

Annual Separate Management Report

of "Sirma Group Holding" AD
for 2025



Content

1/ STATEMENT BY THE BOARD OF DIRECTORS OF "SIRMA GROUP HOLDING" AD	4
2/ ORGANIZATION AND WAY OF PRESENTATION	5
CAPITAL	7
3/ PORTFOLIO OF "SIRMA GROUP HOLDING" AD	9
4/ STRUCTURE OF SHAREHOLDERS CAPITAL AND MANAGEMENT AUTHORITIES	9
4.1. Distribution of share capital	9
4.2. Management authorities	10
5/ "SIRMA GROUP HOLDING" AD IN 2025	16
6/ RESULTS BY SEGMENTS	31
7/ INDIVIDUAL FINANCIAL RESULTS	40
7.1. Revenues	40
7.1.1. Recurring revenue	40
7.2. Expenses	41
7.3. Financial income and costs	41
7.4. Assets	42
7.5. Equity	42
7.6. Liabilities	43
7.7. Cash flow	46
7.8. Indicators and coefficients	46
7.9 Related party transactions	48
8/ PERSONNEL AND ECOLOGY	49
8.1 Ecology	49
8.2 Personnel	49
9/ RISK FACTORS	50
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	57
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.	57
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.....	58

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.....	58
14/ INFORMATION ABOUT OCCURRING CHANGES IN THE REPORTING PERIOD IN THE MAIN PRINCIPLES FOR THE MANAGEMENT OF THE COMPANY AND ITS ECONOMIC GROUP.....	58
15/ INFORMATION ABOUT THE MAIN CHARACTERISTICS OF THE FINANCIAL REPORTING PROCESSING INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM IN THE COMPANY.....	59
16/ INFORMATION ON CHANGES IN MANAGEMENT AND SUPERVISORY AUTHORITIES DURING THE PERIOD.....	59
17/ INFORMATION ABOUT THE USE OF THE FUNDS FROM A NEW ISSUED SHARES AND SECURITIES IN THE REPORTING PERIOD.....	59
18/ DETAILS OF THE DIRECTOR FOR CONNECTIONS WITH THE INVESTOR, INCLUDING A TELEPHONE AND ADDRESS FOR CORRESPONDENCE.....	59
19/ CHANGES IN THE PRICE OF THE SHARES OF THE COMPANY	60
20/ EVENTS AFTER THE END OF THE REPORTING PERIOD.....	61

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.

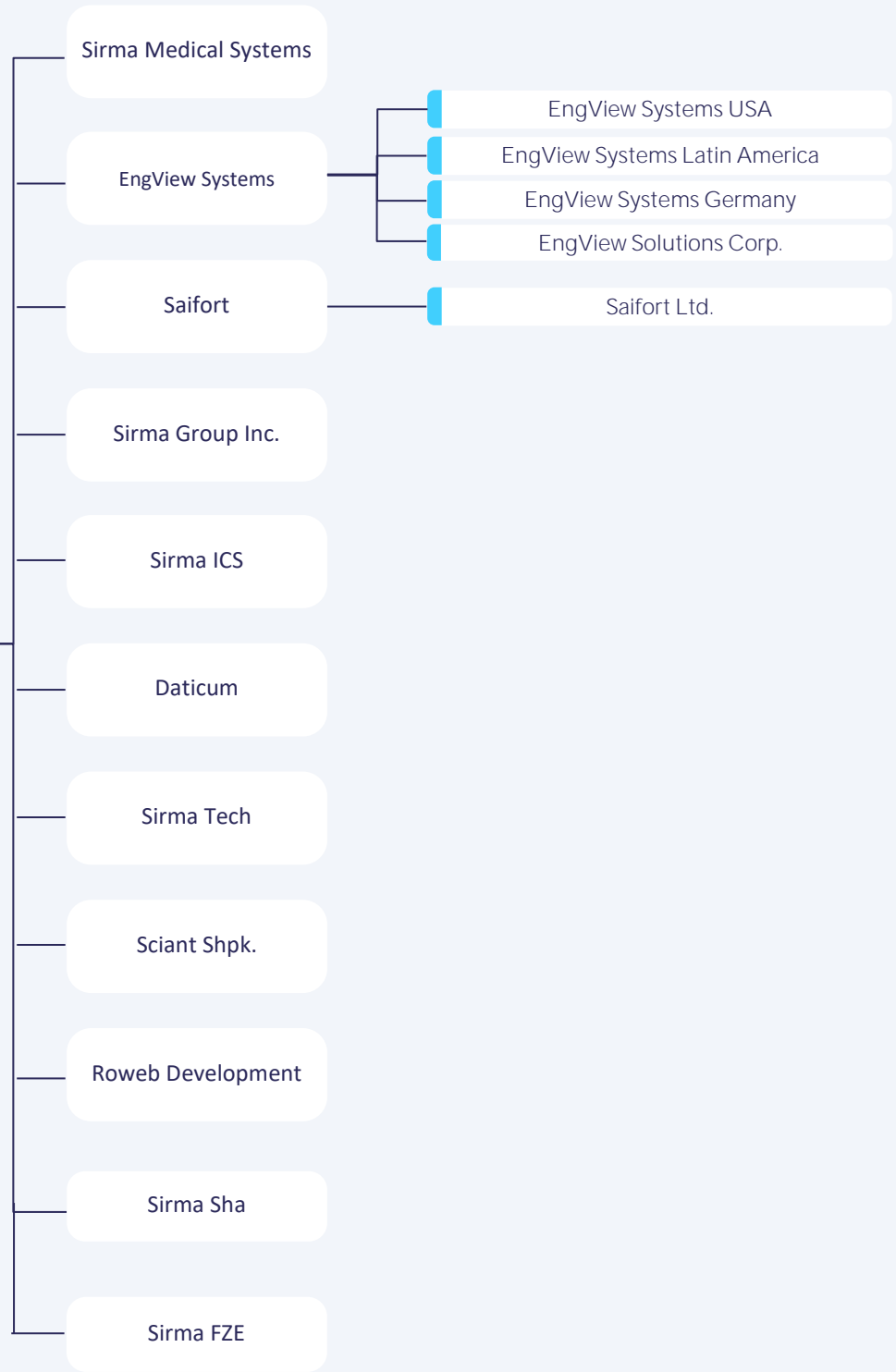
2/ ORGANIZATION AND WAY OF PRESENTATION

“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%
Total	59 360 518	59 360 518		59 360 518	100%	100%

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

As of 31.12.2025 „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:

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 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%
Total	22 823 609	22 825 609		22 823 609	38,45%	39,49%

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.

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)

	2025 Spending	2025 Growth (%)	2026 Spending	2026 Growth (%)
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
Overall IT	5,555,316	10.3	6,155,493	10.8

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 1 159 175.64

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:

31.12.2025	System Integration BGN'000	Hospitality BGN'000	Financial Industry BGN'000	IT Services BGN'000	Strategic development BGN'000	Total BGN'000
Segment revenues	50 585	10 597	14 525	13 117	14 931	103 755
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)
Segment operating profit/(loss)	3 506	149	924	958	(1 382)	4 155

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:

	<u>System Integration</u>
	2025
	BGN'000
Segment revenues	50 585
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)
Segment operating profit	<u>3 506</u>

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:

	Hospitality 2025 BGN'000
Segment revenues	10 597
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)
Segment operating profit	149

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:

	IT Services
	2025
	BGN'000
Segment revenues	13 117
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)
Segment operating profit	958

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:

	Financial Industry
	31.12.2025
	BGN'000
Segment revenues	14 525
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)
Segment operating profit	924

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:

	Strategic development
	2025
	BGN'000
Segment revenues	14 931
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)
Segment operating (loss)	(1 382)

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%
Total	103 755	33 110	70 645	213,36%

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%)
Total	102 264	30 812	71 452	231,90%

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%
Total Recurring Revenue	27 562	27%
Other Revenue	76 193	73%
Total Revenue	103 755	100%

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%
Total expenses	(99 600)	(29 566)	(70 034)
Change in %			236,87%

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%
Finance income / costs (net)	763	119	644	541,18%

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.

Non-current assets	31.12.2025 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change (%)
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%)
Total non-current assets	83 669	82 256	1 413	1,72%
Current assets	31.12.2025 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change (%)
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%)
Total current assets	29 996	25 894	4 102	15,84%

7.5. EQUITY

	31.12.2025 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change (%)
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%
Total equity	79 378	75 385	3 993	5,30%

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.

	31.12.2025 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change (%)
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%)
Total Non-current liabilities	12 276	10 850	1 426	13,14%

	31.12.2025 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change (%)
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%)
Total Current liabilities	22 011	21 915	96	0,44%

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
Loans for which the Issuer is a debtor									
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
Loans for which the Issuer is a guarantor									
EngView Systems JSC	Unicredit BulBank AD	Overdraft	BGN	1 000 000	-	15.12.2020	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	15.12.2026	Pledge of receivables

Other loans and deposits provided by “**Sirma Group Holding**” 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	(1160)	(1154)	(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)	н/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%)
Profitability ratios				
Operating profit margin	0,0400	0,1043	(0,0643)	(61,63%)
Net profit margin	0,0449	0,0987	(0,0537)	(54,45%)
Coefficients for assets and liquidity				
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%)
Odds per share				
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%
Development Ratios				
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%)
Leverage Ratios				
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

	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	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

	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	-

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
Salaries including bonuses	(547)	(376)
Share-based payment expenses	(550)	-
Social security costs	(7)	(6)
Total remunerations	<u>(1104)</u>	<u>(382)</u>

8/ PERSONNEL AND ECOLOGY

8.1 ECOLOGY

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

8.2 PERSONNEL

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

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

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

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

"Sirma Group Holding" AD	31.12.2025	31.12.2025
	Number of employees	Number of employees
Labour contract	439	432
Contract for management and control	9	9
Total	448	441

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.

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

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
Balance as of 1 January 2025	(573)	(936)	(1 509)
Loss recognized during the period	(111)	(506)	(617)
Amounts written off (uncollectible)	37	417	454
Reversal of impairment loss	19	892	911
Balance as of 31 December 2025	<u>(628)</u>	<u>(133)</u>	<u>(761)</u>

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.

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

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

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:

31 December 2025	Current		Non-current
	Within 6 months	6 to 12 months	1 to 5 years
	BGN'000	BGN'000	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
Total	11 551	1 049	11 568

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	6 to 12 months	1 to 5 years
	BGN'000	BGN'000	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
Total	14 098	286	10 236

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, i.e. 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.

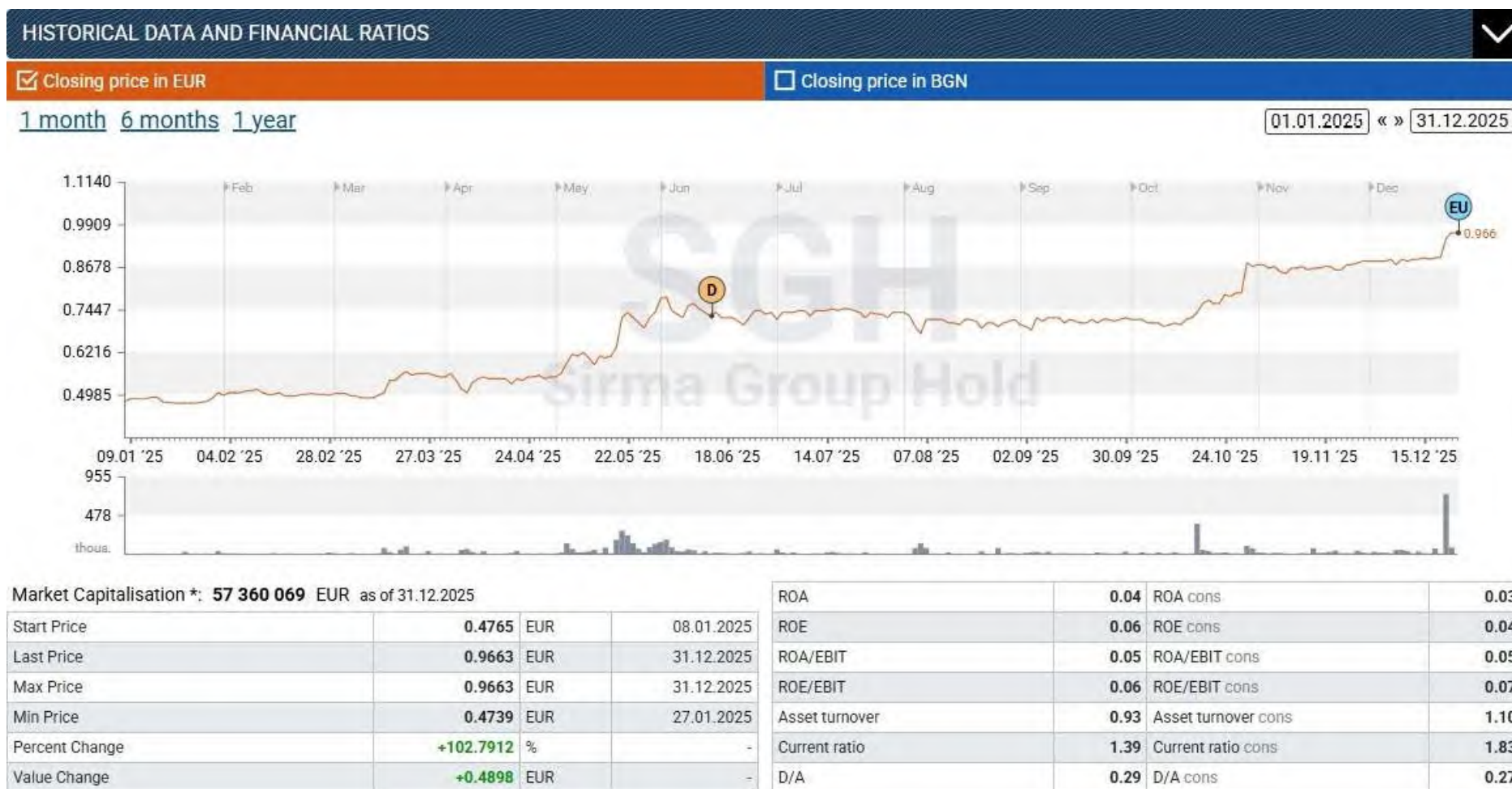
17/ INFORMATION ABOUT THE USE OF THE FUNDS FROM A NEW ISSUED SHARES AND SECURITIES IN THE REPORTING PERIOD.

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
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