-100.00%	n/a	n/a	n/a
Total assets	79 104	80 101	58 112	80 095	58 176

Source: Sirma Group Holding AD

Liabilities

Liabilities at the consolidated and individual levels also show growth, which can be traced in the following tables. Typically, the largest share in non-current liabilities is accounted for by liabilities to financial institutions and trade and other liabilities. This role in current liabilities is performed by the current part of non-current liabilities, liabilities to financial institutions and trade and other liabilities. It should be noted that the Issuer operates under conditions of low indebtedness, with liabilities not exceeding 13% of the value of total assets. The remaining part of the liability items on the balance sheet falls on the value of the owner's equity capital.

Table No. 26. Dynamics of the Issuer's consolidated liabilities, 2012-31.03.2015.

Indicators (in thousands of leva)	2012 core	2013	2014	31.3.2014	31.3.2015	
Long-term provisions	49	57	86	86 63		
	Change % 2.08% 15.69%		51.71%	n/a -26.74%		
Pension and other obligations to personnel	-	6	-	-		
	Change %		n/a n/a	n/a n/a		
Liabilities to financial institutions	187	595	860	809	638	
	Change %		n/a 218.18%	44.54%	n/a -21.14%	
Finance lease liabilities	-	34	97	208	388	
	Change %		n/a n/a	185.29%	279 n/a 86.54%	
Commercial and other liabilities	51	-	-	438	1 142	
	Change % -79.10%		447.06%	n/a 160.73%		
<i>including Other obligations</i>	-	-	-	-	-	
	Change %		n/a n/a	n/a n/a		
<i>including Deferred tax liabilities</i>	34	135	867	438	1 142	
	Change %		277.78%	297.06%	542.22%	n/a 160.73%
Funding	-	137	-	-	-	
	Change %		n/a n/a	n/a n/a		
Total non-current liabilities	321	1 243	1,910	1 541	2 231	
	Change % 9.93%		287.13%	53.70%	n/a 44.78%	
Current portion of non-current liabilities	107	-	-	-	-	
	Change % -21.32%		-100.00%	n/a n/a		
Provisions	304	732	728	-	-	
	Change % -8.43%		140.70%	-0.51%		n/a n/a
Liabilities to financial institutions	1 567	2 107	3 920	1 657	3 518	
	Change % 0.13%		34.46%	86.04%	n/a 112.31%	
Liabilities to related parties	187	-	185	144	-	
	Change % 42.75%		n/a n/a	n/a -100.00%		
Finance lease liabilities	-	-	26	-	-	
	Change %		n/a n/a	n/a n/a		
Commercial and other liabilities, incl.	2 350	2,081	5,056	1,382	1 323	
	Change % 27.93%		-11.43%	142.91%	n/a -4.27%	
<i>Pension and other obligations to personnel</i>	-	-	929	1,546	2 615	
	Change %		n/a n/a	n/a 69.15%		
<i>Trade obligations</i>	-	837	1,026	-	-	
	Change %		n/a n/a	22.54%		n/a n/a
<i>Tax liabilities</i>	-	355	664	378	674	
	Change %		n/a n/a	87.04%		n/a 78.31%
<i>Liabilities for advances received</i>	-	546 1,726	n/a	2,199	2,855	
	Change %		n/a	215.88%	39,419	n/a 29.83%
<i>Funding</i>	-	n/a	974.36%	-	-	
	Change %		n/a	304,292	n/a 4,920	n/a n/a
<i>Other obligations</i>	-	-	-	557	514	
	Change %		n/a	-3.95%		n/a -7.72%
Total current liabilities	4,515		9 915	7,863	11,499	
	Change % 12.85%		8.97%	101.52%	n/a 46.24%	
Total liabilities	4 836	6 163	11 825	9 404	13 730	
	Change % 12.65%		27.44%	12.56%	n/a 46.00%	

Source: Sirma Group Holding AD

Table No. 24.1. Dynamics of the Issuer's individual liabilities, 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Provisions	-	-	6	3	6
Change %	n/a	n/a	n/a	n/a	100.00%
Pension and other obligations to personnel	3	3	-	-	-
Change %	-57.14%	0.00%	-100.00%	n/a	n/a
Long-term loans	-	441	656	656	553
Change %	n/a	n/a	48.75%	n/a	-15.70%
Finance lease liabilities	1	-	239	1	242
Change %	n/a	-100.00%	n/a	n/a	24100.00%
Trade obligations	51	51	-	-	-
Change %	0.00%	0.00%	-100.00%	n/a	n/a
Long-term liabilities to related parties	285	201	489	201	489
Change %	21.28%	-29.47%	143.28%	n/a	143.28%
Deferred tax liabilities	4	25	-	-	-
Change %	300.00%	525.00%	-100.00%	n/a	n/a
Total non-current liabilities	344	721	1 390	861	1 290
Change %	17.01%	109.59%	92.79%	n/a	49.83%
Provisions	22	28	51	52	51
Change %	-29.03%	27.27%	82.14%	n/a	-1.92%
Pension and other obligations to personnel	63	74	94	114	210
Change %	-45.69%	17.46%	27.03%	n/a	84.21%
Short-term loans	489	635	679	368	769
Change %	0.20%	29.86%	6.93%	n/a	108.97%
Finance lease liabilities	-	1	38	1	29
Change %	n/a	n/a	3700.00%	n/a	2800.00%
Commercial and other liabilities	8	24	514	146	490
Change %	-33.33%	200.00%	2041.67%	n/a	235.62%
Short-term liabilities to related parties	620	641	328	542	347
Change %	7.27%	3.39%	-48.83%	n/a	-35.98%
Tax liabilities	35	51	103	24	82
Change %	-56.25%	45.71%	101.96%	n/a	241.67%
Liabilities for advances received	74	74	3	68	2
Change %	n/a	0.00%	-95.95%	n/a	-97.06%
Other obligations	15	12	147	12	113
Change %	7.14%	-20.00%	1125.00%	n/a	841.67%
Total current liabilities	1 326	1 540	1 957	1 327	2 093
Change %	0.53%	16.14%	27.08%	n/a	57.72%
Total liabilities	1 670	2 261	3 347	2 188	3 383
Change %	3.53%	35.39%	3.55%	n/a	54.62%

Source: Sirma Group Holding AD

Financial ratios

Based on the results achieved for the historical period under review, the tables below show the coefficients for development, profitability, liquidity, etc. of the Company.

Table No. 27. Consolidated ratios of the Issuer, 2012-31.03.2015.

N	Consolidated figures in thousands of BGN	2012	2013	2014	31.3.2014	31.3.2015
1 Operating income 2 Cost of sales 3 Gross profit/		17 636	22 768	27 865	5 443	7 044
loss 4 Other operating expenses 5 Profit/loss		(14,036)	(18,580)	(21,527)	(5,011)	(6,527)
from operating activities 6 Financial		3 600	4 188	6 338	432	517
income 7 Financial expenses 8 Profit/loss		(1,329)	(829)	(1,147)	(186)	(113)
before tax expenses 9 Tax expenses 10 Net profit/loss 11		2,271	3 359	5,192	246	404
Dividend 12 Cash and cash		34	1 693	5 921	22	31
equivalents 13 Inventories 14		(706)	(2 124)	(427)	(59)	(50)
Current assets 15 Total assets 16 Current liabilities		2,004	3 192	10 686	209	385
		(123)	(242)	(907)	-	-
		1,881	2 950	9 778	209	385
		-	100	-	-	-
		1 714	2 460	3 003	2 669	3 802
		598	1 143	463	1 208	439
		6 366	8 354	12 235	11 462	11 472
		86 521	92 496	94 154	104 024	101 273
		4 515	4 920	9 915	7 863	11 499
17 Debt 18		1 754	2 736	4 903	2 674	4 544
Liabilities (borrowed funds) 19 Equity		4 836	6 163	11 825	9 404	13 730
		81 685	86 333	82 329	94 620	87 543
20 Working capital 21 Number		1 851	3 434	2 320	3 599	(27)
of shares at the end of the period (thousands of shares)		73 341	73 341	49 837	73 341	49 837
Profitability ratios						
22 Gross profit margin (3/1) 23 Operating profit		0.20	0.18	0.23	0.08	0.07
margin (5/1) 24 Net profit margin (10/1) 25 Return on assets (10/15) 26 Return		0.13	0.15	0.19	0.05	0.06
on equity (10/19) Asset and liquidity ratios		0.11	0.13	0.35	0.04	0.05
		0.02	0.03	0.10	0.002	0.004
		0.02	0.03	0.12	0.002	0.004
27 Asset turnover (1/15) 28 Working capital turnover		0.20	0.25	0.30	0.05	0.07
(1/20) 29 Current liquidity (14/16) 30 Quick liquidity ((14-13)/16) 31		9.53	6.63	12.01	1.51	(260.89)
Absolute (instant) liquidity (12/16)		1.41	1.70	1.23	1.46	1.00
		1.28	1.47	1.19	1.30	0.96
		0.38	0.50	0.30	0.34	0.33
Odds for one share						
32 Sales Ratio per Share (1/21) 33 Earnings Ratio per Share (10/21) 34		0.24	0.31	0.56	0.07	0.14
Book Value Ratio per Share (19/21) Dividend Ratios		0.03	0.04	0.20	0.003	0.01
		1.11	1.18	1.65	1.29	1.76
35 Dividend payout ratio (11/10) 36 Earnings retention ratio 37 Dividend		-	0.03	-	-	-
per share (11/21) Growth ratios		1.00	0.97	1.00	1.00	1.00
		-	0.001	-	-	-
38 Sales growth rate 39 Gross profit growth rate 40		0.23	0.29	0.22	0.21	0.29
Asset growth rate Leverage ratios		10.61	0.16	0.51	0.15	0.20
		0.03	0.07	0.02	0.01	(0.03)
41 Debt/Total Assets Ratio (17/15) 42 Debt/Equity Ratio (17/		0.02	0.03	0.05	0.03	0.04
(17+19)) 43 Debt/Equity Ratio (17/19) 44 Total Assets/Equity		0.02	0.03	0.06	0.03	0.05
Ratio (15/19)		0.02	0.03	0.06	0.03	0.05
		1.06	1.07	1.14	1.10	1.16

Source: Sirma Group Holding AD

Table No. 27.1. Individual ratios of the Issuer, 2012-31.03.2015.

N	Individual indicators in thousands of BGN	2012	2013	2014	31.3.2014	31.3.2015
1	Operating income	1 068	1 248	1 755	394	314
2	Cost of sales					
3	Gross profit/loss					
4	Other operating expenses	(990)	(977)	(1,353)	(315)	(271)
5	Profit/loss from operating activities	78	271	402	79	43
6	Financial income	(44)	(61)	(92)	(12)	(1)
7	Financial expenses					
8	Profit/loss before tax expenses	34	210	310	67	42
9	Tax expenses					
10	Net profit/loss					
11	Dividend	70	2 175	390	23	15
12	Cash and cash equivalents					
13	Inventories	(82)	(1 958)	(113)	(24)	(29)
14	Current assets	22	427	587	66	28
15	Total assets					
16	Current liabilities	(3)	(21)	(58)	-	-
		19	406	529	66	28
		-	100	-	-	-
		36	101	63	11	103
		-	-	2	129	2
		2 821	3 072	1 276	3 081	1 398
		79 104	80 101	58 112	80 095	58 176
		1 326	1 540	1 957	1 327	2 093
17	Debt	490	1 077	1 612	1 026	1 593
18	Liabilities (borrowed funds)	1 670	2 261	3 347	2 188	3 383
19	Equity	77 434	77 840	54 765	77 907	54 793
20	Working capital	1 495	1 532	(681)	1 754	(695)
21	Number of shares at the end of the period (thousands of shares)	73 341	73 341	49 837	73 341	49 837
Profitability ratios						
22	Gross profit margin (3/1)	0.07	0.22	0.23	0.20	0.14
23	Operating profit margin (5/1)	0.03	0.17	0.18	0.17	0.13
24	Net profit margin (10/1)	0.02	0.33	0.30	0.17	0.09
25	Return on assets (10/15)	0.00	0.01	0.01	0.001	0.000
26	Return on equity (10/19)	0.00	0.01	0.01	0.001	0.001
Asset and liquidity ratios						
27	Asset turnover (1/15)	0.01	0.02	0.03	0.00	0.01
28	Working capital turnover (1/20)	0.71	0.81	(2.58)	0.22	(0.45)
29	Current liquidity (14/16)	2.13	1.99	0.65	2.32	0.67
30	Quick liquidity ((14-13)/16)	2.13	1.99	0.65	2.22	0.67
31	Absolute (instant) liquidity (12/16)	0.03	0.07	0.03	0.01	0.05
Odds for one share						
32	Sales Ratio per Share (1/21)	0.01	0.02	0.04	0.01	0.01
33	Earnings Ratio per Share (10/21)	0.00	0.01	0.01	0.001	0.00
34	Book Value Ratio per Share (19/21)	1.06	1.06	1.10	1.06	1.10
35	Dividend payout ratio (11/10)	-	0.25	-	-	-
36	Earnings retention ratio	1.00	0.75	1.00	1.00	1.00
37	Dividend per share (11/21)	-	0.001	-	-	-
Growth ratios						
38	Sales growth rate	0.25	0.17	0.41	0.12	(0.20)
39	Gross profit growth rate	-3.11	2.47	0.48	0.45	(0.58)
40	Asset growth rate	0.00	0.01	(0.27)	0.00	(0.27)
Leverage ratios						
41	Debt/Total Assets Ratio (17/15)	0.01	0.01	0.03	0.01	0.03
42	Debt/Equity Ratio (17/(17+19))	0.01	0.01	0.03	0.01	0.03
43	Debt/Equity Ratio (17/19)	0.01	0.01	0.03	0.01	0.03
44	Total Assets/Equity Ratio (15/19)	1.02	1.03	1.06	1.03	1.06

Source: Sirma Group Holding AD

9.2. RESULTS OF THE ACTIVITY**9.2.1. INFORMATION RELATING TO SIGNIFICANT FACTORS, INCLUDING UNUSUAL OR RARE EVENTS OR NEW DEVELOPMENTS, WHICH MATERIALLY AFFECT THE REVENUES FROM THE ISSUER'S ACTIVITIES**

Apart from what is described in 20.9. below significant change, there are no other significant factors, including unusual or rare events or new developments, that materially affect the Issuer's operating income. The current public offering and the Issuer's future investments, not only as a result of the funds raised from the offering, but also from the projects currently being developed, may have a significant positive impact on the Company's revenues (information on investments is provided in the 5.2. of this document, and information on the use of the funds from the offering is presented in item 3.4. of the Document on the offered securities).

9.2.2. SIGNIFICANT CHANGES IN NET SALES OR REVENUE DISCLOSED IN THE FINANCIAL STATEMENTS

During the period under review, there were no significant changes in the net sales or revenues disclosed in the Issuer's financial statements, with the exception of those listed above. The completed transformation of the Company leads to the transfer of certain assets to a newly established company. The adjustments to the Issuer's statements are discussed in detail in section 20.2. Pro forma financial information below from this document.

9.2.3. INFORMATION RELATING TO GOVERNMENTAL, ECONOMIC, FISCAL, MONETARY POLICY OR POLITICAL COURSE OR FACTORS THAT HAVE SIGNIFICANTLY AFFECTED OR COULD SIGNIFICANTLY AFFECT, DIRECTLY OR INDIRECTLY, THE ACTIVITIES OF ISSUER

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

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

10. CAPITAL RESOURCES

10.1. INFORMATION ABOUT THE ISSUER'S CAPITAL RESOURCES (BOTH SHORT- TERM AND LONG-TERM)

The issuer carries out its main activity with its own capital and borrowed funds. As of the date of this document, the paid-in registered share capital of Sirma Group Holding AD amounts to BGN 49,837,156.

The Issuer has obligations to financial institutions both in a personal capacity and as a guarantor for loans granted to its subsidiaries. Information on all current loans of the Company is provided in the following table:

Table No. 28. Loans of the Issuer as of 31.03.2015.

Recipient of the loan	At a bank	Credit type	Currency	General size of the loan	Remaining obligation as of 31.03.2015	Interest rate percentage	Extreme date of the contract	Collateral
Loans under which the Issuer is a debtor								
Sirma Group Holding AD	Allianz Bank Bulgaria AD	Overdraft	EUR	350 000	349,578	6m LIBOR EUR + 5.5%, but not lower than 6.5%		Second non-contractual mortgage on real estate located in Sofia, district 11.9.2015 Mladost, Blvd. Tsarigradsko Shosse 135, namely fl. 5 of the building.
Sirma Group Holding AD	Allianz Bank Bulgaria AD	Investment	EUR	123 000	107,550	6m LIBOR EUR + 4.75%, but not lower from 5%	25.11.2023	Office No. 8 + pledge of receivables
Sirma Group Holding AD	Uni Credit Bulbank AD	Investment	EUR	300 000	218 606	3m. EURIBOR + 4.45%	8.12.2023	Office #19; office #20; office #21 + pledge on receivables
Loans for which the Issuer is a guarantor								
Sirma ISG AD		overdraft	BGN	120 000	119 836	1 m. SOFIBOR + 4.35%	30.5.2016 +	Office No. 19; office No. 20; office No. 21 + pledge on receivables
Ototext AD		overdraft	EUR	460 000	147 531	1 m. EURIBOR + 4.35%	30.5.2016	Ototext - contracts for 391,041 GBP + 848,316 GBP;
Sirma ITT AD		overdraft	BGN	250 000	246,219	1 m. SOFIBOR + 4.35%, but not less than from 4.35%	30.5.2016	Office #19; office #20; office #21 + pledge on receivables + contract 400,000 EUR.
Sirma Solutions AD	Uni Credit Bulbank AD	overdraft	EUR	810 000	803 797	1 m. EURIBOR + 4.35%		Floor. 3, office building Tsarigradsko Shosse 135, Sofia + pledge on receivables \$2,100,000/year 30.5.2016 from Sirma USA and all others receivables
Sirma ITT AD		overdraft	BGN	300 000	295,782	1 m. SOFIBOR + 4.35%, but not less than from 4.35%	dated 30.5.2016	pledge on receivables under contract 402,000 USD.
Sirma Solutions AD		overdraft	EUR	700 000	-	1 m. EURIBOR + 4.35%	25.5.2016	Floor. 3 and 5th floor, office building Tsarigradsko shose 135, Sofia + lien on receivables \$2,100,000/year from Sirma USA and all other receivables

In addition to the above obligations, the Issuer is also a party to a leasing agreement, namely:

Table No. 29. Leases to which the Issuer is a party as of 31.03.2015.

Company	Bank Creditor	Size of the loan in currency	Type of loan	Remaining obligation to 31.03.2015	Interest rate percentage	Maturity
Sirma Group Holding	Piraeus Leasing	EUR 154,081.76	Leasing	138 389.61	3M Euribor + 4.75%	30.4.2021

Source: Sirma Group Holding AD

The above-mentioned financial lease aims to acquire OFFICE No. 10, located in the high body of the office building built on Blvd. Tsarigradsko Shosse No. 135 (one hundred thirty-five), located in the middle of the eastern part on the third (second office) floor of the building, with a built-up area of 144.39 sq. m. This real estate remains the property of the lessor until the lease obligations are paid. In this regard, the property itself is not owned by the Company as of the date of this document.

Information on the sources of financing, as well as the liquidity ratios of the Issuer, are presented in the following table.

Table No. 30. Indicators of the Issuer for the period 2012. –31.03.2015

Indicator in thousands of BGN	2012	2013	2014	31.3.2014	31.3.2015
Equity	81 685	86 333	82 329	94 620	87 543
Interest-bearing loans	1 941	2 736	4 903	2 674	4 544
Net Working Capital (NWC) Change in NWC	1 851 (93)	3 434 1 583	2 320 (1,114)	3 599 n/a	(27) (3,626)
Odds					
Asset turnover Working capital	0.20	0.25	0.30	0.05	0.07
turnover Current liquidity Quick liquidity Absolute	9.53	6.63	12.01	1.51	-260.89
(instant) liquidity	1.41	1.70	1.23	1.46	1.00
	1.28	1.47	1.19	1.30	0.96
	0.38	0.50	0.30	0.34	0.33

Source: Sirma Group Holding AD

10.2. EXPLANATION OF THE SOURCES AND AMOUNT AND TEXTUAL DESCRIPTION OF THE ISSUER'S CASH FLOWS.

The issuer has no liquidity problems and operates with available resources, maintaining a low level of indebtedness for the period under review. Traditionally, the largest contributor to positive flows is receipts from customers, while the role of a negative item is played by payments to suppliers and payments for personnel and social insurance.

According to the consolidated and individual statements of Sirma Group Holding AD and in particular the cash flow statement of the Company, the following changes were observed for the period under review:

Table No. 31. Consolidated statement of cash flows of the Issuer, 2012. –31.03.2015

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Customer receipts	18 123	22 935	28 159	5 814	7 062
Payments to suppliers	(6,786)	(8,490)	(12,275)	(2,221)	(3,116)
personnel and social security institutions Income tax payments Other	(9,788)	(11,336)	(14,540)	(2,927)	(2,523)
receipts/(payments), net Net cash flow from	(102)	-	(488)	(58)	(289)
operating activities Acquisition of property, plant and	(659)	(2 495)	743	(441)	(52)
equipment Proceeds from sale of property, plant and equipment	788	614		167	1 082
Acquisition of subsidiaries Sale of subsidiaries Acquisition of	(121)	(285)	(604)	(98)	-
intangible assets Proceeds from sale of intangible assets Proceeds from sale and	16	-	-	-	-
redemption of non-derivative financial assets Acquisition	(14)	-	(34)	48	-
of non-derivative financial assets Proceeds from	-	-	-	-	-
loans granted	(499)	(1,079)	(600)	-	-
	-	-	-	-	-
	171	-	-	-	-
	-	-	-	-	-
	-	-	58	-	-
Loans received	211	587	-	-	-
Payments on loans received	23	-	-	(67)	470
Loans granted Interest	(270)	(68)	-	35	(536)
received	15	34	-	10	8
Interest payments	-	-	-	-	-
Dividends received/paid	-	-	(193)	(56)	(55)
Other	(69)	(552)	(84)	-	-
Net cash flow from investing activities Borrowings received	(537)	(1,363)	(1,457)	(128)	(113)
Payments on loans	303	471	-	275	-
received Payments on finance leases	(60)	(216)	1 966	(47)	(309)
Proceeds from share issuance Interest	68	(58)	(92)	(17)	-
payments Dividend payments	-	1,151	(280)	-	-
	(129)	(35)	(289)	(38)	(7)
	-	182	-	-	-
Other	24	-	(48)	(3)	146
Net cash flow from financing activities Net change in	206	1 495	1,257	170	(170)
cash and cash equivalents Cash and cash equivalents at the	457	746	543	209	799
beginning of the year Cash and cash equivalents at the end of the year	1 257	1 714	2 460	2 460	3 003
	1 714	2 460	3 003	2 669	3 802

Source: Sirma Group Holding AD

Table No. 29.1. Individual cash flow statement of the Issuer, 2012. –31.03.2015

Indicators (in thousands of leva)	2012	2013	2014 31.3.2014	31.3.2015	
Customer receipts	1 047	1 378	1 430	439	235
Payments to suppliers Payments to personnel and social security institutions Income tax payments Other receipts/(payments), net	(230)	(618)	(736)	(198)	(76)
Net cash flow from operating activities	(735)	(569)	(588)	(102)	(121)
Acquisition of property, plant and equipment	-	2	(5)	-	-
Acquisition of subsidiaries Other Loans received	(36)	(28)	(102)	(49)	-
Net cash flow from investing activities	46	165	(1)	90	38
Loans granted Proceeds from loans granted Interest received	(2)	(821)	(125)	(19)	-
Interest payments Dividends received	(14)	(2)	-	-	-
Net cash flow from financing activities	-	-	(8)	-	(40)
Loans received Payments on loans received Finance lease payments Other Interest payments	(90)	(104)	(376)	(67)	(14)
Net cash flow from financing activities	150	116	88	-	-
Net change in cash and cash equivalents	9	2	63	-	-
Cash and cash equivalents at the beginning of the year	-	(7)	-	-	-
Cash and cash equivalents at the end of the year	-	169	200	-	-
	53	(60)	(158)	(86)	(54)
	41	90	407	241	75
	(62)	(129)	(146)	(383)	-
	-	(1)	(35)	-	-
	-	-	(9)	48	(1)
	(63)	-	(95)	-	(18)
	(84)	(40)	122	(94)	56
	15	65	(38)	(90)	40
	21	36	101	101	63
	36	101	63	11	103

Source: Sirma Group Holding AD

10.3. INFORMATION ON THE ISSUER'S BORROWING NEEDS AND FINANCING STRUCTURE

At this stage, Sirma Group Holding AD and most subsidiaries do not plan any significant changes in the use of external borrowed funds necessary for the implementation of their activities - mainly bank loans for working capital and targeted financing of investment activities, including leasing and grant schemes.

"Sirma Group Holding" AD supports the efforts of the companies in its group to attract bank resources for investments and use the opportunities provided by overdraft working capital loans to ensure their operational activities. The volumes of these attracted funds are maintained at certain levels and are authorized after proving the economic efficiency for each company.

The issuer makes capital expenditures in two directions: it grants loans to companies in its group with which they finance their projects and acquires shares from their capital, including and subscribes shares from an increase in their capital.

10.4. INFORMATION REGARDING ANY RESTRICTIONS ON THE USE OF CAPITAL RESOURCES THAT HAVE SIGNIFICANTLY AFFECTED OR COULD SIGNIFICANTLY AFFECT, DIRECTLY OR INDIRECTLY, THE ISSUER'S ACTIVITIES.

As of the date of preparation of this document, there are no restrictions on the use of capital resources by the Issuer.

10.5. INFORMATION RELATING TO EXPECTED SOURCES OF FUNDS NECESSARY TO FULFILL COMMITMENTS, MENTIONED IN POINTS 5.2.3. And 8.1.

The Issuer's bodies have made firm commitments for future investments as of the date of this document in the amount of almost BGN 600,000. In this regard, the Company will use its own funds to implement the investments specified in points 5.2.3. and 8.1. above.

11. RESEARCH AND DEVELOPMENT ACTIVITIES, PATENTS AND LICENSES

Several of the companies belonging to the Issuer's group invest in research and development, patents and licenses. These companies are Ontotext AD, Sirma Solutions AD, EngView Systems Sofia AD and Sirma ITT EAD. They incurred the following expenses for the historical period under review:

Table No. 32: Research and development costs

Indicator in thousands of BGN	2012	2013	2014	31.3.2015
Sirma Solutions AD Ontotext AD	568	963	1 184	234
EngView Systems	896	908	866	193
Sofia AD Sirma ITT EAD Total	258	278	253	49
	187	211	132	36
	1 909	2 360	2 435	512

Source: Sirma Group Holding AD

Description of the specific activity that the companies carry out:

As of May 31, 2015, Ontotext AD has two patent applications filed with the US Patent and Trademark Office, which are in the process of being processed:

1. Patent application filed on June 19, 2013 with the title "RDF DATA WAREHOUSE VIA PARTITIONING AND REPLICATION" and abstract:

Hardware and/or software suitable for storing integrated information in a single RDF database, where the data is presented in RDF format. Hardware and software components convert one or more RDF documents to a binary format, in which RDF resource identifiers are converted into pointers indexing each integrated data source in a separate RDF database, and subsequently transform the data into a common repository by merging them. RDF data storage is a specialized type of information integration that allows for the optimization of information retrieval queries.

2. Patent application filed on June 21, 2013 with the title "CORRECTING INFERRED KNOWLEDGE FOR EXPIRED EXPLICIT KNOWLEDGE" and abstract:

Hardware and/or software for maintaining logical integrity of data in RDF format, which avoids scalability limitations when dealing with a large number of records in an RDF database. The system can identify induced conclusions that should be removed when an explicit statement is retracted. The system automatically calculates true statements using a combination of inductive and deductive approaches. The system is time-efficient, calculating faster than the time required for a full recalculation, and resource-optimal, using less than the maximum memory that would be required to maintain the full logic circuit.

For its part, Sirma Solutions AD carries out research and development activities, both through its own investments and through participation in European projects, in the field of automatic recognition and annotation of objects in static and video images, which seek wide application in the management of large data sets and their search, as well as in real-time decision-making of systems based on artificial intelligence (e.g. robots). The next phase of the accumulated developments is the development of patents and/or software modules to be licensed to other suppliers in their products and services.

EngView Systems Sofia AD has been working on long-term research activities with proven application in the field of optical measurements, where it successfully generates revenue from licenses for the developed technologies and algorithms. Engview Systems is a product-oriented company that in the period 2011-2013 developed scientific and research activities related to the development of new technologies and applications, which it implemented in its three

main products and directions:

1. CAD/CAM systems for two-dimensional design and three-dimensional modeling of cardboard and corrugated packaging, as well as complex heterogeneous structures for sheet materials.

2. A system for measuring scanned profiles based on ordinary scanners and image processing by generating accurate reports on the allowed deviations from the template (normal). Software for the aluminum industry,
3. through which, in a database of predefined drawings, backers, bolsters (tools that assist in the extrusion of aluminum profiles) are automatically find suitable and already manufactured tools for new production.

During the same period, the company also developed software solutions for the measurement industry as its strategic partner based on high-quality video measurement machines. Due to the specificity of all its developments, the company conducts continuous research and develops complex algorithms to support engineering and measurement activities.

"Sirma ITT" EAD develops scientific and research activities related to the implementation of a flexible platform for the development of corporate process management systems (quality control processes, document management, etc.) through the use of business models. This target group includes: technologies for document and record management (document flow), semantic (graph) and relational databases, recognition and interpretation of business models and their implementation in a software environment.

The other direction in which the company is developing is staff training methodologies. The company partners with the Angel Kanchev University of Ruse in a joint master's course in "Software Engineering", where company staff, together with university professors, participate in the training of master's students.

12. TREND INFORMATION

12.1. THE MOST SIGNIFICANT RECENT TRENDS IN PRODUCTION, SALES AND MATERIAL INVENTORIES AND COSTS AND SALES PRICES FROM THE END OF THE LAST FINANCIAL YEAR TO THE DATE OF THE REGISTRATION DOCUMENT.

The issuer is not engaged in manufacturing activities. The trends that have influenced the Group's activities for the last financial year are also the trends observed in the sector at the local and international level, described in the next point.

There are no other significant trends that the Issuer believes would have an impact on its operations since the end of the last financial statement to the date of this document.

12.2. INFORMATION ABOUT ANY KNOWN TRENDS, UNCERTAINTIES, REQUIREMENTS, COMMITMENTS OR EVENTS THAT IS REASONABLY LIKELY TO HAVE A SIGNIFICANT EFFECT ON THE ISSUER'S PROSPECTS, AT LEAST FOR THE CURRENT FINANCIAL YEAR.

SECTOR TRENDS IN BULGARIA

The software industry is among the few sectors that did not suffer during the economic and debt crisis. On the contrary, year after year the sector reports stable revenue growth, new jobs are being created, highly qualified specialists are being sought, and new and large foreign investors are entering.

The software industry already accounts for 1.74% of Bulgaria's gross domestic product. This is shown by the estimated results of the annual Barometer survey on the state of the software industry of the Bulgarian Association of Software Companies (BASCOM) for 2014. The industry organization's forecasts are that the revenues of companies in the sector will increase by 15% this year compared to the previous one, reaching 1.37 billion leva (see graph below). About 60% of sales are exports, with the main markets being the USA, Canada and Western Europe.

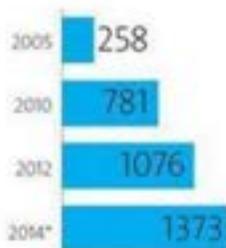
This industry has the highest added value, with salaries surpassing even the telecom sector and contact centers in 2013. (and expected for 2014).

In the BASCOM survey, 78% of companies forecast an increase in sales at various rates, 16% expect no change, and only 6% fear they will decrease. This means that the growth of the software sector is expected to continue next year.

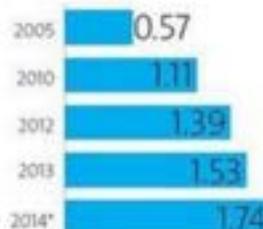
The main concerns of software companies continue to be related to the hot topic for several years for the lack of sufficient and well-trained staff. The strong development of the IT sector is beginning to surpass the capabilities of Bulgarian education to offer good specialists. Software companies have begun to work hard, in collaboration with universities, to develop junior experts in the field of IT technologies, which they can then hire. But these measures taken by private companies are clearly not enough, because BASCOM is calling for a longer-term strategy in education, through which enough specialists with the necessary, even basic, skills would be prepared.

СЕКТОРЪТ В ЧИСЛА

ПРИХОДИ (В МЛН. ЛЕВОВЕ)
ПРОИЗВОДА



ПРИХОДИ КАТО ДЯЛ
ОТ БВП (В %)



СРЕДНИ БРУТНИ
ЗАПЛАТИ (В ЛЕВОВЕ НА МЕСЕЦ)



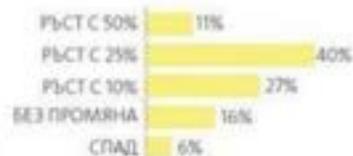
РАБОТНИ МЕСТА
(БРОЙ)



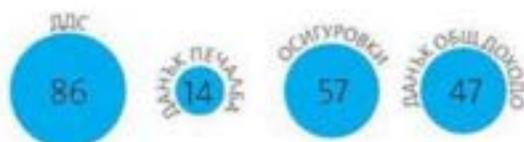
ОЧАКВАНИЯ НА
СЕКТОРА ЗА 2015 Г.

(АНКЕТА НА БАСКОМ)

ПРИХОДИ



РАЗПРЕДЕЛЕНИЕ НА РАЗХОДИТЕ ЗА ДАНЪЦИ ЗА 2013 Г.
(МЛН. ЛЕВА)



90% ОТ ЗАЕТИТЕ В СЕКТОРА СА МЛАДЕЖИ ПОД 35 Г.

80% ОТ ЗАЕТИТЕ В СЕКТОРА СА IT СПЕЦИАЛИСТИ

1/3 ОТ IT СПЕЦИАЛИСТИТЕ СА ЖЕНИ

ИСТОЧНИЦИ: СБН - МАКРОЕКОНОМИКА И СОЦИОЛОГИЯ НА БАСКОМ И ВЪТРЕШНОСТАТИСТИКА НА БЪЛГАРИЯ ЗА ПЕРИОДА 2005-2014

Source: Capital newspaper

According to information from the newspaper "Capital", the sector has its own specifics - it is mainly export-oriented, The companies are medium in size and investments are rarely measured in tens of millions of leva, but rather in the creation of new jobs. Specialists in this field have been the highest paid in Bulgaria for many years, so every new investment by an established player or a foreign company that opens its own unit in the country means that well-prepared staff with good salaries are sought after. The good geographical location, the availability of quality specialists, and low operating costs are among the main factors that attract large IT giants to invest in the country. Therefore, it is not surprising that the top 20 largest software developers are the local development units of large and established Western players such as the German SAP and the American VMware. The Bulgarian "Telerik" also finds a place in the ranking, judging by the results of previous years.

The first in terms of revenue

The revenues of the top twenty software developers in 2013 were BGN 396 million compared to BGN 404 million the previous year. Among the leading companies there are both well-known to the public and names that are not particularly known outside the sector itself.

SAP Labs Bulgaria remains at the top of the sector ranking prepared by BASCOM for the second consecutive year. The revenues of the Bulgarian software production center of the German giant SAP Labs continue to grow and in 2013 reached 48.3 million BGN compared to 46.7 million BGN in 2012. The company continues to expand its activities, intending to increase its investments by 25% in the Bulgarian R&D this year.

company. Second place also goes to a familiar player - the American VMware Bulgaria, which deals with virtualization and cloud infrastructure solutions. And its sales continue to grow - by about 11% to 36.7 million leva.

Sirma Group Holding AD is among the leading players in the local market. Its main division, Sirma Solutions, works mostly for American clients. From one market at the beginning - Canada, the company now has sales and distributors in dozens of countries around the world. The company also has a number of projects in the state administration.

"Fadata" works primarily for international clients from the insurance sector, developing solutions for leading companies in the industry from all over the world. Adastra deals with information management software and databases, and in the last year its employees have grown by 50% to over 150 people. "Descartes" specializes in the development of betting systems - software for online betting on sports events, digital games, casino games, etc.

The revenues of a company that is not part of a Western company, founded by Bulgarian developers who have created products that are performing extremely well on international markets, continue to grow. "Chaos Software" develops the popular and highly valued 3D rendering software V-Ray, which is used in the film industry, design, and gaming. The company's revenues grew to 15 million BGN, and it currently employs over 100 specialists.

Among the companies in the ranking is "Nemetschek", which at the beginning of its activities here was part of the Munich-based Nemetschek, but later separated as an independent company when the Germans decided to withdraw. And it has been proven - in recent years, revenues have not stopped growing.

Constant expansion

According to the newspaper "Capital", the dynamic development of the sector can most easily be traced through the intentions and actions of companies to increase their staff. In addition, within a year and a half, several big names in the software industry have entered or are in the process of establishing themselves on the Bulgarian market, including companies founded in Eastern Europe.

The leader in the "Capital 100" ranking for software developers, "SAP Labs Bulgaria", will hire about 70 more people this year, who will work on the user interface of the German IT giant's products. The development unit of financial services company Experian doubled its employees in 2013 to nearly 400 people. The company did not make the ranking because it reports R&D revenues at the central level, meaning there is no local data for the local unit. Bulgarian software company Musala Soft reports a 25% increase in its employees over the past year, to 250 people.

In February 2013, the American-Israeli company Comverse opened its center in Sofia with about 100 employees. The company develops specialized software solutions for telecoms that allow companies to offer value-added services. However, its intentions do not stop with the opening of the new office - the company plans to double its staff in the Sofia unit by the end of 2014, reaching 190 - 200 people.

The trend continues this year. In the winter, two companies that started their operations in Eastern Europe announced that they would open development centers in Bulgaria. The local unit of Russian Luxoft is already operational and working on its first projects. As of mid-April, the company had about 20 employees, with plans to reach 200 by the end of the year, and in 2015. – 400 people.

The Ukraine-based software developer SoftServe is also planning to enter with similar ambitions. Even the growth rates are the same as Luxoft – 200 people per year. The Bulgarian unit is expected to be operational in the summer. The company has long-term and quite ambitious plans - according to them, by 2017-2018 its staff in Bulgaria should reach 1,000 people. SoftServe deals with outsourcing software projects. That is, the company receives assignments that cover part or the entire program development cycle. Therefore, SoftServe is also an example of a pure software company that deals with outsourcing.

Optimism today and tomorrow

The software industry and companies in general reported growth in 2013 and 2014, and expect the trend to continue this year. This is mainly due to the fact that the industry is primarily export-oriented, and the strong demand for products and services abroad remains. Bulgarian companies note that orders on the local market continue to decline this year. This shows the unsatisfactory state of Bulgarian companies, which do not prioritize investments in IT products.

The positive news is for those who are oriented towards foreign markets. Software developers will not rely on orders from Bulgaria because the negative trend is expected to continue. The main client of IT solutions in Bulgaria will continue to be the state, and the focus will fall on the construction of the electronic government.

The rise of mobile devices and the need for business software for them, cloud services and programs, as well as the processing of large information arrays (Big Data) are among the main technological trends in which there will be a search.

Growing staff shortage

The growth in the software industry and the actions of companies to increase their development staff, as well as the entry of new major players, will most likely deepen one of the main problems in the industry. This is the availability of qualified IT personnel. For years, software companies have been sounding the alarm that the lack of a sufficient number of specialists can stop the growth of the industry.

For a long time, the sector has been talking about "theft" of personnel, caused by the lack of sufficiently well-trained specialists. Business believes that in order to overcome this trend, reforms must be made in the education system and the dialogue between companies and universities must be improved so that prepared students can meet their needs. In 2012 BASCOM formed an advisory council that prepared the industry's recommended requirements for the education system, and now the recommended professional standards are being prepared. However, software companies are of the opinion that all government actions in this direction are currently frozen.

The industry warns that a worsening political situation in the country could even lead to the opposite effect - staff leaving. Currently, some software companies are trying to solve the staffing problem with their own efforts. By investing in the construction of "academies" where they can provide practical training and thus develop IT specialists in the country. The most striking example is the Telerik Academy, and VMware followed suit last year, opening its own in collaboration with several universities. Ukrainian SoftServe also announced that it intends, after opening its development center in Sofia, to develop its own academy, which will be operational within a year.

High pay

The good condition of the industry also affects salaries. The average gross remuneration, which includes salaries and bonuses of employees in 2014, will reach 3,510 BGN on a monthly basis - a growth of 5%.

In 2014, about 17 thousand people worked in the software sector, which is an increase of between 6% and 10% compared to last year. IT specialists make up 80% of all, and a third of them are women. This is also one of the youngest industries, with over 90% of jobs held by people under 35 years of age.

For 2013, the software industry paid taxes totaling 205 million leva. It is expected in the next to double in size in five years

GLOBAL ECONOMIC TRENDS

After a slow start to the year, the global economy recovered in the second half of 2014, and this trend is expected to continue in 2015. However, progress has been uneven and has shown differences between regions, according to a recent report by the European Central Bank (ECB). The ECB reported that so far, the problems in Ukraine have had little effect on the global economy.

In the Eurozone, economic output grew moderately in 2014. The economies of the largest countries in Central and Eastern Europe have recovered, but growth is slowing towards the end of the reporting period, the ECB report said.

The IT market

In the first three quarters, IT business growth once again outpaced global economic growth, according to market research by the American International Data Corporation (IDC). Software continues to lead IT spending, with companies investing primarily in the cloud, Big Data, social networks and mobile communications.

There is growth in the IT market in all regions. It is noteworthy that rapidly developing economies have achieved good growth in the IT market compared to the beginning of the year, although IDC shows greater growth in IT markets in industrialized countries. IDC cites the problems in Ukraine as a factor contributing to the uncertainty of the IT market in emerging economies.

The IT market in the EMEA region is largely stable, but is failing to keep up with the pace of expansion of the global IT market. In Western Europe, IT investments grew slightly, with the growth rate higher than in the previous year, IDC reports.

The growth of the IT market, and in particular the software as a service segment, is much greater in AJP than in the world as a whole. In Japan, IT spending growth was similar to the previous year, while in China, IT spending expenses are increasing more than in the previous year.

IT Market: Outlook for 2015

IDC expects global IT market growth to exceed 4% again in 2015. IDC expects even greater growth, at more than 6%, in the global software services market, cloud, Big Data, and social and mobile segments to be the main drivers of growth.

IDC expects IT investment patterns to diverge again in emerging economies. The crisis in Ukraine and sanctions against Russia may have a greater impact at the end of the year than they have so far. IDC believes that growth in developed countries, however, will remain stable.

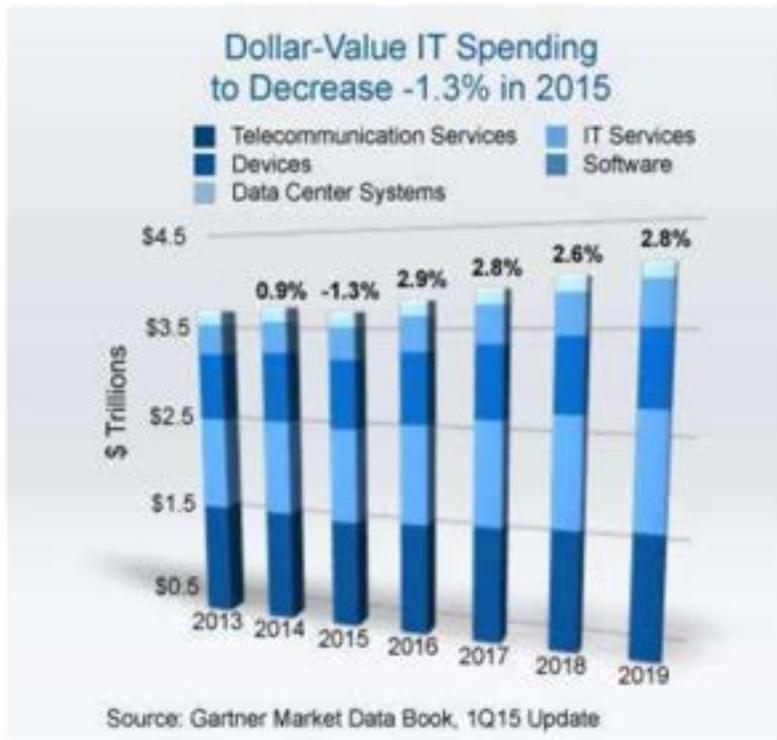
In the EMEA region, and especially the IT markets in Western Europe, IDC expects that they will remain largely stable and may grow by a few percent. However, across the region, all IT market segments are expected to lag behind the growth of global averages.

In the Americas region, IDC believes the U.S. market could expand by more than 4%, helped by overall growth in the U.S. economy. IDC expects software investment in the US to grow faster than the global average.

In the APJ region, IDC slightly revised its forecast for IT spending in Japan upward in light of unexpectedly positive numbers in the software services segment. IDC is currently forecasting almost 3% growth for Japan. In China, IDC also expects the IT market to pick up and believes a return to double-digit growth could be achieved in 2015.

Analysts expect 2015 to be a very interesting year for Bulgaria in this aspect. They named the country as the best outsourcing destination in Europe in 2014. It is believed that this will have an impact on international investor interest, which will increase.

Despite its expectations for a decrease in IT spending in 2015 globally, Gartner Market Data Book expects a return to growth in these costs in the coming years.

Table No. 33. Statistics on trends in the global IT market

The Company does not believe that there are other factors that would have a significant effect on the planned activity. The risks described in 4 above, outline the full business environment and future difficulties that the Issuer should take into account when implementing its plans.

13. FORECAST OR APPROXIMATE PROFIT VALUES

IN ACCORDANCE WITH THE PROVISIONS OF REGULATION No. 809/2004, SIRMA GROUP HOLDING AD DECIDES NOT TO APPLY INFORMATION REGARDING THE ISSUER'S FORECASTS AND THE APPROXIMATE PROFITS CALCULATED IN THIS CONNECTION.

14. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND HIGHER GUIDELINES

14.1. NAMES, BUSINESS ADDRESSES AND FUNCTIONS OF THE PERSONS LISTED BELOW WITHIN THE ISSUER AND INDICATION OF THE MAIN ACTIVITIES, PERFORMED BY THEM OUTSIDE THE ISSUER, WHEN THE SAME ARE SIGNIFICANT IN RELATION TO THIS ISSUER:

Sirma Group Holding AD has a single-tier management system consisting of a Board of Directors.

The governing body of the Company is the Board of Directors composed of:

- Chavdar Velizarov Dimitrov – Deputy Chairman of the Board of Directors
- Tsvetan Borisov Aleksiev - Member of the Board of Directors and Executive Director
- Atanas Kostadinov Kiryakov - member of the Board of Directors
- Georgi Parvanov Marinov – Chairman of the Board of Directors;
- Tsvetomir Angelov Doskov - member of the Board of Directors;
- Sasha Konstantinova Bezukhanova – member of the Board of Directors;
- Petar Borisov Stattev – member of the Board of Directors;
- Yordan Stoyanov Nedev – member of the Board of Directors.

There are no family ties between the members of the Board of Directors of the Company.

THE NAMES OF ALL COMPANIES AND PARTNERS IN WHICH THIS PERSON HAS BEEN A MEMBER OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES OR A PARTNER AT ANY TIME DURING THE PREVIOUS FIVE YEARS, INCLUDING THE APPROPRIATE MANAGEMENT

EXPERIENCE AND KNOWLEDGE

Chavdar Velizarov Dimitrov – Chairman of the Board of Directors, business address: city of Sofia, Blvd. "Tsarigradsko Shosse" No. 135

Information about all companies and partnerships in which Mr. Dimitrov has been a partner in the last five years:

- a. Does not participate in companies as an unlimited partner;
- b. Participates as a partner in the following companies:
 - "Sirma Group Holding" AD, UIC 200101236, address: town. Sofia, Blvd. "Tsarigradsko Shosse" No. 135

Information about all companies and partnerships in which Mr. Dimitrov has been a member of an administrative, management or supervisory body and/or a senior manager in the last five years:

- Sirma Solutions AD, UIC 040529004, address: town of Sofia, 135 Tsarigradsko Shose Blvd.
- "Daticum" AD, UIC 200558943, address: Sofia, 135 Tsarigradsko Shose Blvd.

Information about any bankruptcy, receivership or liquidation with which Mr. Dimitrov has been involved in the last five years, acting in his capacity as a member of an administrative, management or supervisory authority or senior manager:

- in his capacity as a member of an administrative, management or supervisory body or a senior manager, Mr. Dimitrov has not been involved in bankruptcy, receivership or receivership in the last five years liquidation.

SIRMA GROUP HOLDING AD

REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

By signing the declaration under Art. 81, para. 5 in connection with Art. 81, para. 3 of the POSA, Mr. Dimitrov declares the absence of the legally defined circumstances, namely, that in the last five years he has not:

- convicted of fraud;
- related to bankruptcy or receivership, in his capacity as a member of an administrative, a management or supervisory body or senior manager;
- officially publicly incriminated and/or sanctioned by legal or regulatory authorities (including certain professional bodies);
- deprived by the court of the right to be a member of the administrative, management or supervisory bodies of an issuer or from holding positions in the management or carrying out the activities of an issuer.

Chavdar Dimitrov is the Executive Director of Sirma Solutions AD and a member of the Board of Directors of Sirma Group Holding AD and Daticum AD.

While still a student, he participated in the founding of the company in 1992 and has been working in Sirma ever since. Over the years, he has held various positions related to programming - programmer, team leader, project manager.

In 2005, he became Administrative Director and then Human Resources Director at Sirma Group Holding AD. He held this position until August 2009. Since February 2009, he has been serving as Executive Director of Sirma Solutions AD.

Mr. Dimitrov graduated with a Master's degree in Computer Science from the Faculty of Mathematics and Informatics of Sofia University.

Tsvetan Borisov Aleksiev – Member of the Board of Directors and Executive Director, business address: city of Sofia, 135 Tsarigradsko Shose Blvd.

Information about all companies and partnerships in which Mr. Aleksiev has been a partner in the last five years:

- c. Does not participate in companies as an unlimited partner;
- d. Participates as a partner in the following companies:
 - "Sirma Group Holding" AD, UIC 200101236, address: town. Sofia, Blvd. "Tsarigradsko Shosse" No. 135;
 - Sirma Solutions AD, UIC 040529004, address: town of Sofia, Blvd. "Tsarigradsko Shose" 135 - until 2014

Information about all companies and partnerships in which Mr. Aleksiev has been a member of an administrative, management or supervisory body and/or a senior manager in the last five years:

- "Sirma Business Consulting" AD, UIC 175445129, address: town. Sofia, Blvd. "Tsarigradsko Shose" No. 135 • "Sirma Group Holding" AD, UIC 200101236, address city. Sofia, 135 Tsarigradsko Shose Blvd.
- Sirma Solutions AD, UIC 040529004, address: Sofia, 135 Tsarigradsko Shose Blvd.
- "Sirma ITT" EAD, UIC 200421236, address city. Sofia, 135 Tsarigradsko Shose Blvd.
- "Daticum" AD, UIC 200558943, address: Sofia, 135 Tsarigradsko Shose Blvd.;
- "Ontotext" AD, UIC 200356710, address: Sofia, 135 Tsarigradsko Shose Blvd.
- "Panaton Software" JSC (USA), with registered office and management address: USA, Idaho 83707, ul. North 9th number 202;
- "Sirma USA", reg. number: 4757972, with registered office and management address: USA, Delaware, 16192 Coastal Highway, city Lewis.
- Engview Systems Sofia AD, UIC 201277917, address: Sofia, 135 Tsarigradsko Shose Blvd.

Information about any bankruptcy, receivership or liquidation with which Mr. Aleksiev has been involved in the last five years, acting in his capacity as a member of an administrative, management or supervisory authority or senior manager:

- in his capacity as a member of an administrative, management or supervisory body or a senior manager, Mr. Aleksiev has not been involved in bankruptcy, receivership or receivership in the last five years liquidation.

SIRMA GROUP HOLDING AD

REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

By signing the declaration under Art. 81, para. 5 in connection with Art. 81, para. 3 of the POSA, Mr. Aleksiev declares the absence of the legally defined circumstances, namely, that in the last five years he has not:

- convicted of fraud;
- related to bankruptcy or receivership, in his capacity as a member of an administrative, a management, or supervisory body or senior manager;
- officially publicly incriminated and/or sanctioned by legal or regulatory authorities (including certain professional bodies);
- deprived by the court of the right to be a member of the administrative, management or supervisory bodies of an issuer or from holding positions in the management or carrying out the activities of an issuer.

Tsvetan Aleksiev is Executive Director of Sirma Group Holding AD, Executive Director and Chairman of the Board of Directors of Sirma Solutions AD, Chairman of the Board of Directors of Sirma Business Consulting AD and member of the Boards of Directors of Ontotext AD, Daticum AD and Panaton Software JSC (USA).

Mr. Alexiev started working at Sirma as a software engineer in 1993. He held various positions in the company - team leader, project manager, department head. Since 2002, he has been the Executive Director of Sirma Group Holding AD. Mr. Aleksiev initiated the restructuring of Sirma into a holding organization and the refocusing of the activity from a purely service-oriented company to a holding structure that manages investments in the group's various businesses, incubates and creates new businesses, attracts investments and acquires new companies.

Mr. Alexiev is responsible for the overall management of the holding structure and business development of the largest company in the group – Sirma Solutions AD.

Mr. Aleksiev graduated with a Master's degree in "Computer Systems" from the Technical University of Sofia.

Atanas Kostadinov Kiryakov – member of the Board of Directors, business address: city of Sofia, Blvd. "Tsarigradsko Shosse" No. 135.

Information about all companies and partnerships in which Mr. Kiryakov has been a partner in the last five years:

e. Does not participate in companies as an unlimited partner;

f. Participates as a partner in the following companies:

- "Sirma Group Holding" AD, UIC 200101236, address: town. Sofia, Blvd. "Tsarigradsko Shosse" No. 135

Information about all companies and partnerships in which Mr. Kiryakov was a member of an administrative, management or supervisory body and/or a senior manager in the last five years:

- Sirma Solutions AD, UIC 040529004, address: town of Sofia, 135 Tsarigradsko Shose Blvd.
- Engview Systems Sofia AD, UIC 201277917, address: Sofia, 135 Tsarigradsko Shose Blvd.
- "Sirma ITT" EAD, UIC 200421236, address city. Sofia, 135 Tsarigradsko Shose Blvd.;
- "Ontotext" AD, UIC 200356710, address: Sofia, 135 Tsarigradsko Shose Blvd.

Information about any bankruptcy, receivership or liquidation with which Mr. Kiryakov has been involved in the last five years, acting in his capacity as a member of an administrative, management or supervisory authority or senior manager:

- in his capacity as a member of an administrative, management or supervisory body or a senior manager, Mr. Kiryakov has not been involved in bankruptcy, receivership or receivership in the last five years liquidation.

By signing the declaration under Art. 81, para. 5 in connection with Art. 81, para. 3 of the POSA, Mr. Kiryakov declares the absence of the legally defined circumstances, namely, that in the last five years he has not:

- convicted of fraud;

SIRMA GROUP HOLDING AD

REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

- related to bankruptcy or receivership, in his capacity as a member of an administrative, a management or supervisory body or senior manager;
- officially publicly incriminated and/or sanctioned by legal or regulatory authorities (including certain professional bodies);
- deprived by the court of the right to be a member of the administrative, management or supervisory bodies of an issuer or from holding positions in the management or carrying out the activities of an issuer.

Atanas Kiryakov is the founder and CEO of Ontotext AD – a market leader in the field of semantic databases and text analysis technologies. Ontotext's clients include the BBC, Financial Times, EuroMoney, Oxford University Press, AstraZeneca, the British Museum, the UK Parliament, the US National Gallery, the Getty Trust and Korea Telecom.

In the period 2001-2004, Mr. Kiryakov was a member of the Management Board of BASCOM. Member of the Board of Directors of Sirma Group Holding AD and three of the companies in the group, as well as of the Linked Data Benchmarking Council – an international organization for testing NoSQL databases.

Mr. Kiryakov began his career at Sirma as a software engineer in 1993 and a few years later became a partner and member of the Board of Directors. In 2000, he founded Ontotext, which in 2008 attracted an investment of 2.5 million euros from the venture capital investment fund NEVEQ. Ontotext has invested over 400 man-years in research and product development and has won a number of innovation awards: Pythagoras from the Ministry of Education and Science in 2010, BAIT in 2013, and Washington Post in 2014. (for the product OpenPolicy), Innovative Enterprise of the Year Award 2014.

Mr. Kiryakov completed his Master's degree in Computer Science at Sofia University "St. Kliment Ohridski". Today he is a leading expert in the field of semantic databases and the author of more than 20 scientific publications with over 3000 citations.

Georgi Parvanov Marinov – member of the Board of Directors, business address: city of Sofia, Blvd. "Tsarigradsko Shosse" No. 135.

Information about all companies and partnerships in which Mr. Marinov has been a partner in the last five years:

g. Does not participate in companies as an unlimited partner;

h. Participates as a partner in the following companies:

- "Sirma Group Holding" AD, UIC 200101236, address: town. Sofia, Blvd. "Tsarigradsko Shosse" No. 135.

Information about all companies and partnerships in which Mr. Marinov has been a member of an administrative, management or supervisory body and/or a senior manager in the last five years:

- "Sirma Business Consulting" AD, UIC 175445129, address: Sofia, Blvd. "Tsarigradsko Shose" No. 135 • "Sirma Group Holding" AD, UIC 200101236, address city. Sofia, 135 Tsarigradsko Shose Blvd.
- Engview Systems Sofia AD, UIC 201277917, address: Sofia, 135 Tsarigradsko Shose Blvd.
- Engview Systems Corp., a corporation under the laws of Canada, with its registered office at 438 Isabeau Street, Office 103, Montreal, Quebec, Canada;
- "Pirina Technologies" AD., UIC 175149906, address: town. Sofia, Blvd. "Tsarigradsko Shosse" No. 135.

Information about any bankruptcy, receivership or liquidation with which Mr. Marinov has been involved in the last five years, acting in his capacity as a member of an administrative, management or supervisory authority or senior manager:

- in his capacity as a member of an administrative, management or supervisory body or a senior manager, Mr. Marinov has not been involved in bankruptcy, receivership or receivership in the last five years liquidation.

By signing the declaration under Art. 81, para. 5 in connection with Art. 81, para. 3 of the POSA, Mr. Marinov declares the absence of the legally defined circumstances, namely, that in the last five years he has not:

- convicted of fraud;

SIRMA GROUP HOLDING AD

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- officially publicly incriminated and/or sanctioned by legal or regulatory authorities (including certain professional bodies);
- deprived by the court of the right to be a member of the administrative, management or supervisory bodies of an issuer or from holding positions in the management or carrying out the activities of an issuer.

Georgi Marinov is Chairman of the Board of Directors of Sirma Group Holding AD, Executive Director and Chairman of the Management Board of EngView Systems AD, as well as a member of the Management Board of Sirma Business Consulting AD and Pirina Technologies AD.

Mr. Marinov has worked at Sirma since its establishment in 1992. Over the years, he has held various positions within the company - software engineer, quality control, team manager, project manager, marketing and sales manager, and business development manager. Since 2003, Mr. Marinov has held the position of Executive Director of EngView Systems AD.

Mr. Marinov graduated from the Technical University of Sofia with a Master's degree in Computer Science and International Business.

Tsvetomir Angelov Doskov – member of the Board of Directors, business address: city of Sofia, Blvd. "Tsarigradsko Shosse" No. 135.

Information about all companies and partnerships in which Mr. Doskov has been a partner in the last five years:

- Does not participate in companies as an unlimited partner;
- Participates as a partner in the following companies:
 - "Sirma Business Consulting" AD, UIC 175445129, address: town. Sofia, Blvd. "Tsarigradsko Shosse"135
 - "ZVD SET" Ltd., UIC 175153438, address: town. Sofia, ul. Krum Kuliavkov No. 9

Information about all companies and partnerships in which Mr. Doskov was a member of an administrative, management or supervisory body and/or a senior manager during the last five years:

- "Sirma Business Consulting" AD, UIC 175445129, address: town. Sofia, Blvd. "Tsarigradsko Shose" No. 135 • "Sirma Group Holding" AD, UIC 200101236, address city. Sofia, 135 Tsarigradsko Shose Blvd.
- "ZVD SET" Ltd., UIC 175153438, address: town. Sofia, ul. Krum Kuliavkov No. 9

Information about any bankruptcy, receivership or liquidation with which Mr. Doskov has been involved in the last five years, acting in his capacity as a member of an administrative, management or supervisory body or a senior manager:

- in his capacity as a member of an administrative, management or supervisory body or a senior manager, Mr. Doskov has not been involved in bankruptcy, receivership or receivership in the last five years liquidation.

By signing the declaration under Art. 81, para. 5 in connection with Art. 81, para. 3 of the POSA, Mr. Doskov declares the absence of the legally defined circumstances, namely, that in the last five years he has not:

- convicted of fraud;
- related to bankruptcy or receivership, in his capacity as a member of an administrative, a management or supervisory body or senior manager;
- officially publicly incriminated and/or sanctioned by legal or regulatory authorities (including certain professional bodies);
- deprived by the court of the right to be a member of the administrative, management or supervisory bodies of an issuer or from holding positions in the management or carrying out the activities of an issuer.

Tsvetomir Doskov is the Executive Director of Sirma Business Consulting AD (SirmaBC) and a member of the Board of Directors of Sirma Group Holding AD.

SIRMA GROUP HOLDING AD

REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

Mr. Doskov has played a leading role in transforming SirmaBC into a trusted and preferred provider of software solutions for the banking sector in Bulgaria. He has many years of experience in designing, developing and implementing strategic plans and business solutions for financial institutions. Before joining Sirma Business Consulting, Tsvetomir worked at some of the largest banks in Bulgaria, incl. Allianz Bank Bulgaria, UniCredit Bulbank, HVB Bank Biochim, Hebros Bank and Bulgarian National Bank. Over the years, he has held various leadership positions, including Chief Operating Officer, Director of Operations, Head of Internal Audit, Chief Inspector, as well as Director of numerous projects.

Mr. Doskov holds a Bachelor's degree in Finance and a Master's degree in Banking and Insurance from the University of National and World Economy in Sofia, as well as a Master's degree as an Aikido instructor from the National Academy of Sports.

Sasha Konstantinova Bezuhanova – member of the Board of Directors, business address: city of Sofia, Blvd. "Tsarigradsko Shosse" No. 135.

Information about all companies and partnerships in which Ms. Bezuhanova has been a partner in the last five years:

k. Does not participate in companies as an unlimited partner;

l. Does not participate as a partner in commercial companies.

Information about all companies and partnerships in which Ms. Bezuhanova has been a member of an administrative, management or supervisory body and/or senior manager in the last five years:

- Hewlett-Packard - Director of the "Public Administration and Education" division for developing countries markets (2011 – 2013)
- Hewlett-Packard - Director of Public Administration and Education for Central and Eastern Europe (2008 – 2011)

- Chairman of the Board of the Mozhe BG Foundation (2013 – ongoing)
- Chairman of the Board of Junior Achievements (1999 – 2013) • Chairman of the Board of the School of Politics (2012 – ongoing)
- Chairman of the Board of Trustees of the Technical University of Sofia (2009 – ongoing)
- Chair of the Bulgarian Center for Women in Technology (2012- ongoing)
- Member of the board of "Aid for Charity in Bulgaria" (2011- ongoing)
- Member of the Board of the Elizabeth Kostova Foundation (2007 - ongoing) • Chair of the Board of the European Center for Women in Technology (2008 - ongoing)

Information about any bankruptcy, receivership or liquidation with which Ms. Bezuhanova has been involved in the last five years, acting in her capacity as a member of an administrative, management or supervisory authority or senior manager:

- in his capacity as a member of an administrative, management or supervisory body or a senior manager, Mr.
Ms. Bezuhanova has not been involved in bankruptcy or receivership in the last five years.
or liquidation.

By signing the declaration under Art. 81, para. 5 in connection with Art. 81, para. 3 of the POSA, Ms. Bezuhanova declares the absence of the legally defined circumstances, namely, that in the last five years she has not:

- convicted of fraud;
- related to bankruptcy or receivership, in his capacity as a member of an administrative, a management or supervisory body or senior manager;
- officially publicly incriminated and/or sanctioned by legal or regulatory authorities (including certain professional bodies);

- deprived by the court of the right to be a member of the administrative, management or supervisory bodies of an issuer or from holding positions in the management or carrying out the activities of an issuer.

Sasha Bezuhanova is the initiator and founder of MoveBG. She is a long-time chairwoman of the board of Junior Achievement Bulgaria, and currently chairwoman of the boards of the School of Politics, Technical University of Sofia, the Bulgarian Center for Women in Technology, and chairwoman of the advisory board of the European Center for Women in Technology to the European Union.

Ms. Bezuhanova is the initiator and founder of MoveBG – a civic platform for debate and common action. Before dedicating herself to the cause that MoveBG is developing, Ms. Bezuhanova had a 20-year successful management career at Hewlett-Packard (HP), where she most recently led the Public Administration and Education division for emerging markets at a global level. Her previous position at the company was Director of the Public Administration Division for Central and Eastern Europe. From 1998 to 2008, she was General Manager of HP Bulgaria, turning the company into a leader in the local information and communication technology market. Ms. Bezuhanova played a leading role in attracting Hewlett-Packard's strategic investment to build a Global Remote Services Center, which positioned Bulgaria on the global investment map and today provides employment for more than 5,000 highly qualified specialists.

Community service and philanthropy are an integral part of Ms. Bezuhanova's biography. She is a long-time Chair of the Board of Junior Achievement Bulgaria, Chair of the Board of the Bulgarian School of Politics "Dimitar Panitsa", co-founder and Chair of the High-Level Advisory Council to the European Center for Women and Technology and the Bulgarian Center for Women in Technology, member of the Board of Directors of the "Aid for Charity in Bulgaria" Foundation and Chair of the Board of Trustees of the Technical University-Sofia. She was a member of the Advisory Council to the Minister of Science and Education, of the Innovation Council to the Minister of Economy, chairwoman of the boards of BIBA and KRIB, and a member of the board of the Open Society Foundation.

In 2013, she was named "Digital Woman of Europe", in 2010 she received the international award for women leaders "LeaderSHE", and in 2011. Sasha Bezuhanova is recognized as one of the five most influential women in Bulgaria. In 2009, she was awarded one of Italy's highest state awards - the Order of the Star of Italian Solidarity for her contribution to the development of bilateral economic relations between Bulgaria and Italy.

Sasha Bezuhanova holds a Master's degree in Electronics from the Technical University of Sofia and has completed the Management program at INSEAD. She is the Honorary Consul of the Grand Duchy of Luxembourg to Bulgaria.

Petar Borisov Stattev – member of the Board of Directors, business address: city of Sofia, Blvd. "Tsarigradsko Shosse" No. 135.

Information about all companies and partnerships in which Mr. Stattev has been a partner in the last five years:

m. Does not participate in companies as an unlimited partner;

n. Participates as a partner in the following companies:

- Smartcom Bulgaria AD, registered address: Sofia 1421, ul. Lozenets 20; office address: Sofia 1784, Blvd. Tsarigradsko Shosse 133, BIC ISOT office 317, UIC: 130985811;
- "Smartcom Turkey Telekomunikasyon Teknolojileri" ve Hizmetleri Limited Sirketi, address: Cemal Sahir Sk Polat Is Merkezi Ofis:21, Mecidiyeköy, Istanbul TR34387, Turkey; tax registration.: 7720617839;
- "Hemimond" AD; address: Sofia 1784, Blvd. "Tsarigradsko Shose" 133, BIC ISOT, 4th floor, office 413b; UIC: 121901351;
- "Sinvent Consulting" Ltd.; Sofia 1784, BIC ISOT office 622A, bul. Tsarigradsko Shosse 133; UIC 131084428 – share sold on 12.10.2009;
- "Customer Care" Ltd.; address: Sofia 1164, ul. Krastyo Sarafov 1, ; UIC 131578302 – sold share of 02.05.2011;
- "Digital Video Design" Ltd.; with address - Sofia 1784, Blvd. "Tsarigradsko Shose" 133, BIC ISOT, 4th floor, office 413a; EIK: 175021130.

Information about all companies and partnerships in which Mr. Stattev was a member of an administrative, management or supervisory body and/or senior manager during the last five years:

- Smartcom Bulgaria AD, registered office: Sofia 1421, ul. Lozenets 20, office: Sofia 1784, Blvd. Tsarigradsko Shosse 133, BIC ISOT office 317, UIC: 130985811 – Chairman of the Board of Directors;

- "Smartcom Turkey Telekomunikasyon Teknolojileri" ve Hizmetleri Limited Sirketi, address: Cemal Sahir Sk Polat Is Merkezi Ofis:21, Mecidiyeköy, Istanbul TR34387, Turkey; tax registration.: 7720617839 – Executive Director;
- "SmartLab" EOOD, address: Sofia 1784, Blvd. Tsarigradsko Shosse 133, BIC ISOT, office 328B; UIC: 202269091 – Manager;
- "Sinvent Consulting" Ltd.; Sofia 1784, BIC ISOT office 622A, bul. Tsarigradsko Shosse 133; UIC 131084428 – left the government on October 12, 2009.

Information about any bankruptcy, receivership or liquidation with which Mr. Stattev has been involved in the last five years, acting in his capacity as a member of an administrative, management or supervisory body or a senior manager:

- in his capacity as a member of an administrative, management or supervisory body or a senior manager, Mr. Stattev has not been involved in bankruptcy, receivership or liquidation.

By signing the declaration under Art. 81, para. 5 in connection with Art. 81, para. 3 of the POSA, Mr. Stattev declares the absence of the legally defined circumstances, namely, that in the last five years he has not:

- convicted of fraud;
- related to bankruptcy or receivership, in his capacity as a member of an administrative, a management or supervisory body or senior manager;
- officially publicly incriminated and/or sanctioned by legal or regulatory authorities (including certain professional bodies);
- deprived by the court of the right to be a member of the administrative, management or supervisory bodies of an issuer or from holding positions in the management or carrying out the activities of an issuer.

Petar Stattev is Chairman of the Management Board of the Smartcom Group of Companies, Vice President of the European Telecommunications Standards Institute /ETSI/ and Chairman of the Board of the Information and Communication Technologies (ICT) Cluster Foundation.

Petar Stattev was elected in 2013 as Vice President of the European Telecommunications Standards Institute /ETSI/ upon nomination by the European Association of Craftsmen, Small and Medium-sized Enterprises and supported by the Bulgarian Association of Software Companies (BASCOM) through the European Association of Small and Medium-sized Enterprises in the ICT Sector /PIN-SME/. He is an entrepreneur in the field of ICT and Chairman of the Board of Directors of Smartcom Bulgaria AD - a company for development and integration of telecommunication systems - the most innovative Bulgarian enterprise according to the "Sixth Bulgarian National Innovation Forum 2010". He is a co-founder of the "Microelectronics and Industrial Electronic Systems Cluster", "Bulgarian Telecommunications Cluster" and "Association of Business Clusters in Bulgaria", where he was also chairman in the period 2012 -

2013 From 2004 to 2009. Peter is the manager of Sinvest Consulting Ltd. – an ICT consulting company with clients including world-renowned telecom operators.

Petar Stattev holds a Master's degree in Telecommunications from the Technical University of Sofia, and has completed the Effective Management Program at the joint program of NBU and the Open University, London.

Yordan Stoyanov Nedev – member of the Board of Directors, business address: city of Sofia, Blvd. "Tsarigradsko Shosse" No. 135.

Information about all companies and partnerships in which Mr. Nedev has been a partner in the last five years:

- o. Does not participate in companies as an unlimited partner;
- p. Participates as a partner in the following companies:
 - "Suzana and Vesko - SV" Ltd. - village. Blacksmith.

Information about all companies and partnerships in which Mr. Nedev has been a member of an administrative, management or supervisory body and/or senior manager in the last five years:

- "Bianor Services" EOOD – Manager – 2013-2014.
- "Holding BDZ" EAD – Executive Director – 2011-2012.
- "MMD Scale" Ltd. – Manager – 2007-2011.

Information about any bankruptcy, receivership or liquidation with which Mr. Nedev has been involved in the last five years, acting in his capacity as a member of an administrative, management or supervisory authority or senior manager:

- "MMD Scale" OOD, EIK 175399653, with address: Sofia, g.k. White birches, bl. 2 – in liquidation, for deletion in the TR without bankruptcy or unsatisfied creditors. Mr. Nedev acted as manager and liquidator.

By signing the declaration under Art. 81, para. 5 in connection with Art. 81, para. 3 of the POSA, Mr. Nedev declares the absence of the legally defined circumstances, namely, that in the last five years he has not:

- convicted of fraud;
- related to bankruptcy or receivership, in his capacity as a member of an administrative, a management or supervisory body or senior manager;
- officially publicly incriminated and/or sanctioned by legal or regulatory authorities (including certain professional bodies);
- deprived by the court of the right to be a member of the administrative, management or supervisory bodies of an issuer or from holding positions in the management or carrying out the activities of an issuer.

Yordan Nedev is a financier and expert with extensive management and consulting experience.

Yordan Nedev began his experience in the Bulgarian office of the German consulting firm Roland Berger, where he worked on the privatization of Bulgarian enterprises. After returning to Bulgaria, Mr. Nedev worked as a financial consultant on the initial public offering of shares on the Bulgarian Stock Exchange of the company Investor.bg, after which he worked as its executive director. He was the manager of the licensed investment intermediary CEE Securities before joining the MMD Partners team in 2005, where he led the financial consulting practice. In 2011, after two successful consulting projects in the field, he took over the management of BDZ Holding EAD, implementing a massive restructuring of the activity, increasing financial and operational control and improving commercial practices. During the period April 2013 – September 2014. is the manager of Bianor Services EOOD - a software solutions development company.

Yordan Nedev holds a Bachelor's degree in Economics from the Faculty of Economics, Sofia University "St. Kliment Ohridski", and in 2002 he obtained a Master of Finance at the London Business School, Great Britain.

According to the requirements of Art. 116a, para. 2 of the POSA, at least one third of the members of the board of directors or the supervisory board of the public company must be independent persons. The independent member of the council cannot be:

1. an employee of the Issuer;
2. a shareholder who holds, directly or through related parties, at least 25 percent of the votes in the general meeting or is a person related to the Issuer;
3. a person who has permanent commercial relations with the Issuer;
4. a member of a management or control body, a procurator or an employee of a commercial company or other legal entity under item 2 and 3;
5. a person related to another member of the Issuer's management or control body.

The function of independent members in Sirma Group Holding AD will be performed by Ms. Bezuhanova, Mr. Stattev and Mr. Nedev, who meet the independence requirements above. *This function is performed by the specified members of the Board of Directors of the Company from the date of their registration as such in the Commercial Register with the Registry Agency (see item 15 below).* As of the date of this prospectus, all three members serve as independent directors.

The Company has appointed an Investor Relations Director (IR) – Stefan Kiryakov, whose contacts are listed on page. 2 of this document.

14.2. CONFLICTS OF INTEREST OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

For the administrative, management and supervisory bodies of the Company there is no:

- 9 potential conflict of interest between the duties of the members of the board of directors to the Company and their personal interest or other obligations;
- 9 agreements between major shareholders, customers and other persons, on the basis of which any of the members of the board of directors is elected as a member;

In addition to the commitment stated in 10.3. Agreements to freeze the capital in the Document for the offered securities, there are no other restrictions adopted by the members of the Board of Directors for the disposal within a certain period of the assets in securities of the Issuer of the shareholders, members of the administrative, management and supervisory authorities and senior management.

15. REMUNERATION AND COMPENSATION

15.1. THE AMOUNT OF THE REMUNERATION PAID (INCLUDING ANY CONTINGENT OR DEFERRED COMPENSATION) AND IN-KIND BENEFITS GIVEN TO SUCH PERSONS BY THE ISSUER FOR SERVICES IN ALL THEIR FUNCTIONS IN RELATION TO THE ISSUER

During most of the historical financial period under review, the Company had a two-tier governance system consisting of a supervisory board and a management board. The change to a single-tier management system was entered in the Commercial Register on 11.08.2014. The current members of the board of directors were members of the management board in the two-tier management system during the last financial year. For the period covering the last two financial years, the Issuer and the subsidiaries with which the same persons have relations have accrued the following remuneration for their functions in BGN:

Table No. 34: Remuneration of the members of the Board of Directors of the Company for the period 01.01.2013. – 31.03.2015

First Name Last Name Family Name	Company	2013	2014	31.3.2015
Tsvetan Borisov Alexiev				
	DATIKUM AD	240	240	60
	ENG VIEW SYSTEMS SOFIA AD	0	345	150
	ONTOTEXT AD	6 000	6 000	1 500
	SIRMA BUSINESS CONSULTING AD SIRMA	17 698	26 456	3 000
	GROUP HOLDING AD SIRMA	67 200	72 917	19 980
	SOLUTIONS AD SIRMA IT AD	91 534	136 689	31 368
				25
TOTAL		182 672	242 648	56 083
Chavdar Velizarov Dimitrov				
	DATIKUM AD	240	240	60
	SIRMA GROUP HOLDING AD	34 120	36 063	9 811
	SIRMA SOLUTIONS AD	74 000	96 048	24 000
TOTAL		108 360	132 351	33 871
Tsvetomir Angelov Doskov				
	SIRMA BUSINESS CONSULTING AD SIRMA	149 910	175 175	32 565
	GROUP HOLDING AD		2 401	1 500
TOTAL		149 910	177 576	34 065
Atanas Kostadinov Kiryakov				
	ONTOTEXT AD	102 305	116 491	30 337
	SIRMA GROUP HOLDING AD	100	2 418	1 500
	SIRMA SOLUTIONS AD SIRMA	6 000	6 000	1 500
	IT AD ENG VIEW SYSTEMS			25
	SOFIA AD			150
TOTAL		108 405	124 909	33 512
Georgi Parvanov Marinov				
	SIRMA BUSINESS CONSULTING AD ENG	9 256	13 228	1 500
	VIEW SYSTEMS SOFIA AD SIRMA	93 600	104 000	24 300
	GROUP HOLDING AD PIRINA	100	2 418	1 500
	TECHNOLOGIES AD	0	1 000	
TOTAL		102 956	119 646	27 300
Sasha Konstantinova Bezuhanova				
	SIRMA GROUP HOLDING AD	0	325	1 500
TOTAL		0	325	1 500
Petar Borisov Stattev				
	SIRMA GROUP HOLDING AD	0	325	1 500
TOTAL		0	325	1 500
Yordan Stoyanov Nedev				
	SIRMA GROUP HOLDING AD	0	325	1 500
TOTAL		0	325	1 500

The independent members of the Board of Directors of the Company were appointed with entry in the Commercial Register at the Registry Agency on 10.12.2014. For 2014, remuneration for their functions was calculated at the rate of BGN 325 each, and for the first three months of 2015, BGN 1,500 each.

15.2. TOTAL AMOUNTS SET ASIDE OR ACCRUED BY THE ISSUER FOR THE PROVISION OF PENSIONS, OTHER COMPENSATIONS IN RETIREMENT OR FOR OTHER SIMILAR BENEFITS.

In the activities of the Issuer, as well as the companies in its economic group, no amounts have been set aside or accrued for the provision of pensions, other retirement compensation or other similar benefits.

16. PRACTICES OF GOVERNING BODIES

16.1. THE EXPIRATION DATE OF THE CURRENT TERM OF OFFICE

The term of office of the members of the Board of Directors of the Company is set at 2 years. According to the current statute. The expiration date for the position is August 11, 2016. The period that each member has held office as of the date of the Prospectus is as follows:

- Chavdar Velizarov Dimitrov – from 25.04.2008 to 31.05.2015 or 2,592 days;
- Tsvetan Borisov Aleksiev – from 25.04.2008 to 31.05.2015 or 2,592 days;
- Atanas Kostadinov Kiryakov - from 25.04.2008 to 31.05.2015 or 2,592 days;
- Georgi Parvanov Marinov – from 25.04.2008 to 31.05.2015 or 2,592 days;
- Tsvetomir Angelov Doskov – from 16.11.2012 to 31.05.2015 or 926 days;
- Sasha Konstantinova Bezukhanova - from 10.12.2014 to 31.05.2015. or 172 days;
- Petar Borisov Stattev – from 10.12.2014 to 31.05.2015 or 172 days;
- Yordan Stoyanov Nedev – from 10.12.2014 to 31.05.2015 or 172 days.

16.2. INFORMATION ON THE CONTRACTS OF THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES WITH THE ISSUER, TERMINATION BENEFITS PROVIDED

In the contracts of the members of the board of directors both with the Company itself and with subsidiaries of the Issuer, where such contracts with these persons are available, there are no benefits provided upon termination of employment. their contracts.

16.3. INFORMATION ABOUT THE ISSUER'S AUDIT COMMITTEE OR REMUNERATION COMMITTEE, INCLUDING THE NAMES OF THE COMMITTEE MEMBERS AND A SUMMARY OF THE TERMS OF SERVICE UNDER WHICH THE COMMITTEE OPERATES

The Company does not have an audit committee at the time of preparation of this document. After the registration of "Sirma Group Holding" AD as a public company, the Company is obliged to elect an audit committee in accordance with the requirements of paragraph 1, i. 11, b. "a" of the LFFA.

In accordance with the provisions of Art. 116c of the POSA, after acquiring the status of a public company, the Board of Directors of Sirma Group Holding AD will adopt and implement a policy for the remuneration of the persons working for the Company, and the requirements for the remuneration policy and its disclosure will be in accordance with those specified by law.

16.4. STATEMENT ON WHETHER OR NOT THE ISSUER COMPLIES WITH THE CORPORATE GOVERNANCE REGIME(S)

In view of the fact that Sirma Group Holding AD is not registered as an issuer in the register under Art. 30, para. 1, item 3 of the Financial Supervision Act, led by the Financial Supervision Commission, the Company has not yet 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 the POSA, Sirma Group Holding AD is obliged, after being entered in the above-mentioned register, to bring the content of its financial statements into line with a program for the implementation of internationally recognized standards for good corporate governance and should maintain its accounting policy in accordance with International Accounting Standards.

17. EMPLOYED PERSONS

17.1. NUMBER OF EMPLOYED PERSONS

The Issuer believes that its employees play a key role in the development of its business and the achievement of overall corporate goals and therefore pays special attention to the development of a common strategy and policies regarding human resources management. The Group's policies in this regard are aimed at stimulating the responsibility and motivation of the staff for the implementation of the tasks assigned to them tasks and goals.

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

The personnel structure in the group of "Sirma Group Holding" AD has the following dynamics:

Table No. 35. Number of employees employed for the last three financial years and up to the date of this document

Company	Staff 2012	Staff 2013	Staff 2014	9	31.5.2015
SIRMA ISG OOD DATIKUM AD		3	9		11
ENGVIEW		11	11	13	13
SYSTEMS SOFIA AD PIRINA		29	31	33	35
TECHNOLOGIES AD SIRMA ITTI		8	9		
EAD SIRMA BUSINESS		38	46	48	52
CONSULTING AD SIRMA GROUP		57	51	47	48
HOLDING AD SIRMA MEDIA AD		36	34	30	31
SIRMA SOLUTIONS AD		12	9		
Panaton Software Inc. Sirma		102	115	106	96
USA S&G UK			4	6	
		1	1	1	7
				1	1
ONTOTEXT AD				63	62
ONTOTEXT USA				4	4
Grand Total		297	320	361	360

Source: Sirma Group Holding AD

Table No. 36. Types of specialists for the last three financial years and up to the date of this document

Type of specialist	2012	%	2013	%	2014	%	31.5.2015	%
IT	160	53.87%	176	55.00%	210	58.17%	210	58.33%
Business Analysts Business	8	4.0%	8	3.7%	7	1.94%	7	1.94%
Development Marketing	13	4.7%	11	3.5%	39	10.80%	39	10.83%
and Sales Service Operations	8	2.4%	7	2.0%	11	3.05%	11	3.06%
	25	7.4%	23	7.2%	32	8.86%	31	8.61%
Financiers	10	2.9%	8	2.4%	9	2.49%	9	2.50%
Accounting	6	1.7%	7	2.2%	8	2.22%	8	2.22%
Executive Directors	13	3.7%	13	3.8%	13	3.60%	13	3.61%
Members Boards	20	5.8%			32	8.86%	32	8.89%
Total					361	100.00%	360	100.00%

Source: Sirma Group Holding AD

Table No. 37. Employees by geography as of the date of this document

Sirma Business	List number as of 31.05.2015 Number	
Consulting AD		48
	Sofia Office	31
	Plovdiv Office	17
Sirma Ai Ti Ti EAD		52
	Office Ruse	37
	Office Sofia	15
Daticum AD		13
	Sofia Office	13
EngView Systems Sofia AD		35
	Sofia Office	35
Sirma Group Holding AD		31
	Sofia Office	31
Ontotext AD		62
	Office Varna	2
	Office Sofia	60
Sirma Solutions AD		96
	Sofia Office	72
	Kazanlak Office Ruse	3
	Office Varna	5
	Office	16
Sirma ISG Ltd.		11
	Office Sofia	11
Ontotext USA Sirma	USA	4
USA	USA	7
S&G	England	1
TOTAL		360

Source: Sirma Group Holding AD

To carry out its activities, the Issuer does not employ a significant number of temporary employees.

17.2. EQUITY SHARES AND COMMODITY OPTIONS

As of the date of this document, the following members of the Board of Directors of Sirma Group Holding AD hold shares of the capital:

- a. Chavdar Velizarov Dimitrov, directly owns 5,250,686 shares with a nominal value of 1 BGN each, representing 10.54% of the total capital of the Company;
- b. Tsvetan Borisov Aleksiev directly owns 5,250,686 shares with a nominal value of 1 BGN each, representing 10.54% of the total capital of the Company. Tsvetan Aleksiev owns through related parties pursuant to § 1, T. 13, b. "d" of the additional provisions of the POSA, namely Radka Borisova Peneva (sister of Mr. Aleksiev), 498,365 shares, which represent 1% of the total capital of the Company. Thus, Mr. Aleksiev owns a total of 5,749,051 shares, directly and through related parties, representing 11.54% of the total capital of the Company;
- c. Atanas Kostadinov Kiryakov, directly owns 5,250,686 shares with a nominal value of 1 BGN each, representing 10.54% of the total capital of the Company;
- d. Georgi Parvanov Marinov, directly owns 5,250,686 shares with a nominal value of 1 BGN each, representing 10.54% of the total capital of the Company;

Tsvetomir Angelov Doskov does not own shares in the capital of the Company;

As of the date of this document, no options for participation in the capital of the Company have been granted to any of the members of the Board of Directors of Sirma Group Holding AD.

The following members of the Board of Directors of Sirma Group Holding AD and/or their related parties own shares in the companies of the Issuer's group, namely:

- Tsvetomir Doskov owns shares of the capital of Sirma Business Consulting AD, namely class A (ordinary) - 229,117 with a nominal value of 1 BGN each and class B (preferred) - 7,800 with a nominal value of 1 BGN each, representing 9.3283% of the company's capital.
- Zlatina Marinova (wife of Georgi Marinov) owns shares in the capital of Ontotext AD, namely 153,541 ordinary shares with a nominal value of 1 leva each, representing 1.0084% of the capital of the company.

17.3. DESCRIPTION OF ANY ARRANGEMENTS FOR THE PARTICIPATION OF EMPLOYEES IN THE CAPITAL OF THE ISSUER.

There are no arrangements for employee participation in the Issuer's capital. Regarding some of the

The subsidiaries of Sirma Group Holding AD have options for participation of key employees in the capital of the respective companies. As mentioned above in point 7, the following subsidiaries have made concrete steps in this direction:

- Sirma ITT AD has repurchased 13,902 registered voting shares (representing 10% of all shares) for the purpose of subsequent sale to key employees of Sirma ITT AD. For this purpose, by Decision of the sole owner of the capital dated 15.09.2014, the repurchased shares were converted into a new class A.
- Sirma Solutions AD has repurchased 248,687 registered shares owned by the shareholder Sirma Group Holding AD, constituting 8% of the capital of Sirma Solutions AD. Purpose of redemption – the shares will be sold to key employees. For this purpose, by decision of the General Meeting of Shareholders dated 09.03.2015, part of the treasury shares were converted and two new classes of shares were created - class A and class B. On 31.05.2015, 13,806 Class A shares were subscribed to the company's employees.
- With amendments to the Articles of Association of Ontotext AD, an option fund was created by the holders of ordinary shares, who agreed to create an option fund of 1,210,215 shares for a period until March 31, 2019, thereby committing to sell the shares included in the option fund to the holders of options at a price per share equal to BGN 1.17. The options from the option fund will be sold to key employees of the company, key employees of subsidiaries and consultants of the company and its subsidiaries at the price fixed in the previous sentence in accordance with a decision of the board of directors of Ontotext AD. The sale of ordinary shares, pursuant to the Option issuance scheme, will be carried out proportionally by all Shareholders holding Ordinary Shares included in the option fund.

There are no other options and/or arrangements for employee participation in the capital of any of the companies in the Issuer's group.

18. MAJORITY SHAREHOLDERS

18.1. TO THE EXTENT KNOWN TO THE ISSUER, THE NAME OF ANY PERSON OTHER THAN A MEMBER OF THE ADMINISTRATIVE THE MANAGEMENT OR SUPERVISORY BODIES THAT DIRECTLY OR INDIRECTLY HAVE A PARTICIPATION IN THE CAPITAL OF THE ISSUER OR SHARES WITH THE RIGHT TO VOTE SUBJECT TO DISCLOSURE UNDER THE NATIONAL LAW OF THE ISSUER, TOGETHER WITH THE AMOUNT OF EACH SHAREHOLDING SUCH A PERSON

As of the date of this document, there are persons who are not members of the Issuer's Board of Directors and **directly own more than 5% from** the Issuer's capital:

1. **Vesselin Anchev Kirov**, with business address: town of Sofia, residential area Banishora, bl.16 A, entrance A, directly owning **5,250,686** shares with a nominal value of 1 BGN each, representing **10.54%** of the total capital of the Company;
2. **Krasimir Nevelinov Bozhkov**, with business address: town of Sofia, ul. "Peony", 1, entrance. B, floor 6, directly owning **5,250,686** shares with a nominal value of 1 BGN each, representing **10.54%** of the total capital of the Company;
3. **Ognian Plamenov Chernokozhev**, with business address: city of Sofia, district Simeonovo, 2A "Simeon Pironkov" Str., fl. 3, directly owning **3,727,730** shares with a nominal value of 1 BGN each, representing **7.48%** of the total capital of the Company;
4. **Yavor Lyudmilov Dzhonev**, with business address: town of Sofia, ul. "Dimitar Shishmanov"3, floor 6, directly owning **5,250,686** shares with a nominal value of 1 BGN each, representing **10.54%** of the total capital of the Company;

As of the date of this document, there are no persons **indirectly owning more than 5%** of the Issuer's capital.

18.2. DIFFERENT VOTING RIGHTS

The Issuer's main shareholders do not have different voting rights. The shares of Sirma Group Holding AD are ordinary, registered, dematerialized and give equal rights to their holders.

18.3. TO THE EXTENT KNOWN TO THE ISSUER, INDICATE WHETHER THE ISSUER IS DIRECTLY OR INDIRECTLY OWNED OR CONTROLLED AND BY WHOM DESCRIBE THE NATURE OF THIS CONTROL AND THE MEASURES THAT ARE INTRODUCED TO PREVENT ABUSE WITH SIMILAR CONTROL.

The Issuer is not aware of any control being exercised over it.

18.4 DESCRIPTION OF ANY ARRANGEMENTS KNOWN TO THE ISSUER , THE EFFECT OF WHICH MAY AT SOME SUBSEQUENT DATE BE LEAD TO A CHANGE IN CONTROL OF THE ISSUER

The Issuer is not aware of any arrangements whose effect could lead to a change in control of Sirma Group Holding AD in the future.

19. RELATED PARTY TRANSACTIONS

For the historical period under review, the Company has transactions with related parties both in terms of its revenue and expense portion. The following two tables provide information on all related party transactions for the historical period under review, classified as follows:

connectivity types:

- 1 Subsidiaries
- 2 Companies under common indirect control through key management personnel
- 3 Major shareholder companies
- 4 Companies under common control
- 5 Companies under common indirect control
- 6 Major shareholders
- 7 Other related parties

Table No. 36. Sales to related parties in thousands of BGN, closing balance for the period 2012-up to the date of this document 31.05.2015.

Company	Deal type	Type connectivity	2 012	2 013	2 014	31.5.2015
			BGN 000	BGN 000	BGN 000	
Daticum AD	Backup services	2		0.1	-0.5	
		3	0.8	1.8	2.5	1.0
	MAN connectivity	2	2.0	2.0	2.0	0.1
		4				0.9
		3				0.2
	Subscriptions	2				10.1
	Electrical connectivity PDU	2			1.9	1.0
		3	1.2	1.2	1.2	0.5
	Electrical connection sockets	2			0.2	
		3		0.0		
	Internet	2	5.7	5.7	9.8	3.7
		3	11.5	12.1	11.6	5.7
		5	0.9	0.9	0.3	
		4				0.9
	Co-location	2			0.9	0.2
		3		0.1		0.4
		4				
	Consumables	2			22.6	15.0
		3	11.4	11.1	10.6	4.5
		4				0.6
Network connectivity 100 Mbps	2			0.5	0.0	
	4				0.2	
Network connectivity 1Gbps Hardware and license rental	2			0.8	0.4	
	2			4.3		
	3	6.0	6.3	4.5	1.2	
	4				1.8	
Cabinet rental	2			18.5	9.6	
	3	9.4	9.4	9.4	2.7	
Cloud services	2	1.9	12.1	25.1		
	3	6.7	15.0	41.0	12.7	
	5	9.5				
Interest income on deposits	3	2.3	0.4	0.7		

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	Revenue from sales of goods System	3	214.8	28.7		
	integration Technical support	3	65.0	83.5	28.7	48.3
		2			8.6	1.7
		3	0.0	3.6	2.5	
	Hosting	3	0.0	2.8		
	DATICUM AD Total Other		349.1	196.8	207.9	123.3
EngView Systems	operating income Consulting services	1		1.3		
Sofia AD	Interest on deposits Interest	4		126.9		
	on loans - investment	3	1.2	1.8	1.3	0.0
	activity Sale of goods Sales of fixed assets	3	28.4	28.0	25.1	10.0
		1	1.3	15.6		
	assets	4			1.0	
	Software services	3			166.1	
		4	140.0		207.5	
		5		1.7	1.8	
	ENGVIEW SYSTEMS SOFIA AD Total		170.9	175.4	402.8	10.0
Ontotext AD	Consulting Services	1			90.5	
	Interest on deposits	3			1.2	0.2
	Foreign exchange	1				0.3
	operations Sale of licenses	4			160.2	
	Software services	4			30.5	
	ONTOTEXT AD Total Sirma				282.4	0.5
ITT AD	Consulting services Interest	2	110.0			
	on deposits Software	3	0.9	0.9		
	services	2	35.5	31.7		
		4	229.1	677.4	435.7	
	SIRMA AY TI TI EAD Total Income		375.4	710.0	435.7	
Business Consulting	from foreign exchange operations Sirma	4	0.9	1.6	0.2	
AD	Interest on deposits	7	1.7	0.7		
	Interest on loans - investment activity					
	Software	3		0.5	0.3	
	services	2	32.9	2.3		
		3	157.6	33.5	24.0	10.7
		4	335.6	250.1	76.0	
	SIRMA BUSINESS CONSULTING AD Total		528.8	288.9	100.5	10.7
Sirma Group	Administrative, accounting					
Holding AD	services	1	315.4	437.3	658.1	222.9
		2	139.8	154.4	155.5	47.7
		5	18.3	32.2	15.8	
	Subscriptions	1				83.4
		2				1.9
	Consulting services	2	102.1			
	Consumables	1		22.9	31.3	6.3
		2			2.3	
	Marketing and advertising	1	7.1	6.6		
		2		2.2		
		5		0.4		
	Rentals	1	193.1	189.0	228.6	78.8
		2	7.0	2.3	26.1	9.1
		5	7.0	0.0		

	Training	1			8.7	
		2			2.0	
	Dividends	1	169.0		272.9	
	Interest on loans - investment activity	1	15.9	24.6	20.7	
		2		1.0	0.5	
		5	53.0	66.2	45.7	
	Operations with financial assets and tools	1			34.9	
	Sale of goods Technical support	1			195.7	
		1				9.6
		2				4.8
	Software services	1			166.7	
		2	7.0		1.9	
SIRMA GROUP HOLDING AD Total Sirma			865.7	1 108.1	1 867.3	464.4
Media AD Consulting Services		4	3.7			
	Sale of goods Software services	4	6.5	2.9		
	SIRMA MEDIA	4	19.1	30.0		
AD Total			29.3	33.0		
Sirma	SMS services	1	1.1	5.6	2.3	
Solutions AD	Other	1			5.6	
	Non-warranty services Consulting services	4			3.0	
		1	22.5	0.2		29.3
		4	10.0			
		5	5.0			
	Consumables	1	54.5	7.3	2.8	
	Marketing and advertising	4		5.5		
	Rentals	1	23.8	0.1	0.1	
	Income from foreign exchange operations	1	0.5	1.3	42.5	20.5
	Income from dividends Interest on deposits Interest on loans - investment activity	1		119.0	193.0	
		3	1.9	0.5	1.9	
		4	1.2	0.0		
		5	2.3	1.3	3.4	
	Operations with financial assets and tools Sale of goods	4			7.9	
		1	173.9	124.3	99.3	98.2
		3	4.0	6.2	14.5	0.6
		4	50.2	131.0	120.1	36.0
		5	53.9	11.5	1.3	
	Revenue from sales of fixed assets Software services	4				0.8
		1	1 103.0	731.6	2 588.6	309.4
		2	245.9			
		3	1.3	119.0		
		4	50.2	109.9		15.0
		5	9.7			
	Technical support SIRMA	1			19.6	
SOLUTIONS AD Total			1 814.8	1 374.2	3 105.8	509.6
Grand Total			4 134.1	3 886.4	6 402.3	1 118.5

Table No. 39. Deliveries to related parties in thousands of BGN, transactions for the period 2012-up to the date of this document 31.05.2015.

Company	Deal type	Type connectivity	2 012	2 013	2 014	31.5.2015
			BGN 000	BGN 000	BGN 000	
Daticum AD	Administrative services Subscriptions	3	36.9	44.9	60.8	17.0
		3				0.6
	Other	3	0.0	0.0	6.1	12.0
	Other financial expenses Electricity	3				0.0
		3	54.0	0.0	0.0	
	Heating	3				0.7
	Water	3				0.28
	Inventory	3	0.0	0.0	0.7	
	Computer components	3	9.0	2.1	38.3	4.5
	Consulting services	3	7.5	0.8		
		6			194.0	
	Computer and office equipment repair	3				1.3
	Computer supplies Landline phones	3	0.0	2.3	3.4	
	Mobile phones	3				0.1
		3	0.0	6.7	2.5	
	Rentals	3	28.3	3.1	11.7	3.6
	Security	3	0.0	0.0	0.8	0.5
	Office maintenance and repair Seminars	3	0.0	0.0	1.0	0.5
	and training Software license	3	0.0	0.0	0.8	
	rental	3				1.8
Software services	3	321.5	26.5	516.8		
DATICUM AD Total			457.2	86.6	837.0	42.8
DZZD "Sirma-Interconsult"	Administrative, accounting services	3	1.8	0.3		
	Interest	2		0.1		
DZZD "Sirma-Interconsult" Total DZZD Sirma			1.8	0.4	0.0	
	Software services	2	27.6			
DZZD Sirma Total Other			27.6			
DZZD Sirma	Software	2		0.0		
Interconsult	Services	2	245.9			
DZZD Sirma Interconsult Total DZZD			245.9	0.0		
Sirma-PI	Software Services	3				44.1
DZZD Sirma-PI Total			0.0	0.0	0.0	44.1
EngVue Latin	Others	3		1.3		
America	Purchasing EngView	3	1.3	15.6		
Latin America Total Administrative Services			1.3	16.9		
	Inputs into Systems-EngView	3	91.1	75.4	72.2	22.2
EngView Systems						
Sofia AD		5		0.0		
	Inventory	4	1.8	3.0	4.6	1.8
		5	0.0	0.0	2.2	

	Other financial expenses	3				0.0
		4				0.0
	Other	4				0.1
	Internet	2	2.2	2.0	2.2	0.9
	Computer Supplies	4				1.0
	Computer components	4	4.5	4.0	6.8	5.2
	Consulting services	5	0.0	9.8	0.0	
		7	0.0	12.9	0.0	
	Rentals	3	48.2	53.2	54.5	18.3
	Office supplies	3	0.0	0.0	0.5	1.1
		4				0.2
	Office maintenance and repair	3	0.0	6.0	6.0	1.1
	Advertisement	3	0.0	0.5	0.0	
	Advertising materials	3	0.0	0.6	0.0	
	Computer and office equipment repair	5	0.0	0.0	1.5	0.0
	Seminars and training	3	0.0	0.0	1.2	
	Software services	2	9.4	0.8	0.0	
		3	0.0	0.0	166.7	
		4	200.2	49.9	3.2	15.0
		5	13.4	1.0	0.9	
		7	0.0	21.2	0.0	
ENGVIEW SYSTEMS SOFIA AD Total			370.8	240.3	322.5	66.9
SG	Other	3			5.6	
Technology	Foreign exchange costs	3			3.8	
Services LTD	services	3			290.3	
	Technical support	3			19.6	
SG TECHNOLOGY SERVICES LTD Total					319.3	
Ototext USA	Consulting Services	3			90.5	
	Revenue from foreign exchange	3				0.3
operations Ototext USA Total					90.5	0.3
Ototext AD	Administrative services	3			147.9	75.4
	Electricity	2			22.1	9.1
	Internet	2			6.5	
	Computer components	4			4.7	2.1
	supplies	4				0.1
	Consulting services of subcontractors	4			9.6	
	Consulting services	4			73.3	
	Rentals	3			3.8	2.0
	Foreign exchange transaction costs	1				0.5
	Interest on loans	3			2.6	
	Other financial expenses	3				0.1
	Seminars and training	3			3.9	
	Hosting	2			13.0	10.9
ONTOTEXT AD Total					287.4	100.1

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Panaton Inc.	Foreign exchange transaction costs	3	0.5	1.3	38.7	18.9
	Software services	3	731.4	705.8	1 951.9	6.9
	Panaton Inc. Total		731.9	707.1	1 990.7	25.8
	Administrative, accounting services					
Pirina		3	9.1	14.0	12.1	
Technologies AD	Internet	5	0.7	0.7	0.4	
	Interest	3	45.1	57.3	33.8	
	Marketing and advertising	3		0.4		
	Rentals	3	2.4	0.0		
	Purchase of goods	5	1.7	0.1	0.2	
	Software services Pirina	5		1.7	1.8	
	Technologies AD Total Administrative		59.0	74.2	48.2	
Sirma IT	services	3	83.3	58.8	78.7	34.6
EAD	Electricity	2	0.0	0.0	1.5	0.9
	Water	3				0.1
	Heating	3				0.8
	Security	3				0.3
	Inventory	4	0.2	7.8	0.6	0.8
	Internet	2	2.6	1.8	1.0	0.7
	Computer components	4	3.2	6.2	6.0	0.7
	Consulting services	4	10.0	0.0	0.0	
	Rentals	3	4.7	3.2	34.1	16.1
	Office supplies Office	4	3.5	5.5	0.8	0.3
	maintenance and repair	3	0.0	0.0	1.0	0.5
	Interest on loans	3	14.9	24.6	23.9	0.2
		4	1.2	0.0	0.0	1.0
	Other financial expenses	3				0.0
		4				0.0
	Advertising materials	3	0.0	1.1	0.0	
	Computer and office equipment repair	4	0.7	0.0	3.0	
	Seminars and training	3	0.0	0.0	2.6	
		4	0.0	4.9	0.0	
	Software services	2	14.1	0.8	0.0	
		4	0.0	29.5	30.5	
	Hosting	2	0.0	11.3	39.3	14.3
	SIRMA AY TI TI EAD Total Foreign		138.5	155.4	223.1	71.3
Sirma USA	exchange expenses Software services	4	0.9	1.6	0.2	1.6
		4	335.6	243.1	576.0	256.8
	Sirma USA Total		336.5	244.7	576.2	258.3
	SMS services	3	1.1	5.6	2.3	
Sirma ISG Ltd.	Administrative, accounting services	3			8.7	3.5
	Consulting services Water	3				2.3
		3				0.0
	Heating	3				0.2

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	Office maintenance and repair Other Electrical	3			0.2
		3		0.0	0.0
	connectivity sockets Co-location	4		0.2	
		4		0.9	
	Hosting	4			3.1
	Consumables	3	0.5	0.9	
		4		1.4	
	Interest	3	1.3	0.5	
	Network connectivity 100 Mbps Hardware	4		0.5	
	and license rental Rentals	4		4.3	
		3		13.0	5.9
	Security	3			0.1
	Training	3		0.4	
	Purchase of goods Software	3	0.3	1.9	
	services Sirma ISG Ltd. Total	3	37.0	27.0	
	Administrative services Sirma Business		38.0	7.6	62.0
					15.2
	Consulting AD	3	101.2	106.2	36.2
	Inventory	3	0.0	0.0	0.2
	Internet	4	4.2	4.2	1.8
		3			0.1
	Computer supplies Computer components	3			0.3
	Consulting services	3	1.1	1.5	0.7
		2	117.9	31.7	0.0
		3	117.1	0.0	0.0
	Landlines Mobile phones	3			0.1
		3	0.1	0.6	0.3
	Rentals	3	2.5	2.3	1.0
	Foreign exchange transaction costs Other	4	1.2	1.6	0.0
	financial costs Advertising	3			0.0
		3	0.0	0.9	0.0
	Advertising materials Business trips	3	0.0	1.0	0.0
	in the country Seminars and training	3			0.1
	Software services SIRMA BUSINESS	3	0.0	0.0	2.8
	CONSULTING AD Total	3	7.0	0.0	1.9
			352.3	150.1	102.7
					40.5
Sirma Group	Electricity Inventory	2	5.7	0.0	0.5
Holding AD	Subscriptions	1	0.0	1.2	0.7
		3			2.0
	Other	3			2.1
	Internet	2	1.5	1.9	1.7
	Computer supplies Computer components	3			0.4
	Office supplies Interest on deposits	1	0.2	0.9	0.9
		1	0.3	2.6	1.5
		1	4.8	4.6	4.5
		2	1.7	0.7	0.0
		3			0.2
	Interest on loans	1	28.4	28.0	25.8
		2	0.0	0.7	0.0
		3			7.9
	Advertising materials Software	1	4.4	0.0	0.0
	services	1	1.3	119.0	166.1

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		3				2.0
		2	34.6	26.3	24.0	
	Hosting	2	5.6	14.3	11.6	1.3
SIRMA GROUP HOLDING AD Total			88.6	200.2	237.2	19.5
Sirma Media AD	Administrative services Internet Computer components	5	9.2	18.2	3.8	
	Consulting	5	0.9	0.9	0.3	
	services Rentals	5	4.7	0.2	0.0	
		5	5.0	0.0	0.0	
		5	13.0	8.7	0.0	
	Interest on loans	5	10.2	13.4	6.7	
	Software services	5	9.7	0.0	0.0	
	Hosting	5	9.5	0.0	0.0	
SIRMA MEDIA AD Total			62.2	41.3	10.8	
Sirma	Subscriptions	1	0.0	0.5	15.5	
Solutions AD	Administrative services Electricity	3	136.9	303.6	360.4	147.2
		1	5.7	0.0	0.0	
		3	0.0	39.2	36.5	14.4
	Internet	1	9.6	10.0	9.6	4.4
	Computer components Consulting	1	13.5	0.0	0.0	
	services	1	0.0	1.8	0.0	
		5	4.4	0.0	0.0	
	Commissions and fees	1				0.1
	Rentals	3	144.2	131.3	136.4	46.0
	DMA	1				
		4				107.5
	Goods	1				23.1
		4				0.2
	Commercial penalties					
	Contracts	2	68.8	0.0	0.0	2.6
	Office maintenance and repair Differences	3	0.0	16.3	16.3	18.3
	for partial tax					
	credit	1	2.4	-3.6	0.0	
	Interest on deposits	1	1.9	0.0	0.0	
	Interest on loans	3	1.0	0.0	0.2	4.7
	Other financial expenses Foreign	1				0.0
	exchange expenses Advertising	1	8.3	31.4	6.7	
		3	7.1	1.8	0.0	
	Advertising materials	3	0.0	2.5	0.0	
	Seminars and training	3	0.0	0.0	6.9	
	Software services	1	85.6	32.6	33.8	48.3
		4	211.6	672.0	566.7	
		5	19.1	30.0	0.0	
	Hosting	1	16.0	32.7	35.8	17.8
SIRMA SOLUTIONS AD Total			736.1	1 302.1	1 224.7	434.6
Grand Total			3 647.7	3 227.0	6 332.3	1 119.3

Source: Sirma Group Holding AD

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REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

Table No. 40. Loans and deposits of related parties in thousands of BGN, transactions for the period 2012-up to the date of this document 31.05.2015.

Company	Type deal	Type connection before.	Type connection received	2012 previous received	2013 previous received	2014 previous received	31.5.2015 previous received
Daticum AD							
	deposits	3	1	1.9 122.8		199.9 199.9	
	loans	1	3				285.0 200.0
Daticum AD Total				1.9 122.8	0.0	0.0 199.9 199.9	285.0 200.0
EngView Systems							
Sofia AD	deposits	1	3	104.0	54.0	15.0 120.0	40.0
	loans	3	1		20.0		42.0 42.0
EngView Systems Sofia AD Total				104.0	74.0	0.0 15.0 120.0 115.1	82.0 42.0
Sirma ITT EAD							
	redeemed rooms					139.0 139.0	
EAD	shares	3	1				
	loans	4	4			18.4	
	loans	1	3				42.0
Sirma ITT EAD Total				0.0	0.0	0.0 157.4 139.0	42.0 0.0
Ontotext							
AD Total	deposits Ontotext	3	1		10.0	10.0	75.0
AD Total Sirma Business				42.3	0.0	10.0 10.0 0.0 87.8	87.8 87.8
Consulting AD							
	loans	3	1		90.0	90.0	
	deposits	3	1			100.0 100.0	
	deposits	3	1			69.7	
	deposits	5	5			46.4	
Sirma Business Consulting AD Total Sirma Group				0.0	0.0	90.0 159.7 146.4 100.0	0.0 0.0
Holding AD							
	deposits	1	3	54.0 104.0	15.0	80.0 120.0	
	deposits	1	3		10.0	10.0	
	deposits	1	3		69.7		
	deposits	5	5			0.7	
	loans	1	3	34.0	84.0	58.9	58.9 195.0 120.0
	loans	5	5	50.0	0.0 138.1		16.6 233.6 374.5
	loans	5	5				18.6
	loans	2	3		33.5	22.5	
	loans	1	3		166.6	20.0	
	loans	5	5	6.0	6.0	71.0	136.9
	loans	1	3		60.0	0.0	40.0 40.0
	loans	3	1				75.0
Sirma Group Holding AD Total Sirma				144.0 254.0 562.8 128.0 567.9 791.4			75.0 0.0
Media							
AD	deposits Sirma Media AD						0.7
Total				0.0	0.0	0.0 0.0 0.0 0.7	

Sirma

Solutions AD

deposits	3	1	122.8	1.9			199.9	199.9		
deposits	7	6				100.0	95.1			
loans	4	4	145.0	145.0	25.0	25.0				
loans	1	3			48.9	48.9				
loans	1	3			36.6	36.6				
loans	5	5	28.0	28.7	54.2	29.0	144.1			
loans	2	3			26.0	5.6	0.9	0.5		
redeemed rooms										
shares	3	1					3 765.6	3 765.6		
loans	5	5	0.8	0.8						
loans	3	1							170.0	
Sirma Solutions AD Total	TOTAL		296.6	176.4	190.7	245.0	4 205.7	3 966.0		
			588.8	627.2	853.5	557.7	5 397.2	5 399.9		571.8
										499.8

There are no other related party transactions for the historical period under review.

20. FINANCIAL INFORMATION CONCERNING ASSETS AND LIABILITIES OF THE ISSUER, ITS FINANCIAL CONDITION, PROFITS AND LOSSES

20.1. HISTORICAL FINANCIAL INFORMATION

The Issuer prepares annual and interim individual and consolidated financial statements. The information included in the Registration Document, as well as in the other parts of the Prospectus, is based on the consolidated and individual financial statements of the Company.

"Sirma Group Holding" AD has prepared annual individual and consolidated audited financial statements as of 31.12.2012, 31.12.2013 and 31.12.2014, as well as an interim unaudited financial statement as of 31.03.2015.

The Company attaches to this registration document the aforementioned reports, which include:

1. balance;
2. income and expense statement;
3. statement of equity;
4. cash flow statement;
5. annexes to the financial statements.

All the above-mentioned documents are available to investors on the Issuer's website (<http://www.sirma.com/bg/investor-relations/>). These documents will be provided upon request to any potential investor by Sirma Group Holding AD and at the offices of Elana Trading AD.

20.2. PROFORMA FINANCIAL INFORMATION

This pro forma financial information has been prepared and presented in connection with the transformation entered in the Commercial Register on 23.10.2014. In this transformation, property is separated from the property of Sirma Group Holding AD, as a set of rights, obligations and factual relationships. The separate property passes to a newly established company, which becomes the legal successor of the transforming company for this part of its property.

As a result of the separation, SG Investment AD was established, UIC: 203266702, with registered office and management address: town of Sofia, Blvd. Tsarigradsko Shosse No. 135. The company's scope of activity is: development, sale, implementation, training and support of software products, acquisition and sale of participations in Bulgarian and foreign companies, and any other activity not prohibited by law.

The newly established company has capital of BGN 2,918,720, divided into 2,918,720 shares with a nominal value of BGN 1 each. The capital of the newly established company is formed entirely at the expense of the assets received from Sirma Group Holding AD, with the total value of this property, according to the assessment of a licensed independent appraiser, amounting to BGN 2,918,720, distributed as follows:

1. participation of 100% of the capital of Sirma Media AD, UIC 200272963, valued at 832,479 BGN.
2. participation of 82.45% of the capital of Pirina Technologies AD, UIC 175149906, valued at 59,132 BGN
3. four software modules worth 2,037,487 BGN, namely:
 - X-Package Designer - CAD/CAM software for packaging design;
 - X-Package Synergy - software for creating libraries with parametric packages;
 - X-Package Project Organizer - PDM (Product Data Management) system for organizing the work process in the organization;
 - X-Measure - a system for plane surveys.

As a result of the transformation, the Issuer's capital is reduced to BGN 49,837,156 through the cancellation of 23,503,662 shares. This decrease is a result of the calculated fair value of the shares of Sirma Group Holding AD by two independent appraisers. The shareholder structure of the Company does not change as a result of the separation as far as the shareholder structures in the transforming and newly established company are concerned. are mirrored.

The aforementioned four software modules were contributed to the Issuer's capital in 2008 at a value of BGN 19,949,466, and their total book value before the transformation and as a result of additional costs incurred for completion, increasing this book value, was BGN 20,540,958. The same modules were valued at BGN 2,037,487 at the time of their transfer to the newly established company. The valuation of an intangible asset is related to the potential with which the company that owns it can contribute to its realization. The issuer, having a long history of successful implementation of various projects, backed by an extremely experienced and professional team of over 360 people, has serious potential for the development of a given product to its successful commercial implementation. At the same time, the newly established company "SG Investment" AD is characterized by a lack of history and a small number of personnel, and the assessment of the potential economic benefits that these software modules would bring to the newly established company, taking into account its capabilities, leads to a change in their estimated value.

This difference in the potential of the companies is reflected in the evaluation of the modules during the transformation.

On 15.06.2015, an agreement was concluded between Sirma Group Holding AD and SG Investment AD for non-performance of competitive activities. The parties hereby commit not to offer the products and services that are the focus of the opposing party. It should be noted that the transferred participations in Sirma Media AD and Pirina Technologies AD are related to activities and products that have no analogues in the Issuer's group. In addition, according to the concluded agreement, SG Investment AD does not have the right to hinder in any way, directly or indirectly, the economic activity of Sirma Group Holding AD with the transferred four modules. Thus, the nature of the activities of SG Investment AD in line with its ownership upon establishment does not constitute an opportunity to carry out such competitive activities.

THIS PRO FORMA FINANCIAL INFORMATION IS INTENDED TO PRESENT THE RELEVANT FINANCIAL POSITION OF THE ISSUER FOR THE CURRENT FINANCIAL PERIOD AND THE ANNUAL FINANCIAL PERIOD ENDED MOST SOON IN CONNECTION WITH THE CONVERSION. IT IS PREPARED FOR ILLUSTRATIVE PURPOSES ONLY AND DUE TO ITS NATURE, IT CONSIDERS A HYPOTHETICAL SITUATION AND THEREFORE DOES NOT REPRESENT THE ACTUAL FINANCIAL POSITION OR RESULTS OF THE COMPANY.

The pro forma financial information below considers the hypothesis in which the transformation through separation occurred at the beginning of the last complete financial year and reflects the Company's results in relation to this assumption. Pro forma financial information is presented for the last two annual financial periods, most recently ended, as the Issuer believes that in this way it provides as much comparable information as possible to potential investors.

The information has been prepared in accordance with the accounting policies adopted by the Issuer in its financial statements and is based on its financial statements and explanatory notes. The information presents the results of the Issuer upon a reported transformation, as a result of which adjusting consolidation items were taken regarding: reducing the balances of financial assets and intangible assets in accordance with the carrying amount of the assets separated during the transformation; reducing the balance of the registered share capital to the amount after the transformation; reversing operations for the consolidation of income and expenses from both

companies, the capital participation of which has been transferred from Sirma Group Holding AD to the newly established company being separated; reclassification of related party transactions, participating in the consolidation of related party transactions; Reversal of operations to consolidate the assets of these companies; Reversal of operations to consolidate the elements of equity; Reversal of operations to consolidate the current assets and liabilities of the two companies; reclassification of balances of receivables and payables of related parties, participating in the consolidation of receivables into payables of related parties, not participating in the consolidation and elimination from the assets of the four transferred software modules, as well as the income from them and the expenses for them.

For the purposes of explanation in the following tables, the following abbreviations will be used:

- "Sirma Group Holding" AD - SGH
- Sirma Solutions AD - SS
- "Ontotext" AD - Hon
- "EngView Systems Sofia" AD - Eng
- "Sirma ITT" EAD - ITT
- "Sirma Business Consulting" AD - SBC
- Datikum AD - Date

- "Sirma ISG" OOD - ISG • "Sirma USA" - US • "Panaton Software" Inc. - Pan • "EngVue Latin America" - EngL • "GMG Systems" Inc., - GMG • "E-dom Management" OOD - Dom • "Sirma Mobile" AD - CM • "Pirina Technologies" AD - PT

Table No. 41. Statement of comprehensive income of the Issuer for 2013.

	2013	2013	Amendment	Explanation of the correction	Change %
	'000 BGN	'000 BGN comparable	'000 BGN	'000 BGN	
Sales revenue	21 563	20 705		Reversal of transaction for elimination of revenue +36 thousand BGN; reversal of transaction for (858) consolidation of revenues CM (- 582); Pan (- 312)	-3.98%
Financing income	104	100	CM	Reversal of operation to consolidate (4) financing income in Due to exit of CM and PT from	-3.85%
Other income	1 101	1 153	52	consolidation - reversal of eliminations other income in SS +39 and ITT + 13. (810)	4.72%
Total income	22 768	21 958			-3.56%
Material costs	(610)	(497)	+113	Reversal of consolidated costs for 113 materials PT Reversal of consolidated eliminated reclassified costs for external services - cons. services in personnel costs (- 760); consolidation of (1 228)	-18.56%
External service costs	(4,449)	(5,677)		eliminated costs for external services of CM (-231) and PT (-67); reversed eliminated costs for external services of the SS (- 170)	27.61%
Personnel costs	(11,805)	(10,617)		Reversal of consolidated personnel costs 428 + 207 in CM and PT +221 + reversal of eliminated reclassified 1,188 upon consolidation of consulting services as personnel costs from cross transactions in CM +760	-10.07%
Depreciation and impairment charges on non-financial assets	(5,285)	(4,483)		Reversal of consolidated expenses for 802 depreciation in CM in the amount of +789 and PT + 13	-15.17%
Cost of goods sold and other current assets	(2,276)	(2,216)	PT+6	Reversal of consolidated cost of goods sold 60 CM +54;	-2.63%
Changes in finished goods inventory production and unfinished business production	1 144	1 115		Reversal of consolidated changes in (29) the availability of finished goods of PT	-2.51%
Capitalized own costs	4 701	4 682		Reversal of consolidated (19) capitalized own expenses CM	-0.41%
Other expenses	(829)	(744)		reverse consolidated other expenses CM 85 +41; PT + 44	-10.24%
Total expenses	-19,409	-18,437	972		-5.01%
Profit / (Loss) from operating activities	3 359	3 521	162		4.82%
Financial costs	(2,124)	(352)	finance	Application of IAS 39 - net accounting of share purchase transaction +1709; 1,772 reversal of consolidated costs PT+63	-83.43%
Financial income	1 693	162		Application of IAS 39 - net accounting for a share sale transaction - (1,531) decrease by (- 1,604); increase in financial revenues from eliminated revenues from transactions with CM + 15 and with PT + 58	-90.43%
Financial income / expenses net	-431	-190	241		-55.87%
Share of profit/loss of associated companies	263	43		adjustment of profit from associates (220) businesses due to change in status of Ont.	-83.68%
Profit / (Loss) before taxes	3 192	3 374	182		5.70%
Income tax expense / Income tax income	(242)	(180)		subsequent adjustment from change in Pan's 62 financial result	-25.62%
	2 950	3 194	244		8.27%

Source: Sirma Group Holding AD

SIRMA GROUP HOLDING AD

REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

After the adjustments in the income statement for 2013, an improvement in the final results was observed, which was caused by a decrease in personnel costs and depreciation and impairment.

Table No. 42. Statement of financial position (assets) of the Issuer for 2013.

Assets	2013 '000 BGN	2013 '000 BGN comparable	Amendment BGN'000	Explanation of the correction '000 BGN	Change %
Non-current assets					
Intangible assets	31 692	30 732	(960)	reversal of a consolidation operation intangible assets in CM (-960)	-3.03%
Property, plant and equipment	3 198	3 194	(4)	reversal of operation for consolidation of machines (-4) (CM (-2) and PT (- 2))	-0.13%
Investments in associates enterprises	8 263	8 263	0		0.00%
Deferred tax assets	214	212	(2)	reversal of consolidated tax assets in SM (- 2)	-1.14%
Capitalized own costs /products under construction/	27 031	4 722		reduction of capitalized costs due to the transformation and transfer of an asset to the demerged company (-20,541); reversal of an operation to consolidate own expenses for the acquisition of fixed assets of (22,309) CM (-933); reversal of the operation for consolidation of own expenses for acquisition of fixed assets in PT (- 336); reversal of a transaction for capitalized expenses for the acquisition of fixed assets Date (-499)	-82.53%
Commercial reputation	13 744	13 673	in PT (23,346)	reversal of an operation to form (71) goodwill	-0.52%
Non-current assets	84 142	60 796			-27.75%
Current assets					
Inventory	1 143	919		reversal of inventory consolidation transaction in PT (-153); reversal of (224) inventory consolidation operation in CM (- 71)	-19.62%
Trade receivables	4 430	5 606		reversal of a trade receivable consolidation transaction CM (- 127) trade receivables and (-1) tax receivables; PT (- 12) trade receivables and (-12) tax receivables; reclassification of receivables 1,176 related parties - PT in trade receivables + 743; CM+438; recovery of eliminated receivables on advances PT +48; CM + 10; consolidation of eliminated short-term loans PT + 45; CM + 44	26.56%
<i>including Trade receivables incl. Tax receivables</i> Receivables from related parties		5 538	68		
Other receivables and prepaids expenses	321	197		reversal of consolidated reclassified other receivables and (124) prepaid expenses to trade receivables - for PT (-92); SM (- 32)	-38.65%
Cash and cash equivalents	2 460	2340		decrease in cash due to overdraft paid by the SGH of (120) PT(-110); reversal of consolidated cash SM (- 7); PT (- 3);	-4.87%
Current assets	8 354	9 062	708		8.48%
Assets and disposal groups classified as held for sale	0	499		reclassification of expenses for 499 acquisition of fixed assets in Date in assets held for sale +499	
Total assets	92 496	70 357	-22,139		-23.94%

Source: Sirma Group Holding AD

SIRMA GROUP HOLDING AD

REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

In 2013, the adjustments mainly concern capitalized own costs /products under construction/.

Table No. 43. Statement of financial position (equity and liabilities) of the Issuer for 2013.

Equity and liabilities	2013 '000 BGN	2013 '000 BGN comparable	Amendment BGN'000	Explanation of the correction '000 BGN	Change %
Equity					
Main / Share capital	73 341	49 837	with (-23,504)	Reversal of fixed capital due to (23,504) transformation reversal of consolidated reserves	-32.05%
Reserves	2 940	2 651	(289)	in PT (-404) and CM (-12), adjustment for minority interest (+127)	-9.83%
Retained earnings / (Accumulated loss/profit)	1 902	2 560	658	according to the statement of comprehensive income	34.60%
<i>including profit current period</i>	<i>2 950</i>	<i>3 194</i>	<i>244</i>	<i>according to the statement of comprehensive income</i>	<i>8.27%</i>
Minority participation	8 150	9 192		reverse minority interest in CM (- 69); correction minority interest by 1,042 reserves +127 and retained earnings +984	12.79%
Total equity Liabilities	86 333	64 240	(22,093)		-25.59%
Non-current liabilities					
Long-term provisions	57	60		reclassification of pensions, etc. obligations to staff to long-term provisions +3	5.84%
Pension and other liabilities to the staff	6		(6)	reversely consolidated long-term pension and other obligations to personnel PT (- 3); reclassification to long-term provisions (- 3) reclassification to: short-term finance lease liabilities (- 44); (595)	-100.00%
Liabilities to financial institutions	595			short-term trade payables (- 551) reclassification to short-term	-100.00%
Finance lease liabilities	34			term (34) liabilities (-34) reclassification to long-term	-100.00%
Commercial and other liabilities	279	149		trade and other payables to (130) short-term liabilities to personnel (-130)	-46.59%
<i>including Trade liabilities incl. Other obligations</i>		<i>134</i>	<i>134</i>	<i>commercial loan SI -Canada</i>	
		<i>15</i>	<i>15</i>	<i>obligations to individuals.</i>	
Funding	137		other	reclassification to short-term (137) trade and liabilities (- 137) reclassification and consolidation	-100.00%
Deferred tax liabilities	135	294	159	of deferred tax liabilities eliminated +159 due to conversion (740)	117.78%
Non-current liabilities	1 243	503			-59.52%

SIRMA GROUP HOLDING AD

REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

Equity and liabilities	2013 '000 BGN	2013 '000 BGN comparable	Amendment BGN'000	Explanation of the correction '000 BGN	Change %
Current liabilities					
Current portion of non-current obligations					
Provisions	732	423	(309)	reclassified provisions (-309) to commercial and other liabilities;	-42.19%
Liabilities to financial institutions	2 107	2 003		reversal of consolidated liabilities (104) to financial institutions PT (- 104)	-4.94%
Finance lease liabilities		78		reclassified long-term financial lease liabilities to 78 short-term + 34; reclassified long-term liabilities to financial institutions + 44	
Commercial and other liabilities					
Liabilities to related parties					
				Reclassified long-term liabilities to financial institutions to trade payables +551; reclassified provisions +309; reclassified long-term trade payables to short-term +130; 1,029	
Commercial and other liabilities	2 081	3 110		reclassification eliminated liabilities to related parties in trade payables CM+11; PT +40; reclassification financing to short-term trade and other liabilities + 137; reverse consolidated trade and other liabilities PT (- 87) and SM (- 62)	49.42%
<i>including Pension and other obligations to the staff</i>					
		839	839		
<i>including Trade liabilities incl. Tax</i>					
	837	985	148		17.65%
<i>liabilities incl. Accounts receivable</i>					
	355	331	(24)		-6.76%
<i>advances</i>					
	546	480	(66)		-12.15%
<i>including Financing incl.</i>					
	39	39	-		0.00%
Other liabilities Current liabilities					
	304	436	132		43.42%
Total liabilities	4 920	5 614	694		14.10%
	6 163	6 117	(46)		-0.74%
liabilities	92 496	70 357	(22,139)		-23.94%

Source: Sirma Group Holding AD

The decrease in share capital due to the invalidated shares during the transformation is again the main change in the adjustment of the liabilities side of the balance sheet.

Table No. 44. Statement of comprehensive income of the Issuer as of 31.12.2014.

	2014	2014	Amendment	Explanation of the correction	Change %
	'000 BGN	'000 BGN comparable	000 BGN	'000 BGN	
Sales revenue	27 048	26 953		Reversal of revenue consolidation operation - SM (-37) thousand BGN; PT (-71) thousand BGN, (95) reversal of operations to eliminate income from CM +4 thousand BGN.	-0.35%
Financing income	515	501		Reversal of the operation for consolidation of (14) revenues CM (-14) thousand BGN.	-2.72%
Other income Total	303	303			0.00%
income	27 865	27 756	(109)		-0.39%
Material costs	(481)	(463)		Reversal of operation for consolidation of 18 expenses PT (-18) thousand BGN. Reversal of a transaction for consolidation of expenses PT (-34) thousand BGN, CM(-5) thousand BGN; reversal 27 of an operation to eliminate expenses PT +9 thousand BGN; CM+5 thousand BGN	-3.74%
External service costs	(3,866)	(3,839)			-0.70%
Personnel costs	(14,890)	(14,743)	CM	Reversal of a transaction for consolidation of 147 expenses (-29); PT (-118) thousand BGN.	-0.99%
Depreciation and impairment charges on non-financial assets	(5,809)	(5,808)	1		-0.02%
Cost of goods sold and other current assets	(5,073)	(5,070)		Reversal of operation for consolidation of 3 expenses CM(-4) thousand BGN.	-0.06%
Changes in finished goods inventory production and unfinished business production	(995)	(937)		Reversal of operation for consolidation of 58 expenses PT(-58) thousand BGN.	-5.83%
Capitalized own costs	9 587	9 517		Reversal of a transaction for consolidation of (70) capitalized expenses PT +70 Reversal of a transaction for consolidation of 17 expenses PT (-16) thousand BGN.	-0.73%
Other expenses	(1,147)	(1,130)			-1.48%
Total expenses	(22,673)	(22,473)	200		-0.88%
Profit / (Loss) from operating activities	5 192	5 283	91		1.75%
Financial costs	(427)	(425)		Reversal of a transaction for consolidation of expenses PT (-34) thousand BGN, CM(-8) thousand BGN; reversal 2 of the operation to eliminate expenses PT +32 thousand BGN; CM+8 thousand BGN	-0.47%
Financial income	206	246		Reversal of operation to eliminate 40 revenues from PT +32;SM+8 thousand BGN.	19.42%
Other financial items	5 715	5 715			0.00%
Financial income / expenses net Profit / (Loss)	5 494	5 536	42		0.76%
before taxes Income tax expense / Income	10 686	10 819	133		1.24%
tax income	(907)	(907)			0.00%
	9 778	9 911	133		1.36%

Source: Sirma Group Holding AD

A decrease in sales revenue combined with a decrease in almost all expense items resulted in a slightly improved bottom line.

Table No. 45. Statement of financial position (assets) of the Issuer as of 31.12.2014.

Assets	2014 '000 BGN	2014 '000 BGN comparable	Amendment BGN*000	Explanation of the correction '000 BGN	Change %
Non-current assets					
Intangible assets	30 023	30 023	-		0.00%
Property, plant and equipment	4 801	4 801	-		0.00%
Investments in subsidiaries Investments in associates	7	7			
Long-term financial assets Deferred tax assets	429	429	-		0.00%
Capitalized own costs / products under construction / Goodwill Non-current assets	27	27	-		0.00%
Current assets	11 527	11 527	-		0.00%
	19 398	19 398	-		0.00%
	66 654	66 654	-		0.00%
Inventories Trade	463	463	-		0.00%
receivables incl. Trade receivables	7 377	7 377	-		0.00%
including Tax receivables Receivables from related parties Other receivables and prepaid expenses Prepaid expenses Cash and cash equivalents	44	44	-		
	1 060	1 060			
	153	153	-		0.00%
	135	135			
	3 003	3 003	-		0.00%
Current assets	12 235	12 235	-		0.00%
Assets and disposal groups classified as held for sale	15 265	15 265	-		
Total assets	94 154	94 154	0		0.00%

Source: Sirma Group Holding AD

As of 31.12.2014, no adjustments were observed in the individual items, which is due to the fact that the date of transformation for accounting purposes precedes the date of preparation of the report and actually reflects the events that occurred and the changes in assets and liabilities.

Table No. 46. Statement of financial position (equity and liabilities) of the Issuer as of 31.12.2014.

Equity and liabilities	2014 '000 BGN	2014 '000 BGN comparable	Amendment BGN'000	Explanation of the correction '000 BGN	Change %
Equity					
Capital / Share Capital Unpaid Capital	49 837	49 837	-		0.00%
	(25)	(25)	-		0.00%
Reserves	2,763	2,763	-		0.00%
Reserve from restated statements	(541)	(541)	-		0.00%
Retained earnings / (Accumulated loss/profit)	2 197	2 064		adjustment to retained earnings from elimination of the results of the enterprises involved in (133) the conversion as follows: loss until 31.07. 2014 of PT (-139) thousand BGN and profit of SM until 31.07.2014 (+6 thousand BGN) according to the pro forma statement of comprehensive income 133	-6.05%
Current financial result	9 778	9 911			1.36%
<i>including profit minority interest including loss minority interest</i>	2 629	2 629	-		0.00%
	-	-	-		n/a
Non-controlling interest Total equity	18 320	18 320	-		0.00%
Liabilities					
Non-current liabilities					
Long-term provisions Liabilities to financial institutions Finance lease liabilities Deferred tax liabilities Non-current liabilities Current liabilities	86	86	-		0.00%
	860	860	-		0.00%
	97	97	-		0.00%
liabilities	867	867	-		0.00%
	1 910	1 910	-		0.00%
Current portion of non-current liabilities Provisions	-	-	-		
Liabilities to financial institutions Finance lease liabilities Trade and other liabilities Liabilities to related parties	728	728	-		0.00%
	3 920	3 920	-		0.00%
	26	26	-		0.00%
Pension and other liabilities to the staff	1 026	1 026	-		0.00%
	185	185	-		0.00%
	929	929	-		0.00%
Tax liabilities Liabilities for advances received Financing Other liabilities	664	664	-		0.00%
	1 726	1 726	-		0.00%
Current liabilities	419	419	-		0.00%
Total liabilities	292	292	-		0.00%
	9 915	9 915	-		0.00%
	11 825	11 825	-		0.00%
	94 154	94 154	-		0.00%

Source: Sirma Group Holding AD

Table No. 47. Statement of comprehensive income of the Issuer as of 31.03.2015.

	31.3.2015	31.3.2015	Amendment	Explanation of the correction	Change %
	'000 BGN	'000 BGN comparable	'000 BGN	'000 BGN	
Sales revenue	7 022	7 022	-		0.00%
Financing income Other income	12	12	-		0.00%
Total income Cost	10	10	-		0.00%
of materials	7 044	7 044	-		0.00%
	(92)	(92)	-		0.00%
External service costs	(727)	(727)	-		0.00%
Personnel costs	(3,881)	(3,881)	-		0.00%
Depreciation and impairment charges on non-financial assets	(1,113)	(1,113)	-		0.00%
Cost of goods sold and other current assets	(2 001)	(2 001)	-		0.00%
Changes in finished goods inventory production and unfinished business production			-		n/a
Capitalized own costs	1 287	1 287	-		0.00%
Other expenses	(113)	(113)	-		0.00%
Total expenses	(6,640)	(6,640)	-		0.00%
Profit / (Loss) from operating activities	404	404	-		0.00%
Financial costs	(50)	(50)	-		0.00%
Financial income	31	31	-		0.00%
Other financial items			-		n/a
Financial income / expenses net Profit / (Loss)	-19	-19	-		0.00%
before taxes Income tax expense / Income tax income	385	385	-		0.00%
			-		n/a
	385	385	0		0.00%

Source: Sirma Group Holding AD

As of 31.03.2015, no adjustments were observed in the individual items, which is due to the same fact that the date of the transformation for accounting purposes precedes the date of preparation of the report and actually reflects the occurred changes in assets and liabilities.

Table No. 48. Statement of financial position (assets) of the Issuer as of 31.03.2015.

Assets	31.3.2015	31.03.2015 Proforma	Amendment	Adjusting entries to the pro forma consolidated statements	Change %
	'000 BGN	'000 BGN	BGN'000		
Non-current assets					
Intangible assets	37 065	37 065	-		0.00%
Property, plant and equipment	4 584	4 584	-		0.00%
Investments in subsidiaries Investments in associates Long-term financial assets Deferred tax	17	17	-		0.00%
assets Capitalized own costs / products	379	379	-		0.00%
under construction / Goodwill	25	25	-		0.00%
	254	254	-		0.00%
	12 814	12 814	-		0.00%
	19 398	19 398	-		0.00%
Non-current assets	74 536	74 536	-		0.00%
Current assets					
Inventories Trade receivables Receivables from related parties Tax receivables Other receivables	439	439	-		0.00%
	5 776	5 776	-		0.00%
	499	499	-		0.00%
	74	74	-		0.00%
	736	736	-		0.00%
Prepaid expenses Cash and cash equivalents Current assets	146	146	-		0.00%
	3 802	3 802	-		0.00%
	11 472	11 472	-		0.00%
Assets and disposal groups classified as held for sale	15 265	15 265	-		0.00%
Total assets	101 273	101 273	0		0.00%

Source: Sirma Group Holding AD

Table No. 49. Statement of financial position (liabilities and equity) of the Issuer as of 31.03.2015.

Equity and liabilities	31.3.2015	31.03.2015	Amendment	Change %
	'000 BGN	Proforma	Adjusting entries to the pro forma consolidated statements	
	'000 BGN	'000 BGN	'000 BGN	
Equity				
Share capital / Share capital Unpaid capital	49 837	49 837	0	0.00%
Reserves Reserves from restated	-25	-25	0	0.00%
statements Retained earnings / (Accumulated loss) from previous years Loss for the period outside consolidation Current financial result Non-controlling	2,763 4,783 11 434 0	2,763 4,783 11 434 0	0 0 0 0	0.00% 0.00% 0.00% n/a
	385	385	0	0.00%
	18 366	18 366	0	0.00%
	87 543	87 543	0	0.00%
Liabilities				
Non-current liabilities			0	
Provisions	63	63	0	0.00%
Long-term loans Finance lease liabilities Deferred tax liabilities	638 388 1 142	638 388 1 142	0 0 0	0.00% 0.00% 0.00%
	2 231	2 231	0	0.00%
Equity and liabilities	31.3.2015	31.03.2015	Amendment	Change %
	'000 BGN	Pro forma	'000 BGN	
Current liabilities				
Provisions	-	-	0	
Pension and other liabilities to the staff	2 615	2 615	0	0.00%
Short-term loans Finance lease liabilities Trade and other payables Short-term payables to related parties Tax liabilities Liabilities for advances received Other liabilities	3 518 - 1 323 - 674 2 855 514	3 518 - 1 323 - 674 2 855 514	0 0 0 0 0 0 0	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%
	11 499	11 499	0	0.00%
Total liabilities	13 730	13 730	0	0.00%
Total equity and liabilities	101 273	101 273	0	0.00%

Source: Sirma Group Holding AD

The conclusion from the pro forma financial information presented above is that after the separation, the Company's results are improving. This is a result of the nature of the transferred assets, which for the historical period under review generated a negative financial result.

The adjustments made in the annual and interim consolidated statements of the Issuer are the result of the separation through new incorporation and the actual transfer of assets to this newly established company. In this regard, the adjustments will have a continuous impact on the Issuer and in its future activities.

THE REPORT PREPARED BY THE AUDITORS OF THE ISSUER "BISICOM – 61" AND ATTACHED TO THIS DOCUMENT STATES THAT IN THEIR OPINION:

- A) THE PRO FORMA FINANCIAL INFORMATION HAS BEEN PROPERLY PREPARED ON THE SPECIFIED BASIS;
- B) THE BASIS IS IN ACCORDANCE WITH THE ISSUER'S ACCOUNTING POLICIES.

20.3. FINANCIAL STATEMENTS

Sirma Group Holding AD is obliged to prepare individual and consolidated annual and interim financial statements. The information in this document is derived from the same individual and consolidated annual audited reports for the last 3 years and the unaudited interim report for the first quarter of 2015.

20.4. AUDITED HISTORICAL ANNUAL FINANCIAL INFORMATION

The historical annual individual and consolidated financial information in this document has been audited, except for the first quarter of 2015. The audit reports on this financial information have not been disclaimed by the statutory auditors and do not contain any qualifications or disclaimers.

The pro forma financial information referred to in item 20.2. above and covering the last two full financial years 2013 and 2014, as well as the first quarter of 2015 and is the subject of an independent auditor's review report attached to this document

20.5. WHEN IS THE LAST FINANCIAL INFORMATION?

The latest financial information in the registration document dates from 31.05.2015.

20.6. INTERIM AND OTHER FINANCIAL INFORMATION

The Issuer has published quarterly financial information as of 31.03.2015 after the date of its last audited financial statements.

20.7. DIVIDEND POLICY

The company distributes a dividend to its shareholders, the amount of the dividend being determined by the General Meeting of Shareholders. The Issuer's current shareholders intend to vote for a dividend distribution of 20% to 40% of the profit in the future.

DIVIDENDS PAID DURING THE REVIEWED HISTORICAL PERIOD

In 2012, at the regular annual general meeting of shareholders, a decision was made to allocate 10% of the realized profit to the Reserve Fund, and the remainder to be transferred to the retained earnings item. At the regular annual general meeting of shareholders of Sirma Group Holding AD for 2013, a decision was made, after distributing 10% of the realized profit of BGN 406,018, to distribute a dividend of BGN 100,000 among all shareholders, and the remainder to be transferred to the item retained earnings. As of the date of this document, the Company has not paid the dividend in question.

20.8. LEGAL AND ARBITRATION PROCEEDINGS

As of the date of this document, the Issuer as well as the companies that belong to its economic group pursuant to 7 above, have no pending and are not aware of any governmental, legal or arbitration proceedings, or threat thereof, for the period of the last 12 months, which could have had significant consequences in the recent past for the Issuer and the same companies and/or for its or their financial condition or profitability. The Issuer has no information that any government, legal or arbitration proceedings will be initiated against it that will affect its financial condition or profitability in the near future.

20.9. SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION

On 23.10.2014. The Commercial Register at the Registry Agency registered the transformation of Sirma Group Holding AD through separation and establishment of a new company. The adopted transformation plan is dated 12.08.2014 and has the following change as its subject: separation of separate property as a set of rights,

obligations and factual relationships. The separate property passes to the newly established company, which becomes the legal successor of the transforming company for this part of its property. The newly established company is "SG Investment" AD, UIC: 203266702, with registered office and management address: town of Sofia 1784, Mladost District, Blvd. Tsarigradsko Shosse No. 135. The same has the following scope of activity: Development, sale, implementation, training and support of software products, acquisition and sale of participations in Bulgarian and foreign companies, and any other activity not prohibited by law. The capital of the newly established company amounts to 2,918,720 shares with a nominal value of 1 lev each and was formed entirely at the expense of the property received from the Issuer. The separated property is as follows:

- The full value of the Issuer's participation in the capital of Sirma Media AD, UIC: 200272963, namely 100%, which is estimated at 832,479 BGN.
- Participation of 82.45% of the capital of Pirina Technologies AD, UIC: 175149906, valued at 59,132 BGN.
- Software modules worth BGN 2,037,487, as follows:
 - o X-Package Designer - CAD/CAM software for packaging design;
 - o X-Package Synergy - software for creating libraries with parametric packages;
 - o X-Package Project Organizer - PDM (Product Data Management) system for organizing the work process in the organization;
 - o X-Measure - a system for planar surveys;

The transferred software modules were recognized in the Issuer's asset section in 2008 as expenses for the acquisition of fixed assets. They were not depreciated until their transfer, and their carrying amount was as follows:

- o X-Package Designer – 10,246,902 BGN;
- o X-Package Synergy – BGN 3,871,820;
- o X-Package Project Organizer - BGN 1,866,670;
- o X-Measure - 4,555,566 BGN;

The observed small differences in the values of these modules compared to what is stated in the Issuer's articles of association are caused by the fact that at the time of their contribution they were still under development and subsequently additional costs were incurred for their finalization.

In connection with the spin-off, the Issuer's capital is reduced to BGN 49,837,156 through the cancellation of 23,503,662 shares. This decrease is a result of the write-off of the carrying amount of the assets involved in the spin-off. Additionally, the fair value of the shares of Sirma Group Holding AD after the separation was calculated by two independent appraisers. The shareholder structure of the Company does not change as a result of the separation as long as the shareholder structures in the transforming and newly established company are the mirrored.

There is no other significant change in the financial or trading position of the Issuer that has occurred since the end of the last published audited financial information for 2014, the date of the published unaudited quarterly report for the first quarter of 2015 and until the date of this document.

21. ADDITIONAL INFORMATION

21.1. SHARE CAPITAL

21.1.1. THE AMOUNT OF THE ISSUED CAPITAL AND FOR EACH CLASS OF SHARE CAPITAL:

The share capital of Sirma Group Holding AD according to the last audited annual report is BGN 49,837,156, which is reduced after the transformation. It is divided into the same number of ordinary registered shares with a nominal value of BGN 1.00 each. As of the date of this document, there has been no subsequent change in the share capital.

21.1.2. IF THERE ARE SHARES THAT DO NOT REPRESENT CAPITAL, INDICATE THE NUMBER AND MAIN CHARACTERISTICS OF SUCH SHARES

The issuer has no issued shares that do not represent capital.

21.1.3. THE NUMBER, ACCOUNTING VALUE AND NOMINAL VALUE OF THE ISSUER'S SHARES HELD BY OR IN THE NAME OF THE PERSON ISSUER

The Issuer owns 3 treasury shares as of the date of this document. The accounting and nominal value of the same is 1 BGN each.

21.1.4. CONVERTIBLE SECURITIES, EXCHANGEABLE SECURITIES OR SECURITIES WITH WARRANTS

The issuer has no issued convertible securities, exchangeable securities, or securities with warrants.

21.1.5. INFORMATION ON THE TERMS AND CONDITIONS OF ANY RIGHTS TO ACQUIRE AND/OR OBLIGATIONS FOR AUTHORISED BUT UNISSUED CAPITAL

The Issuer has no information about the terms of any rights to acquire and/or obligations for the statutory, but unissued capital.

According to this prospectus for capital increase, the capital of the Company, as a result of a successful public offering, should be increased by up to 16,000,000 new shares with a nominal value of 1 BGN. The capital before the public offering is BGN 49,837,156, and after a possible successful completion of the offering, the capital will be up to BGN 65,837,156, which means that the offered New Shares will represent 24.3% of the Company's capital after its increase.

21.1.6. INFORMATION ABOUT ANY CAPITAL OF ANY MEMBER OF THE GROUP WHICH IS UNDER OPTION OR IS AGREED CONDITIONALLY OR UNCONDITIONALLY TO BE PUT UNDER OPTION AND THE DETAILS OF SUCH OPTIONS, INCLUDING PERSONS TO WHOM SIMILAR OPTIONS APPLY Holders of ordinary shares of capital of Ontotext AD, incl. "Sirma Group Holding" AD, have agreed to create an option fund of 1,210,215 (one million two hundred and ten thousand two hundred and fifteen) shares for a period until 31.03.2019, whereby they undertake to sell the shares included in the option fund to the option holders at a price per share equal to 1.17 BGN. The options from the option fund will be sold to key employees of the company, key employees of subsidiaries and consultants of the company and its subsidiaries at the price fixed in the previous sentence in accordance with a decision of the Board of Directors of Ontotext AD to determine the persons entitled to acquire options, taken by simple majority, but with the participation of at least one member of the Board of Directors nominated by the shareholders, who voted "FOR" the decision. The Board of Directors is authorized, for a period of 3 (three) years, as of the announcement of this amendment to the Articles of Association in the Commercial Register, to manage the option fund, to determine the price of 1 (one) option for the acquisition of one share, which cannot be higher than three euro cents, to determine the persons entitled to acquire options and to sell options from the option fund for the acquisition of shares from the capital of the Company. The sale of ordinary shares, pursuant to the Option issuance scheme, will be carried out proportionally by all Shareholders holding Ordinary Shares included in the option fund.

In addition, the articles of association of Ontotext AD regulate the type of shares of the company, namely 4,187,087 class A1 shares and 11,038,684 class ordinary shares with a nominal value of 1 (one) leva each. All Class A1 shares are owned

of a legal entity, which grant specific rights described in Art. 9-12 of the company's articles of association. These specific rights concern the possible sale of the company and the achieved sale price, transfer of shares and restrictions on their transfer, Right of First Refusal, Drag-Along and Tag-Along. Art. Articles 19-21 of the articles of association regulate the rights of class A1 shares in the event of an increase in the capital of Ontotext AD. The Statute is attached as an integral part of this document.

As of the date of this document, there is no capital of any member of the group that is under option or has been agreed conditionally or unconditionally to be placed under option.

21.1.7. HISTORY OF SHARE CAPITAL

History of changes in share capital

- In the transformation carried out and entered in the Commercial Register on 23.10.2014, the Issuer's capital was reduced to BGN 49,837,156 through the cancellation of 23,503,662 shares. This decrease is a result of the calculated fair value of the shares of Sirma Group Holding AD by two independent appraisers. The shareholder structure of the Company does not change as a result of the separation as long as the shareholder structures in the transforming and newly established company are mirrored.
- On 22.10.2010, as a result of the decision of the regular annual general meeting of the Issuer's shareholders, a reduction in the capital of Sirma Group Holding AD from BGN 77,252,478 to BGN 73,340,818 was registered through the cancellation of 3,911,660 shares with a nominal value of one lev each. The capital of the Company has been reduced pursuant to Art. 200, para. 2, in connection with Art. 187e, para. 1, item 2pts of the Trade Union.
- On 15.10.2008, after accepting three triple appraisals by experts, the share capital was increased from BGN 50,000 to BGN 77,252,478 through non-cash contributions by issuing 77,202,478 new shares as follows:
 - 1) 29 software modules worth 61,555,838 BGN;
 - 2) Non-monetary contribution representing real estate worth 3,911,660 leva:
 - Office building - offices, 3rd floor and 1st floor. 5 of an office building located in the city. Sofia, Blvd. "Tsarigradsko Shose" 135, owned by "Sirma Group" AD, a company registered in the Commercial Register with the Registry Agency UIC 040529004, with its registered office and management address in the town of Sofia, Mladost district, Blvd. "Tsarigradsko Shose" No. 135, accepted as a shareholder in "SGH" AD by decision of the General Meeting of "SGH" AD dated 10.07.2008.
 - 3) Non-cash contribution representing shares worth BGN 11,734,980:
 - Contribution of 81,690 shares with a total value of BGN 11,734,980 (BGN 143.6526 per share) from the capital of Sirma Group AD, a company registered in the Commercial Register with the Registry Agency, UIC, 040529004.

21.2. CONSTITUTIONAL AGREEMENT AND STATUTE

21.2.1. DESCRIPTION OF THE ISSUER'S OBJECTIVES AND OBJECTIVES

In Art. 4 of the Articles of Association formulates the subject of activity of the Company, which is: acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, assignment of licenses for the use of patents to companies in which the holding company participates, financing of companies in which the holding company participates, organization of accounting and preparation of financial statements in accordance with the Accountancy Act. The company may also carry out its own commercial activities that are not prohibited by law.

In Art. 6 of the Company's articles of association sets out its investment activity objectives, namely: The main objectives of the Company's investment activity are: accumulation of expertise; acquisition of know-how, licenses, patents and implementation of inventions and their use in the company's activities and those related to it; creation of technologies and products; creation of new ones and participation in other companies.

21.2.2. SUMMARY OF ANY PROVISIONS OF THE CONSTITUTIONAL AGREEMENT RELATING TO THE MEMBERS OF THE ADMINISTRATIVE, THE MANAGEMENT AND SUPERVISORY BODIES

Art. 22 of the Articles of Association defines a single-tier system of management of the company, namely: "The bodies of the Company are the General Meeting of Shareholders and the Board of Directors." Art. 36 and following in turn give instructions on the size of the board of directors, its mandate, remuneration, representative power, rights and obligations, etc.

The members of the Board of Directors can be from 3 to 9 with a term of office of 2 years. They can be re-elected without restrictions. Their remuneration is determined at the general meeting of shareholders. There can be only one representative and he is elected by the Board of Directors. The members of the Board of Directors have equal rights and obligations, regardless of the internal distribution of functions among them and the granting of management and representation rights to some of them.

The Board of Directors may make decisions if as many of its members as are necessary to form a majority to make the relevant decision are present in person or represented by another member of the Board.

Decisions are taken by a majority of more than half of the members present, with the exception of:

1. decisions that are taken unanimously;
 - a. Significant change in the company's activities;
 - b. Concluding credit agreements and providing collateral for them, securing obligations of third parties, and in cases where their amount exceeds half of the value of the company's assets, according to the last certified annual accounting report;
 - c. Acquisition and alienation of real estate and equity interests in other companies, the conclusion of pledge contracts, mortgages on fixed assets owned by the company and on intellectual property rights, and in cases where the value of the assets being disposed of exceeds half of the value of the company's assets, according to the last certified annual accounting report.
2. The Board of Directors meets in regular meetings at least once a month.
3. Any member of the Board of Directors may request the Chairman to convene a meeting to discuss individual issues. In this case, the Chairman is obliged to convene a meeting for a date no later than 3 days after the day of receipt of the request to convene a meeting of the Board of Directors.
4. Within 5 (five) years from the announcement in the Commercial Register of the amendments and supplements to these Articles of Association, adopted by decision of the General Meeting of Shareholders of 04.12.2014, the Board of Directors may adopt decisions to increase the capital of the Company to a total nominal amount of 100,000,000 (one hundred million) BGN by issuing new shares.

21.2.3. DESCRIPTION OF THE RIGHTS, PREFERENCES AND RESTRICTIONS RELATING TO EACH CLASS OF EXISTING SHARES

The Company's capital is divided into shares, which give equal rights to their holders. The shares are ordinary, registered, dematerialized, freely transferable, with a nominal value of 1 BGN. The rights granted by these shares are two main groups of rights - property and non-property. The shareholder's property rights are the right to a dividend and the right to a liquidation share. The shareholder's non-property rights can be divided into three

groups: management, control and protection.

Each share gives its holder additional rights that arise from the basic rights and are directly or indirectly indirectly related to them.

SHAREHOLDER PROPERTY RIGHTS:

1. **Dividend right** - The dividend right is a fundamental property right of the shareholder, which is expressed in his right to receive a part of the net profit of the Company, proportional to his participation in the capital of the same, subject to the prerequisites specified in the law - an audited annual financial statement adopted by the General Meeting of Shareholders and a specific decision of the General Meeting to distribute the profit. The persons registered in the registers of the Central Depository as shareholders of the Company on the 14th day after the date of the General Meeting at which the annual financial report and the decision on profit distribution were adopted are entitled to receive dividends. The Company is obliged to ensure the payment of the dividend voted by the general meeting within 3 months of its holding, with the payment costs being at the expense of the Company.

SIRMA GROUP HOLDING AD

REGISTRATION DOCUMENT FROM THE PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES

2. Right to a liquidation share - The right to a liquidation share is a fundamental property right of the shareholder, expressing the right of the shareholder to receive, proportionate to his participation in the capital of the Company, a share of the residual assets of the Company, upon termination of the Company through liquidation. The exercise of the right to a liquidation share implies a terminated Company. The right to a liquidation share arises and can be exercised only in the event that, upon the liquidation of the Company, after the satisfaction of the the claims of all creditors, there is property left for distribution among the shareholders.

Only persons who are shareholders of the Company at the time of its liquidation have the right to a liquidation share.

NON-PROPERTY RIGHTS OF THE SHAREHOLDER:**MANAGEMENT RIGHTS**

1. Voting right - The right to vote is a non-property right of the shareholders, through which they participate in the management of the Company, by participating in decision-making on issues falling within the competence of the General Meeting of Shareholders of the Company.

The company may not issue shares with the right to more than one vote. If there is more than one owner of the share or shares, they exercise the right to vote together by appointing a proxy.

In order for the voting right to arise for a shareholder of the Company, it is necessary that he has fully paid the issue price of the shares and the Company, respectively, the increase in its capital must be entered in the commercial register. The right to vote is exercised by persons who have acquired shares and are registered in the shareholders' register kept by the Central Depository as shareholders no later than 14 days before the date of the General Meeting. The presence of the person in the shareholders' book and his/her proper identification are sufficient conditions for him/her to exercise his/her right to vote. Shareholders with the right to vote participate in the General Meeting of Shareholders in person or through a proxy authorized by an explicit written power of attorney, pursuant to Art. 116 of the POSA.

2. The shareholder's right to participate in the management of the Company, including the right to elect and be elected to the management bodies of the Company.

CONTROL RIGHTS

The shareholder's right to information is related to the shareholder's control rights . The right to information expresses the possibility for shareholders to review all written materials related to the agenda of the convened general meeting, to receive these materials upon request free of charge, as well as to receive the minutes and annexes thereto from past general meetings, which the Company is obliged to keep. The right to information also covers the shareholder's right to receive comprehensive answers from the members of the Company's Management Body to questions raised during the General Meeting of Shareholders. At any time, shareholders have the right to request and receive information regarding the financial and economic condition of the Company from the Investor Relations Director.

PROTECTIVE RIGHTS

1. The right to appeal the decisions of the Company's bodies.

Any shareholder may file a claim against the Company before the district court at its registered office to annul the decision of the general meeting when it contradicts the mandatory provisions of the law or the articles of association (Art. 74 Commercial Code);

Each shareholder may file a claim with the district court at the registered office of the Company to protect his/her right to membership and individual membership rights when they are violated by bodies of the Company (Art. 71 of the Commercial Code);

2. The right to request the appointment of registered auditors by a registration official at the Registry Agency, if such have not been elected by the general meeting of shareholders – Art. 249 Commercial Code.

3. Minority rights (rights of shareholders holding together or individually at least 5 percent of the Company's capital) pursuant to Art. 118 of the POSA:

Persons who jointly or individually own at least 5 percent of the capital of a public company, in the event of inaction of its management bodies, which endangers the interests of the company, may file a complaint with the

the court the company's claims against third parties. The company is also summoned as a party to the case. The persons on the previous sentence can:

1. to file a claim with the district court at the company's registered office for compensation for damages caused to the company by actions or inactions of the members of the management and control bodies and the procurators of the company;
2. to request from the general meeting or the district court the appointment of auditors to check all accounting documentation of the company and to prepare a report on their findings;
3. to request from the district court the convening of a general meeting or the authorization of their representative to convene a general meeting on an agenda determined by them;
4. to request the inclusion of issues and to propose decisions on issues already included in the agenda of the general meeting in accordance with Art. 223a of the Commercial Act.

ADDITIONAL SHAREHOLDER RIGHTS

1. **Right to subscribe for a portion of the new shares upon increase in the Company's capital**, proportional to the shares held prior to the increase. According to the provision of Art. 112, para. 1 of the LPOS, upon an increase in the Company's capital, the current shareholders have the right to acquire a part of the new shares corresponding to their share in the capital before the increase. This right cannot be revoked or restricted based on a provision of the articles of association, a decision of a general meeting or a management body of the Company.
2. **Right of preferential acquisition of securities** that give the right to acquire shares of the same class, such as the shares of the current issue, by converting them or exercising the rights thereunder.

TERMS AND CONDITIONS FOR REDEMPTION AND CONVERSION.

A public company may acquire during one calendar year more than 3 percent of its own shares with voting rights in cases of capital reduction through cancellation of shares and buyback only under the conditions and in accordance with the procedure of a tender offer under Art. 149b of the POSA, in which case the requirements regarding ownership of at least 5 percent and a minimum purchase amount of more than 1/3 of the voting shares do not apply.

The shares from this issue do not give their holders the right to convert them.

21.2.4. DESCRIPTION OF WHAT ACTION IS NECESSARY TO CHANGE THE RIGHTS OF SHAREHOLDERS, INDICATING WHERE THE CONDITIONS ARE MORE SIGNIFICANT THAN REQUIRED BY LAW

The Company's Articles of Association do not contain specific provisions regarding the action necessary to change the rights of shareholders, other than those provided for in the applicable legislation.

21.2.5. DESCRIPTION OF THE CONDITIONS GOVERNING THE MANNER IN WHICH ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS ARE CONVENED SHAREHOLDERS' MEETINGS, INCLUDING THE CONDITIONS FOR ADMISSION.

Art. 27 of the Articles of Association describes the manner of convening a General Meeting of Shareholders (GMS). The General Meeting is convened by the Board of Directors or at the request of shareholders who own shares representing at least 5 percent of the Company's capital.

If, within 1 (one) month of the request of the shareholders holding at least 5 percent of the capital, it is not satisfied, the competent court shall convene the General Meeting or authorize the shareholders who requested the convening or their representative to convene the meeting.

The convening is carried out by means of an invitation announced in the commercial register. The company is obliged to announce the invitation in the commercial register and to make it public under the terms and conditions of Art. 100t, para. 1 and 3 of the POSA at least 30 days before its discovery.

The invitation shall state the information in accordance with the requirements of the Commercial Code and the Public Offering of Securities Act.

The invitation together with the materials of the general meeting under Art. 224 of the Commercial Code shall be sent to the FSC at least 30 days before the date of opening of the general meeting and shall be published on the Company's website for the period from the announcement until the conclusion of the general meeting. The information under sentence one, published on

The public company's website must be identical in content to the information provided to the public.

21.2.6. BRIEF DESCRIPTION OF EACH PROVISION OF THE CONSTITUTIONAL TREATY, STATUTES, CHARTER, OR RULES OF PROCEDURE OF THE ISSUER WHICH WOULD RESULT IN DELAYING, POSTPONING OR PREVENTING A CHANGE IN CONTROL OF THE ISSUER

There are no such provisions in the Issuer's current articles of association.

21.2.7. A REFERENCE TO THE ARTICLES OF ASSOCIATION, STATUTE, CHARTER, OR BY-LAWS, IF ANY, GOVERNING THE OWNERSHIP THRESHOLD ABOVE WHICH SHAREHOLDER OWNERSHIP MUST BE DISCLOSED.

There are no effective provisions in the Issuer's corporate documents governing the ownership threshold above which shareholder ownership must be disclosed.

21.2.8. DESCRIPTION OF THE CONDITIONS IMPOSED BY THE CONSTITUTIONAL AGREEMENT, STATUTES, CHARTER OR REGULATIONS GOVERNING CHANGES IN CAPITAL WHEN SUCH CONDITIONS ARE STRONGER THAN REQUIRED BY LAW.

The Issuer's Articles of Association do not provide for conditions governing changes in capital that are more stringent than is required by law.

22. SIGNIFICANT CONTRACTS

The nature of the activities of Sirma Group Holding AD determines the lack of significant commercial relations with companies outside the group. The Issuer provides administrative services to the affiliated companies and accordingly manages the interests of its shareholders from a strategic point of view. The remaining companies in the Issuer's organizational structure are also not parties to any significant contracts other than contracts concluded in the ordinary course of business for the two years preceding the publication of the Registration Document.

At the end of 2014, Sirma Solutions AD sells 90% of the shares of Sirma ITT EAD to an American person for BGN 6,895,020.00. The value of the investment of Sirma Solutions AD was 1,172,552 BGN, which results in a difference of 5,722,468 BGN. The transaction was carried out with deferred payment and through endorsement of the shares of Sirma ITT EAD. Due to a new business opportunity related to specific projects for the Government of the Republic of Bulgaria, the National Gallery of the United States and the second largest American company in the world for quality control and measurements in production, the nature of which is related to the software platform offered by Sirma ITT EAD, the Issuer decided to change its corporate strategy and initiated the buyback of Sirma ITT EAD. The reason for this action is the opportunity for Sirma ITT EAD to implement the mentioned projects (two of which are currently being implemented). The transaction itself takes place with the endorsement of the shares of Sirma ITT EAD.

in the name of Sirma Group Holding AD, with the holding becoming the owner of the transferred shares. The action is reflected in the direction of increasing investments in subsidiaries, and the value of the transaction is equal to the sale price of the company to the American person.

Considering the Issuer's subject of activity, the investment in a commercial company is not outside its usual activities. The sale of the shares of Sirma ITT EAD to the American person also cannot be considered a transaction outside the ordinary course of business of Sirma Solutions AD, as it is a mini-holding company.

23. THIRD PARTY INFORMATION AND EXPERT STATEMENT AND DECLARATION FOR ANY INTEREST

23.1 RECORD OR EXPERT REPORT

In preparing this Registration Document, no statements or reports written by a person in his capacity as an expert.

23.2. INFORMATION FROM THIRD PARTIES

In certain parts of the prospectus, the Issuer has included reports and statements from third parties, with their express indication, namely:

- Source: NSI: for information on economic growth and GDP;
- Source: Standard & Poors, Moody's and Fitch Ratings: for information on Bulgaria's credit rating;
- Source: BASCOM, Capital newspaper, IDC, Gartner Market Data Book and ECB: for information on local and international trends in the Company's business sector;
- Source: "Bisicom - 61" Ltd. in connection with an independent auditor's report regarding the pro forma financial information under item 20.2. above

The reports/statements included in the Registration Document are from various experts and organizations (third parties) that do not have a significant interest in the Issuer.

The information received from third parties has been accurately reproduced in this Registration Document, and to the extent that the Issuer is aware of and can verify the information published by these third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. The cited provisions of the Issuer's Articles of Association are accurately, correctly and completely reproduced and no facts have been omitted that would make the reproduced information inaccurate or misleading.

24. DOCUMENTS SHOWN

The company declares that during the period of validity of the registration document it is able to provided the following documents for inspection:

- a) the memorandum of association and articles of association of the Issuer;
- b) annual audited individual and consolidated financial statements as of 31.12.2012, 31.12.2013 and 31.12.2014, as well as unaudited interim financial statements as of 31.03.2015;
- c) prospectus;
- d) declarations under Art. 81, para. 5 of the POSA by the members of the Board of Directors and the preparer of the reports and the auditor;
- e) a report of an independent auditor in relation to the matter referred to in point 20.2. of the Registration Document pro forma financial information.

They are available at the correspondence address of "Sirma Group Holding" AD at: town of Sofia, Blvd. "Tsarigradsko Shose" No. 135, and at the address of the authorized investment intermediary "Elana Trading" AD - town. Sofia, ul. "Lachezar Stanchev" No. 5, Sopharma Business Towers, tower B, floor. 12 and at the electronic address of the Issuer <http://www.sirma.com/bg/> and of the intermediary www.elana.net, contact person: for the Issuer: [Stefan Kiryakov](#) and for the intermediary: [Ivan Iliev](#) and at the Financial Supervision Commission www.fsc.bg.

25. PARTICIPATION INFORMATION

In addition to the aforementioned participations of the Issuer in 7. ORGANIZATIONAL STRUCTURE above, there are no other interests that are likely to have a significant effect on the measurement of its own assets and liabilities, financial position or profits or losses.

26. APPLICATIONS

1. Certified copies of the Issuer's audited consolidated and individual financial statements for the last three financial years;
2. Certified copy of consolidated and individual interim reports of Sirma Group Holding AD as of 31.03.2015
3. Certified copy of the articles of association of Sirma Group Holding AD;
4. Certified copy of the minutes of the General Meeting of Shareholders for a decision to increase the capital dated 04.12.2014;
5. Certified copy of the minutes of the Board of Directors of Sirma Group Holding AD dated 15.12.2014;
6. Certified copy of the minutes of the Board of Directors for the adoption of the prospectus dated 19.12.2014;
7. Certified copy of a certificate of current status of "Sirma Group Holding" AD;
8. Report on the review of the pro forma financial information by the independent auditor;
9. Declarations from the members of the board of directors of Sirma Group Holding AD;
10. Declarations from the members of the board of directors of the Investment Firm "Elana Trading" AD;
11. Declaration from the registered auditor;
12. Declaration by the preparer of the financial statements;
13. Declarations under Art. 116, para. 2 of the POSA by the independent members of the board of directors of the Company;
14. Declarations under Art. 234, para. 3 of the Commercial Code by the independent members of the Board of Directors of the Company;
15. Declaration by the employee of the Investment Firm "Elana Trading" AD who prepared the prospectus.
16. Certified copy of the articles of association of Ontotext AD.

Having prepared the REGISTRATION DOCUMENT:



MIROSLAV Stoyanov
DIRECTOR, INVESTMENT BANKING"



IVAN ILIEV
EXPERT "INVESTMENT BANKING"

THE UNDERSIGNED PERSONS, IN THEIR CAPACITY AS REPRESENTATIVES OF THE COMPANY, RESPECTIVELY INVESTMENT INTERMEDIARY "ELANA TRADING" AD and "SIRMA GROUP HOLDING" AD, DECLARE BY THEIR SIGNATURES THAT THE REGISTRATION DOCUMENT CORRESPONDS TO REQUIREMENTS OF THE LAW.

ABOUT "SIRMA GROUP HOYACIN" AD:

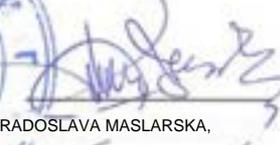


TSVETAN ALEKSIEV
Executive DIRECTOR

ABOUT "EDANA TRADING" AD:



Momchil Tikov
EXECUTIVE DIRECTOR



RADOSLAVA MASLARSKA,
CHAIRMAN OF THE BOARD OF DIRECTORS





SIRMA GROUP HOLDING AD

"SIRMA GROUP HOLDING" JSC

DOCUMENT FOR THE OFFERED SECURITIES

PART II OF THE PROSPECTUS FOR THE PUBLIC OFFERING OF UP TO 18,491,858 SHARES

TYPE OF SECURITIES OFFERED:	ORDINARY, BONUS, REGISTERED, FREELY TRANSFERABLE SHARES
NUMBER OF NEW SHARES:	UP TO 16,000,000
NOMINAL VALUE:	UP TO 16,000,000 BGN.
NOMINAL VALUE OF 1 SHARE:	1 BGN
RANGE OF TOTAL EMISSION VALUE:	FROM 19,200,000 BGN. UP TO 26,400,000
RANGE OF THE ISSUANCE VALUE OF 1 SHARE:	MIN. PRICE 1.20 BGN. UP TO MAX. PRICE 1.65 BGN.
REMUNERATION OF THE INVESTMENT INTERMEDIARY PARTICIPATING IN THE PREPARATION OF THE PROSPECTUS IN THE MINIMUM/MAXIMUM INITIAL PUBLIC OFFERING*:	156,100 BGN. / 496,500 BGN.
TOTAL COSTS OF THE PUBLIC OFFERING IN BGN AT MINIMUM/MAXIMUM INITIAL PUBLIC OFFERING:	163,560 BGN. / 503,960 BGN.
NET PROCEEDS FROM THE PUBLIC OFFERING AT MINIMUM/MAXIMUM INITIAL PUBLIC OFFERING:	9,436,440 BGN. / 18,696,040 BGN.
NUMBER OF EXISTING SHARES:	UP TO 2,491,858

ISIN CODE OF THE ISSUE: BG1100032140

INVESTMENT INTERMEDIARY FOR THE ISSUE

"ELANA TRADING" AD

[\(HTTP://WWW.ELANA.NET/\)](http://WWW.ELANA.NET/)

* - The investment intermediary's remuneration includes the fixed remuneration for administering and registering the offering. The placement service will be calculated additionally depending on the results achieved. THE PROSPECTUS FOR THE OFFERED SECURITIES CONTAINS ALL INFORMATION

ABOUT "SIRMA GROUP HOLDING" AD NECESSARY FOR MAKING AN INVESTMENT DECISION, INCLUDING THE MAIN RISKS ASSOCIATED WITH THE ISSUER AND ITS ACTIVITIES. IT IS IN THE INTEREST OF INVESTORS TO FAMILIARIZE THEMSELVES WITH THE REGISTRATION DOCUMENT AND THE DOCUMENT ON THE OFFERED SECURITIES BEFORE MAKING AN INVESTMENT DECISION. THE DOCUMENT ON THE OFFERED SECURITIES CONTAINS INFORMATION REGARDING THE SECURITIES ISSUED AND TO BE ISSUED BY THE COMPANY.

THE REGISTRATION DOCUMENT TOGETHER WITH THE DOCUMENT ON THE OFFERED SECURITIES AND THE SUMMARY THEREOF CONSTITUTE A PROSPECTUS FOR THE INITIAL PUBLIC OFFERING OF SHARES. THE PROSPECTUS CONTAINS ALL INFORMATION WHICH IS REQUIRED IN ACCORDANCE WITH THE SPECIFIC FEATURES OF THE ISSUER AND THE SECURITIES OFFERED THROUGH AN INITIAL PUBLIC OFFERING ARE NECESSARY FOR INVESTORS TO ACCURATELY ASSESS THE ECONOMIC AND FINANCIAL CONDITION, ASSETS AND LIABILITIES, FINANCIAL RESULTS, DEVELOPMENT PROSPECTS OF THE ISSUER, AS WELL AS THE RIGHTS ASSOCIATED WITH WITH THE VALUABLES.

SHARES WILL BE OFFERED IN BULGARIA IN A PUBLIC OFFERING UNDER THIS DOCUMENT AFTER ITS APPROVAL BY THE FINANCIAL SUPERVISION COMMISSION, BUT LIMITED MARKETING ACTIVITIES MAY BE UNDERTAKEN, ADDRESSED TO CERTAIN QUALIFIED INVESTORS. NO PUBLIC OFFERING WILL BE MADE IN JURISDICTIONS OUTSIDE OF BULGARIA, AND ANY RESTRICTED MARKETING ACTIVITIES UNDER THE FOREGOING PROVISION WILL BE IN COMPLIANCE WITH THE LOCAL LAWS OF EACH SUCH STATE (INCLUDING REGULATION S UNDER THE U.S. SECURITIES ACT) AND WILL NOT CONSTITUTE A PUBLIC OFFERING IN

THE RELEVANT STATE.

INVESTING IN SECURITIES IS ASSOCIATED WITH CERTAIN RISKS. RISK FACTORS RELATED TO THE ISSUER AND ITS ACTIVITIES ARE PRESENTED IN THIS DOCUMENT ON THE OFFERED SECURITIES, T.2 RISK FACTORS. THE FINANCIAL SUPERVISION COMMISSION /FSC/ HAS APPROVED THIS DOCUMENT FOR THE OFFERED SECURITIES WITH DECISION No. 601 – E/21.07.2015, BUT IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PRESENTED THEREIN.

THE MEMBERS OF THE BOARD OF DIRECTORS OF "SIRMA GROUP HOLDING" AD ARE JOINTLY LIABLE FOR THE DAMAGES CAUSED BY FALSE, MISLEADING OR INCOMPLETE DATA IN THE DOCUMENT FOR THE OFFERED SECURITIES. ELANA TRADING AD, IN ITS CAPACITY AS A AUTHORIZED PERSON FOR THE PREPARATION IN THE PROSPECTUS, THE INVESTMENT INTERMEDIARY IS JOINTLY LIABLE FOR DAMAGES CAUSED BY FALSE, MISLEADING OR INCOMPLETE DATA IN DOCUMENT FOR THE OFFERED SECURITIES. THE COMPILERS OF THE FINANCIAL STATEMENTS OF "SIRMA GROUP HOLDING" AD ARE JOINTLY LIABLE WITH THE PERSONS UNDER THE PREVIOUS PROVISIONS FOR DAMAGES CAUSED BY INCORRECT, MISLEADING OR INCOMPLETE DATA IN THE FINANCIAL STATEMENTS OF "SIRMA GROUP HOLDING" AD. THE REGISTERED AUDITOR IS LIABLE FOR THE DAMAGES CAUSED BY THE ISSUER'S FINANCIAL STATEMENTS AUDITED BY HIM.

DATE: 31.05.2015

Investors who have shown interest in the document on the securities offered can familiarize themselves with the original of the document, as well as receive a free copy and additional information on it from:

Issuer	Sirma Group Holding AD	
	address:	city Sofia, Blvd. "Tsarigradsko Shose" No. 135, floor. 3
	phone:	(02) 976 83 10
	email:	stefan.kiryakov@sirma.com
	website:	http://www.sirma.com/bg/
	contact person:	Stefan Kiryakov
Investment intermediary	Elana Trading AD	
	address:	city Sofia, ul. "Lachezar Stanchev" No. 5, Sopharma Business Towers, tower B, floor. 12
	phone:	(+359) 2 810 00 00
	fax:	(+359) 2 958 15 23
	email:	info@elana.net
	website:	www.elana.net
	contact person:	Ivan Iliev

The above-mentioned documents can also be obtained from the Bulgarian Stock Exchange - Sofia AD /BSE/, after the Company's securities are admitted to trading on a regulated market.

The contents of this document should not be considered legal, financial, business or tax advice. To obtain such advice, each potential investor should consult their own legal, financial or tax advisor. If you have any doubts about the contents of this document, you should consult a broker, bank manager, lawyer, accountant or other financial advisor. You should keep in mind that the price of shares and the income from them can go down as well as up.

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ABBREVIATIONS USED:

- "**The Issuer**", "**The Company**" - "Sirma Group Holding" AD, Sofia, UIC 200101236
- "**The Investment Broker**" - "Elana Trading" AD
- "**FSC**" - Financial Supervision Commission
- "**BSE**" - Bulgarian Stock Exchange AD
- "**POSA**" - Public Offering of Securities Act
- "**SME**" - Small and Medium Enterprises
- "**CD**" AD - Central Depository AD
- "**BNB**" - Bulgarian National Bank
- "**IFRS**" - International Financial Reporting Standards
- "**Prospectus**" – a prospectus for admission to trading of shares
- "**GDP**" - Gross Domestic Product
- "**EU**" – European Union
- "**EU-27**" – The twenty-seven members of the European Union
- "**SME**" - Small and Medium Enterprises
- "**NSI**" - National Statistical Institute
- "**ICT**" - Information and Telecommunication Technologies
- "**New shares**" – the shares from an increase in the Issuer's capital
- "**Selling Shareholders**" – all shareholders of "Sirma Group Holding" AD
- "**Existing Shares**" – the shares held by the Selling Shareholders
- "**Additional shares**" – the shares that would be additionally distributed in cases of
overwriting
- "**Price**" – the offer price
- "**Excessive number**" – the shares requested for subscription at the announced Price, which exceed
the maximum number of new shares offered
- "**List**" - the distribution list

1. RESPONSIBLE PERSONS

1.1. NAME OF THE PERSONS RESPONSIBLE FOR PREPARING THE DOCUMENT FOR THE OFFERED SECURITIES.

BOARD OF DIRECTORS OF THE ISSUER

"Sirma Group Holding" AD, referred to as the Group, the Company or the Issuer for short, is a joint-stock company with single-tier management system.

Members of the Board of Directors (BoD) of "Sirma Group Holding" AD:

- Georgi Parvanov Marinov – Chairman of the Board of Directors;
- Chavdar Velizarov Dimitrov – Deputy Chairman of the Board of Directors;
- Tsvetan Borisov Aleksiev – member of the Board of Directors;
- Atanas Kostadinov Kiryakov – member of the Board of Directors;
- Yordan Stoyanov Nedev – member of the Board of Directors;
- Sasha Konstantinova Bezukhanova – member of the Board of Directors;
- Petar Borisov Stattev – member of the Board of Directors;
- Tsvetomir Angelov Doskov – member of the Board of Directors.

At present, no legal entity has been elected as a member of the Board of Directors of the Company.

As of the date of preparation of this prospectus, the Board of Directors of Sirma Group Holding AD has not authorized a procurator or other commercial agent.

With their signatures on the attached declarations under Art. 81, para. 5 in connection with Art. 81, para. 3 of the POSA, the members of the Board of Directors of Sirma Group Holding AD declare that the information contained in the Document for the offered securities is true and complete. The Executive Director of Sirma Group Holding AD, with his signature on the last page, declares that the Document for the offered securities complies with the requirements of the law and, to the best of his knowledge, it corresponds to the facts and does not contain an omission that is likely to affect the meaning of the information contained therein.

COMPILER AND AUDITOR OF THE FINANCIAL STATEMENTS

The preparers of the company's financial statements for the period covered by the historical financial information are: Radoslava Minkova (not an employee of the Issuer as of the date of this document) for 2012, 2013 and for the first two quarters of 2014 and Nikolay Yatsino for the annual reports for 2014 and for the first quarter of 2015.

The Company's auditor as of the date of the prospectus and for the financial information covered by the historical period under review after 2011 is "Bisicom - 61" OOD, UIC 121012512, address: town of Sofia, Izgrev district, gh.k. "Dianabad", "Krum Kyulavkov" No. 15A, fl. 7, office 13. "Bisicom - 61" Ltd. has audited the annual financial report for 2012, 2013 and 2014 according to the Accounting Act and IFRS. "Bisicom - 61" Ltd. is a specialized auditing company with Reg. No. 019.

The preparers of the annual and interim financial statements for the period covered by the historical financial information are listed above. They are jointly and severally liable with the members of the Board of Directors of Sirma Group Holding AD and the Investment Firm Elana Trading AD through their employees Miroslav Stoyanov and Ivan Iliev, for damages caused by false, misleading or incomplete data in the financial statements of Sirma Group Holding AD. The registered auditor "Bisicom - 61" Ltd. for 2012, 2013 and 2014 is liable for the damages caused by the historical financial information included in the Document for the offered securities as a result of an incorrectly expressed audit opinion on the financial statements of the Issuer audited by it.

INVESTMENT INTERMEDIARY

Authorized investment intermediary: "Elana Trading" AD, with registered office and management address: city of Sofia, Sredets district, ul. "Kuzman Shapkarev" No. 4. Represented by the Chairman of the Board of Directors Radoslava Maslarska and the Executive Director Momchil Tikov.

The preparation of the Document for the offered securities, as well as the remaining parts of the prospectus for the initial public offering of shares, has been assigned to the Investment Company "Elana Trading" AD, and the employees who prepared the economic and legal information in the Document for the offered securities are Miroslav Stoyanov, Director of "Investment Banking" and Ivan Iliev, Expert "Investment Banking". The same with their signature on the last page of this document declare that in its preparation they have taken all reasonable care to satisfy themselves that the information contained in the Offer Document is, to the best of their knowledge, in accordance with the facts and does not contain any omission likely to affect its meaning.

The representation of the Investment Firm "Elana Trading" AD is carried out by any two of the following three individuals: Kamen Kolchev, Radoslava Maslarska and Momchil Tikov. As representatives of the Investment Firm "Elana Trading" AD, Radoslava Maslarska and Momchil Tikov with their signatures on the last page of the Document for the offered securities declare that the information contained in the Document on the offered securities, to the best of their knowledge, corresponds to the facts and does not contain any omission likely to affect its meaning.

1.2. DECLARATIONS BY THE PERSONS RESPONSIBLE FOR THE DOCUMENT FOR THE OFFERED SECURITIES.

Declarations from the members of the Board of Directors of Sirma Group Holding AD and Elana Trading AD, from the registered auditor, from the preparer of the financial statements and from the employees of Elana Trading AD who prepared the prospectus are attached as an integral part of the prospectus.

2. RISK FACTORS

Investing in securities of Sirma Group Holding AD is associated with assuming risks of various types and degrees of influence. The above risk factors should be carefully considered and evaluated when making an investment decision by potential investors.

2.1. RISK FACTORS CHARACTERISTIC OF THE SHARES SUBJECT TO THE PUBLIC OFFERING

The risk of investing in securities is associated with the uncertainty and inability to accurately predict future effects and the impact on the expected return on the investment made.

The main risk and uncertainty for the shareholders of Sirma Group Holding AD is the likelihood that their investment in the company's shares will not retain its value, as well as not generate the return they expect due to a decrease in the price of the shares or a lack of other income (dividends) from them.

Sirma Group Holding AD informs potential investors that investing in shares is associated with certain risks. Investors should carefully read and understand the risks associated with investing in shares from the current issue before making an investment decision.

Sirma Group Holding AD strives to maintain a low risk profile by maintaining low levels of financial and operational leverage, a high level of operational efficiency, the introduction of strict rules and procedures in the management of the activity and strict control over their compliance, and diversification of the client base and suppliers.

The above makes the company resistant to external negative shocks, but nevertheless in its activities it encounters significant risks that could negatively impact the company's results.

2.1.1. PRICE RISK

Changes in the share price of Sirma Group Holding AD can be caused by both the fundamental condition of the Company - current and expected operating results and financial results, as well as by economic and market conditions in Bulgaria and by market and economic conditions in the global economy.

Shareholders should keep in mind that events may occur that cause sharp fluctuations in the market prices of the shares, as have previously occurred on the Bulgarian capital market and on the international financial markets, and that such fluctuations are likely to adversely affect the shares of Sirma Group Holding AD.

The market value of the shares will be determined based on supply and demand, and the price of the shares may increase or decrease. These price "fluctuations" can cause a security to be worth much less at a given time than the value at which it was purchased. This price dynamic is particularly characteristic of the common stock market, whose stock prices may be subject to sharp fluctuations as a result of publicly disclosed information about the Company's financial results, changes in legislation and other significant events.

A significant number of sales of Sirma Group Holding AD shares over a certain period of time may have an adverse impact on maintaining the achieved price level. Such an event would be the result of a significant excess of sellers of these stocks over buyers in that period. At present, the Issuer or a third party is not committed to maintaining a specific price level and a significant number of sales may lead to a decrease in this level.

The Company does not guarantee investors that the price of its shares will remain stable and/or increase in value in the future. At the time of preparation of this document "Sirma Group Holding" AD or, to the best of the company's knowledge, other persons do not intend to purchase shares of

The Company with the aim of maintaining and/or increasing the market price of the Company's shares after the implementation of the capital increase.

2.1.2. LIQUIDITY RISK

Liquidity risk is directly related to the liquidity of the securities market itself and expresses the potential opportunity to buy or sell given securities in short periods of time and in usual volumes on the secondary market. The liquidity of the issue depends on the number of investors who will show interest in investing in the issue. The liquidity risk of shares will also depend on the development of the equity market in terms of the volume and diversity of the instruments offered, the financial condition of the issuer, the ability of the local capital market to attract new investors, etc.

Investors should keep in mind that the Bulgarian Stock Exchange is significantly smaller and less liquid than the securities markets in most countries with developed market economies. Thus, for the shareholders of Sirma Group Holding AD there is no guarantee that the listing of the Company's shares on the Bulgarian Stock Exchange will guarantee their active trading and sufficient liquidity.

2.1.3. INFLATION RISK

The manifestation of inflation risk for the shareholders of Sirma Group Holding AD would occur in cases where the income from the shares (price increase and/or dividends received) is less than the inflation rate for the investment period. Inflationary processes lead to a decrease in the real return that investors receive.

Although in the long term, the return on shares usually outpaces inflation processes in Bulgaria and other countries with developed market economies, there are no guarantees for investors in shares of Sirma Group Holding AD that their investment in shares of the Company will represent real protection against inflation.

2.1.4. RISK OF DILUTION OF THE VALUE OF THE SHARES

According to the Company's Articles of Association, no restrictions are provided regarding the maximum amount of future share issues. For this reason, the amount of shareholders' participation may be reduced as a result of a public offering if they do not exercise their rights and do not subscribe for a proportional share of the new shares. In the event that, as a result of a future public offering, the number of issued shares of the Company increases at a faster rate than the amount of its assets, it is possible that the value of the Company's assets per share may decrease.

2.1.5. CURRENCY RISK

The current issue is denominated in leva. Currency risk from the investment exists for investors whose funds are in US dollars or another currency other than leva and euro due to constant exchange rate movements. Investors who assume currency risk when purchasing this issue would increase or decrease the effective yield on their investment as a result of a strengthening or weakening of the BGN/EUR exchange rate against the currency in which the investor's funds are denominated.

The stability and high confidence in the reliability of the currency board in the country, as well as the relatively stable positions of the euro on international currency markets, reduce the presence of currency risk to minimal levels.

2.1.6. LACK OF GUARANTEE FOR PAYMENT OF ANNUAL DIVIDENDS

The company's financial result depends on many factors, including the skill and professionalism of the management team, the development of the market in which the company operates, the economic development of the country and the region, etc. There is a risk for investors due to the lack of a guarantee for the payment of annual dividends.

2.1.7. RISK OF CHANGES IN TAXATION OF INVESTMENTS IN SECURITIES

The risk of changes in the taxation of investments in securities is associated with changes in the current taxation regime for this type of instrument. It can be considered favorable in the sense of the presence of tax-free capital gains. A change to capital gains taxation, as well as other potential changes in the taxation of investments in securities, may have a negative impact on the final net result realized by an investor.

2.1.8. RISK FACTORS INCLUDED IN THE REGISTRATION DOCUMENT

The specific risks related to the main activity of Sirma Group Holding AD, as well as the general risks that may have an impact on its activities, are described in detail on pages in the Registration Document, Section Risk Factors.

3. ESSENTIAL INFORMATION

3.1. WORKING CAPITAL DECLARATION

Along with fixed assets, working capital is considered part of operating capital and is calculated by subtracting current liabilities from current assets. For the historical period under review, as well as as of the date of this document, the Company is of the opinion that it had and has sufficient working capital for the needs of its business.

3.2. CAPITALIZATION AND DEBT

The balance sheet capitalization and indebtedness of the Company for the period 2012–31.03.2015 are shown in the following two tables.

Table No. 1. Consolidated Balance Sheet – Issuer's Equity, 2012-31.03.2015.

Indicators (in thousands of leva)	2012**	2013	2014	31.3.2014	31.3.2015
Revenue from main activity Total	17 636	22 768	27 865	5 443	7 044
expenses (excluding financial) Financial income/	(15,365)	(19,409)	(22,674)	(5,197)	(6,640)
(expenses)	(672)	(431)	5 494	(37)	(19)
Net profit/loss from operations	1 881	2 950	9 778	209	385
Net profit/loss from operations per share in BGN	0.03	0.04	0.2	0.003	0.008
Total assets Total	86 521	92 496	94 154	104 024	101 273
liabilities (short-term and long-term)	4 836	6 163	11 825	9 404	13 730
Equity	81 685	86 333	82 329	94 620	87 543
Capital stock	73 341	73 341	49 837	73 341	49 837
Dividend *	-	100	-	-	-
Dividend per share in BGN	-	0.001	-	-	-

Table No. 1.1. Individual balance sheet – Issuer's equity, 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Revenue from core activities Total	1 068	1 248	1 755	394	314
expenses (excluding financial) Financial income/	(1,034)	(1,038)	(1,445)	(327)	(272)
(expenses) Net profit/loss from operations	(12)	217	277	(1)	(14)
Net profit/loss from operations per share in BGN	19	406	529	66	28
Amount of assets	0.0003	0.0055	0.0106	0.00	0
Total liabilities (short-term and long-term)	79 104	80 101	58 112	80 095	58 176
Equity	1 670	2 261	3 347	2 188	3 383
Capital stock	77 434	77 840	54 765	77 907	54 793
Capital stock	73 341	73 341	49 837	73 341	49 837
Dividend *	-	100 -	-	-	-
Dividend per share in BGN	-	0.001 -	-	-	-

Source: Audited annual individual and consolidated financial statements of the Issuer for 2012, 2013 and 2014 and interim unaudited individual and consolidated financial statements as of 31.03.2015.

* - The regular annual general meeting of the Issuer's shareholders, held in 2014, decided on the distribution of dividend of 100 thousand BGN from the profit for 2013. The amount has not been paid as of the date of this document.

** - The data for 2012 have been adjusted through the annual audited consolidated financial statements for 2013.

Table No. 2. Consolidated Balance Sheet – Liabilities of the Issuer, 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2015
Long-term provisions Pension	49	57	86	63
and other liabilities to personnel Liabilities to financial institutions	-	6	-	-
Finance lease liabilities Trade and other liabilities incl.	187	595	860	638
Trade liabilities incl. Other obligations including	-	34	97	388
Deferred tax liabilities Financing Long-term	51	279	-	-
liabilities to related parties Total non-current liabilities	-	-	-	-
	34	135	867	1 142
	-	137	-	-
	-	-	-	-
	321	1 243	1 910	2 231
Current portion of non-current liabilities Provisions	107	0	-	-
Liabilities to financial institutions Liabilities to related parties Finance	304	732	728	-
lease liabilities Trade and other liabilities	1 567	2 107	3 920	3 518
Pension and other liabilities to personnel Trade	187	-	185	-
liabilities Tax liabilities Liabilities for advances	-	-	26	-
received Financing Other liabilities Total current liabilities	2 350	2 081	5 056	1 323
	-	-	929	2 615
	-	837	1 026	-
	-	355	664	674
	-	546	1 726	2 855
	-	39	419	-
	-	304	292	514
	4 515	4 920	9 915	11 499
Total liabilities and equity	86 521	92 496	94 154	101 273

Source: Audited annual consolidated financial statements of the Issuer for the period 2012, 2013 and 2014 and interim unaudited consolidated financial statements as of 31.03.2015.

Table No. 2.1. Individual balance sheet – Liabilities of the Issuer, 2012-31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2015
Provisions	-	-	6	6
Pension and other liabilities to personnel Long-term loans Finance lease	3	3	-	-
liabilities Trade payables Long-	-	441	583	553
term liabilities to related parties Deferred tax	1	-	277	242
liabilities Total non-current	51	51	-	-
liabilities Provisions Pension and other liabilities to personnel Short-	285	201	489	489
term loans Finance lease liabilities	4	25	-	-
	344	721	1 355	1 290
	22	28	51	51
	63	74	94	210
	489	635	475	769
	-	1	277	29
Commercial and other liabilities	8	24	514	490
Short-term liabilities to related parties Tax liabilities Liabilities for	620	641	328	347
advances received <i>Other</i>	35	51	103	82
<i>liabilities</i> Total current liabilities Total liabilities	74	74	3	2
	15	12	147	113
	1 326	1 540	1 992	2 093
	1 670	2 261	3 347	3 383
Total liabilities and equity	79 104	80 101	58 112	58 176

Source: Audited annual individual financial statements of the Issuer for the period 2012, 2013 and 2014 and interim unaudited individual financial statements as of 31.03.2015.

Data on the Issuer's indebtedness, divided into guaranteed/unguaranteed, secured/unsecured, as well as indirect/contingent, is presented in the following table:

Table No. 3. Types of indebtedness of the Issuer on a consolidated basis as of 31.12.2014 and as of 31.03.2015.

Indicator	31.12.2014 31.3.2015	
	000 BGN	000 BGN
Secured liabilities Unsecured	4 503	5 229
liabilities Contingent liabilities,	7 322	8 501
including under b. loans	4 713	7 197
	3 032	5 398
provisions and temporary tax differences	1 681	1 799
Indirect liabilities Guaranteed	246	43
liabilities (secured plus bank guarantees) Unsecured (net of secured)	4 934	5 640
	6 891	8 090

Source: Sirma Group Holding AD

Table No. 3.1. Types of indebtedness of the Issuer on an individual basis as of 31.12.2014 and as of 31.03.2015.

Indicator	31.12.2014	31.3.2015
	000 BGN	000 BGN
Secured liabilities Unsecured	1 336	1 025
liabilities Contingent liabilities,	2 011	2 358
including under b. loans	3 724	4 419
	3 667	4 339
provisions and temporary tax differences	57	80
Indirect liabilities Guaranteed	55	109
liabilities (secured plus bank guarantees) Unsecured (net of secured)	1 336	1 025
	2 011	2 358

Source: Sirma Group Holding AD

3.3. PARTICIPATION OF NATURAL AND LEGAL PERSONS PARTICIPATING IN THE ISSUE/OFFERING

None of the experts, consultants or intermediaries mentioned in this document owns a significant number of shares in the Company, nor does it have a significant direct or indirect economic interest in the Company, or is in long-term commercial relations with him.

II "Elana Trading" AD, in its capacity as an investment intermediary authorized to prepare the prospectus and to conduct the initial public offering of shares, is the only legal entity participating in the offering.

There are no individuals participating in this offering.

3.4. JUSTIFICATION OF THE OFFER AND USE OF PROCEEDS

The investments planned by the Issuer depending on the result of the current offering are described in the following table. Due to the possibility of raising different capital when subscribing and paying for different numbers of shares at different prices, the table considers three options: 1) in case of a successful increase with a minimum number of shares announced for subscription and at a minimum price from the announced price range; 2) in case of a successful increase with a maximum number of shares announced for subscription and at a minimum price from the announced price range; and 3) in case of a successful increase with a maximum number of shares announced for subscription and at a maximum price from the announced price range. The difference in the exercise of each option would result in additional capital raised for the Issuer. Each option prioritizes (investments in option 1 are made first, then option 2, etc.) the individual investments that will be made depending on the outcome of the public offering.

The Company will not receive any proceeds from the sale of existing shares, the net proceeds of which will be received by the Selling Shareholders.

Table No. 4. Method of spending the funds from the capital increase.

Option	Raised capital	Investment projects	Size of the investment
Minima Ina successful emission	9,600,000.00 BGN.	<p>1. Establishing a subsidiary in the USA with two main lines of business activity:</p> <p>1) Consulting activities in the main areas of realization of the products and services of the group companies, vertical specialization in priority industries. Creating teams of sales managers, technical and business consultants, project managers and software engineers in order to increase the quality of services, competitiveness and efficiency of the group companies;</p> <p>2) Attracting investment capital from the US for the group companies and for new projects, management of the financial assets of "Sirma Group Holding" AD, including acquisitions and sales of companies, and financial management through the formation of a team of financial consultants.</p> <p>2. Investments to increase the production capacity of the group companies in order to increase their competitiveness, profitability and higher profiling of expertise by increasing the staff and its geographical dispersion in the region, and managing the risks associated with personnel selection.</p> <p>3. Investments in development and commercialization of current products of the group companies in the field of CAD/CAM, loyalty systems, intelligent document management, semantic technologies, the financial and insurance sectors, etc. and building new sales and distribution channels for their implementation.</p> <p>4. Investment in a new R&D unit, specialized in the development of high technologies in the field of artificial intelligence, robotics, remote medical care, computer vision, etc., with the aim of developing technologies and patents, and their subsequent sale, licensing and/or attracting additional investments for organization of production and sales channels.</p>	3,500,000.00 BGN.
			Amount of option 1: 9,600,000.00 BGN.
16 million shares at min. price	19,200,000.00 BGN.	<p>5. Creation of new companies acting as sales representatives and centers for support of existing products and services in the group, in order to increase revenues and profits from them, in Germany, England and a selected location in Asia.</p> <p>6. Development of investments under item 4 of the previous section to the development of prototypes of final products.</p> <p>7. Additional investments under 3 in order to increase the market shares of existing products of the group companies, investments in new products in the same market segments in order to increase the total sales volume in the already developed commercial channels.</p> <p>8. Investments in technology companies expanding the group's expertise and providing new sales channels for accelerated realization of current products and technologies, in order to increase their market share and, accordingly, their market valuation upon sale and/or attraction of the next round of investments.</p>	2,600,000.00 BGN.
			Amount of option 2: 9,600,000.00 BGN.
16 million shares at max. price	26,400,000.00 BGN.	<p>9. Increasing the production capacity of companies outside Bulgaria through 3,000,000.00 BGN. expanding current offices and opening new ones, hiring additional software engineers and other technical specialists (Quality Assurance, Project Management, etc.), as well as higher profiling of the expertise of current teams.</p> <p>10. Investments in new products in the field of mobile technologies, the financial and insurance sectors, the medical sector and public communications.</p> <p>11. Creation of companies for productization of the results of research and development activities under this 4, including developing activities in the organization of production, marketing, organizing sales channels, attracting funding under European programs and additional investments.</p>	3,000,000.00 BGN. 1,200,000.00 BGN.
			Amount of option 3: 7,200,000.00 BGN.

4. INFORMATION REGARDING THE SECURITIES TO BE ISSUED PROPOSED/ALLOWED TRADES

4.1. TYPE AND CLASS OF SECURITIES

Subject to public offering according to the decision of the general meeting of shareholders of the Issuer dated 04.12.2014 and the decision of the board of directors of the same dated 15.12.2014 are a total of up to 18,491,858 shares, with a nominal value of 1 lev each, of which:

- up to 16,000,000 ordinary, dematerialized shares, from the increase in the Company's capital ("New shares"), and
- up to 2,491,858 ordinary, dematerialized, existing and already issued shares ("Existing Shares"), owned by all shareholders of Sirma Group Holding AD ("Selling Shareholders")

The shares subject to the offering will be registered for trading on the Bulgarian Stock Exchange and may be subject to subsequent trading on the exchange.

Shares have a nominal value of 1 (one) lev each and are of one class: ordinary, registered, dematerialized, freely transferable, giving equal rights to shareholders, namely the right to vote, the right to a dividend and a liquidation share, in proportion to the nominal value.

The ISIN code of the share issue of Sirma Group Holding AD is **BG1100032140**.

4.2. LEGISLATION UNDER WHICH THE SECURITIES WERE ISSUED. APPLICABLE LAW

The securities subject to the public offering were issued in accordance with the legislation of the Republic of Bulgaria.

The applicable regulations in relation to the admission of shares to trading on a regulated market are as follows:

- Commercial Law (CL);
- Public Offering of Securities Act (POSA);
- Markets in Financial Instruments Act (MFIA);
- Law against market abuse in financial instruments (MLFA);
- Regulation No. 38 on the requirements for the activities of investment intermediaries;
- Regulation No. 2 of the Financial Supervision Commission on prospectuses for public offering of securities and admission to trading on a regulated securities market and on the disclosure of information by public companies and other issuers of securities;
- Ordinance No. 39 of 2007 on disclosure of shareholding in a public company;
- Ordinance No. 22 of 29.07.2005 on the terms and conditions for entry and de-entry of public companies, other issuers of securities and issues of securities in the register of the Financial Supervision Commission;
- Ordinance No. 8 of 12.11.2003 on the Central Securities Depository;
- Corporate Income Tax Law (CIT);
- Personal Income Tax Law (PITLA);
- Regulation 809/2004 of the European Commission;
- Currency law.

The trading of securities on a regulated market is governed by the Regulations of the Bulgarian Stock Exchange - Sofia AD and the Regulations of the Central Depository AD.

The main regulatory acts applicable to the Company's shares are the LPOS and the Commercial Code. The Commercial Code contains general provisions regarding joint-stock companies, and the Public Offering of Securities Act - special provisions regarding public companies.

The provisions of Section I of Chapter XI of the POSA and of Ordinance No. 39 (promulgated, State Gazette, issue 103 of 07.12.2007,) on disclosure of shareholding in a public company regulate the requirements for disclosure of significant participation in the Company.

The Company's transactions with its own shares are regulated in Art. 111, para. 5-9 of the POSA and in the Commerce Act.

The tender offer regime is regulated in Chapter XI, Section II - Art. 148 g - 157e of the Public Offering of Securities Act, in Ordinance No. 41 of 11.06.2008 on the requirements for the content of the justification of the price of the shares of a public company, including the application of valuation methods, in cases of transformation, joint venture agreement and tender offer, as well as in Ordinance No. 13 of 22.12.2003 on tender offer for purchase and exchange of shares.

The conditions for deregistration of companies from the register for public companies and other issuers of securities under Art. 30, para. 1, item 3 of the FSC Act, are regulated in Art. 119 of the POSA and in Ordinance No. 22 of 29.07.2005 on the terms and conditions for entry and de-entry of public companies, other issuers of securities and issues of securities in the register of the FSC.

4.3. FORM OF SECURITIES

The shares subject to the public offering are ordinary, registered, dematerialized shares, giving their holder the right to 1 vote in the General Meeting of Shareholders of the issuing company. The shareholders' book of "Sirma Group Holding" AD is kept by "Central Depository" AD, with address - city of Sofia. Sofia, ul. Three Ears No. 10, fl. 4.

4.4. CURRENCY OF ISSUE

The currency of the share issue is Bulgarian leva.

4.5. DESCRIPTION OF THE RIGHTS RELATING TO THE SECURITIES, INCLUDING ANY LIMITATIONS ON THESE RIGHTS AND PROCEDURE FOR EXERCISE OF THESE RIGHTS

According to Art. 7, para. 1 of the Articles of Association, the capital of the Company is divided into 49,837,156 (forty-nine million, eight hundred thirty-seven thousand and one hundred fifty-six) ordinary dematerialized registered shares with voting rights with a nominal value of 1 (one) BGN per share.

The company's shares are freely transferable and give equal rights to their holders. The statute of

The issuer, annex to this prospectus, does not allow the issuance of bearer shares, as well as preferred shares that give their holders the right to more than one vote at the General Meeting of the company, a guaranteed dividend or an additional liquidation share. In exchange for the subscribed dematerialized registered shares with voting rights, the shareholders receive registered certificates (depository receipts) from the Central Depository AD.

Each share entitles you to one vote at the General Meeting of Shareholders, a right to a dividend and a liquidation share, commensurate with the nominal value of the share. The Articles of Association of Sirma Group Holding AD do not provide for restrictions on the exercise of the rights attached to the shares. The rights granted by the shares are not and cannot be limited by rights granted by another class of securities, or by the provisions of a contract or other document.

Each shareholder may dispose of his shares in the Company without restriction and freely. The transfer of shares of the Company is effective from the moment of entry of the transaction in the register of "Central Depository" AD.

4.6. RIGHT TO DIVIDEND

Each ordinary share entitles to a dividend in proportion to its nominal value.

Sirma Group Holding AD distributes dividends in accordance with the procedure and under the conditions provided for in the Commercial Act, the Public Offering of Securities Act and the Articles of Association of the Company.

The General Meeting decides on the distribution of dividends after approval of the annual financial statements and in accordance with the provisions of the Commercial Act and the Public Offering of Securities Act.

In the event that the General Meeting of Shareholders adopts a decision to this effect, the company's profit shall be distributed as a dividend in accordance with the Articles of Association and subject to the restrictions of Art. 247a of the Commercial Code.

In accordance with the requirement of Art. 115c of the POSA, the right to receive dividends is granted to persons registered in the registers of the Central Depository as shareholders on the 14th day after the date of the General Meeting of Shareholders, at which the annual financial report was adopted and a decision was made to distribute the profit. The CD provides the Company with a list of shareholders as of the above-mentioned date. The presence of the person on this list is a sufficient condition for him to receive a dividend, after his/her proper identification.

The company is obliged to immediately notify the Financial Supervision Commission, the Central Depository and the regulated market of the decision of the general meeting regarding the type and amount of the dividend, as well as the terms and conditions for its payment, including specifying at least one financial institution through which the payments will be made. After receiving the notification under the previous sentence, the regulated market on which the shares are traded shall immediately announce the last date for concluding transactions with them, as a result of which the acquirer of the shares has the right to receive the dividend thereon voted at the general meeting.

The issuing company is obliged to ensure the payment to shareholders of the dividend voted at the General Meeting of Shareholders within three months of its holding. Persons entitled to dividends who do not claim them within the 3-month period may exercise this right until the expiration of the general 5-year limitation period, after which the right is extinguished and the unreceived dividends remain in the Company.

The articles of association of Sirma Group Holding AD do not provide for restrictions on the distribution of dividends, as well as procedures for receiving dividends from non-resident holders. The expenses for paying the dividend are at the expense of the Company.

4.7. RIGHT TO VOTE

The General Meeting includes shareholders with voting rights, each share entitles to 1 (one) vote at the General Meeting of the Company. The right to vote is exercised by the persons entered in the registers of the Central Depository as shareholders 14 days before the date of the general meeting. The central depository is obliged to provide the company with lists of the shareholders described in the previous sentence and of the foreign persons under Art. 136, para. 1 of the POSA at the request of the person authorized to manage and represent the company.

Shareholders in a public company have the right to authorize any natural or legal person to participate and vote in the general meeting on their behalf, including members of the company's Board of Directors, if the shareholder has explicitly indicated the method of voting on each of the items on the agenda. Shareholders and

The representatives identify themselves and certify their presence with a signature.

The requirements for the form and content of the power of attorney are introduced in Art. 116, para. 1 of the POSA. The written power of attorney to represent a shareholder at the general meeting of shareholders of a public company must be for a specific general meeting, be explicit and specify at least:

- the details of the shareholder and the proxy;
- the number of shares to which the power of attorney applies;
- the agenda of the issues proposed for discussion;
- the proposals for decisions on each of the issues on the agenda;
- the manner of voting on each of the issues, if applicable;
- date and signature.

If the proxy does not specify the method of voting on the individual items on the agenda, it must state that the proxy has the right to decide whether and in what manner to vote. The re-authorization of the rights under the power of attorney, as well as the power of attorney given in violation of the rules under Art. 116, para. 1 of the LPOS, is insignificant.

The proxy has the same rights to speak and ask questions at the general meeting as the shareholder he represents. The proxy is obliged to exercise the right to vote in accordance with the shareholder's instructions contained in the proxy. The proxy may represent more than one shareholder at the general meeting of the public company. In this case, the proxy may vote differently according to the shares held by the individual shareholders it represents.

The public company is obliged to provide a sample of the written power of attorney on paper or by electronic means, if applicable, together with the materials for the general meeting or upon request after its convening. According to Art. 115, para. 6 of the POSA, a company shall submit to the FSC and publish on its website the samples of proxies for voting by proxy or by correspondence, if applicable. If the samples cannot be published for technical reasons, the company is obliged to indicate on its website the way in which the samples can be obtained in paper form, in which case, upon request by the shareholder, the company shall send the samples by postal service at its own expense.

Authorization can also be performed using electronic means. The public company is obliged to provide at least one method for obtaining powers of attorney by electronic means. It is obliged to publish on its website the terms and conditions for obtaining powers of attorney by electronic means.

The articles of association of a public company may set additional requirements regarding the authorization, presentation of the power of attorney to the company and the giving of instructions by the shareholder for the manner of voting, what requirements are necessary for the identification of shareholders and proxy holders or for to provide the possibility of checking the content of the instructions and only to the extent that this corresponds to achieving these goals.

4.8. RIGHT TO LIQUIDATION SHARE

Each ordinary share entitles to a liquidation share in proportion to its nominal value. This right is conditional - it arises and can be exercised only in the event that (and to the extent that) upon the liquidation of the Company, after satisfying the claims of all creditors, there is property left for

distribution among the shareholders and up to the amount of this property.

Only persons registered in the Central Depository's registers as shareholders at the time of the Company's dissolution are entitled to a liquidation share.

4.9. ADDITIONAL RIGHTS GIVEN BY THE SHARES:

The right of each shareholder in an initial public offering to acquire shares that correspond to his share in the capital before the increase;

Right to participate in management by resolving issues within the competence of the General Meeting of Shareholders;

Right to information, including the right to prior familiarization with the written materials on the announced agenda of the General Meeting of Shareholders and to freely receive them upon request.

The articles of association of Sirma Group Holding AD do not provide for shares granting special rights and privileges to the holders. them.

4.10. MINORITY SHAREHOLDERS' RIGHTS:

Persons who jointly or individually own at least 5 percent of the capital of a public company, in the event of inaction of its management bodies, which endangers the interests of the company, may bring the company's claims against third parties before the court. The company is also summoned as a party to the case. The persons on the previous sentence can:

- to file a claim with the district court at the company's registered office for compensation for damages caused to the company by actions or inactions of the members of the management and control bodies and of the company's procurators;
- request from the general meeting or the district court the appointment of controllers to inspect the entire the company's accounting records and prepare a report on their findings;

- request the district court to convene a general meeting or authorize their representative to convene a general meeting meeting on an agenda determined by them;
- to request the inclusion of issues and propose solutions on issues already included in the agenda of the the general meeting pursuant to Art. 223a of the Commercial Act.
- if the Company has a joint venture agreement, shareholders owning together or separately at least 5% (five percent) of the Company's capital may file a claim with the district court at the registered office of the Company for compensation for damages caused to the Company by actions or omissions of the persons managing the joint venture.

Shareholders who have held shares representing at least 5% (five percent) of the Company's capital for more than three months may request the Board of Directors to convene a General Meeting. If within one month of the request, it is not satisfied or if the General Meeting is not held within three months of the request, the district court at the registered office of the company shall convene a General Meeting or authorize the shareholders who requested the convening, or their representative, to convene the meeting.

4.11. REPURCHASE CONDITIONS

The Company may repurchase its own shares based on a decision of the General Meeting of Shareholders, taken by a simple majority of the shares represented and in accordance with the requirements of the law and the procedure provided for therein. The company may acquire more than three percent of its own voting shares in one calendar year in cases of capital reduction through cancellation of shares and buyback only under the terms and conditions of a tender offer under Art. 149b of the POSA.

Outside this hypothesis, the general meeting determines in its decision:

- a. the maximum number of shares subject to redemption;
- b. the terms and conditions under which the board of directors carries out the redemption within a specified period not exceeding 5 years;
- c. the minimum and maximum amount of the redemption price.

The capital of a public company cannot be reduced by compulsory cancellation of shares.

The requirements of Art. 111 apply to the redemption. 111, para. 5-9 of the POSA and the relevant provisions of the Commercial Code law.

The public company is obliged to notify the Financial Supervision Commission of the number of its own shares that it will repurchase within the 3% limit and the investment intermediary to which the order for the repurchase has been submitted. The notification must be made no later than the end of the business day preceding the redemption day. The Financial Supervision Commission makes the information received public through the register it maintains for public companies and other issuers of securities.

When a public company acquires or transfers its own shares directly or through another person acting in its own name but on its behalf, it is obliged to disclose information about the number of votes attached to these shares, under the conditions and in accordance with the procedure of Art. 100t and 100f of the POSA immediately, but no later than 4 business days from the acquisition or transfer, when their number reaches, exceeds or falls below 5 or 10 percent of the voting rights. Voting rights are calculated based on the total number of shares that carry voting rights.

The buyback decision is entered in the commercial register.

4.12. CONVERSION CONDITIONS

Currently, Sirma Group Holding AD has not issued any convertible bonds. The company's articles of association allow for the issuance of convertible bonds, subject to the requirements of the Commercial Act.

4.13. DECISIONS, PERMITS AND APPROVALS ON THE BASIS OF WHICH THE SHARES WILL BE ADMITTED TO TRADING ON A REGULATED EXCHANGE MARKET.

On 04.12.2014, at the general meeting of shareholders of Sirma Group Holding AD, the following decisions were adopted:

1. Adoption of a decision to change the type of shares of the Company from cash to dematerialized;
2. Adoption of amendments to the Company's Articles of Association regarding its possible future publicity;
3. Increase in the Company's capital through an initial public offering of shares (subscription), provided that the Financial Supervision Commission approves the prepared prospectus for the public offering of shares from the capital increase, adoption of a report under Art. 194, para. 4, second sentence of the Commercial Code of the Board of Directors and cancellation of the preferential rights of the shareholders under Art. 194, para. 1 - 3 TZ.;
4. Selection of an investment intermediary to service the capital increase pursuant to 3 of the agenda;
5. Authorization of the Board of Directors to take the necessary actions to implement the decisions under items three and four of the agenda;
6. Decision-making for the Company to acquire the status of a public company on the basis of Art. 110 para. 1 of the POSA, provided that the Financial Supervision Commission approves the prepared prospectus for the public offering of the shares from the capital increase, the public offering is conducted successfully and this capital increase is entered in the commercial register with the Registry Agency;
7. Making a decision to change the size of the Board of Directors. Selecting additional members of the Board of Directors in connection with the requirement of Art. 116 a of the LPOS

The specific parameters concerning point three of the decisions of the General Meeting of Shareholders of 04.12.2014 are:

1. Increases the capital of the Company from 49,837,156 (forty-nine million eight hundred thirty-seven thousand one hundred fifty-six) BGN to 65,837,156 (sixty-five million, eight hundred thirty-seven thousand one hundred fifty-six) BGN, through the issuance and initial public offering (subscription) of 16,000,000 (sixteen million) new shares, in accordance with the terms and conditions of the Public Offering of Securities Act (POSA),

as follows:

- Type of shares – ordinary, dematerialized, freely transferable, with one vote each, and with the right of dividend and liquidation share, in proportion to the nominal value;
- Conditions (parameters) of the capital increase:
 - Number of shares: 16,000,000 shares;
 - Nominal value per share: 1.00 (one) lev;
 - Total nominal value: 16,000,000 leva;
 - Minimum issue value of one share: the minimum issue value will be equal to the nominal value, in accordance with the provisions of the Commercial Law. The issue price of one share upon implementation of the capital increase and within the framework of the subscription will be determined by a subsequent decision of the Board of Directors, and should be in the range of BGN 1.20 to BGN 1.65 per share.
- one share;
- In the event that not all offered shares are subscribed, but at least 8,000,000 (eight million) new shares are subscribed and paid in full, pursuant to Art. 192a, para. 2 The share capital will be increased by the value of the subscribed and paid shares.

2. Adopts the report under Art. 194, para. 4, second sentence of the Commercial Code of the Board of Directors and cancels the preferential right of the shareholders under Art. 194, para. 1-3 Commercial Code for the acquisition of a part of the new shares, corresponding to their share in the capital, according to regarding the capital increase, with a view to carrying out the capital increase under the terms of a public offering. All individuals and legal entities - shareholders and non-shareholders - have the right to subscribe for shares from the capital increase /from the new issue/.

On 15.12.2014. the Board of Directors of the Issuer, pursuant to the authorization of the general meeting of shareholders of the Issuer of 04.12.2014. made decisions for:

1. to grant an option to the current shareholders to sell a portion (up to 5%) of the shares held by them under the terms of an approved prospectus for an initial public offering for the capital increase of Sirma Group Holding AD;
2. Define a method of proportional distribution for the purposes of the public offering and in cases of oversubscription of the proposed shares from the capital increase;
3. Approved a procedure for current shareholders to declare their desire to exercise the option to sell up to 5% of their shares in cases of oversubscription;
4. Approved a methodology for determining the price of the public offering.

4.14. IN THE CASE OF NEW ISSUES, THE EXPECTED DATE OF THE ISSUE OF THE SECURITIES

This initial public offering of shares of Sirma Group Holding AD is effective from its entry in the Commercial Register by the Registry Agency. The issuance of the shares will take place through the registration of the issue of the capital increase at the Central Depository AD, and this is expected to take place in about months -
September-October 2015

4.15. RESTRICTIONS ON THE FREE TRANSFERABILITY OF SECURITIES

According to the articles of association of Sirma Group Holding AD, all shares of the company's capital form one class, ordinary, registered, dematerialized, freely transferable shares, with voting rights. The Articles of Association do not provide for restrictions on the exercise of rights under the shares. The transfer of shares is carried out freely between shareholders and third parties, in compliance with the provisions of Bulgarian legislation. The transfer of shares takes effect from the moment of registration with the Central Depository AD.

After approval of the prospectus for the initial public offering of Sirma Group Holding AD and the eventual successful conduct of the offering itself under the terms of the public offering, the shares will be entered in the register kept by the Financial Services Commission, after which they will be registered for trading on the Bulgarian Stock Exchange. All shares issued by the Company will be offered for trading on the Bulgarian Stock Exchange.

After the shares from the initial public offering are registered for trading on the Bulgarian Stock Exchange, purchases and sales of the shares will be carried out either on a regulated market or a multilateral trading system through an investment firm intermediary, as well as outside a regulated market - "Over-The-Counter" (OTC), subject to compliance by the investment intermediary that concluded the transactions with the requirements for public disclosure of information and the manner of its disclosure, pursuant to Art. 38, para. 4 - 6 of the Markets in Financial Instruments Act (MFIA). The transfer of shares is effective from the moment of registration by the Central Depository AD.

To buy or sell shares on a regulated market, investors should submit "buy" or "sell" orders to the investment intermediary whose clients they are. After concluding a transaction on a regulated market, the investment intermediary performs the necessary actions to register the transaction with the CD. After settlement (execution of the concluded transaction) the shares are transferred from the account of

the seller into the buyer's account.

The transfer of shares outside a regulated market (OTC) is carried out according to a previously concluded contract directly between the parties - a contract for the purchase and sale of securities. In this case, the persons involved in the transaction, in order to transfer the shares to the CD, should submit data and documents to a licensed investment intermediary acting as a registration agent. The investment intermediary registers the transaction on the Bulgarian Stock Exchange as concluded outside the regulated market and performs the necessary actions for registration of the transaction in the Central Depository and its settlement. In a similar manner, through an investment intermediary operating

as a registration agent, the transfer of shares in cases of donation and inheritance is also carried out.

The transfer of shares is considered completed from the moment of registration of the transaction in the Central Depository.

According to Regulation No. 38 on the requirements for the activities of investment intermediaries, investment firms are not entitled to execute an order to sell shares if the shares are not available in the client's account or are blocked in the depository institution, as well as if a pledge has been established on them or a lien has been imposed. Therefore, shareholders,

who own shares on which there is a lien or seizure imposed, or which are blocked for other reasons, will not be able to sell them until this obstacle is removed. The prohibition under the previous sentence in the case of an established pledge shall not apply if the acquirer has been notified of the established pledge and has expressed explicit consent to acquire the pledged shares, and there is explicit consent of the pledgee in the cases provided for in the Special Pledges Act. The prohibition on the transfer of pledged shares does not apply in the event that the pledge is established on an aggregate within the meaning of the Special Pledges Act.

An investment intermediary is not entitled to execute a client's order if the client, or his representative, respectively, refuses to submit the declaration under Art. 35, para. 1 of Regulation No. 38 or declares that the transaction - subject of the order, constitutes a concealed purchase or sale of financial instruments. The refusal of the investment intermediary is certified with a separate document signed by the client.

The conclusion of transactions with the Company's shares is carried out in accordance with the procedure and under the terms and conditions of the Public Offering of Securities Act, the Financial Instruments Markets Act, Ordinance No. 38 on the requirements for the activities of investment intermediaries and other subordinate legislation on the implementation of the Public Offering of Securities Act and the Financial Instruments Markets Act, the Bulgarian Stock Exchange Regulations and the Central Depository Rules. More information regarding the transfer of shares can be obtained from the contact persons listed at the end of this Document on the offered securities, as well as from any investment intermediary.

4.16. DATA ON THE AVAILABILITY OF PROPOSALS FOR MANDATORY INTAKE, MERGER AND/OR RULES FOR COMPULSORY REPURCHASE OR SALE OF SECURITIES.

At present, there are no proposals for mandatory takeover/merger or rules for compulsory buy-out and sale with respect to the shares issued by Sirma Group Holding AD. After the Issuer's eventual acquisition of public status, its shares may be subject to compulsory redemption in the event of Art. 157a of the POSA, when a person who, as a result of a tender offer addressed to all shareholders with voting rights, acquires directly, through related parties or indirectly in the cases under Art. 149, para. 2 of the POSA, at least 95 percent of the votes in the general meeting of a public company, has the right, within three months from the deadline for the tender offer, to buy out the voting shares of the remaining shareholders.

4.17. PROPOSALS FROM THIRD PARTIES FOR PUBLIC BUY-OUT OF A CONTROLLING PACKAGE OF THE ISSUER'S SHARE CAPITAL, MADE DURING THE LAST AND CURRENT FINANCIAL YEAR - REPLACEMENT CONDITIONS

At present, the Company has not been the subject of any tender offers, including in view of the fact that Sirma Group Holding AD is not yet a public company within the meaning of the Public Offering of Securities Act, and the shares issued by the Company are not registered for trading on the Bulgarian Stock Exchange-Sofia AD.

4.18. INFORMATION ON TAXES WITHDRAWN AT SOURCE ACCORDING TO THE LEGISLATION IN FORM IN THE COUNTRY AND THE ISSUER'S RESPONSIBILITY FOR THEIR WITHDRAWAL

Income from shares can be in the form of a positive difference between the sales price and the acquisition price (capital gain) or in the form of dividends.

A dividend may be received following a decision by the company's competent body to distribute part or all of the realized positive financial result for the relevant period among its shareholders.

4.18.1. TAXATION OF INCOME FROM DIVIDENDS AND LIQUIDATION SHARES

a) local legal entities

According to Art. 27, para. 1, item 1 of the CITA, income resulting from the distribution of dividends by local legal entities is not recognized for tax purposes. Therefore, dividend income distributed to local legal entities is exempt from corporate tax.

According to Art. 194, para. 1 of the CITA, dividends and liquidation shares distributed (personified) by local legal entities in favor of local legal entities that are not traders, including municipalities, are subject to withholding tax. This tax is final and is withheld by local legal entities distributing dividends or liquidation shares. Therefore, income from dividends distributed to the benefit of persons under the previous sentence is subject to a withholding tax of 5 percent.

The issuer, as the payer of income from distributed dividends and paid liquidation shares on the shares from this issue, will withhold the final tax, in accordance with the statutory requirements.

b) foreign legal entities:

According to Art. 194, para. 1 of the CITA, when local legal entities distribute dividends in favor of foreign legal entities, except for cases where the dividends are distributed in favor of a mutual fund, a foreign legal entity that is a resident for tax purposes of a member state of the European Union or of another state party to the Agreement on the European Economic Area or are realized by a foreign legal entity through a place of business in the country, a withholding tax is withheld, which is final.

Therefore, income from dividends distributed to the benefit of a foreign legal entity (in case the person is not a resident for tax purposes of a Member State of the European Union or of another state party to the Agreement on the European Economic Area and that the dividends are not realized by a foreign legal entity through a place of business in the country) is subject to a withholding tax of 5 percent. This tax is final and is withheld by local legal entities distributing dividends.

or liquidation shares.

The issuer, as the payer of income from distributed dividends and paid liquidation shares on the shares – subject of this offer, will withhold the final tax, in accordance with the statutory provisions requirements.

c) local and foreign individuals

According to Art. 38, para. 1 of the Personal Income Tax Act, income from dividends and liquidation shares in favor of local and foreign individuals from a source in Bulgaria is taxed with a final tax.

The final tax on dividend income is determined on the gross amount determined by the decision for dividend distribution.

The final tax on dividend income in the form of a hidden profit distribution is determined on the gross amount of accrued expenses.

The final tax on income from liquidation shares is determined on the positive difference between the value of the liquidation share and the documented acquisition price of the shares in the company.

Income from dividends and liquidation shares distributed to local and foreign individuals is subject to a final tax of 5 percent, which is withheld and paid by the Issuer of the shares - payer of income.

THE ISSUER AS THE PAYER OF THE INCOME FROM DISTRIBUTED DIVIDENDS AND PAID LIQUIDATION SHARES ON THE SHARES – SUBJECT I WILL WITHHOLD THE FINAL TAX FROM THIS OFFER, IN ACCORDANCE WITH THE REGULATORY ESTABLISHED REQUIREMENTS.

4.18.2. CAPITAL GAINS

a) local legal entities

According to Art. 44 of the CITA, when determining the tax financial result, the accounting financial result is reduced by the profit from the disposal of financial instruments within the meaning of § 1, item 21 of the additional provisions of the same law, defined as a positive difference between the sales price and the documented acquisition price of these financial instruments.

According to § 1, item 21, letter "a" of the additional provisions of the CIP "Disposal of financial instruments" for the purposes of Art. 44 are the transactions with shares and rights carried out on a regulated market within the meaning of Art. 73 of the Law on Markets in Financial Instruments; "Rights" for the purposes of sentence one are securities giving the right to subscribe for a certain number of shares in connection with a decision taken to increase the capital;

Therefore, income realized from share transactions concluded on the regulated market organized by the Bulgarian Stock Exchange is not subject to corporate tax.

Losses from share transactions realized on a regulated financial instruments market are not recognized as an expense for tax purposes.

b) foreign legal entities

According to Art. 196 of the CITA, income from the disposal of financial instruments within the meaning of § 1, item 1 is not subject to withholding tax. 21 of the additional provisions of the same law.

According to § 1, item 21, letter "a" of the additional provisions of the CIP "Disposal of financial instruments" for the purposes of Art. 44 are the transactions with shares and rights carried out on a regulated market within the meaning of Art. 73 of the Law on Markets in Financial Instruments; "Rights" for the purposes of sentence one are securities giving the right to subscribe for a certain number of shares in connection with a decision taken to increase the capital;

Therefore, income from transactions with the shares - subject of this offering, concluded on the regulated market organized by "BSE - Sofia" AD are not subject to withholding tax.

c) local individuals

According to Art. 13, para. 1, item 3 of the Personal Income Tax Act, in connection with §1, item 11 of the Income Tax Act, income from the disposal of financial instruments within the meaning of § 1, item 1 is not taxable. 11 of the additional provisions; According to § 1, item 11, letter "a" of the additional provisions of the same law "Disposal of financial instruments" for the purposes of Art. 13, para. 1, item 3 are the transactions with units of collective investment schemes, shares and rights, carried out on a regulated market within the meaning of Art. 73 of the Financial Instruments Markets Act; rights for the purposes of sentence one are securities giving the right to subscribe for a certain number of shares in connection with a decision taken to increase of capital;

Therefore, the income of local individuals from share transactions concluded on the regulated market organized by "BSE - Sofia" AD is not taxed.

d) foreign individuals

According to Art. 37, para. 1, item 12 of the Personal Income Tax Act, income of foreign individuals from the sale, exchange and other transfer for consideration of shares, units, compensatory instruments, investment bonds and other financial assets is subject to final tax.

According to Art. 37, para. 7 of the Personal Income Tax Act, income under the previous sentence shall not be subject to final tax when it is exempt from taxation, pursuant to the Personal Income Tax Act and is accrued) paid to the benefit of foreign individuals established for tax purposes in a Member State of the European Union, as well as in another Member State of the European Economic Area (EEA). Therefore, income from transactions with shares carried out on a regulated market of financial instruments within the meaning of Art. 73 of the MFIA, are exempt from withholding tax when accrued to the benefit of a foreign individual established for tax purposes in an EU or EEA Member State.

When the person is a resident of a country outside the EU or EEA, a withholding tax of 10 percent is withheld. The tax is declared and paid by the person - recipient of the income, without any commitment from the Issuer.

DOUBLE TAXATION AGREEMENTS

In cases where a Double Taxation Agreement (DTAA) has been concluded between the Republic of Bulgaria and the relevant foreign country, whose resident has earned income in Bulgaria, its provisions shall apply with priority over Bulgarian domestic legislation. The procedure for implementing the SIDDO is regulated in detail in Chapter XVI, Section III of the Tax and Social Security Procedure Code (TSPC). The foreign person must certify to the revenue authority the existence of grounds for applying the

SIDDO. The foreign person certifies that: 1) he is a resident of the other country within the meaning of the relevant SIDDO; 2) he is the owner of the income from a source in the Republic of Bulgaria; 3) he does not have a place of business or a fixed base on the territory of the Republic of Bulgaria with which the relevant income is actually connected; 4) the special requirements for the application of the SIDDO or its individual provisions with respect to persons specified in the SIDDO itself are met, when such special requirements are contained in the relevant SIDDO.

The circumstances specified in the DOPK are certified by official documents, including extracts from public registers and declarations. Where this is not possible, other written evidence is admissible. Documents certifying the type, amount and reason for receiving the income are submitted.

In the case of income from dividends from shares issued by a public company, the following evidence may be attached: the decision of the general meeting of the company; a coupon for a paid dividend; an extract from the shareholders' book, certified by the company; a temporary certificate; a registered certificate for dematerialized shares; an extract from the dematerialized share book or another document certifying the type and amount of the income, as well as

and the amount of the foreign person's participation.

In the case of income from a liquidation share - a document proving the amount of the investment made, a final liquidation balance sheet after satisfying the creditors and a document determining the distribution of the liquidation share, and in case of distribution of the liquidation share in kind - a decision of the partners or the shareholders and documents on the basis of which the market price of the liquidation share was determined;

In the case of income from the transfer of shares and negotiable rights to shares, when they are not exempt from taxation under the force of law - a document for the transfer of rights and a document proving the sales price and the acquisition price.

The foreign person submits the request for application of the SIDDO and the documents attached to it in accordance with Art. 139 of the Code of Civil Procedure. The provisions of the SIDDO apply only if the opinion of the revenue authority on the submitted request confirms the existence of grounds for this. Otherwise, the provisions of the relevant substantive tax law, i.e. Bulgarian tax legislation, apply. In the event of a statement that there is no basis for applying the SIDDO, the foreign person has the right to appeal.

When a payer charges a foreign person income from a source in the country with a total amount of up to BGN 100,000 per year, the above circumstances shall be certified to the payer of the income. In this case, a request for the application of the SIDDO is not submitted to the revenue authority.

4.19. FOREIGN EXCHANGE LEGISLATION

The Foreign Exchange Law establishes the legal regime for transactions and payments between local and foreign persons, cross-border transfers and payments, and the import and export of Bulgarian leva and foreign currency. Applicable to the export and import of cash are the provisions of Regulation (EC) 1889/2005 of the European Parliament and of the Council, the Currency Act and Ordinance No. H-1 of 01.02.2012 on the transfer across the country's border of cash, precious metals, precious stones and articles with and from them and keeping customs registers under Art. 10a of the Currency Act, issued by the Minister of Finance. The following discusses those aspects of the legal regime that are relevant to foreign persons investing in shares. According to the provisions of Regulation (EC) 1889/2005. (also introduced by Regulation No. 10 of 2003 of the Minister of Finance), Bulgarian and foreign individuals may import or export cash worth up to 10,000 euros or its equivalent in another currency freely, without a written declaration to the customs authorities. The import and export by local and foreign persons of cash worth more than 10,000 euros or more or their equivalent in another currency must be declared to the customs authorities. The transfer of cash worth 10,000 euros or more or its equivalent in another currency across the country's border to or from a Member State of the European Union shall be declared upon request by the customs authorities. The declaration contains data on the owner of the amount and the recipient, the amount and type, the origin and purpose, and the type of transaction and route. In addition, persons exporting cash amounts exceeding BGN 30,000 thousand or their equivalent in foreign currency must present a certificate issued by the National Revenue Agency ("NRA") certifying that the person has no overdue tax liabilities or a document certifying that the person is not entered in the NRA register. Such a declaration is not required to be made by foreign persons who export cash amounts, not

exceeding the amount of cash payments that were declared to the customs authorities upon last entry into the country.

A person who makes a cross-border transfer or payment to a third party in the amount of BGN 30,000 or more or their equivalent in another currency must present to the payment service provider making the transfer or the payment, information and documents certifying the reason and amount of the transfer, as well as a declaration pursuant to a joint regulation of the Minister of Finance and the Governor of the BNB (Regulation No. 28 of 18.12.2012 on the information and documents submitted to payment service providers when making cross-border transfers and payments to a third country.

4.20. INDICATION OF WHETHER THE ISSUER ASSUMES RESPONSIBILITY FOR WITHHOLDING TAXES AT SOURCE.

Sirma Group Holding AD assumes responsibility for withholding the relevant taxes at source.

5. TERMS OF THE OFFER

5.1. CONDITIONS, STATISTICS OF THE OFFER, EXPECTED SCHEDULE AND ACTIONS REQUIRED TO APPLY FOR THE OFFER

This initial public offering is carried out on the basis of a decision taken by the general meeting of shareholders of Sirma Group Holding AD, held on 04.12.2014 and a decision of the Board of Directors of the Company dated 15.12.2014.

The subject of public offering is an issue of shares issued by Sirma Group Holding AD. The Company is offering 16,000,000 New Shares with a nominal value of 1 BGN. The capital before the public offering is BGN 49,837,156, and after a possible successful completion of the offering, the capital will be BGN 65,837,156, which means that the offered shares will represent 24.3% of the Company's capital after its increase. The offering will be carried out only on the territory of the Republic of Bulgaria. In order for the offering of shares to be considered successful, a minimum of 8,000,000 New Shares must be subscribed and paid for, as follows:

There are no restrictions on the minimum or maximum number of shares to be subscribed by one investor. The issue price of each share from the current issue is in the range of a minimum price of BGN 1.20 to a maximum price of BGN 1.65 according to the above-mentioned decision of the General Meeting of Shareholders of Sirma Group Holding AD.

The subject of public offering are also Existing Shares in the amount of up to 5% of the Issuer's capital or up to 2,491,858 ordinary shares, which are currently owned by the existing shareholders of Sirma Group Holding AD. The Existing Shares will be sold by the Selling Shareholders at the price determined by the methodology for calculating the price of the New Shares and within the time limits described below.

The existing shares will be offered only in the event that the shares requested for subscription within the period for submitting Orders at the announced Price exceed the maximum number of New shares determined by the shareholders - 16,000,000.

The issuer may extend the public offering period once up to 60 days by making the relevant amendments to the prospectus and notifying the Financial Supervision Commission. In this case, the last day of the extended period shall be considered the deadline for the offer. In this case, according to Art. 84, para. 2 of the POSA, the Issuer shall immediately announce the extension of the term in the FSC, on the websites of the Issuer, and of the investment intermediary participating in the offering, and shall request disclosure in the commercial register and publication in the daily newspapers under item 5.1.2. below.

In the event that shares up to the minimum amount of 8,000,000 new shares are not subscribed by the deadline of the Offering, the initial public offering will be considered unsuccessful. In this case, the Company shall notify the FSC of the result of the Offering by the expiration of 7 (seven) days after its deadline. If the minimum number of offered New Shares is not subscribed, no Offering Price will be determined and no Allocation List will be prepared. Investors who have submitted Orders will not receive confirmation of allocation and accordingly will not be obligated to pay for the subscribed amount of shares. In this regard, no funds will be accumulated in the collection account and there will be no need to return them to the investors who paid them.

In the event that, due to reasons beyond the control of the Issuer and/or the Investment Intermediary, the collection account is not certified within the specified time limits with the minimum amount of funds (the minimum amount of 8,000,000 new shares multiplied by the announced Price), the Company shall notify the FSC of the result of the Offering by the expiration of 7 (seven) days after its deadline. On the day of the notification under the previous sentence, pursuant to Art. 89, para. 4 of the POSA, the Issuer shall notify the bank of the result of the Offering and publish on its website and that of the Investment Intermediary servicing the public offering, an invitation to the persons who have subscribed to securities, in which it shall announce the terms and conditions for returning the amounts raised, as well as to declare the invitation for disclosure in the commercial register and to publish it in the daily newspapers selected for publication of the announcement of the public offering. The amounts collected shall be returned to the persons who subscribed for shares within 1 (one) month of the announcement, together with the interest charged by the bank, if any. The conditions and procedure for returning

the amounts are contained in the invitation to the persons who subscribed for the shares.

In the event that the capital increase is not entered in the Commercial Register, Sirma Group Holding AD will disclose this circumstance in the manner specified in the previous paragraph and in accordance with the requirements of Art. 89, para. 4 of the POSA. The amounts collected are returned to the persons who subscribed for shares, again in the order specified in the previous paragraph.

5.1.1. Total amount of the issue/offering, distinction between securities offered for sale and for subscription - conditions and features

The subject of the public offering are up to 18,491,858 (eighteen million four hundred ninety-one thousand eight hundred fifty-eight) ordinary shares, of which 16,000,000 (sixteen million) New Shares and 2,491,858 (two million four hundred ninety-one thousand eight hundred fifty-eight) Existing Shares. The existing shares will be offered only in the event that the shares requested for subscription within the period for submitting Orders at the announced price exceed the maximum number of new shares determined by the shareholders - 16,000,000.

The initial public offering will be successful only if at least 8,000,000 (eight million) shares are subscribed and paid. million) New shares with a nominal value of 1 (one) lev and an issue price ranging from a minimum price of 1.20 lev to a maximum price of 1.65 lev each, in which case the Issuer's capital will be increased only by the value of the subscribed shares.

It is not possible to deviate above the upper limit of the New Shares requested for issuance. There is no possibility of reducing the number of shares offered, and an increase in this number is possible only in cases of oversubscription through the "green-shoe" option specified in point 6.5. below.

The offered shares have a nominal value of 1 (one) lev and an issue price ranging from a minimum price of 1.20 lev to a maximum price of 1.65 lev each.

Upon successful completion of the subscription, the increased capital of Sirma Group Holding AD will be entered in the Commercial Register, the new share issue will be registered with the Central Depository AD, the Financial Supervision Commission and Bulgarian Stock Exchange-Sofia AD, and the ordinary shares issued by the Company from the capital increase will be offered for trading (secondary public offering) on Bulgarian Stock Exchange-Sofia AD.

5.1.2. The period, including any possible amendments, during which the offer will be open and the application process

Start of the Offering: Pursuant to Art. 92a, para. 3 of the POSA, the date of publication of the announcement under Art. 92a para. 1 is considered the start of the public offering. The issuer will publish an announcement for an initial public offering under Art. 92a, para. 1 of the POSA (the Announcement) in the commercial register, in two central daily newspapers ("Capital Daily" and "Sega"), on the websites of the Issuer and the investment intermediary "Elana Trading" AD. The announcement of the offering may be published only if the Financial Supervision Commission has confirmed the Prospectus.

Start and Duration of the Subscription: The start date of the subscription is the first business day following the expiration of 7 calendar days from the last date on which the Announcement was published in the places indicated above. Purchase Orders (Orders) will be accepted within thirty calendar days of this initial

date, every working day - from 09.00 to 16.00 The subscription ends on the day of announcement of the distribution list and notification of investors of the quantities of shares subscribed by them.

Types of Orders: Two types of Orders can be submitted:

- The order for subscription (purchase) of shares at the unit price specified therein is **limited**. By submitting a Limited Order, each investor agrees to receive shares of the amount determined according to the methodology in p. 7.1. below the Offer Price in case this Price is lower than or equal to the price submitted by him. Limit orders may be partially executed; and
- **A market order** is an order for subscription of shares that contains only a total value in BGN or a total number of shares desired for subscription and can be executed in whole or in part. By submitting a market Order, each investor agrees to receive shares at the price determined according to the methodology in p. 7.1. below Offering Price.

Submitting an Order is considered confirmation that the investor:

- has read the Prospectus and accepted the terms of the Offering;
- agrees to be allocated a smaller number of offered shares than the number specified in the submitted Order, or not to be allocated any offered shares, in accordance with the conditions set out in this document;
- agrees to be allocated New Shares in such ratio of New Shares to Existing Shares as may be determined at the discretion of the Issuer and the Investment Intermediary;
- agrees to pay an amount equal to the number of shares offered, multiplied by the Price, together with all fees and commissions related to the Offering, in accordance with the instructions of the Investment Intermediary; and
- agrees that if the collection account has not received the payment by the Last Payment Date (inclusive) the amount due in connection with payment for the offered shares allocated to him, the latter will not be acquired by the investor and he cannot make any claims in this regard against the Investment Intermediary and the Issuer.

Orders are submitted to the offices of the authorized Investment Intermediary listed below, personally by the investor or by his proxy. Orders (completed and signed by the investor) may also be submitted through another licensed investment intermediary, which will transmit them to the authorized Investment Intermediary within the period for submitting Orders specified in this Document.

Announcement of the offering price per share (the Price): The Price will be announced on the first business day following the expiration of the deadline for submitting Orders. In the event that Orders are not submitted for at least the minimum quantity of offered New Shares, the Offering will be deemed unsuccessful and the Issuer will notify the relevant institutions and the public of the result of the Offering in accordance with the procedure set out in the 5.9. below. In this case, the price will not be announced.

Determination of the number of Existing Shares for Sale: In the event that those submitted within the acceptance period Orders for shares at the price level according to the announced Offer Price exceed the maximum number of New Shares determined by the shareholders. The Selling Shareholders will have 5 business days after the date of the announcement of the Price to submit to the Investment Intermediary their written declaration of intent, in which they declare their desire to take advantage of the opportunity to sell up to 5% of their Existing Shares at the announced Price.

Allocation of Existing Shares: The Existing Shares will be allocated on the first business day following the expiration of the deadline for submitting statements of intent by the Selling Shareholders.

Announcement of the Allocation List: The allocation list will be announced on the next business day. the distribution day for Existing Shares, if any, to be distributed. Otherwise, the List will be announced on the day of announcement of the Offering Price.

The last date for payment for the subscribed shares is by the end of the 3rd business day after the announcement of the List for the distribution of the Offered Shares.

End of the Offering: The Offering will end after payment of the value of the subscribed shares in accordance with the previous paragraph.

Irrevocability of Orders

According to Bulgarian law, the investor cannot withdraw an Order already submitted, but has the right to renounce the subscribed new shares in the cases, under the terms and conditions of the Law on Public Offering of Securities. (POSA).

Placing Orders via proxy

In addition to being submitted personally by the applicant, the Order can also be submitted through a proxy, who is identified with an identity document, if he is an individual, or with a certificate of current status, registration certificate or other similar documents (depending on whether he is a local or foreign legal entity) and also presents an explicit notarized power of attorney for subscription of new shares.

"Elana Trading" AD and the investment intermediaries to which the Orders are submitted, in accordance with the applicable regulatory enactments, their general terms and conditions and practice, have the right to refuse to accept the Orders if they are not satisfied with the type, form, validity and other circumstances related to the the documents presented to them.

OFFICES OF "ELANA TRADING" AD WHERE ORDERS ARE ACCEPTED

Orders for new shares are accepted at the following addresses:

<p>Investment Center - "Sopharma Business Towers" - Sofia</p> <p>Sopharma Business Towers, 5 Lachezar Stanchev Str., /next to the Traffic Police Station/, Tower B, ground floor</p> <p>Phones: (02) 810 00 65, Fax: (02) 958 15 23 E-mail: info@elana.net</p>	<p>ELANA Investment Center - "Rakovski" - Sofia</p> <p>Sofia 1000, ul. "G.S. Rakovski No. 96 - next to the Bulgarian Army Theater and near the corner of ul. "Mr. S. Rakovski" with Tsar Osvoboditel Blvd.</p> <p>Telephones: (02) 810 00 60, 810 00 61, 810 00 62</p> <p>Email: info@elana.net</p>
<p>ELANA Investment Center - Plovdiv</p> <p>Plovdiv 4000, ul. "Khan Kubrat" 1, Business Center Plovdiv (ground floor)</p> <p>Telephones: (032) 626 428, (032) 275 657</p> <p>E-mail: plovdiv@elana.net</p>	<p>ELANA Investment Center - Varna</p> <p>Varna 9000, Blvd. "Slivnitsa" 8</p> <p>Phones: (052) 608 241, (052) 608 243, Fax: (052) 608 242</p> <p>E-mail: varna@elana.net</p>
<p>ELANA Investment Center - Pleven</p> <p>Pleven 5800, Business Center "Prestige", ul. "St. St. Cyril and Methodius" 18, ground floor</p> <p>Phones: (064) 840 114, (0887) 556 669</p> <p>E-mail: pleven@elana.net</p>	<p>ELANA Investment Center - Shumen</p> <p>Shumen 9700, ul. "Rafael Popov" 2</p> <p>Telephones: (054) 800 536; 800 535; 862 260</p> <p>Fax: (054) 800 536</p> <p>E-mail: shumen@elana.net</p>
<p>ELANA Investment Center - Ruse Ruse</p> <p>7000, ul. "Water" 12</p> <p>Phone: (082) 825 814</p> <p>E-mail: ruse@elana.net</p>	<p>ELANA Investment Center-Burgas Burgas</p> <p>8000, ul. "Lermontov" 32</p> <p>Phones: (056) 825 238, (056) 700 704</p> <p>E-mail: burgas@elana.net</p>

ORDER CONTENT

The order must contain at least:

- the three names and the unique client number of the investor and his proxy with the investment intermediary, and if such numbers have not been assigned: the three names, personal identification number, place of residence and address, respectively company/name, ID (identification code UIC/BULSTAT), registered office and address of the investor and of his representative or proxy, and if the investor is a foreign person - similar

identification data, including personal/social security number for an individual, and registration number or other similar number for a legal entity;

- Issuer ("Sirma Group Holding" AD) and ISIN code of the shares;
- value of the Order;
- date, time and place of submission of the Order;
- signature of the person submitting the Order, or of his legal representative or attorney-in-fact.

"Elana Trading" AD, accepting the Orders, has the right to prepare and require the completion of Order forms determined by it with both the specified and additional content determined by it.

ANNEXES TO THE ORDER:

The Order shall be accompanied by at least the following documents, in accordance with the instructions of the Investment Intermediary and the other licensed investment intermediaries through which the Orders are submitted:

- **from Bulgarian legal entities** – original or notarized copy of a certificate of current court registration, issued no earlier than 6 months before the date of submission of the written Order, as well as copies of UIC and tax registration documents certified by their legal representative;
- **from foreign legal entities** – a copy of the registration certificate (or other identical certification document proving the existence/establishment of the entity) in the relevant foreign language, containing the full name of the legal entity, date of issue and address of the legal entity person; the names of the persons authorized to represent him, accompanied by a translation of these documents into Bulgarian or English;
- **from Bulgarian individuals** – a copy of their identity document certified by them;
- **from foreign individuals** – a copy of the pages of the passport containing information on the full name; passport number; date of issue (if any in the passport); expiry date (if any); nationality; address (if any in the passport) and a copy of the pages of the passport containing other information and a photograph of the person, as well as a translation of these documents into Bulgarian or English;
- original of a notarized express power of attorney in case of submitting Orders via proxy
- details of the investor's bank account to which deposited amounts will be returned if the Offering be terminated.

SUBMITTING ORDERS

Legal entities submit Orders through their legal representatives or through a proxy with an explicit notarized power of attorney, and they are identified with an identity document (a copy of which is attached to the Order) and a certificate of current court registration of the legal entity.

Individuals submit Orders in person or through a proxy, and these individuals identify themselves with an identity document and attach a copy of the document certified by them to the Order.

Foreign individuals shall identify themselves with their original foreign passport for entry into Bulgaria and shall attach to the Order a legalized original translation of the pages of the passport containing information on the full name; passport number; date of issue /if there is one in the passport/; expiration date /if there is one/, nationality; address /if there is one in the passport/ and usually a copy of the translated pages of the passport containing other information and a photograph of the person.

The order can also be submitted through a proxy, who is identified with a notarized explicit power of attorney and the documents listed above in accordance with the principal (local or foreign, legal entity or individual).

The order can also be submitted through a licensed investment intermediary, whose client is the investor wishing to acquire the offered shares. In this case, the relevant investment intermediary shall transmit to the authorized Investment Intermediary the signed by the client, respectively by his proxy.

An order, together with the above-mentioned annexes thereto and/or a duly certified summary order in a form previously determined by the Investment Intermediary and in accordance with its instructions. In these cases, it is not necessary to present to the Investment Intermediary a power of attorney authorizing the other investment intermediary by the client.

The Authorized Investment Intermediary, as well as other licensed investment intermediaries through which Orders are submitted, in accordance with the regulations, general terms and conditions and practice applicable to their activities, have the right to refuse to accept Orders if they are not satisfied with the type, form, validity, attachments and other circumstances related to the documents submitted to them. The investment

The Broker and other licensed investment intermediaries have the right, in certain cases, to accept Orders without all required attachments being attached to them, when the information that would be established by the unsubmitted document, is known to them from another source and they have no reason to doubt the relevance of the information thus known to them.

WHEN THE FSC DETERMINES THAT THE SUPERVISED PERSONS ARE CARRYING OUT ACTIVITIES IN VIOLATION OF THE POSA ACT, ITS IMPLEMENTING ACTS, OF THE DECISIONS OF THE FSC OR OF THE DEPUTY. THE CHAIRMAN, AS AND WHEN THE EXERCISE OF THE CONTROL ACTIVITY IS OBSTRUCTED OR THE INTERESTS OF THE INVESTORS ARE THREATENED, THE COMMISSION, RESPECTIVELY THE DEPUTY. THE PRESIDENT MAY SUSPEND FOR A PERIOD OF UP TO 10 CONSECUTIVE BUSINESS DAYS OR TO PERMANENTLY STOP THE SALE OR TRANSACTION OF CERTAIN SECURITIES BOOK.

5.2. CIRCUMSTANCES IN WHICH ADMISSION TO TRADING ON A REGULATED MARKET MAY BE WITHDRAWN OR SUSPENDED SUSPENDED AND CANCELLATION CONDITIONS AFTER DEALINGS HAVE BEEN STARTED

The Issuer reserves the right, after consulting with the Investment Intermediary, to terminate or postpone the Offering, under the conditions below and without giving any reason therefor. If the Board of Directors of Sirma Group Holding AD decides to terminate or postpone the Offering, the Company is obliged to notify the FSC and the Bulgarian Stock Exchange and investors immediately, but no later than the next business day after the decision is made, and to make the relevant publications in the manner described below in item 5.9. A full description of the manner and date on which the results of the offering will be published.

In accordance with the decision of the Board of Directors of the Issuer to increase the capital by offering new shares, if at least 8,000,000 new shares are not subscribed (allocated) and paid for, the Offering will be terminated. The offering will also be terminated if the registration of the new shares and the capital increase in the commercial register is refused.

The Financial Supervision Commission has powers pursuant to Art. 92h, para. 1, item 4, etc. 6 of the POSA to suspend the public offering for no more than 10 consecutive business days in each individual case, if there are sufficient grounds to believe that the provisions of the law or the acts implementing it have been violated, or to prohibit the public offering in the same cases.

In the period between the issuance and confirmation of the prospectus and the deadline for the public offering or the commencement of trading on a regulated market, the Company, pursuant to Art. 85, para. 2 of the POSA is obliged, at the latest by the end of the next business day after the occurrence, respectively the knowledge of a material new circumstance, significant error or inaccuracy, related to the information contained in the prospectus, which

may affect the valuation of the securities offered, to prepare a supplement to the prospectus and to publish it submitted to the Financial Supervisory Commission. In case the FSC establishes that the requirements of the POSA and its implementing acts have not been complied with, it may refuse to approve the supplement to the prospectus and on the basis of Art. 212 of the LPOS to permanently suspend the public offering.

According to Art. 91 of the Markets in Financial Instruments Act (MFIA), the market operator ("BSE-Sofia" AD) may suspend trading in financial instruments or remove from trading financial instruments that do not meet the requirements established in the rules for the operation of a regulated market, if this will not significantly harm the interests of investors and the proper functioning of the market. The market operator shall publicly announce the decision to suspend trading in financial instruments or to remove financial instruments from trading and shall notify the FSC thereof.

Art. 212 of the POSA, Art. 118 of the MFIA and Art. 37 of the Law against Market Abuse with Financial Instruments regulates the powers of the Deputy Chairman of the FSC to suspend certain financial instruments from trading.

5.3. POSSIBILITIES FOR REDUCING THE SUBSCRIPTION AND METHOD FOR REFUND OF OVERPAID AMOUNTS

The company does not foresee the possibility of changing the number of shares offered. In the event that fewer than the offered shares are subscribed, but at least the minimum quantity required by the Company is subscribed and paid for in order to determine the capital increase as successful, the Company increases its capital up to the amount recorded and paid.

5.4. MINIMUM AND/OR MAXIMUM VALUE APPLIED FOR (NUMBER OR TOTAL AMOUNT)

Each potential investor has the opportunity to submit their Order for the desired quantity, with no restrictions on the minimum and maximum number of subscriptions.

5.5. THE PERIOD DURING WHICH THE APPLICATION FOR CANDIDATE IN THE OFFER MAY BE WITHDRAWN, PROVIDED THAT INVESTORS ARE ALLOWED TO WITHDRAW THEIR ORDERS

According to the legal definition, subscription is understood as an unconditional and irrevocable declaration of will to acquire the shares in the process of their issuance and to pay their full issue value (§ 1, item 11 of the Supplementary Provisions of the POSA). In this sense, an investor who has already submitted an Order cannot withdraw it. He may renounce the subscribed shares in accordance with the procedure and under the conditions of Art. 85, para. 6 in connection with para. 2 of the POSA.

5.6. THE METHOD AND TERMS FOR PAYMENT OF THE SECURITIES AND DELIVERY OF THE SECURITIES

The payment of the issue price for the New Shares shall be made to a special general savings account opened in the name of Sirma Group Holding AD at UniCredit Bulbank AD, which will be specified in the announcement for the public offering under Art. 92a of the POSA. In cases of oversubscription and upon request by the current shareholders of the Company, Existing Shares will also be allocated to the New Shares. The quantity of Existing Shares that would be allocated will be referred to as Additional Shares for the purposes of this document. The payment of the value of the Additional Shares will be made to the same general collection account.

The collection account must be credited with the contribution against the subscribed shares no later than the end of the third business day for the country following the day of announcement of the Distribution List. The supporting document for the payment made is the payment order or the payment note. The payment document must contain data at least on the name (designation) of the investor, respectively the investment intermediary acting on behalf of the investor, and on the total number of shares paid, as well as other data according to the instructions of "Elana Trading" AD, which will be published on its website. These instructions will be published by Elana Trading AD no later than the day before the start date of the Subscription, pursuant to p. 5.1.1. above.

The funds raised in the collection account cannot be used before the completion of the Offering and the registration of the capital increase in the Commercial Register at the Registry Agency (Art. 89, para. 2 of the POSA). UniCredit Bulbank AD will debit the collection account, after the entry in the Commercial Register of the capital increase of Sirma Group Holding AD, by crediting 1/ the escrow account created for the funds for the transactions with the Additional Shares of the Selling Shareholders, with the funds received for the distributed Existing (Additional) Shares and 2/ the specified account of the Issuer. The funds received in the escrow account for the transactions with the Additional Shares of the Selling Shareholders are blocked and cannot be used by the Selling Shareholders before the settlement in the Central Depository of the transactions for the transfer of the allocated and paid Existing Shares. Upon instructions from the Investment Intermediary, based on the conclusion of the above-mentioned transactions on the OTC segment of the Bulgarian Stock Exchange, the Escrow Agent will transfer the funds from the escrow account for the funds for the transactions with the Additional Shares of the Selling Shareholders to the special DvP settlement accounts of the investment intermediaries through which the Purchase Orders were submitted, and/or the relevant custodian banks, in order to successfully conclude the transactions thus concluded in accordance with the requirements of the Bulgarian Stock Exchange regulations and the rules of the Central Depository.

After registering the increase in the capital of Sirma Group Holding AD in the commercial register, the funds in the Company's savings account will be released and made available to the Company.

Stock exchange trading in the New Shares will commence simultaneously with trading in the Existing Shares, namely from the first trading date determined by the Bulgarian Stock Exchange. On the day of transfer of the Existing Shares to the BSE, which will take place on the first trading date, with the consent of the Escrow Agent, the Existing Shares will be unblocked for the purposes of the settlement of the transactions for their purchase in the Offering, which will be carried out in accordance with the BSE regulations and the rules of the Central Depository.

EARLY COMPLETION

The Issuer and the Authorized Investment Intermediary do not envisage the possibility of reducing the total term of the Offering. If all shares from this issue are subscribed before the deadline of the Offering, the Investment Intermediary and the other licensed investment intermediaries will continue to accept Orders from interested investors.

SUBSCRIBE FOR FEWER SHARES

In the event that fewer than the offered shares are subscribed, but the minimum announced number of shares for a successful public offering is subscribed and paid for, the Company increases its capital to the subscribed and paid-up amount.

SUBSCRIBE FOR MORE SHARES

The number of New Shares offered will not be changed. The subscription of more New Shares than those provided for in the resolution of the General Meeting of Shareholders of 04.12.2014 is not allowed. The capital will be increased only if at least 8,000,000 New Shares are subscribed and paid. In the event that the shares requested for subscription within the period for submitting Orders at the announced Price exceed the maximum number of New shares determined by the shareholders, an additional number of shares equal to up to 5% of the Issuer's current capital will be distributed among the Orders submitted within the same period.

5.7. TRANSFER OF THE AMOUNTS FROM THE SOLD SHARES TO THE ACCOUNT OF THE CLIENT - SELLER

The proceeds from the sold Existing Shares will be made available to the selling shareholders after the transfer of the Existing Shares under the rules for DvP transactions. These transactions will be carried out on the first day of trading in New Shares, determined by the board of directors of the Bulgarian Stock Exchange.

5.8. PROCEDURE FOR OBTAINING CERTIFICATION DOCUMENTS (DEPOSITORY RECEIPTS)

After the possible successful completion of the Offering and registration of the capital increase in the Commercial Register, the Issuer will submit an application for registration of the shares from the increase in the registers of "Central Depository" AD. The shares will be registered in client accounts with the investment intermediaries through which the respective investor submitted an Order. After registration with the depository institution and at the request of the shareholders, Central Depository AD issues a certification document (depository receipt) for the securities held through an investment intermediary - a member of the Central Depository. The depository receipt may be received personally by the shareholder or by a person authorized by him with a notarized signature, at the address of the investment intermediary through whom its receipt was requested.

issuance.

No certificates of sale of Existing Shares will be issued as long as they will be transferred under the trading rules of the Bulgarian Stock Exchange. Each investor who acquires the Existing Shares will have the opportunity to receive a depository receipt for the shares held by him/her.

in the order above.

5.9. DESCRIPTION OF THE MANNER AND DATE ON WHICH THE RESULTS OF THE OFFER WILL BE PUBLISHED

The Issuer will notify the FSC within 3 business days of the completion of the Offering, about its conduct and its results, including any difficulties, disputes and the like in the subscription of the shares.

Within 7 days of the completion of the share offering, Sirma Group Holding AD will also send a notification to the Financial Supervision Commission and Bulgarian Stock Exchange-Sofia AD regarding its results, containing information regarding the closing date; the total number of subscribed shares; the amount received for the subscribed shares; the amount of commission fees and other costs of the offering, including the fees paid. To the notification The Issuer will attach the documents required by law. Within the same period, the specified circumstances will be announced through publications in the newspaper. "Capital Daily" and "Sega" and on the internet addresses of the Issuer and "Elana Trading" AD.

In the event that shares up to the minimum amount of 8,000,000 new shares are not subscribed by the deadline of the Offering, the initial public offering will be considered unsuccessful. In this case, the Company shall notify the FSC of the result of the Offering by the expiration of 7 (seven) days after its deadline.

In the event that, due to reasons beyond the control of the Issuer and/or the Investment Intermediary, the collection account is not certified within the specified time limits with the minimum amount of funds (the minimum amount of 8,000,000 new shares multiplied by the announced Price), the Company shall notify the FSC of the result of the Offering by the expiration of 7 (seven) days after its deadline. On the day of the notification under the previous sentence, pursuant to Art. 89, para. 4 of the POSA, the Issuer shall notify the bank of the result of the Offering and publish on its website and that of the Investment Intermediary servicing the public offering, an invitation to the persons who have subscribed to securities, in which it shall announce the terms and conditions for returning the amounts raised, as well as to declare the invitation for disclosure in the commercial register and to publish it in the daily newspapers selected for publication of the announcement of the public offering. The amounts collected shall be returned to the persons who subscribed for shares within 1 (one) month of the announcement, together with the interest charged by the bank, if any. The conditions and procedure for returning

the amounts are contained in the invitation to the persons who subscribed for the shares.

In the event that the capital increase is not entered in the Commercial Register, Sirma Group Holding AD will disclose this circumstance in the manner specified in the previous paragraph and in accordance with the requirements of Art. 89, para. 4 of the POSA. The amounts collected are returned to the persons who subscribed for shares, again in the order specified in the previous paragraph.

5.10. PROCEDURE FOR EXERCISING THE RIGHT TO PURCHASE BEFORE OTHERS, TRANSFERABILITY OF SUBSCRIPTION RIGHTS AND TREATMENT OF UNEXERCISED SUBSCRIPTION RIGHTS

According to the decision of the general meeting of the Issuer's shareholders, the capital increase is carried out through a public offering of new shares. Therefore, the general meeting of shareholders has adopted a decision to cancel the pre-emptive rights of existing shareholders to acquire a part of the new shares, proportionate to of their share in the capital before the increase.

In this capital increase through the issuance of new shares, no rights are issued within the meaning of §1, i.e. 3 of the Additional Provisions of the POSA, since Sirma Group Holding AD will acquire the status of a public company after successfully implementing the capital increase and its entry in the commercial register and in the register of public companies maintained by the FSC.

6. PLAN FOR PLACEMENT AND DISTRIBUTION OF SHARES

6.1. DIFFERENT CATEGORIES OF POTENTIAL INVESTORS TO WHOM SECURITIES ARE OFFERED. ALLOCATION OF tranches and OFFERING MARKETS IN TWO OR MORE COUNTRIES

After the possible approval of this Document for the offered securities, as well as the other parts of the prospectus by the FSC, all groups of investors classified for the purposes of the LPOS in §1 of the Additional Provisions of the LPOS, may participate on an equal basis in the public offering of the shares. These groups investors are:

- **non-professional investors** - persons who, at their own expense, put money or other property rights at risk by acquiring, holding and transferring securities, without possessing the necessary qualifications or experience for this;

- **institutional investors** – banks that do not act as investment intermediaries, investment companies, insurance companies, pension funds or other companies whose business activity requires the acquisition, holding and transfer of securities.

The offer is made only on the territory of the Republic of Bulgaria.

As of the date of this document, Sirma Group Holding AD and Elana Trading AD have not and do not intend to determine ratios, tranches and/or quantities of New Shares and/or Existing Shares to be distributed among separate categories of investors. There is no predetermined preferential treatment in the allocation of securities that would provide certain categories of investors or certain preferentially treated groups with a percentage of the offering reserved for such preferential treatment. The offered shares will be distributed on a proportional basis among all qualified investors. Based on the Distribution Price determined pursuant to 7 below, the Investment Intermediary will prepare an allocation list (the List) where the Order of each ranked investor will be satisfied with the same allocation ratio (the Ratio).

Within the framework of the offering, it is not possible and is not envisaged to issue and/or offer an additional number beyond the offered number of up to 18,491,858 new shares.

6.2. STATEMENT WHETHER THE MAJOR SHAREHOLDERS OR MEMBERS OF THE MANAGEMENT, SUPERVISORY OR ADMINISTRATIVE BODIES OF THE ISSUER INTEND TO ACQUIRE THE OFFERED SECURITIES OR WHETHER ANY PERSON INTENDS TO ACQUIRE MORE THAN 5 PERCENT OF THE OFFERED SECURITIES, TO THE EXTENT THAT SUCH INFORMATION IS KNOWN TO THE ISSUER.

Sirma Group Holding AD does not have information whether any of the main shareholders (described in the Registration Document - Majority Shareholders) intends to acquire any of the offered New Shares.

Sirma Group Holding AD does not have information whether a member of the Company's Board of Directors intends to purchase the New Shares.

6.3. ANNOUNCEMENT OF PRELIMINARY ALLOCATION

There will be no prior allocation of shares in the initial public offering of Sirma Group Holding AD. There is no predetermined preferential treatment.

in the allocation of securities to any category of investors.

6.4. PROCESS OF NOTIFYING CANDIDATES OF THE ALLOCATED AMOUNT AND INDICATION OF WHETHER TRADING CAN START BEFORE NOTIFICATION IS MADE

Based on the Orders received, the Investment Intermediary will prepare an Allocation List, containing the names of the investors, respectively the investment intermediaries through which the Orders were submitted, and the number of offered shares allocated to each of them.

The Investment Intermediary will notify the investors included in the List by sending messages upon an agreement with the relevant investors or, as the case may be, with the other licensed investment intermediary, acting on behalf of the investor. The messages are sent to the addresses specified in the order, as well as to other addresses of the investors from the List known to the Investment Intermediary, no later than the end of the second business day following the expiration of the Offering period. Summary information about the List will be available at the following locations from the date of its announcement:

- at the office of "Elana Trading" AD at the address: town of Sofia, ul. "Lachezar Stanchev" 5, Phone: (02) 810 00 00;
- on the website of "Elana Trading" AD: www.elana.net;

Detailed results of the share subscription will not be publicly disclosed. The list will not be made public or disclosed in any way, except to the persons and institutions, specified in a regulatory act.

6.5. OVER- SUBSCRIBE AND "GREEN SHOE" OPTION FOR OVER-SUBSCRIBE - AVAILABILITY, SIZE, PERIOD AND TERMS

When offering the share issue and according to a decision of the Board of Directors of the Company dated 15.12.2014, there is a "green shoe" option for exceeding the subscription of New Shares. This option is granted by the Selling Shareholders and is in the amount of up to 5% of the Issuer's capital or up to 2,491,858 Existing Shares. The existing shares will be offered only in the event that the shares requested for subscription within the period for submitting Orders at the announced Price exceed the maximum number of New shares determined by the shareholders - 16,000,000.

Determination of the number of Existing Shares for sale: In the event that the Orders submitted at the announced Price exceed the maximum number of New Shares offered of 16,000,000, the Selling Shareholders will have 5 business days after the date of the announcement of the Price to submit to the Investment Intermediary their written declaration of intent, in which they declare their desire to take advantage of the opportunity to sell Existing Shares held by them at the announced Price. Each Selling Shareholder may declare its desire to sell up to 5% of its Existing Shares. Based on the expressions of interest received, the Investment Intermediary determines the number of Existing Shares that may be offered to potential investors (Additional Shares).

Allocation of Existing Shares: After determining the number of Additional Shares, this number is compared with the quantity of shares requested for subscription through orders submitted at the announced Price and which exceeds the offered New Shares (Excess Number). In the event that the Additional Shares are less than the Excess Number, all Additional Shares will be distributed among the investors who submitted ranked Orders on a pro rata basis. In the event that the Additional Shares are more than the Excess Number, the expressions of will of the Selling Shareholders will be satisfied on a proportional basis depending on the quantity that each of them has declared for sale.

7. PRICING

7.1. OFFER PRICE

The issue price of one share offered for subscription during the capital increase of Sirma Group Holding AD will be in the price range from a minimum price of BGN 1.20 to a maximum price of BGN 1.65 for 1 share of the Company's capital.

When determining the issue price using widely recognized and used methods such as, but not limited to: the discounted cash flow method and the market analogues method, the Issuer has taken into account a number of factors - assessment of the value of the company, assessment of the specific market in the country as well as markets abroad, assessment of the macroeconomic conditions in the country as a whole, prevailing market conditions and desire to achieve liquid stock exchange trading in the Shares. All shares that are subject to the public offering will be subscribed at the Offering Price. The Offering Price will be within the announced price range and will be determined by decision of the Board of Directors of the Issuer, after conducting

PROPORTIONAL DISTRIBUTION by the Investment Intermediary. In the event of oversubscription, all investors' Orders will be treated equally. The weight of each ranked Order will be calculated by dividing the shares requested for subscription through this Order by the total number of shares requested for subscription at the Offering Price. The resulting ratio will be multiplied by the total number of shares in the Offering (New and Existing Shares) and the result of this multiplication will give the number of shares that will be allocated to the respective Order. In case this result is not a whole number, the result is rounded down to give the final number of shares allocated under this order.

Criteria for ranking received Orders

In order to be classified, all Orders must meet the conditions for their type, their content and method of submission, set out in item 5.1.2. above. All Orders meeting these conditions will be ranked depending on their type - limited and market. All Limit Orders will be ranked in unison with the share price recorded therein. This price per share must be within the price range from a minimum price of BGN 1.20 to a maximum price of BGN 1.65 determined by the general meeting of shareholders of the Company. All Limit Orders that contain a share price outside this range will be downgraded and will not receive an allocation of the offered shares.

Methodology for Determining the Price

The methodology for determining the price was determined by a decision of the Board of Directors of the Issuer dated 15.12.2014. The methodology aims to determine the price level at which the Company will receive the highest amount of proceeds from the public offering. According to this methodology and when performing the ranking the Investment Intermediary will:

1. Separate all placed limit and market Orders and check the total number of shares requested to be subscribed through market Orders. In the event that this number exceeds the total quantity of New Shares offered, the Offering Price will be set at the maximum price of the price range, namely BGN 1.65 per share. In the event that the quantity of shares submitted for subscription through market orders is less than the maximum quantity of New Shares offered, the Investment Intermediary moves on to the next step;
2. Ranks all submitted Limit Orders depending on the price indicated in them;
3. Determine the amount of shares requested for subscription for each price level for which limit orders have been submitted. The number of shares requested through Limit Orders at the highest price requested through them will be added to the number at each lower price level due to the nature of Limit Orders (an investor who has placed a limit order at a given price agrees to subscribe for shares at any lower price belonging to the announced price range). This action will be repeated for each subsequent price lower than the highest requested through Limit Orders until the lowest price submitted through Limit Orders is reached. The quantity requested for

- subscription of shares at this lowest price will represent the sum of all quantities of shares requested for subscription through Limit Orders at all prices;
4. Add separately to each price level determined in the above row the number of shares ordered through market orders (the nature of the market order determines the willingness of the investor who submitted it to subscribe to shares at each of the price levels belonging to the announced price range);
 5. Determine which price levels meet the criterion for a minimum subscription of 8 million shares and downgraded remaining price levels at which an insufficient number of shares were requested for subscription. In the event that there is no price level that meets this criterion, declares this public offering unsuccessful in accordance with the decision of the general meeting of shareholders of the Company;
 6. In the event that any of the price levels contains a sum of shares applied for, calculated in the manner above, which exceeds the number of maximum offered New Shares of 16 million, the sum of shares applied for at each such price level will be equated to 16 million for the purposes of calculating the Price.
 7. Multiply the number of shares thus calculated, submitted for each price level, by the price of the share price level to obtain the amount of proceeds at each such level;
 8. Determine the price level at which the values calculated under point 7 proceeds from the public offering are the largest. The price at this price level will be the Public Offering Price.

The Board of Directors of the Company will verify the compliance of the Investment Intermediary with the above methodology and, by its decision, will determine the Public Offering Price.

There is no predetermined preferential treatment in the distribution of securities, which provides certain categories of investors or certain preferentially treated groups with a percentage of the offering reserved for such preferential treatment.

The existing shares will be offered only in the event that the shares requested for subscription during the period for submitting Orders at the Offering Price exceed the maximum number of New shares determined by the shareholders - 16,000,000 shares. In the event that at the Price thus determined, Orders are submitted for a greater number of new shares than the total number, the Investment Intermediary shall immediately notify the Company of the existence of over subscription. Within the same day after the notification under the previous sentence and through its executive director, the Issuer will invite the Selling Shareholders to submit to the Investment Intermediary's correspondence address their declaration of intent as to whether they wish to take advantage of the opportunity to sell up to 5% of their own Existing Shares. The Selling Shareholders will have 5 business days to submit their declarations of intent. After accepting the declarations of intent, the Investment Broker will prepare a list of the Selling Shareholders and the quantity of shares that each of them wishes to sell. The number of these shares (the Additional Shares) will be matched against the shares that exceed the maximum number of New Shares.

(Excess number) at the Offering Price. In the event that the Additional Shares are more than the Excess Number, each of the investors who submitted Orders at the Offering Price will receive its full execution, and the current shareholders will sell their shares on a proportional basis. In the event that the Additional Shares are less than the Excess Number, the Investment Intermediary will determine an allocation ratio (the Ratio) on a proportional basis. The coefficient will be equal to the sum of the New and Additional shares divided by the shares requested through Orders at the Offering Price. To determine the specific number with which a given Order enters the Distribution List, the specified shares in that Order are multiplied by the Coefficient. The resulting number is rounded down to the nearest integer. In the event that, upon such rounding, the final number of shares subscribed by the whole number of Orders is less than the maximum number of shares in the Offering, the Investment Intermediary reserves the right to distribute this difference among certain investors with a view to full subscription of the offered shares.

In order to simplify the above procedure and carry out a minimum number of transactions with Existing Shares, the Issuer and the Investment Intermediary reserve the right, in case of possibility and desire of one or more shareholders, to distribute the Additional Shares only to this or those shareholders. Thus, the final result of shares held by the different investors in all the hypotheses above will be preserved, but

Transactions with Existing Shares will be as few as possible, which is a convenience for both investment intermediaries, the Escrow Agent and investors.

An indication of the amount of any costs charged to investors

The costs for investors would be expressed in the commission (fee) that will be deducted in connection with the submission of Orders. The authorized investment intermediary ELANA Trading AD will not collect any commission or fee from investors who have submitted their Order at the offices of ELANA Trading AD. The existence and amount of this commission when submitting an Order through another investment intermediary will depend on the tariff or the envisaged commissions of the respective investment intermediary through which the Order is submitted. For costs related to the transfer of the amount due for subscribed shares, each investor should contact their respective servicing bank.

Procedure for disclosing the Offering Price

The offering price will be announced on the first business day after the end of the Order acceptance period. In the event that the FSC approves this Document, the acceptance of Orders for subscription of shares will take place within thirty days. The announcement of the Offering Price will be made on the business day following the end of the period for accepting Orders, at the address of the investment intermediary, including the his internet page.

Procedure for disclosing details of the Distribution List

In the event that the shares requested for subscription at the Offering Price do not exceed the maximum number of New Shares offered, the details of the Allocation List will be announced on the day the Offering Price is determined. In the event that the shares requested for subscription at the Offering Price exceed the maximum number of New Shares offered, the details of the Allocation List will be announced on the first business day following the expiry of the deadline for submitting a declaration of intent by the Selling Shareholders.

7.2. RIGHTS OF CURRENT SHAREHOLDERS, LIMITATION OR CANCELLATION OF THESE RIGHTS AND REASONS THEREFOR

The rights to participate in the capital increase of the current shareholders of Sirma Group Holding AD, protected in the Commercial Code, have been revoked by a decision of the general meeting of shareholders of 04.12.2014. The entire issue of the capital increase pursuant to the same resolution will be offered for subscription under the terms of a public offering. The reasons for removing the preferential rights of the existing shareholders are their desire to change the capital structure of the Company, attract fresh resources to implement the investment intentions, as well as transition to public status and compliance with the usual market practices in initial public offerings (in particular in the percentage of capital in the offering itself).

7.3. MATERIAL DIFFERENCE BETWEEN THE OFFERING PRICE OF THE SECURITIES AND THE PRICE AT WHICH THE MEMBERS OF THE MANAGEMENT BOARD AND CONTROL AUTHORITIES HAVE PAID IN THE LAST YEAR OR WHICH THEY ARE ENTITLED TO ACQUIRE

During the last year, the members of the Board of Directors (BoD) have not acquired shares in the company.

The members of the Board of Directors and persons related to them are not entitled to acquire the offered Shares under the following conditions and/or price different from those applied to other investors.

8. PLACEMENT AND ACQUISITION

8.1. INFORMATION ABOUT THE OFFER COORDINATORS

Elana Trading AD, with its registered office and registered office address: the city of Sofia, has been selected as the investment intermediary servicing the initial public offering. Sofia, ul. "Kuzman Shapkarev" 4 and correspondence address: city. Sofia, Sopharma Business Towers, ul. Lachezar Stanchev" 5, tower B.

The current issue of the capital increase of Sirma Group Holding AD will not be subject to a global offering.

8.2. INFORMATION FOR ALL PAYING AGENTS AND DEPOSITORY AGENTS

8.2.1. Depository institution for cash.

Following the eventual successful initial public offering, the New and Existing Shares will be registered on the Bulgarian Stock Exchange - Sofia AD, where investors will be able to place orders and conclude transactions with shares of the Company, through a licensed investment intermediary.

According to the regulatory requirements, investment intermediaries are obliged to store the funds of their clients in a depository institution, within the meaning of Art. 34, para. 3 of the Law on Markets in Financial Instruments. The investment intermediary, upon establishing a relationship with a client, informs him about the depository institution in which the client's funds, provided or received in connection with a submitted order for a transaction with the company's shares.

Each client submitting a sale order independently indicates, upon concluding the contract with the investment intermediary, the bank and the bank account to which the funds received from the sale will be transferred.

8.2.2. Depository institution for financial instruments.

The depository institution for the shares of Sirma Group Holding AD is Central Depository AD, with registered office address: city of Sofia. Sofia, ul. "Three Ears" No. 10, fl. 4.

8.3. INFORMATION ABOUT THE ENTITIES AGREEING TO UNDERTAKE THE ISSUE ON A FIRM COMMITMENT BASIS. INFORMATION ABOUT THE ENTITIES AGREEING TO PLACE THE ISSUE. INFORMATION ON THE CONDITIONS OF UNDERTAKING AND THE CONDITIONS OF PLACEMENT.

There are no persons authorized to underwrite or guarantee the shares from the initial public offering of Sirma Group Holding AD, which are the subject of this document.

8.4. WHEN HAS BEEN OR WILL BE AGREED AN AGREEMENT FOR TAKEOVER

The issuer Sirma Group Holding AD does not intend to negotiate and reach an underwriting agreement.

9. TRADE ADMISSION AND TRADE AGREEMENTS

9.1. INDICATION OF WHETHER THE SECURITIES WILL BE THE OBJECT OF APPLICATION FOR ADMISSION TO TRADING ON A REGULATED EXCHANGE MARKET. IDENTIFICATION OF THE MARKET IN QUESTION.

Immediately after the successful capital increase is entered in the Commercial Register and in compliance with the regulatory procedures, the Issuer will submit an application to the Central Depository for registration of the New Shares in the investors' accounts, as well as to the Financial Supervision Commission for entry of the Company and its shares in the register for public companies maintained by it. Immediately after the last registration, the Issuer and/or the Investment Intermediary will submit an application to the Bulgarian Stock Exchange - Sofia AD for admission of the Issuer's shares to trading. Trading in the Shares will be able to begin on the date determined by the Board of Directors of the Bulgarian Stock Exchange-Sofia, when transactions with Existing Shares will also be carried out.

9.2. REGULATED OR EQUIVALENT MARKETS ON WHICH SECURITIES OF THE SAME CLASS ARE ALREADY ADMITTED TO TRADING.

The Company does not intend to apply for admission of its shares to trading on other regulated markets other than the Bulgarian Stock Exchange-Sofia AD.

9.3. INFORMATION ON SIMULTANEOUS PUBLIC OR PRIVATE PLACEMENT OF THE SAME OR DIFFERENT CLASS OF SHARES/SECURITIES OF THE ISSUER.

The management of Sirma Group Holding AD has no information about simultaneous or almost simultaneous admission to a regulated market of securities of the same or different class as those offered with this document shares, nor is there any information about a public or private placement of such securities.

9.4. DATA ON ENTITIES THAT HAVE A FIRM COMMITMENT TO ACT AS INTERMEDIARY IN THE SECONDARY MARKET, PROVIDING LIQUIDITY THROUGH SUPPLY AND DEMAND PRICES.

The Issuer has not engaged investment intermediaries to provide liquidity for the shares through "buy" and "sell" quotes.

9.5. STABILIZATION

The issuer, as well as its shareholders, have not provided for an option to exceed the amount of shares offered, as well as other actions to stabilize their price.

10. SELLING SECURITY HOLDERS

10.1. DATA ABOUT THE ENTITY OFFERING THE SECURITIES FOR SALE.

Together with the New Shares, this Offering contains the possibility of selling up to 5% of the Existing Shares by the Issuer's current shareholders on a pro rata basis in accordance with the terms above. The Selling Shareholders are individuals who are long-term employees and managers of the Issuer or its subsidiaries. The following table presents the names and positions held within the Group in the last three years of all shareholders of the Issuer who will have the opportunity to sell up to 5% of their shares in cases of oversubscription. The business addresses of all of them are the same, namely: town. Sofia 1784, Blvd. Tsarigradsko Shosse 135. The only exception is Deyan Nenov, whose address is: USA, California 94577 San Leandro, Catalina Street No. 14439.

Table No. 5. Shareholders of the Issuer

company	Date of appointment	Last day	Position
Asen Nelchinov			
Sirma Solutions AD	1.7.2003	1.3.2014	Head of Sales Department
Sirma Solutions AD	1.3.2014		Semantics researcher Computer scientist sciences
Sirma Solutions AD	13.2.2009		Member, Board of Directors
Sirma Group Holding AD	1.3.2014	11.8.2014	Member, Supervisory Board in a commercial company
Daticum AD	25.3.2009		Member, Board of Directors
Atanas Kiryakov			
Sirma Solutions AD	3.8.2012		Member, Board of Directors
Ototext AD	1.10.2008		Executive Director
Ototext AD	1.1.2014		Senior Software Applications Programmer
EngView Systems Sofia AD	4.6.2014		Member, Board of Directors
Sirma ITT AD	8.5.2013		Member, Board of Directors
Sirma Group Holding AD	25.4.2008		Member, Board of Directors
Boryana Stoimenova			
EngView Systems Sofia AD	1.6.2006		Sales Manager
EngView Systems Sofia AD	6.12.2012		Member, Board of Directors
Sirma Group Holding AD	1.6.2011	11.8.2014	Member of the Supervisory Board in a commercial company
Valentin Vachkov			
EngView Systems Sofia AD	1.10.2001		Project Manager
EngView Systems Sofia AD	16.9.2010	3.6.2014	Member, Board of Directors
Vesselin Denchev			
Sirma Business Consulting AD	1.1.2008	14.5.2013	Vice-Chairman, Management Board/Board of Directors
Sirma Group Holding AD	17.11.2008	5.11.2012	Financial Director
Sirma Group Holding AD	23.3.2009	17.11.2012	Member, Management Board
Vesselin Kirov			
Sirma Solutions AD	1.10.1993	1.2.2014	Head of Unit, Research and Development
Sirma Solutions AD	1.2.2014		Ontology researcher - expert, data mining
Sirma Solutions AD	13.2.2009	3.8.2012	Member, Board of Directors
Sirma Group Holding AD	25.4.2008	5.7.2012	Member, Supervisory Board in a commercial company
Vladimir Alexiev			

Ontotext AD	1.12.2010	Project Manager
Deyan Nenov		
Panaton Software Inc.	1.1.2011	Executive Director
GMG Systems Inc.	23.1.2009	Member, Board of Directors
Georgi Marinov		
Sirma Business Consulting AD	1.1.2008	Member, Board of Directors
EngView Systems Sofia AD	16.9.2010	Executive Director
Sirma Group Holding AD	25.4.2008	Member, Board of Directors
Krasimir Bozhkov		
EngView Systems Sofia AD	1.10.2001	Director, Information Systems
EngView Systems Sofia AD	16.9.2010	Member, Board of Directors
Sirma Group Holding AD	25.4.2008	20.8.2013 Member, Supervisory Board in a commercial company
Marin Dimitrov		
Ontotext AD	1.10.2008	Director, Information Technology
Mladen Aleksiev		
Sirma Solutions AD	1.6.2003	16.8.2012 Director, Information Systems
Sirma Solutions AD	13.2.2009	3.8.2012 Member, Board of Directors
Momchil Zarev		
Sirma Solutions AD	17.5.1999	31.5.2013 Project Manager
Sirma Solutions AD	1.6.2013	1.3.2014 Semantics researcher-Computer scientist sciences
Sirma Solutions AD	3.8.2012	Member, Board of Directors
Sirma Group Holding AD	20.6.2009	11.8.2014 Member, Supervisory Board in a commercial company
Fiery Black-skinned		
Sirma Solutions AD	1.4.2004	Designer, software
Sirma Group Holding AD	4.7.2012	11.8.2014 Member, Supervisory Board in a commercial company
Rosen Varbanov		
Sirma Solutions AD	1.10.1996	Project Manager
Sirma Group Holding AD	1.6.2011	11.8.2014 Member of the Supervisory Board in a commercial company
Rumen Harsev		
Sirma Solutions AD	11.1.2000	21.3.2012 Designer, software
Svetla Varbanova		
Sirma Solutions AD	17.9.1999	24.7.2011 Head, direction
Stanislav Ivanov		
EngView Systems Sofia AD	1.7.2002	Manager, Computer Systems: Development systems
EngView Systems Sofia AD	16.9.2010	3.6.2014 Member, Board of Directors
Stanislav Yordanov		
EngView Systems Sofia AD	14.5.2013	1.1.2014 Programmer, Software Applications, Senior
Tsvetan Alexiev		
Sirma Solutions AD	1.6.2007	Executive Director
Sirma Solutions AD	1.2.2013	31.5.2013 Manager, Computer Systems: Development systems
Sirma Solutions AD	1.6.2013	Project Manager
EngView Systems Sofia AD	4.6.2014	Member, Board of Directors

Sirma Business Consulting AD	1.1.2008		Chairman, Management Board (Board of Directors) of a commercial company
Ototext AD	29.6.2012		Member, Board of Directors
Sirma Group Holding AD	1.2.2009		Member, Board of Directors
Sirma ITT AD	14.10.2008		Member, Board of Directors
Daticum AD	25.3.2009		Member, Board of Directors
Chavdar Dimitrov			
Sirma Solutions AD	13.2.2009		Executive Director
Sirma Solutions AD	1.10.1993	31.7.2013	Developer, software
Sirma Solutions AD	1.8.2013		Director/Manager, Information Technology
Sirma Group Holding AD	1.2.2010		Manager/Head, Administrative Department
Sirma Group Holding AD	1.2.2009		Member, Board of Directors
Daticum AD	25.3.2009		Member, Board of Directors
Yavor Johnev			
EngView Systems Sofia AD	16.9.2010	5.12.2012	Member, Board of Directors
Sirma Group Holding AD	25.4.2008	20.8.2013	Chairman, Supervisory Board in a commercial company
Sirma ITT AD	1.7.2008		Executive Director
Petar Konyarov			
EngView Systems Sofia AD	1.8.2005		Software Applications Developer, Senior
Sirma Group Holding AD	1.6.2011	11.8.2014	Member of the Supervisory Board in a commercial company
Radka Peneva			
Sirma Solutions AD	14.9.2011	13.8.2012	Chief Legal Counsel through the company "Rapema" Ltd. - management, finance and legal affairs department
Sirma Group Holding AD	1.1.2003		through the company "Rapema" Ltd. - an economic and legal issues
Sirma Solutions AD	1.11.2012		Procurator
Sirma ISG Ltd.	18.12.2012		

Source: Sirma Group Holding AD

10.2. THE NUMBER AND CLASS OF SECURITIES OFFERED BY EACH OF THE SELLING SECURITY HOLDERS

The total number of Existing Shares that may be offered by the Selling Shareholders is up to 5% of the Issuer's capital or up to 2,491,858 shares. All shares of the Issuer are of the same class and grant equal rights to their owners. The maximum number that each shareholder can sell in cases of overwrite is as follows:

Table No. 6. Maximum number of Existing Shares by each of the Selling Shareholders

No.	Name	Last name	Number owned shares	Maximum number shares that can to be proposed
1	Assen	Nelchinov	422 248	21 112
2	Atanas	Kiryakov	5 250 686	262 534
3	Boryana	Stoimenova	162 728	8 136
4	Valentine	Vachkov	340 443	17 022
5	Vesselin	Denchev	75 603	3 780
6	Vesselin	Kirov	5 250 686	262 534
7	Vladimir 8	Aleksiev	2 177 483	108 874
	Deyan 9	Nenov	518 757	25 938
	Georgi 10	Marinov	5 250 686	262 534
	Krasimir 11 Marin	Bozhkov	5 250 686	262 534
12	Mladen	Dimitrov	210 946	10 547
13	Momchil	Aleksiev	51 840	2 592
		Zarev	254 367	12 718
14	Fiery	Chernokozhev	3 727 730	186 387
15	Rosen	Varbanov	2 156 687	107 834
16	Rumen	Harsev	104 269	5 213
17	Bright	Varbanova	104 269	5 213
18	Stanislav	Ivanov	257 268	12 863
19	Stanislav	Yordanov	370 060	18 503
20	Tsvetan	Alexiev	5 250 686	262 534
21	Chavdar	Dimitrov	5 250 686	262 534
22	Yavor	Dzhonev	5 250 686	262 534
23	Petar 24	Konyarov	1 649 288	82 464
	Radka	Peneva	498 365	24 918

10.3. CAPITAL FREEZE AGREEMENTS

At the time of preparation of this document, all current shareholders of the Issuer undertake not to sell any of the shares held by them outside the terms of the current Offering within 6 months from the first day of trading of the Company's shares on the floor of the Bulgarian Stock Exchange.

11. COSTS OF THE ISSUER OF THE SECURITIES.

The costs related to the initial public offering of shares of Sirma Group Holding AD are presented in the following table. The table does not include expenses that relate to the overall activities of the Company or to more than one issue of securities.

All costs listed below are at the expense of the Company. The specified one-time costs in connection with the capital increase amount to BGN 0.0205 per share for a minimum capital increase and BGN 0.0315 per share for a maximum capital increase and are fully borne by Sirma Group Holding AD. All costs are calculated based on the minimum issue value as voted by the general meeting of shareholders.

price range.

Table No. 7. Issuer's expenses on the issue

Type of expenses (approximate)	Minimum increase	Maximum increase
Fee for confirmation of the prospectus by the Financial Supervisory Commission	5 000	5 000
Fees to Central Depository AD	1 000	1 000
Publication and announcement of public offering announcements	800	800
Admission to trading on the Bulgarian Stock Exchange	600	600
Investment intermediary remuneration	156 100	496 500
Registration of the capital increase in the Commercial Register	60	60
Total costs	163 560	503 960

*-THE FEE FOR "CENTRAL DEPOSITORY" AD INCLUDES A FEE FOR REGISTRATION OF NEWLY ISSUED SHARES, CALCULATED AS A MINIMUM OF 1,000 BGN. THE NUMBER OF ACCOUNTS (SHAREHOLDERS) ARE ADDED MULTIPLIED BY 1 BGN. FOR EVERY ACCOUNT. THE FEE IS LIMITED TO 50,000 BGN. DUE TO THE IMPOSSIBILITY AT THIS STAGE TO ESTIMATE THE NUMBER OF FUTURE SHAREHOLDERS, THE FEE IS RECORDED AT ITS MINIMUM VALUE.

**-THE INVESTMENT INTERMEDIARY'S FEE IS 15,000 BGN. FOR ADMINISTRATION AND REGISTRATION OF THE ISSUANCE, INCLUDING PREPARATION OF ALL PARTS OF THE PROSPECTUS AND COMMUNICATION WITH THE RELEVANT INSTITUTIONS INVOLVED IN THE PUBLIC OFFERING OF SECURITIES; + IN THE EVENT THAT THIS OFFERING IS CONSIDERED SUCCESSFUL: 1.35% OF THE TOTAL AMOUNT OF FUNDS RAISED BY THE INTERMEDIARY UP TO 5,000,000 LV.; + 1.60% FOR FUNDS RAISED BETWEEN 5,000,000 (FIVE MILLION) BGN TO 10,000,000 (TEN MILLION) BGN INCLUSIVE; +2.00% FOR FUNDS RAISED BETWEEN 10,000,000 (TEN MILLION) BGN TO 15,000,000 (FIFTEEN MILLION) BGN INCLUSIVE; + 5.00% FOR FUNDS RAISED BETWEEN 15,000,000 (FIFTEEN MILLION) BGN TO 18,000,000 (EIGHTEEN MILLION) BGN INCLUSIVE; + 7.00% FOR FUNDS RAISED OVER 18,000,000 (EIGHTEEN MILLION) BGN.

Investors are responsible for the costs of concluding transactions with shares on a regulated market, including investment intermediary commissions and other fees, if they are not included in the intermediary's commission (fees of "BSE-Sofia" AD and "Central Depository" AD).

Upon subscription and payment of the maximum offered number of shares (16,000,000 shares) from the initial public offering of Sirma Group Holding AD, the net proceeds for the Issuer will amount to BGN 18,696,040. Upon subscription and payment of the minimum required shares (8,000,000) for a successful public offering according to the decision of the general meeting of the Company, the net proceeds for the Issuer will amount to BGN 9,436,440. The costs of the public offering are variable depending on the size of the capital increase only in the part for servicing the capital increase. The expected costs for the Issuer in the event of a minimum initial public offering are BGN 163,560.

12. DILUTION (REDUCTION) OF THE VALUE OF THE SHARES

According to the definition in §.1, item 8 of Regulation 2 of 17.09.2003 on prospectuses for public offering and admission to trading on a regulated market of securities and on the disclosure of information by public companies and other issuers of securities, "Dilution of capital (of the value of shares)" is the reduction of the profit per ordinary share and its book value as a result of the conversion into shares of issued bonds and warrants or the exercise of issued options, as well as as a result of the issuance of ordinary shares at a price lower than the book value of a share.

Table No. 8. Dilution of the value of shares on a consolidated basis

Indicators in thousands of BGN	2012	2013	2014	31.3.2015	min. increase	max. increase
Total assets	86 521	92 496	94 154	101 273	110 710	119 969
Total liabilities	4 836	6 163	11 825	13 730	13 730	13 730
Equity	81 685	86 333	82 329	87 543	96 980	106 239
Number of shares	73 340 818	73 340 818	49 837 156	49 837 156	57 837 156	65 837 156
Nominal value per share in BGN Book value	1.00	1.00	1.00	1.00	1.00	1.00
of one share in BGN	1.114	1.177	1.652	1.757	1.677	1.614

According to the values obtained, the minimum issue price of the new shares (1.20 BGN) is lower than the book value of one share on a consolidated basis, before the increase (1.757 BGN) and accordingly there is a dilution of the Company's capital, in relation to the book value per share, in the amount of 31.69%. The book value per share, after the increase, is BGN 1,614 in the case of a maximum initial public offering and BGN 1,677 in the case of a minimum initial public offering, and there is a decrease in the book value by 8.14% and 4.54% in both options, respectively.

To calculate the immediate dilution of shareholders who do not participate in the increase in the Company's capital, the share of the number of newly issued shares in the total number of shares after the increase is calculated. Thus, in the case of a minimum initial public offering, each shareholder who did not participate in it by subscribing for new shares will dilute their participation by 13.83%, and in the case of a maximum initial public offering by 24.30%.

Table No. 8. Dilution of the value of shares on an individual basis

Indicators in thousands of BGN	2012	2013	2014	31.3.2015	min. increase	max. increase
Total assets	79 104	80 101	58 112	58 176	67 612	76 872
Total liabilities	1 670	2 261	3 347	3 383	3 383	3 383
Equity	77 434	77 840	54 765	54 793	64 229	73 489
Number of shares	73 340 818	73 340 818	49 837 156	49 837 156	57 837 156	65 837 156
Nominal value per share in BGN	1.00	1.00	1.00	1.00	1.00	1.00
Book value of one share in BGN	1.056	1.061	1.099	1.099	1.111	1.116

According to the values obtained, the minimum issue price of the new shares (1.20 BGN) is higher than the book value of one share on an individual basis, before the increase (1,099 BGN) and accordingly there is no dilution of the Company's capital. The book value per share, after the increase, is BGN 1,116 in the case of a maximum initial public offering and BGN 1,111 in the case of a minimum initial public offering, and there is an increase in the book value by 1.53% and 1.01% in both options, respectively.

13. ADDITIONAL INFORMATION

13.1. INFORMATION ABOUT MENTIONED CONSULTANTS

This document for the offered shares of Sirma Group Holding AD does not include any statements, reports or other expert opinions on the offered securities, except those of the experts who prepared the prospectus.

13.2. OTHER AUDITED INFORMATION

This securities document does not include any other information than information from the annual audited individual and consolidated financial statements as of 31.12.2012, 31.12.2013 and 31.12.2014, which has been audited or reviewed by statutory auditors.

This Securities Document does not include information provided by third parties.

13.3. INFORMATION ABOUT THE EXPERTS WHO PREPARED A REPORT, STATEMENT OR OPINION

In this document, as well as in all components of the prospectus of Sirma Group Holding AD, there are no statements, reports or opinions of experts are included and accordingly the requirement to provide information for these persons is inapplicable.

13.4. THIRD PARTY INFORMATION

This Document for the offered securities does not use information, including statements, reports or opinions, prepared by third parties and accordingly the requirement for information on the same is not applicable.

13.5. SOURCES OF ADDITIONAL INFORMATION

Investors may obtain this Document for the Offered Shares, as well as the Registration Document and the Summary, parts of the Prospectus for the Initial Public Offering of Shares of Sirma Group Holding AD, as well as additional information about Sirma Group Holding AD and the publicly offered securities from:

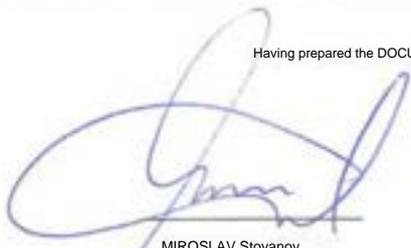
Bulgarian Stock Exchange - Sofia AD

city Sofia, ul. "Three Ears" No. 10

phone: (+359 2) 937 09 34 fax: (+359 2) 937 09 46

e-mail: bse@bse-sofia.bg

Having prepared the DOCUMENT FOR THE OFFERED SECURITIES:


MIROSLAV Stoyanov
DIRECTOR "INVESTMENT BANKING"
IVAN ILIEV
INVESTMENT BANKING EXPERT

THE UNDERSIGNED PERSONS, IN THEIR CAPACITY AS REPRESENTATIVES OF THE COMPANY, RESPECTIVELY INVESTMENT INTERMEDIARY "ELANA TRADING" AD and "SIRMA GROUP Holding" AD, DECLARE BY THEIR SIGNATURES THAT THE DOCUMENT FOR THE OFFERED SECURITIES COMPLIES WITH THE REQUIREMENTS OF THE LAW.

ON BEHALF OF "SIRMA GROUP Holding" AD:


TSVETAN ALEKSIEV
EXECUTIVE DIRECTOR

ON BEHALF OF ELANA TRADING AD:


Momchil Tikov
EXECUTIVE DIRECTOR

RADOSLAVA MASLARSKA CHAIRMAN
OF THE BOARD OF DIRECTORS


SIRMA GROUP HOLDING AD

"SIRMA GROUP HOLDING" JSC

Summary

PART III OF THE PROSPECTUS FOR THE PUBLIC OFFERING OF 18,491,858 SHARES

A.1

THE PROSPECTUS CONTAINS ALL THE INFORMATION ABOUT "SIRMA GROUP HOLDING" AD NECESSARY FOR MAKING AN INVESTMENT DECISION, INCLUDING THE MAIN RISKS RELATED TO THE ISSUER AND ITS ACTIVITIES. THIS SUMMARY SHOULD BE CONSIDERED AS AN INTRODUCTION TO THE PROSPECTUS. ANY DECISION TO INVEST IN THE SECURITIES SHOULD BE BASED ON A CONSIDERATION OF THE ENTIRE PROSPECTUS BY THE INVESTOR. IN INVESTORS ARE IN THE INTEREST OF FAMILIARIZING THEMSELVES WITH THE REGISTRATION DOCUMENT AND THE DOCUMENT FOR THE OFFERED SECURITIES BEFORE MAKING AN INVESTMENT DECISION. THE REGISTRATION DOCUMENT TOGETHER WITH THE DOCUMENT ON THE OFFERED SECURITIES AND THE SUMMARY THEREOF CONSTITUTE A PROSPECTUS FOR A PUBLIC OFFERING OF SECURITIES. THE PROSPECTUS CONTAINS ALL THE INFORMATION THAT, IN ACCORDANCE WITH THE SPECIFIC FEATURES OF THE ISSUER AND THE SECURITIES THAT ARE ISSUED, IS NECESSARY FOR INVESTORS TO ACCURATELY ASSESS THE ECONOMIC AND FINANCIAL POSITION, ASSETS AND LIABILITIES, FINANCIAL RESULTS AND DEVELOPMENT PROSPECTS OF THE ISSUER, AS WELL AS THE RIGHTS RELATING TO THE SECURITIES.

INVESTING IN SECURITIES IS ASSOCIATED WITH CERTAIN RISKS. RISK FACTORS RELATED TO THE ISSUER AND ITS ACTIVITIES ARE PRESENTED IN THIS SUMMARY, IN SECTION "D" - RISK FACTORS.

THE FINANCIAL SUPERVISION COMMISSION /FSC/ HAS APPROVED THIS SUMMARY WITH DECISION No. 601 – E/21.07.2015, BUT DOES NOT BEAR RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION PRESENTED IN IT.

THE MEMBERS OF THE BOARD OF DIRECTORS OF "SIRMA GROUP HOLDING" AD ARE JOINTLY LIABLE FOR THE DAMAGES CAUSED BY INCORRECT, MISLEADING OR INCOMPLETE DATA IN THE SUMMARY. IP "ELANA TRADING" AD, IN ITS CAPACITY AS AN INVESTMENT INTERMEDIARY AUTHORIZED FOR THE PREPARATION OF THE PROSPECTUS, IS JOINTLY LIABLE FOR THE DAMAGES CAUSED BY INCORRECT, MISLEADING OR INCOMPLETE DATA IN THE SUMMARY. THE COMPILER OF THE FINANCIAL STATEMENTS OF "SIRMA GROUP HOLDING" AD IS JOINTLY LIABLE WITH THE PERSONS UNDER THE PREVIOUS PROVISIONS FOR DAMAGES CAUSED BY INCORRECT, MISLEADING OR INCOMPLETE DATA IN THE FINANCIAL STATEMENTS OF "SIRMA GROUP HOLDING" AD. THE REGISTERED AUDITOR IS LIABLE FOR THE DAMAGES CAUSED BY THE ISSUER'S FINANCIAL STATEMENTS AUDITED BY HIM.

ONLY THOSE PERSONS WHO PREPARED THE SUMMARY, INCLUDING ITS TRANSLATION, ARE CIVIL LIABLE IF IT IS MISREPRESENTATIVE, INACCURATE, INCONSISTENT WITH THE OTHER PARTS OF THE PROSPECTUS OR, READ TOGETHER WITH THE OTHER PARTS OF THE PROSPECTUS, DOES NOT PROVIDE THE KEY INFORMATION TO ASSIST INVESTORS IN DECISION-MAKING WHETHER TO INVEST IN SUCH SECURITIES.

ANY CLAIMANT INVESTOR WHO HAS BROUGHT A CLAIM RELATING TO THE CONTENT OF THE PROSPECTUS MAY, IN ACCORDANCE WITH THE RELEVANT NATIONAL LEGISLATION, BEAR THE COSTS OF TRANSLATION OF THE PROSPECTUS BEFORE THE COMMENCEMENT OF LEGAL PROCEEDINGS. THE PERSONS WHO HAVE PREPARED THE SUMMARY, INCLUDING ITS TRANSLATION, ARE LIABLE FOR DAMAGES ONLY IF THE INFORMATION CONTAINED IN IT IS MISREPRESENTATIVE, INCORRECT OR CONTRARY TO THE OTHER PARTS OF THE PROSPECTUS.

A. 2 "ELANA TRADING" AD, AS THE PERSON RESPONSIBLE FOR THE PREPARATION OF THE PROSPECTUS, GIVES ITS CONSENT TO ITS USE IN SUBSEQUENT RESALE OR FINAL PLACEMENT OF SECURITIES CARRIED OUT BY FINANCIAL INTERMEDIARIES WITHIN THE PERIOD OF THE OFFER (THE OFFERING).

THE OFFERING PERIOD STARTS ON THE LATER DATE OF THE FOLLOWING EVENTS: THE DATE OF THE ANNOUNCEMENT IN THE TRADE REGISTER AND ITS PUBLICATION IN THE TWO SELECTED CENTRAL DAILY NEWSPAPERS, ON THE WEBSITES OF THE ISSUER, AND OF THE INVESTMENT INTERMEDIARY PARTICIPATING IN THE OFFERING. IN THE CASE OF "SIRMA GROUP HOLDING" AD, THE DOCUMENTS WILL BE PUBLISHED ON THE WEBSITE OF THE ELANA GROUP, NAMELY: WWW.ELANA.NET. SUBSCRIPTION OF SHARES BEGINS AFTER THE EXPIRATION OF 7 CALENDAR DAYS FROM THE START DATE OF THE PUBLIC OFFERING. THE DURATION OF THE PERIOD FOR ACCEPTING ORDERS WILL BE 30 CALENDAR DAYS. THERE ARE NO OTHER CONDITIONS RELATING TO THE CONSENT GIVEN BY "ELANA TRADING" AD TO THE USE OF THE PROSPECTUS.

INFORMATION REGARDING THE TERMS AND CONDITIONS OF THE OFFER FROM EACH FINANCIAL INTERMEDIARY IS PROVIDED AT THE MOMENT OF THE OFFER FROM THE RELEVANT FINANCIAL INTERMEDIARY

DATE: 31.05.2015

SECTION B — INFORMATION ABOUT THE ISSUER AND EACH GUARANTOR
B.1 THE COMPANY AND TRADE NAME OF THE ISSUER.

The name of the Company is "Sirma Group Holding" AD (with the equivalent Latin spelling "Sirma Group Holding" JSC.)

B.2 THE REGISTERED OFFICE AND LEGAL FORM OF THE ISSUER, THE LAW UNDER WHICH THE ISSUER CONDUCTES ITS ACTIVITIES, AND THE STATE OF REGISTRATION.

"Sirma Group Holding" AD was entered in the Commercial Register at the Registry Agency on 25.04.2008 with a Unified Identification Code (UIC): 200101236 and has its registered office and management address: Sofia District (Capital City), Stolichna Municipality, town of Sofia 1784, Mladost District, Blvd. Tsarigradsko Shosse No. 135. The name of the company was changed on 23.03.2009 from "SGC" AD to "Sirma Group Holding" AD. The company is not limited in its term of existence.

B.3 DESCRIPTION OF THE NATURE OF THE ISSUER'S PRINCIPAL BUSINESS AND CURRENT OPERATIONS AND THE KEY FACTORS RELATED THERETO

The Sirma Group Holding AD group is the largest Bulgarian group of ICT companies. Since 1992, the Issuer's companies have been transforming innovative ideas and know-how into successful knowledge businesses. The company is a holding company that invests in technology businesses, manages them strategically and operationally, and provides its subsidiaries with administrative, marketing, and financial services. These services can be considered in the following areas:

- Strategic management;
- Financial management and administrative services; and
- General operations management, including human resources management, marketing and branding management.

The companies in the Sirma Group Holding AD group have historically accumulated extensive expertise, both in the implementation of various technological projects related to software and hardware developments, and in business knowledge in numerous industries in which the companies have implemented client projects or invested in developments.

B.4A DESCRIPTION OF THE MAIN CURRENT TRENDS AFFECTING THE ISSUER AND THE INDUSTRIES IN WHICH IT DEVELOPS ACTIVITIES

The software industry is among the few sectors that did not suffer during the economic and debt crisis. On the contrary, year after year the sector reports stable revenue growth, new jobs are being created, highly qualified specialists are being sought, and new and large foreign investors are entering.

The software industry already accounts for 1.74% of Bulgaria's gross domestic product. This is shown by the estimated results of the annual Barometer survey on the state of the software industry of the Bulgarian Association of Software Companies (BASCOM) for 2014. The industry organization's forecasts are that the revenues of companies in the sector will increase by 15% this year compared to the previous year, reaching 1.37 billion leva. About 60% of sales are exports, with the main markets being the USA, Canada and Western Europe.

The main concerns of software companies continue to be related to the hot topic for several years about the lack of sufficient and well-trained personnel. The strong development of the IT sector is beginning to surpass the capabilities of Bulgarian education to offer good specialists. Software companies have begun to work hard, in collaboration with universities, to develop junior experts in the field of IT technologies, which they can then hire. But these measures taken by private companies are clearly not enough, because BASCOM is calling for a longer-term strategy in education, through which enough specialists with the necessary, even basic, skills would be prepared.

The sector has its own specificities - it is mainly export-oriented, the companies are medium-sized, and investments are rarely measured in tens of millions of leva, but rather in the creation of new jobs. Specialists in this field have been the highest paid in Bulgaria for many years, so every new investment by an established player or a foreign company that opens its own unit in the country means that well-prepared staff with good salaries are sought after. The good geographical location, the availability of quality specialists, and low operating costs are among the main factors that attract large IT giants to invest in the country. Therefore, it is not surprising that the top 20 largest software developers are the local development units of large and established Western players such as the German SAP and the American VMware. The Bulgarian "Telerik" also finds a place in the ranking, judging by the results of previous years.

B.5 IF THE ISSUER IS PART OF A GROUP — A BRIEF DESCRIPTION OF THE GROUP AND THE ISSUER'S POSITION WITHIN IT.

Within the meaning of § 1, item 7 of REGULATION No. 2 of 17.09.2003 on prospectuses for public offering and admission to trading on a regulated market of securities and on the disclosure of information by public companies and other issuers of securities (Title supplement - State Gazette, issue 82 of 2007), "economic group" consists of a parent company and its subsidiaries. In the economic group of Sirma Group Holding AD (parent company)

The following subsidiaries are included:

- "Sirma Solutions" AD, city Sofia, UIC: 040529004 • "Ontotext" AD, city of Sofia, UIC: 200356710 • "EngView Systems Sofia" AD, city, Sofia, UIC: 201277917 • "Sirma ITT" AD, city, Sofia, UIC: 200421236 • "Flash Media" AD, city of Sofia, UIC: 202444956

Subsidiaries of Sirma Solutions AD:

- "Sirma Business Consulting" AD, city Sofia, UIC: 175445129
- "Daticum" AD, city of Sofia, UIC: 200558943
- Sirma ISG AD, city of Sofia, UIC: 201580558
- "Sirma USA", reg. number: 4757972
- S&G Technology Services Limited, England, company reg. number 8165885

Subsidiary of Ontotext AD:

- "Ontotext USA" - USA, State of Delaware, Corporate Number: 4888154

Subsidiary of EngView Systems Sofia AD:

- "ENGVIEW LATIN AMERICA" (ENGVIEW SYSTEMS LATIN AMERICA - SISTEMA E SERVICOS LTDA)

Associated companies:

- "GMG Systems" Inc., with headquarters and management address: city of USA, 14439 Catalina Street
- "E-dom Management" Ltd., city, Sofia, UIC: 201657264
- "Sirma Mobile" AD, city of Sofia, UIC: 200558943

The following were established under the Articles of Association:

- Consortium "Gravis-Sirma"
- Company under the Civil Code "Sirma-Interconsult"
- Company under the Civil Code "Sirma"
- Company under the Civil Code "Sirma PI"

B.6 PERSONS WITH A DIRECT OR INDIRECT INTEREST IN THE CAPITAL OF THE ISSUER. DIFFERENT VOTING RIGHTS. AVAILABILITY OF CONTROL.

As of the date of this document, there are persons who are not members of the Issuer's Board of Directors and **directly own over 5% of the Issuer's capital**:

- a. **Vesselin Anchev Kirov**, with business address: town of Sofia, residential area Banishora, bl.16 A, entrance A, directly owning **5,250,686** shares with a nominal value of 1 BGN each, representing **10.54%** of the total capital of the Company;
- b. **Krasimir Nevelinov Bozhkov**, with business address: town of Sofia, ul. "Peony", 1, entrance. B, floor 6, directly owning **5,250,686** shares with a nominal value of 1 BGN each, representing **10.54%** of the total capital of the Company;
- c. **Ognian Plamenov Chernokozhev**, with business address: city of Sofia, district Simeonovo, 2A "Simeon Pironkov" Str., fl. 3, directly owning **3,727,730** shares with a nominal value of 1 BGN each, representing **7.48%** of the total capital of the Company;
- d. **Yavor Lyudmilov Dzhonev**, with business address: town of Sofia, ul. "Dimitar Shishmanov"3, floor 6, directly owning **5,250,686** shares with a nominal value of 1 BGN each, representing **10.54%** of the total capital of the Company;

As of the date of this document, there are no persons **indirectly owning more than 5% of the Issuer's capital**.

The Issuer's main shareholders do not have different voting rights. The shares of Sirma Group Holding AD are ordinary, registered, dematerialized and give equal rights to their holders.

The Issuer is not aware of any control being exercised over it.

B.7 SELECTED KEY FINANCIAL INFORMATION FOR PAST PERIODS

The selected financial data for the Company presented below are based on the audited annual individual and consolidated financial statements as of 31.12.2012, 31.12.2013 and as of 31.12.2014 and interim unaudited individual and consolidated financial statements as of 31.03.2015. The same are applied as integral part of this capital increase prospectus.

Table No. 1. Consolidated financial information from financial statements for the period 2012–31.03.2015.

Indicators (in thousands of leva)	2012**	2013	2014	31.3.2014	31.3.2015
Revenue from main activity	17 636	22 768	27 865	5 443	7 044
Total cost (excluding financial)	(15,365)	(19,409)	(22,674)	(5,197)	(6,640)
Financial income/(expenses) Net profit/	(672)	(431)	5 494	(37)	(19)
loss from operations Net profit/loss from	1 881	2 950	9 778	209	385
operations per share in BGN	0.03	0.04	0.20	0.003	0.01
Amount of assets	86 521	92 496	94 154	104 024	101 273
Total liabilities (short-term and long-term)	4 836	6 163	11 825	9 404	13 730
Equity	81 685	86 333	82 329	94 620	87 543
Capital stock	73 341	73 341	49 837	73 341	49 837
Dividend *	-	100	-	-	-
Dividend per share in BGN	-	0.001	-	-	-

Table No. 1.1. Individual financial information from financial statements for the period 2012–31.03.2015.

Indicators (in thousands of leva)	2012	2013	2014	31.3.2014	31.3.2015
Revenue from main activity	1 068	1 248	1 755	394	314
Total expenses (excluding financial) Financial income/	(1,034)	(1,038)	(1,445)	(327)	(272)
(expenses) Net profit/loss from operations	(12)	217	277	(1)	(14)
Net profit/loss from operations per share in	19	406	529	66	28
BGN Amount of assets	0.0003	0.0055	0.0106	0.0009	0.0006
	79 104	80 101	58 112	80 095	58 176
Total liabilities (short-term and long-term)	1 670	2 261	3 347	2 188	3 383
Equity	77 434	77 840	54 765	77 907	54 793
Capital stock	73 341	73 341	49 837	73 341	49 837
Dividend *	-	100	-	-	-
Dividend per share in BGN	-	0.001	-	-	-

* - The regular annual general meeting of the Issuer's shareholders, held in 2014, decided on the distribution of dividend of 100 thousand BGN from the profit for 2013. The amount has not been paid as of the date of this document.

** - The data for 2012 have been adjusted through the annual audited consolidated financial statements for 2013.

Source: Sirma Group Holding AD

B.8 The pro forma financial information has been prepared and presented in connection with the transformation entered in the Commercial Register on 23.10.2014. In this transformation, property is separated from the property of Sirma Group Holding AD, as a set of rights, obligations and factual relationships. The separate property passes to a newly established company, which becomes the legal successor of the transforming company for this part of its property.

As a result of the separation, SG Investment AD was established, UIC: 203266702, with its registered office and management address: town of Sofia, Blvd. Tsarigradsko Shosse No. 135. The company's scope of activity is: development, sale, implementation, training and support of software products, acquisition and sale of participations in Bulgarian and foreign companies, and any other activity not prohibited by law.

The newly established company has capital of BGN 2,918,720, divided into 2,918,720 shares with a nominal value of BGN 1 each. The capital of the newly established company is formed entirely at the expense of

received from Sirma Group Holding AD, the total value of this property according to the assessment of a licensed independent appraiser is BGN 2,918,720, distributed as follows:

1. participation of 100% of the capital of Sirma Media AD, UIC 200272963, valued at 832,479 BGN.
2. participation of 82.45% of the capital of Pirina Technologies AD, UIC 175149906, valued at 59,132 BGN
3. four software modules worth 2,037,487 BGN, namely:
 - X-Package Designer - CAD/CAM software for packaging design;
 - X-Package Synergy - software for creating libraries with parametric packages;
 - X-Package Project Organizer - PDM (Product Data Management) system for organizing the work process in the organization;
 - X-Measure - a system for plane surveys.

As a result of the transformation, the Issuer's capital is reduced to BGN 49,837,156 through the cancellation of 23,503,662 shares. This decrease is a result of the calculated fair value of the shares of Sirma Group Holding AD by two independent appraisers. The shareholder structure of the Company does not change as a result of the separation as long as the shareholder structures in the transforming and newly established company remain the same.

THE PRO FORMA FINANCIAL INFORMATION IS INTENDED TO PRESENT THE RELEVANT FINANCIAL POSITION OF THE ISSUER FOR THE REFERRED HISTORICAL FINANCIAL PERIOD IN CONNECTION WITH THE TRANSFORMATION CARRIED OUT. IT IS PREPARED ONLY FOR ILLUSTRATIVE PURPOSES AND BY ITS NATURE, THE SAME CONSIDERS A HYPOTHETICAL SITUATION AND THEREFORE DOES NOT REPRESENT THE ACTUAL FINANCIAL POSITION OR RESULTS OF THE COMPANY.

Table No. 2. Pro forma annual financial information for 2013, 2014 and as of 31.03.2015.

Indicator (BGN '000)	2013		2014		31.3.2015	
	2013	Proforma a	2014	Proforma a	31.3.2015	proforma a
Revenue from main activity Financial	22 768	21 958	27 865	27 756	7 044	7 044
income/(expenses)	(431)	(190)	5 494	5 536	(19)	(19)
Net profit/loss from operations	2 950	3 194	9 778	9 911	385	385
Net profit/loss from operations per share in BGN	0.04	0.06	0.20	0.20	0.01	0.01
Amount of assets	92 496	70 357	94 154	94 154	101 273	101 273
Net assets	86 333	64 240	82 329	82 329	87 543	87 543
Share capital	73 341	49 837	49 837	49 837	49 837	49 837

Source: Sirma Group Holding AD

B.9 NOT APPLICABLE

B.10 DESCRIPTION OF THE NATURE OF ALL QUALIFICATIONS IN THE AUDIT REPORT ON THE FINANCIAL INFORMATION

During the period covered by the historical financial information, no qualified opinion was expressed on the Company's audited financial statements.

B.11 SUFFICIENT WORKING CAPITAL

The issuer carries out its main activity with its own capital and borrowed funds. As of the date of this document, the paid-in registered share capital of Sirma Group Holding AD amounts to BGN 49,837,156.

The Issuer has obligations to financial institutions both in a personal capacity and as a guarantor for loans granted to its subsidiaries. The group's total debt is at significantly low levels, as evident from its financial statements.

At this stage, Sirma Group Holding AD and most subsidiaries do not plan significant changes in the use of external borrowed funds necessary for the implementation of their activities - mainly bank loans for working capital and targeted financing of investment activities, including leasing and grant schemes.

With this public offering, the Issuer aims to raise additional capital for the realization of specific projects.

SECTION C — SECURITIES

C.1 DESCRIPTION OF THE TYPE AND CLASS OF SECURITIES THAT ARE OFFERED AND/OR ADMITTED TO TRADING, INCLUDING ANY OF THEM IDENTIFICATION NUMBER.

According to the decision of the general meeting of the Issuer's shareholders dated 04.12.2014 and the decision of the Board of Directors of the same dated 15.12.2014, the subject of the public offering are up to 18,491,858 (eighteen million four hundred ninety-one thousand eight hundred fifty-eight) number of ordinary shares, of which 16,000,000 (sixteen million) New Shares and 2,491,858 (two million four hundred ninety-one thousand eight hundred fifty-eight) Existing Shares.

The shares subject to the offering will be registered for trading on the Bulgarian Stock Exchange and may be subject to subsequent trading on the exchange in the event of a successful initial public offering.

Shares have a nominal value of 1 (one) lev each and are of one class: ordinary, registered, dematerialized, freely transferable, giving equal rights to shareholders, namely the right to vote, the right to a dividend and a liquidation share, in proportion to the nominal value.

The ISIN code of the share issue of Sirma Group Holding AD is **BG1100032140**.

C.2 CURRENCY OF THE SECURITIES ISSUE

The currency of the issue is Bulgarian leva.

C.3 NUMBER OF SHARES ISSUED AND FULLY PAID AND ISSUED BUT NOT FULLY PAID. NOMINAL VALUE.

As of the date of this document, the Issuer's capital is BGN 49,837,156, distributed into 49,837,156 ordinary shares, which are of one class and grant equal rights to their holders. All shares have a nominal value of 1 lev and are fully paid.

C.4 DESCRIPTION OF THE RIGHTS ATTACHED TO THE SECURITIES.

Each subscribed share from the current issue brings to its holder two main groups of rights - property and non-property:

- The shareholder's **property rights** are the right to dividend and the right to a liquidation share;

ÿ **Dividend right** - The dividend right is a fundamental property right of the shareholder, which is expressed in his right to receive a part of the net profit of the Company, proportional to his participation in the capital of the same, subject to the prerequisites specified in the law - an audited annual financial statement adopted by the General Meeting of Shareholders and a specific decision of the General Meeting to distribute the profit.

ÿ **Right to a liquidation share** - The right to a liquidation share is a fundamental property right of the shareholder, expressing the right of the same to receive, proportionate to his participation in the capital of the Company, a share of the residual assets of the Company, upon termination of the Company, through liquidation.

- **The non-property rights** of the shareholder can be divided into three groups: management, control and protective.

ÿ **Management:** voting rights and the shareholder's right to participate in the management of the Company.

ÿ **Control:** shareholder's right to information;

ÿ **Protective:** the right to appeal the decisions of the Company's bodies, the right to request the appointment of registered auditors by a registration officer at the Agency for registration and minority rights.

- **Additional rights of the shareholder:** Right to subscribe for a portion of the new shares in the event of an increase in the Company's capital, proportional to the shares held prior to the increase, and right to preferential acquisition of securities.

- **Minority rights:** Persons owning together or separately at least 5 percent of the capital of a public company, in the event of inaction of its management bodies, which threatens the interests of the Company, may bring the company's claims against third parties before the court. The Company is also summoned as a party to the case. Shareholders who have held shares representing at least 5% of the Company's capital for more than three months may request the Board of Directors to convene a General Meeting.

C.5 DESCRIPTION OF POSSIBLE RESTRICTIONS ON THE FREE TRANSFERABILITY OF THE SECURITIES.

According to the articles of association of Sirma Group Holding AD, all shares of the company's capital form one class, ordinary, registered, dematerialized, freely transferable shares, with voting rights. The Articles of Association do not provide for restrictions on the exercise of rights under the shares. The transfer of shares is carried out freely between shareholders and third parties, in compliance with the provisions of Bulgarian legislation. The transfer of shares takes effect from the moment of registration with the Central Depository AD.

C.6 ADMISSION TO TRADING ON A REGULATED MARKET

In case of a successful offering, Elana Trading AD will provide Sirma Group Holding AD with a list indicating the number of new shares subscribed by each person, which list will be submitted by the Issuer to the Commercial Register and to the Central Depository AD. After entry in the Commercial Register of the capital increase and the new shares, Central Depository AD will register the entire issue of new shares and will open new or credit existing accounts of investors with the new shares subscribed by them and paid for. The new shares will be transferred to the investor's account with the investment intermediary through which the rights to recording.

Immediately after the entry of the capital increase in the Commercial Register, the Issuer will submit an application for registration of the issue with the Central Depository AD and for entry of the new shares in the register of the Financial Supervision Commission, after which the Issuer will submit an application to the Bulgarian Stock Exchange for admission of the new shares to stock exchange trading. The latter may begin on the date determined by the Board of Directors of the Bulgarian Stock Exchange, after registration of the issue of new shares of the Issuer. In this regard, the securities offered through this document will be subject to an application for admission to trading on a regulated market, namely the Bulgarian Stock Exchange.

C.7 DIVIDEND POLICY

The company distributes a dividend to its shareholders, the amount of the dividend being determined by the General Meeting of Shareholders. The Issuer's current shareholders intend to vote for a dividend distribution of 20% to 40% of the profit in the future.

SECTION D — RISKS**D.1 KEY INFORMATION ON THE KEY RISKS SPECIFIC AND INDIVIDUAL TO THE ISSUER OR ITS INDUSTRY**

GENERAL RISKS arise from possible changes in the overall economic system and, more specifically, changes in financial market conditions. They cannot be diversified, as all economic entities in the country are exposed to them.

ECONOMIC GROWTH: The interaction between economic growth and the country's external indebtedness has a direct impact on the formation and change of market conditions and the investment climate.

POLITICAL RISK: This is the risk arising from political processes in the country - risk of political destabilization, changes in the principles of governance, legislation and economic policy. Political risk is directly related to the likelihood of adverse changes in the government's long-term policy; as a result, there is a risk of negative changes in the business climate.

CREDIT RISK: The country's credit risk is related to the country's ability to repay its debts regularly.
your duties.

CURRENCY RISK: The essence of this risk lies in the possibility of a sharp depreciation of the local currency, thus affecting the revenues of business entities in the country by changes in the exchange rate.
of the lev against other currencies.

INTEREST RATE RISK: Interest rate risk is related to the increase in interest rates, respectively interest expenses, which is directly reflected in the realized profit of economic entities.

INFLATION RISK: This is the risk of an increase in the general price level.

RISK OF ADVERSE CHANGES IN TAX AND OTHER LAWS: Taxes paid by Bulgarian business entities include withholding taxes, local taxes and fees, corporate profit tax, value added tax, excise duties, export and import duties and property taxes. The taxation system in Bulgaria is still developing, which may result in contradictory tax practices both at the state and is well as at the local level.

FORCE MAJEURE RISK: Force majeure events such as natural disasters, sabotage, outbreak of wars and terrorist acts, as well as others, may lead to an unpredictable change in the investor's attitude.

UNSYSTEMIC RISKS are associated with the general investment risk specific to the company and the industry itself. Unsystematic risks can be divided into two types: industry risk, which concerns the uncertainty in the development of the industry as a whole, and company-wide risk, which arises from the specifics of the the specific company.

INDUSTRY RISK: The activities of the Company and the Group companies are exposed to various risks, including: 1) risks typical of the information and communication technologies (ICT) industry; and 2) risks specific to the Company itself.

SPECIFIC COMPANY RISK: The main company risk for Sirma Group Holding AD is related to the possibility of a decrease in the solvent demand for the products offered by the Company, as well as a change in the conditions for providing this type of services.

OPERATIONAL RISK: Operational risks are related to the management of the Company and can be expressed as in making wrong decisions about the ongoing management of the company's investments and liquidity from the management team, in the inability of the management team to start the implementation of planned projects or lack of suitable staff for this, in the departure of key employees and the inability to appointment of new ones, etc.

CREDIT RISK: This is the potential inability of a company to meet its obligations on time for the borrowed funds.

INTEREST RATE RISK: Interest rate risk is related to a possible adverse impact of changes in market interest rates on the price of the financial resource, respectively on interest expenses, which is directly reflected in the realized profit of economic entities and in particular of the Issuer.

LIQUIDITY RISK: Liquidity risk refers to the risk that the company will not have sufficient funds to meet its current obligations.

CURRENCY RISK: Currency risk is associated with receiving financial resources or revenues denominated in a currency other than that of the expenses incurred, with a volatile exchange rate between the two currencies, which creates a prerequisite for generating losses.

RISK RELATED TO INTENSE COMPETITION: The group's operations are under pressure from intense competition, as from both local players and international corporations.

RISK RELATED TO CHANGES IN TECHNOLOGIES AND THE DEVELOPMENT OF NEW PRODUCTS: The ICT sector is characterized by rapid development of new solutions and technologies that shorten the life cycle of products. Therefore, the Issuer's future success will largely depend on its ability to incorporate the latest technological solutions in its products and services.

RISK OF INCREASING LABOR COSTS: Remuneration costs typically contribute to over 70% of project implementation costs. Given the large relative share of personnel costs in the cost price, the increase in salaries may erode the margins achieved on the projects and therefore may have an adverse impact on the Group's results.

HUMAN RESOURCES RISKS : The Group's success depends on the appropriate alignment of its workforce planning strategy and its location in line with the overall strategy. Changes in the number of personnel may lead to a discrepancy between the Group's expenses and revenues.

RISK OF UNAUTHORIZED DISCLOSURE OF CONFIDENTIAL INFORMATION: Strictly confidential information related to topics such as the Issuer's strategy, new technologies, mergers and acquisitions, unpublished financial results, or personal data may be prematurely, intentionally or unintentionally, disclosed. This could have an adverse effect on its market position.

HACKER ATTACKS: The Issuer's cloud offerings could be subject to a hacker attack, resulting in them becoming inaccessible or unable to function properly.

PROTECTION OF INTELLECTUAL PROPERTY: The preservation and protection of the Group's intellectual property is crucial to its success. It uses a variety of means to identify and control potential risks and protect its intellectual property. These measures include applying for patents, trademarks and registration of other marks and copyrights to prevent infringement of copyright and trademarks.

RISK OF CONCLUSION OF TRANSACTIONS WITH RELATED PARTIES AT PRICES DIFFERENT FROM MARKET PRICES: The risk of carrying out transactions with Group companies whose conditions differ from market prices at the time of the transaction is eliminated to the extent that the Issuer strives to maintain a transparent policy in relation to its relations and the treatment of related companies.

RISK OF FAILURE TO COMPLETE THE PUBLIC OFFERING: The possible failure of a capital increase process through a public offering would negatively impact the Issuer's prospects, while at the same time delaying the implementation of the planned investments.

RISK OF IMPAIRMENT OF THE COMPANY'S ASSETS: The risk of impairment of assets is associated with the possibility of a decrease in the carrying amount of the Company's assets, which could lead to the realization of a current negative financial result.

RISK OF INACCURATE VALUATION OF THE COMPANY'S ASSETS: The main part of the assets of the Issuer, as well as of the other companies in its group, are intangible due to the nature of the holding's activities. Their carrying amount reflects the costs incurred for their acquisition, including development, as well as the Issuer's assessment of the development potential (expected economic benefits) that they bring. In the era of information technology and its extremely rapid development, a given product (intangible asset) can be successfully implemented or its implementation ends in failure.

COMPETITIVE ACTIVITY RISK: The risk of competitive activity is expressed in the possibility that a key employee of the Issuer or its affiliated company or another company in cases of separation or division may start performing competitive activity regarding the services and/or products offered by the Issuer's group.

D.3 KEY INFORMATION ON THE KEY RISKS SPECIFIC TO THE SECURITIES

Potential investors in common stocks should be well aware of the risks associated with investing in securities and should consider each investment based on their own readiness for taking risk relative to their desired return, investment horizon, investment limitations and goals.

PRICE RISK: After the possible successful implementation of the capital increase of Sirma Group Holding AD through a public offering of the shares from the increase, their market value will be determined based on supply and demand and the price of shares can rise or fall.

INFLATION RISK: Inflation risk represents the probability of an increase in the general price level in the economy, resulting in a decrease in the purchasing power of the local currency - the lev.

LIQUIDITY RISK: Liquidity risk arises from the uncertainty about the existence of active market demand for the Company's securities for a certain period of time.

CURRENCY RISK: The currency risk borne by the Company's shares arises from the fact that they are denominated in Bulgarian leva. Changing the exchange rate of the lev against another currency would change the return that investors expect to receive, comparing it to the return they would receive from an investment expressed in another currency.

LACK OF GUARANTEE FOR PAYMENT OF ANNUAL DIVIDENDS: The financial result depends on many factors – the skill and professionalism of the management team, the development of the market in which the Company operates, as well as the overall economic development in the country and the region.

RISK OF DILUTION OF SHAREHOLDERS' EQUITY: Risk of a decrease in the profit per common share and its book value as a result of the conversion into shares of issued bonds and warrants or the exercise thereof, as well as as a result of the issuance of common shares at a price lower than the book value of issued options, per share.

RISK OF CHANGES IN TAXATION OF INVESTMENTS IN SECURITIES: The risk of changes in the taxation of investments in securities is associated with changes in the current taxation regime of this type of instrument.

SECTION E — OFFERING

E.1 THE TOTAL NET PROCEEDS AND THE ESTIMATED TOTAL COSTS OF THE ISSUE/OFFERING, INCLUDING THE EXPECTED EXPENSES CHARGED TO THE INVESTOR BY THE ISSUER

Upon subscription and payment of the maximum offered number of shares (16,000,000 shares) from the initial public offering of Sirma Group Holding AD, the net proceeds for the Issuer will amount to BGN 18,696,040. Upon subscription and payment of the minimum required shares (8,000,000) for a successful public offering according to the decision of the general meeting of the Company, the net proceeds for the Issuer will be

be in the amount of 9,436,440 BGN. The costs of the public offering are variable depending on the size of the capital increase only in the part for servicing the capital increase. The expected costs for the Issuer in the event of a minimum initial public offering are BGN 163,560.

No costs are foreseen for the investor to be charged by the Issuer. The Investment Intermediary will not collect fees from potential investors for their participation in this offering. Any potential investor who decides to place a purchase order through another authorized intermediary should familiarize themselves with with the terms of the respective billing intermediary.

E.2 BASIS FOR THE OFFER, PURPOSE OF THE PROCEEDS, EXPECTED NET AMOUNT

THIS INITIAL PUBLIC OFFERING IS CARRIED OUT ON THE BASIS OF A DECISION TAKEN BY THE GENERAL MEETING OF SHAREHOLDERS OF "SIRMA GROUP HOLDING" AD, HELD ON 04.12.2014. AND ACCORDING TO THE DECISION OF THE BOARD OF DIRECTORS OF THE SAME DATED 15.12.2014. The Issuer's management intends to use the net proceeds from the new share issue to implement planned investments. **Depending on the specific outcome of the public** offering, specific projects will be implemented.

Upon subscription and payment of the maximum offered number of shares (16,000,000 shares) from the initial public offering of Sirma Group Holding AD, the net proceeds for the Issuer will amount to BGN 18,696,040. Upon subscription and payment of the minimum required shares (8,000,000) for a successful public offering according to the decision of the general meeting of the Company, the net proceeds for the Issuer will amount to BGN 9,436,440.

E.3 DESCRIPTION OF THE TERMS OF THE OFFER.

The subject of the public offering are up to 18,491,858 (eighteen million four hundred ninety-one thousand eight hundred fifty-eight) ordinary shares, of which 16,000,000 (sixteen million) New Shares and 2,491,858 (two million four hundred ninety-one thousand eight hundred fifty-eight) Existing Shares.

The initial public offering will be successful only if at least 8,000,000 (eight million) shares with a nominal value of 1 (one) lev and an issue price ranging from a minimum price of 1.20 lev to a maximum price of 1.65 lev each are subscribed and paid for, in which case the Issuer's capital will be increased only by the value of the subscribed shares.

Deviation above the upper limit of the capital requested for raising is not possible. There is no possibility of reducing or increasing the number of shares offered.

The offered shares have a nominal value of 1 (one) lev and an issue price ranging from a minimum price of 1.20 lev to a maximum price of 1.65 lev each.

Start and duration of the Subscription (subscription of new shares): The start date of the subscription is the first business day following the expiration of 7 calendar days from the last date on which the Announcement was published in the places indicated above. Purchase Orders (Orders) will be accepted within thirty calendar days of this commencement date, every business day from 09:00 a.m. to 16:00 p.m.

Types of Orders: Two types of Orders can be submitted:

- The order for subscription (purchase) of shares at the unit price specified therein is **limited** .
Limit orders may be partially executed; and
- **A market order** is an order for subscription of shares that contains only a total value in BGN or a total number shares desired for subscription and can be executed in whole or in part.

Submitting an Order is considered confirmation that the investor:

- has read the Prospectus and accepted the terms of the Offering;
- agrees to be allocated a smaller number of offered shares than the number specified in the submitted Order, or not to be allocated any offered shares, in accordance with the conditions set out in this document;
- agrees to be allocated New Shares in such ratio of New Shares to Existing Shares as may be determined at the discretion of the Issuer and the Investment Intermediary;

- agrees to pay an amount equal to the number of shares offered, multiplied by the Price, together with all fees and commissions related to the Offering, in accordance with the instructions of the Investment Intermediary; and
- agrees that if by the Last Payment Date (inclusive) the collection account is not the amount due has been received in connection with payment for the offered shares allocated to him, the latter will not be acquired by the investor and he cannot make any claims in this regard against the Investment Intermediary and the Issuer.

Orders are submitted to the offices of the authorized Investment Intermediary listed below, personally by the investor or by his proxy. Orders (completed and signed by the investor) may also be submitted through another licensed investment intermediary, which will transmit them to the authorized Investment Intermediary within the period for submitting Orders specified in this Document.

Announcement of the offering price of one share (the Price): The Price will be announced on the first business day following the expiration of the Order acceptance period.

Determination of the number of Existing Shares for sale: In the event that the Orders for shares submitted during the Subscription period at the price level according to the announced Offering Price exceed the maximum number of New Shares determined by the shareholders, the Selling Shareholders will have 5 business days after the date of the announcement of the Price to submit to the Investment Intermediary their written declaration of intent, in which they declare their desire to take advantage of the opportunity to sell Existing Shares held by them at the announced Price.

Allocation of Existing Shares: The Existing Shares will be allocated on the first business day following the expiration of the deadline for submitting statements of intent by the Selling Shareholders.

Announcement of the Distribution List: The distribution list will be announced on the business day following the day of distribution of Existing Shares, in the event that any such shares are distributed. Otherwise, the List will be announced on the day of announcement of the Offering Price.

The last date for payment for the subscribed shares is by the end of the 3rd business day after the announcement of the List for the distribution of the Offered Shares.

End of the Offering: The Offering will end after payment of the value of the subscribed shares in accordance with the previous paragraph.

E.4 DESCRIPTION OF ANY INTEREST MATERIAL TO THE ISSUE/OFFER, INCLUDING CONFLICT OF INTEREST.

There is no significant interest in the proposed issue, nor is there a potential conflict of interest.

E.5 NAME OF THE NATURAL OR LEGAL PERSON WHO PROPOSES TO SELL THE SECURITY. BLOCKING AGREEMENTS.

In the Offering of the Share Issue, there are arrangements for a "green shoe" option for oversubscription of New Shares. This option is granted by the Selling Shareholders and is in the amount of up to 5% of the Issuer's capital or up to 2,491,858 Existing Shares. The Selling Shareholders are individuals who are long-term employees and managers of the Issuer or its subsidiaries.

Table No. 3. Names of Selling Shareholders in cases of oversubscription

No.	Name	Last name	Number owned shares	Maximum number shares that can be proposed
1	Assen	Nelchinov	422 248	21 112
2	Atanas	Kiryakov	5 250 686	262 534
3	Boryana	Stoimenova	162 728	8 136
4	Valentine	Vachkov	340 443	17 022
5	Vesselin	Denchev	75 603	3 780
6	Vesselin	Kirov	5 250 686	262 534
7	Vladimir 8	Alexiev	2 177 483	108 874
	Deyan 9	Nenov	518 757	25 938
	Georgi 10	Marinov	5 250 686	262 534
	Krasimir 11 Marin	Bozhkov	5 250 686	262 534
	12 Mladen	Dimitrov	210 946	10 547
		Alexiev	51 840	2 592
	13 Momchil	Zarev	254 367	12 718
	14 Fiery	Chernokozhev	3 727 730	186 387
	15 Rosen	Varbanov	2 156 687	107 834
	16 Blush 17	Harsev	104 269	5 213
	Light	Varbanova	104 269	5 213
	18 Stanislav	Ivanov	257 268	12 863
	19 Stanislav	Yordanov	370 060	18 503
	20 Tsvetan	Alexiev	5 250 686	262 534
	21 Chavdar	Dimitrov	5 250 686	262 534
	22 Yavor	Dzhonev	5 250 686	262 534
	23 Petar 24	Konyarov	1 649 288	82 464
	Radka	Peneva	498 365	24 918

At the time of preparation of this document, all current shareholders of the Issuer undertake not to sell any of the shares held by them outside the terms of the current Offering within 6 months from the first day of trading of the Company's shares on the floor of the Bulgarian Stock Exchange.

E.6 DILUTION

Prior to this offering, as of March 31, 2015, the net consolidated book value of one share of the Issuer was equal to BGN 1,757.

According to the values obtained, the minimum issue price of the new shares (1.20 BGN) is lower than the consolidated book value of one share before the increase (1.757 BGN) and accordingly there is a dilution of the Company's capital in relation to the book value per share of 31.69%. The book value per share, after the increase, is BGN 1,614 in the case of a maximum initial public offering and BGN 1,677 in the case of a minimum initial public offering, and there is a decrease in the book value by 8.14% and 4.54% in both options, respectively.

To calculate the immediate dilution of shareholders who do not participate in the increase in the Company's capital, the share of the number of newly issued shares in the total number of shares after the increase is calculated. Thus, in the case of a minimum initial public offering, each shareholder who did not participate in it by subscribing for new shares will dilute their participation by 13.83%, and in the case of a maximum initial public offering by 24.30%.

E.7 ESTIMATED COSTS CHARGED TO THE INVESTOR BY THE ISSUER OR THE PERSON OFFERING THE SECURITIES.

No costs are foreseen for the investor to be charged by the Issuer. The Investment Intermediary will not collect fees from potential investors for their participation in this offering. Any potential

"SIRMA GROUP HOLDING" JSC

SUMMARY



investor who decides to place a purchase order through another authorized intermediary should familiarize themselves with with the terms of the respective billing intermediary.

After a possible successful capital increase and registration of shares for trading on the floor of the Bulgarian Stock Exchange-Sofia, the investors will be responsible for the costs of concluding transactions with shares on the exchange, including commissions for an investment intermediary and other fees, if they are not included in the intermediary's commission (fees of "Bulgarian StockExchange-Sofia" AD and "Central Depository" AD).

INFORMATION ABOUT THE PLACE, TIME AND METHOD. ON WHICH ADDITIONAL INFORMATION CAN BE OBTAINED, INCLUDING ADDRESS, TELEPHONE, WORKING HOURS AND CONTACT PERSON

Additional information about "Sirma Group Holding" AD can be obtained every working day at the following address;

- "Sirma Group Holding" AD - city Sofia, Blvd. "Tsarigradsko Shose" No. 135, floor. 3, Contact person: Stefan Kiryakov, phone: (02) 976 83 10, every working day from 9:00 to 17:00.
- "Elana Trading" AD - city Sofia, ul. "Lachezar Stanchev" ý5, Sopharma Business Towers, tower B, floor. 12-13, tel: +359 (2) 81 000 97; contact person: Ivan Iliev.

All distributed documents can also be obtained from the Bulgarian Stock Exchange - Sofia AD /BSE/, after the Company's securities are admitted to trading on a regulated market.

The contents of this document should not be considered legal, financial, business or tax advice. To obtain such advice, each potential investor should consult their own legal, financial or tax advisor. If you have any doubts about the contents of this document, you should consult a broker, bank manager, lawyer, accountant or other financial advisor. You should keep in mind that the price of shares and the income from them may decrease, as well increase.

PREPARED THE SUMMARY:


MIROSLAV STOYANOV
DIRECTOR OF INVESTMENT BANKING"
IVAN ILIEV
EXPERT, INVESTMENT BANKING"

THE UNDERSIGNED PERSONS, IN THEIR CAPACITY AS REPRESENTATIVES OF THE COMPANY, RESPECTIVELY INVESTMENT INTERMEDIARY "ELANA TRADING" AD and "SIRMA GROUP HOLDING" AD, DECLARE BY THEIR SIGNATURES THAT THE SUMMARY CORRESPONDS TO REQUIREMENTS OF THE LAW.

ON BEHALF OF "SIRMA GROUP HOLDING AD:

EXECUTIVE DIRECTOR


TSVETAN ALEKSIEV

ON BEHALF OF IP «ELANA TRADING» AD.


Momchil Tikov
EXECUTIVE DIRECTOR
RADOSLAVA MASLARSKA
CHAIRMAN OF THE BOARD OF DIRECTORS