

Separate Financial Statements  
Annual Separate Management Report  
Corporate Governance Declaration  
Report on the implementation of the remuneration policy  
Declaration by the responsible directors  
Independent Auditor's Report

“Sirma Group Holding” AD

31 December 2025



**Sirma**

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## Separate statement of financial position

	Note	31 December 2025 BGN'000	31 December 2024 BGN'000
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	6	24 608	24 464
Property, plant and equipment	7	9 540	8 447
Intangible assets	8	11 408	10 710
Investments in subsidiaries	9	32 872	33 042
Investment property	10	4 146	4 193
Long-term related party receivables	33	304	354
Deferred tax assets	12	791	1 046
<b>Total non-current assets</b>		<b>83 669</b>	<b>82 256</b>
<b>Current assets</b>			
Inventory	13	3 383	1 563
Trade and other receivables	14	10 329	9 941
Prepayments and other assets	15	3 090	834
Related party receivables	33	5 415	3 603
Cash	16	7 779	9 953
<b>Total current assets</b>		<b>29 996</b>	<b>25 894</b>
<b>Total assets</b>		<b>113 665</b>	<b>108 150</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	17.1	59 361	59 361
Purchased own shares	17.2	(1 569)	(1 689)
Share premium reserve	17.3	5 836	6 016
Other reserves	17.4	2 484	1 609
Retained earnings	17.4, 19.2	8 603	6 831
Profit for the year		4 663	3 257
<b>Total equity</b>		<b>79 378</b>	<b>75 385</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term employee obligations	19.3	729	627
Long-term borrowings	20	7 339	6 009
Long-term lease liabilities	21	691	515
Long-term related party payables	33	3 517	3 699
<b>Total Non-current liabilities</b>		<b>12 276</b>	<b>10 850</b>
<b>Current liabilities</b>			
Employee obligations	19.3	4 341	4 415
Short-term borrowings	20	1 360	239
Short-term lease liabilities	21	736	322
Trade and other payables	22	10 709	14 178
Contract liabilities	23	4 465	2 240
Short-term related party payables	33	400	444
Provisions	18	-	77
<b>Total Current liabilities</b>		<b>22 011</b>	<b>21 915</b>
<b>Total liabilities</b>		<b>34 287</b>	<b>32 765</b>
<b>Total equity and liabilities</b>		<b>113 665</b>	<b>108 150</b>
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The financial report was prepared and approved for issuance by the Board of Directors on 27.03.2026.

With auditor's report from on 27.03.2026.

Grant Thornton OOD, Audit firm № 032

Mariy Apostolov, Managing Partner

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## Separate statement of profit or loss and other comprehensive income

	Note	31 December 2025 BGN'000	31 December 2024 BGN'000
Revenues from sales	24	102 264	30 812
Dividend income	9	-	1 390
Other revenues	25	1 491	808
Cost of materials	26	(406)	(206)
Hired services expenses	27	(14 980)	(3 716)
Employee benefits expense	19,1	(37 202)	(8 541)
Depreciation and amortisation of non-financial assets	7,8,11	(2 836)	(1 130)
Cost of goods sold and other current assets		(42 370)	(15 422)
Other expenses	28	(1 806)	(551)
<b>Operating profit</b>		<b>4 155</b>	<b>3 444</b>
Finance costs	29, 9	(1 787)	(151)
Finance income	29	2 550	270
<b>Profit before tax</b>		<b>4 918</b>	<b>3 563</b>
Expenses for from income taxes	30	(255)	(306)
<b>Profit for the year</b>		<b>4 663</b>	<b>3 257</b>
<b>Total comprehensive profit for the year</b>		<b>4 663</b>	<b>3 257</b>
<b>Earnings per share</b>	31.1	<b>BGN 0,0806</b>	<b>BGN 0,0569</b>

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## Separate statement of changes in equity

All amounts are presented in BGN '000

	Share capital	Purchased own shares	Share premium	Other reserves	Retained earnings	Profit for the year	Total equity
<b>Balance at 1 January 2025</b>	<b>59 361</b>	<b>(1 689)</b>	<b>6 016</b>	<b>1 609</b>	<b>6 831</b>	<b>3 257</b>	<b>75 385</b>
Dividends	-	-	-	-	-	(1 160)	(1 160)
Sold own shares	-	400	-	-	-	-	400
Repurchased own shares	-	(280)	(180)	-	-	-	(460)
Reserve for share-based payments	-	-	-	550	-	-	550
<b>Transactions with owners</b>	<b>-</b>	<b>120</b>	<b>(180)</b>	<b>550</b>	<b>-</b>	<b>(1 160)</b>	<b>(670)</b>
Profit for the period	-	-	-	-	-	4 663	4 663
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 663</b>	<b>4 663</b>
Transfer of profit to reserves	-	-	-	325	1 772	(2 097)	-
<b>Balance at 31 December 2025</b>	<b>59 361</b>	<b>(1 569)</b>	<b>5 836</b>	<b>2 484</b>	<b>8 603</b>	<b>4 663</b>	<b>79 378</b>

All amounts are presented in BGN '000

	Share capital	Purchased own shares	Share premium	Other reserves	Retained earnings	Profit for the year	Total equity
<b>Balance at 1 January 2024</b>	<b>59 361</b>	<b>(1 781)</b>	<b>5 855</b>	<b>1 458</b>	<b>6 627</b>	<b>1 509</b>	<b>73 029</b>
Dividends	-	-	-	-	-	(1 154)	(1 154)
Sold own shares	-	1 092	(99)	-	-	-	993
Repurchased own shares	-	(1 000)	260	-	-	-	(740)
<b>Transactions with owners</b>	<b>-</b>	<b>92</b>	<b>161</b>	<b>-</b>	<b>-</b>	<b>(1 154)</b>	<b>(901)</b>
Profit for the period	-	-	-	-	-	3 257	3 257
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 257</b>	<b>3 257</b>
Transfer of profit to reserves	-	-	-	151	204	(355)	-
<b>Balance at 31 December 2024</b>	<b>59 361</b>	<b>(1 689)</b>	<b>6 016</b>	<b>1 609</b>	<b>6 831</b>	<b>3 257</b>	<b>75 385</b>

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## Separate statement of cash flows

Note	31 December 2025 BGN'000	31 December 2024 BGN'000
<b>Operating activities</b>		
Cash receipts from customers	120 276	34 340
Cash paid to suppliers	(79 385)	(18 895)
Cash paid to employees and social security institutions	(36 444)	(8 370)
Income taxes paid	-	(7)
Other (payments), net	(498)	(355)
<b>Net cash flow from operating activities</b>	<b>3 949</b>	<b>6 713</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1 104)	(449)
Acquisition of intangible assets	(2 357)	(564)
Proceeds from sale of property, plant and equipment	68	2
Loans granted	(68)	(660)
Loan repayments received	84	649
Sale of financial assets	-	1 873
Purchase of subsidiaries	9 (3 999)	(8 542)
Dividends received	9 1 114	640
Proceeds from reduction of capital of a subsidiary	118	118
Interest received	6	11
<b>Net cash flow from investing activities</b>	<b>(6 138)</b>	<b>(6 922)</b>
<b>Financing activities</b>		
Proceeds from borrowings	34 2 673	6 238
Repayments of borrowings	34 (227)	(1 686)
Interest paid	34 (219)	(30)
Payment of principal element of lease liabilities	21 (686)	(110)
Interest paid on payment of principal element of lease liabilities	21 (19)	(9)
Proceeds from deposits received	32 250	3 297
Repayments of deposits received	32 (432)	(590)
Interest payments on deposits received	32 (6)	(23)
Dividends paid	31.2 (1 116)	(1 245)
Proceeds from sale of shares	400	993
Cash flows related to the purchase of shares	17.2 (415)	(740)
<b>Net cash flow from financing activities</b>	<b>203</b>	<b>6 095</b>
<b>Net change in cash and cash equivalents</b>		
	<b>(1 986)</b>	<b>5 886</b>
Cash and cash equivalents, beginning of year	9 953	1 131
Cash acquired from a business combination	-	2 906
Exchange (losses)/gains on cash and cash equivalents	(188)	30
<b>Cash and cash equivalents for continuing operations</b>	<b>16 7 779</b>	<b>9 953</b>

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## Notes to the financial separate statements

### 1. General information about “Sirma Group Holding” AD

“**Sirma Group Holding**” AD is a holding company registered on 25.04.2008 in the Commercial Register under UIC 200101236.

**Principal place of business and registered office:** Bulgaria, Sofia (capital), Sofia municipality, city. Sofia, 1784, Mladost area, bul. Tsarigradsko Shose, No 135.

**The company’s principal activities include:** Acquisition, management, evaluation and sale of interest in Bulgaria and foreign entities; acquisition, evaluation and sale of patents, granting of licenses to use patents of the entities in which the company holds interests, financing the entities in which the company holds shares, organizing their accounting and compiling financial statements under the Law of Accounting. The Company may perform independent business activity that is not prohibited by law.

The share capital of the company as of 31.12.2025, as well as at the date of preparation of this financial report, is in the amount of BGN 59 360 518, divided into 59 360 518 non-current registered shares with a nominal value of BGN 1.

The company's capital is fully paid.

The non-monetary contributions in the company’s capital are presented below:

- Software representing 29 (twenty nine) software modules. **Amount: 61 555 838 BGN**
- 81 960 ordinary registered shares of "Sirma Group" AD registered in the Commercial Register under UIC 040529004. **Amount: 11 734 980 BGN**
- Real Estate - Floor 3 of an office building "IT - Center Office Express" in Sofia, bul. "Tsarigradsko Shosse" N 135 with an area of 796,50 square meters, pursuant to Deed of buying and selling real estate N 126, Volume I, reg. N 4551, case N 116 from 23.04.2003 and 5 floor of an office building "IT - center office Express" in Sofiabul. "Tsarigradsko Shosse" N 135 with area of 281.81 square meters, according to Deed of sale of real estate N 86, Volume 4, Reg. N 10237, Case N 592 of 23.12.2004. **Amount: 3 911 660 BGN**

In 2024 Sirma Group underwent a transformation of some of the subsidiaries through their merger into the parent company Sirma Group Holding AD. The transformation through merger was carried out following a decision of the Board of Directors of Sirma Group Holding AD, approval by the FSC on 18.07.2024 and a decision of the General Meeting of Shareholders of Sirma Group Holding AD on 17.09.2024.

The purpose of the transformation is to optimize the activities and resources of Sirma Group Holding, which is expressed in:

- reduction of administration and related costs,
- vertical specialization and full focus on the relevant sector or segment,
- overcoming internal competition between different subsidiaries;
- achieving greater transparency of activities, revenues and profits.

As a result of this business combination, the subsidiaries "Sirma CI" EAD, "Sirma Insurtech" EAD, "Sirma Solutions" EAD, "Sirma Business Consulting" EAD, "Sciart" EAD and "HRM Solutions" EAD were terminated without liquidation and all their property as a set of rights, obligations and factual relationships passed through merger into the parent company "Sirma Group Holding" AD under the terms of universal succession. There are no changes in the legal form, name, subject of activity, registered office and address of management, registered capital, management system, composition of the management body and management method for the parent company, Sirma Group Holding AD. The shareholders of “Sirma Group Holding” AD, in its capacity as a receiving company, retain the shares they hold without change.

The circumstance was registered with the Trade Register to the Registry Agency on 08.10.2024.

The effect of the business combination on the merger of the subsidiaries is the recognition of goodwill in the amount of BGN 24 464 thousand as the difference between the value of the acquired net assets of each subsidiary and the investment that was made for them. Detailed information is presented in Note 7 to the separate financial statements.



As a result of the merger into "Sirma Group Holding" AD , the following companies became direct subsidiaries - "Daticum" AD, Sirma Tech Ltd., "Sirma ICS" AD, Sciant Shpk, "Sirma ISG" OOD.

### 1.1. Distribution of share capital

As of 31.12.2025 the distribution of the share capital of "Sirma Group Holding" AD is as follows:

	<b>31.12.2025</b>	<b>31.12.2024</b>
Share capital	59 361	59 361
Number of shares (par value of BGN 1)	59 360 518	59 360 518
Total number of registered shareholders	1 452	1 160
Legal entities	44	43
Individuals	1 408	1 117
Number of shares held by legal entities	5 843 665	7 214 055
% Of participation of entities	9,84%	12,15%
Number of shares held by individuals	53 516 853	52 146 463
% Participation of individuals	90,16%	87,85%

Share capital allocation, including deduction of repurchased own shares is as follows:

<b>Shareholders</b>	<b>Number of shares at 31.12.2025</b>	<b>Number of shares at 31.12.2024</b>	<b>Nominal VALUE (BGN)</b>	<b>Value (BGN)</b>	<b>% Shareholding</b>	<b>% of voting rights*</b>
Georgi Parvanov Marinov	5 461 898	5 461 898	1	5 461 898	9,20%	9,45%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	1	5 025 153	8,47%	8,70%
Chavdar Velizarov Dimitrov	4 817 386	4 817 386	1	4 817 386	8,12%	8,34%
Veselin Antchev Kirov	4 767 386	4 767 386	1	4 767 386	8,03%	8,25%
Ognyan Plamenov Chernokozhev	3 741 620	3 741 620	1	3 741 620	6,30%	6,47%
Krasimir Nevelinov Bozhkov	2 534 161	2 534 161	1	2 534 161	4,27%	4,39%
Rosen Ivanov Marinov	2 307 900	1 907 900	1	2 307 900	3,89%	3,99%
Vladimir Ivanov Alexiev	2 177 583	2 177 583	1	2 177 583	3,67%	3,77%
Rosen Vasilev Varbanov	2 156 687	2 156 687	1	2 156 687	3,63%	3,73%
Emiliana Ilieva Ilieva	2 000 709	1 996 209	1	2 000 709	3,37%	3,46%
Deyan Nikolov Nenov	1 814 748	1 814 748	1	1 814 748	3,06%	3,14%
Others	22 555 287	22 959 787	1	22 555 287	38,00%	36,31%
<b>Total</b>	<b>59 360 518</b>	<b>59 360 518</b>		<b>59 360 518</b>	<b>100%</b>	<b>100%</b>

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

Shares that are freely tradable (free float) represent shares held by shareholders who own less than 5% of the capital and, after deducting the repurchased shares as of 31.12.2025, are 33,978,006 shares, or 57,24% of the capital.

### 1.2. Management authorities

"Sirma Group Holding" AD has a one-tier management system which comprises of a Board of Directors.

The Board of Directors as at 31.12.2025 includes the following members:

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

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



The current term of the Board of Directors is until 05.07.2026.

The company is represented by the executive director - Tsvetan Borisov Alexiev.

The following Committees are established within the Board of Directors:

- Investment and Risk Committee;
- Remuneration Committee – an internal authority not selected by the GMS;
- Information Disclosure Committee;
- Audit Committee.

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

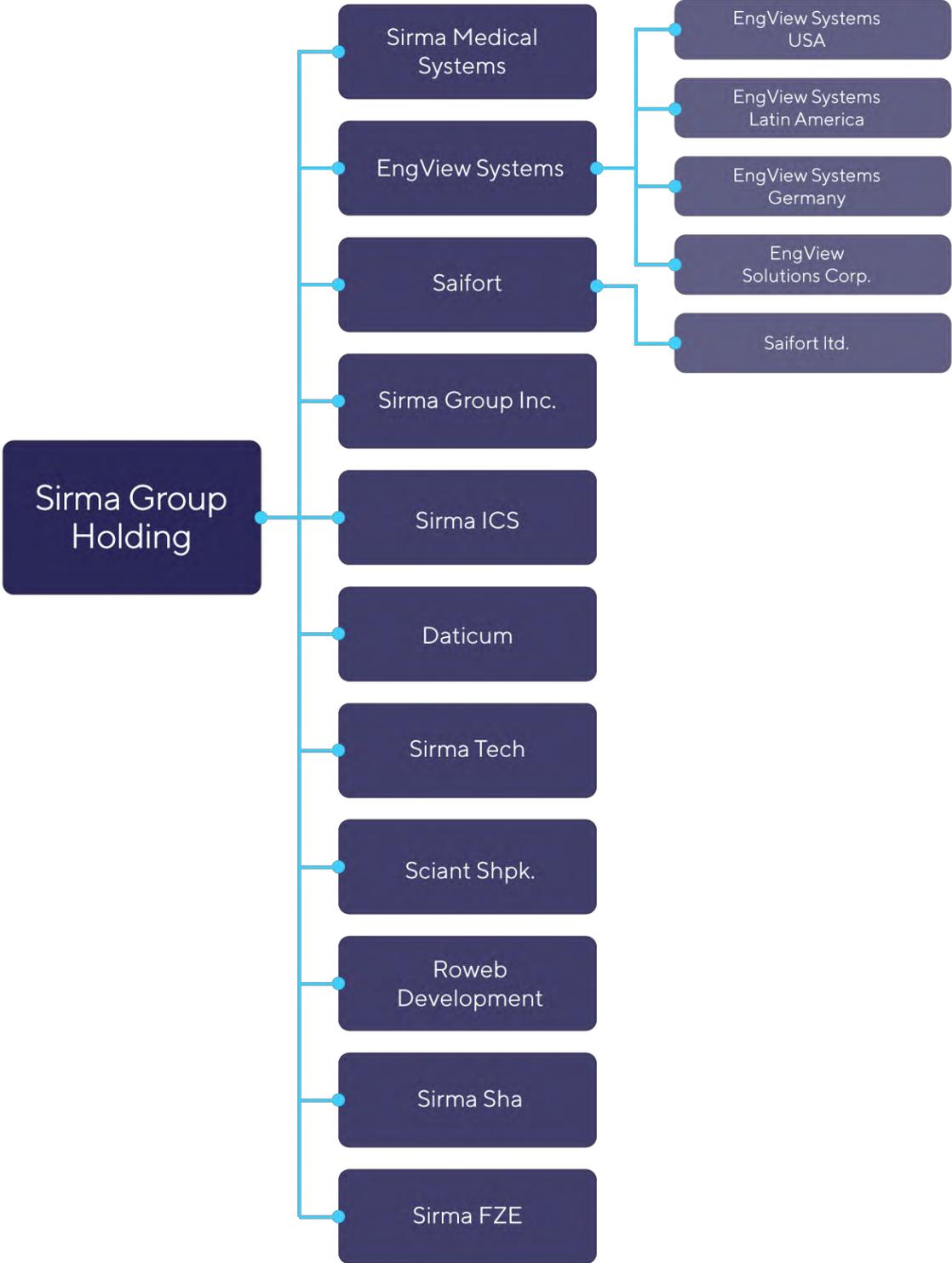
<b>Shareholders</b>	<b>Number of shares at 31.12.2025</b>	<b>Number of shares at 31.12.2024</b>	<b>Nominal value (BGN)</b>	<b>Value (BGN)</b>	<b>% Shareholding</b>	<b>% of voting rights</b>
Georgi Parvanov Marinov	5 461 898	5 461 898	1	5 461 898	9,20%	9,45%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	1	5 025 153	8,47%	8,70%
Chavdar Velizarov Dimitrov	4 817 386	4 817 386	1	4 817 386	8,12%	8,34%
Veselin Anchev Kirov	4 767 386	4 767 386	1	4 767 386	8,03%	8,25%
Atanas Kostadinov Kiryakov	1 555 287	1 555 287	1	1 555 287	2,62%	2,69%
Yavor Ludmilov Djonev	1 066 046	1 068 046	1	1 068 046	1,80%	1,84%
Martin Veselinov Paev	126 920	126 920	1	126 920	0,21%	0,22%
Yordan Stoyanov Nedev	3 433	3 433	1	3 433	0,01%	0,01%
Peyo Vasilev Popov	100	100	1	100	0,0002%	0,0002%
<b>Total</b>	<b>22 823 609</b>	<b>22 825 609</b>		<b>22 825 609</b>	<b>38,45%</b>	<b>39,49%</b>

During 2025 the member of the BD Yavor Ludmilov Djonev sold 2 000 shares of the capital of the company.



**1.3. Organizational structure of Sirma Group**

The structure of the Group includes “Sirma Group Holding” AD as the parent company and the companies listed below, as follows:



Subsidiaries of "Sirma Group Holding" AD :

Company	Value of the investment at 31.12.2025 (BGN'000)	Percentage of capital at 31.12.2025	Value of the investment at 31.12.2024 (BGN'000)	Percentage of capital at 31.12.2024
Saifort EAD	17 865	100%	17 865	100%
Impairment	(5 360)	-	(5 360)	-
Roweb Development	11 368	51,00%	11 210	51,00%
Sirma Group Inc.	6 537	100%	6 537	100%
Sirma Tech Ltd.	1 402	100%	1 402	100%
Impairment	(25)	-	(25)	-
Daticum AD	468	59%	468	59%
"Sirma ICS" AD	279	93,00%	279	93,00%
Sciant Shpk	256	100%	256	100%
"Sirma Medical Systems" AD	66	66,00%	66	66,00%
Impairment	(59)	-	(44)	-
"EngView Systems" AD	50	72,90%	50	72,90%
Sirma Sha	25	55%	-	-
"Sirma ISG" OOD	4	71%	4	71%
Impairment	(4)	-	(4)	-
Sirma AB'	-	-	338	100%
Sirma FZE	-	100%	-	-
<b>Total</b>	<b>32 872</b>		<b>33 042</b>	

“Sirma Group Holding” AD is a public company under the Public Offering of Securities Act.

The number of employees as of 31.12.2025 was 448 people, including 439 employees under labour contracts and 9 under management contracts.



## **2. Statement of compliance with IFRS, adopted by the EU and application of the going concern principle**

### **2.1. Statement of compliance with IFRS adopted by the EU**

The financial statements of the Company have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB) and approved by the European Union (IFRS, as adopted by the EU). The term “IFRS, as adopted by the EU” has the meaning of paragraph 1, subparagraph 8 of the Additional provisions of Bulgarian Accountancy Act, which is International Accounting Standards (IAS) adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council.

The separate financial statements are presented in Bulgarian leva (BGN), which is also the functional currency of the Company. All amounts are presented in thousand Bulgarian leva (BGN'000) (including comparative information for 2024) unless otherwise stated.

Management is responsible for the preparation and fair presentation of the information in these financial statements.

These financial statements are separate financial statements. The Company also prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) developed and published by the International Accounting Standards Board (IASB) and approved by EU. Investments in subsidiaries are accounted for and disclosed in accordance with IFRS 10 “Consolidated Financial Statements”.

### **2.2. Application of the going concern principle**

The separate financial statements have been prepared in accordance with the going concern principle and taking into account the possible effects from the military conflicts between Russia and Ukraine and in the Middle East, inflation and other factors beyond the control of the Company's management.

The management has performed an analysis and assessment of the ability of the company to continue its activities as an operating enterprise based on the available information for the foreseeable future. The assessment was performed on the basis of the actions taken by the management regarding the maintenance of stable supply chains, efficient customer service, regular monitoring of liquidity and negotiation of appropriate financing parameters.

The forecasts and budgets made for the future development of the company have been prepared on the assumption that the Company will continue its operations in the normal course of its business. As a result of the review, the management expects that the company has sufficient resources to continue its operational activities in the near future and considers that the going concern principle has been used appropriately.

## **3. Changes in accounting policies**

### **3.1. New Standards adopted as at 1 January 2025**

The Company has applied the following new standards, amendments and interpretations to IFRS, developed and published by the International Accounting Standards Board, which are mandatory for application from the annual period beginning on 1 January 2025, but do not have a significant effect on their application on the financial result and the financial condition of the Company:

- Amendments to IAS 21 “The effects of changes in foreign exchange rates: Lack of exchangeability”, effective from 1 January 2025.

### **3.2. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company**

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2025 and have not been applied early by the Company. They are not expected to have a material impact on the Company's financial statements. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

A list of the changes in the standards is provided below:

- **Annual Improvements, effective from 1 January 2026, not yet adopted by the EU;**
- **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective from 1 January 2026, not yet adopted by the EU;**
- **IFRS 18 Presentation and Disclosure in Financial Statements effective from 1 January 2027, not yet adopted by the EU**

IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. IFRS 18 replaces IAS 1 Presentation of Financial Statements. Requirements in IAS 1 that are unchanged have been transferred



to IFRS 18 and other Standards. IFRS 18 will affect all companies in all industries. Although IFRS 18 will not affect how companies measure financial performance, it will affect how companies present and disclose financial performance. IFRS 18 aims to improve financial reporting by:

- requiring additional defined subtotals in the statement of profit or loss. Adding defined subtotals to the statement of profit or loss makes companies' financial performance easier to compare and provides a consistent starting point for investors' analysis.
  - requiring disclosures about management-defined performance measures. Requiring companies to disclose information about management-defined performance measures increases discipline over their use and transparency about their calculation.
  - adding new principles for grouping (aggregation and disaggregation) of information. Setting out requirements on whether information should be in the primary financial statements or the notes and providing principles on the level of detail needed improves effective communication of information.;
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU;**
  - **Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU.**

#### **4. Significant accounting policies**

##### **4.1. Overall considerations**

The significant accounting policies that have been used in the preparation of these separate financial statements are summarized below.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used for the preparation of the separate financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

##### **4.2. Presentation of separate financial statements**

The separate financial statements are presented in accordance with IAS 1 “Presentation of Financial Statements”.

The Company has elected to present the statement of profit or loss and other comprehensive income as a single statement.

Two comparative periods are presented for the statement of financial position when the Company applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements and this has a material impact on the statement of financial position at the beginning of the preceding period.

##### **4.3. Foreign currency translation**

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate as published by the Bulgarian National Bank). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Bulgarian leva is pegged to the euro at an exchange rate of EUR 1 = BGN 1,95583.

##### **4.4. Segment reporting**

Management determines the operating segments based on the main products and services provided by “Sirma Group Holding” AD .

The operating segments in the company are the following: System Integration, Hospitality, IT services, Financial industry and Strategic development.



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

Segment “Hospitality” segment offers IT solutions, consulting, system integration and data analysis to its clients from the hospitality industry. The target customers of the segment are hotel groups, tour operators, travel agencies and technology providers for the hospitality industry.

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

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

Segment “Strategic development” includes various primarily cost units that that can’t be directly related to any of the other segments, but are important to the operations of all of them.

Each of these operating segments is managed separately, as different technologies, resources and marketing approaches are used for each product line. All transactions between the segments are carried out at the prices of corresponding transactions between independent parties.

The measurement policies the company uses for segment reporting under IFRS 8 “Operating Segments” are the same as those used in its consolidated financial statements, except that:

- post-employment benefit expenses;
  - R&D costs relating to new business activities; and
- which are not included in arriving at the operating profit of the operating segments.

In addition, “Sirma Group Holding” AD assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Information about the results of the separate segments that is regularly reviewed by the chief operating decision maker does not include isolated unrepeatable events. Financial income and costs are also not included in the results of operating segments which are regularly reviewed by persons, which are responsible for operating decision making.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments.

#### 4.5. Revenue

The basic revenue generated by the Company is related revenue from sales of services, interest income, revenue from participations, revenue from financing and other revenue.

To determine whether to recognise revenue, the Company follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

##### Assessment

Revenue is measured based on the transaction price determined for each contract.

When determining the price of the transaction, the Company takes into account the terms of the contract and its usual commercial practices.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for the customer's transfer of the promised goods or services, excluding amounts collected on behalf of third parties (e.g. value added tax). The remuneration promised in the contract with the client may include fixed amounts. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the value of the transaction price that is attributed to this performance obligation.

The company examines whether there are other promises in the contract that are separate performance obligations for which a part of the transaction price should be allocated.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the



Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

#### **4.5.1. Revenue recognised over time**

- **Rendering of services**

The services provided by the Company include the following services: software services, support and subscription for software applications (after-sales services), consulting, licensing services and software development.

Revenue from software services is recognized when control over the benefits of the services has been transferred to the user of the services. Revenue is recognized over time based on the fulfilment of the individual performance obligations.

In recognizing revenue from the service provided, the Company applies a method that takes into account the resources invested.

For stand-alone sales of hardware and/or software that are neither customized by the Company nor subject to significant integration services, control is transferred at the time the customer accepts delivery of the goods. When such products are customized or sold together with significant integration services, the goods and services constitute a single combined performance obligation for which control is considered to be transferred over time. This is because the combined product is unique to each customer (there is no alternative use) and the Company has an enforceable right to payment for work performed to date. Revenue from these performance obligations is recognized over time as the customization or integration is performed, using the percentage of completion method to measure progress. Because costs are generally incurred evenly over time and are considered to be proportional to the Company's results, the percentage of completion method most accurately reflects the transfer of goods and services to the customer.

For sales of software that is neither customized by the Company nor subject to significant integration services, the license term begins at the time of delivery. For sales of software that is associated with significant customization or integration services, the license term begins at the start of the related services.

#### **Support Services (After-Sales Services)**

The Company enters into fixed-price support contracts with its customers for a period of one to three years. Customers pay for the service in monthly instalments according to the relevant terms specified in each contract.

#### **Consulting and IT Services**

The Company provides consulting services related to the design of IT software applications. Revenue from these services is recognized on a time and materials basis when the services are rendered. Invoices are made to customers monthly based on the progress of the work. Any amounts that remain unadjusted at the end of the reporting period are presented in the statement of financial position as receivables, as only the passage of time is required before payment of these amounts is due.

#### **Software application development**

The Company enters into contracts for the design, development and installation of software applications for a fixed fee and recognizes the related revenue over time. Due to the high degree of interdependence between the various elements of these projects, they are reported as a single performance obligation. When a contract also includes promises to perform post-sale services, the total transaction price is allocated to each of the separate performance obligations that can be identified under the contract based on their relative stand-alone selling price.

To represent the Company's progress in transferring control of the systems to the customer and to determine when and to what extent revenue can be recognized, the Company measures its progress toward complete satisfaction of the performance obligation by comparing the actual hours spent to date with the total expected/planned hours required to design, develop and install each system. The labor-hours method most faithfully represents the transfer of goods and services to each customer due to the Company's ability/available resources to make reliable estimates of the total number of hours required for performance, based on its significant historical experience in building similar systems.

#### **Measurement**

Revenue is measured based on the transaction price determined for each contract. In determining the transaction price, the Company considers the terms of the contract and its usual business practices.



The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value added tax). The consideration promised in the contract with the customer may include fixed amounts, variable amounts, or both.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (which excludes estimates of variable consideration containing restrictions) that is attributable to that performance obligation.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price should be allocated.

When determining the transaction price, the impact of variable remuneration, the presence of significant financing components, non-monetary remuneration and remuneration due to the client (if any) is taken into account.

#### **4.5.2. Revenue recognised at a point of time**

##### **Sale of goods**

Sales of goods include sales of goods in the field of computer equipment, office equipment and software. Revenue is recognized when the Company has transferred control of the delivered goods to the buyer. Control is considered to be transferred to the buyer when the customer has accepted the goods without objection.

Revenue from the sale of goods in the field of computer equipment, office equipment and software, which are not subject to a contract for future service support, is recognized at the time of delivery. When the goods require customization, modification or implementation, the Company applies a method for measuring the resources used.

#### **4.5.3. Revenue from investment property rental**

Rental revenue from operating leases is recognized as revenue on a straight-line basis over the term of the lease, except where the management of the company determines that another systematic basis more accurately reflects the time model, which utilizes the reaped benefit of the leased asset.

#### **4.5.4. Interest and dividend income**

Interest income is related to loan agreements and deposits granted under the business activity of the holding company. It is reported on an accrual basis using the effective interest method.

Dividend income is recognised at the time the right to receive payment is established.

#### **4.5.5. Revenue from financing**

Initially financing is recognised as deferred income when there is significant certainty as to whether the Company will receive financing and will fulfil any associated requirements. Financing received to cover current expenditure is recognised in the period when the respective expenses were incurred. Financing received to cover capital expenditure for non-current assets is recognised in line with the depreciation charges accrued for the period.

#### **4.6. Contract liabilities**

The Company recognises contract assets and/ or liabilities when one of the parties in the contract has fulfilled its obligations depending on the relationship between the business of the company and the payment by the client. The Company presents separately any unconditional right to remuneration as a receivable. The receivable is the unconditional right of the company to receive remuneration.

A contract liability is presented in the statement of financial position where a customer has paid an amount of consideration prior to the entity performing by transferring the related good or service to the customer.

The Company recognises contract assets when performance obligations are satisfied, and payment is not due on behalf of the client. A contract asset is the right of a company to receive remuneration in exchange for the goods or services that the company has transferred to a customer.

Subsequent the Company measures a contract asset in accordance with IFRS 9 Financial Instruments.

#### **4.7. Operating expenses**

Operating expenses are recognised in profit or loss upon utilization of the service or as incurred.

The Company recognises two types of contract costs related to the execution of contracts for the supply of services/ goods/ with customer: incremental costs of obtaining a contract and costs to fulfil a contract. Where costs are not eligible for deferral under IFRS 15, they are recognised as current expenses at the time they arise, such as they are not expected to be recovered, or the deferral period is up to one year.



The following operating expenses are always recognised as current expenses at the time of their occurrence:

- General and administrative costs (unless those costs that are chargeable to the customer);
- Costs of wasted materials;
- Costs that relate to satisfied performance obligation;
- Costs for which the company cannot distinguish whether the costs relate to unsatisfied performance obligation or to satisfied performance obligation.

Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

#### **4.8. Interest expenses and borrowing costs**

Interest expenses are reported on an accrual basis using the effective interest method.

Borrowing costs primarily comprise interest on the Company's borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'Finance costs'.

#### **4.9. Income taxes**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilized against future taxable income. Regarding management's assessment of the probability of future taxable income arising against which deferred tax assets can be utilized.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

#### **4.10. Goodwill**

Business combinations that occur between entities under common control are outside the scope of IFRS 3 Business Combinations. However, in the absence of other explicit requirements, the Company has elected to apply the purchase method of accounting in accordance with IFRS 3 to all of its business combinations. All identifiable assets acquired and liabilities acquired are recognized at fair value. The consideration transferred (if any in a business combination under common control) is measured at fair value. The consideration transferred includes the fair value of assets or liabilities arising from contingent consideration. Acquisition costs are recognized in profit or loss in the period in which they are incurred.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair value of any identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized.



See note 6 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### 4.11. Intangible assets

Intangible assets include software products and software module rights. They are accounted for using the cost model. The cost comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use, whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives, as these assets are considered finite.

After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment losses. Impairment losses are recognised in the statement of profit or loss/ statement of profit or loss and other comprehensive income for the respective period.

Subsequent expenditure on an intangible asset after initial are recognized in the separate statement of profit or loss and other comprehensive income for the period of their occurrence, unless due to them the asset can generate more than the originally projected future economic benefits and when these costs can be reliably estimated and attributed to the asset. If these conditions are met, the subsequent expenditure is added to the carrying amount of the intangible asset.

Residual values and useful lives are reviewed by the management at each reporting date.

Amortization is calculated using the straight-line method over the estimated useful life of individual assets as follows:

- Software 5-20 years
- Others 2-20 years

Amortization has been included within “Depreciation, amortization of non-financial assets”.

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Costs that are directly attributable to the development phase of an intangible asset are capitalized provided they meet the following recognition requirements:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Company intends to complete the intangible asset and use or sell it;
- the Company has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting these criteria for capitalization are expensed as incurred.

Directly attributable costs to the development phase include employee remuneration and social security expense as well as hired services expenses. Internally generated intangible assets are subject to the same subsequent measurement method as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only as described below in note 8.

The gain or loss arising on the disposal of an intangible asset is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in profit or loss within “Gain/ (Loss) on sale of non-current assets”.

The recognition threshold adopted by the Company for the intangible assets amounts to BGN 700.

#### 4.12. Property, plant and equipment

Property, plant and equipment are initially measured at cost, which comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.



After initial recognition, the property, plant and equipment is carried at its cost less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Impairment losses are recognised in the separate statement of profit or loss and other comprehensive income for the respective period.

Subsequent expenditure relating to an item of property, plant and equipment is added to the carrying amount of the asset when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of the its originally assessed standard of performance. All other subsequent expenditure is recognised as incurred.

Material residual value estimates and estimates of useful life are updated from the management at each reporting date.

Property, plant and equipment acquired under finance lease agreement, are depreciated based on their expected useful life, determined by reference to comparable assets or based on the period of the lease contract, if shorter. Depreciation is calculated using the straight-line method over the estimated useful life of individual assets as follows:

- Buildings 50 years
- Machines 3-8 years
- Vehicles 4 years
- Business inventory 7,5 years
- IT equipment 2-5 years
- Others 7,5 years

Depreciation expense is included in the separate statement of profit or loss and other comprehensive income on the line "Depreciation expense for non-financial assets".

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within "Gain/(Loss) on sale of non-current assets".

The recognition threshold adopted by the Company for property, plant and equipment amounts to BGN 700.

#### **4.13. Investments in subsidiaries**

Subsidiaries are firms under the control of the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the financial statements of the Company investment in subsidiaries is accounted at cost of the investment.

The Company recognises a dividend from a subsidiary in profit or loss in its separate financial statements when its right to receive the dividend is established.

#### **4.14. Investments in associates and joint ventures**

A joint venture is a contractual arrangement under which the Company and other independent parties engage in a business that is subject to joint control and the parties having joint control over the entity have rights to the entity's net assets. Investments in joint ventures are reported at cost.

Associates are those entities over which the Company is able to exert significant influence, but which are neither subsidiaries nor interests in a joint venture. Investments in associates are recognised at acquisition cost.

The Company recognizes a dividend from a joint venture or associate in profit or loss in its financial statements when its right to receive the dividend is established.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the sum of the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss.



As of 31 December 2025, the Company has a 40% participation in Consortium “Smart-Sirma” and a 50% participation in Consortium “OSI-S”. Management has analyzed its participation and classified it as a “joint venture” in accordance with IFRS 11 “Joint Arrangements”.

In connection with its participation in the joint activity, the Company has recognized the following revenues from:

- Consortium "Smart-Sirma" revenues in the amount of BGN 1 413 thousand.
- Consortium "OSI-S" revenues in the amount of BGN 120 thousand.

#### **4.15. Leases**

##### **The Company as a lessor**

As a lessor the Company classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the underlying asset, and as an operating lease if it does not substantially transfer all the risks and rewards of ownership of the underlying asset.

Assets subject to operating lease agreements are presented in the statement of financial position and are depreciated and amortized in accordance with the depreciation and amortization policy of the Company for similar assets and with the requirements of IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”. The Company earns rental income from operating leases of its investment properties (see note 11). Rental income is recognised on a straight-line basis over the term of the lease.

##### **The Company as a lessee**

For any new contracts the Company considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use

The Company assesses whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

##### **Measurement and recognition of leases as a lessee**

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

After initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When a lease liability is revalued, the corresponding adjustment is recognized in the asset with the right of use or recognized in profit or loss if the carrying amount of the asset with the right of use has already been reduced to zero.



#### **4.16. Impairment testing of intangible assets and property, plant and equipment and investment property**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All assets and cash-generating units are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

Impairment losses for cash-generating units reduce the carrying amount of the assets allocated to that cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

#### **4.17. Investment property**

The investment property is initially measured at cost, which comprises the purchase price and any directly attributable expenses, e. g. legal fees, property transfer taxes and other transaction costs.

The Company accounts for investment property as buildings that are held for rental income and / or for capital appreciation, using the acquisition cost model.

The investment property of the Company includes buildings held to earn rentals and/or for capital appreciation and are accounted for using the cost model.

The investment property is initially measured at cost, which comprises the purchase price and any directly attributable expenses, e. g. legal fees, property transfer taxes and other transaction costs.

Following the initial recognition, the investment property is measured at cost less any subsequent accumulated depreciation and any subsequent impairment losses.

Subsequent expenditure relating to investment property, which is already recognised in the Company's financial statements, is added to the carrying amount of the investment property when it is probable that this expenditure will enable the existing investment property to generate future economic benefits in excess of its originally assessed value. All other subsequent expenditure is recognised as incurred.

The investment property is derecognised upon its sale or permanent withdrawal from use in case that no future economic benefits are expected from its disposal. Gains or losses arising from the disposal of investment properties are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

Depreciation is calculated using the straight-line method over the estimated useful life of the buildings, which is 50 years.

Rental income and operating expenses from investment property are reported in the separate statement of profit or loss and other comprehensive income, respectively in the line "Revenue from sales", "Other expenses" and "Employee benefits expense" respectively and are recognised as described in note 24, note 28 and note 19.1.

#### **4.18. Financial instruments**

##### **4.18.1. Recognition and derecognition**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.



Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### **4.18.2. Classification and initial measurement of financial assets**

Financial assets are initially measured at fair value, adjusted for transaction costs, except for financial assets at fair value through profit or loss and trade receivables that do not contain a significant financial component. The initial measurement of financial assets at fair value through profit or loss is not adjusted with transaction costs that are reported as current expenses. The initial measurement of trade receivables that do not contain a significant financial component represents the transaction price in accordance with IFRS 15.

Depending on the method of subsequent measurement, financial assets are classified into the following categories:

- Debt instruments at amortised cost;
- Financial assets at fair value through profit or loss (FVTPL);
- Financial assets at fair value through other comprehensive income (FVOCI) with or without reclassification in profit or loss, depending on whether they are debt or equity instruments.

The classification is determined by both:

- the entity's business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses in the separate statement of profit or loss and other comprehensive income.

#### **4.18.3. Subsequent measurement of financial assets**

The percentages of expected losses are based on the sales payment profiles and the corresponding historical credit losses that occurred during that period. Historical loss values are adjusted to reflect current and forecast information about the macroeconomic factors that affect customers' ability to settle claims. The company has determined the GDP and unemployment rate of the countries in which it sells its goods and services, as the most important factors and accordingly adjusts historical losses based on the expected changes in these factors.

#### **Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions and are not designated as FVTPL:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

#### **Trade receivables and loans granted**

Trade receivables are amounts due from customers for goods or services sold in the ordinary course of business. Typically, they are due to be settled within a short timeframe and are therefore classified as current. Trade receivables are initially recognised at amortized cost unless they contain significant financial components. The Company holds trade receivables for the purpose of collecting the contractual cash flows and therefore measures them at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

#### **4.18.4. Impairment of financial assets**

IFRS 9's new impairment requirements use forward-looking information to recognise expected credit losses – the “expected credit loss” (ECL) model.



Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost, trade receivables, contract assets recognised and measured under IFRS 15.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

#### **Trade and other receivables, loans granted and finance lease receivables**

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Company allows 50% for amounts that are 1 to 2 years past due and writes off fully any amounts that are more than 2 years past due.

#### **4.18.5. Classification and measurement of financial liabilities**

The Company's financial liabilities include borrowings, finance lease payments, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### **4.19. Inventory**

Inventory includes raw materials, work in progress and goods. Cost of inventories includes all expenses directly attributable to the purchase or manufacturing process, recycling and other direct expenses connected to their delivery as well as suitable portions of related production overheads, based on normal operating capacity. Financing costs are not included in the cost of the inventories. At the end of every accounting period, inventories are carried at the lower of cost and net realizable value. The amount of impairment of inventories to their net realizable value is recognized as an expense for the period of impairment.

Net realizable value is the estimated selling price of the inventories less any applicable selling expenses. In case inventories have already been impaired to their net realizable value and in the following period the impairment conditions are no longer present, than the new net realizable value is adopted. The reversal amount can only be up to the carrying amount of the inventories prior to their impairment. The reversal of the impairment is accounted for as decrease in inventory expenses for the period in which the reversal takes place.

The Company determines the cost of inventories by using the weighted average cost.

When inventories are sold, the carrying amount of those inventories is expensed in the period in which the related revenue is recognized.

#### **4.20. Cash**

Cash and cash equivalents comprise cash on hand, current bank accounts, demand deposits and deposits up to 3 months, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **4.21. Equity, reserves and dividend payments**

Share capital represents the nominal value of shares that have been issued.

Treasury shares of the Company represent the value of the repurchased shares of Sirma Group Holding AD from the company itself. The company has adopted the value of the repurchased shares to be presented on a separate line in the separate statement of financial position.



Share premium includes any premiums received on issue of share capital. In repurchase transactions, amounts are deducted from equity and no gain and/or loss is recognized. The consideration paid or received is recognized directly in equity. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other reserves include legal reserves and a reserve for remuneration in the form of shares and/or share options, which are formed in accordance with the Company's Remuneration Policy. These amounts arise after a decision is made by the General Meeting to grant members of the management and supervisory bodies remuneration in the form of shares of the company, share options or other rights to acquire shares or remuneration based on changes in the price of the company's shares. During the period from the date of making the decision to the date of effective transfer of ownership of the shares, the amounts are reported as an element of equity, in Other reserves. When public companies grant variable remuneration in the form of shares, the transfer of the shares to the ownership of the members of the management and supervisory body is carried out at the earliest three years after the date of making the decision to grant them. Share options and all other rights to acquire shares or to receive remuneration based on changes in share prices cannot be exercised for at least three years after their grant.

Retained earnings include the current financial result and accumulated profits and uncovered losses from previous years, as well as a reserve for revaluations under defined benefit plans - actuarial gains or losses from changes in demographic or financial assumptions and the return on plan assets.

Dividend payables to shareholders are included in 'Related party payables' when the dividends have been approved at the general meeting of shareholders prior to the reporting date.

All transactions with owners of the Company are recorded separately within equity.

#### **4.22. Post-employment benefits and short-term employee benefits**

The Company reports short-term payables relating to unutilized paid leaves, which shall be compensated in case it is expected the leaves to occur within 12 months after the end of the accounting period during which the employees have performed the work related to those leaves. The short-term payables to personnel include wages, salaries and related social security payments.

In accordance with Labour Code requirements, in case of retirement, after the employee has gained the legal right of pension due to years of services and age, the Company is obliged to pay him/her compensation at the amount of up to six gross wages. The Company has reported a liability by law for the payment of retirement compensation in accordance with IAS 19 "Employee Benefits". The amount is based on forecasts made for the next five years, discounted with the long-term income percentage of risk free securities.

The Company has not developed and implemented post-employment benefit plans.

Net interest expense related to pension obligations is included in "Finance costs" in profit or loss. Service cost on the net defined benefit liability is included in "Employee benefits expense".

Short-term employee benefits, including holiday entitlement, are current liabilities included in "Pension and other employee obligations", measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

#### **4.23. Share-based employee remuneration**

"Sirma Group Holding" AD may pay the members of the Board of Directors of the company both fixed (fixed) and variable remuneration in the form of premiums, bonuses, retirement benefits, and other material incentives, which are given based on criteria for assessing the performance of the activity. Variable remuneration can be short-term and long-term. Short-term remuneration is paid in cash, and long-term - in the form of shares of the company's capital. I.e. The Company applies share-based payment plans as personnel remuneration.

The transfer of shares and the right to exercise stock options or other rights to acquire shares or to receive remuneration depending on changes in share prices must depend on previously determined and measurable criteria for achieved results.

When public companies grant variable remuneration in the form of shares, the transfer of shares to the ownership of the members of the management and supervisory bodies shall take place at the earliest three years after the date of the decision to grant them. Share options and all other rights to acquire shares or to receive remuneration based on changes in share prices may not be exercised for at least three years after their grant.

When employees receive remuneration in the form of share-based payment, the fair values of their services are determined indirectly by the fair value of the financial instrument granted to them. This fair value is estimated at the



date of granting the financial instrument and does not take into account the influence of non-market conditions for acquiring the rights thereunder (e.g. targets such as reaching a certain level of profitability and sales growth).

All accruals for share-based remuneration are recognised as an expense in profit or loss and as an increase in the reserve for share-based payments.

If a vesting period is specified or other conditions are to be satisfied, the expense is allocated over that period based on the best estimate of the number of share options expected to vest. Non-market conditions are included in the assumptions for the number of options expected to be exercised. The estimates are subsequently reviewed for any indication that the number of share options expected to vest differs from the estimates made. Any adjustments before the expiry of the vesting period or the fulfilment of other conditions under the agreement are recognised in the current period. No adjustments are made to expenses recognised in prior periods if the share options subsequently exercised differ from the estimate made at the expiry of the vesting period.

#### **4.24. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, granted product warranties, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan’s main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised. Contingent liabilities should be subsequently measured at the higher of the comparable provision described above and the amount initially recognized, less accumulated depreciation.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

#### **4.25. Significant management judgement in applying accounting policies. Uncertainty of accounting estimates.**

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

In the preparation of the presented Separate financial statements the significant judgments of the management in applying the accounting policies of the Company and the main sources of uncertainty of the accounting estimates do not differ from those disclosed in the annual financial statements of the Company as at 31 December 2024, except for changes in the estimate of income tax liability.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

##### **4.25.1. Internally generated intangible assets and research costs**

Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

To distinguish any research-type project phase from the development phase, it is the Company’s accounting policy to also require a detailed forecast of sales or cost savings expected to be generated by the intangible asset. The



forecast is incorporated into the Company's overall budget forecast as the capitalization of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally-generated intangible assets is based on the same data.

The Company's management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems after the time of recognition.

#### **4.25.2. Impairment of non-financial assets**

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows (see note 4.16). In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

the end of the reporting period, the Company performed the annual impairment test to determine whether the carrying amount of non-financial assets (intangible assets and goodwill) and investments in subsidiaries does not exceed the respective recoverable amount, taking into account factors that affect the economic environment in which the Company and its subsidiaries operate. They are related to the unstable economic situation that occurred worldwide as a result of a slowdown in economic growth and the subsequent military conflicts in the territory of Ukraine and the Middle East.

When forming its estimates, the management has taken into account the presence of existing and potential risks characterizing the economic situation in the country in 2025 (some of which are already happening). They are also confirmed by data from state institutions or regulatory bodies and are related to the escalation of military conflicts in Ukraine and the Middle East, postponement of the implementation of investment projects and preservation of the negligible investments in the economy from the last 3 years, return to political instability, high inflation and rising interest rates on loans, erosion of consumers' purchasing power and contraction of domestic consumption, recession in some of the major trading partners (Germany) and reduction of Bulgaria's exports to them, delayed implementation of the National Recovery Plan.

The results of the tests show that the carrying amount of the Company's non-financial assets and investments does not exceed their recoverable amount and, therefore, no significant impairment losses were recognized during the reporting period. Management's conclusions are also supported by valuations by an independent external appraiser based on a combination of the net asset value method and the estimated cash flow method at a discount factor between 8-15%. In determining the applicable discount factor, an adjustment has been made in relation to market risk, the uncertain business environment and risk factors that are specific to individual enterprises - units generating cash flows. The wide differences in the expected economic development of the country in 2025 (as well as in the near future) are an indicator of the increased risks facing the Bulgarian economy, as well as the high uncertainty regarding the economic development of Bulgaria's economic partners – mainly the EU countries.

The Company has not incurred an impairment loss on non-current assets in 2025 and 2024, in order to reduce the carrying amount of non-current assets and investments in subsidiaries to its recoverable amount.

#### **4.25.3. Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting date.

At 31 December 2025 management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analysed in notes 7,8 and 11. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

#### **4.25.4. Measurement of expected credit losses**

Credit losses are the difference between all contractual cash flows due to the Company and all cash flows that the Company expects to receive. Expected credit losses are a probability-weighted estimate of credit losses that require the Company's judgment. Expected credit losses are discounted at the original effective interest rate (or the credit-adjusted effective interest rate for purchased or initially created financial assets with credit impairment).



## 5. Segment reporting

Management currently identifies the following company operating segments as further described in note 4.4. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

Segment information can be analyzed as follows for the reporting periods under review:

	System Integration	Hospitality	Financial Industry	IT Services	Strategic development	Total
31.12.2025	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Revenue from:						
- external customers	50 585	10 597	14 525	13 117	14 931	103 755
<b>Segment revenues</b>	<b>50 585</b>	<b>10 597</b>	<b>14 525</b>	<b>13 117</b>	<b>14 931</b>	<b>103 755</b>
Cost of materials and cost of goods sold	(42 225)	(3)	(1)	(3)	(544)	(42 776)
Hired services expenses	(2 852)	(3 653)	(2 567)	(3 050)	(2 858)	(14 980)
Employee benefits expense	(1 934)	(6 235)	(10 322)	(8 474)	(10 237)	(37 202)
Depreciation and amortisation of non-financial assets	(51)	(524)	(684)	(579)	(998)	(2 836)
Other expenses	(17)	(33)	(27)	(53)	(1 676)	(1 806)
<b>Segment operating profit</b>	<b>3 506</b>	<b>149</b>	<b>924</b>	<b>958</b>	<b>(1 382)</b>	<b>4 155</b>

	System Integration	Hospitality	Financial Industry	IT Services	Strategic development	Total
31.12.2024	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Revenue from:						
- external customers	16 289	3 193	3 605	2 548	7 375	33 010
<b>Segment revenues</b>	<b>16 289</b>	<b>3 193</b>	<b>3 605</b>	<b>2 548</b>	<b>7 375</b>	<b>33 010</b>
Cost of materials and cost of goods sold	(15 436)	-	(5)	-	(187)	(15 628)
Hired services expenses	(247)	(797)	(574)	(350)	(1 748)	(3 716)
Employee benefits expense	(279)	(1 663)	(1 653)	(1 390)	(3 556)	(8 541)
Depreciation and amortisation of non-financial assets	-	-	-	-	(1 130)	(1 130)
Other expenses	(2)	(5)	(13)	(63)	(468)	(551)
<b>Segment operating profit</b>	<b>325</b>	<b>728</b>	<b>1 360</b>	<b>745</b>	<b>286</b>	<b>3 444</b>

The Company's revenues from external customers are divided into the following geographical areas:

	2025 BGN'000	2024 BGN'000
Bulgaria (domicile)	71 956	24 558
USA	8 967	2 118
UK	7 398	1 715
Other countries	15 434	4 619
<b>Total</b>	<b>103 755</b>	<b>33 010</b>

## 6. Goodwill

The Company's goodwill arose as a result of the business combination carried out in 2024, through the merger of six subsidiaries "Sirma CI" EAD, "Sirma InsurTech" EAD, "Sirma Solutions" EAD, "Sirma Business Consulting" EAD, "Sciart" EAD and "HRM Solutions" EAD into the parent company "Sirma Group Holding" AD .

	31.12.2025 BGN'000	31.12.2024 BGN'000
<b>Gross carrying amount</b>		
Balance as of January 1	24 464	-
Goodwill acquired as a result of a business combination including:	299	24 464
<i>Hospitality and Logistics (Sciart EAD)</i>	-	13 865
<i>System Integration and IT Services (Sirma Solutions EAD)</i>	-	7 871
<i>Insurance (Sirma InsurTech EAD)</i>	-	1 605
<i>Financial Industry (Sirma Business Consulting EAD)</i>	-	1 068
<i>IT Services (Duo Soft EOOD)</i>	299	-
<i>IT Services (Sirma CI EAD)</i>	-	55
Impairment of goodwill:		
<i>IT Services (Duo Soft EOOD)</i>	(199)	-
<b>Balance amount as of 31 December</b>	<b>24 608</b>	<b>24 464</b>



The recoverable amounts of the cash-generating units were determined based on value-in-use calculations, covering a detailed 5-year forecast, followed by an extrapolation of expected cash flows for the units' remaining useful lives using the growth rates determined by the management.

	<b>Growth rate</b>	<b>Discount factor</b>
	<b>2025</b>	<b>2025</b>
System Integration and IT Services (Sirma Solutions EAD)	10%	8.60%
Insurance (Sirma InsurTech EAD)	10%	8.60%
Financial Industry (Sirma Business Consulting EAD)	10%	8.60%
IT Services (Duo Soft EOOD)	6%	8%

Key assumptions of the management in preparing the impairment test reflect its forecasts and intentions regarding the future economic benefits that the Group expects to obtain through the use of trade experience, in-house brands, positions in Bulgarian and foreign markets and ultimately based on them expectations for future sales of cash-generating units.

The assessment of the recoverable amount of the cash-generating units varies depending on the discount factor, but simulations show that it remains above the carrying amount of goodwill with a reasonable change in key assumptions. Management's analysis also takes into account the specifics of the economic environment and markets in which the Company operates, as well as geopolitical risks that would have a direct effect on the activities of the cash-generating units.

The results of the analysis and assessment show that an indication of impairment in the amount of BGN 155 thousand has been established, which is recognized in the line "Finance costs".



## 7. Property, plant and equipment

The Company's property, plant and equipment include buildings, facilities including a photovoltaic power plant, vehicles, office furniture, machinery and equipment, computer equipment, assets under construction, etc. The carrying amount can be analyzed as follows:

	Buildings	Facilities	Vehicles	Office equipment	Machinery	Computer equipment	Assets under construction	Right-of-use assets	Others	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>Gross carrying amount</b>										
Balance at 1 January 2025	7 562	311	705	711	359	2 209	12	795	641	13 305
Additions	399	-	284	23	225	182	114	1 175	32	2 434
Assets sold	-	-	(170)	(2)	(7)	(96)	-	-	-	(275)
Transfer to goods	-	-	-	-	-	(208)	-	-	-	(208)
Written off assets	-	-	-	(207)	(197)	-	(44)	(130)	(141)	(719)
In exploitation	-	-	-	-	-	12	-	-	-	12
Balance at 31 December 2025	7 961	311	819	525	380	2 099	82	1 840	532	14 549
Depreciation										
Balance at 1 January 2025	(1 411)	(7)	(473)	(462)	(340)	(1 792)	-	(146)	(227)	(4 858)
Depreciation	(79)	(3)	(97)	(76)	(16)	(243)	-	(538)	(77)	(1 129)
Depreciation written off	-	-	134	209	204	177	-	113	141	978
Balance at 31 December 2025	(1 490)	(10)	(436)	(329)	(152)	(1 858)	-	(571)	(163)	(5 009)
<b>Carrying amount at 31 December 2025</b>	<b>6 471</b>	<b>301</b>	<b>383</b>	<b>196</b>	<b>228</b>	<b>241</b>	<b>82</b>	<b>1 269</b>	<b>369</b>	<b>9 540</b>

	Buildings	Facilities	Vehicles	Office equipment	Machinery	Computer equipment	Assets under construction	Right-of-use assets	Others	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>Gross carrying amount</b>										
Balance at 1 January 2024	170	100	401	434	213	574	244	-	155	2 291
Additions	-	-	-	26	1	38	319	580	59	1 020
Acquired as a result of a business combination	809	-	304	208	127	1 597	13	215	170	3 443
Transfer from investment properties	6 551	-	-	-	-	-	-	-	-	6 551
In exploitation	32	211	-	43	18	-	(564)	-	257	-
Balance at 31 December 2024	7 562	311	705	711	359	2 209	12	795	641	13 305
Depreciation										
Balance at 1 January 2024	(31)	(2)	(158)	(242)	(209)	(543)	-	-	(49)	(1 234)
Acquired as a result of a business combination	(149)	-	(219)	(152)	(129)	(1 156)	-	(89)	(132)	(2 026)
Transfer from investment properties	(1 205)	-	-	-	-	-	-	-	-	(1 205)
Depreciation	(26)	(5)	(96)	(68)	(2)	(93)	-	(57)	(46)	(393)
Balance at 31 December 2024	(1 411)	(7)	(473)	(462)	(340)	(1 792)	-	(146)	(227)	(4 858)
<b>Carrying amount at 31 December 2024</b>	<b>6 151</b>	<b>304</b>	<b>232</b>	<b>249</b>	<b>19</b>	<b>417</b>	<b>12</b>	<b>649</b>	<b>414</b>	<b>8 447</b>



The carrying amount of property, plant and equipment pledged as collateral for loans (see note 20.1) is presented as follows:

	<b>Buildings</b>
	<b>BGN'000</b>
Carrying amount at 31 December 2025	<u>6 471</u>

All depreciation charges are included within “Depreciation and amortization of non-financial assets”. As at 31 December 2025 there were no material contractual commitments related to acquisition of items of property, plant and equipment.

Right-of-use assets are included in the net carrying amount of property, plant and equipment as follows:

	<b>Buildings</b>	<b>Vehicles</b>	<b>Total right-of-use assets</b>
	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>
<b>Gross carrying amount</b>			
Balance at 1 January 2025	710	85	795
Additions	1 083	92	1 175
Written off assets	(130)	-	(130)
Balance at 31 December 2025	<u>1 663</u>	<u>177</u>	<u>1 840</u>
Depreciation			
Balance at 1 January 2025	(108)	(38)	(146)
Depreciation	(531)	(7)	(538)
Depreciation written off	113	-	113
Balance at 31 December 2025	<u>(526)</u>	<u>(45)</u>	<u>(571)</u>
<b>Carrying amount at 31 December 2025</b>	<u>1 137</u>	<u>132</u>	<u>1 269</u>

	<b>Buildings</b>	<b>Vehicles</b>	<b>Total right-of-use assets</b>
	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>
<b>Gross carrying amount</b>			
Balance at 1 January 2024	-	-	-
Acquired as a result of a business combination	130	85	215
Additions	580	-	580
Balance at 31 December 2024	<u>710</u>	<u>85</u>	<u>795</u>
Depreciation			
Balance at 1 January 2024	-	-	-
Acquired as a result of a business combination	(65)	(24)	(89)
Depreciation	(43)	(14)	(57)
Balance at 31 December 2024	<u>(108)</u>	<u>(38)</u>	<u>(146)</u>
<b>Carrying amount at 31 December 2024</b>	<u>602</u>	<u>47</u>	<u>649</u>



## 8. Intangible assets

The carrying amounts for the reporting periods under review can be analysed as follows:

	Internally developed assets BGN'000	Intellectual property rights BGN'000	Software products BGN'000	Rights to software modules BGN'000	Assets under development BGN'000	Total BGN'000
<b>Gross carrying amount</b>						
Balance at 1 January 2025	4 632	22 570	1 560	8 609	1 576	38 947
Assets for completion	(4 170)	(740)	-	-	3 390	(1 520)
Written off assets	-	(3 173)	(327)	(3 945)	-	(7 445)
Commissioned, internally developed	3 030	1 572	-	-	(4 602)	-
Newly acquired assets	-	-	201	534	1 623	2 358
Balance at 31 December 2025	<b>3 492</b>	<b>20 229</b>	<b>1 434</b>	<b>5 198</b>	<b>1 987</b>	<b>32 340</b>
<b>Amortization and impairment</b>						
Balance at 1 January 2025	(1 308)	(18 000)	(1 560)	(7 369)	-	(28 237)
Amortization	(211)	(918)	(17)	(514)	-	(1 660)
Amortization written off	1 339	3 354	327	3 945	-	8 965
Balance at 31 December 2025	(180)	(15 564)	(1 250)	(3 938)	-	(20 932)
<b>Carrying amount at 31 December 2025</b>	<b>3 312</b>	<b>4 665</b>	<b>184</b>	<b>1 260</b>	<b>1 987</b>	<b>11 408</b>

	Internally developed software products BGN'000	Intellectual property rights BGN'000	Software products BGN'000	Rights to software modules BGN'000	Assets under development BGN'000	Total BGN'000
<b>Gross carrying amount</b>						
Balance at 1 January 2024	4 632	-	57	1 623	-	6 312
Acquired as a result of a business combination	-	22 570	1 503	6 986	1 012	32 071
Newly acquired assets	-	-	-	-	564	564
Balance at 31 December 2024	<b>4 632</b>	<b>22 570</b>	<b>1 560</b>	<b>8 609</b>	<b>1 576</b>	<b>38 947</b>
<b>Amortization and impairment</b>						
Balance at 1 January 2024	(1 047)	-	(57)	(983)	-	(2 087)
Acquired as a result of a business combination	-	(17 815)	(1 503)	(6 194)	-	(25 512)
Amortization for the year	(261)	(185)	-	(192)	-	(638)
Balance at 31 December 2024	(1 308)	(18 000)	(1 560)	(7 369)	-	(28 237)
<b>Carrying amount at 31 December 2024</b>	<b>3 324</b>	<b>4 570</b>	<b>-</b>	<b>1 240</b>	<b>1 576</b>	<b>10 710</b>

The newly acquired assets from the group Assets under development include capitalized expenses for remuneration of personnel engaged in their development in the amount of BGN 1 411 thousand (2024: BGN 564 thousand), expenses for external services in the amount of BGN 212 thousand.

The Company did not report expenses for research and development activities during the year. Internally generated software products represent the following intangible assets developed internally by the Company:

**Sirma.AI Enterprise** (Sirma AI) is an evolution of the existing SIRMA CLOUD PLATFORM into an AI platform, designed to meet the growing demands for automation, intelligent data processing and the implementation of advanced technologies necessary for competitiveness and innovation in the dynamic digital environment.

Sirma AI is a cutting-edge next-generation enterprise AI platform that enables organizations to build, deploy and scale intelligent AI agents, agent teams and agent workflows. The platform combines innovative AI technologies with enterprise security and flexible deployment options, offering both cloud (SaaS) and on-premises solutions that guarantee full control over the organization's data and AI operations.

Sirma AI revolutionizes the way enterprises interact with AI technologies, providing a unique combination of personalized AI agents, multimodal data processing and intelligent workflows. The platform is designed with a microservices-based architecture, providing easy scaling, integration of external systems and adaptability to changing business needs.

The main goal of the platform is to democratize access to advanced AI capabilities, allowing organizations without significant technical experience in the field of artificial intelligence to create and deploy complex AI solutions. Through an intuitive visual interface and pre-configured templates, users can quickly build specialized AI agents adapted to their specific business processes and industry requirements.



The platform consists of the following main software modules/components:

AI Agents and Agent Teams, Agent Workflows, Structured Data Extraction, Advanced RAG and Knowledge Management, Voice AI, Extensible Architecture, User Management and Security, System Administration and Monitoring;

**Sirma management reporting** includes processes, tools and technologies necessary to transform data into information, and information into knowledge and plans that imply quick and effective business actions and support the decision-making process.

It is through the developed reporting system that companies receive secure, consistent, comprehensible, easy to process and timely information, which creates prerequisites for an informed decision. Or:

- ✓ Supports making effective and informed decisions;
- ✓ Turns huge volumes of data into valuable business conclusions;
- ✓ Allows access, sharing, processing and analysis of data by the right people, at the right time and in the way they prefer;
- ✓ Provides a unified version of the truth;
- ✓ Preserves knowledge in the company;
- ✓ Saves time and effort of key figures in companies.

Sirma management reporting allows organizations to collect data from internal and external sources, prepare it for analysis, create and send requests to this data, and create reports, information boards (dashboards) and data visualization.

The Company's intellectual property rights represent rights to internally developed intangible assets from subsidiaries acquired in the business combination during the year. They include the following software products:

#### **Customer Intelligence Platform (CIP)**

The centralization of CIP transaction processes in a database, as well as the use of semantic technologies in the retrieval, analysis and interpretation of data from all sources, allows 360 ° view and various analyzes that facilitate individual behavioral targeting;

Extracting additional value from the data - built-in intelligent algorithms, analytical tools, as well as the ability to customize solutions tailored to the individual needs of the retailer, provide valuable insights and information. The focus on data, a deep understanding of customer behavior and motivation, along with seamless delivery management to end customers, will help merchants personalize communication, improve the user experience and manage their customer loyalty;

#### **RISK SCORE TOOLBOX (RSTBOX)**

The product is innovative solution to support the risk units in the Banks by providing them with a tool with which they can manage and monitor: KPM (credit portfolio model) Expected Default (PD) LGD (loss in case of default) EAD (Exposure at Default) counterparty identifier for each transaction.

#### **CEGATE solution**

CEGATE is an integrated software solution with a web-based interface for managing and delivering customer information from various publicly and regulated government sources that provide specialized information to individuals or companies. The sources of data are not limited to: NOI BNB NAP TR RegiX and others. The system is developed on the basis of a three-layer architecture and provides end users with the possibility of fully functional data management for customers of the financial institution. The solution implements all good practices in the management and processing of personal data and their protection. In addition, it provides REST communication capabilities and implementation of all messages. CEGATE is a module-based solution and provides an opportunity, in addition to working through a user interface, to implement communication and perform operations requests and transactions through APIs.

#### **DiGiBANK solution**

DiGiBANK is an integrated software solution with a web-based interface for managing various banking services and operations remotely and on the basis of the global Internet environment (www). The system is developed on the basis of a three-layer architecture and provides end customers with a (single page) interface. The solution implements all the best practices in the implementation of remote end-user work processes, ensuring the full level of security and authentication of end-users. creating and reporting reporting forms. DiGiBANK is a modular based solution and provides an opportunity, in addition to working through a user interface, to implement communication and perform request and transaction operations through APIs.

#### **REPXPRESS solution**

REPXPRESS is an integrated software solution with a web-based interface for managing Bank Statutory Reports to the BNB and the ECB. The system was developed on the basis of a three-layer architecture and implements all good practices in the implementation of the processes for creating and reporting reporting forms. When exchanging



reports, all guidelines and current regulations valid for financial institutions in the European Union and the Republic of Belarus are used. REPXPRESS is modular based and provides complete information and reporting forms by codes and inherent requisites or attributes established by the regulator in the established formats and periodicity.

#### **SCARDS solution**

SCARDS is an integrated software solution with a web-based interface for managing Bank cards. The system is implemented on the basis of a three-layer architecture and implements all good practices in the implementation of the processes in the life of the bank card as a payment instrument and related financial transfers (transactions). When exchanging transactions, ISO 8583 is used.

#### **UBXPAYMENTS solution**

UBXPAYMENTS is an integrated software solution with a web-based interface for managing bank payment services and operations. The system is developed on the basis of a three-layer architecture and provides end users with the possibility of fully functional management of the payment process. The solution implements all good practices in managing and processing payment instructions based on file exchange of messages in different formats: MTMXXML ISO20022. In addition, it provides REST communication capabilities and implementation of all messages.

#### **sHRedy**

sHRedy is an information system for the creation and storage of electronic documents in the worker's or employee's work file that meets the requirements of the NVISSSEDTDRS. After its completion, the information system will be offered as a subscription software product to insurers who wish to keep the employment records of their employees in the form of electronic employment records.

Through the information system, it will be possible to create, sign with an electronic signature, exchange between the parties to the employment relationship and store all types of electronic documents under Art. 6 para. 1 of NVISSSEDTDRS.

The information system will make it possible to upload and store documents submitted on paper by taking an electronic image of them with a scanning device in a form and in a way that allows their reading and storage according to Art. 11 para. 2 of NVISSSEDTDRS. This option will be available for all categories of documents under Art. 6 para. 1 of NVISSSEDTDRS existing on paper and not only for those "submitted" by the worker/employee.

The information system now makes it possible to use it through the developed mobile application; allows the use of the developed built-in ChatBot when there is ambiguity in the actions to be taken by the worker/prospective employee/employer.

#### **Sirma InSuite**

Sirma InSuite is a complete solution for business management in the insurance sector based on the "no-code" platform of the global technology company for low-code/no-code CRM systems and business process management Creatio. It uses Creatio's standard directly integrated CRM functionalities related to customer service, marketing and sales, upgrading them with additional developed ones related to the administration and management of basic insurance processes.

This is the first independently developed product of the company that integrates the professional expertise of the Sirma Insurtech team regarding the creation and implementation of modern technological corporate solutions and the long-term experience in the financial non-banking sphere, especially the insurance sector.

The product aims to help insurance companies easily integrate a CRM solution with existing insurance systems, which will lead to the automation of part of the business processes and increase efficiency, while at the same time improving the customer experience and increasing their satisfaction.

#### **Software platform CIM - Customer Intelligence and Monetization (B2B and B2C)**

CIM's core functionalities are based on a cognitive software platform that includes B2B and B2C sales; possibility to create online stores, mobile applications for online commerce (Mobile commerce); an intelligent chatbot trained both for customer service and for increasing sales (Chatbot commerce); real-time monitoring of unregistered site visitors and marketing tools to attract current customers Sales Force Speed (SFS); as well as self-service solutions (Kiosk commerce).

#### **Loyax**

The Loyax system consists of various modules, functions and components.

The system operates in an integrated infrastructure that includes a core system that hosts the Loyax website, a loyalty management system and a mini customer relationship management system.

Loyax is aimed at business customers as a place to set up loyalty programs and advertising, and at individuals as a place to search for business locations or subscribe to event notifications.



The Company has not entered into material contractual commitments to acquire intangible assets as of 31 December 2025.

All amortization expenses are included within “Depreciation and amortization of non-financial assets” in the separate statement of profit or loss and other comprehensive income.

No intangible assets have been pledged as security for liabilities.

## 9. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Name of the subsidiary	Country of incorporation and principal place of business	Main activities	31.12.2025	31.12.2025 share	31.12.2024	31.12.2024 share
Saifort EAD	Bulgaria	Software services	17 865 (5 360)	100%	17 865 (5 360)	100%
Impairment Roweb Development	Romania	Software services	11 368	51,00%	11 210	51,00%
Sirma Group Inc.	USA	Software services	6 537	100%	6 537	100%
Sirma Tech Ltd.	UK	Software services	1 402 (25)	100%	1 402 (25)	100%
Impairment Daticum AD	Bulgaria	Software services	468 (249)	59%	468 (249)	59%
Impairment "Sirma ICS" AD	Bulgaria	Software services	279	93,00%	279	93,00%
Sciant Shpk	Albania	Software services	256	100%	256	100%
“Sirma Medical Systems” AD	Bulgaria	Software services	66 (59)	66,00%	66 (44)	66,00%
Impairment “EngView Systems” AD	Bulgaria	Software services	50	72,90%	50	72,90%
Sirma Sha Shpk.	Albania	Software services	25	55%	-	-
“Sirma ISG” OOD	Bulgaria	Software services	4 (4)	71%	4 (4)	71%
Impairment “Sirma AB”	Sweden	Software services	-	-	338	100%
Sirma FZE	UAE	Software services	-	100%	-	-
<b>Total</b>			<b>32 872</b>		<b>33 042</b>	

By decision of the Board of Directors of the Company dated 05.08.2025, the Company sold its investment in "Sirma AB" Sweden. The result of the transaction is a profit of 2 thousand BGN.

By decision of the Board of Directors of the Company dated 22.10.2025, a decision was made to establish a subsidiary "Sirma FZE" in Dubai with a capital of 100 000 dirhams. The capital is divided into 100 shares with a nominal value of 1 000 dirhams each. The Company has no legal requirement to contribute the capital of "Sirma FZE" and accordingly, at the end of the reporting period, the capital was not contributed. For this reason, the value of the investment in “Sirma FZE” is 0 BGN.

By decision of the Board of Directors dated 10.06.2025, the Company acquires 550 shares of the share capital of Sirma Sha each with a nominal value of 10 716,42 Albanian Lek, representing 55% of the share capital of the Company. The purchase price of the shares is 25 thousand BGN (15 thousand USD).

On 23.10.2024, the Company acquired 51% of the shares of Roweb Development, a company registered in Romania. The total acquisition price of the investment at the time of acquisition is 11 210 thousand BGN, including the commission costs upon acquisition of the company in the amount of 234 thousand BGN. The payment for the acquired shares is in two tranches. The first, worth 7 792 thousand BGN, was paid on the acquisition date of 23.10.2024. The second payment due, after final price adjustment, worth 3 576 thousand BGN, was paid in 2025. The completion of the transaction with the final payment and price adjustment according to the terms of the contract led to an increase in the investment. As a result of the final price adjustment, the value of the investment in 2025 increased by BGN 158 thousand.



Investments in subsidiaries are reflected in the Company's separate financial statements at cost.

In 2025, dividends of 2 550 thousand BGN (2024: 1 390 thousand BGN) from investments in subsidiaries were distributed to the Company, presented on the line Finance income in the statement of profit or loss and other comprehensive income.

The shares of the subsidiaries are not traded on a regulated market. The Company has contingent liabilities as a guarantor of loans granted to subsidiaries, presented in note 35.

As disclosed in note 4.25.2, management has analyzed the recoverable amount of investments in subsidiaries based on the net assets of the respective company at the end of the annual period. The specifics of each company's activities, plans and forecasts for their development and the potential effects of the existing macroeconomic environment, which could be significantly affected by the current geopolitical tension, have also been taken into account. The investments are in companies operating in the field of information and communication technologies, which is one of the industries little affected by the war between Russia and Ukraine. The conflict in the Middle East, however, has an impact on the expected development of one of the subsidiaries, which has concluded contracts for the provision of services to counterparties in the conflict area. After the analysis, the Company has determined that the recoverable amount of the investments exceeds their carrying amount.

#### 10. Investments in associates

As a result of the business combination, as disclosed in Note 1, the Company acquired 4.4% of the capital of SEP Bulgaria AD, classified as an investment in an associate. The investment was fully impaired by one of the merging companies prior to the transformation.

#### 11. Investment property

Investment properties are specially detached parts of buildings for self-operation, intended for long-term rent to subsidiaries and third parties. The investment properties have a total built-up area of 5 522 square meters and are part of a business building in Mladost district, Sofia.

Changes to the carrying amounts presented in the separate statement of financial position can be summarized as follows:

	<b>Investment property BGN'000</b>
<b>Gross carrying amount</b>	
Balance at 1 January 2025	4 703
Balance at 31 December 2025	<u>4 703</u>
<b>Depreciation</b>	
Balance at 1 January 2025	(510)
Depreciation	(47)
Balance at 31 December 2025	<u>(557)</u>
<b>Carrying amount at 31 December 2025</b>	<u>4 146</u>
	<b>Investment property BGN'000</b>
<b>Gross carrying amount</b>	
Balance at 1 January 2024	11 254
Transfer to own buildings as a result of the business combination	(6 551)
Balance at 31 December 2024	<u>4 703</u>
<b>Depreciation</b>	
Balance at 1 January 2024	(1 616)
Transfer to own buildings as a result of the business combination	1 205
Depreciation	(99)
Balance at 31 December 2024	<u>(510)</u>
<b>Carrying amount at 31 December 2024</b>	<u>4 193</u>

Towards the end of 2025 and 2024 there was not investment properties pledged as security for borrowings.

The fair value of the investment properties, reported according to the acquisition price model, as of the date of the financial statement amounts to BGN 6 499 thousand (2024: BGN 6 395 thousand). The market valuation was carried out in March 2026 by a licensed valuer "Bright Consult" OOD and the valuation method used is the income method.

Rental income of BGN 309 thousand (2024: BGN 579 thousand) is shown in the interim separate statement of profit or loss and other comprehensive income on the line "Other income". They include lease payments not dependent on an index or rate. Direct operating expenses of BGN 103 thousand are reported within "Other



expenses” (2024: BGN 92 thousand), of which none relate to unleased properties that do not generate rental income in 2025 (2024: BGN 0 thousand).

Future minimum lease rentals are as follows:

	Minimum lease income						Total BGN'000
	Within 1 year BGN'000	1-2 years BGN'000	2-3 years BGN'000	3-4 years BGN'000	4-5 years BGN'000	After 5 years BGN'000	
<b>31 December 2025</b>	309	309	309	309	309	618	2 163
<b>31 December 2024</b>	579	579	579	579	579	1 158	4 053

## 12. Deferred tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarized as follows:

Deferred tax liabilities (assets)	1 January 2025 BGN'000	Recognised in profit and loss BGN'000	31 December 2025 BGN'000
<b>Non-current assets</b>			
Property, plant and equipment, intangible assets, investment property	336	21	357
Impairment of investments	(675)	(1)	(676)
<b>Current assets</b>			
Trade and other receivables	(152)	76	(76)
Inventory	-	(2)	(2)
<b>Non-current liabilities</b>			
Pension and other employee obligations	(60)	(11)	(71)
<b>Current liabilities</b>			
Employee obligations	(197)	(32)	(229)
Leasing contracts liabilities	(1)	2	1
<b>Tax loss</b>	(297)	202	(95)
	<b>(1 046)</b>	<b>255</b>	<b>(791)</b>
Deferred tax assets	336		358
Deferred tax liabilities	(1 382)		(1 149)
Recognised as:			
<b>Net deferred tax (assets)</b>	<b>(1 046)</b>		<b>(791)</b>

Deferred taxes for the comparative period 31.12.2024 can be summarized as follows:

Deferred tax liabilities (assets)	1 January 2024 BGN'000	Acquired as a result of a business combination BGN'000	Recognised in profit and loss BGN'000	31 December 2024 BGN'000
<b>Non-current assets</b>				
Property, plant and equipment, intangible assets, investment property	118	126	92	336
Impairment of investments	(541)	(134)	-	(675)
<b>Current assets</b>				
Trade and other receivables	(5)	(144)	(3)	(152)
<b>Non-current liabilities</b>				
Pension and other employee obligations	(6)	(41)	(13)	(60)
<b>Current liabilities</b>				
Employee obligations	(9)	(327)	139	(197)
Leasing contracts liabilities	-	(1)	-	(1)
<b>Tax loss</b>	(388)	-	91	(297)
	<b>(831)</b>	<b>(521)</b>	<b>306</b>	<b>(1 046)</b>
Deferred tax assets	118			336
Deferred tax liabilities	(949)			(1 382)
Recognised as:				
<b>Net deferred tax (assets)</b>	<b>(831)</b>			<b>(1 046)</b>

All deferred tax assets and liabilities are included in the separate statement of financial position.

As of 31.12.2025 the Company's tax losses amounted to BGN 953 thousand (2024 - BGN 2 970 thousand). The utilization of the deferred tax asset depends on the realization of future taxable profits. The period in which the Company has the right to deduct tax losses is in the next 5 financial years.

Year of occurrence of tax loss	Amount (BGN'000)	Right of use until:
2024	953	2028
	<b>953</b>	



### 13. Inventory

Inventory recognized in the consolidated statement of financial position consist of the following:

	31 December 2025 BGN'000	31 December 2024 BGN'000
Computers, laptops	3 095	1 260
Computer components	236	274
Materials and consumables, spare parts	52	29
	<u>3 383</u>	<u>1 563</u>

In 2025, a total of BGN 42 370 thousand of inventory was included in profit and loss as an expense (2024: BGN 15 422 thousand).

None of the inventories at 31 December 2025 are pledged as securities for liabilities.

### 14. Trade receivables

	31 December 2025 BGN'000	31 December 2024 BGN'000
Trade receivables, gross amount before impairment	9 913	10 213
Impairment losses on trade receivables	(346)	(272)
<b>Trade receivables, net</b>	<u>9 567</u>	<u>9 941</u>
Legal receivables, gross amount before impairment	-	19
Impairment losses on legal receivables	-	(19)
Other financial receivables, gross amount before impairment	282	282
Impairment losses on other financial receivables	(282)	(282)
Deposit receivables	762	-
<b>Other financial receivables, net</b>	<u>762</u>	<u>-</u>
<b>Current trade and other financial receivables, net</b>	<u>10 329</u>	<u>9 941</u>

The movement in the allowance for credit losses can be reconciled as follows:

	2025 BGN'000	2024 BGN'000
Balance at 1 January	(573)	(23)
Acquired as a result of a business combination	-	(536)
Amounts written off (uncollectible)	37	38
Recovery of impairment loss	19	-
Expected credit losses	(111)	(52)
<b>Balance at 31 December</b>	<u>(628)</u>	<u>(573)</u>

The net book value of trade receivables is assumed to be a reasonable approximation of their fair value.

All trade receivables of the Company have been reviewed for indicators of impairment. They have applied simplified approach for determining the expected credit losses at the end of the period.

An analysis of unimpaired trade receivables that are past due is presented in note 38.2.

### 15. Prepayments and other assets

	31 December 2025 BGN'000	31 December 2024 BGN'000
Advances for delivery of goods and services	2 009	69
Prepaid amounts to subcontractors	716	315
Prepaid expenses	270	199
Deposits paid	81	212
Reimbursable taxes	14	39
<b>Other assets, non-financial</b>	<u>3 090</u>	<u>834</u>



## 16. Cash and cash equivalents

Cash and cash equivalents include the following components:

	31 December 2025 BGN'000	31 December 2024 BGN'000
Cash at bank and in hand:		
- BGN	4 500	7 057
- EUR	1 573	1 553
- GBP	1	1
- USD	1 705	1 342
<b>Cash and cash equivalents</b>	<b>7 779</b>	<b>9 953</b>

The Company has evaluated the expected credit losses on cash and cash equivalents. The estimated amount is less than 0.1% of the gross amount of cash deposited in financial institutions, which is therefore considered to be immaterial and has not been accounted for in the financial statements of the Company.

The company has no blocked cash or cash equivalents.

## 17. Equity

### 17.1. Share capital

The share capital of “Sirma Group Holding” AD consists only of 59 360 518 fully paid ordinary shares with a nominal value of BGN 1. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders meeting of the Company.

	2025 Number of shares	2024 Number of shares
Number of shares issued and fully paid:		
- beginning of the year	59 360 518	59 360 518
Number of shares issued and fully paid	59 360 518	59 360 518
<b>Total number of shares authorized as at 31 December</b>	<b>59 360 518</b>	<b>59 360 518</b>

A detailed list of shareholders is presented in Note 1.

### 17.2. Treasury shares

As of 31.12.2025 „Sirma Group Holding“ AD holds 1 569 069 (31.12.2024 - 1 689 236) repurchased own shares at the total amount of BGN 1 569 069 (2,64% of share capital). In relation with the buyback of its own shares, the Company formed a reserve in the amount of BGN 180 thousand, reported in "Premium reserve" in the separate statement of financial position.

Type of deal	Date of buy back/sale	Number of buy back of own shares	Price per share buyback of own shares	% of share capital of the Company	Total amount of buyback BGN
Sale	09.04.2025	400 000	1	0,67%	400 000
Purchase	29.05.2025	9 500	1,4168	0,016%	13 460
Purchase	30.05.2025	63 000	1,4456	0,12%	91 073
Purchase	09.06.2025	40 000	1,4916	0,07%	59 665
Purchase	24.06.2025	19 958	1,405	0,03%	28 041
Purchase	07.08.2025	19 709	1,3948	0,03%	27 491
Purchase	26.08.2025	56 060	1,40	0,09%	78 473
Purchase	13.10.2025	15 000	1,38	0,025%	20 700
Purchase	17.11.2025	31 606	1,67	0,05%	52 782
Purchase	16.12.2025	25 000	1,73	0,04%	43 250

As of 31.12.2024 „Sirma Group Holding“ AD holds 1 689 236 (31.12.2023 - 1 780 407) treasury shares at the total amount of BGN 1 689 236 (2,85% of share capital). In relation with the buyback of its own shares, the Company formed a reserve in the amount of BGN 260 thousand, reported in "Premium reserve" in the separate statement of financial position.



Type of deal	Date of buy back/sale	Number of buy back of own shares	Price per share buyback of own shares	% of share capital of the Company	Total amount of buyback BGN
Purchase	24.01.2024	1 000 000	0,74	1,68%	740 000
Sale	28.05.2024	500 988	0,85	0,84%	425 840
Sale	02.07.2024	590 183	0,96	0,99%	566 576

### 17.3. Share premium reserve

The share premium reserve in the amount of BGN 5 836 thousand (2024: BGN 6 016 thousand) consists of reserves from initial valuation of contributed fixed assets in the amount of BGN 3 619 thousand and reserves from issue of shares in the amount of BGN 2 217 thousand.

### 17.4. Other reserves

The other reserves consist of legal reserves set aside according to Art. 246 of the Commercial Law over the years as follows:

	Legal reserves BGN'000	Share-based payment reserve BGN'000	Total BGN'000
<b>Balance at January 1 2025</b>	1 609	-	1 609
Allocation of reserves	325	550	875
<b>Balance at 31 December 2025</b>	<b>1 934</b>	<b>550</b>	<b>2 484</b>
<b>Balance at January 1 2024</b>	1 458	-	1 458
Allocation of reserves	151	-	151
<b>Balance at 31 December 2024</b>	<b>1 609</b>	<b>-</b>	<b>1 609</b>

In relation with the implementation of its remuneration policy, in 2025, following a decision taken by the General Meeting, the Company has an obligation to form a reserve for share-based payment, described in detail in note 19.2.

### 18. Provisions

The Company's provisions at the amount of BGN 77 thousand as of 31.12.2024 represent provisions for warranty support under a 2019 contract for a guarantee for good performance of hardware and software of one of the subsidiaries, which was merged into “Sirma Group Holding” AD during the year. The warranty support period is 5 /five/ years from the commissioning of the hardware equipment and software in 2020 and in 2025 the provision is fully recognized.

### 19. Employee remuneration

#### 19.1. Employee benefits expense

Expenses recognised for employee benefits include:

	2025 BGN'000	2024 BGN'000
Salary expenses	(34 405)	(8 290)
Social security expenses	(3 658)	(815)
- <i>pension - defined contribution plans</i>	(83)	(120)
Share-based payment expenses	(550)	-
Employee benefit expenses, capitalized in development for internally developed intangible assets	1 411	564
<b>Employee benefits expense</b>	<b>(37 202)</b>	<b>(8 541)</b>

#### 19.2. Share-based payments

Sirma Group Holding AD, as a public interest entity and in accordance with the requirements of the applicable legislation (Law on Public Offering of Securities and Ordinance No. 48 of 20.03.2013 on the requirements for remuneration, issued by the Chairman of the Financial Supervision Commission), has developed a Remuneration Policy, which aims to determine clear and objective principles and requirements for the formation of remuneration for the members of the Board of Directors (BoD). According to Art. 116c, para. 1 of the Public Offering of Securities Act, the Company's Articles of Association and the Policy, the determination of the amount of remuneration for the members of the BoD, their right to receive a share of the profit and their right to acquire shares or debt instruments



of the Company is the authority of the General Meeting. The company may pay the members of the Board of Directors of the company both fixed (fixed) and variable remuneration in the form of premiums, bonuses, retirement benefits, and other material incentives, which are given on the basis of criteria for assessing the performance of the activity. Variable remuneration is short-term and long-term. Short-term remuneration is paid in cash, and long-term - in the form of shares or options from the company's capital. The payment of variable remuneration is made in accordance with objective and measurable criteria for achieved results and non-financial indicators, which aim to promote the stability of the company in the long term and are relevant to the long-term activities of the company. By decision of the regular annual General Meeting of Shareholders of Sirma Group Holding AD, held on 03.06.2025, a Scheme for the provision of long-term variable remuneration in the form of shares for 2024 was approved. The Scheme was prepared in accordance with the rules and basic principles of the Remuneration Policy, as well as the long-term business development plans of the Sirma Group Holding AD Group. It sets out the criteria for assessing the performance of the members of the Board of Directors on an annual basis for the calendar year 2024, on the basis of which the provision and amount of remuneration in shares was determined. The General Meeting reviewed the results achieved and approved the implementation of the criteria under the Scheme for 2024, as a result of which a decision was made to provide long-term remuneration based on shares.

These criteria are:

Financial criteria:

- ✓ Achieving growth compared to the previous year in the company's market capitalization, calculated on the basis of the average market price per share for a given reference period;
- ✓ Achieving growth in consolidated revenues greater than the target growth of 10% (ten percent) compared to the previous financial year;

Non-financial criteria:

- ✓ Implementation of technological innovation and product development;
- ✓ Imposing high standards of corporate governance;
- ✓ Integration of corporate social responsibility into the daily management practice of the company;
- ✓ Stable and sustainable development of the company in economic, social and environmental aspects;
- ✓ Preparation and publication of a consolidated non-financial statement for 2024.
- ✓ Adequacy of the administrative, organizational and reporting structures of the company and ensuring maximum efficiency of the company's activities;

The terms and conditions for the implementation of the Scheme are determined in view of the Group's development strategy and are different for the members of the Board of Directors, taking into account their functions, their interrelationship and the overall result achieved on their basis for the Company and the companies of its Group; The maximum number of shares of the Company's capital to be granted as remuneration to the members of the Board of Directors amounts to 496,982 shares, which as of the date of the decision do not exceed the maximum permissible amount of 1% of the registered capital of the Company. The shares are granted depending on the fulfillment of the criteria for the achieved results of the members of the Board of Directors of the Company, namely:

- Tsvetan Borisov Aleksiev – Executive Director
- Georgi Parvanov Marinov – Chairman
- Chavdar Velizarov Dimitrov – member of the Board of Directors;
- Atanas Kostadinov Kiryakov – member of the Board of Directors;
- Martin Veselinov Paev – member of the Board of Directors;
- Vesselin Anchev Kirov – member of the Board of Directors;
- Peyo Vassilev Popov – member of the Board of Directors
- Yavor Lyudmilov Dzhonev – member of the Board of Directors
- Yordan Stoyanov Nedev - member of the Board of Directors

The transfer of shares to the ownership of the members of the Board of Directors shall be carried out no earlier than three years after the date of the decision of the General Meeting of Shareholders to grant them, i.e. no earlier than 03.06.2028.

The value of the long-term remuneration is determined based on the fair value of 1 share of the Company, which on 03.06.2025 is BGN 1,5285/share.

The Company has made an accrual for the share-based payments, which is estimated at the fair value of 359,762 shares at the amount of BGN 1,5285/share. The distribution date is 03.06.2025. The accrual is recognized as personnel compensation expenses in profit and as an increase in the share-based payment reserve.

### 19.3. Pension and other employee obligations

The liabilities for pension and other employee obligations recognised in the statement of financial position consist of the following amounts:



	31 December 2025 BGN'000	31 December 2024 BGN'000
<b>Non-current:</b>		
Compensations in compliance with Labour Code	729	627
<b>Non-current pension and other employee obligations</b>	<b>729</b>	<b>627</b>
<b>Current:</b>		
Payroll obligations	2 145	2 610
Social security obligations	553	489
Accrued holiday entitlement	1 643	1 316
<b>Current pension and other employee obligations</b>	<b>4 341</b>	<b>4 415</b>

The current portion of these liabilities represents the Company's obligations to its current employees that are expected to be settled during 2026. Other short-term employee obligations arise mainly from accrued holiday entitlement at the end of reporting date. As none of the employees has the right for early settlement of pension arrangements, the remaining part of pension obligations for defined benefit plans is considered non-current.

In accordance with the requirements upon termination of the employment relationship under Article 222, paragraph 2 and paragraph 3 of the Labour Code, the employee shall have the right to:

\* sickness benefit in the amount of his gross wage for a period of 2 months, if he has at least five years of service and has not received compensation on the same grounds in the last 5 years.

\* compensation, after acquiring the right to a pension for length of service and old age, irrespective of the reason for termination - in the amount of his gross salary for a period of 2 months, and if he worked with the same employer during the last 10 years of his work experience - compensation in the amount of his gross salary for a period of 6 months.

The event that gives rise to the obligation of the employer is the release of the person when he / she has acquired the right to a pension for length of service and old age. This requires an accurate prediction of the time of departure of employees, according to the time of occurrence of this right. The amount of the benefit is directly dependent on the person's length of service and, after a period of 10 years or more, future length of service does not affect the further amount of the obligation. In order to determine the exact amount of the obligation, it is necessary to forecast the amount of compensation at the future time when it will be due to the employee and this compensation must be discounted at the time of the assessment of the obligation.

As a result of the current employment contracts in the Company as of 31.12.2025, the payments upon retirement due to illness and due to reaching age and seniority, follow the amounts specified in Article 222, paragraph 2 and paragraph 3 of the Labour Code.

The mortality table reflects the probability that individuals will reach the specified retirement age. It is calculated for each person individually based on his / her gender and age at the time of the assessment. A table for mortality and average life expectancy of the population of Bulgaria of the National Statistical Institute for the period 2021-2023 was used.

On the basis of the information provided by the company on the number of people who left in the last year, the probability of leaving has been calculated. This probability is set in the projections for the future development of staff in relation to the group of voluntarily left and dismissed in this model as an arithmetic mean of 0,2745.

The likelihood of disability reflects the likelihood of a person falling into a state that prevents him from interacting with the environment, which in turn creates social, intellectual, physical or moral difficulties. The probability is calculated on the basis of statistical information received from the NCHI.

An effective annual interest rate of 3.0% was used to calculate the discount factor, which corresponds to a discount annual rate of 2.91%. The proposal made is based on the yield data of long-term government securities offered on the Bulgarian Stock Exchange and the forecast for a longer term, based on the recommendations of Article 78 of IAS 19 and Articles 80 and 81 of the IAS, since the discount rate should reflect the estimated time of payment of income.

According to the company's development plans, the current model envisages 1.5% annual growth of the average gross salary compared to the previous year. The amount of the expected increase in the basic salary is in line with the levels of remuneration in the company, remuneration in alternative companies on the same market, long-term expectations and projected inflation.

Acquisition of pension rights for length of service and age - according to the Social Insurance Code and the underlying plans for increasing the retirement age. If a person cannot qualify for a pension for length of service and old age from the social security services listed in the table, then he / she shall acquire a pension right upon reaching



the age of 65 and having at least 15 years of service. From 31.12.2015 the age from the previous sentence is increased from the first day of each following year by 2 months until reaching 67 years.

After determining the time of departure of employees who have acquired the right to a pension for length of service and age, the amount of the last salary can be predicted. The value of the gross salary at the time of the appraisal is multiplied by the projected percentage for growth of the salaries per year, for the period from the date of the appraisal to the foreseen moment of leaving the worker. The number of gross salaries due is directly dependent on the time served by the employer at the time of leaving. For employees who at the time of retirement will have ten or more years of service with the employer, compensation in the amount of six gross salaries is calculated, and for all others in the amount of two gross salaries.

The amount of the obligation can be divided into two main attributes related to demographic assumptions - gender and reason for payment of the obligation, with the present values of the respective payment obligations as of 31.12.2025:

Gender	Amount upon retirement for reaching length of service and old age in BGN	Amount upon retirement due to illness in BGN	Total amount
Female	313 052,66	5 163,62	318 216,28
Male	402 245,79	8 002,84	410 248,63
<b>Total</b>	<b>715 298,45</b>	<b>13 166,46</b>	<b>728 464,91</b>

The changes in the pension provisions in compliance with the Labour Code are summarized as follows:

	31 December 2025 BGN'000	31 December 2024 BGN'000
Retirement provisions at the beginning of the year	627	60
Effect of business combination	-	432
Increase in provisions as a result of employees reaching retirement age in the next five years	83	120
Interest expense	19	15
Retirement provisions at the end of the year	<b>729</b>	<b>627</b>

The total expenses of the Company's defined benefit plans recognized in profit or loss may be presented as follows:

	2025 BGN'000	2024 BGN'000
Current service expenses	83	120
Interest expenses	19	15
<b>Total expenses recognized in profit or loss</b>	<b>102</b>	<b>135</b>

Current and past service expenses are included in " Employee benefits expense". Net interest expense is included in the separate statement of profit or loss in the line "Finance costs" (see Note 29).

## 20. Borrowings

Borrowings include the following financial liabilities:

	Current		Non-current	
	31 December 2025 BGN'000	31 December 2024 BGN'000	31 December 2025 BGN'000	31 December 2024 BGN'000
Financial liabilities measured at amortized cost				
Bank loans	1 345	229	7 339	6 009
Interest on bank loans	15	10	-	-
<b>Total carrying amounts</b>	<b>1 360</b>	<b>239</b>	<b>7 339</b>	<b>6 009</b>

All loans are denominated in Bulgarian leva (BGN).



**20.1. Borrowings at amortized cost**

Bank	Type of loan	Currency	Total amount of credit (BGN)	Outstanding obligation at 31.12.2025 (BGN)	Date of contract	Interest rate	Maturity date	Pledges
“Unicredit BulBank” AD	Overdraft	BGN	6 000 000	-	12.12.2024	The applicable variable interest rate index and additional interest rate for regular debt for the relevant interest period.	12.12.2027	Pledge of receivables
United Bulgarian Bank AD	Bank credit	BGN	9 400 000	8 682 247,71	09.10.2024	Variable interest rate in the amount of UBB's short-term interest rate /SIP/ for the contract period plus an annual premium.	09.10.2032	Pledge of receivables, pledge of commercial enterprises, pledge of property
United Bulgarian Bank AD	Overdraft	BGN	8 000 000	-	10.10.2024	Variable interest rate in the amount of UBB's short-term interest rate /SIP/ for the contract period plus an annual premium.	10.10.2026	Pledge of receivables

The carrying values of borrowings are considered to be a reasonable approximation of fair value.



## 21. Lease liabilities

	31 December 2025 BGN'000	31 December 2024 BGN'000
Lease liabilities – non-current portion	691	515
Lease liabilities – current portion	736	322
<b>Lease liabilities</b>	<b>1 427</b>	<b>837</b>

Future minimum lease payments at 31 December were as follows:

	Minimum lease payments due					Total BGN'000
	Within 1 year BGN'000	1-2 years BGN'000	2-3 years BGN'000	3-4 years BGN'000	4-5 years BGN'000	
<b>31 December 2025</b>						
Lease payments	755	376	183	71	82	1 467
Finance charges	(19)	(11)	(6)	(3)	(1)	(40)
<b>Net present values</b>	<b>736</b>	<b>365</b>	<b>177</b>	<b>68</b>	<b>81</b>	<b>1 427</b>
<b>31 December 2024</b>						
Lease payments	334	243	192	88	5	862
Finance charges	(12)	(7)	(4)	(2)	-	(25)
<b>Net present values</b>	<b>322</b>	<b>236</b>	<b>188</b>	<b>86</b>	<b>5</b>	<b>837</b>

Interest expense on leases included in the finance costs for the period ended 31 December 2025 was BGN 19 thousand (2024: BGN 9 thousand).

Total cash outflow for leases for the period ended 31 December 2025 was BGN 705 thousand (2024: BGN 119 thousand).

## 22. Trade and other payables

	31 December 2025 BGN'000	31 December 2024 BGN'000
<b>Non-current:</b>		
Trade payables	8 829	9 198
Liability for acquisition of a subsidiary Investments in subsidiaries	1 271	4 169
<b>Financial liabilities</b>	<b>10 100</b>	<b>13 367</b>
Tax payables	609	803
Other liabilities	-	8
<b>Non-financial liabilities</b>	<b>609</b>	<b>811</b>
<b>Current trade and other payables</b>	<b>10 709</b>	<b>14 178</b>

According to an agreement for the acquisition of shares from the share capital of Sirma Tech Ltd. from 21.08.2024, the company must pay one of the shareholders a liability in the amount of BGN 1 271 thousand.

The carrying values of current trade and other payables are considered to be a reasonable approximation of fair value.

## 23. Contract liabilities

	31 December 2025 BGN'000	31 December 2024 BGN'000
Contract liabilities – advances received for delivery of IT services	4 465	2 240
<b>Total contract liabilities</b>	<b>4 465</b>	<b>2 240</b>



## 24. Revenues from sales

Revenues from sales by product line includes:

Product lines	2025 BGN'000	2024 BGN'000
Sale of IT equipment	47 227	15 985
Software services	43 212	10 146
Subscriptions	8 189	1 211
Support	1 605	747
System Integration	870	-
Licenses	413	-
Administrative and accounting services	421	2 529
Hosting	262	52
Cloud services	9	9
Others	56	133
	<b>102 264</b>	<b>30 812</b>

The Company presents revenues from the sale of goods and services at a point in time and over time in the following product lines and geographical regions:

2025	Sale of IT equipment				Rendering of services				Total BGN'000
	Bulgaria BGN'000	Europe BGN'000	USA BGN'000	Others BGN'000	Bulgaria BGN'000	Europe BGN'000	USA BGN'000	Others BGN'000	
Revenue from contracts with customers	44 383	849	1 086	909	27 030	18 582	6 988	2 437	102 264
Revenue recognition									
As a point in time	44 383	849	1 086	909	-	-	-	-	47 227
Over time	-	-	-	-	27 030	18 582	6 988	2 437	55 037
2024	Sale of IT equipment				Rendering of services				Total BGN'000
	Bulgaria BGN'000	Europe BGN'000	USA BGN'000	Others BGN'000	Bulgaria BGN'000	Europe BGN'000	USA BGN'000	Others BGN'000	
Revenue from contracts with customers	14 456	38	-	1 491	7 726	4 197	2 118	786	30 812
Revenue recognition									
As a point in time	14 456	38	-	1 491	-	-	-	-	15 985
Over time	-	-	-	-	7 726	4 197	2 118	786	14 827

### 24.1. Revenue related to contract liabilities

	2025 BGN'000	2024 BGN'000
Recognized revenue included in the value of contract liabilities -		
Sales of IT equipment, licenses and support	2 240	661
	<b>2 240</b>	<b>661</b>

## 25. Other income

	2025 BGN'000	2024 BGN'000
Investment property rental income	309	579
Gain on sale of non-current assets	23	2
Revenue from financing	16	11
Interest income	2	6
Other revenues	1 141	210
	<b>1 491</b>	<b>808</b>

Other revenues in the amount of BGN 1 141 thousand (2024: BGN 210 thousand) represent on written-off provisions for impairment of receivables in the amount of BGN 911 thousand, written-off accruals for expenses in the amount of BGN 94 thousand, paid penalties on legal receivables in the amount of BGN 26 thousand and re-invoicing of expenses in the amount of BGN 110 thousand.



**26. Cost of materials**

	<b>2025</b> <b>BGN'000</b>	<b>2024</b> <b>BGN'000</b>
Electricity	(157)	(52)
Inventory	(68)	(39)
Advertising materials	(34)	(39)
Computer components	(34)	(4)
Heating	(22)	(13)
Office supplies	(20)	(8)
Hygienic materials	(18)	(12)
Water	(6)	(2)
Office repair and maintenance materials	(4)	(13)
Others	(43)	(24)
	<b>(406)</b>	<b>(206)</b>

**27. Hired services expenses**

	<b>2025</b> <b>BGN'000</b>	<b>2024</b> <b>BGN'000</b>
Software services	(9 250)	(1 605)
Consultancy services	(1 813)	(695)
Subscriptions	(1 034)	(191)
Sub - contracted operations as part of projects	(778)	(247)
Advertising	(382)	(117)
Hosting	(312)	(59)
Seminars and Training	(168)	(172)
Insurance	(154)	(29)
Audit	(137)	(96)
Rents	(131)	(91)
Intermediary Services	(129)	(51)
Mobile Phones	(117)	(33)
Commissions and Fees	(111)	(74)
Cleaning	(110)	(39)
Office Maintenance and Repair	(105)	(67)
Security	(82)	(30)
Software License Rental	(76)	(9)
Courier,transport	(72)	(18)
Internet	(56)	(36)
Recruitment	(54)	(15)
Parking	(31)	(6)
Car Maintenance and Repair	(12)	(12)
Notary Fees	(2)	(20)
Others	(54)	(4)
Hired services expenses capitalized in RD as internally developed intangible assets	190	-
	<b>(14 980)</b>	<b>(3 716)</b>

The fee for the independent financial audit of the separate and consolidated financial statements for 2025 is BGN 101 thousand excluding VAT (the fee for the separate and consolidated financial statements for 2024 is BGN 96 thousand excluding VAT). The auditor did not provide any other services other than the audit of the Company or its subsidiaries.

**28. Other expenses**

	<b>2025</b> <b>BGN'000</b>	<b>2024</b> <b>BGN'000</b>
Impairment of receivables	(617)	(76)
Social expenses	(388)	(121)
Entertainment expenses	(289)	(105)
Business trips	(246)	(113)
Local taxes and fees	(103)	(92)
Expenses without documents and unrelated to the activity	(55)	(17)
Taxes over expenses	(46)	(17)
Written off receivables	(24)	(6)
Trade contract penalties	(9)	(2)
Others	(29)	(2)
	<b>(1 806)</b>	<b>(551)</b>



## 29. Finance costs and finance income

	2025 BGN'000	2024 BGN'000
Expenses on transactions with shares	(579)	-
Interest expenses on loans	(224)	(40)
Goodwill impairment expenses	(155)	-
Interest expenses on leasing contracts	(19)	(9)
Investment in subsidiaries impairment expenses	(15)	-
Interest expenses - NRA	(6)	-
Interest expenses on deposits	(4)	(13)
<b>Total interest expenses for financial liabilities not at fair value through profit or loss</b>	<b>(1 002)</b>	<b>(62)</b>
Bank fees and commissions	(82)	(74)
Loss on foreign currency financial liabilities	(684)	-
Interest expense on defined benefit obligation	(19)	(15)
<b>Finance costs</b>	<b>(1 787)</b>	<b>(151)</b>
	<b>2025</b>	<b>2024</b>
	<b>BGN'000</b>	<b>BGN'000</b>
Dividend income	2 550	-
Gains on foreign currency	-	261
Other	-	9
<b>Finance income</b>	<b>2 550</b>	<b>270</b>

## 30. Expenses for income taxes

The relationship between the expected tax expense based on the applicable tax rate in Bulgaria of 10% (2024: 10%) and the reported tax expense in profit or loss can be reconciled as follows:

	2025 BGN'000	2024 BGN'000
Profit before tax	4 918	3 563
Tax rate	10%	10%
<b>Expected tax expense</b>	<b>(492)</b>	<b>(356)</b>
Tax effect of:		
Increase of the financial result for tax purposes	(455)	(132)
Decrease of the financial result for tax purposes	947	488
<b>Current tax expense</b>	<b>-</b>	<b>-</b>
Deferred tax income:		
Origination and reversal of temporary differences	(53)	(215)
Deduction of unrecognized tax losses	(202)	(91)
<b>Expenses for income taxes</b>	<b>(255)</b>	<b>(306)</b>

## 31. Earnings per share and dividends

### 31.1. Earnings per share

Basic earnings per share has been calculated using the profit attributed to shareholders of the Company as the numerator.

The weighted average number of outstanding shares used for basic earnings per share as well as profit attributable to shareholders are as follows:

	2025	2024
Profit attributable to the shareholders (BGN)	4 663 208	3 256 810
Weighted average number of outstanding shares	57 853 687	57 235 003
<b>Basic earnings per share (BGN per share)</b>	<b>0,0806</b>	<b>0,0569</b>

The weighted average number of common shares outstanding for the year is defined as the number of common shares outstanding at the beginning of the year, adjusted by the number of common shares repurchased during the year, multiplied by the time averaging factor. The average time factor is equal to the number of days that the particular shares were in circulation, divided by the total number of days during the year.



### 31.2. Dividends

In 2025 the Company has distributed dividends to its owners in the amount of BGN 1 160 thousand (2024: BGN 1 154 thousand). This amount is a payment of BGN 0,020 per share (2024: BGN 0,019). The dividends paid amount to BGN 1 116 thousand (2024: BGN 1 245 thousand). Withholding tax for individuals was in the amount of BGN 53 thousand.

### 32. Related party transactions

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

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

#### 32.1. Transactions with subsidiaries

	2025 BGN'000	2024 BGN'000
Purchases of goods and services		
Purchases of services:		
- Software services	(3 543)	(874)
- Internet	(47)	(34)
- Consulting services	(8)	(20)
- Subscriptions	(90)	(55)
- Hosting	(101)	(17)
- Intermediary services	(52)	(24)
- Software license rental	(35)	-
- Office supplies	-	(1)
Purchases of LTFA	-	(9)
Sales of goods and services		
Sales of services		
- Administrative, accounting services	428	2 525
- Rent	157	433
- Consulting services	-	6
- Software services	3 947	765
- Technical Support	-	5
- Subscriptions	17	9
Sales of goods:		
- Consumables	9	71
- Computer components	228	37
Dividends income	2 549	1 390
Dividends received	1 116	1 390
- Received deposits	250	3 297
- Refunded deposits received	(432)	(590)
- Loans given	(68)	(660)
- Refunded loans given	84	649
- Interest on received loans	(4)	(13)
- Interest on loans given	2	6

#### 32.2. Transactions with other related parties

	2025 BGN'000	2024 BGN'000
Sale of services		
- Administrative, accounting services	5	1
- Rent	17	8
- Software services	8	-
Sale of goods		
- Consumables	19	-
- Computer components	5	-

#### 32.3. Transactions with key management personnel

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

	2025 BGN'000	2024 BGN'000
Short-term employee benefits:		
Salaries including bonuses	(547)	(376)
Share-based payment expenses	(550)	-
Social security costs	(7)	(6)
<b>Total remunerations</b>	<b>(1 104)</b>	<b>(382)</b>



The company has paid dividends to key management personnel as of 31.12.2025 in the amount of BGN 434 thousand (2024 - BGN 655 thousand).

**33. Related party balances at the end of the period**

	31 December 2025 BGN'000	31 December 2024 BGN'000
<b>Non-current receivables from:</b>		
- subsidiaries including	304	354
- receivables from joint ventures	236	354
- loans	68	-
<b>Total non-current receivables from related parties</b>	<b>304</b>	<b>354</b>
<b>Current receivables from:</b>		
- subsidiaries:	5 231	3 285
- trade and other receivables	3 689	3 991
- impairment of trade receivables	(9)	(912)
- dividends	1 551	118
- loans	-	84
- interests	-	4
- other related parties under common control	184	318
- loans	295	295
- impairment of loans	(124)	(24)
- trade and other receivables	7	47
- interests	6	-
<b>Total current receivables from related parties</b>	<b>5 415</b>	<b>3 603</b>
<b>Total receivables from related parties</b>	<b>5 719</b>	<b>3 957</b>
<b>Non-current payables to:</b>		
- subsidiaries:	3 517	3 699
- deposits	3 517	3 699
<b>Total non-current payables to related parties</b>	<b>3 517</b>	<b>3 699</b>
<b>Current payables to:</b>		
- subsidiaries:	305	338
- trade and other liabilities	305	336
- interests	-	2
- other related parties under common control	88	99
- dividends	88	99
- key management personnel	7	7
<b>Total current payables to related parties</b>	<b>400</b>	<b>444</b>
<b>Total payables to related parties</b>	<b>3 917</b>	<b>4 143</b>

As at 31.12.2025 the Company reports the following given loans:

- to one subsidiary in the amount of BGN 68 thousand with maturity on 09.12.2028. Interest rate is 2.5%. There are no collaterals for the loans.
- to one related company under common control in the amount of BGN 295 thousand with maturity on 31.12.2025. Interest rate is 2%. There are no collaterals for the loans.

As at 31.12.2025 the Company reports the following non-current payables to related parties:

- deposits received from one subsidiary in the amount of BGN 3 267 thousand are with a maturity date of 31.12.2027 and interest in the amount of 0.1%.
- deposits received from one subsidiary in the amount of BGN 250 thousand are with a maturity date of 04.02.2027 and interest in the amount of 0.1%.

The Company's current payables as of 31.12.2025 in the amount of BGN 400 thousand are related to commercial transactions and dividends.

A simplified approach for determining the expected credit losses at the end of the period has been applied to all receivables from related parties of the Company.

A simplified approach has been applied to determine the expected credit losses at the end of the period for all receivables from related parties of the Company. The change in the amount of the allowance for expected credit losses on receivables from related parties can be presented as follows:



	<b>2025</b>	<b>2024</b>
	<b>BGN'000</b>	<b>BGN'000</b>
Balance as of January 1	(936)	(30)
Effect of a business combination	-	(892)
Amounts written off (uncollectible)	417	10
Reversal of impairment loss	892	-
Impairment loss	(506)	(24)
<b>Balance as of December 31</b>	<b>(133)</b>	<b>(936)</b>



### 34. Reconciliation of liabilities arising from financing activities

The changes in the Company’s liabilities arising from financing activities can be classified as follows:

	Long-term borrowings	Short-term borrowings	Interest on borrowings	Lease liabilities	Interest on lease agreements	Deposits liabilities	Interest on deposits	Dividends	Shares repurchased	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>1 January 2025</b>	<b>6 009</b>	<b>229</b>	<b>10</b>	<b>837</b>	<b>-</b>	<b>3 699</b>	<b>2</b>	<b>99</b>	<b>(1 689)</b>	<b>9 196</b>
<b>Cash flows:</b>										
Repayment	-	(227)	(219)	(686)	(19)	(432)	(6)	(1 116)	(415)	(3 120)
Proceeds	2 673	-	-	-	-	250	-	-	400	3 323
<b>Non-cash:</b>										
Accrual of dividends	-	-	-	-	-	-	-	1 160	-	1 160
Dividend tax withheld	-	-	-	-	-	-	-	(55)	-	(55)
Accrual of interest	-	-	224	-	19	-	4	-	-	247
New lease contracts concluded	-	-	-	1 276	-	-	-	-	-	1 276
Share issue reserve	-	-	-	-	-	-	-	-	135	135
Reclassifications	(1 343)	1 343	-	-	-	-	-	-	-	-
<b>31 December 2025</b>	<b>7 339</b>	<b>1 345</b>	<b>15</b>	<b>1 427</b>	<b>-</b>	<b>3 517</b>	<b>-</b>	<b>88</b>	<b>(1 569)</b>	<b>12 162</b>
	Long-term borrowings	Short-term borrowings	Interest on borrowings	Lease liabilities	Interest on lease agreements	Deposits liabilities	Interest on deposits	Dividends	Shares repurchased	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>1 January 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245</b>	<b>-</b>	<b>16 148</b>	<b>12</b>	<b>244</b>	<b>(1 781)</b>	<b>14 868</b>
<b>Cash flows:</b>										
Repayment	-	-	(30)	(110)	(9)	(590)	(23)	(1 245)	(740)	(2 747)
Proceeds	6 009	229	-	-	-	3 297	-	-	993	10 528
<b>Non-cash:</b>										
Effect of a business combination	-	-	-	122	-	(15 156)	-	-	-	(15 034)
Accrual of dividends	-	-	-	-	-	-	-	1 154	-	1 154
Dividend tax withheld	-	-	-	-	-	-	-	(54)	-	(54)
Accrual of interest	-	-	40	-	9	-	13	-	-	62
New lease contracts concluded	-	-	-	580	-	-	-	-	-	580
Share issue reserve	-	-	-	-	-	-	-	-	(161)	(161)
<b>31 December 2024</b>	<b>6 009</b>	<b>229</b>	<b>10</b>	<b>837</b>	<b>-</b>	<b>3 699</b>	<b>2</b>	<b>99</b>	<b>(1 689)</b>	<b>9 196</b>



### 35. Contingent assets and contingent liabilities

No contingent liabilities have arisen for the Company in relation to subsidiaries and associated enterprises, except for the guarantees on loans of subsidiaries described below:

Recipient of loan	Bank	Type of loan	Currency	Total amount of credit (in BGN)	Outstanding obligation to 31.12.2025 (in BGN)	Date of contract	Interest rate	Maturity date	Pledges
EngView Systems AD	Unicredit BulBank AD	Overdraft	BGN	1 000 000	-	15.12.2020	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	15.12.2026	Pledge of receivables

#### Litigations

No claims were brought against the Company.

#### Tax liabilities

The Company's management does not believe that there are significant risks as a result of the dynamic fiscal and regulatory environment in Bulgaria, which would require adjustments to the financial statements for the year ended 31 December 2025.



### 36. Non-cash transactions

During 2025 the Company did not carried out the following investment and financial transactions, at which no cash or cash equivalents were used and are not reflected in the separate Statement of Cash Flow:

- The company has concluded a contract for leasing cars and building in the amount of BGN 1 276 thousand.

The Company's non-cash transaction in 2024 represents the business combination of merging 6 subsidiaries into Sirma Group Holding AD , as disclosed in notes 1, 6 and 9. No payments were made for the acquisition of the net assets of the subsidiaries.

### 37. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

<b>Financial assets</b>	<b>31 December 2025 BGN'000</b>	<b>31 December 2024 BGN'000</b>
Trade and other receivables	9 567	9 941
Related party receivables	5 719	3 957
Cash and cash equivalents	7 779	9 953
	<b>23 065</b>	<b>23 851</b>
<b>Financial liabilities</b>	<b>31 December 2025 BGN'000</b>	<b>31 December 2024 BGN'000</b>
Financial liabilities measured at amortized cost		
Borrowings:	8 699	6 248
<i>non-current</i>	7 339	6 009
<i>current</i>	1 360	239
Lease liabilities:	1 427	837
<i>non-current</i>	691	515
<i>current</i>	736	322
Trade and other payables	10 100	13 367
Related party payables:	3 917	4 143
<i>non-current</i>	3 517	3 699
<i>current</i>	400	444
	<b>24 143</b>	<b>24 595</b>

See note 4.18 about information related to the accounting policy for each category financial instruments. Description of the risk management objectives and policies of the Company related to the financial instruments is presented in note 38.

### 38. Financial instrument risk

#### Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in note 37. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated at its headquarters, in close co-operation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed so that they have a long-term return.

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

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

#### 38.1. Market risk analysis

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



As the economic consequences of the war in Ukraine unfolded, strong inflationary pressures arose and annual inflation for the period December 2025 compared to December 2024, as measured by National Statistical Institute with the Harmonized Index of Consumer Prices (HICP) was 3,5%.

### 38.1.1. Foreign currency risk

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

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

	Short-term risk exposure	
	US Dollars (BGN'000)	British Pounds (BGN'000)
<b>31 December 2025</b>		
Financial assets	5 468	-
Financial liabilities	-	(22)
<b>Total exposure</b>	<b>5 468</b>	<b>(22)</b>

	Short-term risk exposure	
	US Dollars BGN'000	
<b>31 December 2024</b>		
Financial assets		6 728
Financial liabilities		(455)
<b>Total exposure</b>		<b>6 273</b>

The tables below show the sensitivity of the annual net financial result after taxes and equity to possible changes in the exchange rates of the Bulgarian lev against the following foreign currencies:

31 December 2025	Increase in the exchange rate of the Bulgarian lev		Decrease in the exchange rate of the Bulgarian lev	
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
US Dollars (+/- 7.7 %)	(378)	(378)	378	378
British Pounds (+/- 4.2 %)	1	1	(1)	(1)

31 December 2024	Increase in the exchange rate of the Bulgarian lev		Decrease in the exchange rate of the Bulgarian lev	
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
US Dollars (+/- 2.6 %)	(149)	(149)	149	149

The percentages are determined based on the average exchange rates for the last 12 months. All other parameters are assumed to be constant.

The sensitivity analysis is based on the Company’s investments in financial instruments in foreign currency held at the end of the reporting period.



### 38.1.2. Interest rate risk

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

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

The table presented below show the sensitivity of the annual net financial result after tax and equity to a likely change in interest rates on loans with a floating interest rate based on EURIBOR in the amount of +/- 2.3%. These changes are determined to be probable based on observations of current market conditions. The calculations are based on the change in the average market interest rate and on the financial instruments held by the Company at the end of the reporting period, which are sensitive to interest rate changes. All other parameters are assumed to be constant.

31 December 2025	Net financial result		Equity	
	increase in interest rate BGN'000	decrease in interest rate BGN'000	increase in interest rate BGN'000	decrease in interest rate BGN'000
Loans (EURIBOR 2.3 %)	(180)	180	(180)	180

31 December 2024	Net financial result		Equity	
	increase in interest rate BGN'000	decrease in interest rate BGN'000	increase in interest rate BGN'000	decrease in interest rate BGN'000
Loans (EURIBOR 2.3 %)	(129)	129	(129)	129

### 38.2. Credit risk

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

	31 December 2025 BGN'000	31 December 2024 BGN'000
<b>Financial assets</b>		
Trade and other receivables	9 567	9 941
Related parties receivables	5 719	3 957
Cash	7 779	9 953
	<b>23 065</b>	<b>23 851</b>

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

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

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

The Company uses an allowance account for recognized expected credit losses by type of receivables, with the reconciliation of the movement for 2025 and 2024 being presented in the table below:

	Trade and other receivables BGN'000	Related parties receivables BGN'000	Total BGN'000
<b>Balance as of 1 January 2025</b>	<b>(573)</b>	<b>(936)</b>	<b>(1 509)</b>
Loss recognized during the period	(111)	(506)	(617)
Amounts written off (uncollectible)	37	417	454
Reversal of impairment loss	19	892	911
<b>Balance as of 31 December 2025</b>	<b>(628)</b>	<b>(133)</b>	<b>(761)</b>



### 38.3. Liquidity risk

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

As at 31 December 2025, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

31 December 2025	Current		Non-current
	Within 6 months BGN'000	6 to 12 months BGN'000	1 to 5 years BGN'000
Loan liabilities	673	672	7 339
Lease liabilities	378	377	712
Trade and other payables	10 100	-	-
Related party payables	400	-	3 517
<b>Total</b>	<b>11 551</b>	<b>1 049</b>	<b>11 568</b>

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

31 December 2024	Current		Non-current
	Within 6 months BGN'000	6 to 12 months BGN'000	1 to 5 years BGN'000
Loan liabilities	120	119	6 009
Lease liabilities	167	167	528
Trade and other payables	13 367	-	-
Related party payables	444	-	3 699
<b>Total</b>	<b>14 098</b>	<b>286</b>	<b>10 236</b>

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

### Financial assets used for managing liquidity risk

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

### 39. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to the shareholder by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the correlation between adjusted capital and net debt. Net debt comprises of total liabilities, incl. total borrowings, trade and other payables less the carrying amount of cash and cash equivalents.

Company's goal is to maintain a capital-to-net debt ratio within reasonable limits.



The amount of the correlation for the presented accounting periods is summarized as follows:

	<b>31 December 2025 BGN'000</b>	<b>31 December 2024 BGN'000</b>
Equity	79 378	75 385
Total liabilities/Total borrowings, trade and other payables/ - Cash and cash equivalents	34 287 (7 779)	32 765 (9 953)
<b>Net debt</b>	<b>26 508</b>	<b>22 812</b>
<b>Adjusted capital to net debt</b>	<b>1:2.99</b>	<b>1:3.30</b>

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

No changes were made in the objectives, policies or processes for managing capital during the presented periods and in the description of what the Company manages as capital.

#### **40. Post-reporting date events**

##### **Buyback of shares by the company**

On 08.01.2026 “Sirma Group Holding” AD bought back 17 729 of its shares at an average price of BGN 1,96 per share for a total value of BGN 30 855,49. The shares represent 0,03% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 19.02.2026 “Sirma Group Holding” AD bought back 118 459 of its shares at an average price of EUR 1,26 per share for a total value of EUR 149 258,34. The shares represent 0,2% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 27.02.2026 “Sirma Group Holding” AD bought back 17 570 of its shares at an average price of EUR 1,17 per share for a total value of EUR 20 526,90. The shares represent 0,03% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 02.03.2026 “Sirma Group Holding” AD bought back 45 000 of its shares at an average price of EUR 1,14 per share for a total value of EUR 51 329,62. The shares represent 0,2% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

##### **Sale of shares of Sirma Group Holding AD by a member of the Board of Directors**

On 02.03.2026, a notification was received at the office of Sirma Group Holding AD from Yavor Dzhonev - member of the Board of Directors of Sirma Group Holding AD, stating that he sold 17,474 shares of the capital of Sirma Group Holding AD through transactions carried out on the Bulgarian Stock Exchange - Sofia on 25, 26 and 27 February 2026 at an average price of EUR 1.27 per share.

##### **Admission to trading of Sirma Group Holding AD on the Frankfurt Stock Exchange**

As a result of an Application submitted by Sirma Group Holding AD to the Frankfurt Stock Exchange, effective from 20.02.2026, the shares of the company with ISIN code BG1100032140 have been admitted to trading on the floor of the exchange with registration SIRM.

The formal ceremony for the start of trading was held at the opening of the trading session of the Frankfurt Stock Exchange on 24.02.2026. With this, the process of dual listing of the shares of Sirma Group Holding AD on the Bulgarian Stock Exchange and the Frankfurt Stock Exchange has been successfully completed.

##### **Introduction of the euro in the Republic of Bulgaria**

According to the Law on the Introduction of the Euro in the Republic of Bulgaria, effective from 1 January 2026, the official currency and legal tender in the Republic of Bulgaria is the euro. The fixed exchange rate is 1.95583 leva for 1 euro. The introduction of the euro as the official currency in the Republic of Bulgaria represents a change in the functional currency, which will be accounted for prospectively and does not represent an adjusting event after the date of the financial statements.



### **Military operations in the Middle East**

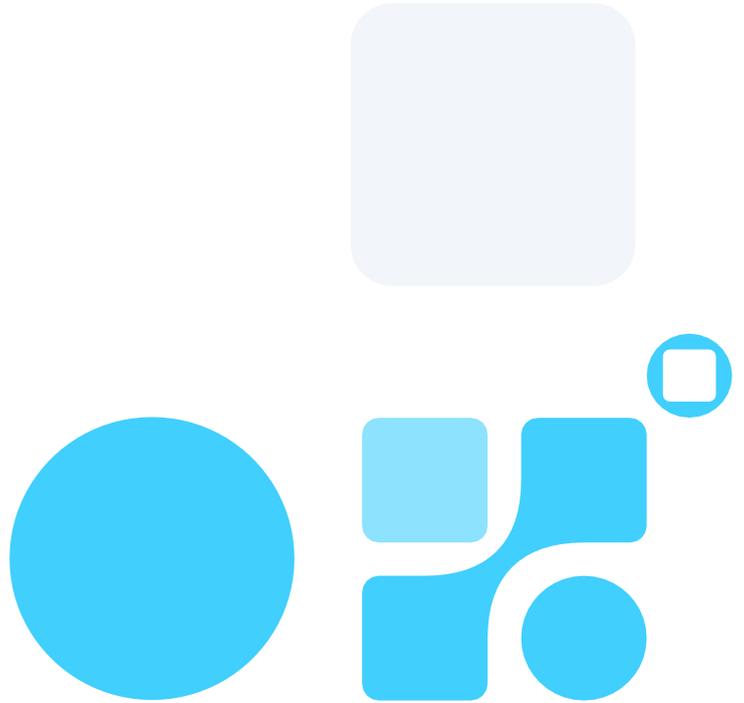
The military actions that began on 28 February 2026 in the Middle East caused a wide international response and affected the countries in Europe in various aspects. An increase in the purchase prices of goods and services, caused mainly by the increase in the prices of petroleum products, is expected to lead to a decrease in income, a contraction in consumer demand and a limitation of the growth of the economy in Bulgaria. The Company's strategy is consistent with market trends and economic conditions in the country and on international markets, and an optimal ratio between high quality and acceptable price is sought in order to fully satisfy the requirements of consumers. Despite the management's efforts to identify the expected direct and indirect effects of military actions on the Company's operations and to address them accordingly, the dynamic development of the macroeconomic and political environment makes their reliable assessment difficult. As of 31 December 2025, the Company has no significant customers from Israel and Saudi Arabia and other countries in the Middle East, therefore, at this stage, the Company believes that this risk would not have a significant impact on financial results and business forecasts for the next financial year.

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

### **41. Authorization of the separate financial statements**

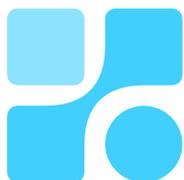
The financial statements for the year ended 31 December 2025 (including comparatives) were authorised for issue by the Board of Directors on 27.03.2026.





# Annual Separate Management Report

of "Sirma Group Holding" AD  
for 2025



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# 1/ STATEMENT BY THE BOARD OF DIRECTORS OF “SIRMA GROUP HOLDING” AD

The present annual separate management report of „Sirma Group Holding“ AD („SGH“, “The Holding“) covers the period, ending on 31 December 2025 and is prepared in accordance with the provisions of Article 39 of the Accountancy Law and Art. 100o, para. 2 and 5 of the Law on the Public Offering of Securities (POSA), including also the established events, occurring after the end of the reporting period. The structure of this report is in accordance with Annex 9, 10 and Appendix 11 to Article 32a (2) of Ordinance No. 2.

The board of directors of the holding confirms that:

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

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

The words "purpose", "predict", "accept", "believe", "in the future", "we could", "rely", "we are confident", "appreciate", "expect", "we intend", "we can", "can", "prospect", "plan", "project", "predict", "would" and other similar expressions are intended to identify these forward-looking statements. Such estimates are, for example, those made in the Business Results section of our quantitative and qualitative disclosures about market risk in accordance with International Financial Reporting Standards (IFRS), namely IFRS 7 and related statements in our Notes to the financial statements, our prospects for development, and other forecast information that appears in other parts of this report. Unless required by law, we do not commit and we have no obligation to update or revise predictive statements as a result of new information we have received about the conditions that existed at the time of this report, future events, or otherwise unless we are obliged to do so under the law.

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

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

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

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

The reporting period is the financial period ending on 31.12.2024. The report includes the activity of “Sirma Group Holding” AD.

## 2/ ORGANIZATION AND WAY OF PRESENTATION

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

Over the years, Sirma has created over 20 companies, investing in them a tremendous financial and human capital. Our strategy is to create businesses, incubate them and develop them.

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

**Sirma Group Holding**



## HISTORY AND DEVELOPMENT OF THE COMPANY

"Sirma Group Holding" AD is a holding company is registered on 25.04.2008 with the Registry Agency with UIC 200101236, with Seat and registered office: BULGARIA, Sofia (capital), Sofia municipality, city. Sofia 1784, Mladost area, bul. Tsarigradsko Shosse, No 135.

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

The object of activity, according to Article 4 of the Company's Articles of Association, is: acquisitions, management, evaluation and sale of participation in bulgarian and foreign companies, acquisition, evaluation and sale of patents, cession of licenses to use patents in companies which the company holds, finance companies in which the company participates, organize accounting and compiling financial statements under the law of accounting, company may perform other business activities which is not prohibited by law.

### Object of activity

The Company's object of activity is acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, surrender of licenses for use of patents to companies in which the holding company participates, financing of the companies in which the holding company participates, organization of the accounting and preparation of financial statements as per the Law for Accounting. The company may also carry out its own commercial activity, which is not prohibited by law.

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

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

## CAPITAL

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

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

Non-monetary contributions - description:

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

**Value: BGN 61 555 838**

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

**Value: BGN 11 734 980**

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

**Value: BGN 3 911 660**

**Total Value: BGN 77 202 478**

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

## HISTORY OF SHAREHOLDER CAPITAL

- Through an initial public offering, according to a resolution of the GMS dated 04.12.2014, an increase of the capital of "Sirma Group Holding" AD was registered on 30.10.2015, increasing the capital to BGN 59 360 518 BGN.

- During the transformation entered in the Commercial Register on 23.10.2014, the Company's capital is reduced to 49 837 156 through the cancellation of 23 503 662 shares. This decrease is a result of the estimated fair value of the shares of "Sirma Group Holding" AD by three independent valuers. The shareholding structure of the Company does not change as a result of the separation until the shareholding structures in the transforming and newly established companies are mirrored.

- On 22.10.2010, as a result of the decision of the regular annual general meeting of the Company's shareholders, a reduction of the capital of "Sirma Group Holding" AD from 77,252,478 BGN to 73,340,818 BGN was recorded through the cancellation of 3,911,660 shares with a par value of one each. The Company's capital was reduced on the basis of Art. 200, para. 2, in conjunction with Art. 187f, par. 1, item 2n in Bulgarian commercial law.

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

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

- 2) Non-monetary contribution representing real estate amounting to 3 911 660 BGN:

Office building - offices, floor 3th and floor 5th of an office building, located in Sofia, 135 Tsarigradsko shose Blvd., owned by "Sirma Group" AD, a company registered in the Commercial Register at the Registry Agency UIC 040529004, with headquarters and address of management in Sofia, Mladost district, 135 Tsarigradsko shose Blvd., accepted as shareholder in "SGH" AD by decision of the General Meeting of "SGH" AD from 10.07.2008

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

A total of 81,690 shares of the total amount of 11 734 980 BGN (143.65 BGN per share) of the capital of "Sirma Group" AD, registered in the Commercial Register at the Registry Agency UIC, 040529004.

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

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

## 3/ PORTFOLIO OF "SIRMA GROUP HOLDING" AD

### Subsidiaries of "Sirma Group Holding" AD

Company	Value of the investment at 31.12.2025 (in BGN'000)	Percentage of capital at 31.12.2025	Value of the investment at 31.12.2024 (in BGN'000)	Percentage of capital at 31.12.2024
„Saifort“ EAD	17 865	100%	17 865	100%
Roweb Development	11 368	51%	11 210	51%
Sirma Group Inc.	6 537	100%	6 537	100%
Sirma Tech Ltd	1 402	100%	1 402	100%
“Daticum” AD	468	59%	468	59%
"Sirma ICS" AD	279	93%	279	93%
Sciant Shpk.	256	100%	256	100%
“Sirma Medical Systems” AD	66	66%	66	66%
“EngView Systems” AD	50	72,90%	50	72,90%
Sirma Sha Shpk.	25	55%	-	-
“Sirma ISG” OOD	4	71%	4	71%
Sirma AB'	-	-	338	100%
Sirma FZE	-	100%	-	-

### INFORMATION ON PARTICIPATION

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

The company has no branches.

## 4/ STRUCTURE OF SHAREHOLDERS CAPITAL AND MANAGEMENT AUTHORITIES

### 4.1. Distribution of share capital

As of 31.12.2025 the distribution of the share capital of “Sirma Group Holding” AD is as follows:

	31.12.2025	31.12.2024
Share capital (thousand shares)	59 361	59 361
Number of shares (par value of BGN 1.00)	59 360 518	59 360 518
Total number of registered shareholders	1 452	1 160
Including legal entities	44	43
Individuals	1 408	1 117
Number of shares held by legal entities	5 843 665	7 214 055
% Of participation of entities	9,84%	12,15%
Number of shares held by individuals	53 516 853	52 146 463
% Participation of individuals	90,16%	87,85%

Shareholders	Number of shares at 31.12.2025	Number of shares at 31.12.2024	Nominal value (BGN)	Value (BGN)	% Shareholding	% of voting rights*
Georgi Parvanov Marinov	5 461 898	5 461 898	1	5 461 898	9,20%	9,45%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	1	5 025 153	8,47%	8,70%
Chavdar Velizarov Dimitrov	4 817 386	4 817 386	1	4 817 386	8,12%	8,34%
Veselin Antchev Kirov	4 767 386	4 767 386	1	4 767 386	8,03%	8,25%
Ognyan Plamenov Chernokozhev	3 741 620	3 741 620	1	3 741 620	6,30%	6,47%
Krasimir Nevelinov Bozhkov	2 534 161	2 534 161	1	2 534 161	4,27%	4,39%
Rosen Ivanov Marinov	2 307 900	1 907 900	1	2 307 900	3,89%	3,99%
Vladimir Ivanov Alexiev	2 177 583	2 177 583	1	2 177 583	3,67%	3,77%
Rosen Vasilev Varbanov	2 156 687	2 156 687	1	2 156 687	3,63%	3,73%
Emiliana Ilieva Ilieva	2 000 709	1 996 209	1	2 000 709	3,37%	3,46%
Deyan Nikolov Nenov	1 814 748	1 814 748	1	1 814 748	3,06%	3,14%
Others	22 555 287	22 959 787	1	22 555 287	38,00%	36,31%
<b>Total</b>	<b>59 360 518</b>	<b>59 360 518</b>		<b>59 360 518</b>	<b>100%</b>	<b>100%</b>

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

As of 31.12.2025 „Sirma Group Holding“ AD holds 1 569 069 (31.12.2024 - 1 689 236) repurchased own shares at the total amount of BGN 1 569 069 (2,64% of share capital).

Shares that are freely tradable (free float) represent shares held by shareholders who own less than 5% of the capital and, after deducting the repurchased shares as of 31.12.2025, are 33 978,006 shares, or 57,24% of the capital.

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

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

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

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

## 4.2. Management authorities

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

The Board of Directors as of 31.12.2025 includes the following members:

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

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

The current mandate of the Board of Directors: 05.07.2026

The company is represented by the Executive Director of “Sirma Group Holding” AD Tsvetan Borisov Alexiev.

### **Competencies of the management**

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

### **Stock options of the company**

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

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

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

### **Participation of the members of the BD of “Sirma Group Holding”AD in other companies**

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

#### **Georgi Parvanov Marinov** – Chairman of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in 2025.
2. Does not own more than 25% of the capital of other companies in 2025.
3. Procurator/manager/member of a managing/supervisory body in 2025:
  - Executive director and Chairman of the BD of “Engview Systems Sofia” JSC;
  - Executive director and Member of the BD of “Pirina Technologies” JSC;

#### **Chavdar Velizarov Dimitrov** – Deputy Chairman of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in 2025.
2. Does not own more than 25% of the capital of other companies in 2025.
3. Procurator/manager/member of a managing/supervisory body in 2025:
  - Member of the BD of „Sirma Medical Systems” JSC;

#### **Tsvetan Borisov Aleksiev** – Executive director and member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Does not own more than 25% of the capital of other companies in 2025.
3. Procurator/manager/member of a managing/supervisory body in 2025:

- Executive director and Chairman of the BD of "Sirma Solutions" EAD;
- Member of the BD of „Daticum“ JSC;
- Member of the BD of "Engview Systems" JSC;
- Member of the BD of „Sirma“ Sha., Albania.
- Member of the BD of Sirma Group Inc.;

**Atanas Kostadinov Kiryakov** - Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies.
2. Does not own more than 25% of the capital of other companies in 2025.
3. Procurator/manager/member of a managing/supervisory body in 2025:
  - Executive director and Member of the BD of "Ontotext" JSC;
  - Member of the BD of "Engview Systems Sofia" JSC;

**Yordan Stoyanov Nedev** - Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in 2025.
2. Owns more than 25% of the capital of:
  - "Susana and Vesko - SV" OOD - 75 %.
3. Procurator/manager/member of a managing/supervisory body in 2025:
  - Member of the BD of MAC „Bushido“;
  - Trustee of the foundation „Alexander“;
  - Member of the BD of SC Hanshi Association;

**Veselin Anchev Kirov** - Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Does not own more than 25% of the capital of other companies in 2025.
3. Does not participate in managing other legal entities in 2025.

**Yavor Ludmilov Djonev** - independent Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Owns more than 25% of the capital of other company in 2025:
  - "Djonev Consulting" EOOD - 100%.
3. Representing "Educational Transformation Foundation"

**Martin Veselinov Paev** - independent Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Owns more than 25% of the capital of the following companies:
  - "Sortis Invest" EOOD
  - "Sortis Group" EOOD
  - "Analog 2009" EOOD
  - "Petlite" EOOD

3. Procurator/manager/member of a managing/supervisory body in 2023:
  - SORTIS INVEST EOOD – Manager
  - SORTIS GROUP EOOD – Manager
  - SORTIS VENTURES EOOD – Manager
  - SORTIS REAL ESTATE EOOD – Manager
  - SORTIS.BG EOOD – Manager
  - SORTIS Hospitality OOD – Manager
  - BPH Bulgaria 2 EOOD – Manager
  - BPH Bulgaria 3 EOOD – Manager

**Peyo Vasilev Popov** – independent Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Does not own more than 25% of the capital of other companies in 2025.
3. Does not participate in managing other legal entities.

## Committees in The Company

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

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

Yordan Nedev – chairman

Stanislav Tanushev – member

Georgi Marinov – member

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

*Georgi Marinov – chairman*

*Martin Paev – member*

*Yordan Nedev – member*

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

*Tsvetan Alexiev – chairman*

*Stanislav Tanushev – member*

*Chavdar Dimitrov – member*

*Atanas Kiryakov – member*

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

*Angel Petrov Kraychev – chairman*

*Alexander Todorov Kolev – member*

*Veselin Anchev Kirov – member*

## Adopted internal documents

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

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

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

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

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

<b>Shareholders</b>	<b>Number of shares at 31.12.2025</b>	<b>Number of shares at 31.12.2024</b>	<b>Nominal VALUE (BGN)</b>	<b>Value (BGN)</b>	<b>% Shareholding</b>	<b>% of voting rights</b>
Georgi Parvanov Marinov	5 461 898	5 461 898	1	5 461 898	9,20%	9,45%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	1	5 025 153	8,47%	8,70%
Chavdar Velizarov Dimitrov	4 817 386	4 817 386	1	4 817 386	8,12%	8,34%
Veselin Anchev Kirov	4 767 386	4 767 386	1	4 767 386	8,03%	8,25%
Atanas Kostadinov Kiryakov	1 555 287	1 555 287	1	1 555 287	2,62%	2,69%
Yavor Ludmilov Djonev	1 066 046	1 068 046	1	1 066 046	1,80%	1,84%
Martin Veselinov Paev	126 920	126 920	1	126 920	0,21%	0,22%
Yordan Stoyanov Nedev	3 433	3 433	1	3 433	0,01%	0,01%
Peyo Vasilev Popov	100	100	1	100	0,0002%	0,0002%
<b>Total</b>	<b>22 823 609</b>	<b>22 825 609</b>		<b>22 823 609</b>	<b>38,45%</b>	<b>39,49%</b>

During 2025 the member of the BD Yavor Lyudmilov Dzhonev sold 2 000 shares of the capital of the company.

### **Remuneration of the members of the Board of Directors of “Sirma Group Holding” AD**

Pursuant to Article 25, paragraph 5 of the Articles of Association of the Company, each member of the Board of Directors has received a permanent gross remuneration under management contracts in the amount of 547 thousand BGN (31.12.2024 – 376 thousand BGN).

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

In the contracts of the members of the board of directors, both with the Company itself and with subsidiaries of the Company, where such contracts are available to them, no benefits have been provided upon termination of their contracts.

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

At the Annual General Meeting of the Shareholders of the Company held on 03.06.2025 was decided the mandate of the Audit Committee to be continued with 3 (three) years at the current remuneration. The Audit Committee consisting of:

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

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

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

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

# 5/ “SIRMA GROUP HOLDING” AD IN 2025

## Summary

Following a dramatic start of 2025 with prospects for slower growth and elevated risks, shaped by trade policy uncertainties, financial tightening, and geopolitical volatility the World is slowly starting to adjust. While moderate growth is expected, especially in emerging markets like India, advanced economies face weak expansion and structural headwinds. Careful policy coordination will be vital to navigate these challenges and foster a more sustainable global economic trajectory beyond 2025. Global GDP growth levels are still expected to be above 3% in 2025 and coming years, which, however, is far below pre-COVID levels. The ICT sector again proves resilient to global downturns however, a slowdown of growth of the more traditional technologies is present even here, and this moderation of growth is only overshadowed by the generative AI expansion – in hardware, in software, in services. Further disparities of IT revenue may be observed between SME IT companies and the leading global IT giants.

## The economy of Bulgaria in 2025 and forecast for the future years

The forecasts for economic growth in Bulgaria nearing the end of 2025 improved somewhat. The EU Commission ([November 17, 2025](#)) upgraded its expectations for GDP growth of Bulgaria from 2% in early 2025 to 3% in its November forecast.

Economic growth will remain strong, at 3.0% in 2025, before moderating to 2.6% in 2026 and 2.4% in 2027. Household and government consumption will continue to drive growth. Investment will be supported by remaining EU fund disbursement and improved confidence linked to euro adoption in 2026. Export growth will track demand in key European markets. Headline inflation has risen due to wage pressures, restored VAT rates and higher utility prices but will moderate as wage growth slows. Persistent wage increases, however, could delay disinflation. Strong increases in pensions, public sector salaries, social transfers and investment spending, but weaker-than-planned revenues may require spending adjustments to maintain the budget deficit within EU limits.

The key economic drivers of this anticipated growth are:

**Household Consumption:** Expected to grow but at a slower pace than in 2024, constrained by inflation and precautionary savings.

**Investment:** Public investment is set to increase in 2025, driven by EU funds and military equipment acquisition, though private investment may contract due to uncertainty.

**Exports:** Growth in exports is expected to be slow or slightly positive, affected by weaker external demand and sector-specific challenges (maintenance in steel and oil refining).

**Inflation and Wages:** Inflation remains elevated, projected to rise slightly to 3.6% in 2025 before easing to about 1.8% in 2026 when Bulgaria joins the eurozone. Wage growth is strong but risks sustaining inflation pressures.

The OECD ([Economic Survey of Bulgaria, OECD, February 2026](#)) highlights the need for macroprudential measures to manage household credit growth and recommends improving the business environment and tackling informality to boost investment and labor force utilization.

The **risks** to the development of the Bulgarian economy in 2026 are:

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

## Development of global economy in 2025 and forecast for the future years

In its [Global Economic Prospectus \(January 2026\)](#) the World bank starts with a good news: despite facing shock upon shock, from the pandemic to the US war with Iran, the global economy remains surprisingly resilient. Last year (2025), stockpiling of traded goods, strong risk appetite, and a surge in artificial intelligence (AI) spending supported activity, while supply chains adapted to rising trade barriers. Yet a grimmer picture emerges if we take stock of the world economy across countries: The faster-than-expected pace of growth capped a five-year global recovery from the 2020 recession unmatched in more than six decades, but this masks a sharp divergence. While advanced economies have recovered robustly, with nearly 90 percent now above pre-pandemic per capita income levels, more than one-quarter of emerging market and developing economies (EMDEs)—particularly low-income countries and those affected by fragility and conflict—still have per capita incomes below 2019 levels.

Despite this divergence, the IMF maintains its GDP growth forecast from October 2025 in their [January 2026 edition of World Economic Outlook](#), projecting that global growth will be at 3.3 percent in 2025, keeping steady at 3.3 percent in 2026 and 3.2 percent in 2027, with advanced economies growing around 1.5 percent and emerging market and developing economies just above 4 percent. In spite of this optimism the projected growth rates remain well below the ones during the Global Pandemic.

Many of the more pessimistic forecasts for global growth made during 2025 seem to have been evaded thanks to resilience pockets around the World:

- The United Nations ([UN. World Economic Situation and Prospects as of mid-2025. May 2025](#)) forecast an even greater slowdown. The UN projects a global growth of 2.4% in 2025;
- IMF [Global Economic Prospectus \(January 2026\)](#) forecast 2,7% growth in 2025 and 2026;
- Morgan Stanley ([MS. Midyear Economic Outlook, 28 May 2025](#)) forecasts 2.9% growth in 2025;
- The OECD ([OECD. Economic Outlook, 3 June 2025](#)) similarly expected global growth of 2.9% in 2025.

The growth expectations for 2025 and future years among various countries remain hugely diversified ([OECD Economic Outlook, Dec. 2025](#)).

**United States:** Growth is expected to decline from 2.8% in 2024 to around 2.0% in 2025 and 1.7% in 2026, impacted by trade tensions, tighter financial conditions and AI investment cool-down. Important to note for 2025 is that excluding AI-related investments, which continued to boom during the year, GDP actually contracted by 0.1%.

**Euro Area:** Economic growth exceeded expectations in 2025, with real GDP growth outperforming the annual expansion projected in spring. This better-than-expected performance was initially due to a surge in exports ahead of anticipated tariff increases, but investment in equipment and intangible assets also performed more strongly than expected – most notably in Ireland, but also in other countries. Continued growth in the third quarter is testimony to the resilience of the European economy and its ability to navigate unprecedented shocks.

GDP growth in the Euro Area is projected to pick up gradually from 1.3% in 2025 and 1.2% in 2026 to 1.4% in 2027 as domestic demand strengthens and trade rebounds. Private consumption will be supported by resilient labor markets and increasing real incomes. Private investment will be constrained by uncertainty but will benefit from improved financing conditions, while public investment will be supported in 2026 by the Recovery and Resilience Facility funds. Wage growth is projected to ease gradually, helping inflation to remain broadly on target.

**China:** Economic growth will remain unchanged from 2024 at 5% in 2025 and weaken to 4.4% in 2026 and 4.3% in 2027. Consumption will be dampened by high precautionary savings and the payback effect of the trade-in program that had led to front-loading of purchases of durable goods to benefit from lower prices. Real estate investment will continue to contract, and prices fall as excess capacity is worked off. The anti-involution campaign, aimed at addressing high competition and excess capacity, is expected to weigh on business investment, but infrastructure investment should pick up with the new Five-Year Plan.

**Developing Economies:** Outside Asia, growth is weakening significantly, with developing economies' growth falling to around 4%, down from 6% in the 2000s.

**Inflation** pressures are easing globally but remain uneven. Headline inflation remains sticky in some regions but is projected to be back to target by 2027 in almost all major economies. Annual consumer price inflation in the G20 is projected to ease from 3.4% in 2025 to 2.8% in 2026 and 2.5% in 2027. Central banks have begun easing interest rates as inflation slows. Although inflation forecast sounds optimistic, it is still plagued by variety of risks, the most pressing from February 2026 being the escalation of conflicts in the Middle East and rising fuel prices.

**Risks** are tilted to the upside. Prolonged uncertainty, more protectionism, labor supply shocks, and inflation pressure could reduce growth. Fiscal vulnerabilities, potential financial market corrections, and erosion of institutions could threaten stability. This positive outlook for economic growth remains fragile. A further rise in trade barriers, especially around critical inputs, could inflict significant damage on supply chains and global output. High asset valuations based on optimistic expectations of AI-driven corporate earnings pose a risk of potentially abrupt price corrections. Fiscal vulnerabilities may push long-term sovereign yields higher, tightening financial conditions and hampering growth. Finally, the US war with Iran could lead to spikes in prices of oil and hence re-fuel inflation across the Globe.

**Key risks** include escalating trade restrictions, policy uncertainty, and tighter financial conditions that could further depress growth or trigger recessions. The IMF and World Bank emphasize the need for international cooperation to stabilize trade, address structural imbalances, and promote inclusive growth through labor force participation and productivity improvements. Risks to the world's economic development are high.

These risks are:

- risk of a greater than expected effect from monetary restrictions: low probability / medium impact
- escalation of Russia's war in Ukraine: low probability / high impact;
- production, trade and supply chain disruptions: high probability / high impact;
- stronger-than-expected contraction of the Chinese economy, deepening deflation and contraction of domestic consumption, sales problems in the Chinese property market that generate liquidity and/or risk of debt defaults mixed with export challenges: high probability / high impact ;
- deepening of the geopolitical fragmentation that began in 2022: high probability / high impact ;
- escalation of the war/s in the Middle East and limitation of traffic of fuel and foods through the Middle East leading to inflation pressure: high probability / high impact;
- extreme climatic events: high probability / average impact.

## The Industry of Sirma

The companies within Sirma Group Holding AD specialize in the information technology (IT) industry, focusing predominantly on business-to-business (B2B) customers. The broader industry is commonly referred to as Information and Communication Technologies (ICT), reflecting the strong interdependence between IT and communications sectors.

Sirma Group's core activities concentrate on two main ICT segments:

- IT Services: Including system integration, infrastructure as a service (IaaS), software as a service (SaaS), software support, consulting, and managed services.
- Business Software: Covering diverse software products and services tailored to various business verticals, along with custom software development.

According to Gartner's historically, these two segments have been the fastest-growing and most resilient within ICT, often regarded as "immune to crises" amid global economic uncertainty. The ongoing mass digitization depends heavily on innovative software and IT services, driving sustained growth even through turbulent times. The "turbulent times" of 2025 again see strong IT spending, this time geared towards generative AI and its business applications.

Geographically, Sirma targets the world's leading ICT markets, the USA, UK, and Europe—which together account for 98% of its revenues (for 2025). Europe remains the largest market, generating 80.7% of sales, followed by North America at 9.7% and the UK with 7.6%.

This robust financial and market performance positions Sirma Group as a leading regional IT player with a growing global footprint, well positioned to capitalize on continued ICT demand in 2026 and beyond.

## The global ICT market in 2025 and future forecast

Gartner has revised several times its forecasts for the development of the ICT market in 2025 ([Gartner, February, 2026](#)). Overall IT spending for 2025 is now expected to be \$5.555 trillion, up 10 percent compared to 2024, and will grow another 10.8 percent next year to hit \$6.155 trillion. This is the first time that global IT spending is expected to break through \$6 trillion in one year.

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

	<b>2025 Spending</b>	<b>2025 Growth (%)</b>	<b>2026 Spending</b>	<b>2026 Growth (%)</b>
Data Center Systems	496,231	48.9	653,403	31.7
Devices	788,335	9.1	836,417	6.1
Software	1,249,509	11.5	1,433,633	14.7
IT Services	1,717,590	6.4	1,866,856	8.7
Communications Services	1,303,651	3.8	1,365,184	4.7
<b>Overall IT</b>	<b>5,555,316</b>	<b>10.3</b>	<b>6,155,493</b>	<b>10.8</b>

Source: Gartner (February 2026)

At first glance the growth expectations remain strong in the face of the global economic turmoil. 2025 is expected to bring an impressive growth of 10%. The ICT market is expected to reach USD 5.4 trillion in 2025. However, this growth is focused on generative AI with most of the remaining segments having reduced forecasts for growth.

All ICT segments are expected to grow in 2025. Nevertheless, the different growth rates remain: explosive growth of 46.8% is anticipated for “Data center systems”, while communication services see an only 3.8% growth.

“AI infrastructure growth remains rapid despite concerns about an AI bubble, with spending rising across AI-related hardware and software,” said John-David Lovelock, VP Analyst at [Gartner \(Feb. 2026\)](#). “Demand from hyperscale cloud providers continues to drive investment in servers optimized for AI workloads.” Server spending is projected to accelerate in 2026, growing 36.9% year-over-year. Total data center spending is expected to increase 31.7%, surpassing \$650 billion in 2026, up from nearly \$500 billion the previous year (see Table 1).

The fallen USD in 2025 has led to an almost 2% discrepancy between the market growth in USD and constant currency. This is expected to persist in 2026.

“IT Services” remain the leading segment in the ICT sector in 2025 volume wise, responsible for USD 1.7 trillion in spending. Software spending growth for 2026 has been slightly revised downward to 14.7%, from 15.2% for both application and infrastructure software. “Despite the modest revision, total software spending will remain above \$1.4 trillion,” said Lovelock. “Projections for generative AI (GenAI) model spending in 2026 remain unchanged, with growth expected at 80.8%. GenAI models continue to experience strong growth, and their share of the software market is expected to rise by 1.8% in 2026.”

“While there is a business pause on net-new spending due to a spike in **global uncertainty**, the effect is subsumed by ongoing AI and GenAI digitization initiatives. For instance, both “Software” and “IT Services” spending growth in 2025 **is expected to slow down** due to this ‘uncertainty pause,’ but spending in AI-related infrastructure, such as “Data Center Systems”, continues to surge ([July 2025, John-David Lovelock, VP Analyst at Gartner](#)).

The bulk of this significant growth in the sector, especially in the “Data Center Systems”, is due to large ICT provider giants, and not so much to medium and small ICT companies. From the Gartner ranking of the top 100 IT companies for 2024 it becomes evident that the biggest 10 vendors contribute half of the revenue and the top 9 are responsible for half of the growth within this group. The leading IT companies both in terms of growth and volume of sales are strongly geared to AI powered services.

### Leading Segments

All segments are expected to grow in 2025, accelerating (around 10%) from the previous year’s estimate of around 6%). For the first time, the Servers sub-segment is outperforming the standard growth expectations, posting an impressive 20% growth in 2025 and a 21% CAGR through 2029. Spending of around USD 100 billion is expected for servers tailored to meet the needs of generative AI providers and not so much for standard business enterprises. This investment is only expected to accelerate, reaching USD 200 billion by 2029. AI readiness is also driving other sub-segments like “Devices”, including consumer devices such as mobile phones and PCs.

The “Software” and “IT services” segments do grow, although this growth has been revised down even from the beginning of 2025. The growth rates of the two segments suffer from what Gartner coins as “The Uncertainty Pause”. The expected average growth for 2025 is 11.9% for “Software” and 6.5% for “IT Services”, with the CAGR 2023-2029 being approximately the same. However, there is a distortion generated by AI-related spending in these forecasts.

The massive spending geared to generative AI **tends to distort** the overall picture within the ICT sector. The non-generative AI segments are still growing, but with a much slower pace.

This is also true on the segment level. Both “**IT Services**” and “**Software**” have one generative-AI-sub-segment each pulling the whole group up. For “IT Services” this is “IaaS” with the healthy growth of 25% for 2025 and CAGR until 2029 again of 23%. For “Software” this is “Vertical Specific Software” which finds applications of generative AI in specific industry verticals. The growth expected there is about 10% for 2025 and again 10% CAGR, driven by strong spending demand. These winning sub-sectors strongly **distort** the forecast growth in both segments, which will be much more modest without them.

GenAI associated software, services and hardware is what has been driving the market in 2025 and will continue to do so in 2026. Having said that, it should be noted that expectations from GenAI have been steadily coming down since 2024, and will continue to bottom through to 2026. In spite of this, investment in GenAI has not been wavering over the same period. On the contrary – investments have only been steadily increasing. It is exactly in these years when the base of GenAI has been driving the spending in ICT – data centers, servers, AI enabled hardware, IaaS, and relative software. 2027/28 are the years when Gartner forecasts that the maturity of the market will be reached, with expectations being changed with predictability. It is only then that we may expect some transformational use cases to emerge.

### Effects of April 2025 Tariffs on ICT Spending

Gartner named the temporary deferral of IT initiatives caused by the global uncertainty “The Uncertainty Pause”. Q2 2025 was marked by this pause. IT budgets are not cut, but some of them are on hold. ICT spending proves to be recession-proof, with growth expected through 2029 irrespective of the uncertainty and risks. However, some segments are more influenced than others by the global uncertainty and subsequent “Uncertainty Pause”.

One such segment is the “IT Services”. Although Gartner forecasts a 4.4% growth of the segment in 2025, it allows for two alternative scenarios:

- the positive one with a short and shallow effect of the global trade disruptions and fast return to the globalized system of trade and
- the negative one with a long and deep disruption of global trade lasting at least until 2029

The average 4.4% growth figure for the segment is strongly influenced by the now traditionally dramatic growth of IaaS (21.7%). The rest of the IT services have a rather lackluster growth of about 3% in 2025. The short-shallow scenario may boost growth to a slightly better average of 4%. However, the long-deep scenario could lead to an overall **contraction** of the segment, with "IT Consulting" taking the biggest hit.

The IDC also published a downside scenario in which global IT spending would grow by 5%, rather than the 10% growth projected in the beginning of 2025. IDC currently ([post April 2025](#)), expect their baseline forecast to move towards the lower end of that 5-10% range over the next months.

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

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

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

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

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

In 2025, as in previous periods, Sirma Group Holding's senior management was actively involved in the management of its subsidiaries. The high expertise and accumulated experience of Sirma Group Holding's managers helped companies to formulate their development goals and strategies as well as their business and financial plans. As a result, the company achieved outstanding successes over the past period. At the same time, taking part in the management of the Group's companies, they monitored the Group's overall objectives, strategies for its development and financial discipline.

### **- MARKETING**

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

1. Creating, developing and maintaining a general knowledge of the Sirma brand through a range of activities that help for successful branding and corporate communications - public relations, investor relations, public institutions, company employees, general public. They included internet marketing, online meetings, helping managers and managers with marketing materials for their investment tours, press interviews, TV, radio, participation in specialized and high profile business events.
2. Building a strong employer brand and affirming the company as an attractive place to work, career development and realization of own innovative ideas for creating new software products and solutions, working with the most advanced technologies, entering new market niches. A favorable environment has been created and the innovation process in companies is regularly promoted. Social media is actively used for informal communication with employees, engaging in important causes, informing about upcoming events, company and product news. The team building conducted at the end of the year was traditionally one of the most anticipated events that enabled people from different companies, cities and offices to communicate in an informal environment.

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

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

## **- FINANCIAL ACTIVITY - ASPECTS AND MANAGEMENT OF FINANCIAL RESOURCES OF HOLDING AND GROUP**

Over the past period the management of the financial activities of “Sirma Group Holding” AD was carried out in the following:

### **I. Goals**

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

As a **tactical objective** of the financial management, “Sirma Group Holding” AD opted the maximization of revenues and profit.

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

### **II. Execution of functions**

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

- a) Financial planning - plans of “Sirma Group Holding” AD and of all companies of the Group for a one-year and mid-term period were prepared.
- b) Co-ordination of the financial activity - “Sirma Group Holding” AD coordinated the activities of all the companies in the Group for the fulfillment of the general objectives of the financial activity management and for the implementation of unified policies in this activity;
- c) Control - The financial team of the “Sirma Group Holding” AD throughout the year carried out regular and periodical control over the financial activity of the companies in the group.

2. As regards the financial activities of “Sirma Group Holding” AD and the subsidiaries, the Holding had the following functions:

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

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

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

### **III. Completed tasks**

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

2. Ensuring the most efficient allocation and utilization of the volume of financial resources formed in the main directions of the Group's activity.
3. Optimization of the monetary turnover - synchronization by size and time of the receipts and payments for the normal service of the undisputed payments.
4. Ensure maximum profit at a given level of risk.
5. Ensure the financial equilibrium of "Sirma Group Holding" AD and the subsidiaries in the process of their development.

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

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

#### - ACCOUNTING SERVICES

In 2025 "Sirma Group Holding" AD performed the accounting services of its subsidiaries. In addition to regular accounting services, management is presented with various BI reports built as know-how of the Group. The FAD of "Sirma Group Holding" AD achieved monthly reporting of results at individual and group level. The department also managed to manage the companies' relationships with the fiscal and social security systems. The timely introduction of taxes, timely information submission and the preparation of information under the Law for Public Offering of Securities to the Financial Supervision Commission and the BSE have been performed in the period.

#### - LEGAL SERVICES

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

#### - MANAGEMENT OF RISKS

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

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

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

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

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

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

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

- Planning actions to overcome the risk

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

- a) risk avoidance - a strategy that reduces the likelihood of risk occurring;
- b) minimizing the risk-taking effect - a strategy that reduces the consequences of the risk;
- c) Emergency action plans - a strategy where the organization accepts the risk and is ready to deal with it if it comes to fruition;

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

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

## **IMPACT OF EXCLUSIVE FACTORS**

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

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

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

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

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

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

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

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

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

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

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

## EVENTS AND BUSINESS NEWS IN 2025

The following events and business news took place in 2025:

### **17.12.2025**

Announcement of the buyback of 25 000 shares by Sirma Group Holding AD.

### **27.11.2025**

Tsvetan Alexiev, CEO and Yordan Nedev, CFO were in Frankfurt, attending Eigenkapitalforum 2025, hosted by Deutsche Börse.

### **27.11.2025**

Publication of the interim consolidated reports of Sirma Group Holding AD for the period ending 30.09.2025 and holding of a webinar to present the results.

### **25.11.2025**

Invitation to a webinar to present the interim consolidated reports of Sirma Group Holding AD as of 30.09.2025.

### **21.11.2025**

Sirma Group Holding AD celebrates 10 years of the company going public.

### **18.11.2025**

Announcement of the buyback of 31,606 shares by Sirma Group Holding AD.

### **07.11.2025**

Interview with the CEO of Sirma FZE Julian Maslyankov about Sirma's sales plans in the UAE.

### **07.11.2025**

Announcement of notification by the FSC to BAFIN and ESMA of the intention of Sirma Group Holding AD for dual listing in Bulgaria and Germany.

### **31.10.2025**

Submission and announcement of the Application by Sirma Group Holding AD to move SGH to the Eurobridge segment of the Bulgarian Stock Exchange.

### **29.10.2025**

Publication of the interim individual reports of Sirma Group Holding AD for the period ending 30.09.2025.

### **22.10.2025**

Announcement of registration of a subsidiary joint-stock company Sirma FZE of Sirma Group Holding AD in Dubai.

### **17.10.2025**

Announcement of approval of the Prospectus for the dual listing on the Frankfurt Stock Exchange of Sirma Group Holding AD by the Financial Supervisory Commission.

### **14.10.2025**

Announcement of the buyback of 15,000 shares by Sirma Group Holding AD.

### **18.09.2025**

In business, it is essential to be proactive and strategically invest in the future of #AI. This was one of the key messages shared by Tsvetan Alexiev, CEO of Sirma, during his interview on Business Start on Bloomberg TV Bulgaria. The discussion focused on Europe's standing in the competition for AI leadership, one year after Mario Draghi's influential report.

**15.09.2025**

Launch of the beta version of Sirma Enterprise AI – a new AI platform uniting cybersecurity with innovation

**12.09.2025**

Disclosure of application for approval of the Prospectus for dual listing by the FSC

**11.09.2025**

Sirma, represented by Julian Masliankov and Merdihan Ismailov participated the Digital Transformation Summit in Dubai.

**10.09.2025**

The Sirma retail team, represented by Bogomil Iliev, Cvetelina Hristova and Evgeni Rushev took part in Retail Connect in Stockholm.

**04.09.2025**

Approval of the Prospectus for dual listing by the BD of SGH

**28.28.2025**

Disclosure of purchases of shares by a related party to a member of the BD of SGH

**27.08.2025**

Disclosure of a share buy-back by Sirma Group Holding AD

**27.08.2025**

Publication of interim consolidated financial reports of SGH for the period ending on 30.06.2025.

**26.08.2025**

Monika Ilieva is appointed SVP to lead Innovation in Transportation and Logistics Vertical

**26.08.2025**

Publication of invitation for a webinar for presentation of the consolidated results of the first half of the 2025

**08.08.2025**

Disclosure of a share buy-back by Sirma Group Holding AD

**01.08.2025**

Tsvetan Alexiev, CEO of Sirma Group Holding AD, featured in Digitalk 101 interview, discussed the corporate vision, innovative potential, and the company's strategy for maintaining international growth along with changes in organisational development of Sirma.

**28.07.2025**

Darko Bosancic has been appointed as SVP to lead innovation in Travel and Hospitality vertical

**28.07.2025**

Publication of interim individual financial reports of SGH for the period ending on 30.06.2025.

**27.06.2025**

Disclosure of a share buy-back by Sirma Group Holding AD

**27.06.2025**

In the latest episode of Zone4Tech's podcast "TECHnically Speaking", Alexander Stanev, VP Financial Services at Sirma, shares his perspective on the role of AI in the banking sector: the hype, the reality, and the future.

**23.06.2025**

Publication of the Conditions for dividend payment

**18.06.2025**

At this year's #TechofTomorrow conference, organised by Investor Media Pro, Momchill Zarev, Chief Growth Officer at Sirma, spoke in Panel 2, discussing the impact of AI on the financial industry.

**11.06.2025**

The Financial Supervision Commission and the National Committee on Corporate Governance hosted a joint conference at the Hyatt Regency Hotel - "OECD Corporate Principles - Best Practices for Sustainable Growth." Stanislav Tanushev, Director of Investor Relations and Sustainability at Sirma, participated in a panel on implementing the Corporate Sustainability Reporting Directive. Sirma was highlighted as one of the first companies to disclose #ESG information voluntarily through its sustainability report.

**10.06.2025**

Disclosure of a share buy-back by Sirma Group Holding AD

**09.06.2025**

Merdihan Ismailov, Vice President of Fintech Applications and Solutions, was featured in "The Manager" magazine for his article "Financial Autonomy for Europe: A Strategic Necessity."

**05.06.2025**

Sirma has been recognized as a Technological Visionary by Clico

**04.06.2025**

Publication of the Minutes from the regular annual meeting of shareholders of Sirma Group Holding AD and Dividend notification

**03.06.2025**

Convening of the regular annual meeting of shareholders of Sirma Group Holding AD

**02.06.2025**

Disclosure of a share buy-back by Sirma Group Holding AD

**30.05.2025**

Disclosure of a share buy-back by Sirma Group Holding AD

**28.05.2025**

Publication of the recording of the webinar for presentation of the Q1 consolidated results of Sirma Group Holding AD

**27.05.2025**

Webinar for presentation of the Q1 consolidated results of Sirma Group Holding AD

**27.05.2025**

Disclosure of the interim consolidated financial reports of Sirma Group Holding AD for the period ending on 31.03.2025

**23.05.2025**

Publication of an invitation for a webinar for presenting the results of Q1 2025

**22.05.2025**

Our colleague Ivelin Parvanov took the stage at GITEX Global Europe, joining a thought-provoking session moderated by Teodor Antonio Georgiev on the topic: "From AI to ROI: AI writes code, but who keeps your business running at scale?"

**16.05.2025**

Disclosure of the addition of a point in the agenda of the scheduled GSM of Sirma Group Holding AD on 03.06.2025

**07.05.2025**

Disclosure of a decision of the BD of Sirma Group Holding for a double listing on the Frankfurt Stock Exchange

**02.05.2025**

Publication of the materials for the GSM of Sirma Group Holding AD on 03.06.2025

**30.04.2025**

Disclosure of the interim individual financial statements of Sirma Group Holding AD for the period ending on 31.03.2025

**29.04.2025**

Sirma takes part in the Investor Day organized by the BSE

**29.04.2025**

Disclosure of the audited consolidated financial statements for 2024 of Sirma Group Holding AD

**23.04.2025**

Celebration of the 33 anniversary from the registration of Sirma

**16.04.2025**

Publication of an Invitation for a general meeting of shareholders of Sirma Group Holding AD

**09.04.2025**

Disclosure of sale of 400 000 own shares by Sirma Group Holding AD

**08.04.2025**

Convention of an extraordinary meeting of shareholders of Sirma Group Holding AD and publication of its Minutes.

**27.03.2025**

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

**27.03.2025**

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

**01.03.2025**

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

**28.02.2025**

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

**24.02.2025**

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

**17.02.2025**

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

**12.02.2025**

Sirma and Borika launch partnership for digitalization of employment records.

**07.02.2025**

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

**30.01.2025**

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

**16.01.2025**

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

**10.01.2025**

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

**10.01.2025**

Extraordinary General meeting of shareholders of Sirma Group Holding AD.

**03.01.2025**

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

**MAIN LEGAL INFORMATION IN 2025****Transactions with shares for the period 01.01.2025 – 31.12.2025:****- Buyback of shares by the company**

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

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

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

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

On 29.05.2025 “Sirma Group Holding” AD bought back 9 500 of its shares at an average price of BGN 1.4168 per share for a total value of BGN 13 460. The shares represent 0.016% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 30.05.2025 “Sirma Group Holding” AD bought back 72 500 of its shares at an average price of BGN 1.4456 per share for a total value of BGN 104 809,94. The shares represent 0.12% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 09.06.2025 “Sirma Group Holding” AD bought back 40 000 of its shares at an average price of BGN 1.4916 per share for a total value of BGN 59 665. The shares represent 0.07% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 24.06.2025 “Sirma Group Holding” AD bought back 19 958 of its shares at an average price of BGN 1.405 per share for a total value of BGN 28 040,78. The shares represent 0.03% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 07.08.2025 “Sirma Group Holding” AD bought back 19 709 of its shares at an average price of BGN 1.3948 per share for a total value of BGN 27 491,10. The shares represent 0.03% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 13.10.2025 “Sirma Group Holding” AD bought back 15 000 of its shares at an average price of BGN 1,38 per share for a total value of BGN 20 700. The shares represent 0,025% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 17.11.2025 "Sirma Group Holding" AD bought back 31 606 of its shares at an average price of BGN 1,67 per share for a total value of BGN 52 782,02. The shares represent 0,05% of the company's capital. The purchase was made on the Bulgarian Stock Exchange – Sofia AD.

On 16.12.2025 "Sirma Group Holding" AD bought back 25 000 of its shares at an average price of BGN 1,73 per share for a total value of BGN 43 250. The shares represent 0,04% of the company's capital. The purchase was made on the Bulgarian Stock Exchange – Sofia AD.

- **Sale of own shares by the company**

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

- **Purchase of a majority stake in the capital of "Sirma Sha" Albania**

On 13.06.2025, "Sirma Group Holding" AD concluded an agreement for the purchase of shares in the capital of "Sirma Sha" Albania with its subsidiary "Sirma Group Inc." USA. The total number of shares is 550, and the total selling price of the shares is 15 000 US dollars. As a result of the transaction, "Sirma Group Holding" AD became the majority owner of "Sirma Sha" Albania with 55% of the capital.

**Litigation for the period 01.01.2025 – 31.12.2025:**

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

**Other legal information for the period 01.01.2025 – 31.12.2025:**

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

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

- **Distribution of Cash Dividend of Sirma Group Holding AD for 2024**

According to the decision of the General Shareholders' Meeting of Sirma Group Holding AD dated 3 June 2025, the company proceeds with the distribution of a cash dividend in the gross amount of BGN 0.02 for 2024.

**ISIN:** BG1100032140

**Total amount of the dividend** incl. dividend tax : BGN 1159 175.64

**Right to receive dividend:** According to the decision of the General Meeting of Shareholders, all shareholders of "Sirma Group Holding" AD as at 17 June 2025 have the right to receive a dividend (14 days after holding the meeting, according to Art. 115c, Para. 3 of the POSA), as they are entered in the Book of Shareholders at the Central Depository AD.

**Shares with a right to dividend:** 57 958 782 (deducted 1 401 736 bought back shares).

**Dividend amount for one share:** gross BGN 0.02 and net for individual shareholders BGN 0.019.

**The bank through which the dividend will be paid is** Unicredit Bulbank AD.

**Start date for dividend payment:** 11 August 2025.

**End date for dividend payment:** 11 February 2026 (six months after the start date).

**Taxes:** taxes payable for dividends to individual persons will be withheld and remitted by Sirma Group Holding AD in advance;

**Bank commissions:** Sirma Group Holding AD will cover all bank fees for the payment of dividends;

**Payment method:**

- Shareholders who have open accounts with investment intermediaries will receive their dividend through them, complying with their requirements.
- Shareholders who are not served by an investment intermediary and whose shares are stored in personal accounts in "Register A" at the Central Depository AD, will receive their dividends through the branch network of the commercial bank Unicredit Bulbank AD.

**Cash dividends over BGN 5 000:** upon receiving a cash dividend, the amount of which exceeds BGN 5,000, the bank requires a one-day notice. This is not necessary when transferring the dividend to a bank account.

- **Sale of subsidiary Sirma AB Sweden**

On 08.08.2025 "Sirma Group Holding" AD sold its shares in the capital of its subsidiary "Sirma AB" Sweden. The total number of shares is 5000, and their total sale value is 59 000 Swedish kronor. As a result of the transaction, the majority owner of 100% of the capital of Sirma AB is the company Citadellet Likvidationer AB Sweden.

- **Submission and Approval of Prospectus of Sirma Group Holding AD for approval by the FSC**

On 12.09.2025, "Sirma Group Holding" AD submitted for approval to the FSC its Prospectus for admission of the issuer's existing shares to trading on the Regulated Market of the Frankfurt Stock Exchange (Boerse Frankfurt). On 16.10.2025, the FSC approved the prospectus for admission to trading on a regulated market of the Frankfurt Stock Exchange with simultaneous admission to the subsegment of the regulated market with additional obligations after admission (Prime Standard) of the Frankfurt Stock Exchange, as well as to the Xetra market organized by the Frankfurt Stock Exchange and admission to the EuroBridge Market segment of the Bulgarian Stock Exchange of the issue of shares issued by Sirma Group Holding AD in the amount of BGN 59 360 518, distributed into 59 360 518 ordinary, registered, dematerialized, freely transferable shares with voting rights with a nominal value of BGN 1 each, representing the entire registered capital of the company.

- **Establishment of a new subsidiary in Dubai**

On 21.10.2025, Sirma Group Holding AD established a new subsidiary in Dubai – Sirma FZE. The capital of the new company is 100 000 AED and is 100% owned by Sirma Group Holding AD.

## 6/ RESULTS BY SEGMENTS

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

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

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

<b>31.12.2025</b>	<b>System Integration BGN'000</b>	<b>Hospitality BGN'000</b>	<b>Financial Industry BGN'000</b>	<b>IT Services BGN'000</b>	<b>Strategic development BGN'000</b>	<b>Total BGN'000</b>
<b>Segment revenues</b>	<b>50 585</b>	<b>10 597</b>	<b>14 525</b>	<b>13 117</b>	<b>14 931</b>	<b>103 755</b>
Cost of materials and cost of goods sold	(42 225)	(3)	(1)	(3)	(544)	(42 776)
Hired services expenses	(2 852)	(3 653)	(2 567)	(3 050)	(2 858)	(14 980)
Employee benefits expense	(1 934)	(6 235)	(10 322)	(8 474)	(10 237)	(37 202)
Depreciation and amortisation of non-financial assets	(51)	(524)	(684)	(579)	(998)	(2 836)
Other expenses	(17)	(33)	(27)	(53)	(1 676)	(1 806)
<b>Segment operating profit/(loss)</b>	<b>3 506</b>	<b>149</b>	<b>924</b>	<b>958</b>	<b>(1 382)</b>	<b>4 155</b>

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

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

“System Integration” is part of the IT Services segment. “IT Services”, in turn, remains the leading segment in the ICT industry in the world, with sales of over USD 1.7 trillion during the year. The tariffs announced by the US in April 2025 and the retaliatory tariffs from the affected countries slowed the forecasted growth, increased the risks facing the industry and the uncertainty during the year.

This volatility was particularly strong in the US, where the President took a number of contradictory economic measures. This uncertainty was transferred from the US to Europe, and was further intensified by the war in Ukraine. The result was a worsening economic climate, increased risks and delays or postponements of system integration projects.

Despite the described difficult market conditions, sales in the segment exceeded the planned for 2025. The segment's revenue during the year exceeded BGN 50 million. The segment remains the leading one for Sirma with almost 49% of the revenues for 2025 on separate basis. The profit achieved by the segment for the year was BGN 3,5 million with a margin of 7%.

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

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

The Bulgarian market remains dominant for the "System Integration" segment with a share of 94%.

However, market challenges for the segment remain in 2026, mainly related to the escalating trade war. Political uncertainty in Bulgaria at the beginning of 2026 further suggests reduced demand in the country's public sector. Nevertheless, the segment team is prepared and confident in the implementation of the annual plan for the segment in 2026.

Segment financial results:

	<b>System Integration</b>
	<b>2025</b>
	<b>BGN'000</b>
<b>Segment revenues</b>	<b>50 585</b>
Cost of materials and cost of goods sold	(42 225)
Hired services expenses	(2 852)
Employee benefits expense	(1 934)
Depreciation and amortisation of non-financial assets	(51)
Other expenses	(17)
<b>Segment operating profit</b>	<b>3 506</b>

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

In 2025, the segment generated almost BGN 10.6 million in revenue, a decrease of approximately 21%. The decrease was largely driven by our fixed cost structure. It is important to note that this revenue decline was primarily due to external market conditions and not to any issues with our operations.

The main factors contributing to this decline were strategic withdrawals from key customers. In the first half of 2025, we saw withdrawals from major customers such as WebBeds, Priceline and RateHawk, who reduced or completely terminated their subcontracting engagements as part of their own cost reduction and geopolitical risk management measures, followed by the cancellation of the Roomdex project as part of the company's acquisition. These developments led to a noticeable difference in revenue during the year.

During the year, we implemented actions and focused on stabilizing the segment and preserving its long-term value.

Some of the key actions included:

- Retaining our core talent and maintaining our ability to deliver quality work.
- Expanding our Managed Integration Services (MIS), which operate on a subscription basis and continue to grow steadily.
- Strengthening customer relationships, with several projects being expanded and even scaled up in the second half of the year.
- Increasing our market visibility by participating in ITB and HITEC with dedicated booths.
- Shifting our positioning from simply linear software development to more scalable and product offerings.

In the last two quarters of the year, we started to see signs of stabilization and recovery and focused on creating the new service framework, which includes current services combined with an AI platform and AI services.

Towards the end of 2025, we implemented the Travel & Hospitality 360 Connect framework. This initiative is entirely focused on diversifying our revenue streams and reducing concentration risk. Some key additions include:

- Integration Hub: A repeatable, SLA-based integration service (in the planning phase).
- Expanded Managed Support: Support not only our integrations but also legacy code developed by other teams.
- AI-based solutions: We have started developing an AI-powered hotel agent on the Sirma AI platform, focusing on automation, personalization, and operational optimization for hotel groups (in the development phase).

The overall goal is to move from a purely linear project revenue model to:

- Subscription services,
- Recurring integration support,
- AI-based value-added offerings.

These changes will help us create a more scalable and sustainable revenue model.

Looking ahead, we see 2025 as a year of transition and repositioning.

For 2026, our expectations include:

- Revenue stabilization and gradual recovery towards 2024 levels.
- Higher share of recurring revenue through our MIS and integration center.
- Increased expansion in Western Europe and North America.
- Market penetration in the Middle East.
- New cross-selling and up-selling opportunities through our AI-based offerings.

With a strengthened sales infrastructure and a broader range of services, we believe the segment is better positioned for diversified and sustainable growth compared to our pre-2025 operations.

Segment financial results:

	<b>Hospitality</b>
	<b>2025</b>
	<b>BGN'000</b>
<b>Segment revenues</b>	<b>10 597</b>
Cost of materials	(3)
Hired services expenses	(3 653)
Employee benefits expense	(6 235)
Depreciation and amortisation of non-financial assets	(524)
Other expenses	(33)
<b>Segment operating profit</b>	<b>149</b>

**Segment "IT Services"** is focused on cross-industry corporate solutions - IT services (horizontal specialization of IT services in different economic sectors) and software products.

"IT Services" remains the leading segment in the ICT industry globally. The segment is expected to grow by 5% in the global IT market in 2025 and accelerate its development to 7% in 2026 ([Gartner, June, 2025](#)). The tariffs announced by the USA in April 2025 and the retaliatory tariffs from the affected countries have reduced expectations for growth to the above levels, and increased the risks facing the industry, which in turn increases uncertainty during the year.

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

In addition to economic uncertainty, the IT Services segment is also vulnerable to currency risk, which stems from the dramatic decline in the US dollar exchange rate in the first nine months of 2025 (12%) against the euro and the relatively high sales levels of the segment in the US (18% in the first nine months of the year).

The segment's revenue in 2025 reached BGN 13,1 million. The segment is with nearly 13% of the Holding's revenue on an separate basis for the year. The growth in revenue in the IT Services segment is accompanied by an increase in their profit margin to 8%, which is already leading in the company. The segment is contributing by BGN 957 thousand to the Holding's profit on an separate basis for 2025.

At the beginning of 2025, IT service contracts were re-signed with all old clients, and work on their projects continues accordingly. In the first quarter of the year, Sirma took part in four tender procedures in the Bulgarian public sector, financed under the National Recovery and Resilience Plan (NRRP). Three of them were won - see below.

10% of the revenue in the IT Services segment comes from the activities of the Retail sub-segment. The sub-segment is the leader in sales of Sirma solutions based on artificial intelligence. It is in retail, where a huge amount of data is generated, that artificial intelligence can help extract useful information from it that can be practically used by the retailer. The Retail sub-segment offers consulting, software and digital commerce with artificial intelligence, focused on forecasting, personalization and automation - turning customer data into measurable growth (conversion, retention, efficiency). The Retail sub-vertical offers its customers both IT services and proprietary software products:

- Loyax is an award-winning platform for managing loyalty programs across all retail channels, enabling unified customer identity, engagement and campaign effectiveness.
- Salexor is a real-time AI solution that monetizes website visits and enhances digital offerings through AI-driven personalization and marketing automation.

The more significant projects being worked on are:

IT Services in Europe:

- Support and improvement of a payment system for gift cards in the Scandinavian countries
- Support and improvement of a payment system for a large English operator
- Support and improvement of a large airline reservation system
- New contract with a large air conditioning company from Liechtenstein

IT Services in the retail segment:

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

IT Services for the public sector

- Adaptation, upgrade and modification of the existing information system of the National Center for the Development of the Bulgarian Patent Office to bring it into line with the requirements and the plan for introducing the euro in Bulgaria
- Modernization of the information system of the Bulgarian Patent Office, out-of-warranty support and ensuring continuity of the workflow and cybersecurity
- Out-of-warranty servicing of Air Traffic License Manager
- Upgrading the Unified Information System for Academic Recognition and development of a publicly accessible database (within the international ENIC-NARIC network) for higher education degrees and doctoral degrees acquired in third countries for the National Center for Information and Documentation
- New contract for modernization of the information system for data storage and processing with the Employment Agency in Bulgaria
- Won tender for development and implementation of software for processing survey results under Activity 4 of Investment C11.I5-H8 "Modernization of the Employment Agency", financed under the NRRP
- Won tender for development of a system for assessing the effectiveness and efficiency of the services offered by the Employment Agency, based on data from related administrative registers" under Activity 3 of Investment C11.I5-H8 "Modernization of the Employment Agency", financed under the NRRP.

IT Services in the USA:

- we serve old clients of Sirma

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

The segment's financial results in 2025 are within the planned range

In 2026, we expect strong revenue growth, driven by deeper implementation of artificial intelligence and expanded automation services in the existing customer base. We are already seeing increased demand for predictive analytics, personalization and AI agents that streamline operations, improve customer experience and provide measurable return on investment.

Segment financial results:

	<b>IT Services</b>
	<b>2025</b>
	<b>BGN'000</b>
<b>Segment revenues</b>	<b>13 117</b>
Cost of materials	(3)
Hired services expenses	(3 050)
Employee benefits expense	(8 474)
Depreciation and amortisation of non-financial assets	(579)
Other expenses	(53)
<b>Segment operating profit</b>	<b>958</b>

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

The segment continues to face serious challenges:

- Limited opportunity for price indexation under existing contracts;
- Difficulties in finding and retaining highly qualified personnel on the Bulgarian market, along with high labor costs and sustainable wage growth in the IT sector;
- Increased price pressure and shorter contract cycles;
- Adaptation of the business model and approaches in implementation and creation of solutions with licenses paid per month and per user;
- Adaptation of existing solutions in the portfolio so that they meet new regulatory requirements and trends for robotization of digital processes. The implementation of artificial intelligence and machine learning technologies will optimize the terms of service delivery, but will require time for the implementation of new projects.

Sirma Group Holding continues to focus on providing IT and consulting services, and during the year, in addition to active actions to stabilize several current projects, we emphasized the provision of the latest versions of the Temenos and FlexCube banking systems and opening all systems to solutions that enable the implementation of "Open banking" API-based services. Projects in the direction of "Open Digital Business", management and storage of business data and regulatory reporting were also the main focus for the company in 2025.

At the beginning of 2025, the segment signed numerous small orders for the adaptation of reporting systems in view of changes in the legal framework. There were also orders for changes and adaptation of systems related to the transition to the euro.

The implementation of several projects for the implementation of payment and satellite solutions continued, including "RepXpress", "ceGate" and "UBX Suite", DIGI Bank.

We had a clear development plan, including active promotion and distribution of new versions of:

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

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

2025 was a transitional year for the entire Group and its restructuring, characterized by:

- preparation for a new listing on the Frankfurt Stock Exchange;
- centralization of administrative processes;
- unification of internal financial policies;
- strengthening of financial discipline and control mechanisms.

These processes led to temporary organizational workload, but created a basis for higher operational efficiency in 2026.

## **Strategy and development outlook in 2026**

### **Services**

The focus of services in the year will include and present:

- data management and administration;
- automated testing tools;
- business analysis and documentation;
- hybrid expert services.

There is a gradual transition from a model based primarily on the provision of resources to a product-expert model with higher added value

### Main goals

- Stabilization and successful completion of ongoing projects.
- Integration of AI software agents into core processes and systems.
- Development of regulatory reporting after the adoption of the euro.
- Optimization of business data and integration platforms.
- Increase in revenues with a planned growth of 15% (up to EUR 10 million).

### Strategic Priorities

#### Financial Sustainability

- Gradual increase in prices for services and products.
- Expansion of SaaS models and subscription revenues.
- Improvement of margin through cost optimization.

#### Human Capital

- Investments in training and development of competencies in AI, ML and automation.
- Programs for retaining key specialists.
- Promotion of internal specialization and expertise.

#### Geographic Development

- Retention and expansion of the client base in the Balkans.
- Development of positions in the European Union.
- Expansion of presence in North America.

In conclusion, 2026 offers both significant opportunities and challenges.

The success of the segment will depend on:

- the right positioning in the cloud and AI transformation;
- retention of key specialists;
- operational efficiency;
- adaptation to the new regulatory framework after the introduction of the euro;
- the ability to turn talent shortages into a catalyst for innovation.

Segment financial results:

	<b>Financial Industry</b>
	<b>31.12.2025</b>
	<b>BGN'000</b>
<b>Segment revenues</b>	<b>14 525</b>
Cost of materials	(1)
Hired services expenses	(2 567)
Employee benefits expense	(10 322)
Depreciation and amortisation of non-financial assets	(684)
Other expenses	(27)
<b>Segment operating profit</b>	<b>924</b>

**Segment “Strategic development”** includes various primarily cost units that can’t be directly related to any of the other segments, but are important to the operations of all of them. Such as:



#### Business Incubator

Sirma discloses information about the leading specialization segments that contribute over 10% of revenues for the respective period. This methodology assumes that segments with more modest sales are grouped into the “Strategic Development” segment. Sirma invests in these sub-segments and develops their potential, with confidence in their successful business prospects. Some of them are already successfully self-sustaining and are no longer cost units (e.g.: “IT Services for Transport and Logistics”), others are still at an earlier stage of development and do not generate profit (e.g.: “IT Services for HR”).

#### Technology Incubator

We have witnessed the rapid development of information technologies and their application in business. Maintaining Sirma’s competitiveness is a direct function of the absorption of each new technology and its understanding and application to the Group’s verticals of specialization. The “Strategic Development” segment also includes the “Incubator and Labs”. This is the organizational unit responsible for R&D activities in Sirma.

#### International Penetration

Sirma sells its products and services globally. In a number of important markets for the Group, Sirma has established local representative offices (Great Britain, USA, etc.). At the same time, an “International Sales Unit” has been established in Sirma for the purpose of entering new markets for the Group. Its maintenance costs, as well as any income from sales, are also included in the “Strategic Development” segment.

#### Strategic Administration

Operational administrative expenses are allocated to the respective segment they serve.

However, strategic administrative expenses related to the development of the Group are included in the “Strategic Development” segment. For example, in 2025, administrative expenses related to Sirma’s secondary listing on the Frankfurt Stock Exchange will be allocated here.

#### ESG

Sirma’s economic sustainability is a direct function of its sustainability in environmental, social and governance terms. As a company specializing in IT services, the leading theme of its sustainability is social – development, additional qualifications and motivation of employees. The costs for the various ESG initiatives in Sirma are also included in the “Strategic Development” segment. For example, the costs for the Sirma Academy, which is responsible for the additional qualifications of employees, as well as for attracting and training new ones, are included here.

In 2025, the “Strategic Development” segment generated 14,39% of total revenues at the individual level for Sirma, and realized a BGN 1 382 thousand loss, due to its specificity as described above.

Despite the fact that the nature of most of the elements included in the “Strategic Development” segment is of cost centers, some of the sub-segments generate revenues. In 2025, the “Strategic Development” segment includes sales in the following sub-segments of the “Business Incubator”:

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

In 2025 the leading sales sub-segment is “IT Services for Transport and Logistics” (42% of “Strategic Development” sales). With revenue of almost BGN 7 million this sub-segment is already self-sustaining, generates profit and has the closest prospect of growing to the level of an independent segment.

The geographical focus of the “Strategic Development” segment’s sales is diverse – from an almost complete focus on Bulgaria (insurance companies), through the USA (healthcare) to global penetration of IT services for transport and logistics.

The goals set for the teams of the various components included in the “Strategic Development” are diverse, depending on the nature of their activities.

In the “Business Incubator”, the goals for each of the sub-segments are as follows:

1. Development of services
2. Increase in sales
3. Achieving self-sufficiency of the sub-segment
4. Generating profit from the activity
5. Increase in sales to over 10% of the total for the Group and transition to the level of an independent segment

In 2025, the “Transport and Logistics” sub-segment successfully achieved the first four goals and is focusing its efforts on increasing sales to the level necessary for its transformation into an independent segment. The “Healthcare” and “Insurance Companies” sub-segments have achieved the first three goals and are already self-sufficient. The HR Services sub-segment is still in its initial phase of development, with current legislative changes in Bulgaria for the digitalization of employment records giving reason for optimism for the development of this sub-segment.

The activities of the Incubator and Labs until the end of 2025 will be focused on the construction and implementation of Sirma AI.Enterprise. The main task of Sirma’s “Strategic Administration” will be to carry out all necessary activities for the successful dual listing on the Frankfurt Stock Exchange. The International Sales Unit is exploring sales opportunities in the Middle East. ESG expenses will be mainly aimed at improving the qualifications of employees in AI-related technologies and improving communication with Sirma’s investors.

Segment financial results:

	<b>Strategic development</b>
	<b>2025</b>
	<b>BGN'000</b>
<b>Segment revenues</b>	<b>14 931</b>
Cost of materials	(544)
Hired services expenses	(2 858)
Employee benefits expense	(10 237)
Depreciation and amortisation of non-financial assets	(998)
Other expenses	(1 676)
<b>Segment operating (loss)</b>	<b>(1 382)</b>

## 7/ INDIVIDUAL FINANCIAL RESULTS

### 7.1. REVENUES

	2025 BGN '000	2024 BGN '000	Change (BGN '000)	Change (%)
Revenues from sales	102 264	30 812	71 452	231,90%
Dividend income	-	1 390	1 159	(100%)
Rental income from investment properties	310	579	(269)	(46,46%)
Interest income	2	6	(4)	(66,67%)
Gain on sale of non-current assets	23	2	21	1 050%
Financing income	16	11	5	45,45%
Other revenues	1 140	310	830	267,74%
<b>Total</b>	<b>103 755</b>	<b>33 110</b>	<b>70 645</b>	<b>213,36%</b>

In 2025 the revenues of "Sirma Group Holding" AD increased by BGN 70 645 thousand or by 213,36% compared to 2024. Revenues during the comparative period did not include revenues from the activities of the companies that after 8 October 2024 incorporated into "Sirma Group Holding" AD.

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

Revenues by product line includes:

	2025 BGN '000	2024 BGN '000	Change (BGN '000)	Change (%)
Sale of IT equipment	47 227	15 985	31 242	195,45%
Software services	43 212	10 146	33 066	325,90%
Subscriptions	8 189	1 211	6 978	576,22%
Support	1 605	747	858	114,86%
System Integration	870	-	870	n/a
Licenses	413	-	413	n/a
Administrative and accounting services	421	2 529	(2 108)	(83,35%)
Hosting	262	52	210	403,85%
Cloud services	9	9	-	-
Others	56	133	(77)	(57,89%)
<b>Total</b>	<b>102 264</b>	<b>30 812</b>	<b>71 452</b>	<b>231,90%</b>

#### 7.1.1. Recurring revenue

Recurring revenues are stable, predictable and constant over time. For 2025, the Company reports recurring revenues as follows:

	Amount	Percentage of revenue
Support and Service	7 412	7%
IT Systems Development and Management	11 311	11%
Subscriptions and Licenses	663	1%
Long-Term Contract Services	8 176	8%
<b>Total Recurring Revenue</b>	<b>27 562</b>	<b>27%</b>
Other Revenue	76 193	73%
<b>Total Revenue</b>	<b>103 755</b>	<b>100%</b>

### Maintenance and service

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

### Building and managing IT systems / Managed services

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

### Subscriptions and licenses

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

### Services under long-term contracts

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

## 7.2. EXPENSES

	2025 BGN '000	2024 BGN '000	Change (BGN '000,%)
Cost of materials	(406)	(206)	(200)
Change in %			97,09%
Hired services expenses	(14 980)	(3 716)	(11 264)
Change in %			303,12%
Employee benefits expense	(37 202)	(8 541)	(28 661)
Change in %			335,57%
Depreciation and amortisation of non-financial assets	(2 836)	(1 130)	(1 706)
Change in %			150,97%
Cost of goods sold and other current assets	(42 370)	(15 422)	(26 948)
Change in %			174,74%
Other expenses	(1 806)	(551)	(1 255)
Change in %			227,77%
<b>Total expenses</b>	<b>(99 600)</b>	<b>(29 566)</b>	<b>(70 034)</b>
<b>Change in %</b>			<b>236,87%</b>

In 2025 the expenses of "Sirma Group Holding" AD increased by BGN 70 034 thousand or by 236,87% as compared to 2024. Expenses during the comparative period include expenses from the activities of the companies that after 8 October 2024 incorporated into "Sirma Group Holding" AD.

## 7.3. FINANCIAL INCOME AND COSTS

	2025 BGN '000	2024 BGN '000	Change (BGN '000)	Change (%)
Finance income	(1 787)	(151)	(1 636)	1 083,44%
Finance costs	2 550	270	2 280	844,44%
<b>Finance income / costs (net)</b>	<b>763</b>	<b>119</b>	<b>644</b>	<b>541,18%</b>

## 7.4. ASSETS

The total assets of „Sirma Group Holding“ AD at the end of the 2025 were with BGN 5 515 thousand (5,10%) less than their value at the end of 2024.

<b>Non-current assets</b>	<b>31.12.2025 BGN '000</b>	<b>31.12.2024 BGN '000</b>	<b>Change (BGN '000)</b>	<b>Change (%)</b>
Goodwill	24 608	24 464	144	0,59%
Property, plant and equipment	9 540	8 447	1 093	12,94%
Intangible assets	11 408	10 710	698	6,52%
Investments in subsidiaries	32 872	33 042	(170)	(0,51%)
Investment property	4 146	4 193	(47)	(1,12%)
Long-term related party receivables	304	354	(50)	(14,12%)
Deferred tax assets	791	1 046	(255)	(24,38%)
<b>Total non-current assets</b>	<b>83 669</b>	<b>82 256</b>	<b>1 413</b>	<b>1,72%</b>
<b>Current assets</b>	<b>31.12.2025 BGN '000</b>	<b>31.12.2024 BGN '000</b>	<b>Change (BGN '000)</b>	<b>Change (%)</b>
Inventory	3 383	1 563	1 820	116,44%
Trade receivables	10 329	9 941	388	3,90%
Prepayments and other assets	3 090	834	2 256	270,50%
Related party receivables	5 415	3 603	1 812	50,29%
Cash	7 779	9 953	(2 174)	(21,84%)
<b>Total current assets</b>	<b>29 996</b>	<b>25 894</b>	<b>4 102</b>	<b>15,84%</b>

## 7.5. EQUITY

	<b>31.12.2025 BGN '000</b>	<b>31.12.2024 BGN '000</b>	<b>Change (BGN '000)</b>	<b>Change (%)</b>
Share Capital	59 361	59 361	-	-
Purchased own shares	(1 569)	(1 689)	120	(7,10%)
Share premium reserve	5 836	6 016	(180)	(2,99%)
Other reserves	2 484	1 609	875	54,38%
Retained earnings	8 603	6 831	1 772	25,94%
Current financial result	4 663	3 257	1 406	43,17%
<b>Total equity</b>	<b>79 378</b>	<b>75 385</b>	<b>3 993</b>	<b>5,30%</b>

In 2025, Equity increased by BGN 3 993 thousand compared to the end of 2024.

## 7.6. LIABILITIES

The amount of the liabilities of “Sirma Group Holding” AD at the end of 2025 were with BGN 1 552 thousand (4,65%) less than their value at the end of 2024.

	<b>31.12.2025</b>	<b>31.12.2024</b>	<b>Change</b>	<b>Change</b>
	<b>BGN '000</b>	<b>BGN '000</b>	<b>(BGN '000)</b>	<b>(%)</b>
Long-term employee obligations	729	627	102	16,27%
Long-term borrowings	7 339	6 009	1 330	22,13%
Long-term lease liabilities	691	515	176	34,17%
Long-term related party payables	3 517	3 699	(182)	(4,92%)
<b>Total Non-current liabilities</b>	<b>12 276</b>	<b>10 850</b>	<b>1 426</b>	<b>13,14%</b>

	<b>31.12.2025</b>	<b>31.12.2024</b>	<b>Change</b>	<b>Change</b>
	<b>BGN '000</b>	<b>BGN '000</b>	<b>(BGN '000)</b>	<b>(%)</b>
Employee obligations	4 341	4 415	(74)	(1,68%)
Short-term borrowings	1 360	239	1 121	469,04%
Short-term lease liabilities	736	322	414	128,57%
Trade and other payables	10 709	14 178	(3 469)	(24,47%)
Contract liabilities	4 465	2 240	2 225	99,33%
Short-term related party payables	400	444	(44)	(9,91%)
Provisions	-	77	(77)	(100%)
<b>Total Current liabilities</b>	<b>22 011</b>	<b>21 915</b>	<b>96</b>	<b>0,44%</b>

## Long-term and short-term bank loans

Recipient of credit	In Bank	Type of loan	Currency	Total amount of credit (BGN)	Outstanding obligation to 31.12.2025 (BGN)	Date of contract	Interest rate	Maturity date	Pledges
<b>Loans for which the Issuer is a debtor</b>									
Sirma Group Holding AD	Unicredit BulBank AD	Overdraft	BGN	6 000 000	-	12.12.2024	The applicable variable interest rate index and additional interest rate for regular debt for the relevant interest period.	12.12.2027	Pledge of receivables
Sirma Group Holding AD	United Bulgarian Bank AD	Bank credit	BGN	9 400 000	8 682 247,71	09.10.2024	Variable interest rate in the amount of UBB's short-term interest rate /SIP/ for the contract period plus an annual premium.	09.10.2032	Pledge of receivables, pledge of commercial enterprises, pledge of property
Sirma Group Holding AD	United Bulgarian Bank AD	Overdraft	BGN	8 000 000	-	10.10.2024	Variable interest rate in the amount of UBB's short-term interest rate /SIP/ for the contract period plus an annual premium.	10.10.2026	Pledge of receivables
<b>Loans for which the Issuer is a guarantor</b>									
EngView Systems JSC	Unicredit BulBank AD	Overdraft	BGN	1 000 000	-	15.12.2020	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	15.12.2026	Pledge of receivables

### Other loans and deposits provided by “Sirma Group Holding” AD and its subsidiaries:

Lender	Recipient	United identification code	Relationship	Type	Currency	Liability as of 31.12.2025 (BGN '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
Saifort	Sirma Medical Systems	204054855	Company under common control	Loan	BGN	2 133	20.12.2022	2.80	31.12.2027	No pledges
Saifort	Sirma Group Holding	200101236	Parent company	Deposit	BGN	3 267	18.07.2023	0.10	31.12.2027	No pledges
Saifort	Saifort Israel		Company under common control	Loan	ILS	26	21.02.2024	2.5	31.12.2026	No pledges
Sirma Group Holding	Pirina Technologies	175149906	Company under common control	Loan	BGN	295	10.01.2022	2	31.12.2025	No pledges
Sirma Group Holding	*Individual S.S.		Non related party	Loan	BGN	150	27.06.2017, 20.09.2017	3	31.12.2025	No pledges
Sirma Group Holding	*Individual S.S.		Non related party	Loan	BGN	133	31.05.2022	2	31.12.2025	No pledges
EngView Systems	EngView Systems GmbH		Subsidiary	Loan	EUR	104	05.12.2022	3	31.12.2028	No pledges
Sirma ICS	Sirma Group Holding	200101236	Parent company	Deposit	BGN	250	04.2.2025	0.10	04.02.2027	No pledges
Sirma Group Holding	Sirma FZE		Subsidiary	Loan	USD	68	09.12.2025	2.50	09.12.2028	No pledges

### Other loans and deposits received from „Sirma Group Holding“ AD and its subsidiaries:

Recipient	Lender	United identification code	Relationship	Type	Currency	Liability as of 31.12.2025 (BGN '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
Sirma Medical Systems	Saifort	200356710	Company under common control	Loan	BGN	2 133	20.12.2022	2.80	31.12.2027	No pledges
Sirma Group Inc	Worklogic Canada		Non related company	Loan	USD	79	31.07.2017	0.01	31.12.2026	No pledges
Sirma Group Holding	Saifort	200356710	Subsidiary	Deposit	BGN	3 267	18.07.2023	0.1	31.12.2027	No pledges
Sirma Group Holding	Sirma ICS	203940550	Subsidiary	Deposit	BGN	250	04.2.2025	0.10	04.02.2027	No pledges
Sirma FZE	Sirma Group Holding		Parent company	Loan	USD	68	09.12.2025	2.50	09.12.2028	No pledges

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

## 7.7. CASH FLOW

	2025 BGN '000	2024 BGN '000	Change (BGN '000)	Change %
Net cash flow from operating activities	3 949	6 713	(2 764)	(41,17%)
Net cash flow from investing activities	(6 138)	(6 922)	784	(11,33%)
Net cash flow from financing activities	203	6 095	(5 892)	(96,67%)
Net change in cash	(1 986)	5 886	(7 872)	n/a
Exchange (loss)/gains on cash	(188)	30	(218)	n/a
Cash and cash equivalents acquired in a business combination	-	2 906	(2 906)	n/a
Cash at the beginning of the year	9 953	1 131	8 822	780,02%
Cash at the end of the year	7 779	9 953	(2 174)	(21,84%)

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

## 7.8. INDICATORS AND COEFFICIENTS

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

Indicators BGN '000	31.12.2025	31.12.2024	Change	
			(Abs.)	(%)
Revenue from operating activities	103 755	33 010	70 745	214,31%
Total operating costs	(99 600)	(29 566)	(70 034)	236,87%
Operating profit	4 155	3 444	711	20,64%
Financial income	2 550	270	2 280	844,44%
Financial costs	(1 787)	(151)	(1 636)	083,44%
Profit before tax expense	4 917	3 563	1 354	38,00%
Income tax expenses	(255)	(306)	51	(16,67%)
Net profit	4 663	3 257	1 406	43,17%
Dividend	(1 160)	(1 154)	(6)	0,52%
Cash	7 779	9 953	(2 174)	(21,84%)
Short-term assets	29 996	25 894	4 102	15,84%
Total amount of assets	113 665	108 150	5 515	5,10%
Average arithmetic total asset value for 5 quarters	107 760	94 220	13 540	14,37%
Current liabilities	22 011	21 915	96	0,44%
Debt	10 126	7 085	3 041	42,92%
Liabilities (borrowed funds)	34 287	32 765	1 522	4,65%
Equity	79 378	75 385	3 993	5,30%
Equity averaged for 5 quarters	76 498	73 667	2 831	3,84%
Turnover capital	7 985	3 979	4 006	100,68%
Number of shares at the end of the period (in thousands)	59 361	59 361	-	-
Financial expense on securities transactions	(579)	-	(579)	n/п
Interest expenses	(253)	(62)	(191)	308,06%
Weighted average share price of last trading session	1,880	0,953	0,927	97,33%
Last share price of last trading session	1,889	0,945	0,944	99,93%

Indicators	31.12.2025	31.12.2024	Change	
			(Abs.)	(%)
EBITDA	8 586	4 755	3 831	80,57%
DEPRECIATION	(2 836)	(1 130)	(1 706)	150,97%
EBIT	5 750	3 625	2 125	58,62%
FIN/INVEST NET	763	119	644	541,18%
EBT	4 918	3 563	1 355	38,03%
ROA	0,0461	0,0301	0,01600	53,14%
ROA(BSE)	0,0486	0,0346	0,01408	40,72%
Debt/EBITDA Ratio	1,1768	1,4900	(0,30857)	(20,77%)
Quick Ratio	1,3628	1,1816	0,1812	15,34%
ROE (BSE)	0,0685	0,0442	0,0243	54,99%
ROE	0,0610	0,0442	0,0167	37,87%
Debt/Equity Ratio (BSE)	0,4319	0,4346	(0,0027)	(0,62%)
<b>Profitability ratios</b>				
Operating profit margin	0,0400	0,1043	(0,0643)	(61,63%)
Net profit margin	0,0449	0,0987	(0,0537)	(54,45%)
<b>Coefficients for assets and liquidity</b>				
Assets turnover ratio	0,9865	0,3532	0,6333	179,29%
Assets turnover ratio (BSE)	0,9628	0,3504	0,6125	174,82%
Operating cycle	12,9937	8,2961	4,6977	56,63%
Current ratio	1,3628	1,1816	0,1812	15,34%
Quick ratio	1,3628	1,1816	0,1812	15,34%
Cash ratio	0,3534	0,4542	(0,1007)	(22,18%)
<b>Odds per share</b>				
P/S ratio	1,0753	1,7129	(0,6375)	(37,22%)
P/E ratio	23,9271	17,3599	6,5672)	37,83%
P/B ratio	1,4056	0,7500	0,6555	87,40%
Revenue per share	1,7479	0,5561	1,1918	214,31%
Earnings per share	0,0786	0,0549	0,0237	43,17%
Book value of equity per share	1,2887	1,2410	0,0477	3,84%
<b>Development Ratios</b>				
Revenue growth	2,1431	5,3141	(3,1709)	(59,67%)
Net profit growth	0,4317	1,1584	(0,7267)	(62,73%)
Assets growth	0,0510	0,2006	(0,1496)	(74,58%)
<b>Leverage Ratios</b>				
Debt/total assets	0,0940	0,0752	0,0188	24,96%
Debt/capital	0,1169	0,0877	0,0292	33,23%
Debt/equity	0,1324	0,0962	0,0362	37,63%
Total assets/equity	1,4087	1,2790	0,1297	10,14%
Market value of the company	112 153	56 096	56 056	99,93%

## 7.9 RELATED PARTY TRANSACTIONS

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

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

### Transactions with subsidiaries

	<b>2025</b> <b>BGN'000</b>	<b>2024</b> <b>BGN'000</b>
Purchases of goods and services		
Purchases of services:		
- Software services	(3 543)	(874)
- Internet	(47)	(34)
- Consulting services	(8)	(20)
- Subscriptions	(90)	(55)
- Hosting	(101)	(17)
- Intermediary services	(52)	(24)
- Software license rental	(35)	-
- Office supplies	-	(1)
Purchases of LTFA	-	(9)
Sales of goods and services		
Sales of services		
- Administrative, accounting services	428	2 525
- Rent	157	433
- Consulting services	-	6
- Software services	3 947	765
- Technical Support	-	5
- Subscriptions	18	9
Sales of goods:		
- Consumables	9	71
- Computer components	228	37
Dividends income	2 549	1 390
Dividends received	1 116	1 390
- Received deposits	250	3 297
- Refunded deposits received	(432)	(590)
- Loans given	(68)	(660)
- Refunded loans given	84	649
- Interest on received loans	(4)	(13)
- Interest on loans given	2	5

### Transactions with other related parties

	<b>2025</b> <b>BGN'000</b>	<b>2024</b> <b>BGN'000</b>
Sale of services		
- Administrative, accounting services	5	1
- Rent	17	8
- Software services	8	-
Sale of goods		
- Consumables	19	-
- Computer components	5	-

## Transactions with key management personnel

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

	<b>2025</b> <b>BGN'000</b>	<b>2024</b> <b>BGN'000</b>
Salaries including bonuses	(547)	(376)
Share-based payment expenses	(550)	-
Social security costs	(7)	(6)
<b>Total remunerations</b>	<b>(1104)</b>	<b>(382)</b>

## 8/ PERSONNEL AND ECOLOGY

### 8.1 ECOLOGY

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

### 8.2 PERSONNEL

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

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

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

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

<b>"Sirma Group Holding" AD</b>	<b>31.12.2025</b>	<b>31.12.2025</b>
	<b>Number of employees</b>	<b>Number of employees</b>
Labour contract	439	432
Contract for management and control	9	9
<b>Total</b>	<b>448</b>	<b>441</b>

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

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

# 9/ RISK FACTORS

## 9.1 System Risks

The general risks stem from possible changes in the overall economic system and, in particular, a change in the conditions of the financial markets. They can not be diversified, as all economic entities operating in a given market are exposed to them.

### 8.1.1. Economic Growth

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

According to published information from NSI, after the introduction of the currency board system in 1997, Bulgaria achieved macroeconomic stability and good indicators for economic development.

Delayed economic growth, not only in Bulgaria but also in other countries where the Company realizes its output, means reduced activity on the part of economic operators, where there is also a reduced level of investment in general and in particular in IT and software solutions. In this respect, lower economic growth adversely affects the Company's activity and would prevent the future plans from being realized according to predefined parameters.

### 8.1.2. Political Risk

The political risk is the likelihood of a change in government, or a sudden change in its policy, the emergence of internal political turmoil and unfavorable changes in European and / or national legislation, resulting in a negative change in the environment in which local businesses operate, and investors to suffer losses.

The political risks for Bulgaria at international level are related to the commitments made to implement serious structural reforms in the country as an equal member of the EU, increasing the social stability of the inefficient spending on the one hand, as well as the severe destabilization of the countries in The Middle East, the increasing threats of terrorist attacks in Europe, refugee waves, and the volatility of key countries in the immediate vicinity of Bulgaria.

Bulgaria, as well as the other EU member states in the region, continues to be seriously affected by the common European problem of the intensive Middle East refugee flow.

Other factors that also affect this risk are possible legislative changes, particularly those that concern the economic and investment climate in the country.

### 8.1.3. Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company.

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

	<b>31 December 2025</b>	<b>31 December 2024</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<b>Financial assets</b>		
Trade and other receivables	9 567	9 941
Related parties receivables	5 719	3 957
Cash	7 779	9 953
	<b>23 065</b>	<b>23 851</b>

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties. The

Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

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

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

The Company uses an allowance account for recognized expected credit losses by type of receivables, with the reconciliation of the movement for 2025 and 2024 being presented in the table below:

	<b>Trade and other receivables BGN'000</b>	<b>Related parties receivables BGN'000</b>	<b>Total BGN'000</b>
<b>Balance as of 1 January 2025</b>	<b>(573)</b>	<b>(936)</b>	<b>(1509)</b>
Loss recognized during the period	(111)	(506)	(617)
Amounts written off (uncollectible)	37	417	454
Reversal of impairment loss	19	892	911
<b>Balance as of 31 December 2025</b>	<b>(628)</b>	<b>(133)</b>	<b>(761)</b>

#### 8.1.4. Currency Risk

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

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

	<b>Short-term risk exposure</b>	
	<b>US Dollars (BGN'000)</b>	<b>British Pounds (BGN'000)</b>
<b>31 December 2025</b>		
Financial assets	5 468	-
Financial liabilities	-	(22)
<b>Total exposure</b>	<b>5 468</b>	<b>(22)</b>

	<b>Short-term risk exposure</b>	
	<b>US Dollars BGN'000</b>	
<b>31 December 2024</b>		
Financial assets		6 728
Financial liabilities		(455)
<b>Total exposure</b>		<b>6 273</b>

The tables below show the sensitivity of the annual net financial result after taxes and equity to possible changes in the exchange rates of the Bulgarian lev against the following foreign currencies:

31 December 2025	Increase in the exchange rate of the Bulgarian lev		Decrease in the exchange rate of the Bulgarian lev	
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
US Dollars (+/- 7.7 %)	(378)	(378)	378	378
British Pounds (+/- 4.2 %)	1	1	(1)	(1)

31 December 2024	Increase in the exchange rate of the Bulgarian lev		Decrease in the exchange rate of the Bulgarian lev	
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
US Dollars (+/- 2.6 %)	(149)	(149)	149	149

The percentages are determined based on the average exchange rates for the last 12 months. All other parameters are assumed to be constant.

The sensitivity analysis is based on the Company's investments in financial instruments in foreign currency held at the end of the reporting period.

### 8.1.5. Interest Rate Risk

Interest rate risk is the risk of interest rates on borrowed funds and loans increasing compared to the originally agreed rates. This is only possible for loans/contracts with a variable interest rate.

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

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

The table presented below show the sensitivity of the annual net financial result after tax and equity to a likely change in interest rates on loans with a floating interest rate based on EURIBOR in the amount of +/- 2.3%. These changes are determined to be probable based on observations of current market conditions. The calculations are based on the change in the average market interest rate and on the financial instruments held by the Company at the end of the reporting period, which are sensitive to interest rate changes. All other parameters are assumed to be constant.

31 December 2025	Net financial result		Equity	
	increase in interest rate	decrease in interest rate	increase in interest rate	decrease in interest rate
	BGN'000	BGN'000	BGN'000	BGN'000
Loans (EURIBOR 2.3 %)	(180)	180	(180)	180

31 December 2024	Net financial result		Equity	
	increase in interest rate	decrease in interest rate	increase in interest rate	decrease in interest rate
	BGN'000	BGN'000	BGN'000	BGN'000
Loans (EURIBOR 2.3 %)	(129)	129	(129)	129

### 8.1.6. Liquidity risk

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

As at 31 December 2025, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

<b>31 December 2025</b>	<b>Current</b>		<b>Non-current</b>
	<b>Within 6 months</b>	<b>6 to 12 months</b>	<b>1 to 5 years</b>
	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>
Loan liabilities	673	672	7 339
Lease liabilities	378	377	712
Trade and other payables	10 100	-	-
Related party payables	400	-	3 517
<b>Total</b>	<b>11 551</b>	<b>1 049</b>	<b>11 568</b>

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

<b>31 December 2024</b>	<b>Current</b>		<b>Non-current</b>
	<b>Within 6 months</b>	<b>6 to 12 months</b>	<b>1 to 5 years</b>
	<b>BGN'000</b>	<b>BGN'000</b>	<b>BGN'000</b>
Loan liabilities	120	119	6 009
Lease liabilities	167	167	528
Trade and other payables	13 367	-	-
Related party payables	444	-	3 699
<b>Total</b>	<b>14 098</b>	<b>286</b>	<b>10 236</b>

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

### 8.1.7. Inflation Risk

Inflation risk represents a general increase in prices, in which money depreciates, employee remuneration must increase, while companies are unable to compensate for this increase by increasing the prices of services and products sold. Inflation risk can potentially cause a decrease in profits or incur losses by the Company. During the reporting year, our country went through a process of accelerated increase in price levels, but at the moment this process is under control.

At the same time, geopolitical tensions, disruption of global supply chains and military conflicts have the potential to lead to an increase in the prices of raw materials and fuels and hence inflationary pressure. For these reasons, inflation risk remains relatively high.

### 8.1.8. Risk from unfavorable changes in tax and other legislation

The taxes paid by Bulgarian legal persons include withholding tax, local taxes and fees, corporate income tax, value added tax, excise duties, export and import duties and property taxes. The tax system in Bulgaria is still developing. This may result in contradictory tax practices, both at state and local level.

Investors should also take into account that the value of the investment in shares may be adversely affected by changes in the current tax legislation, including its interpretation and application. In addition, tax legislation is not the only one that can undergo changes, and these changes adversely affect the Company's business. Although the bulk of Bulgarian legislation is already harmonized with EU law, the application of the law is subject to criticism by the European partners in Bulgaria. Judicial and administrative practice remains problematic: the Bulgarian courts are not able to effectively resolve disputes over property rights, breaches of legal and contractual obligations, etc., resulting in a systemic regulatory risk being relatively high.

Unfavorable changes to tax and other laws would lead to a worsening of the general conditions in which the Company operates, from wherever its future results may deteriorate. In particular, the increase in the corporate income tax and other taxes would reduce the ultimate disposable profit for new investments and / or the distribution of dividends to its shareholders.

### 8.1.9. Force Majeure Risks

Force majeure events such as natural disasters, sabotage, war and terrorist acts, and others may lead to unpredictable changes in investor and interest in the market for all shares, as well as, in particular, the shares of Sirma Group Holding. Some force majeure events do not provide for the possibility of insurance.

Force majeure events could seriously affect the Company's performance by reducing its ability to conduct normal business activities and cause an increase in some cost items.

## 8.2. Non-system Risks

Non-system risks are associated with the overall investment risk specific to the firm and the industry itself. Non-system risks can be divided into two types: sectoral risk related to the uncertainty in the development of the sector as a whole and general business risk - arising from the specifics of the particular company.

### 8.2.1. Industry Risks

The activity of the Company and of the companies within Sirma Group are exposed to various risks, including: 1) risks typical of the Information and Communication Technology (ICT) industry and 2) risks specific to the Company itself. Revenue and profit of the Company may be adversely affected by a number of factors: the financial market situation and the information and communication technology market; the ability of the Company to ensure effective management, assessment of the different risks and economic feasibility of individual transactions, the economic climate in the country and others.

### 8.2.2. Specific Company Risk

The company risk is related to the nature of the Company's business, as for every firm it is important that the return on the invested funds and resources is consistent with the risk associated with the investment.

The main company risk for "Sirma Group Holding" JSC is related to the possibility of reduction of the solvent demand for the products and services offered by the Group, as well as changes in the terms of sale of those products and services. The company risk may have an impact on the growth of service and software solutions development contracts. Uncertainty can be measured by the variability of revenue earned over time. This means that the more volatile the revenues of a company, the greater the uncertainty of the company to realize a positive financial result, ie. the risk for the investors, respectively the creditors, will be higher.

### 8.2.3. Operation Risk

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

- Making erroneous decisions for the ongoing management of the investment and liquidity of the company by the management staff;

- the inability of the management team to start the implementation of planned projects or lack of suitable personnel for this;
- key employees leaving and impossibility to recruit new ones;
- the risk of excessive spending on management and administration, leading to a reduction in the overall profitability of the company.
- Various mechanisms will be used to optimize and manage this risk, including the following:
  - sound investment policy;
  - optimizing the structure, quality and return on assets of the Company;
  - protection against unfavorable and undesirable external factors and attacks, etc.

#### **8.2.4. Intellectual Property Protection**

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

#### **8.2.5. Risk of concluding insider deals at prices differing from the market ones**

The company is part of an economic group. The risk of engaging in transactions with Group entities, whose conditions differ from market at the date of the transaction is eliminated to the extent that the Company seeks to maintain a transparent policy regarding its relations and the treatment of related companies. As far as there are transactions in the economic group, they are concluded under standard market conditions at the moment of transaction and do not favor any of the parties.

#### **8.2.6. Risk of asset depreciation**

The impairment risk of assets is related to the possibility of reducing the carrying amount of the Company's assets. Possible impairment of tangible and / or intangible fixed assets would result in the need to account for an impairment loss. This, in turn, may worsen the Company's future financial performance as well as lead to a final negative financial result for an annual period. This in turn leads to the risk of not being able to distribute dividends to existing shareholders at this future moment, as well as a possible decrease in the market price of a shares of the Company due to the deteriorated financial indicators.

### **8.3. Risk factors, characteristic of share traded on the Stock Exchange**

The risk of investing in securities is linked to the uncertainty and the 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" JSC is the probability that the investments in the company's shares will not retain its value, nor generate the expected return on them, due to a decrease in the price of the shares or a lack of other income (dividends) from them.

"Sirma Group Holding" JSC 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 of the current issue before making an investment decision.

"Sirma Group Holding" JSC seeks 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, diversification of the client base and suppliers.

The above makes the company resistant to external negative shocks, but nevertheless has significant risks for its business that could negatively affect the company's results.

### **8.3.1. Price Risk**

The changes in the price of the shares of "Sirma Group Holding" JSC can be created both from the fundamental state of the Company - current and expected results from the activity and financial results as well as from the economic and market conditions in Bulgaria and from the market and economic conditions in the world economy.

Shareholders should keep in mind that events that may cause sudden fluctuations in market prices of shares that have previously occurred on the Bulgarian capital market and in international financial markets may occur and that such fluctuations are likely to affect unfavorable price movements of the shares of "Sirma Group Holding" JSC.

The market value of the shares will be determined on the basis of supply and demand, and the share price may increase or decrease. These "price fluctuations" can cause a security to cost at a certain point much less than the value at which it is purchased. This price dynamic is particularly typical for the ordinary stock market, whose stock prices may be subject to sharp fluctuations as a result of publicly disclosed information about the Company's financial performance, changes in legislation and other material events.

A significant number of sales of the shares of "Sirma Group Holding" JSC for a certain period of time may have an adverse effect on the maintenance of their achieved price level. Such an event would result from a significant excess of the sellers of those shares over buyers in that period. At this point in time, the Issuer or a third party does not commit to maintaining a particular price level and a significant number of sales may lead to a decrease in that level.

The Company does not guarantee to investors that the price of its shares will remain stable and / or increase its value in the future. At the moment of preparation of this document, "Sirma Group Holding" JSC or, to the best of its knowledge, other persons, do not intend to purchase shares of the Company in order to preserve and / or increase the market price of the Company's shares after the increase of capital.

### **8.3.2. Liquidity Risk**

Liquidity risk is directly related to the liquidity of the securities market itself and expresses the potential for short-term purchase or sale of the securities on the secondary market. The liquidity of the issue depends on the number of investors who will be interested in investing in the issue. The liquidity risk of the shares will also depend on the development of the equity market in terms of the volume and variety of instruments offered, the issuer's financial position, the ability of the local capital market to attract new investors,

Investors should keep in mind that the BSE is significantly smaller and less liquid than the securities markets in most developed market economies. Thus, for the shareholders of "Sirma Group Holding" JSC there is no guarantee that the listing of the shares of the Company on the BSE will guarantee their active trading and sufficient liquidity. A measure taken by the Company towards reducing liquidity risk was the efforts undertaken for the dual listing of the Company's shares, both on the Bulgarian market and on the Frankfurt Stock Exchange.

### **8.3.3. Inflation Risk**

The manifestation of the inflationary risk for the shareholders of "Sirma Group Holding" JSC would arise in cases when the income from the shares (increase in the price and / or received dividends) were lower than the inflation for the investment period. The inflation processes leads to a decrease in the real yield that investors receive.

Although in the long run equity yields usually outweigh the inflationary processes in Bulgaria and other countries with a developed market economy, there is no guarantee for the investors in the shares of "Sirma Group Holding" JSC that their investment in shares of the Company will represent a real protection against inflation.

### **8.3.4. Dillution Risk**

Pursuant to the Articles of Association of the Company no limitations on the maximum amount of future issues of shares are envisaged. For this reason, shareholder participation may be reduced as a result of a public offering if they do not exercise their rights and do not subscribe a proportionate 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 the assets of the Company, it is possible to decrease the value of the assets per share of the Company.

### 8.3.5. Currency Risk

This current issue is denominated in BGN. Currency risk of the investment exists for investors whose funds are denominated in US dollars or currencies other than Lev and Euro, due to the constant exchange rate movements. Investors who take a currency risk in the purchase of the current issue would increase or reduce the effective return on their investment as a consequence of strengthening or weakening the BGN and EUR exchange rate against the currency in which the investor's funds are denominated.

Stability and high confidence in the credibility of the Currency Board in the country, as well as the relatively stable positions of the euro on international currency markets, reduce the existence of the currency risk to minimum levels. Bulgaria's accession to the eurozone from 01.01.2026 will lead to the denomination of the company's shares in euros and a corresponding reduction in currency risk.

### 8.3.6. Lack of an annual dividend payment guaranty

The financial results of the company depend on many factors, including the skills 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 annual dividends payment.

### 8.3.7. Risk of change in the tax treatment of investments in shares

The risk of changing in the taxation of investments in securities is linked to the change in the current taxation regime for such instruments. The latter may be considered favorable, as capital gains are tax-exempt. Changes in capital gains tax, as well as other potential changes in the taxation of securities' investments, may have a negative impact on the final realized net result by an investor.

### 8.3.8. Risk factors included in the Registration document

The specific risks associated with the core activity of "Sirma Group Holding" JSC, as well as the general risks that may have an impact on its activities, are detailed on pages of the Registration document, Section "Risk Factors".

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

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

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

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

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

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

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

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

Management estimates that the realization of the investment intentions is possible, namely the purchase of a majority stake in companies that meet our financial and business needs, in order to more quickly reach the Group to new markets, customers, technologies, thereby achieving an increase in consolidated revenues and profit.

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

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

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

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

- adherence to a particular management and accounting policy disclosed in the financial statements;
- carrying out all operations in compliance with the laws and regulations; coverage of all events and operations in a timely manner, with the exact amount of the amounts in the appropriate accounting articles.
- accounts and the relevant reporting period so as to allow the financial statements to be prepared in accordance with the specific accounting framework;
- observance of the precautionary principle in the valuation of assets, liabilities, income and expenses;
- detection and termination of frauds and errors;
- completeness and regularity of accounting information;
- preparation of reliable financial information;
- adherence to international financial reporting standards and adherence to the going concern principle.

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

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

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

No changes during the period considered.

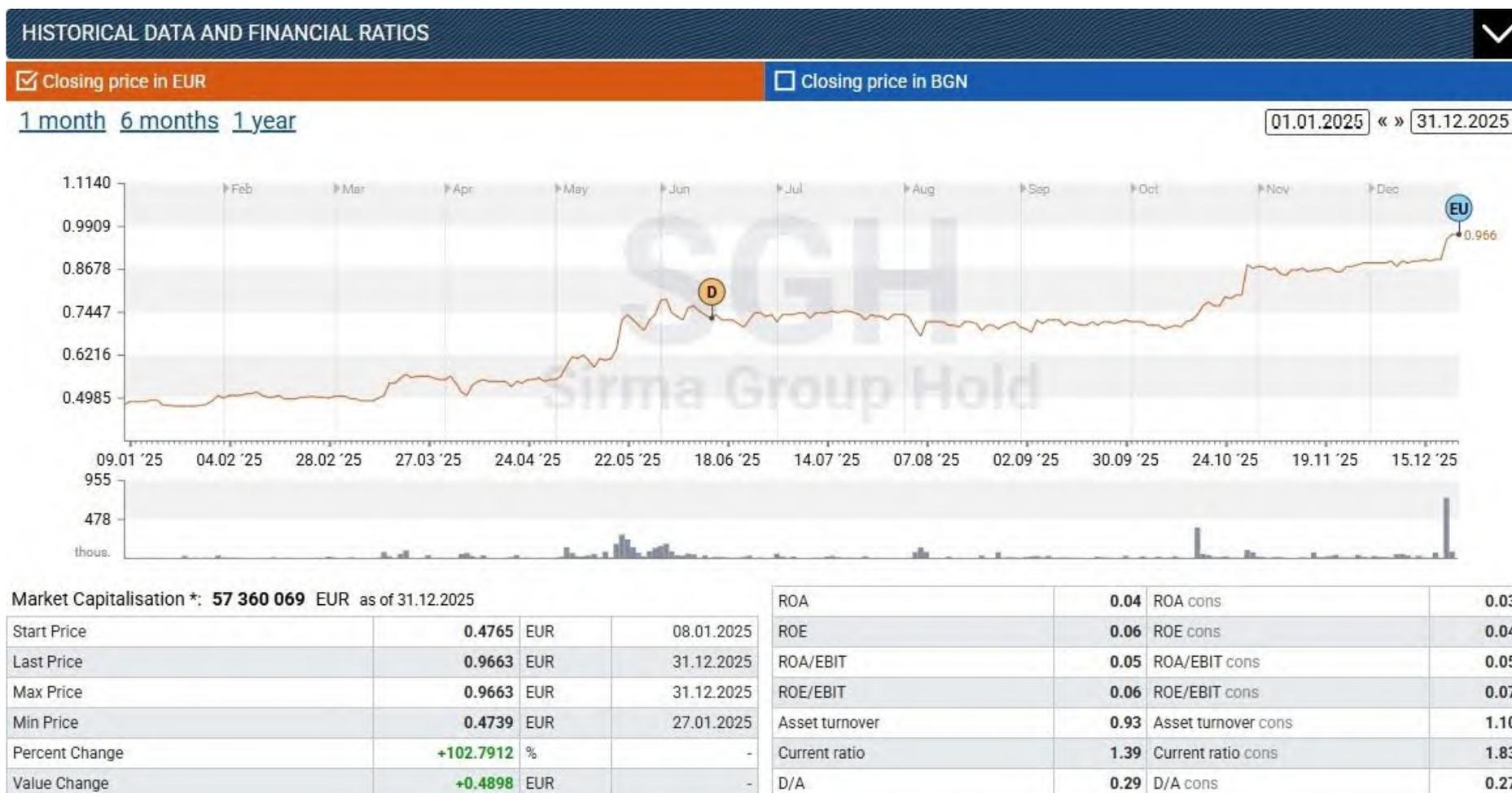
## **17/ INFORMATION ABOUT THE USE OF THE FUNDS FROM A NEW ISSUED SHARES AND SECURITIES IN THE REPORTING PERIOD.**

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

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

Stanislav Tanushev  
Bul. 135 Tsarigradsko shose, fl. 3  
Sofia 1784  
ir@sirma.com  
Contact phone: +359 2 976 8310

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



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

### **Buyback of shares by the company**

On 08.01.2026 "Sirma Group Holding" AD bought back 17 729 of its shares at an average price of BGN 1,96 per share for a total value of BGN 30 855,49. The shares represent 0,03% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 19.02.2026 "Sirma Group Holding" AD bought back 118 459 of its shares at an average price of EUR 1,26 per share for a total value of EUR 149 258,34. The shares represent 0,2% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 27.02.2026 "Sirma Group Holding" AD bought back 17 570 of its shares at an average price of EUR 1,17 per share for a total value of EUR 20 526,90. The shares represent 0,03% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

On 02.03.2026 "Sirma Group Holding" AD bought back 45 000 of its shares at an average price of EUR 1,14 per share for a total value of EUR 51 329,62. The shares represent 0,2% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

### **Sale of shares of Sirma Group Holding AD by a member of the Board of Directors**

On 02.03.2026, a notification was received at the office of Sirma Group Holding AD from Yavor Dzhonev - member of the Board of Directors of Sirma Group Holding AD, stating that he sold 17,474 shares of the capital of Sirma Group Holding AD through transactions carried out on the Bulgarian Stock Exchange - Sofia on 25, 26 and 27 February 2026 at an average price of EUR 1.27 per share.

### **Admission to trading of Sirma Group Holding AD on the Frankfurt Stock Exchange**

As a result of an Application submitted by Sirma Group Holding AD to the Frankfurt Stock Exchange, effective from 20.02.2026, the shares of the company with ISIN code BG1100032140 have been admitted to trading on the floor of the exchange with registration SIRM.

The formal ceremony for the start of trading was held at the opening of the trading session of the Frankfurt Stock Exchange on 24.02.2026. With this, the process of dual listing of the shares of Sirma Group Holding AD on the Bulgarian Stock Exchange and the Frankfurt Stock Exchange has been successfully completed.

According to the Law on the Introduction of the Euro in the Republic of Bulgaria, effective from 1 January 2026, the official currency and legal tender in the Republic of Bulgaria is the euro. The fixed exchange rate is 1.95583 leva for 1 euro. The introduction of the euro as the official currency in the Republic of Bulgaria represents a change in the functional currency, which will be accounted for prospectively and does not represent an adjusting event after the date of the financial statements.

### **The military actions in the Middle East**

The military actions that began on 28 February 2026 in the Middle East caused a wide international response and affected the countries in Europe in various aspects. An increase in the purchase prices of goods and services, caused mainly by the increase in the prices of petroleum products, is expected to lead to a decrease in income, a contraction in consumer demand and a limitation of the growth of the economy in Bulgaria. The Company's strategy is consistent with market trends and economic conditions in the country and on international markets, and an optimal ratio between high quality and acceptable price is sought in order to fully satisfy the requirements of consumers. Despite the management's efforts to identify the expected direct and indirect effects of military actions on the Company's operations and to address them accordingly, the dynamic development of the macroeconomic and political environment makes their reliable assessment difficult. As of 31 December 2025, the Company has no significant customers from Israel and Saudi Arabia and other countries in the Middle East, therefore, at this stage, the Company believes that this risk would not have a significant impact on financial results and business forecasts for the next financial year.

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

**Sofia**  
**27.03.2026**

**Tsvetan**  
**Borisov**  
**Alexiev**

**Tsvetan Alexiev**

Digitally signed by  
Tsvetan Borisov Alexiev  
Date: 2026.03.27  
19:07:21 +02'00'

**“SIRMA GROUP HOLDING” JSC**

**DECLARATION OF „SIRMA GROUP HOLDING“ AD  
FOR CORPORATE GOVERNANCE IN 2025  
AS PER ART.100n, PAR. 8 IN RELATION TO PAR. 7, PT. 1 FROM  
POSA**

## **“SIRMA GROUP HOLDING” AD**

„Sirma Group Holding“ AD (the Company) is a public holding company, recorded in the Registration Agency.

„Sirma Group Holding“ AD considers that the effective application of the principles of internationally recognized standards for good corporate governance is highly important for the future development of the Company. The Board of directors of the company believes that it is imperative to strive to establish and validate a modern management style that will contribute to the better performance of the company, respectively to provide favorable conditions for achieving sustainable growth and achievement of the long-term objectives, as well as establishing a transparent and fair relationship with all stakeholders.

“Sirma Group Holding” AD considers good corporate governance as a set of relationships between company’s management body, its shareholders and all stakeholders - employees, trading partners, corporate creditors, potential future investors and society as a whole.

## **“SIRMA GROUP HOLDING” AD**

### **I. Information as per art. 100n, par. 8, item 1 from the Public Offering of Securities Act**

“Sirma Group Holding” AD adheres to the National Corporate Governance Code, adopted by the National Corporate Governance Commission and approved as a Corporate Governance Code under Art. 100n, par. 7, item 1 in relation to par. 8, item 1 of the Public Offering of Securities Act (POSA) by Resolution No. 461-CCC dd.: 30.06.2016 of the Deputy Chair of the Financial Supervision Commission in charge of the Investment Activity Supervision Division and all subsequent revisions thereof.

### **II. Information under Art. 100n, par. 8 of POSA. Applying the principles of transparency, independence and accountability of the Company's Management Board (Board of Directors) in accordance with established vision, objectives, strategies of the company and interests of the shareholders.**

1. The Board of Directors of the Company consists of 9 (nine) members who are elected by the General Meeting of Shareholders for a given term of office.
2. The Board of Directors shall carry out its activities in accordance with the Company's Articles of Association and the Rules for Operation of the Board of Directors.
3. The Board of Directors shall decide on:
  - o Closure or transfer of businesses or significant parts thereof;
  - o A significant change of the company's activity by unanimity of the Board of Directors;
  - o Essential organizational changes;
  - o Long-term cooperation essential for the company or the termination of such cooperation;
  - o Establishment and closure of branches, representations and offices;
  - o Adoption of the annual business program of the company;And all other decisions that are not within the express competence of the General Meeting of Shareholders.
4. The members of the Board of Directors shall be guided in their activities by the generally accepted principles of integrity and managerial and professional competence.
5. The members of the Board of Directors shall apply in their activity the principle of avoidance and prevention of real or potential conflict of interests. The members of the Board of Directors

## “SIRMA GROUP HOLDING” AD

shall inform the General Meeting of Shareholders whether directly or on behalf of third parties they have a substantial interest in transactions or issues that have a direct impact on the Company. In 2025, no ethical issues arose between the members of the management, including the need to comply with certain written procedures.

6. Main criteria and principles of the diversity policy for selection and evaluation of the Company’s management members and management bodies (information under Art. 100n, para 8, item 6 of POSA):
  - The members of the Board of Directors may be only legally capable physical or corporate persons, without any imposed restrictions on age, gender, nationality, education;
  - Good reputation, professional experience and managerial skills;
7. Corporate governance follows rules for the organization and conduct of each general meeting, which are agreed in the form of an organization scenario. The GMS Invitation shall be drafted with maximum detail and in accordance with the regulatory requirements, indicating all of the proposed decisions, in order for each shareholder to have the opportunity to acquaint himself with them in advance, from the moment of its publication. Written procedures for the conduct of the GMS have not been drafted, because the legal framework has explicitly regulated the basic principles and all other specific points are stipulated in the Invitation.
8. Any significant periodic and incidental information shall be disclosed immediately. The company has compiled its activity with the current local legal framework as well as with the European regulations, having direct application in the local legislation. Notwithstanding the above, the corporate management will develop rules as part of the Quality Management and Information Security Policy to assess the materiality of any information or the need for its disclosure.
9. The annual and interim reports are prepared with the involvement and under the strict control of the corporate management, without official formalization in the form of internal rules. However, such rules will be developed and implemented as part of the Quality Management and Information Security Policy.

## **“SIRMA GROUP HOLDING” AD**

### **III. System for internal control and risk management (information as per art. 100n, par. 8, item 3 from POSA)**

In “Sirma Group Holding” AD an internal control system is in place, to ensure the effective functioning of the reporting and disclosure systems. The internal control system is also being developed and functioning in order to identify the risks associated with the Company's activity and to support their effective management. The Company also has elected an Audit Committee, in accordance with the requirements of the Public Offering of Securities Act.

“Sirma Group Holding” AD has adopted and applies rules and procedures, regulating the effective functioning of the reporting and disclosure systems of the company. The rules describe in detail the different types of information created and disclosed by the company, the internal flow of documents, the different levels of access to different information types, for the persons responsible and the terms for handling and managing the information flows. The established risk management system ensures the effective implementation of internal control in the creation and management of all corporate documents, including financial statements and other regulated information, which the Company is required to disclose in accordance with legal regulations.

#### **1. Control environment.**

The Control environment in „Sirma Group Holding“ AD is formed on the basis of:

##### **1.1. Communicating and enforcing integrity and ethical values.**

“Sirma Group Holding” AD has approved a Code of Ethics, which sets a framework for personal integrity and professional ethics in the Company. The Code of Ethics is communicated with all employees who agree to abide by the established ethical norms and professional ethics. It is implemented in the job descriptions of all employees, including the Financial and Accounting Department and is a model for their behavior.

##### **1.2. Commitment and competence**

“Sirma Group Holding” AD has developed a Procedure for selection and appointment of employees under labor contracts. There are requirements for the education, work experience and professional experience of employees at all levels

##### **1.3. Participation of persons in charge of general management**

The Executive Director of “Sirma Group Holding” AD has introduced adequate procedures and rules for the implementation of internal control. He is responsible for the implementation of financial management and control in the Company managed by him, in compliance with the principles of legal

## **“SIRMA GROUP HOLDING” AD**

compliance, sound financial management and transparency. The Executive Director delegates his powers to other officials of the Company, defining their specific rights and obligations and requires periodic reporting on the implementation of delegated powers.

Management bodies that have certain responsibilities and powers regarding the financial reporting process and respectively other related processes are: the Board of Directors, the Audit Committee, the Chief Financial Officer, the Financial Controller, the Chief Accountant.

The Board of Directors accepts and confirms: the Accounting policy and the changes in it for each reporting period, the developed accounting estimates as of the date of each reporting period, incl. the applied methodology; financial statements, and other public documents containing financial information.

The Audit Committee independently monitors the implementation of the financial reporting processes, the applied accounting policies and the efficiency of the internal control system of the company, incl. risk management, as well as the implementation and results of the external audit.

The CFO is responsible for the overall organization, operation and ongoing control of accounting and financial reporting. He directly manages the whole process, makes all key decisions related to financial statements and other public documents with financial information.

The CFO also approves at the first level the Accounting policy, the main reporting methodologies and evaluates the acceptance of the work of used independent experts (appraisers, actuaries, consultants, etc.) involved in the financial reporting process. He monitors on an ongoing basis, together with the Chief accountant, the effects and risks on the financial statements of the identified business risks for the company.

The Chief accountant organizes and manages the accounting activity of the company - controls and methodologically, directs the current accounting, manages the preparation of financial and management reports; is responsible for the development and implementation of accounting methodologies and techniques; is responsible for the process of accounting closing and preparation of all accounting estimates, proposes and develops accounting policies and changes in them, monitors current changes in IFRS. He is the direct contact with the internal and external experts used for the purposes of financial reporting.

### **1.4. Philosophy and operational style of leadership**

The management of “Sirma Group Holding” AD prepares the financial statements, adhering to the principle of providing a true and fair view of the condition of the Company and its accounting results.

## **“SIRMA GROUP HOLDING” AD**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are in accordance with local law.

Management confirms that it has consistently applied an adequate accounting policy and that the principle of prudence in the assessment of assets, liabilities, income and expenses has been observed in the preparation of the financial statements as of December 31.

Management also confirms that it has adhered to the applicable accounting standards, and the financial statements have been prepared on the going concern basis.

Management is responsible for the proper keeping of accounting records, for the proper management of assets and for taking the necessary measures to avoid and detect possible abuses and other irregularities.

### **1.5. Human resource management policies and practices.**

In “Sirma Group Holding” AD a Procedure has been developed for selection and appointment of employees, as well as a Procedure for evaluation of employees;

### **1.6. Competence of the staff.**

The requirements for the competence of the employees are laid down in the job descriptions. The desire and the need for additional qualification are reflected in the annual individual plans of the employees. They are prepared on the basis of the annual evaluation of the company's employees. Following the completion of the annual evaluations, the results in terms of areas for improving skills and competences are discussed with the directors of departments and a training program is prepared. The management provides the opportunity to develop the necessary knowledge and skills by including them in appropriate training programs.

## **2. Process for risk evaluation in “Sirma Group Holding” AD.**

Risk management is a mandatory element of the overall management process of “Sirma Group Holding” AD.

It is known that every organization is dynamic and involves a constant transition - in time, money, participants, therefore there is always a certain risk that needs to be managed. The purpose of risk management in the Company is: To maximize the probability of a positive impact on its activities, and to reduce to a minimum the probability of a negative impact.

The management of “Sirma Group Holding” AD perceives risk management as a key activity contributing to the achievement of the Company's objectives. For this purpose, all decisions / actions

## **“SIRMA GROUP HOLDING” AD**

taken to manage the identified risks and to ensure a periodic review of the process, in view of its timeliness, are documented.

The operating environment in which the Management of “Sirma Group Holding” AD operates is the framework in which risk management should be applied. It consists of external and internal factors for the Company that affect its activities.

The main types of risks and their detailed description related to the company's activities and the policy for their management are regulated in item 9 – “Risk factors” of the Report on the company's activities for 2025, to which this declaration is attached.

The Risk management policy is applied in an integrated manner and in accordance with all other policies and principles regulated in the internal acts of “Sirma Group Holding” AD.

### **3. Information system**

“Sirma Group Holding” AD has implemented and uses a set of different software products forming an Information System related to financial reporting and communication. Elements of the overall information system are:

- Financial and accounting software ERP system - serves to reflect all income and expenditure operations on bank accounts and their distribution by items;
- Payroll software - serves to automate the formation of remuneration of employees in the Company and automate the mandatory deductions and installments on individual accounts;

In general, the Information System covers methods and documentation that:

- identify and reflect all valid transactions and operations;
- describe contracts and transactions in a timely manner in sufficient detail to enable them to be properly classified for financial reporting purposes;
- determine the value of transactions and operations in a way that allows their appropriate monetary value to be reflected in the financial statements;
- determine the time period during which the transactions and operations have occurred in order to allow their recording in the appropriate accounting period;
- present deals and transactions and related disclosures in the financial statements as appropriate.

## **“SIRMA GROUP HOLDING” AD**

The quality of the information generated by the systems affects the ability of the Management to make appropriate decisions in the management and control of the activities of the enterprise and in the preparation of reliable financial statements.

Communication, which includes providing an understanding of individual roles and responsibilities related to internal control over financial reporting, is done electronically or through the actions of Management.

### **4. Control activities, policies and procedures.**

The control activities, which are related to the audit, may be categorized as follows:

#### **4.1. Reviews of the implementation and results of the activity**

- reviews and analysis of the real results compared to budgets, forecasts and results from previous periods;
- linking different groups of data - operational or financial - together with analyzes of relationships and exploratory and corrective measures;
- comparison of internal data with external sources of information;
- review of the results of the work by functions or by activities.

#### **4.2. Information processing**

The two common categories of the control activities in information systems are application program controls and general IT controls, which are policies and procedures related to multiple application programs and support the effective functioning of application program controls by helping to ensure the continued proper functioning of information systems.

Examples of application controls include:

- checking the mathematical accuracy of the records;
- maintenance and review of accounts and turnover sheets;
- Automated controls, such as input checks and numbering sequence checks and non-automatic tracking of exception reports.

## **“SIRMA GROUP HOLDING” AD**

Examples of common IT controls include:

- controls over the change of programs;
- controls that restrict access to programs or data;
- controls over the implementation of new editions of bundled software applications;
- Controls over system software that restrict access or ongoing monitoring of the use of system support features that could alter financial data or records without leaving a trace.

### **4.3. Physical controls**

These activities include:

- the physical security of the assets, including appropriate security measures, such as secure facilities and conditions for access to assets and documents;
- approval of access to computer programs and data files;
- periodic counting and comparison with the amounts recorded in the control documents (for example, comparison of the results of the cash counting and the results of the inventories with the accounting documents).

The extent to which physical controls aimed at preventing theft of assets relate to the reliability of the financial statements and therefore to the audit, depends on circumstances, such as cases where the assets are highly susceptible to misuse.

### **4.4. Distribution of the responsibilities**

Assigning responsibilities for approving transactions and operations, recording them and maintaining responsibility for the assets of various employees. The distribution of duties is intended to reduce the possibility of allowing an employee to be in a position to both commit and conceal errors or fraud in the normal course of his duties.

## **5. Ongoing monitoring of controls**

The control in “Sirma Group Holding” AD is a continuous process carried out by the Management, the Administration and the personnel in the Company.

The ongoing control process aims to achieve reasonable confidence in the achievement of the objectives, divided into the following categories:

## “SIRMA GROUP HOLDING” AD

- implementation and optimization of operations;
- reliability of financial and accounting information;
- compliance with the laws and by-laws.

Management's ongoing monitoring of controls includes an assessment of whether they are operating as intended and whether they are being modified in an appropriate manner to reflect changes in conditions. Ongoing monitoring of controls includes:

- Management review - which addresses the main objectives of the organization, including those related to performance, cost-effectiveness and resource conservation.
- Assessment by internal auditors of compliance with the Company's policy - which includes the preparation of reliable financial statements - interim results and published statements of results.
- Supervision over the observance of the ethical norms or the policy for business practice in the Company - which covers the compliance with the laws and by-laws, regulating the activity of the organization.

Ongoing monitoring is carried out to ensure that controls continue to operate effectively over time.

The assessment of the current monitoring of the controls in “Sirma Group Holding” AD is assigned on a rotating basis to external Audit companies, which will confirm the proper functioning of the internal controls or give their recommendations for their improvement.

### Inventory of required documents

1. Code of Ethics;

2. Job descriptions for the following posts:

- regular accountants, cashiers, accountants and employees of “Reporting” department;
- senior accountants;
- deputy Chief Accountants;
- Controller
- Chief Accountant;
- Financial director.

## **“SIRMA GROUP HOLDING” AD**

3. Rules of the Board of Directors and the Audit Committee. Both documents must have a section for reviewing the financial statements, accounting policies, significant accounting estimates. Ongoing monitoring at two levels - by the Board of Directors / Management Board and respectively from Audit Committee.
4. Organizational structure of the company with written functions, responsibilities and powers of the individual units in terms of financial reporting;
5. Rules and criteria for selection of qualified persons from the financial and accounting departments and the "Reporting" department - with a focus on educational qualifications, previous professional experience, past achievements and evidence of integrity and ethical behavior.
6. The policy for training of the staff of the financial and accounting departments and the “Reporting” department;
7. Policy for attestations, promotions and bonuses of the financial accounting staff and other persons engaged in the financial reporting process;

### **IV. Information on the availability of takeover/merger proposals in 2025 (information under Article 10 (1) (c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council from 21 April 2004 on takeover bids pursuant to the provisions of Article 100n (8) (4) of the POSA)**

1. As at 31.12.2025, no proposals for takeover and/or merger with another company have been made to the Company.
2. Information under Art. 10 of Directive 2004/25 / EC of the European Parliament and of the Council from 21 April 2004
  - Participation of the Company in the capital of other commercial companies are described in item 3, “Portfolio of “Sirma Group Holding” AD” in the Company’s Activity Report for 2025, to which this declaration is an Annex.
  - "Sirma Group Holding" AD does not have shares that give special control rights.
  - There are no restrictions on voting rights, such as restrictions on the voting rights of holders of a certain capital percentage or number of votes, deadlines for the exercise of voting rights in relation to the shares issued by “Sirma Group Holding” AD.
  - The rules for the election of members of the Board of Directors of “Sirma Group Holding” AD are regulated in the Company's Articles of Association.

## **“SIRMA GROUP HOLDING” AD**

- The powers of the members of the Board of Directors are specified in Art. 41 of the Articles of Association of the company. The rights to issue or buy back shares are within the competence of the General Meeting of Shareholders.

### **V. Composition and function of the administrative and management bodies and their committees (Information under Article 100n, paragraph 8, item 5 of POSA)**

#### **BOARD OF DIRECTORS**

##### **1. Functions and duties**

1.1. The Board of Directors of “Sirma Group Holding” AD manages the Company independently and responsibly in accordance with the established Vision, goals and strategies of the Company and the interests of the shareholders. The members of the Board of Directors provide a guarantee for their management to the amount of their three-month gross remuneration, as determined by the General Meeting of Shareholders.

1.2. The Board of Directors of “Sirma Group Holding” AD establishes and controls the strategic directions for development of the Company.

1.3. The Board of Directors of “Sirma Group Holding” AD establishes the Company's risk management policy and controls the establishment and functioning of the internal control and risk management systems.

1.4. The Board of Directors of “Sirma Group Holding” AD shall ensure the observance of the legal, regulatory and contractual obligations of the Company in accordance with the adopted Articles of Association and Rules of Procedure of the Board of Directors.

1.5. The Board of Directors is responsible for the establishment and reliable operation of the financial and information system of the Company.

1.6. The Board of Directors gives guidance, approves and controls the implementation of the business plan of the Company, transactions of substantial nature, as well as other activities established in the Company's statutes.

1.7. The Board of Directors approves the disclosure policy in accordance with legal requirements and statutes. The information disclosure system ensures that addresses of information (shareholders, stakeholders, investment community) are not discriminated and does not allow abuse of insider information and market manipulation of financial instruments.

1.8. During their term of office, the members of the Board of Directors are guided in their activity

## **“SIRMA GROUP HOLDING” AD**

by the generally accepted principles of integrity, managerial and professional competence. The Board of Directors adheres to the Code of Ethics of the Company's employees.

1.9. The Board of Directors of “Sirma Group Holding” AD reports its actions to the General Meeting of Shareholders by preparing an annual report on its activities and submitting it for acceptance by the General Meeting of Shareholders.

### **2. Election and dismissal of members of the Board of Directors**

2.1. The General Meeting of Shareholders elects and releases the members of the Board of Directors of “Sirma Group Holding” AD, in accordance with the law and the statutes of the Company, observing the principles of continuity and sustainability of the Board of Directors' work. All members meet the legal requirements for taking their position.

2.2. The management contracts with the members of the Board of Directors determine their duties and tasks, the criteria for the amount of their remuneration, their loyalty obligations to the Company and the grounds for the waiver. The management contract with a member of the Board of Directors or the Executive Director respectively are in compliance with the Articles of Association of the Company and the Board of Directors' Policy for Determining the Remuneration of the Members of the Board of Directors as approved by the General Meeting of the Shareholders on 04.12.2014, amended by subsequent decisions of the General Meeting of Shareholders of the Company.

### **3. Structure and competence**

3.1. The number of members and the structure of the Board of Directors is defined in the Articles of Association of the Company. The Company is managed and represented by a Board of Directors, which consists of nine individuals, meeting the requirements of Article 234 of the Commercial Act and Article 116 a, paragraph 2 of the Public Offering of Securities Act.

3.2. The composition of the Board of Directors elected by the General Meeting is structured in such a way as to ensure the professionalism, impartiality and independence of the decisions and actions of its members in relation to the management of the Company.

3.3. The Board of Directors shall ensure a proper division of tasks and duties among its members. The main function of the independent directors is to control the actions of the executive management and to participate effectively in the Company's work in accordance with the interests and rights of the shareholders. The main functions of the members of the Board of Directors, as well as these of the independent members, are laid down in the Articles of Association of the Company. There are three independent members of the Board of Directors of “Sirma Group Holding” AD.

## **“SIRMA GROUP HOLDING” AD**

- 3.4. The competencies, rights and obligations of the members of the Board of Directors follow the requirements of law, statutes and standards of good professional and managerial practice.
- 3.5. The members of the Board of Directors of “Sirma Group Holding” AD have the appropriate knowledge and experience, which are required by their position. After their election, the new members of the Board of Directors are acquainted with the main legal and financial issues related to the Company's activities. The Company encourages the improvement of the qualification of the members of the Board of Directors.
- 3.6. The members of the Board of Directors have the necessary time to perform their tasks and duties. The Statute of the Company does not specify the number of companies in which the members of the Board of Directors may be in managerial positions, as the activity of the members of the Board of Directors cannot be limited.
- 3.7. The election of the members of the Board of Directors of the Company takes place through a transparent procedure which provides, among other things, timely and sufficient information on the personal and professional qualities of the members. The number of successive mandates of the members of the Board of Directors ensures the effective operation of the Company and compliance with the legal requirements. According to the Articles of Association of the Company, the members of the Board of Directors may be re-elected without any restrictions.

**4. Remuneration**

- 4.1. The Board of Directors of “Sirma Group Holding” AD prepared a remuneration policy for the members of the Board of Directors adopted by the General Meeting of Shareholders on 04.12.2014, as amended by a decision of the extraordinary GMS of 17.09.2024. The remuneration policy has been developed in accordance with Ordinance No 48 from 20 March 2013 of the Financial Supervision Commission and the Public Offering of Securities Act. The amount and structure of remuneration shall be determined by the General Meeting of the Company.
- 4.2. In accordance with legal requirements and good corporate governance practice, the size and structure of the remuneration take into account:
- 4.2.1. The duties and the contribution of each member of the Board of Directors to the Company's activities and results. The members of the Board of Directors receive a permanent remuneration in the form of an amount determined by the General Meeting of Shareholders paid under the terms and within the periods as determined in the management contracts concluded between them and the Company.
- 4.2.2. The ability to select and retain qualified and loyal members of the Board of Directors of “Sirma Group Holding” AD. These requirements are applied through the remuneration policy of the members of the Board of Directors adopted by the General Meeting of Shareholders on 04.12.2014.
- 4.2.3. The need to reconcile the interests of the members of the Board of Directors and the long-term interests of the Company. The remunerations of the members of the Board of Directors are based on the results of the Company's operations and are in line with the Company's business strategy, objectives, values and long-term interests.
- 4.3. The executive member of the Board of Directors receives a permanent remuneration in the form of an amount determined by the General Meeting of Shareholders, paid under the terms and within the periods as set in the management contract concluded between him and the Company.
- 4.3.1. The remunerations and benefits of the members of the Board of Directors and the Executive Director of the Company shall be determined by the General Meeting of Shareholders.
- 4.3.2. As of 31.12.2025, the executive members of the BD have not been granted shares or other financial instruments. There is an approved scheme for variable remuneration in the

## “SIRMA GROUP HOLDING” AD

form of shares, which will be transferred to the members of the Board of Directors after 3 years at the earliest.

4.4. The members of the Board of Directors receive a permanent remuneration in the form of an amount determined by the General Meeting of Shareholders paid under the terms and within the periods as set in the management contracts concluded between them and the Company.

4.5. The disclosure of information about the remuneration of the members of the Board of Directors is in accordance with the legal requirements and the Company's statutes:

4.5.1. Information about the remuneration of the members of the Board of Directors is presented in the annual financial statements and is published on the website [www.sirma.com](http://www.sirma.com).

### 5. Committees

5.1. The work of the Board of Directors is assisted by committees. The Board of Directors determines the necessity of their establishment in accordance with the specifics of the Company. The committees are set up on the basis of a written structure, range of tasks, way of functioning and reporting procedures.

As of now the Board of Directors has the following committees elected:

- Investment and risk committee – responsible for defining and executing the investment policy of Sirma Group Holding;
- Remuneration committee – responsible for defining and executing the remuneration policy for the executive staff and key personnel at Sirma Group Holding;
- Information disclosure committee - responsible for the organization and control of information disclosure by Sirma Group Holding.

5.2. In accordance with the requirements of the current legislation and on the basis of the criteria set by it, the Board of Directors proposes to the General Meeting of Shareholders of the Company to elect an Audit Committee with a composition meeting the legal requirements and the specific needs of the Company.

The audit committee of “Sirma Group Holding” AD was changed with the decision of GMS, held on 24.06.2022.

The members of the Audit Committee meet the requirements set forth in Article 40f (3) and (4) of the Independent Financial Audit Act.

**GENERAL MEETING OF SHAREHOLDERS**

5.3. All shareholders are entitled to participate in the General Meeting of Shareholders and to express their opinion:

5.3.1. Shareholders entitled to vote have the opportunity to exercise their voting rights at the General Meeting of the Company in person or through representatives, as well as by correspondence or by electronic means.

5.3.2. The corporate management applies effective control by creating the necessary organization for the voting of the authorized persons in accordance with the instructions of the shareholders and in the ways set forth in the legislation.

5.3.3. The corporate management shall establish rules for the organization and holding of the regular and extraordinary General Meetings of the Company's shareholders, which ensures equal treatment of all shareholders and the right of each shareholder to express their opinion on the items on the agenda of the General Meeting.

5.3.4. The corporate management organizes the procedures and the terms of the General Meeting of Shareholders in a way which does not make the voting unnecessarily difficult or expensive.

5.3.5. The corporate management takes action to encourage the participation of shareholders in the General Meeting of Shareholders, by providing the possibility of voting in advance and remote access by technical means (including the Internet) where this is possible and necessary.

5.4. All members of the corporate management shall endeavor to attend the General Meetings of the Shareholders of the Company.

5.5. Materials for the General Meeting of Shareholders:

5.5.1. All texts in the written materials, connected to the Agenda of the General Meeting of Shareholders must be clear, accurate and to the point in order not to mislead the shareholders. All proposals related to major corporate events shall be presented as separate items on the Agenda of the General Meeting, including the proposal for distribution of dividends.

5.5.2. Corporate management assists shareholders, entitled under the current legislation, to include additional items on the agenda of the General Meeting of Shareholders.

## “SIRMA GROUP HOLDING” AD

“Sirma Group Holding” AD publishes the Corporate Governance Code and the present Corporate Governance Declaration on the Company's website [www.sirma.com](http://www.sirma.com) for disclosure of information pursuant to Art. 100n, para. 7 and 8 of POSA.

In this respect, the requirement of Article 100n, Paragraphs 7 and 8 of POSA and Article 40, Paragraphs 1 and 2 of the Accountancy Act shall be deemed to be met.

This Declaration of Corporate Governance is an integral part of the 2025 Annual Financial Statements of “Sirma Group Holding” AD.

Tsvetan Alexiev

Tsvetan

Borisov Alexiev

CEO of “Sirma Group Holding” AD

Digitally signed by  
Tsvetan Borisov Alexiev  
Date: 2026.03.27  
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**REPORT OF THE REMUNERATION COMMITTEE**  
**ON THE IMPLEMENTATION OF THE REMUNERATION POLICY OF THE MEMBERS OF THE**  
**BOARD OF DIRECTORS OF „SIRMA GROUP HOLDING“ AD FOR 2025**

## **1. INTRODUCTION**

### **1.1. The legal basis of the Report**

During the period 1 January 2025 – 31 December 2025 (hereafter referred to as the "Reporting Period"), "Sirma Group Holding" AD (hereinafter referred to as "the Company") has applied the remuneration policy of the members of the Board of Directors approved by resolution of the General Meeting of Shareholders of the Company held on 04.12.2014, as amended by decision of the General Meeting of Shareholders held on 17.09.2024.

The policy is published on the Internet at the following address:

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

(Hereinafter referred to as the "**Policy**").

This report has been prepared by the Remuneration Committee in compliance with the requirement of Art. 12, para. 1 of Ordinance No. 48 of March 20, 2013, on the Fees Requirements, issued by the Financial Supervision Commission (hereinafter "**Ordinance No. 48**"). The report forms an independent document to the annual financial statement of the Company for the year 2025. The report is presented to the shareholders of the Company and may be discussed with the members of the Board of Directors at the regular annual meeting of the General Meeting of Shareholders of the Company.

The composition of the Remuneration Committee is as follows:

- Georgi Parvanov Marinov - Chairman
- Martin Veselinov Paev - member
- Jordan Stoyanov Nedev - member

### **1.2. Subject and Scope of the Report**

According to Art. 12, para. 2 of Ordinance No. 48, the Report contains a review of the way the Policy is applied during the Reporting Period;

The Report includes all the requisites, which are mandatory according to Art. 13 of Ordinance No. 48.

## **2. INFORMATION ON THE APPLICATION OF POLICY IN THE REPORTING PERIOD**

### **2.1. Information on the decision-making process in defining the Policy**

According to Art. 116c, para. 1 of the Public Offering of Securities Act, the Company's Articles of Association and the Policy, the determination of the remuneration of the members of the Board of Directors, their right to receive part of their profits and their right to acquire shares or debt instruments of the Company shall be the power of the General Meeting.

In exercising this power, the General Assembly is:

- determined the remuneration of the members of the Board of Directors with the decision under item 7 of the agenda of the annual general meeting held on 14 June 2016 and item 10 of the agenda of the annual general meeting held on 23 June 2021, item 3 of the agenda of the extraordinary general meeting

held on 17 September 2024, and item 10 of the agenda of the annual general meeting held on 3 June 2025:

The General Meeting of Shareholders determines the following maximum allowable amounts of permanent remuneration:

- for an executive member of the Board of Directors
  - the gross monthly remuneration may not exceed the amount of BGN 30 000;
- for a non-executive member of the Board of Directors:
  - the gross basic monthly remuneration may not exceed the amount of BGN 4 000.
  
- The maximum amount of the short-term variable remuneration - 1% of the amount of consolidated revenue for the relevant year.
  
- The maximum amount of the long-term variable remuneration - 1% of the amount of the registered capital of the company at the end of the relevant year.
  
- The total number of shares from the capital of the Company, which may be granted as remuneration to the members of the Board, are detailed in the Policy for remuneration.

## **2.2. Information on the relative weighting of the variable and permanent remuneration of members of the Board of Directors**

In accordance with Article 7 and 8 of policy, "Sirma Group Holding" AD can be paid to the members of the Board of Directors as permanent (fixed) and variable remuneration in the form of premiums, bonuses, benefits related to retirement and other material incentives that are given on the basis of performance evaluation criteria. Variable remuneration is short-term and long-term. Short-term remuneration is paid in cash and long-term - in the form of shares in the company's capital.

Short-term variable remuneration is paid in cash and consists of the following components:

a) Upon a decision of the general meeting of shareholders to distribute a dividend, a percentage of the total amount of the distributed dividend, as follows:

- The CEO receives a short-term variable remuneration of 1% (one percent) of the total amount of the distributed dividend;
  
- The non-executive members of the Board of Directors receive a short-term variable remuneration in the amount of 0.25% (zero point twenty-five percent) of the total amount of the distributed dividend.

b) In the case of positive consolidated profit and achieved growth of the consolidated revenue compared to the previous year, as follows:

- The members of the Board of Directors receive a short-term variable remuneration in the amount of twice their permanent monthly remuneration.

c) The executive director receives a short-term variable remuneration in the amount of 1% (one percent), and the non-executive members of the Board of Directors in the amount of 0.2% (zero point two percent) of the net consolidated profit.

d) The chairman of the board of directors receives a short-term variable remuneration, in the amount of 1.5 (one point five) times the short-term remuneration of a non-executive member of the board of directors.

Long-term variable remuneration is paid in the form of shares/or options from the company's capital and consists of the following components:

a) The executive director receives a long-term variable remuneration in the amount of 1% (one percent), and the non-executive members of the Board of Directors in the amount of 0.4% (zero point four percent) of the amount of growth compared to the previous year of the company's market capitalization. The market capitalization growth is calculated on the basis of the average market price per share for a

reference period of two months, including the last month of the relevant financial year and the first month of the following, compared to the average market price per share calculated for a reference period of two months, including the last month of the previous financial year and the first month of the current one,

b) The Executive Director receives a long-term variable remuneration in the amount of 0.5% (zero point five percent), and the members of the Board of Directors in the amount of 0.2% (zero point two percent), of the amount of growth compared to the previous year of consolidated revenue when this growth does not exceed the target growth of 10% (ten percent). When the amount of growth exceeds the target growth, in addition to the remuneration specified in the previous sentence, the Executive Director receives a long-term variable remuneration in the amount of 2% (two percent) and the non-executive members of the Board of Directors in the amount of 0.3% (zero point three percent) of the amount above 10% (ten percent) of the growth compared to the previous year of the consolidated revenue.

c) The Executive Director receives a long-term variable remuneration in the amount of 3% (three percent), and the non-executive members of the Board of Directors in the amount of 0.4% (zero point four percent), of the amount of growth compared to the previous year of the consolidated net profit, when this amount is greater than the target growth of 8% (eight percent),

d) The chairman of the board of directors receives a long-term variable remuneration in the amount of 1.5 (one point five) times the long-term remuneration of a non-executive member of the board of directors.

In case the members of the board of directors receive variable remuneration, in order to achieve stable financial results, the payment of 40% (forty percent) of the variable remuneration will be deferred over a period of 3 (three) years, with the deferred part of the variable remuneration paid on a pro rata or incremental basis each year during the vesting period.

### **2.3. Information on the performance criteria on the basis of which variable remuneration is provided; an explanation of how these criteria contribute to the long-term interests of the Company; an explanation of the methods used to assess whether the criteria are met and the relationship between remuneration and the results achieved and the periods of postponement of the payment of variable remuneration**

By decision of the Regular Annual General Meeting of Shareholders of Sirma Group Holding AD, held on 03.06.2025, to the members of the Board of Directors, on the basis of Article 13a of the Remuneration Policy for the members of the Board of Directors, shall be paid short-term variable remuneration for 2024, as follows:

- a) To the Executive Director in the amount of BGN 64 679.
- b) To the Chairman of the Board of Directors in the amount of BGN 14 335.
- c) To the members of the Board of Directors Chavdar Dimitrov, Atanas Kiryakov, Yavor Lyudmilov Dzhonev, Martin Veselinov Paev; Veselin Anchev Kirov; Peyo Vassilev Popov in the amount of BGN 9 556 each.

The payment of the Remuneration shall be made in accordance with the Remuneration Policy for the members of the Board - the payment of 40% of the variable remuneration shall be deferred for a period of 3 years, and the installment portion is paid proportionally.

### **2.4. Information on the main payments and justification of the annual bonus scheme and/or any other non-monetary additional remuneration**

For the Reporting Period, the total value of the Company's accrued and paid basic remuneration amounts to:

- Georgi Parvanov Marinov as Chairman of the Board of Directors - BGN 35 265 (thirty-five thousand two hundred sixty-five leva);
- Chavdar Velizarov Dimitrov as Deputy Chairman of the Board of Directors - BGN 32 397,60 (thirty-two thousand three hundred ninety-seven leva and 60 st.);

- Tsvetan Borisov Alexiev as an Executive Director - BGN 290 807,40 (two hundred and ninety thousand eight hundred and seven leva and 40 st.);
- Atanas Kostadinov Kiriakov as a member of the Board of Directors - BGN 32 397,60 (thirty-two thousand three hundred ninety-seven leva and 60 st.);
- Yordan Stoyanov Nedev as a member of the Board of Directors - BGN 26 664 (twenty-six thousand six hundred sixty-four leva);
- Veselin Anchev Kirov as a member of the Board of Directors - 32 397,60 (thirty-two thousand three hundred ninety-seven leva and 60 st.);
- Martin Veselinov Paev as a member of the Board of Directors - 32 397,60 (thirty-two thousand three hundred ninety-seven leva and 60 st.);
- Peyo Vasilev Popov as a member of the Board of Directors - 32 397,60 (thirty-two thousand three hundred ninety-seven leva and 60 st.);
- Yavor Ludmilov Djonev as a member of the Board of Directors - 32 397,60 (thirty-two thousand three hundred ninety-seven leva and 60 st.).

For each charging or payment of remuneration to the members of the Board of Directors, the Company has withheld and contributed to the relevant budgets within the statutory period any and all public liabilities (including but not limited to: tax, state social security contributions, supplementary compulsory insurance and health insurance ) in the way these obligations are established by law.

For the Reporting Period:

- none other material incentives have been accrued or owed by the Company to any member of the Board of Directors;

#### **2.5. Description of the main characteristics of the supplementary voluntary pension scheme and information on the paid and/or due contributions by the Company to the members of the Board of Directors**

No supplementary voluntary pension assurance scheme for the members of the Board of Directors has been adopted and implemented for the Reporting Period and no contributions have been paid or due by the Company under such scheme.

#### **2.6. Information on the severance policy for termination of contracts**

The rules governing benefits for members of the Board of Directors in the termination of their contracts are contained in Section VI of the Policy. The company brings individual contracts to each member of the BD in full compliance with these rules.

No termination of the assignment contracts with members of the Company's Board of Directors has occurred for the Reporting Period.

Early termination benefits have not been accrued or paid.

#### **2.7. Information on the period during which shares cannot be transferred and share options cannot be exercised at variable share-based remunerations and policy information on the retention of a certain number of shares until the end of the BD members' term of office**

Regular Annual General Meeting of Shareholders of Sirma Group Holding AD, held on 03.06.2025, with a decision under item 12 of the agenda, approved a Scheme for the provision of long-term variable remuneration for 2024 in the form of shares, as follows:

a) This scheme determines the terms and conditions for the provision of remuneration based on shares of "Sirma Group Holding" AD (the "Company") to the members of the Board of Directors (the "Scheme") for 2024. This Scheme has been prepared in accordance with the Remuneration Policy and is subject to a vote by the General Meeting of Shareholders. When preparing the Scheme, the rules and basic principles of the Remuneration Policy, as well as the long-term business development plans of the Group of "Sirma Group Holding" AD, have been fully taken into account. This Remuneration Scheme establishes the criteria for assessing the performance of the members of the Board of Directors on an annual basis for the calendar year 2024, on the basis of which the provision and amount of remuneration in shares has been determined. Wherever in this Scheme, where remuneration in shares / provision of

shares is indicated, it should be understood as transfer of ownership rights according to the specific method of their provision - transfer of the Company's own shares or purchase of shares (including buy-back).

b) Maximum number of shares subject to remuneration The maximum number of shares of the Company's capital to be provided as remuneration to the members of the Board of Directors is 496,982 shares in total, which as of the date of approval of this Scheme do not exceed the maximum permissible amount of 1% of the registered capital of the Company. The shares are provided depending on the fulfilment of the criteria for the achieved results in subparagraph d).

c) Procedure for the provision of remuneration in shares The remuneration in shares is provided by a Decision of the General Meeting of Shareholders upon a proposal of the Board of Directors within the maximum amount. The shares subject to the remuneration will be provided to the members of the Board of Directors of the Company, namely:

- Tsvetan Borisov Aleksiev – Executive Director
- Georgi Parvanov Marinov – Chairman
- Chavdar Velizarov Dimitrov – member of the Board of Directors;
- Atanas Kostadinov Kiryakov – member of the Board of Directors;
- Martin Veselinov Paev – member of the Board of Directors;
- Veselin Anchev Kirov – member of the Board of Directors;
- Peyo Vassilev Popov – member of the Board of Directors
- Yavor Lyudmilov Dzhonev – member of the Board of Directors

The specific number of shares granted depends on the degree of realization of the set financial and non-financial criteria.

d) Conditions for granting remuneration in shares.

For granting remuneration in shares for 2024, the following criteria for achieved results, set out in the Remuneration Policy for the members of the Board of Directors, have been met:

Financial criteria –

- Achieving growth compared to the previous year in the company's market capitalization, calculated on the basis of the average market price per share for a reference period of two months, including the last month of the relevant financial year and the first month of the following, compared to the average market price per share, calculated for a reference period of two months, including the last month of the previous financial year and the first month of the current one;
- Achieving growth in consolidated revenues greater than the target growth of 10% (ten percent) compared to the previous financial year.;

Non-financial criteria include

- Implementation of technological innovation and product development;
- Imposing high standards of corporate governance;
- Integration of corporate social responsibility into the daily management practice of the company;
- Stable and sustainable development of the company in economic, social and environmental aspects;
- Drafting and disclosure of the consolidated non-financial declaration for 2024;
- Adequacy of the administrative, organizational and reporting structures of the company and ensuring maximum efficiency of the company's activities;

The conditions for the implementation of the Scheme are determined in view of the Group's development strategy and are different for the members of the Board of Directors, taking into account their functions, their interrelationship and the overall result achieved on their basis for the Company and the companies of its Group;

The fulfillment of the conditions for the provision of remuneration in shares is reported by the Board of Directors and approved by the General Meeting of Shareholders.

e) Provision of remuneration in shares. The transfer of shares to the ownership of the members of the Board of Directors shall be carried out not earlier than three years after the date of the decision of the General Meeting of Shareholders to provide them. In fact, the shares shall be provided to the members of the Board of Directors by transfer of ownership depending on the method of their provision approved

by the General Meeting of Shareholders - transfer of the Company's own shares or purchase of shares (including buyback) issuance of new shares through a capital increase.

f) Conditions for retaining the shares after their acquisition No conditions for retaining the shares after their acquisition are set and applied.

g) Term for granting the remuneration based on shares. After considering the achieved results, the General Meeting of Shareholders shall approve the fulfillment of the criteria under this Scheme for 2024 and make a decision on the provision of the specific remuneration in shares within the framework of the annual General Meeting of Shareholders. The actual delivery of the shares takes place within the legally established deadlines.

## 2.8. Information on the BD members contracts

On 27.06.2024, the General Meeting of Shareholders (GM) of "Sirma Group Holding" AD decided to extend the mandate of the members of the Board of Directors, and the decision was entered in the Commercial Register on 05.07.2024.

The Board of Directors members are:

- Georgi Parvanov Marinov (throughout the Reporting Period)
- Tsvetan Borisov Alexiev; (throughout the Reporting Period)
- Chavdar Velizarov Dimitrov; (throughout the Reporting Period)
- Atanas Kostadinov Kiriakov (throughout the Reporting Period)
- Yordan Stoyanov Nedev (throughout the Reporting Period)
- Veselin Anchev Kirov (throughout the Reporting Period)
- Martin Veselinov Paev (throughout the Reporting Period)
- Peyo Vasilev Popov (throughout the Reporting Period)
- Yavor Ludmilov Djonev (throughout the Reporting Period)

The term of the BD members' contracts during the Reporting Period and the notice period for the early termination of these contracts by the Company are as follows:

The term of the contract	The term of notice for early termination by the Company
until the expiration of the 2-year term mandate (i.e. 05.07.2026)	none

Pursuant to Article 16 of the Policy, in the event of early termination of a Management Agreement with the Executive Director, the total amount of benefits due to the person in respect of the early termination and the payments related to the notice period may not exceed the sum of the annual paid permanent salary for two years. Benefits are not due if the termination of the contract is due to unsatisfactory results and/or guilty behaviour of the Executive Director. In case of early termination of a Management Agreement with the Executive Director, due to a breach of the clause prohibiting the conduct of competitive activity, the person owes damages to the company in an amount not higher than the paid annual fixed remuneration of the person for two years.

Information on the remuneration of any person who has been a member of the Board of Directors of the Company for a certain period of the respective financial year.

### 2.8.1 Remuneration by the Company

The full amount of the basic remuneration accrued and/or paid under management contracts by the Company for the Reporting Period of the persons who were members of the Board of Directors is indicated in paragraph 4.2 of the Report for the activity of the Company for 2025.

### *2.8.2 Other payments by the Company for services rendered by members of the Board of Directors outside their normal roles*

For the reporting period, the Company has charged and paid to members of the Board of Directors for services beyond the usual roles of these members as follows:

- Yordan Stoyanov Nedev as Financial Director - BGN 210 296,97 (two hundred and ten thousand two hundred and ninety-six leva and 97 st.);
- Chavdar Velizarov Dimitrov as Director, Workers and Employees Organization - BGN 193 432,69 (one hundred and ninety-three thousand four hundred and thirty-two leva and 69 st.);
- Tsvetan Borisov Alexiev as President business verticals - BGN 88 356,43 (eighty-eight thousand three hundred fifty-six leva and 43 st.).

For each charging or payment of remuneration to the members of the Board of Directors, the Company has withheld and contributed to the relevant budgets within the statutory period any and all public liabilities (including but not limited to: tax, state social security contributions, supplementary compulsory insurance and health insurance ) in the way these obligations are established by law.

### *2.8.3 Remuneration and other payments to members of the Board of Directors from other persons belonging to the Group of the Company*

For the Reporting Period of the members of the Board of Directors, the remuneration of other persons belonging to the Company's Group is charged and paid as follows:

#### **• Georgi Parvanov Marinov as:**

- Executive Director of "Engview Systems Sofia" JSC BGN - 133 200 (one hundred and thirty three thousand and two hundred leva);
- Member of the Board of Directors of "Saifort" EAD BGN - 1 200 (one thousand and two hundred leva);

#### **• Yordan Stoyanov Nedev as:**

- Member of the Board of Directors of "Saifort" EAD - BGN 1 200 (one thousand and two hundred leva);

#### **• Chavdar Velizarov Dimitrov as:**

- Member of Board of Directors of "Sirma Medical Systems" JSC- BGN 1 200 (one thousand and two hundred leva);

#### **• Tsvetan Borisov Alexiev as:**

- Member of the Board of Directors of "EngView Systems Sofia" JSC - BGN 600 (six hundred leva);
- Member of the Board of Directors of Sirma Group Inc. - BGN 9 981 (nine thousand nine thousand eighty-one leva);

#### **• Atanas Kostadin Kiriakov as:**

- Member of the Board of Directors of "EngView Systems Sofia" JSC - BGN 600 (six hundred leva);

#### **• Veselin Anchev Kirov as:**

- Project Manager under labor contract with "EngView Systems Sofia" JSC - BGN 132 284,36 (one hundred thirty-two thousand two hundred eighty-four leva and 36 st.);

With each accrual or payment of the relevant remuneration, the companies have deducted and contributed to the relevant budgets any and all public liabilities (including, but not limited to: tax, state social security contributions, supplementary compulsory insurance and health insurance) these obligations are established by law.

#### 2.8.4 Paid and/or accrued indemnities in case of termination of BD member's duties

For the Reporting Period, none of the members of the BD has been charged or compensated for the termination of his functions as such.

#### 2.8.5 Overall assessment of all non-cash benefits equated to remuneration granted to members of the Board of Directors

For the Reporting Period, no member of the Board of Directors has been charged, paid or provided in any form whatsoever any non-monetary benefit equated to remuneration.

#### 2.8.6 Information on all loans, payments of social and household expenses and guarantees from the Company or its subsidiaries or other companies that are subject to consolidation in its annual financial statements, including data on the remaining outstanding amount and interests

For the Reporting Period, there are no payments for principal and interest on a loan granted by the Company or another company that is subject to consolidation in the annual financial statement of the Company.

Payments for social and household expenses of the members of the Board of Directors of the Company for the reporting period do not differ from social and household expenses to which all employees of the Company or another company that is subject to consolidation in the annual financial statement of the Company are entitled.

#### 2.8.7 Shares and / or share options and / or other incentive schemes for members of the BD based on shares

For the reporting period, the General Meeting of Shareholders, based on the current Remuneration Policy of the Board of Directors of Sirma Group Holding AD, in its part regarding the provision of remuneration in the form of shares, and after an assessment of the fulfillment of the criteria set forth therein, as well as on the basis of Art. 13d, para. 3 of the Policy, approved the amount of additional long-term remuneration in shares for each member of the Board of Directors for the reporting period 2024, as follows:

<b>Position on the Board of Directors</b>	<b>Name</b>	<b>Number of shares</b>
Chairman of the BD	Georgi Parvanov Marinov	42 661
Executive Director	Tsvetan Borisov Alexiev	118 017
Member of the BD	Veselin Anchev Kirov	28 441
Member of the BD	Peio Vasilev Popov	28 441
Member of the BD	Atanas Kostadinov Kiryakov	28 441
Member of the BD	Yavor Ludmilov Djonev	28 441
Member of the BD	Chavdar Velizarov Dimitrov	28 441
Member of the BD	Martin Veselinov Paev	28 441
Member of the BD	Yordan Stoyanov Nedev	28 441
<b>Total:</b>		<b>359 762</b>

The relevant shares will be transferred within the period provided for in the Policy and the decision of the General Meeting.

#### 2.8.8 Determining short-term variable remuneration of the members of the Board of Directors

The amount of the short-term variable remuneration is up to 1% (one per cent) of the consolidated income.

The criteria for payment of the short-term variable remuneration are:

Specific financial criteria applicable as alternative conditions (implementation of one or several of them):

- Achieving growth of the consolidated revenue and consolidated profit of the group compared to the previous financial year.;
- Decision of the general meeting of shareholders to distribute a dividend;

- Achieved a positive net consolidated financial result.
- Implementation of technological innovation and product development;
- Profit and development of the company;
- Imposing high standards of corporate governance;
- Integration of corporate social responsibility in the daily management practice of the company;
- Stable and sustainable development of the company in economic, social and environmental aspects;
- Adequacy of the administrative, organizational and reporting structures of the company and ensuring the maximum efficiency of the company's activities;
- Compliance with applicable rules and procedures;
- Encouraging cooperation with stakeholders;
- Compliance with obligations - work in the interest of the company and loyalty;
- Observing the due care of a good trader.

#### *2.8.9 Information on exercising the possibility to demand a refund of variable remuneration*

Paid variable remuneration shall be subject to return if it is established that the following circumstances are present:

1. the achieved results do not contribute to the achievement of the business goals of the company and
2. the achieved results do not contribute to the achievement of the long-term interest of the Company and
3. the achieved results are not sustainable and do not contribute to the sustainable development of the public company.

#### **2.9. Information on all deviations from the procedure for the implementation of the remuneration policy in connection with extraordinary circumstances under Art. 11, para. 13, including an explanation of the nature of the exceptional circumstances and an indication of the specific components not implemented**

For the Reporting Period in the Company there are no deviations from the procedure for the implementation of the remuneration policy in connection with extraordinary circumstances.

#### **2.10. Information on the annual change in the remuneration, the results of the company and the average amount of remuneration based on full-time employees of the company who are not directors, during the previous five financial years**

	2020	2021	2022	2023	2024	2025
Average gross monthly remuneration of the employees of "Sirma Group Holding" AD, BGN	3 818	4 433	5 100	5 311	6 003	6 396
Annual change in remuneration,%	6,82%	16,11%	15.05%	4.14%	13.03%	6.55%
Net individual profit of "Sirma Group Holding" AD, in thousands BGN	995	1 034	2 131	1 509	3 257	4 663

## DECLARATION

under Art. 100o, para 4, item 3 of POSA

### The undersigned:

1. **Tsvetan Borisov Alexiev** in his capacity as CEO of “Sirma Group Holding” JSC, UIC 200101236
2. **Diana Ivanova Petkova** in her capacity as Chief Accountant of “Sirma Group Holding” JSC, UIC 200101236

### WE DECLARE that to the best of our knowledge:

- a) The annual separate financial statements as at 31.12.2025 are prepared in accordance with the applicable accounting standards and reflect honestly and fairly the information about the assets and liabilities, the financial position and the profit / loss of “Sirma Group Holding” JSC.
- b) The annual separate management report of “Sirma Group Holding” JSC as at 31.12.2025 contains a reliable overview of the development and results of the company's operations.

Date: 27.03.2026

Declarers:

**Tsvetan  
Borisov  
Alexiev** Digitally signed  
by Tsvetan  
Borisov Alexiev  
Date: 2026.03.27  
19:09:28 +02'00'  
CEO

**Diana  
Ivanova  
Petkova** Digitally signed by  
Diana Ivanova  
Petkova  
Date: 2026.03.27  
18:53:42 +02'00'  
Chief Accountant

**Grant Thornton OOD**

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## INDEPENDENT AUDITOR'S REPORT

To the shareholders of  
**Sirma Group Holding JSC**  
 135 Tsarigradsko shosse blvd., Sofia

### Report on the Audit of the Separate Financial Statements

#### Opinion

We have audited the financial statements of Sirma Group Holding JSC (the Company), which comprise the separate statement of financial position as at 31 December 2025 and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards, as adopted by the EU and Bulgarian legislation.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Bulgaria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of investments in subsidiaries	
Key audit matter	How this matter was addressed during the audit
<p>As of 31 December 2025, the investments in subsidiaries of Sirma Group Holding AD amount to BGN 32 872 thousand and represent 29% of the Company's assets. Investments in subsidiaries are measured at cost and are subject to regular annual impairment testing.</p> <p>The management conducts detailed analyses of the results of the activities of its subsidiaries and their financial condition to determine whether there are indications of impairment of the value of investments.</p> <p>The management is required to apply a significant level of judgment when forming accounting estimates and assumptions regarding the forecasting of expected future cash flows and applicable discount factors, and in calculating the recoverable amount of units generating</p>	<p>During our audit, our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>✓ gaining an understanding of the process applied by the Company's management with respect to annual impairment test of the investments in subsidiaries as well as the necessity to recognize any impairment losses;</li> <li>✓ review and analysis of the financial statements, other available, relevant financial information, including budgets, business plans and estimates of subsidiaries;</li> <li>✓ assessment and analysis of the estimates and assumptions used by the management in terms of their relevance and adequacy;</li> </ul>

<b>Impairment testing of investments in subsidiaries</b>	
<b>Key audit matter</b>	<b>How this matter was addressed during the audit</b>
<p>cash flows for the purposes of the annual impairment testing of investments in subsidiaries.</p> <p>These circumstances lead to significant complications in forecasting plans, execution of activities, achievement of expected indicators and parameters used in determining the recoverable amount of investments, including investments in companies that have plans to provide services related to cyber security in the area in the Middle East.</p> <p>Due to the importance of investments in subsidiaries, as well as the fact that management's judgment is based on significant assumptions and future events, we have identified this issue as a key audit issue for the audit.</p> <p>Notes 4.25.2 Impairment of nonfinancial assets and 9 Investments in subsidiaries to the separate financial statements present the disclosures regarding the judgments and assumptions of the Company's management regarding investments in subsidiaries as of 31 December 2025.</p>	<ul style="list-style-type: none"> <li>✓ review of the professional competence and qualification of the external appraisers;</li> <li>✓ assessment and analysis of the independence of external experts, including through a declaration of independence;</li> <li>✓ analysis and evaluation of the applied valuation methods, including assumptions and other key indicators and their comparison with our available information on the real estate market and other external information;</li> <li>✓ enquiries made to the Company's experts regarding valuation processes, including the extent to which the negative impact on a number of sectors of the economy from the military conflicts in the Middle East and Ukraine as well as observable external data used by the Company has made it difficult for management to make judgements;</li> <li>✓ assessment of the completeness and adequacy of the disclosures in the separate financial statements, including disclosures of key assumptions and judgements about investments in subsidiaries.</li> </ul>

<b>Impairment testing of goodwill</b>	
<b>Key audit matter</b>	<b>How this matter was addressed during the audit</b>
<p>As of 31 December 2025, goodwill, as a result of business combination of merger of subsidiaries in 2024 amounts to BGN 24 608 thousand and represent 22% of the Company's assets.</p> <p>The management conducts detailed analyses of the results of the activities of units, generating cash inflows to determine whether there are indications of impairment of the value of goodwill.</p> <p>The management is required to apply a significant level of judgment when forming accounting estimates and assumptions regarding the forecasting of expected future cash flows and applicable discount factors, and in calculating the recoverable amount of units generating cash flows for the purposes of the annual impairment testing of goodwill.</p> <p>Due to the importance of goodwill, as well as the fact that management's judgment is based on significant assumptions and future events, we have identified this issue as a key audit issue for the audit.</p> <p>Notes 4.25.2 Impairment of non-financial assets and 6 Goodwill to the separate financial statements present the disclosures regarding the judgments and assumptions of the Company's management regarding goodwill as of 31 December 2025.</p>	<p>During our audit, our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>✓ gaining an understanding of the process applied by the Company's management with respect to identifying impairment indicators related to goodwill as well as the necessity to recognize any impairment losses;</li> <li>✓ review of the applied accounting policy and the methodology used for performing impairment tests;</li> <li>✓ assessment of the appropriateness of the key assumptions used, including discount factors, expected growth, and other key indicators in the conducted tests, involving our internal experts by comparing with average market indicators of companies with similar activities and with the Company's current financial indicators;</li> <li>✓ assessment of the adequacy of the disclosures in the standalone financial statement, including disclosures of the key assumptions and judgements regarding the recognized goodwill.</li> </ul>

### **Information Other than the Separate Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the annual management report, including the corporate governance statement and the report on compliance with the remuneration policy, prepared in accordance with Bulgarian Accountancy Act and other applicable legislation requirements, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or whether our knowledge obtained in the audit may indicate that there is a material

misstatement or otherwise the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements**

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Separate financial statements**

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and Bulgarian Independent Financial Audit Act will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In addition to our responsibilities for reporting under ISAs, described above in section “Information Other than the Separate financial statements and Auditor’s Report Thereon”, regarding annual management report, including the corporate governance statement, we have performed the additional procedures contained in the Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). The procedures on the existence, form and contents of the other information have been carried out in order to state whether the other information includes the elements and disclosures in accordance with Chapter Seven of Bulgarian Accountancy Act, Article 100n, paragraph (10) in relation to Article 100n, paragraph (8), subparagraphs (3) and (4) of Bulgarian Public Offering of Securities Act, as well as Article 100n, paragraph 14 in relation to Article 116c, paragraph (1) of Bulgarian Public Offering of Securities Act.

### **Statement Pursuant to Article 37, Paragraph (6) of Bulgarian Accountancy Act**

Based on the procedures performed, we describe the outcome of our work:

- (a) the information in the separate management report is consistent with the separate financial statements for the same reporting period;
- (b) the separate management report is prepared in accordance with the applicable legal requirements;
- (c) as a result of the acquired knowledge and understanding of the activities of the Company and the environment in which it operates, we have found no cases of material misrepresentation in the separate management report;
- (d) the separate corporate governance statement for the financial year contains the required information in accordance with the applicable legal requirements, including Article 100n, paragraph (8) of Bulgarian Public Offering of Securities Act;
- (a) the report on compliance with the remuneration policy has been prepared in accordance with the requirements of the ordinance pursuant to Article 116c, paragraph 1 of Bulgarian Public Offering of Securities Act and the information in it is consistent with the separate financial statements for the same reporting period.

### **Statement Pursuant to Article 100n, Paragraph (10) of Bulgarian Public Offering of Securities Act**

Based on the procedures performed and our knowledge of the Company and the environment in which it operates, in our opinion, there is no material misstatement in the description of the main characteristics of the internal control system and of the risk management system of the Company in connection with the financial reporting process and also in the information pursuant to Article 10, paragraph 1, items “c”, “d”, “f”, “h” and “i” of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, which are included in the corporate governance statement, being a component of the annual separate management report.

### **Additional reporting concerning the audit of separate financial statements in connection with Article 100n, paragraph (4), subparagraph (3) of Bulgarian Public Offering of Securities Act**

- *Statement on Article 100n, paragraph 4, subparagraph (3), item “b” of Public Offering of Securities Act*

Related party transactions are disclosed in note 32 to the separate financial statements. Based on the performed audit procedures on related party transactions as part of our audit of separate financial statements as a whole, no facts, circumstances or other information have come to our attention that caused us to conclude that the related party transactions are not disclosed in the accompanying separate financial statements for the year ended on 31 December 2025, in all material respects, in accordance with the requirements of IAS 24 „Related Party Disclosures“. The results of our audit procedures on related party transactions were taken into consideration for the purposes of issuing an auditor’s opinion on the separate financial statements as a whole, not for issuing a separate opinion only on related party transactions.

- *Statement on Article 100n, paragraph (4), subparagraph 3, item “c” of Public Offering of Securities Act*

Our responsibilities for audit of the separate financial statements as a whole, described in our report in section „Responsibilities of the Auditor for the Audit of Separate financial statements“, include assessment whether the separate financial statements present fairly the significant transactions and events. Based on the performed audit procedures on the significant transactions, which are fundamental to the separate financial statements for the year ended on 31 December 2025, no facts, circumstances or other information have come to our attention that caused us to conclude that there are instances of unfair presentation and disclosure in accordance with the requirements of IFRS, as adopted by the European Union. The results of our audit procedures on the significant transactions and events of the Company, which are material to the separate financial statements, were taken into consideration for the purposes of issuing an auditor’s opinion on the separate financial statements as a whole, not for issuing a separate opinion only on the significant transactions.

**Reporting on compliance with the electronic format of the separate financial statements included in the annual separate financial statements for the activity under Art. 100n, paragraph 4 of POSA with the requirements of the EEEF Regulation**

In addition to our responsibilities and reporting under ISA, described above in the section " Auditor's Responsibilities for the Audit of the Separate financial statements", we have followed the procedures in accordance with the Guidelines on the Audit Opinion in Implementing the Single European Electronic Format ( EEEF) on the financial statements of companies whose securities are admitted to trading on a regulated market in the European Union (EU) of the Institute of Certified Public Accountants (ICPA) in Bulgaria". These procedures concern verification of the form and part of this electronic format corresponds to the audited separate financial statements and an opinion on the compliance of the electronic format of the separate financial statements of Sirma Group Holding AD for the year ending 31 December 2025, attached to the electronic file "8945007AD80FTJTEGH37-20251231-EN-SEP.xhtml".', with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109 / EC of the European Parliament and of the Council through regulatory technical standards to define the uniform electronic format for reporting ("EEEF Regulation"). Based on these requirements, the electronic format of the separate financial report included in the annual separate report on the activities under Art. 100n, paragraph 4 of POSA, must be submitted in XHTML format.

The management of the Company is responsible for the application of the requirements of the EEEF Regulation when preparing the electronic format of the separate financial statements in XHTML.

Our opinion is only regarding the electronic format of the separate financial statements attached to the electronic file "8945007AD80FTJTEGH37-20251231-EN-SEP.xhtml" and does not cover other information included in the annual separate financial statements for the activities of Art. 100n, paragraph 4 of the POSA.

Based on the performed procedures, our opinion is that the electronic format of the separate financial statement of the Company for the year ending 31 December 2025, contained in the attached electronic file "8945007AD80FTJTEGH37-20251231-EN-SEP.xhtml" has been prepared in all essential respects in accordance with the requirements of the EEEF Regulation.

**Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014**

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Grant Thornton OOD was appointed as statutory auditor of the separate financial statements of Sirma Group Holding JSC for the year ended on 31 December 2025 by the general meeting of shareholders, held on 3 June 2025, for a period of one year.
- The audit of the separate financial statements of the Company for the year ended on 31 December 2025 has been made for the seventh year.
- In support of our audit opinion, we have provided a description of the most significant assessed risks of material misstatement, a summary of the auditor's response and where relevant, key observations arising with respect to those risks in the section „Key audit matters“ of this report.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Company in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Company and its controlled undertakings in addition to the statutory audit

**Grant Thornton Ltd.**  
**Audit firm № 032**

**Mariy Apostolov**  
**Managing partner**

MARIY  
GEORGIEV  
APOSTOLOV  
Date: 2026.03.27  
20:34:01 +02'00'

EMILIYA GEORGIEVA Date: 2026.03.27  
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**Emilia Marinova**  
**Registered auditor, responsible for the audit**

27 March 2026  
Bulgaria, Sofia, 26, Cherni Vrah Blvd.